Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

1. Corporate information

Bharti Airtel Limited ('the Company') is domiciled and incorporated in India as a limited liability company with its shares being listed on the National Stock Exchange and the Bombay Stock Exchange. The registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company is principally engaged in provision of telecommunication services in India. The details as to the services provided by the Company are further provided in Note 31. For details as to the group entities, refer Note 32.

2. Summary of significant accounting policies

2.1 Basis of preparation

These standalone financial statements ('financial statements') have been prepared to comply in all material respects with the Indian Accounting Standard ('Ind AS') notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs ('MCA').

The said financial statements for the year ended March 31, 2017 are the first Ind AS financial statements of the Company. The transition to Ind AS has been carried out from accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('IGAAP'), which is considered as the Previous GAAP, for purposes of Ind AS 101. For details, refer Note 2.3.

The financial statements are authorized for issue by the Company's Board of Directors on May 09, 2017.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Company, to all the periods presented in the said financial statements.

The preparation of the said financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Company's accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in Note 3.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013. Further, for the purpose of clarity, various items are aggregated in the statement of profit and loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the financial statements, where applicable or required.

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or '₹') and are rounded to the nearest million, except per share data and unless stated otherwise.

2.2 Basis of measurement

The financial statements have been prepared on the accrual and going concern basis, and the historical cost convention except where the Ind AS requires a different accounting treatment. The principal variations from the historical cost convention relate to financial instruments classified as fair value through profit or loss and liability for cash-settled awards (refer Note 2.16) - which are measured at fair value.

Fair value measurement

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants. The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The three levels of the fair-value-hierarchy are described below:

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets

Level 2: Significant inputs to the fair value measurement are directly or indirectly observable

Level 3: Significant inputs to the fair value measurement are unobservable.

2.3 Basis of transition to Ind AS

The adoption of Ind AS is carried out in accordance with Ind AS 101 on April 1, 2015 being the transition date. Ind AS 101 requires that all Ind AS standards that are issued and effective for the year ending March 31, 2017, be applied retrospectively and consistently for all the periods presented. However, in preparing these financial statements, the Company has availed of certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity at the transition date.

In these financial statements, the Company has presented three balance sheets - as of March 31, 2017, March 31, 2016 and April 1, 2015. The Company has also presented two statements of profit and loss, two statements of changes in equity and two statements of cash flows for the year ended March 31, 2017 and 2016 along with the necessary and related notes.

Ind AS 101 allows first-time adopters certain optional exemptions and mandatory exceptions from the retrospective application of certain requirements under Ind AS.

Exemptions / exceptions from full retrospective application

(i) The Company has elected to apply the following optional exemption from full retrospective application of Ind AS:

The Company has elected the option of fair valuing the investments in certain subsidiaries to derive the carrying value of these investments ('deemed cost').

(ii) The following mandatory exceptions from retrospective application of Ind AS have applied by the Company :

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

a) **Estimates exception -** On an assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS (except for adjustments to reflect any difference in accounting policies), as there is no objective evidence that those estimates were in error. However, estimates that were required under Ind AS but not required under Previous GAAP, are made by the Company for the relevant reporting dates, reflecting conditions existing as at that date without using any hindsight.

b) **De-recognition of financial assets and liabilities exception -** Financial assets and liabilities de-recognised before transition date are not re-recognised under Ind AS.

Reconciliations and explanations of the significant effect of the transition from Previous GAAP to Ind AS on the Company's equity, statement of profit and loss and statement of cash flows are provided in Note 38.

2.4 Foreign currency transactions

The financial statements are presented in Indian Rupees which is the functional and presentation currency of the Company.

Transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in the statement of profit and loss within finance costs / finance income. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – the resulting foreign exchange difference, on subsequent re-statement / settlement, recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.

The equity items denominated in foreign currencies are translated at historical cost.

2.5 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

Deferred tax assets and liabilities, and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Separated embedded derivatives are classified basis the host contract.

2.6 Property, plant and equipment ('PPE')

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use. In case of multiple element contracts whereby the vendor supplies PPE as well as other components, PPE is recorded on the basis of relative fair values.

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of property, plant and equipment are required to be replaced in regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. Further, in case the replaced part was not being depreciated separately, the cost of the replacement is used as an indication to determine the cost of the replaced part at the time it was acquired.

The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straight-line method over the estimated useful lives. Freehold land is not depreciated as it has an unlimited useful life. The Company has established the estimated range of useful lives of different categories of PPE as follows:

Particulars	Years
Leasehold Land	Period of lease
Building	20
Building on Leased Land	20
Leasehold Improvements	Period of lease or 10 years, whichever is less
Plant & Equipment	3 – 20
Computer	3
Office Equipment	2 - 5
Furniture and Fixtures	5
Vehicles	5

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately,

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

at-least as at each reporting date so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted prospectively, and accordingly the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed off are de-recognised from the balance sheet and the resulting gains / (losses) are included in the statement of profit and loss within other expenses / other income.

The management basis its past experience and technical assessment has estimated the useful life, which is at variance with the life prescribed in Part C of Schedule II of the Companies Act, 2013 and has accordingly, depreciated the assets over such useful life.

The cost of capital work-in-progress is presented separately in the balance sheet.

2.7 Intangible assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be measured reliably.

The intangible assets are initially recognised at cost. These assets having finite useful life are carried at cost less accumulated amortisation and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life of intangible assets.

The Company has established the estimated useful lives of different categories of intangible assets as follows:

a. Softwares

Softwares are amortised over the period of license, generally not exceeding three years.

b. Bandwidth

Bandwidth is amortised on straight-line basis over the period of the agreement.

c. Licenses (including spectrum)

Acquired licenses and spectrum are amortised commencing from the date when the related network is available for intended use in the relevant jurisdiction. The useful lives range from two to twenty years.

The revenue-share based fee on licenses / spectrum is charged to the statement of profit and loss in the period such cost is incurred.

d. Other acquired intangible assets

Other acquired intangible assets include the following:

Rights acquired for unlimited license access: Over the period of the agreement which ranges upto five years.

Customer base: Over the estimated life of such relationships.

Non-compete fee: Over the period of the agreement which ranges upto five years.

The useful lives and amortisation method are reviewed, and adjusted appropriately, at least at each financial year end so as to ensure that the method and period of amortisation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives and / or amortisation method is accounted prospectively, and accordingly the amortisation is calculated over the remaining revised useful life.

Further, the cost of Intangible Assets under Development ('IUD') includes the amount of spectrum allotted to the Company and related costs (including borrowing costs that are directly attributable to the acquisition or construction of qualifying assets (refer note 7)), if any, for which services are yet to be roll out and are presented separately in the balance sheet.

2.8 Impairment of non-financial assets

Property, plant and equipment and Intangible assets

PPE and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the cash-generating-unit ('CGU') level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro rata basis.

Impairment losses, if any, are recognised in statement of profit and loss.

Reversal of impairment losses

Impairment losses are reversed and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset in previous years.

2.9 Financial instruments

a. Recognition, classification and presentation

The financial instruments are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the financial instrument.

The Company determines the classification of its financial instruments at initial recognition.

The Company recognises its investment in subsidiaries, joint ventures and associates at cost less any impairment losses (basis the recoverable amount being higher of the fair value less costs to sell and the value-in-use). The Company classifies its financial assets in the following categories: a) those to be measured subsequently at fair value through profit or loss, and b) those to be measured

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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company has classified all the non-derivative financial liabilities measured at amortised cost.

The entire hybrid contract, financial assets with embedded derivatives, are considered in their entirety for determining the contractual terms of the cash flow and accordingly the embedded derivatives are not separated. However, derivatives embedded in non-financial instrument / other financial liabilities host contracts are classified as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts.

Financial assets and liabilities arising from different transactions are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, the Company currently has a legally enforceable right to set-off the related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

b. Measurement – Non-derivative financial instruments

I. Initial measurement

At initial recognition, the Company measures the non-derivative financial instruments (except financial guarantee) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Otherwise transaction costs are expensed in the statement of profit and loss. Financial guarantees, issued in relation to obligations of subsidiaries, are initially recognized at fair value (as part of the cost of the investment in the subsidiary).

II. Subsequent measurement - financial assets

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

i. Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective-interest rate ('EIR') method (if the impact of discounting / any transaction costs is significant). Interest income from these financial assets is included in finance income.

ii. Financial assets at fair value through profit or loss ('FVTPL')

All financial assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. Interest (basis EIR method) income from financial assets at fair value through profit or loss is recognised in the statement of profit and loss within finance income/ finance costs separately from the other gains/ losses arising from changes in the fair value.

Impairment

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss, otherwise lifetime ECL is used.

However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iii. Subsequent measurement - financial liabilities

The financial guarantees are amortised over the life of the guarantee and are measured at each reporting date at the higher of (i) the remaining unamortised balance of the amount at initial recognition and (ii) the best estimate of expenditure required to settle the obligation at the end of the reporting period. Other financial liabilities are subsequently measured at amortised cost using the EIR method (if the impact of discounting / any transaction costs is significant).

c. Measurement – derivative financial instruments

Derivative financial instruments, including separated embedded derivatives are classified as financial instruments at fair value through profit or loss - Held for trading. Such derivative financial instruments are initially recognised at fair value. They are subsequently re-measured at their fair value, with changes in fair value being recognised in the statement of profit and loss within finance income / finance costs.

d. Derecognition

The financial liabilities are de-recognised from the balance sheet when the under-lying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The financial assets are de-recognised from the balance sheet when the rights to receive cash flows from the financial assets have expired, or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The difference in the carrying amount is recognised in the statement of profit and loss.

2.10 Leases

The determination of whether an arrangement is a lease is based on whether fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases where the lessor transfers substantially all the risks and rewards of ownership of the leased asset are classified as finance lease and other leases are classified as operating lease.

Operating lease receipts / payments are recognised as an income / expense on a straight-line basis over the

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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

lease term unless the lease payments increase in line with expected general inflation.

a. Company as a lessee

Assets acquired under finance leases are capitalised at the lease inception at lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are apportioned between finance charges (recognised in the statement of profit and loss) and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability for each period.

b. Company as a lessor

Assets leased to others under finance lease are recognised as receivables at an amount equal to the net investment in the leased assets. Finance lease income is recognised based on the periodic rate of return on the net investment outstanding in respect of the finance lease.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised in statement of profit and loss on a stratght-line basis over the lease term.

The Company enters into 'Indefeasible right to use' arrangement wherein the assets are given on lease over the substantial part of the asset life. However, the title to the assets and significant risk associated with the operation and maintenance of these assets remains with the Company. Hence, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the balance sheet.

2.11 Taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.

a. Current tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Company's income tax obligation for the period are recognised in the balance sheet as current income tax assets / liabilities.

Any interest, related to accrued liabilities for potential tax assessments are not included in Income tax charge or (credit), but are rather recognised within finance costs.

b. Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax are not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation authority and where there is an intention to settle the current income tax balances on net basis.

2.12 Inventories

Inventories are stated at the lower of cost (determined using the first-in-first-out method) and net realisable value. The costs comprise its purchase price and any directly attributable cost of bringing to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated variable costs necessary to make the sale.

2.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of changes in value). However, for the purpose of the statement of cash flows, in addition to above items, any bank overdrafts / cash credits that are integral part of the Company's cash management, are also included as a component of cash and cash equivalents.

2.14 Non-current assets held for sale

Non-current assets are classified as assets-held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Assets classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell.

Assets classified as held for sale are presented separately in the balance sheet.

Loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain

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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative loss previously recognised.

2.15 Share capital / Share premium

Ordinary shares are classified as Equity when the Company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect.

2.16 Employee benefits

The Company's employee benefits mainly include wages, salaries, bonuses, defined contribution to plans, defined benefit plans, compensated absences, deferred compensation and share-based payments. The employee benefits are recognised in the year in which the associated services are rendered by the Company employees.

a. Defined contribution plans

The contributions to defined contribution plans are recognised in profit or loss as and when the services are rendered by employees. The Company has no further obligations under these plans beyond its periodic contributions.

b. Defined benefit plans

In accordance with the local laws and regulations, all the employees in India are entitled for the Gratuity plan. The said plan requires a lump-sum payment to eligible employees (meeting the required vesting service condition) at retirement or termination of employment, based on a pre-defined formula.

The Company provides for the liability towards the said plans on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method.

The obligation towards the said benefits is recognised in the balance sheet, at the present value of the defined benefit obligations less the fair value of plan assets (being the funded portion). The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

The interest income / (expense) are calculated by applying the above mentioned discount rate to the plan assets and defined benefit obligations liability. The net interest income / (expense) on the net defined benefit liability is recognised in the statement of profit and loss. However, the related re-measurements of the net defined benefit liability are recognised directly in the other comprehensive income in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions), the return on plan assets (excluding interest). Re-measurements are not re-classified to the statement of profit and loss in any of the subsequent periods.

c. Other long-term employee benefits

The employees of the Company are entitled to compensated absences as well as other long-term benefits. Compensated absences benefit comprises of encashment and availment of leave balances that were earned by the employees over the period of past employment.

The Company provides for the liability towards the said benefit on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related re-measurements are recognised in the statement of profit and loss in the period in which they arise.

d. Share-based payments

The Company operates equity-settled and cash-settled, employee share-based compensation plans, under which the Company receives services from employees as consideration for stock options either towards shares of the Company / cash settled units.

In case of equity-settled awards, the fair value is recognised as an expense in the statement of profit and loss within employee benefits as employee share-based payment expenses, with a corresponding increase in share-based payment reserve (a component of equity).

However, in case of cash-settled awards, the credit is recognised as a liability within other non-financial liabilities. Subsequently, at each reporting period, until the liability is settled, and at the date of settlement, liability is re-measured at fair value through statement of profit and loss.

The total amount so expensed is determined by reference to the grant date fair value of the stock options granted, which includes the impact of any market performance conditions and non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions. However, the non-market performance vesting and service conditions are considered in the assumption as to the number of options that are expected to vest. The forfeitures are estimated at the time of grant and reduce the said expense rateably over the vesting period.

The expense so determined is recognised over the requisite vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. As at each reporting date, the Company revises its estimates of the number of options that are expected to vest, if required.

It recognises the impact of any revision to original estimates in the period of change. Accordingly, no expense is recognised for awards that do not ultimately vest, except for which vesting is conditional upon a market performance / non-vesting condition. These are treated as vesting irrespective of whether or not the market / non-vesting condition is satisfied, provided that service conditions and all other non-market performance are satisfied.

Where the terms of an award are modified, in addition to the expense pertaining to the original award, an incremental expense is recognised for any modification that results in additional fair value, or is otherwise beneficial to the employee as measured at the date of modification.

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Where an equity-settled award is cancelled (including due to non-vesting conditions not being met), it is treated as if it is vested thereon, and any un-recognised expense for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new replacement award is substituted for the cancelled award, the arrangement is treated as a modification and accounted accordingly.

2.17 Provisions

a. General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources will be required to settle the said obligation, and the amounts of the said obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation, using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to un-winding of discount over passage of time is recognised within finance costs.

b. Asset Retirement Obligation ('ARO')

ARO are recognised for those operating lease arrangements where the Company has an obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation and are recognised as part of the cost of that particular asset. The estimated future costs of decommissioning are reviewed annually and any changes in the estimated future costs or in the discount rate applied are adjusted from the cost of the asset.

2.18 Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.19 Revenue recognition

Revenue is recognised when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be measured reliably. Revenue is recognised at the fair value of the consideration received or receivable, which is generally the transaction price, net of any taxes / duties, discounts and process waivers.

In order to determine if it is acting as a principal or as an agent, the Company assesses whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services.

a. Service revenues

Service revenues mainly pertain to usage subscription and activation charges for voice, data, messaging and value added services. It also includes revenue towards interconnection charges for usage of the Company's network by other operators for voice, data, messaging and signalling services.

Usage charges are recognised based on actual usage. Subscription charges are recognised over the estimated customer relationship period or subscription pack validity period, whichever is lower. Activation revenue and related activation costs are amortised over the estimated customer relationship period. However, any excess of activation costs over activation revenue are expensed as incurred.

The billing/ collection in excess of revenue recognised is presented as deferred revenue in the balance sheet whereas unbilled revenue is recognised within other current financial assets.

Revenues from long distance operations comprise of voice services and bandwidth services (including installation), which are recognised on provision of services and over the period of arrangement respectively.

b. Multiple element arrangements

The Company has entered into certain multiple-element revenue arrangements which involve the delivery or performance of multiple products, services or rights to use assets. At the inception of the arrangement, all the deliverables therein are evaluated to determine whether they represent separately identifiable component basis it is perceived from the customer perspective to have value on standalone basis.

Total consideration related to the multiple element arrangements is allocated among the different components based on their relative fair values (i.e., ratio of the fair value of each element to the aggregated fair value of the bundled deliverables).

c. Equipment sales

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories. Such transactions are recognised when the significant risks and rewards of ownership are transferred to the customer. However, in case of equipment sale forming part of multiple-element revenue arrangements which is not separately identifiable component, revenue is recognised over the customer relationship period.

d. Capacity Swaps

The exchange of network capacity is recognised at fair value unless the transaction lacks commercial substance or the fair value of neither the capacity received nor the capacity given is reliably measurable.

e. Interest income

The interest income is recognised using the EIR method. For further details, refer Note 2.9.

f. Dividend income

Dividend income is recognised when the Company's right to receive the payment is established.

2.20 Borrowing costs

Borrowing costs consist of interest and other ancillary

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costs that the Company incurs in connection with the borrowing of funds. The borrowing costs directly attributable to the acquisition or construction of any asset that takes a substantial period of time to get ready for its intended use or sale are capitalised. All the other borrowing costs are recognised in the statement of profit and loss within finance costs of the period in which they are incurred.

2.21 Exceptional items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

2.22 Dividends Paid

Dividend to shareholders is recognised as a liability and deducted from equity, in the year in which the dividends are approved by the shareholders. However, interim dividends declared by the Board of directors, which does not need shareholder's approval, are recognised as a liability and deducted from retained earnings, in the year in which the dividends are so declared.

2.23 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS data.

Basic EPS is computed by dividing the profit for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period.

Diluted EPS is computed by adjusting, the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving Basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the period, unless issued at a later date during the period.

3. Critical accounting estimates, assumptions and judgements

The estimates and judgements used in the preparation of the said financial statements are continuously evaluated by the Company, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions under-lying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the financial statements in the period in which they become known.

3.1 Critical accounting estimates and assumptions

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

a. Property, plant and equipment

Refer Note 2.6 and 6 for the estimated useful life and carrying value of property, plant and equipment respectively.

During the year ended March 31, 2017, the Company has reassessed useful life of certain categories of network assets due to technological developments and accordingly has revised the estimate of its useful life in respect of those assets. Out of these assets, the additional depreciation charge of ₹ 2,920 on assets for which the revised useful life has expired by March 31, 2016 has been recognised and disclosed as 'exceptional items' and additional depreciation charge of ₹ 6,276 for other assets has been recognised within 'Depreciation and amortisation'. The impact of above change on the depreciation charge for the future years is as follows:

Particulars	Year ended			Future
	March 31, 2018	March 31, 2019	March 31, 2020	Period till end of life
Impact on future depreciation charge	(2,764)	(2,646)	(1,109)	15,715

b. Allowance for impairment of trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances

c. Contingencies

Refer Note 22 for details of contingent liabilities.

3.2 Critical judgements in applying the Company's accounting policies

The critical judgements, which the management has made in the process of applying the Company's accounting policies and has the most significant impact on the amounts recognised in the said financial statements, is discussed below:

Multiple element contracts with vendors

The Company has entered into multiple element contracts for supply of goods and rendering of services. In certain cases, the consideration paid is determined independent of the value of supplies received and services availed. Accordingly, the supplies and services are accounted for based on their relative fair values to the overall consideration. The supplies with finite life under the contracts have been accounted under Property, Plant and Equipment and / or as Intangible assets, since

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the Company has economic ownership in these assets and represents the substance of the arrangement.

Arrangement containing lease

The Company assesses the contracts entered with telecom operators / passive infrastructure services providers to share tower infrastructure services so as to determine whether these contracts that do not take the legal form of a lease convey a right to use an asset or not. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that such contracts are in the nature of leases. Most of these leases are classified as operating unless the term of the agreement is for the major part of the estimated economic life of the leased asset, which is accounted for as finance lease.

4. Standards issued but not effective until the date of authorisation for issuance of the said financial statements

The new Standards, amendments to Standards that are issued but not yet effective until the date of authorisation for issuance of the said financial statements are discussed below. The Company has not early adopted these amendments and intends to adopt when they become effective.

Ind AS 102, 'Share based payments'

In March 2017, MCA issued amendments to Ind AS 102 pertaining to measurement of cash–settled share based payments, classification of share-based payments settled net of tax withholdings and accounting for modification of a share based payment from cash-settled to equity-settled method.

The amendments are applicable to annual periods beginning on or after April 1, 2017 with early adoption permitted. The Company does not expect that the adoption of the amendments will not have any significant impact on the said financial statements.

Ind AS 7, 'Statement of cash flows'

In March 2017, MCA issued amendments to Ind AS 7, which requires certain additional disclosures to be made for changes in liabilities / assets arising from financial activities on account of non-cash transaction such as effect of changes in foreign exchange rates, fair values and others.

The amendments are applicable to annual periods beginning on or after April 1, 2017 with early adoption permitted. The Company will be providing the requisite disclosure in its statement of cash flows.

5. Significant transactions / new developments

(i) During the year ended March 31, 2017, the Company has been allotted 155.60 MHz spectrum across 1800/2100/2300 MHz. Consequently, the Company has paid amount of ₹ 67,764 upfront and opted the deferred payment option for ₹ 66,764.

(ii) The Scheme of Arrangement ('Scheme') under Sections 391 to 394 of the Companies Act, 1956 with respect to the amalgamation of Airtel Broadband Services Private Limited ('ABSPL') with the Company, was approved by the Hon'ble High Court of Bombay in 2014. Department of Telecommunications ('DoT') had given its approval for taking on record the merger of ABSPL with the Company, subject to certain conditions as stipulated in the letter. One of the conditions of merger requires payment of ₹ 4,361, equal to the difference between the entry fee for Unified Access Service License and Internet Service Provider License. The Hon'ble Telecom Disputes Settlement and Appellate Tribunal ('TDSAT') vide its interim order in 2015 has allowed the Company to operationalise the spectrum subject to the company paying a sum of ₹ 4,361 along with interest as may be determined by the Tribunal, in case the petition fails.

Further, during the year ended March 31, 2016, the Company had entered into a definitive agreement for acquisition of Augere Wireless Broadband Private Limited ('AWBPL'). On June 7, 2016, on fulfillment of the relevant closing conditions the transaction has been consummated. The Scheme of Arrangement ('Scheme') under Sections 391 to 394 of the Companies Act, 1956 with respect to the amalgamation of AWBPL with the Company, was approved by the Hon'ble High Court of Delhi.

The Company has filed the Scheme with Registrar of Companies ('ROC') on April 9, 2015 and February 15, 2017 which are the effective date and appointed date of merger for ABSPL and AWBPL respectively. Accordingly, these entities have ceased to exist and have merged with the Company. Accordingly, entire assets (₹ 64,837 and ₹ 1,536 - mainly pertains to PPE & CWIP of ₹ 4,843 and IUD of ₹ 55,689), liabilities (₹ 8,890 and ₹ 323 – mainly pertains to borrowings of ₹ 5,396 and capex payable of ₹ 2,582) and the differential value of equity in the respective entity books have been recognised by the Company as the date of the transaction at same carrying values as in the books of ABSPL and AWBPL respectively. The difference of ₹ 8,599 and ₹ 445 between the share capital and the carrying values of investment in ABSPL and AWBPL in the books of the Company has been adjusted with business restructuring reserve and general reserve respectively.

(iii) During the year ended March 31, 2017, Bharti Infratel Limited ('BIL'), a subsidiary of the Company has bought back its 47,058,823 shares against a consideration of ₹ 425 per share. Out of which the Company has tendered 29,101,272 shares and received the consideration of ₹ 12,368 and accordingly, the excess of proceeds (net of associated costs, taxes and levies) over the cost of investment amounting to ₹ 1,687 has been recognised as gain and disclosed as other income.

(iv) During the year ended March 31, 2017, the Company has sold 400,000,000 shares in BIL, against a consideration aggregating to ₹ 130,000 and accordingly the excess of cost of investment over the proceeds (net of associated costs, taxes and regulatory levies) amounting to ₹ 25,375 has been recognised as loss under exceptional items. Subsequent to the transaction, the shareholding of the Company in BIL has reduced to 50.3%.

(v) During the year ended March 31, 2017, the Company has entered into an agreement to sell the investment in subsidiaries Bharti Airtel International (Netherlands) B.V. ('BAIN'), Bharti International (Singapore) Pte Ltd ('BISPL') and Bharti Airtel International (Mauritius) Limited

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('BAIML') to its wholly owned subsidiary Network i2i Limited. However, sale of investment in BISPL is subject to certain customary closing conditions, hence has not been consummated. The same has been classified as assets-held-for-sale. Accordingly, the excess of cost of investment over sales consideration, amounting to ₹ 118,582 and ₹ 14,906 pertaining to BAIN / BAIML and BISPL respectively has been recognised as loss under exceptional items.

(vi) During the year ended March 31, 2017, the Company has entered into a scheme of amalgamation for the merger of Telenor (India) Communication Private Limited with the Company and definitive agreement to acquire 100% equity stake in Tikona Digital Networks. The said transactions are subject to requisite regulatory approvals and other closing conditions.

(vii) During the year ended March 31, 2017, Bharti Telemedia Limited, a subsidiary of the Company, has allotted 475 shares to the Company against a consideration of ₹ 4,750.

(viii) During the year ended March 31, 2017, the Company has entered into a definitive agreement with Aircel Limited and its subsidiaries Dishnet Wireless Limited and Aircel cellular Limited, to acquire rights to use spectrum in the 2300 MHz band for seven circles against a consideration of ₹ 34,840. The Company has received the requisite approvals for the transfer of right to use the spectrum and accordingly the spectrum has been recorded in the books.

(ix) During the year ended March 31, 2016, the Company had entered into a definitive agreement with Videocon Telecommunications Limited to acquire rights to use spectrum in the 1800 MHz band for six circles against a consideration of ₹ 46,530. During the year ended March 31, 2017, the Company has received the requisite approvals for the transfer of right to use the spectrum and accordingly the spectrum has been recorded in the books.

6. Property, plant and equipment ('PPE')

The following table presents the reconciliation of changes in the carrying value of PPE and capital work-in-progress for the year ended March 31, 2017 and 2016:

Particulars	PPE								Capital work-in-progress
	Leasehold Improvement	Land and Building	Plant and machinery	Furniture & Fixture	Vehicles	Office equipment	Computer	**Total**	
Gross carrying value									
Balance as of April 1, 2015	**4,416**	**8,366**	**607,176**	**1,597**	**281**	**3,661**	**29,018**	**654,515**	**26,898**
Additions	119	46	-	127	21	661	1,879	2,853	125,379
Disposals / adjustment	(4)	(52)	(8,778)	(14)	(9)	(72)	(8,102)	(17,031)	-
Capitalisation / reclassification	143	(213)	123,758	4	-	-	(3)	123,689	(123,689)
Balance as of March 31, 2016	**4,674**	**8,147**	**722,156**	**1,714**	**293**	**4,250**	**22,792**	**764,026**	**28,588**
Additions	221	73	-	98	34	531	3,039	3,996	130,153
Acquisition through Business Combinations@	-	-	489	-	-	-	-	489	123
Disposals / adjustment	(8)	(57)	(15,384)	(13)	(46)	(50)	229	(15,329)	-
Capitalisation / reclassification	7	(7)	147,104	-	-	(2)	(56)	147,046	(147,046)
Balance as of March 31, 2017	**4,894**	**8,156**	**854,365**	**1,799**	**281**	**4,729**	**26,004**	**900,228**	**11,818**
Accumulated depreciation									
Balance as of April 1, 2015	**3,154**	**2,274**	**360,217**	**1,329**	**219**	**2,474**	**26,692**	**396,359**	**-**
Charge*	397	334	66,415	115	18	485	1,838	69,602	-
Disposals / adjustment	33	(51)	(6,437)	(14)	(3)	(64)	(8,072)	(14,608)	-
Reclassification	40	(52)	1	-	-	3	8	-	-
Balance as of March 31, 2016	**3,624**	**2,505**	**420,196**	**1,430**	**234**	**2,898**	**20,466**	**451,353**	**-**
Charge*	393	312	76,174	116	20	593	1,727	79,335	-
Disposals / adjustment	(3)	(26)	(11,784)	(4)	(30)	(46)	257	(11,636)	-
Balance as of March 31, 2017	**4,014**	**2,791**	**484,586**	**1,542**	**224**	**3,445**	**22,450**	**519,052**	**-**
Net carrying value									
As of April 1, 2015	**1,262**	**6,092**	**246,959**	**268**	**62**	**1,187**	**2,326**	**258,156**	**26,898**
As of March 31, 2016	**1,050**	**5,642**	**301,960**	**284**	**59**	**1,352**	**2,326**	**312,673**	**28,588**
As of March 31, 2017	**880**	**5,365**	**369,779**	**257**	**57**	**1,284**	**3,554**	**381,176**	**11,818**

@ Refer Note 5 (ii)

* Includes exceptional item of ₹ 1,672 and ₹ 2,925 for the year ended March 31, 2017 and 2016 with respect to plant and machinery (refer Note 29 (i) a, b, c & (ii) b)

Refer note 22(ii)(a) for assets given on operating lease.

Capital work in progress mainly includes ₹ 10,928, ₹ 27,950 and ₹ 26,260 towards plant and machinery as of March 31, 2017, March 31, 2016 and April 1, 2015 respectively.

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The following table summarises the detail of lease hold land taken on finance lease which represents the significant part of assets taken on finance lease:

Particulars	Grossing Carrying value	Accumulated depreciation	Net carrying value
As of March 31, 2017	411	46	365
As of March 31, 2016	411	44	367
As of April 1, 2015	411	40	371

7. Intangible assets

The following table presents the reconciliation of changes in the carrying value of intangible assets and intangible assets under development for the year ended March 31, 2017 and 2016:

Particulars	Intangible assets					Intangible assets under development
	Software	Bandwidth	Licenses (including spectrum)	Other acquired intangible assets	Total	
Gross carrying value						
Balance as of April 1, 2015	**14,964**	**24,167**	**307,231**	**2,172**	**348,534**	**64,108**
Additions	3,086	1,644	-	-	4,730	298,643
Disposals / adjustment @	(4,236)	-	(9,403)	-	(13,639)	-
Capitalisation / reclassification	-	-	353,036	-	353,036	(353,036)
Balance as of March 31, 2016	**13,814**	**25,811**	**650,864**	**2,172**	**692,661**	**9,715**
Additions	2,657	2,687	-	5,366	10,710	234,815
Acquisition through Business Combinations^	-	-	899	-	899	-
Disposals / adjustment	(138)	(85)	(8)	-	(231)	-
Capitalisation / reclassification	-	-	160,346	-	160,346	(160,346)
Balance as of March 31, 2017	**16,333**	**28,413**	**812,101**	**7,538**	**864,385**	**84,184**
Accumulated amortisation						
Balance as of April 1, 2015	**11,972**	**9,015**	**49,222**	**433**	**70,642**	**-**
Charge	2,396	1,652	24,594	434	29,076	-
Disposals / adjustment @	(4,236)	-	(9,403)	-	(13,639)	-
Balance as of March 31, 2016	**10,132**	**10,667**	**64,413**	**867**	**86,079**	**-**
Charge	2,502	1,863	38,249	1,757	44,371	-
Disposals / adjustment	(138)	28	(7)	-	(117)	-
Balance as of March 31, 2017	**12,496**	**12,558**	**102,655**	**2,624**	**130,333**	**-**
Net Carrying Amount						
As of April 1, 2015	**2,992**	**15,152**	**258,009**	**1,739**	**277,892**	**64,108**
As of March 31, 2016	**3,682**	**15,144**	**586,451**	**1,305**	**606,582**	**9,715**
As of March 31, 2017	**3,837**	**15,855**	**709,446**	**4,914**	**734,052**	**84,184**

@ Mainly pertains to gross block and accumulated amortisation of license (including spectrum) and software whose useful life has expired.

Weighted average remaining amortisation period of license as of March 31, 2017, March 31, 2016 and April 1, 2015 is 16.85, 17.53 and 17.37 years, respectively.

During the year ended March 31, 2017 and 2016 the Company has capitalised borrowing cost of ₹ 2,748 and ₹ 1,937 respectively.

Addition in intangible assets under development mainly pertains to Spectrum.

8. Investments

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Non- current			
Investments - FVTPL	52	52	52
Investment in subsidiaries	459,494	698,869	652,321
Investment in joint ventures and associates	44	44	157
	459,590	**698,965**	**652,530**
Current			
Investments - FVTPL	-	8	47,567
	-	**8**	**47,567**

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Non-current investments

No of shares						
As of March 31, 2017	As of March 31, 2016	As of April 1, 2015		As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
			Investment in Subsidiaries			
175,000,000	175,000,000	175,000,000	Bharti Hexacom Limited: Equity Shares of ₹ 10 each	5,718	5,718	5,718
100,000	100,000	100,000	Bharti Airtel Services Limited: Equity Shares of ₹ 10 each *	1	126	1
300	300	300	Bharti Airtel (USA) Limited: Equity Shares of USD .0001 each *	1,997	1,997	1,997
123,663	123,663	123,663	Bharti Airtel (UK) Limited: Equity Shares of GBP 1 each *	1,777	1,777	1,777
4,959,480	4,959,480	4,959,480	Bharti Airtel (Hongkong) Limited: Equity Shares of HKD 1 each *	454	454	454
-	-	75,100	Bharti Airtel (Canada) Limited: Equity Shares of CAD 1 each (dissolved on December 31, 2015)	-	-	3
817,427,896	52,227,896	52,227,896	Network i2i Limited: Equity Shares of USD 1 each	58,750	7,925	7,925
930,898,728	1,360,000,000	1,360,000,000	Bharti Infratel Limited: Equity Shares of ₹ 10 each (refer note 5) *	341,111	498,347	498,347
484,689,995	9,690,000	9,690,000	Bharti Telemedia Limited: Equity Shares of ₹ 10 each (refer note 5) *	41,320	39,259	39,259
27,146,471,771	27,146,471,771	26,126,080,053	Bharti Airtel Lanka (Private) Limited : Equity Shares of SLR 10 each (net of provision) #	-	471	-
-	1	1	Bharti Airtel Holdings (Singapore) Pte Limited: Equity Shares of SGD 1 each (merged with BISPL w.e.f. July 15, 2016)	-	15,475	15,475
-	338,642,771	338,642,771	Bharti Airtel Holdings (Singapore) Pte. Limited: Equity Shares of USD 1 each (merged with BISPL w.e.f. July 15, 2016) (refer note 5)			
-	3,384,970,000	1,699,970,000	Bharti Airtel International (Mauritius) Limited: Equity Shares of USD 1 each # (refer note 5)	-	118,027	7,872
796,499,995	396,000,000	290,000,000	Airtel Payments Bank Limited (formarly known as Airtel M Commerce Services Limited) : Equity Shares of ₹ 10 each	7,965	3,960	2,900
-	593,739,000	593,739,000	Bharti International (Singapore) Pte. Limited: Equity Shares of USD 1 each (refer note 5) #	-	3,782	3,782
1	908,443,919	908,443,919	Bharti Airtel International (Netherlands) B.V.: Equity Shares of EURO 1 each (refer note 5) #	0	-	-
89,230,796	89,230,796	89,230,796	Telesonic Networks Limited : Equity Shares of ₹ 10 each	91	91	91
5,050,000	5,050,000	5,050,000	Nxtra Data Limited: Equity Shares of ₹ 10 each *	309	1,452	1,452
-	-	-	Airtel Broadband Services Private Limited: Equity Shares of ₹ 10 each (merged with the Company) (refer note 5)	-	-	65,270
21,850,000	21,850,000	-	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	285	285	-
			Equity Shares of ₹ 10 each			
50,000	50,000	50,000	Wynk Limited: Equity Shares of ₹ 10 each *	1	8	1
45,000	-	-	Nettle Infrastructure Investments Limited: Equity Shares of ₹ 10 each	0	-	-

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No of shares						
As of March 31, 2017	As of March 31, 2016	As of April 1, 2015		As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
			Investment in joint ventures and associates			
800,000	800,000	800,000	Bridge Mobile PTE Limited : Equity shares of USD 1 each	34	34	34
1,000,000	1,000,000	1,000,000	Firefly Networks Limited : Equity Shares of ₹ 10 each	10	10	10
-	-	11,270,000	Indo Teleport Limited (formerly known as Bharti Teleport Limited) Equity shares of ₹ 10 each	-	-	113
			Other Investments (FVTPL)			
100,000	100,000	100,000	IFFCO Kissan Sanchar Limited : Equity Shares of ₹ 10 each	50	50	50
			Investment in mutual funds	-	-	47,550
			Investment in deposits and Bonds	2	10	19
				459,875	**699,258**	**700,100**
			Less: Provision for diminution in value of investments	285	285	3
				459,590	**698,973**	**700,097**
			Aggregate book value of unquoted investments	118,764	200,911	154,203
			Aggregate book value of quoted investments	341,111	498,347	545,897
			Aggregate market value of quoted investments	302,961	519,452	571,150
			Aggregate provision for diminution in value of investments	285	285	3

Investment value has been increased by ₹ 453,244 and ₹ 453,244 / ₹ 14,864 and ₹ 14,730 for deemed cost / fair valuation adjustment on Ind-As transition as of March 31, 2016 and April 1, 2015, respectively (refer note 38 III (4) / (5)).

Investment value has been reduced by ₹ 199,401 for fair valuation adjustments on Ind-AS transition (refer note 38 III (4)).

All the above investments are unquoted except Bharti Infratel Limited and mutual funds.

Detail of significant investments in subsidiaries are as below:

Sl. No	Name of the Subsidiaries	Place of incorporation	Principal activities	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
				% of shareholding		
1	Bharti Hexacom Limited	India	Telecommunication services	70.00	70.00	70.00
2	Bharti Infratel Limited (refer note 5)	India	Infrastructure sharing services	50.30	71.76	71.88
3	Bharti Telemedia Limited	India	Direct To Home services	95.00	95.00	95.00
4	Airtel Payments Bank Limited (formerly known as Airtel M Commerce Services Limited)	India	Mobile commerce services	80.10	80.10	100.00
5	Airtel Broadband Services Private Limited (refer note 5)	India	Telecommunication services	-	-	100.00
6	Network i2i Limited	Mauritius	Submarine Cable System	100.00	100.00	100.00
7	Bharti Airtel Holdings (Singapore) Pte Ltd (refer note 5)	Singapore	Investment Company	-	100.00	100.00
8	Bharti Airtel International (Mauritius) Limited (refer note 5)	Mauritius	Investment Company	-	100.00	100.00
9	Bharti International (Singapore) Pte. Ltd (refer note 5)	Singapore	Telecommunication services	100.00	100.00	100.00

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9. Derivative financial Instruments

The Company uses foreign exchange option contracts, swap contracts, forward contracts and interest rate swaps to manage some of its transaction exposures.

The details of derivative financial instruments are as follows:-

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Assets			
Currency swaps, forward and option contracts	187	549	215
Interest swaps	106	-	-
Embedded derivatives	554	309	107
	847	**858**	**322**
Liabilities			
Currency swaps, forward and option contracts	1,848	596	111
Embedded derivatives	-	108	233
	1,848	**704**	**344**
Non-current derivative financial assets	213	396	154
Current derivative financial assets	634	462	168
Non-current derivative financial liabilities	(186)	(8)	(121)
Current derivative financial liabilities	(1,662)	(696)	(223)
	(1,001)	**154**	**(22)**

Embedded derivative

The Company entered into agreements denominated / determined in foreign currencies. The value of these contracts changes in response to the changes in specified foreign currencies. Some of these contracts have embedded foreign currency derivatives having economic characteristics and risks that are not closely related to those of the host contracts. These embedded foreign currency derivatives have been separated and carried at fair value through profit or loss.

10. Loans and security deposits

Unsecured, considered good	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Non - current			
Loans to related parties (refer note 32)	623	18,546	33,240
Security deposits *	9,766	10,315	9,652
	10,389	**28,861**	**42,892**
Current			
Loans to related parties (refer note 32)	72,081	43,376	40,552
	72,081	**43,376**	**40,552**

*Security deposits primarily include deposits given towards rented premises, cell sites, interconnect ports and other miscellaneous deposits.

11. Financial Assets – Others

Non-Current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Rent equalisation	49	38	23
Restricted cash *	22	10	6
Others	485	550	458
	556	**598**	**487**

Current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Restricted cash *	647	636	558
Unbilled revenue	7,501	11,148	7,492
Claims recoverable	450	617	397
Interest accrued on investments	24	1,431	1,182
Others	150	127	36
	8,772	**13,959**	**9,665**

* Restricted cash represents amount given as collateral for legal cases and / or bank guarantees for disputed matter and earmarked balances for dividend payouts.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

12. Income taxes

The major components of Income Tax Expense are:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Current income tax		
- For the year	95	20,014
- Adjustments for prior periods	(140)	544
	(45)	**20,558**
Deferred tax*		
- Origination and reversal of temporary differences	17,455	5,269
- Adjustments for prior periods	(3,249)	(1,086)
	14,206	**4,183**
Income tax expense	**14,161**	**24,741**

* Includes minimum alternate tax (MAT) credit of ₹ 1,218 and ₹ 17,631 for the year ended March 31, 2017 and March 31, 2016 respectively.

The reconciliation between the amount computed by applying the statutory income tax rate to the (loss) / profit before tax and tax (income) / expenses charge is summarised below:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(Loss) / profit before tax	(85,095)	102,544
Tax (income) / expense @ company's domestic tax rate of 34.608%	(29,450)	35,488
Effect of:		
Tax holiday	(144)	(8,214)
Adjustments in respect to previous years	(3,389)	(542)
Tax for which no credit is allowed	469	583
(Income) / expense (net) not (taxable) / deductible	46,380	(2,745)
Others	295	171
Income tax expense	**14,161**	**24,741**

The analysis of deferred tax assets and liabilities is as follows:

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Deferred tax assets			
Provision for impairment of debtors / advances	10,520	7,978	7,178
Carry forward losses	1,575	-	-
Employee benefits	1,044	840	820
Minimum tax credit	57,498	56,280	38,649
Lease rent equalization	6,478	6,189	5,676
Fair valuation of financial instruments and exchange differences	5,791	4,865	4,133
Depreciation / amortisation on property, plant and equipment / intangible assets	(76,574)	(54,076)	(30,396)
Rates and taxes	1,527	-	-
Others	1,016	994	1,181
Net deferred tax assets	**8,875**	**23,070**	**27,241**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Deferred tax expense		
Provision for impairment of debtors / advances	2,542	800
Carry forward losses	1,575	-
Employee benefits	204	20
Minimum tax credit	1,218	17,631
Lease rent equalization	289	513
Fair valuation of financial instruments and exchange differences	926	732
Depreciation / amortisation on property, plant and equipment / intangible assets	(22,498)	(23,680)
Rates and taxes	1,527	-
Others	11	(199)
Net deferred tax expense	**(14,206)**	**(4,183)**

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The movement in deferred tax assets and liabilities during the year is as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening balance	**23,070**	**27,241**
Tax expense recognised in statement of profit and loss	(14,206)	(4,183)
Tax income recognised in OCI	11	12
Closing balance	**8,875**	**23,070**

13. Other non-financial assets

Non-Current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Capital advances *	1,033	3,989	77
Other advances	23,007	22,632	16,959
Taxes recoverable	14,139	-	-
Others	1,675	1	5
	39,854	**26,622**	**17,041**

Current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Prepaid expenses	1,960	2,522	2,561
Advances to suppliers	9,579	11,073	2,690
Taxes recoverable	20,404	8,846	6,193
Others	1,009	901	1,501
	32,952	**23,342**	**12,945**

* Includes advance payment of ₹ 3,657 towards spectrum during the year ended March 31, 2016.

Other advances represent payments made to various Government authorities under protest and are disclosed net of provision (refer Note 19).

Taxes recoverable primarily include customs duty, excise duty, service tax and sales tax. Non-current tax recoverable represents service tax recoverable on spectrum beyond one year period.

Advance to Suppliers are disclosed net of provision of ₹1,092, ₹ 2,056 and ₹ 3,003 as of March 31, 2017, 2016 and April 1, 2015, respectively.

Others primarily include employee receivables which principally consist of advances given for business purpose.

14. Trade Receivables

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Unsecured			
Considered good *	32,118	31,724	33,047
Considered doubtful	25,530	18,181	16,229
Less: Provision for doubtful receivables	(25,530)	(18,181)	(16,229)
	32,118	**31,724**	**33,047**

*Includes amount due from related parties (refer Note 32).

The movement in allowances for doubtful debts is as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening balance	18,181	16,229
Additions	7,678	6,327
Write off (net of recovery)	329	4,375
Closing balance	**25,530**	**18,181**

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

15. Cash and cash equivalents ('C&CE')

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Balances with banks			
- On current accounts	1,030	240	878
- Bank deposits with original maturity of three months or less	-	-	2,700
Cheques on hand	6	166	222
Cash on hand	51	60	52
	1,087	**466**	**3,852**

For the purpose of statement of cash flows, C&CE comprise of following:-

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
C&CE as per balance sheet	1,087	466	3,852
Bank overdraft (refer Note 17)	(265)	(3,024)	-
	822	**(2,558)**	**3,852**

The details of Specified Bank Notes held and transacted during the period November 8, 2016 to December 30, 2016 are provided below:-

Particulars	Specified Bank Notes	Other Denomination Notes	**Total**
Closing cash on hand as at November 8, 2016	41	1	42
(+) Permitted receipts	39	674	713
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	80	639	719
Closing cash on hand as at December 30, 2016	**-**	**36**	**36**

16. Share Capital

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Authorised shares			
5,500,000,000 (March 31, 2016 and April 1, 2015- 5,000,000,000) equity shares of ₹ 5 each	27,500	25,000	25,000
Issued, Subscribed and fully paid-up shares			
3,997,400,102 equity shares of ₹ 5 each	19,987	19,987	19,987
	19,987	**19,987**	**19,987**

a. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 5 per share. Each holder of equity shares is entitled to cast one vote per share.

b. Details of shareholders (as per the register of shareholders) holding more than 5% shares in the Company

Particulars	As of March 31, 2017		As of March 31, 2016		As of April 1, 2015	
	No. of shares '000	% holding	No. of shares '000	% holding	No. of shares '000	% holding
Equity shares of ₹ 5 each fully paid up						
Bharti Telecom Limited	1,817,987	45.48%	1,802,318	45.09%	1,747,545	43.72%
Pastel Limited	591,319	14.79%	591,319	14.79%	591,319	14.79%
Indian Continent Investment Limited	265,861	6.65%	265,861	6.65%	265,861	6.65%
LIC of India Child Fortune Plus Balanced Fund	211,832	5.30%	203,879	5.10%	-	-
Three Pillar Pte Limited	199,870	5.00%	199,870	5.00%	199,870	5.00%

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

c. Shares held by Bharti Airtel Welfare Trust against employee share-based payment plans (face value of ₹ 5/- each)

Particulars	As of March 31, 2017		As of March 31, 2016	
	Shares '000	Amount	Shares '000	Amount
Opening balance	1,882	524	1,411	114
Purchased during the year	-	-	1,500	514
Exercised during the year	(537)	(157)	(1,029)	(104)
	1,345	**367**	**1,882**	**524**

d. Dividend paid and proposed

	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
A	**Declared and paid during the year:**		
	Final dividend for 2015-16 : ₹ 1.36 per share (including dividend distribution tax @ 20.358% of ₹ 1,107 Mn)	6543	-
	Final dividend for 2014-15 : ₹ 2.22 per share (including dividend distribution tax @ 20.358% of ₹ 1,807 Mn)	-	10,681
		6,543	**10,681**
B	**Proposed dividend**		
	Final dividend for 2016-17: ₹ 1.00 per share (2015-16 : ₹ 1.36 per share)	3,997	5,436
	Dividend distribution tax @ 20.358%	814	1,107
		4,811	**6,543**

The proposed dividend is subject to approval at annual general meeting and hence has not been recognised as liability.

During the year ended March 31, 2017 and 2016, the Company has availed tax credit of ₹ 1,087 and ₹ 1,807 respectively, on account of dividend distribution tax on dividend received from subsidiary companies.

17. Borrowings

Non-current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Secured			
Term loans	-	-	-
Others*	31	20	19
	31	**20**	**19**
Less: Current portion (A)	(15)	(10)	(9)
	16	**10**	**10**
Unsecured			
Term loans	31,457	39,207	64,050
Non convertible bonds @	64,082	65,402	-
Deferred payment liabilities **	439,205	341,424	143,167
Finance lease obligations	2,097	1,951	144
	536,841	**447,984**	**207,361**
Less: Current portion (B)	(33,436)	(33,424)	(13,162)
	503,405	**414,560**	**194,199**
	503,421	**414,570**	**194,209**
Current maturities of long-term borrowings (A+B)	**33,451**	**33,434**	**13,171**

*Others include vehicle loans taken from banks which were secured by hypothecation of the vehicles.

@ During the year ended March 31, 2016, the Company had issued 4.375% USD 1,000 Mn (₹ 63,973) senior unsecured notes ('Bonds') at issue price of 99.304% which are listed on Singapore stock exchange and due for repayment in the year 2025.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

Current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Unsecured			
Term loans	65,213	3,975	6,259
Bank overdraft	265	3,024	-
	65,478	**6,999**	**6,259**

** During the year ended March 31, 2017, 2015 and 2014, the Company had won the auction for spectrum aggregating to 350.6 Mhz. The Company had opted for deferred payment in certain circles for a specified portion of the auction price. The deferred payment liability recognised in the financial statements is payable in 10 equal annual installments (including the related interest) after a moratorium of two years.

17.1 Analysis of borrowings

The details given below are gross of debt origination cost.

17.1.1 Repayment terms of borrowings

The table below summarises the maturity profile of the Company's borrowings based on contractual undiscounted payments.

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Within one year	99,332	40,433	19,430
Between one and two years	41,830	27,023	25,119
Between two and five years	91,535	71,101	42,368
Over five years	371,242	318,447	128,779
	603,939	**457,004**	**215,696**

The borrowings of ₹ 265, ₹ 3,024 and ₹ Nil outstanding as of March 31, 2017, March 31, 2016 and April 1, 2015, comprising bank overdraft facilities from banks which are repayable on demand. The borrowings of ₹ 601,577, ₹ 452,029 and ₹ 215,552 outstanding as of March 31, 2017, March 31, 2016 and April 1, 2015, comprising various loans, are repayable in total 368, Nil and Nil monthly installments, 586, 732 and 842 half yearly installments, 36, 20 and 15 yearly installments, 11, 1 and Nil bullet installments, and finance lease obligation of ₹ 2,097, ₹ 1,951 and ₹ 144 in total 85, 84 and 15 yearly, quarterly and monthly installments.

17.1.2 Interest rate and currency of borrowings

The below details do not necessarily represents foreign currency or interest rate exposure to the statement of profit and loss, since the Company has taken derivatives for offsetting the foreign currency & interest rate exposure. For foreign currency and interest rate sensitivity, refer Note 33.

Particulars	Weighted Average Rate of Interest	Total borrowings	Floating rate borrowings	Fixed rate borrowings
INR	9.60%	502,918	46,765	456,153
USD	3.58%	101,021	36,555	64,466
March 31, 2017		**603,939**	**83,320**	**520,619**
INR	9.99%	346,430	3,036	343,394
USD	3.22%	110,574	44,762	65,812
March 31, 2016		**457,004**	**47,798**	**409,206**
INR	10.08%	163,483	20,153	143,330
USD	1.16%	52,213	52,213	-
April 1, 2015		**215,696**	**72,366**	**143,330**

17.2 Unused lines of credit *

The below table provides the details of un-drawn credit facilities that are available to the Company.

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Unsecured	172,646	126,561	151,118

* Excluding non-fund based facilities.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

18 Financial Liabilities - Others

Non-Current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Equipment supply payable	-	-	452
Lease rent equalisation	19,541	19,913	18,439
Others	2,340	823	822
	21,881	**20,736**	**19,713**

Current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Equipment supply payables	44,304	65,874	53,790
Employees payables	2,290	2,944	2,262
Interest accrued but not due	1,409	1,164	237
Security deposit *	2,538	2,602	2,722
Others	5,130	6,188	6,239
	55,671	**78,772**	**65,250**

* It pertains to deposits received from subscriber / channel partners which are repayable on disconnection, net of outstanding, if any.

'Others' include payable to Qualcomm Asia Pacific Pte. Limited of ₹ 4,104 towards purchase of balance equity shares upon satisfaction of certain conditions as per the share purchase agreement for acquisition of erstwhile Airtel Broadband Services Private Limited (formerly known as Wireless Business Services private Limited)

19 Provisions

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Asset retirement obligation	921	921	703
Gratuity	1,827	1,668	1,587
Compensated absence	789	730	720
Other employee benefit plans	84	93	90
	3,621	**3,412**	**3,100**
Non-current - provisions	2330	2223	1926
Current - provisions	1291	1189	1174
	3621	**3412**	**3100**

The movement of provision toward Asset retirement obligations is as below:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening Balance	921	703
Additions	22	243
Interest cost	(22)	(25)
	921	**921**

Due to large number of lease arrangements of the Company, the range of expected period of outflows of provision for asset retirement obligation is significantly wide.

Refer Note 24 for movement of provision towards employee benefits.

The movement of provision towards subjudice matters is as below:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening Balance	75,196	55,205
Net additions	10,758	19,991
	85,954	**75,196**

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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The said provision has been disclosed under:

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Other non-financial assets - non-current (refer note 13)	40,985	34,586	27,362
Other non-financial liabilities - current (refer note 20)	674	603	530
Trade payables (refer note 21)	44,295	40,007	27,313
	85,954	**75,196**	**55,205**

20 Other non-financial liabilities

Current

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Taxes payable	11,501	7,844	4,629
Others	141	343	343
	11,642	**8,187**	**4,972**

Taxes payable include service tax, sales tax and other taxes payable and also include provision towards sub judice matters (refer Note 19).

21 Trade Payables

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Trade payables*	**149,698**	**119,706**	**105,769**

* It includes amount due to related parties (refer Note 32) and provision towards sub judice matters (refer Note 19).

22 Contingent liabilities and commitments

(i) Contingent liabilities

Claims against the company not acknowledged as debt:

Particulars		As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
(i)	Taxes, Duties and Other demands (under adjudication / appeal / dispute)			
	-Sales Tax and Service Tax	11,245	11,259	11,120
	-Income Tax	12,527	16,282	16,335
	-Customs Duty	4,317	4,254	4,254
	-Entry Tax	5,509	5,061	4,221
	-Stamp Duty	404	404	411
	-Municipal Taxes	121	122	122
	-Department of Telecom ('DoT') demands	36,540	4,809	4,766
	-Other miscellaneous demands	962	818	59
(ii)	Claims under legal cases including arbitration matters			
	-Access Charges / Port Charges	8,733	8,196	6,952
	-Others	599	610	562
		80,957	**51,815**	**48,802**

Further, refer Note f(iv), f(v) and f(vi) below for other DoT matter.

The category wise detail of the contingent liability has been given below:-

a) Sales and Service Tax

The claims for sales tax comprised of cases relating to the appropriateness of declarations made by the Company under relevant sales tax legislations which were primarily procedural in nature and the applicable sales tax on disposals of certain property and equipment items. Pending final decisions, the Company has deposited amounts under protest with statutory authorities for certain cases.

The service tax demands relate to cenvat claimed on tower and related material, levy of service tax on SIM cards and employee talk time, cenvat credit disallowed for procedural lapses and usage in excess of 20% limit.

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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

b) Income Tax demand

Income tax demands mainly include the appeals filed by the Company before various appellate authorities against the disallowance by income tax authorities of certain expenses being claimed, non-deduction of tax at source with respect to dealers / distributor's margin and payments to international operators for access charges.

c) Access charges (Interconnect Usage Charges) / Port charges

(i) Despite the interconnect usage charges ('IUC') rates being governed by the Regulations issued by Telecom Regulatory Authority of India ('TRAI'); BSNL had raised a demand for IUC at the rates contrary to the regulations issued by TRAI in 2009. Accordingly, the Company filed a petition against the demand with the TDSAT which allowed payments by the Company based on the existing regulations. The matter was then challenged by BSNL and is currently pending with the Hon'ble Supreme Court.

(ii) The Hon'ble TDSAT allowed BSNL to recover distance based carriage charges. The private telecom operators have jointly filed an appeal against the said order and the matter is currently pending before the Hon'ble Supreme Court.

(iii) BSNL challenged before TDSAT the port charges reduction contemplated by the regulations issued by TRAI in 2007 which passed its judgment in favour of BSNL. The said judgment has been challenged by the private operators in Hon'ble Supreme Court. Pending disposal of the said appeal, in the interim, private operators were allowed to continue paying BSNL as per the revised rates i.e. TRAI regulation issued in 2007, subject to the bank guarantee being provided for the disputed amount. The rates were further reduced by TRAI in 2012 which was challenged by BSNL before the Hon'ble Delhi High Court. The Hon'ble Delhi High Court, in the interim, without staying the rate revision, directed the private operators to secure the difference between TRAI regulation of 2007 and 2012 rates by way of bank guarantee pending final disposal of appeal.

d) Customs Duty

The custom authorities, in some states, demanded custom duty for the imports of special software. The view of the Company is that such imports should not be subject to any custom duty as it is operating software exempt from any custom duty. In response to the application filed by the Company, the Hon'ble Central Excise and Service Tax Appellate Tribunal ('CESTAT') has passed an order in favour of the custom authorities. The Company has filed an appeal with Hon'ble Supreme Court against the CESTAT order.

e) Entry Tax

In certain states, an entry tax is levied on receipt of material from outside the state. This position has been challenged by the Company in the respective states, on the grounds that the specific entry tax is ultra vires the Constitution. Classification issues have also been raised, whereby, in view of the Company, the material proposed to be taxed is not covered under the specific category.

During the year ended March 31, 2017, the Hon'ble Supreme Court of India upheld the constitutional validity of entry tax levied by few States. However, Supreme Court did not conclude certain aspects such as present levies in each State is discriminatory in nature or not, leaving them open to be decided by regular benches of the Courts. Pending disposition by the regular benches, the Company has decided to maintain status-quo on its position and hence continued to disclose it as contingent liability.

f) DoT Demands

(i) DoT demands include Demand for license fees pertaining to computation of Adjusted Gross Revenue ('AGR') and the interest thereon, due to difference in its interpretation. The definition of AGR is sub-judice and under dispute since 2005 before the TDSAT. However, the Hon'ble High Courts vide interim orders in 2012 had permitted the Company to continue paying license fee on similar basis as the Company has been paying throughout the period of the license. Further, TDSAT had pronounced its judgment in 2015, quashed all demands raised by DoT and directed DoT to rework the demands basis the principles enunciated in its judgment. Subsequently, the Union of India ('UOI') and the Company along with various other operators have filed appeals / cross appeals before the Hon'ble Supreme Court of India against the TDSAT judgment. In 2016, all the appeals were tagged together and Hon'ble Supreme Court has permitted DoT to raise demands with a direction not to enforce any demand till the final adjudication of the matter by Hon'ble Supreme Court. Accordingly, DoT has raised the demand basis special audit done by DoT and Comptroller and Auditor General of India. The contingent liability includes such demand and interest thereto (excluding certain contentious matters, penalty and interest thereto) for the financial year 2006-07, 2007-08, 2008-09 and 2009-10.

(ii) DoT demands also include the contentious matters in respect of subscriber verification norms and regulations including validity of certain documents allowed as proof of address / identity.

(iii) Penalty for alleged failure to meet certain procedural requirements for EMF radiation self-certification compliance.

The matters stated above are being contested by the Company and based on legal advice, the Company believes that it has complied with all license related regulations and does not expect any financial impact due to these matters.

In addition to the amounts disclosed in the table above, the contingent liability on DoT matters includes the following:

(iv) Post the Hon'ble Supreme Court Judgment in 2011, on components of AGR for computation of license fee, based on the legal advice, the Company believes that the foreign exchange gain should not be included in AGR for computation of license fee thereon. Further as per TDSAT judgement in 2015, foreign exchange fluctuation does not have any bearing on the license fees. Accordingly, the

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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

license fee on foreign exchange gain has not been provided in the financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences', the license fee impact on such exchange differences is not quantifiable. Further as stated in point (i) above, the interpretation as to the components of AGR (including the above component) is subject to litigation and the Hon'ble High Courts vide interim orders in 2012 had permitted the Company to continue paying license fee on similar basis as the Company has been paying throughout the period of the license. The matter is currently pending adjudication of the matter by Hon'ble Supreme Court.

(v) On January 8, 2013, DoT issued a demand on the Company for ₹ 51,353 towards levy of one time spectrum charge. The demand includes a retrospective charge of ₹ 8,940 for holding GSM Spectrum beyond 6.2 MHz for the period from July 1, 2008 to December 31, 2012 and also a prospective charge of ₹ 42,413 for GSM spectrum held beyond 4.4 MHz for the period from January 1, 2013, till the expiry of the initial terms of the respective licenses.

In the opinion of the Company, inter-alia, the above demand amounts to alteration of financial terms of the licenses issued in the past. Based on a petition filed by the Company, the Hon'ble High Court of Bombay, vide its order dated January 28, 2013, has directed the DoT to respond and not to take any coercive action until the next date of hearing. The DoT has filed its reply and the next date of hearing is awaited. The Company, based on independent legal opinions, till date has not given any effect to the above demand.

(vi) DoT had issued notices to the Company (as well as other telecom service providers) to stop provision of services (under 3G Intra Circle Roaming ('ICR') arrangements) in the service areas where such service providers had not been allocated 3G Spectrum and levied a financial penalty of ₹ 3,500 on the Company. The Company contested the notices and upon various rounds of litigations, in response to which TDSAT in 2014 held 3G ICR arrangements to be competent and compliant with the licensing conditions and quashed the notice imposing penalty. The DoT has challenged the order of TDSAT before the Hon'ble Supreme Court which is yet to be listed for hearing.

Guarantees:

Guarantees outstanding as of March 31, 2017, March 31, 2016 and April 1, 2015 amounting to ₹ 123,614, ₹ 99,911 and ₹ 101,379, respectively have been issued by banks and financial institutions on behalf of the Company. These guarantees include certain financial bank guarantees which have been given for subjudice matters and in compliance with licensing conditions, the amount with respect to these have been disclosed under capital commitments, contingencies and liabilities, as applicable, in compliance with the applicable accounting standards.

(ii) Commitments

Capital commitments

Estimated amount of contracts to be executed on capital account and not provided for (net of advances) ₹ 69,623, ₹ 45,115 and ₹ 274,832 (including ₹ Nil, ₹ 10,970 and ₹ 244,040 towards spectrum) as of March 31, 2017, March 31, 2016 and April 1, 2015, respectively.

Lease Commitments

a) Operating Lease

As per the agreements maximum obligation on long-term non-cancellable operating leases are as follows:

As lessee

The future minimum lease payments obligations are as follows:-

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Not later than one year	72,725	68,645	60,478
Later than one year but not later than five years	277,273	215,297	218,622
Later than five years	90,895	102,969	111,760
	440,893	**386,911**	**390,860**
Lease Rentals	71,059	63,941	
Lease equalisation adjustments	(421)	1,473	

The escalation clause includes escalation ranging from 0 to 25%, includes option of renewal from 1 to 15 years and there is no restrictions imposed by lease arrangements.

As lessor

(i) The Company has entered into non–cancellable lease arrangements to provide dark fiber on indefeasible right of use ('IRU') basis. Due to the nature of the transaction, it is not possible to compute gross carrying amount, depreciation for the year and accumulated depreciation of the asset given on operating lease as of March 31, 2017 and accordingly, disclosures required by Ind AS-17 are not provided.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

(ii) The future minimum lease payment receivables are as follows:

As lessor

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Not later than one year	221	337	328
Later than one year but not later than five years	929	1,344	1,207
Later than five years	430	430	904
	1,580	**2,111**	**2,439**

b) Finance Lease

As lessee

Finance lease obligation of the Company as of March 31, 2017 is as follows:-

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	668	111	557
Later than one year but not later than five years	1,387	223	1,164
	2,055	**334**	**1,721**

Finance lease obligation of the Company as of March 31, 2016 is as follows:

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	713	92	621
Later than one year but not later than five years	1,519	228	1,291
	2,232	**320**	**1,912**

Finance lease obligation of the Company as of April 1, 2015 is as follows:

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	42	12	30
Later than one year but not later than five years	117	16	101
	159	**28**	**131**

The escalation clause includes escalation ranging from 0% to 7.5%, includes option of renewal in block of 3 years.

As lessor

The future minimum lease payments receivable of the Company as of March 31, 2017 is as follows:-

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	133	25	107
Later than one year but not later than five years	189	17	172
	322	**42**	**279**

The future minimum lease payments receivable of the Company as of March 31, 2016 is as follows:-

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	126	33	94
Later than one year but not later than five years	297	37	260
	423	**70**	**354**

The future minimum lease payments receivable of the Company as of April 1, 2015 is as follows:-

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	45	13	32
Later than one year but not later than five years	123	17	106
	168	**30**	**138**

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

23 Revenue from operations

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Service revenue	622,637	602,617
Sale of products	126	386
	622,763	**603,003**

24 Employee benefits

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries and bonus	14,731	15,742
Contribution to provident and other funds	672	652
Staff welfare expenses	611	682
Defined benefit plan / other long-term benefits	557	531
Share based payment expense		
- Equity-settled plans	298	204
- Cash-settled plans	157	360
Others	359	477
	17,385	**18,648**

24.1 Share based payment plans

The following table provides an overview of all existing share option plans of the Company:

Scheme	Plan	Vesting period (years)	Contractual term (years)
Equity settled Plans			
Scheme I	2006 Plan	1 - 5	7
Scheme 2005	2008 Plan & Annual Grant Plan (AGP)	1 - 3	7
Scheme 2005	Performance Share Plan (PSP) 2009 Plan	3 - 4	7
Scheme 2005	Special ESOP & Restricted Share Units (RSU) Plan	1 - 5	7
Scheme 2005	Long Term Incentive (LTI) Plan	1 - 3	7
Cash settled Plans			
Performance Unit Plan (PUP)	Performance Unit Plan (PUP) 2013, 2014 & 2015	1 - 4	3-5

The stock options vesting are subject to service and certain performance conditions mainly pertaining to certain financial parameters.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The movement in the number of stock options and the related weighted average exercise prices are as follows:

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Number of share options ('000)	Weighted average exercise price (₹)	Number of share options ('000)	Weighted average exercise price (₹)
2006 Plan				
Outstanding at beginning of year	305	5.00	390	5.00
Granted	-	-	-	-
Exercised	(100)	5.00	(75)	5.00
Forfeited / Expired	-	-	(10)	5.00
Outstanding at end of year	205	5.00	305	5.00
Exercisable at end of year	36	5.00	30	5.00
2008 Plan and AGP				
Outstanding at beginning of year	639	402.50	2,534	355.45
Granted	-	-	-	-
Exercised	-	-	(686)	334.89
Forfeited / Expired	(639)	402.50	(1,209)	342.24
Outstanding at end of year	-	-	639	402.50
Exercisable at end of year	-	-	639	402.50
PSP 2009 Plan				
Outstanding at beginning of year	53	5.00	83	5.00
Granted	-	-	-	-
Exercised	(37)	5.00	(22)	5.00
Forfeited / Expired	(10)	5.00	(8)	5.00
Outstanding at end of year	6	5.00	53	5.00
Exercisable at end of year	5	5.00	53	5.00
Special ESOP and RSU Plan				
Outstanding at beginning of year	126	5.00	189	5.00
Granted	-	-	-	-
Exercised	(91)	5.00	(44)	5.00
Forfeited / Expired	(1)	5.00	(19)	5.00
Outstanding at end of year	34	5.00	126	5.00
Exercisable at end of year	34	5.00	126	5.00
LTI Plans				
Outstanding at beginning of year	1,709	5.00	523	5.00
Granted	820	5.00	1,576	5.00
Exercised	(308)	5.00	(201)	5.00
Forfeited / Expired	(219)	5.00	(189)	5.00
Outstanding at end of year	2,002	5.00	1,709	5.00
Exercisable at end of year	358	5.00	208	5.00
PUP				
Number of shares under option:				
Outstanding at beginning of year	3,118	-	4,801	-
Granted	9	-	18	-
Exercised	(1,257)	-	(822)	-
Forfeited / Expired	(469)	-	(879)	-
Outstanding at end of year	1,401	-	3,118	-
Exercisable at end of year	-	-	-	-

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The following table summarises information about weighted average remaining contractual life, weighted average fair value and weighted average share price for the options:

Plan	Weighted average remaining contractual life for the options outstanding as of (years)			Weighted Avg Fair Value for the options granted during the year ended (₹)			Weighted average share price for the options exercised during the year ended (₹)		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Equity settled Plans									
2006 Plan	4.07	5.00	5.86	-	-	361.19	316.50	350.45	371.70
2008 Plan & AGP	-	0.25	0.63	-	-	-	-	397.45	383.30
PSP 2009 Plan	0.34	0.69	1.87	-	-	-	346.84	367.51	352.26
Special ESOP & RSU Plan	0.10	1.20	2.26	-	-	-	329.91	319.66	350.09
LTI Plan (2011, 2012, 2015 & 2016)	5.65	5.98	4.27	338.50	398.32	291.63	296.90	348.28	368.36
Cash settled Plans									
PUP 2013, 2014 & 2015	1.20	1.85	2.58	379.25	361.11	389.29	466.38	420.81	354.24

The carrying value of cash settled plans liability is ₹ 141, ₹ 697 and ₹ 658 as of March 31, 2017, March 31, 2016 and April 1, 2015, respectively.

The fair value of options is measured using Black-Scholes valuation model. The key inputs used in the measurement of the grant date fair valuation of equity settled plans and fair value of cash settled plans are given in the table below:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Risk free interest rates	5.79% to 6.86%	6.86% to 7.83%
Expected life	4 to 60 months	4 to 60 months
Volatility	27.08% to 27.59%	26.63% to 27.45%
Dividend yield	0.39% to 0.63%	0.54% to 0.63%
Wtd average exercise price (₹)	0 to 5	0 to 5

The expected life of the stock options is based on the Company's expectations and is not necessarily indicative of exercise patterns that may actually occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the expected life of the options is indicative of future trends, which may not necessarily be the actual outcome. Further, the expected volatility is based on the weighted average volatility of the comparable benchmark companies.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

24.2 Defined benefit plan

The details of defined benefit obligations and plan assets are as follows:

Particulars	For the year March 31, 2017		For the year March 31, 2016	
	Gratuity	Compensated absence	Gratuity	Compensated absence
Obligation:				
Balance as at beginning of the year	1,668	730	1587	720
Current service cost	256	150	247	145
Interest cost	133	58	135	61
Benefits paid	(273)	(113)	(340)	(145)
Transfers	7	4	(7)	6
Remeasurements	36	(40)	46	(57)
Present value of funded obligation	**1,827**	**789**	**1,668**	**730**
Current portion	498	789	454	730
Non-current portion	1,329	-	1,214	-

The expected contribution for the year ended March 31, 2017 and 2016 for Gratuity plan is ₹ 389 and ₹ 380, respectively.

Amount recognised in other comprehensive income

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Experience losses	15	6
Gains from change in demographic assumptions	(20)	4
Losses from change in financial assumptions	41	36
Remeasurements on liability	**36**	**46**

Due to its defined benefit plans, the Company is exposed to the following significant risks:

Changes in bond yields - A decrease in bond yields will increase plan liability.

Salary risk - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The financial (per annum rates) and demographic assumptions used to determine defined benefit obligations are as follows:

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Discount rate	7.40%	8.00%	8.50%
Rate of return on plan assets	N.A.	N.A.	N.A.
Rate of salary increase	10.00%	10.00%	10.00%
Rate of attrition	21% to 29%	20% to 23%	19% to 27%
Retirement age	58	58	58

The Company regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligations is given in the table below:

Particulars	Change in assumption	As of March 31, 2017		As of March 31, 2016	
		Gratuity	Compensated absence	Gratuity	Compensated absence
Discount Rate	+1%	-59	-33	-73	-33
	-1%	64	36	80	36
Salary Growth Rate	+1%	62	-33	77	35
	-1%	-59	36	-72	-33

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefit obligations, as a result of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular under-lying actuarial assumption, while assuming all other assumptions to be constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The table below summarises the maturity profile and duration of the gratuity liability:

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Within one year	498	454	450
Within one - three years	569	463	433
Within three - five years	327	287	278
Above five years	433	464	426
Weighted average duration (in years)	3.42	3.75	3.69

25 Network operating expenses / sales and marketing expenses / other expenses

a. Network operating expenses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Internet, bandwidth and leasedline charges	4,834	6,040
Passive infrastructure charges	48,884	45,444
Power and fuel	65,093	57,589
Repair and maintenance	21,240	25,683
Others	5,309	3,133
	145,360	**137,889**

b. Sales and marketing expenses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Advertisement & marketing	7,200	7,485
Sales commission and distribution expenses	21,957	19,087
Business promotion	1,706	4,829
Others	1,457	1,423
	32,320	**32,824**

c. Other expenses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Cost of good sold	58	375
Charity and donation#	1,146	575
Legal and professional fees	7,925	7,981
Bad debts written off	329	4,375
Provision for doubtful debts	7,349	1,952
Content costs	5,934	6,506
Collection and recovery expenses	3,955	3,625
Customer care expenses	3,540	3,611
Travelling and conveyance	1,084	1,261
IT expenses	4,754	4,610
Others	2,450	4,769
	38,524	**39,640**

As per the requirements of section 135 of the Companies Act, 2013, the Company was required to spend an amount of ₹ 2,079 and ₹ 1,890 for the year ended March 31, 2017 and 2016 on corporate social responsibility expenditure. During the year ended March 31, 2017 and 2016, the Company has spent in cash an amount of ₹ 56 and ₹ 535 towards education and sanitation respectively. Further, amount paid to Satya Electoral Trust for political purpose amounting to ₹ 170 and ₹ Nil during the year ended March 31, 2017 and 2016 respectively.

26 Depreciation and amortisation

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Depreciation *	77,663	66,677
Amortisation	44,371	29,076
	122,034	**95,753**

* includes impact of reassessment of useful life, refer Note 3.1 a.

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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

27 Finance costs and income

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Finance costs		
Interest expense	42,902	23,544
Net loss on derivative financial instruments	2,244	-
Net loss on FVTPL investments	-	184
Net exchange loss	-	4,561
Other finance charges	7,400	7,164
	52,546	**35,453**
Finance income		
Interest income	18,242	15,220
Net gain on FVTPL investments	1,725	-
Net exchange gain	3,454	-
Net gain on derivative financial instruments	-	488
	23,421	**15,708**

'Other finance charges' include bank charges, trade finance charges, charges relating to derivative instruments and interest charges towards sub judice matters.

28 Non-operating expense

Non-operating expense comprises regulatory levies applicable to finance income.

29 Exceptional Items

Exceptional items comprise of the following:

(i) For the year ended March 31, 2017:

a. Charge of ₹ 2,396 towards operating costs (including accelerated depreciation) on network re-farming and up-gradation program.

b. Charge of ₹ 2,920 resulting from reassessment of the useful life of certain categories of network assets of the Company due to technological advancements. (Refer Note 3.1 (a))

c. Net charge aggregating to ₹ 7,506 pertaining to regulatory levies related assessment / provisions, settlement of tax related contingent liability and reconciliation of balances.

d. Loss of ₹ 159,886 pertains to internal restructuring and divestment. (Refer Note 5 (v))

(ii) For the year ended March 31, 2016:

a. Charge for regulatory fee provisions of ₹ 2,659 arising out of re-assessment of certain positions.

b. Charge of ₹ 4,140 towards operating costs (including accelerated depreciation) on network refarming and up-gradation program.

Tax expense includes:

(a) Tax benefit of ₹ 5,864 and ₹ 2,243 for the year ended March 31, 2017 and 2016, respectively on above exceptional items.

(b) Tax benefit of ₹ 1,892 during the year ended March 31, 2017 on account of reassessment of tax provisions.

30 Earnings per share ('EPS')

The followings is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Weighted average shares outstanding for basic / diluted EPS	3,997,400	3,997,400
(Loss) / profit for the year	(99,256)	77,803

31 Segment Reporting

The Company's operating segments are organised and managed separately through the respective business managers, according to the nature of products and services provided with each segment representing a strategic business unit. These business units are reviewed by the Chairman of the Company (Chief Operating Decision Maker - 'CODM').

The amounts reported to CODM are based on the accounting principles used in the preparation of financial statements as per Ind AS. Segment's performance is evaluated based on segment revenue and segment result viz. profit or loss from operating activities before exceptional items and tax. Accordingly, finance costs / income, non – operating expenses and exceptional items are not allocated to individual segment.

Inter-segment pricing and terms are reviewed and changed by the management to reflect changes in market conditions and changes to such terms are reflected in the period in which the changes occur. Inter-segment revenues are eliminated upon consolidation of segments and reflected in the 'Eliminations' column.

Segment assets / liabilities comprise assets / liabilities directly managed by each segment. Segment assets primarily include receivables, property, plant and equipment, capital work-in-progress, intangibles,

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intangible assets under development, non-current investments, inventories, cash and cash equivalents, inter-segment assets. Segment liabilities primarily include operating liabilities. Segment capital expenditure comprises additions to property, plant and equipment and intangible assets.

Effective April 1, 2016, the Company has realigned the reporting of its corporate data and fixed-line business with Airtel business and accordingly renamed Telemedia Service to Homes Services. The historical periods have been restated for the above mention segmental changes to make them comparable.

The revised reporting segments of the Company are as below:

Mobile Services: These services cover voice and data telecom services provided through wireless technology (2G / 3G / 4G) in India. This includes the captive national long distance networks which primarily provide connectivity to the mobile services business in India. This also includes intra-city fibre networks.

Airtel Business: These services cover end-to-end telecom solutions being provided to large Indian and global corporations by serving as a single point of contact for all telecommunication needs across data and voice (domestic as well as international long distance), network integration and managed services.

Homes Services: These services cover voice and data communications through fixed-line network and broadband technology.

Unallocated: Unallocated items include expenses / results, assets and liabilities (including inter-segment assets and liabilities) of corporate headquarters of the Company, non-current investment, current taxes, deferred taxes and certain financial assets and liabilities, not allocated to the operating segments.

Summary of the segmental information for the year ended and as of March 31, 2017 is as follows:

Particulars	Mobile Services India	Airtel Business	Homes Services	Unallocated	Eliminations	**Total**
Revenue from external customers	505,670	90,421	26,672	-	-	622,763
Inter-segment revenue	21,075	7,979	198	-	(29,252)	-
Total revenue	**526,745**	**98,400**	**26,870**	**-**	**(29,252)**	**622,763**
Segment result	94,680	19,469	6,331	(1,418)	-	119,062
Finance costs						52,546
Finance income						(23,421)
Non-operating expense						2,324
Exceptional items (refer note 29)						172,708
Profit before tax						**(85,095)**
Other segment items						
Capital expenditure	362,700	14,058	19,286	1,633	(20,862)	376,815
Depreciation and amortisation	113,230	9,737	5,951	12	(6,896)	122,034
As of March 31, 2017						
Segment assets	1,541,193	233,317	296,014	616,542	(779,650)	1,907,416
Segment liabilities	736,333	151,419	231,935	555,306	(779,650)	895,343

Summary of the segmental information for the year ended, as of March 31, 2016 and as of April 1, 2015 is as follows:

Particulars	Mobile Services India	Airtel Business	Homes Services	Unallocated	Eliminations	**Total**
Revenue from external customers	500,080	78,624	24,299	-	-	603,003
Inter-segment revenue	18,226	8,527	215	-	(26,968)	-
Total revenues	**518,306**	**87,151**	**24,514**	**-**	**(26,968)**	**603,003**
Segment result	112,068	14,031	5,540	(1,532)	-	130,107
Finance income						(15,708)
Finance costs						35,453
Other expenses						1,019
Exceptional items (refer note 29)						6,799
Profit before tax						**102,544**
Other segment items						
Capital expenditure	425,861	13,759	6,026	932	(11,042)	435,536
Depreciation and amortisation	86,279	10,367	4,749	14	(5,656)	95,753
As of March 31, 2016						
Segment assets	1,376,117	167,483	166,534	800,866	(660,720)	1,850,280
Segment liabilities	611,172	103,148	108,295	571,094	(660,720)	732,989
As of April 1, 2015						
Segment assets	1,070,350	125,483	105,051	817,726	(603,321)	1,515,289
Segment liabilities	387,377	73,302	50,727	549,822	(603,321)	457,907

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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Unallocated assets comprise of :			
Derivative financial assets	847	858	322
Deferred tax asset	8,875	23,070	27,241
Current tax assets	15,297	820	-
Inter-segment loans / receivables	27,701	3,185	2,284
Other investments	52	60	47,619
Investment in subsidiaries, joint ventures and associates	459,538	698,913	652,478
Loans to related parties	72,704	61,922	73,792
Others	31,528	12,038	13,990
	616,542	**800,866**	**817,726**
Unallocated liabilities comprise of :			
Borrowings	160,783	108,604	70,328
Derivative financial liabilities	1,848	704	344
Current tax liabilities	-	-	507
Inter-segment loans / payables	359,597	437,856	470,627
Others	33,078	23,930	8,016
	555,306	**571,094**	**549,822**

Geographical information:

Information concerning geographical areas by location of the entity is as follows:

(a) Revenue from external customers:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
India	575,319	562,697
Others	47,444	40,306
	622,763	**603,003**

(b) Non-current operating assets:

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
India	1,197,249	942,372	621,865
Others	13,981	15,186	5,189
	1,211,230	**957,558**	**627,054**

Non-current operating assets for this purpose consist of property, plant and equipment, capital work-in-progress, intangible assets and intangible assets under development.

32 Related Party disclosures

Subsidiaries

- Indian

Airtel Broadband Services Private Limited (merged with the Company w.e.f April 9, 2015)

Airtel Payments Bank Limited (formerly known as Airtel M Commerce Services Limited)

Bharti Airtel Services Limited

Bharti Hexacom Limited

Bharti Infratel Limited

Bharti Infratel Services Limited #

Bharti Telemedia Limited

Indo Teleports Limited (formerly known as Bharti Teleports Limited)

Nxtra Data Limited

Smartx Services Limited (subsidiary w.e.f. September 21, 2015)

Telesonic Networks Limited

Wynk Limited

Nettle Infrastructure Investments Limited (formerly known as Nettle Developers Limited, subsidiary w.e.f. March 14, 2017)

Augere Wireless Broadband India Private Limited (subsidiary w.e.f. June 7, 2016, subsequently merged with the Company w.e.f. February 15, 2017) ^

- Foreign

Africa Towers N.V.

Africa Towers Services Limited ##

Airtel (Seychelles) Limited

Airtel (SL) Limited (sold on July 19, 2016)

Airtel Bangladesh Limited (Merged with Robi Axiata Limited w.e.f. November 16, 2016)

Airtel Burkina Faso S.A. (sold on June 22, 2016)

Airtel Congo (RDC) S.A.

Airtel Congo S.A.

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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

Airtel DTH Services (SL) Limited #
Airtel DTH Services Congo (RDC) S.p.r.l. ###
Airtel DTH Services Nigeria Limited ##
Airtel Gabon S.A.
Airtel Ghana Limited
Airtel Madagascar S.A.
Airtel Malawi Limited
Airtel Mobile Commerce (Ghana) Limited
Airtel Mobile Commerce (Kenya) Limited
Airtel Mobile Commerce (Seychelles) Limited
Airtel Mobile Commerce (SL) Limited (sold on July 19, 2016)
Airtel Mobile Commerce (Tanzania) Limited
Airtel Mobile Commerce B.V.
Airtel Mobile Commerce Burkina Faso S.A. (sold on June 22, 2016)
Airtel Mobile Commerce Holdings B.V.
Airtel Mobile Commerce Limited, Malawi
Airtel Mobile Commerce Madagascar S.A.
Airtel Mobile Commerce Rwanda Limited
Airtel Mobile Commerce Tchad S.a.r.l.
Airtel Mobile Commerce Uganda Limited
Airtel Mobile Commerce Zambia Limited
Airtel Money (RDC) S.A.
Airtel Money Niger S.A.
Airtel Money S.A. (Gabon)
Airtel Money Transfer Limited
Airtel Money Tanzania Limited (incorporated on June 10, 2016)
Airtel Networks Kenya Limited
Airtel Networks Limited
Airtel Networks Zambia Plc
Airtel Rwanda Limited
Airtel Tanzania Limited
Airtel Tchad S.A.
Airtel Towers (Ghana) Limited #
Airtel Towers (SL) Company Limited #
Airtel Uganda Limited
Bangladesh Infratel Networks Limited ##
Bharti Airtel (Canada) Limited ###
Bharti Airtel (France) SAS
Bharti Airtel (Hong Kong) Limited
Bharti Airtel (Japan) Kabushiki Kaisha
Bharti Airtel (UK) Limited
Bharti Airtel (USA) Limited
Bharti Airtel Africa B.V.
Bharti Airtel Burkina Faso Holdings B.V.
Bharti Airtel Chad Holdings B.V.
Bharti Airtel Congo Holdings B.V.
Bharti Airtel Developers Forum Limited
Bharti Airtel DTH Holdings B.V.
Bharti Airtel Gabon Holdings B.V.
Bharti Airtel Ghana Holdings B.V.
Bharti Airtel Holdings (Singapore) Pte Ltd (merged with Bharti International (Singapore) Pte Ltd
w.e.f. July 15, 2016)
Bharti Airtel International (Mauritius) Limited^
Bharti Airtel International (Netherlands) B.V.^
Bharti Airtel Kenya B.V.
Bharti Airtel Kenya Holdings B.V.
Bharti Airtel Lanka (Private) Limited
Bharti Infratel Lanka (Private) Limited ##
Bharti Airtel Madagascar Holdings B.V.
Bharti Airtel Malawi Holdings B.V.
Bharti Airtel Mali Holdings B.V.
Bharti Airtel Niger Holdings B.V.
Bharti Airtel Nigeria B.V.
Bharti Airtel Nigeria Holdings B.V. ##
Bharti Airtel Nigeria Holdings II B.V.
Bharti Airtel RDC Holdings B.V.
Bharti Airtel Rwanda Holdings Limited
Bharti Airtel Services B.V.
Bharti Airtel Sierra Leone Holdings B.V. (sold on July 19, 2016)
Bharti Airtel Tanzania B.V.
Bharti Airtel Uganda Holdings B.V.
Bharti Airtel Zambia Holdings B.V.
Bharti International (Singapore) Pte. Ltd
Burkina Faso Towers S.A. ###
Celtel (Mauritius) Holdings Limited
Celtel Niger S.A.
Channel Sea Management Company (Mauritius) Limited
Congo RDC Towers S.A.
Congo Towers S.A. #
Gabon Towers S.A. ##
Indian Ocean Telecom Limited
Kenya Towers Limited ###
Madagascar Towers S.A.
Malawi Towers Limited
Mobile Commerce Congo S.A.
Montana International
MSI-Celtel Nigeria Limited ##
Network i2i Limited
Niger Towers S.A. ###
Partnership Investment Sprl
Société Malgache de Téléphone Cellulaire S.A.
Tanzania Towers Limited
Tchad Towers S.A. #
Towers Support Nigeria Limited ##
Uganda Towers Limited ###
Warid Telecom Uganda Limited (Merged with Airtel Uganda Limited w.e.f. July 31, 2016)
Zambian Towers Limited ###
Zap Trust Company Nigeria Limited ##

Associates

- Indian

Seynse Technologies Private Limited (Stake acquird on February 21, 2017)

- Foreign

Tanzania Telecommunications Company Ltd ('TTCL') (Stake sold on June 23, 2016)
Seychelles Cable Systems Company Limited
Robi Axiata Limited (stake acquired w.e.f. November 16, 2016)

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

Joint Ventures

- Indian

Indus Towers Limited
Firefly Networks Limited
Forum I Aviation Limited (Investment sold on January 7, 2016)

- Foreign

Bridge Mobile Pte Limited

Entities having significant influence over the Company

- Indian

Bharti Telecom Limited

- Foreign

Singapore Telecommunications Limited
Pastel Limited

Others related parties*

i) Key Management Personnel and their relatives exercise significant influence

- Indian

Bharti Foundation
Bharti Airtel Employees Welfare Trust
Hike Private Limited (formerly known as Hike Limited)
Cedar Support Services Limited

ii) Group Companies

- Indian

Brightstar Telecommunication India Limited (formerly known as Beetel Teletech Limited)
Bharti Axa General Insurance Company Limited
Bharti Axa Life Insurance Company Limited
Bharti Realty Holdings Limited
Bharti Realty Limited
Future Retail Limited (ceased w.e.f. May 01, 2016)
Deber Technologies Private Limited (formerly known as Ignite World Private Limited)
Hike Messenger Limited (formerly known as BSB Innovation India Limited)
Centum Learning Limited
Fieldfresh Foods Private Limited
Indian Continent Investment Limited
Jersey Airtel Limited
Nile Tech Limited
Y2CF Digital Media Limited
Bharti Enterprises Limited
Atrium Restaurants India Private Limited
Bharti Land Limited
Centum Work skills India Limited
Oak Infrastructure Developers Limited
Gourmet Investments Private Limited

Key Management Personnel ('KMP')

Sunil Bharti Mittal
Gopal Vittal

* 'Other related parties' though not 'Related Parties' as per the definition under IND AS 24, 'Related party disclosures', have been included by way of a voluntary disclosure, following the best corporate governance practices.

Dissolved during the year ended March 31, 2017.

Under liquidation.

Dissolved during the year ended March 31, 2016.

^ Refer note 5.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The summary of transactions with the above mentioned parties is as follows:

Particulars	For the Year ended									
	March 31, 2017					March 31, 2016				
	Subsidiaries	Joint Ventures	Associates	Entities having significant influence	Other related parties	Subsidiaries	Joint Ventures	Associates	Entities having significant influence	Other related parties
Purchase of fixed assets/bandwidth	4,119	-	-	-	2,705	3,729	-	-	-	2,390
Sale of fixed assets/IRU given	799	-	-	-	-	1,026	-	-	-	-
Purchase of investments*	85,425	-	-	-	-	111,858	-	-	-	-
Sale of Investments	96,809	-	-	-	-	3	-	-	-	-
Rendering of Services	22,680	49	3	1,383	285	20,957	36	4	1,266	339
Receiving of services	48,818	40,423	12	211	2,729	46,759	36,815	-	210	2,738
Fund transferred/expenses incurred on behalf of others	2,647	11	-	-	0	2,554	14	5	-	42
Fund received/expenses incurred on behalf of the Company	169	-	-	-	116	169	25	-	-	121
Donation	-	-	-	-	921	-	-	-	-	524
Security deposit given/advances paid	24	136	-	-	37	50	117	-	0	23
Advance received/refund of Security deposit given	3	50	-	0	-	7	-	-	-	28
Loans given	98,566	-	-	-	-	14,755	5	14	-	554
Repayment of loans given*	91,562	-	-	-	156	26,503	-	14	-	104
Interest charged by others	-	-	-	-	-	6	-	-	-	-
Interest charged by the Company	804	0	-	-	-	707	0	21	-	2
Reimbursement of energy expenses	13,742	24,614	-	-	-	12,456	21,988	-	-	-
Guarantees and collaterals given # (Including performance guarantees)	709,615	-	-	-	-	799,179	-	-	-	-
Dividend Paid	-	-	-	3,255	364	-	-	-	5,199	592
Dividend Income	16,512	-	-	-	-	9,470	-	-	-	-

* Includes loan converted into equity investments.
# mainly pertains to BAIN

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The significant related party transactions are summarised below:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Rendering of Services		
Subsidiaries		
Bharti Hexacom Limited	9,802	8,244
Bharti Airtel (UK) Limited	9,597	8,787
Receiving of Services		
Subsidiaries		
Bharti Hexacom Limited	4,526	3,353
Bharti Infratel Limited	20,543	19,426
Bharti Airtel (UK) Limited	9,366	7,763
Telesonic Networks Limited	4,408	4,317
Joint Venture of subsidiary		
Indus Towers Limited	40,369	36,765
Reimbursement of energy expenses		
Subsidiary		
Bharti Infratel Limited	13,742	12,456
Joint Venture of subsidiary		
Indus Towers Limited	24,614	21,988
Loans given		
Subsidiaries		
Bharti Telemedia Limited	23,357	13,592
Nettle Infrastructure Investments Limited	68,140	-
Repayment of Loans given		
Subsidiaries		
Bharti Telemedia Limited	42,563	26,079
Bharti Airtel International (Netherlands) B.V.	33,788	-
Bharti International (Singapore) Pte Limited *	9,357	-
* loan conversion into equity		
Purchase of investments		
Subsidiaries		
Bharti Airtel International (Mauritius) Limited	14,620	110,155
Network i2i Limited	50,825	-
Sale of investment		
Subsidiary		
Nettle Infrastructure Investments Limited	68,060	-
Dividend income		
Subsidiaries		
Bharti Hexacom Limited	1,348	630
Bharti Infratel Limited	15,164	8,840
Dividend paid		
Entity having significant influence over the Company		
Bharti Telecom Limited	2,451	3,886

The outstanding balances are as follows:

Particulars	Subsidiaries	Joint ventures	Associates	Entities having significant influence	Other related parties
As of March 31, 2017					
Trade Payables	(5,342)	(10,563)	(10)	(223)	(410)
Trade Receivables	748	1	0	0	69
Loans (including accrued interest) *	72,699	5	0	0	352
Security Deposit	2,602	3,717	0	0	931
As of March 31, 2016					
Trade Payables	(6,010)	(8,115)	0	(120)	(403)
Trade Receivables	1,301	0	0	0	212
Loans (including accrued interest) *	62,766	5	0	0	559
Security Deposit	2,580	3,631	0	0	894
As of April 1, 2015					
Trade Payables	(5,720)	(7,740)	0	(32)	(420)
Trade Receivables	1,954	0	114	0	157
Loans (including accrued interest) *	74,383	0	466	0	98
Security Deposit	2,537	3,513	0	0	901

* Refer note 38 III. 5.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

Outstanding balances at period end are un-secured and settlement occurs in cash.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director, whether executive or otherwise. Remuneration to key management personnel were as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Short-Term employee benefits	250	223
Performance linked Incentive ('PLI')#	118	94
Post-employment benefit	26	24
Share-based payment	62	57
	456	**398**

Value of PLI considered above represents incentive at 100% performance level. However, same will be paid on the basis of actual performance parameters in next year. Additional provision of ₹ 28 and ₹ 29 has been recorded in the books towards PLI for the year ended March 31, 2017 and March 31, 2016, respectively. During the year ended March 31, 2017 and 2016, PLI of ₹ 116 and ₹ 143 respectively pertaining to previous year has been paid.

As the liabilities for the gratuity and compensated absences are provided on an actuarial basis, and calculated for the Company as a whole rather than each of the individual employees, the said liabilities pertaining specifically to KMP are not known and hence, not included in the above table.

In addition to above ₹ 313 thousand and ₹ 322 thousand have been paid as equity divided to key management personnel during the year ended March 31, 2017 and March 31, 2016 respectively.

The Company has agreed to ensure appropriate financial support only if and to the extent required by its subsidiaries (namely, Bharti Airtel Services Limited, Bharti Telemedia Limited, Airtel Payments Bank Limited, Bharti Teleports Limited, Nxtra Data Limited, Bharti Airtel (Hongkong) Limited, Bharti Airtel Lanka (Private) Limited and Bharti Airtel International (Netherlands) B.V. including its subsidiaries).

33 Financial and Capital risk

1. Financial Risk

The business activities of the Company expose it to a variety of financial risks, namely market risks (that is, foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects on its financial performance. Further, the Company uses certain derivative financial instruments to mitigate some of these risk exposures (as discussed below in this note).

The financial risk management for the Company is driven by the Company's senior management ('GSM'), in close co-ordination with the operating entities and internal / external experts subject to necessary supervision. The Company does not undertake any speculative transactions either through derivatives or otherwise. The GSM are accountable to the Board of Directors and Audit Committee. They ensure that the Company's financial risk-taking activities are governed by appropriate financial risk governance frame work, policies and procedures. The BOD of the respective operating entities periodically reviews the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

(i) Foreign currency risk

Foreign exchange risk arises on all recognised monetary assets and liabilities, and any highly probable forecasted transactions, which are denominated in a currency other than the functional currency of the Company. The Company has foreign currency trade payables, receivables and borrowings. However, foreign exchange exposure mainly arises from borrowings and trade payables denominated in foreign currencies.

The foreign exchange risk management policy of the Company requires it to manage the foreign exchange risk by transacting as far as possible in the functional currency. Moreover, the Company monitors the movements in currencies in which the borrowings / capex vendors are payable and manage any related foreign exchange risk, which inter-alia include entering into foreign exchange derivative contracts - as considered appropriate and whenever necessary. For further details as to foreign currency borrowings, refer Note 17. Further, for the details as to the fair value of various outstanding derivative financial instruments, refer Note 34.

Foreign currency sensitivity

The impact of foreign exchange sensitivity on profit for the year and other comprehensive income is given in the table below:

Particulars	Change in currency exchange rate	Effect on profit before tax	Effect on equity (OCI)
For the year ended March 31, 2017			
US Dollars	+5%	(5,244)	-
	-5%	5,244	-
Others	+5%	(2)	-
	-5%	2	-
For the year ended March 31, 2016			
US Dollars	+5%	(7,664)	-
	-5%	7,664	-
Others	+5%	8	-
	-5%	(8)	-

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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

The sensitivity disclosed in the above table is mainly attributable to, in case of to foreign exchange gains / (losses) on translation of USD denominated borrowings, derivative financial instruments, trade payables, and trade receivables.

The above sensitivity analysis is based on a reasonably possible change in the under-lying foreign currency against the respective functional currency while assuming all other variables to be constant.

Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, the Company's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

(ii) Interest rate risk

As the Company does not have exposure to any floating-interest bearing assets, or any significant long-term fixed-interest bearing assets, its interest income and related cash inflows are not affected by changes in market interest rates. Consequently, the Company's interest rate risk arises mainly from borrowings.

Borrowings

Borrowings with floating and fixed interest rates expose the Company to cash flow and fair value interest rate risk respectively. However, the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure. Accordingly, the components of the debt portfolio are determined by the GSM in a manner which enables the Company to achieve an optimum debt-mix basis its overall objectives and future market expectations.

The Company monitors the interest rate movement and manages the interest rate risk based on its risk management policies, which inter-alia include entering into interest swaps contracts - as considered appropriate and whenever necessary.

Interest rate sensitivity of borrowings

The impact of the interest rate sensitivity on profit before tax is given in the table below:

Interest rate sensitivity	Increase / decrease in basis points	Effect on profit before tax
For the year ended March 31, 2017		
INR - borrowings	+100	(468)
	-100	468
US Dollar -borrowings	+100	(228)
	-100	228
For the year ended March 31, 2016		
INR - borrowings	+100	(30)
	-100	30
US Dollar -borrowings	+100	(448)
	-100	448

The sensitivity disclosed in the above table is attributable to floating-interest rate borrowings and the interest swaps.

The above sensitivity analysis is based on a reasonably possible change in the under-lying interest rate of the Company's borrowings in INR, USD (being the significant currencies in which it has borrowed funds), while assuming all other variables (in particular foreign currency rates) to be constant.

Based on the movements in the interest rates historically and the prevailing market conditions as at the reporting date, the Company's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

(iii) Price risk

The Company invests its surplus funds in various mutual funds (debt fund, equity fund, liquid schemes and income funds etc.), short term debt funds, government securities and fixed deposits. In order to manage its price risk arising from investments, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.

(iv) Credit risk

Credit risk refers to the risk of default on its obligation by the counter-party, the risk of deterioration of credit-worthiness of the counter-party as well as concentration risks of financial assets, and thereby exposing the Company to potential financial losses.

The Company is exposed to credit risk mainly with respect to trade receivables, and derivative financial instruments.

Trade receivables

The Trade receivables of the Company are typically non-interest bearing un-secured and derived from sales made to a large number of independent customers. As the customer base is widely distributed both economically and geographically, there is no concentration of credit risk.

As there is no independent credit rating of the customers available with the Company, the management reviews the credit-worthiness of its customers based on their financial position, past experience and other factors. The credit risk related to the trade receivables is managed / mitigated by each business unit, basis the Company's established policy and procedures, by setting appropriate payment terms and credit period, and by setting and monitoring internal limits on exposure to individual customers. The credit period provided by the Company to its customers generally ranges from 14-30 days except Airtel business segment wherein it ranges from 7-90 days.

The Company uses a provision matrix to measure the expected credit loss of trade receivables, which

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

comprise a very large numbers of small balances. Refer note 14 for details on the impairment of trade receivables. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are credit impaired if the payments are more than 90 days past due.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired (excluding unbilled)	Past due but not impaired				Total
		Less Than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
Trade Receivables as of March 31, 2017	15,997	8,624	3,970	3,203	324	32,118
Trade Receivables as of March 31, 2016	16,885	9,189	2,651	2,165	833	31,724
Trade Receivables as of April 1, 2015	21,097	8,702	858	1,910	480	33,047

The Company performs on-going credit evaluations of its customers' financial condition and monitors the credit-worthiness of its customers to which it grants credit in its ordinary course of business. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due. Where the financial asset has been written-off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit and loss.

Financial instruments and cash deposits

The Company's treasury, in accordance with the board approved policy, maintains its cash and cash equivalents, deposits and investment in mutual funds, and enters into derivative financial instruments - with banks, financial and other institutions, having good reputation and past track record, and high credit rating. Similarly, counter-parties of the Company's other receivables carry either no or very minimal credit risk. Further, the Company reviews the credit-worthiness of the counter-parties (on the basis of its ratings, credit spreads and financial strength) of all the above assets on an on-going basis, and if required, takes necessary mitigation measures.

(v) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic and international capital markets across debt and equity.

Moreover, the Company's senior management regularly monitors the rolling forecasts of the entities' liquidity reserve (comprising of the amount of available un-drawn credit facilities and Cash and cash equivalents) and the related requirements, to ensure they have sufficient cash on an on-going basis to meet operational needs while maintaining sufficient headroom at all times on its available un-drawn committed credit facilities, so that there is no breach of borrowing limits or relevant covenants on any of its borrowings. For details as to the Borrowings, refer Note 17.

Based on past performance and current expectations, the Company believes that the Cash and cash equivalents, cash generated from operations and available un-drawn credit facilities, will satisfy its working capital needs, capital expenditure, investment requirements, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:-

Particulars	As of March 31, 2017						Total
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	
Interest bearing borrowings*#	603,759	265	72,941	31,725	70,808	732,139	**907,878**
Other financial liabilities#	76,143	2,538	51,724	-	-	21,881	**76,143**
Trade payables	149,698	-	149,698	-	-	-	**149,698**
Financial liabilities (excluding derivatives)	**829,600**	**2,803**	**274,363**	**31,725**	**70,808**	**754,020**	**1,133,719**
Derivative assets	847	-	536	98	44	169	**847**
Derivative liabilities	(1,848)	-	(1,319)	(343)	(58)	(128)	**(1,848)**
Net derivatives	**(1,001)**	**-**	**(783)**	**(245)**	**(14)**	**41**	**(1,001)**

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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

Particulars	As of March 31, 2016						Total
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	
Interest bearing borrowings*#	456,167	3,036	11,338	30,859	69,284	614,419	**728,936**
Other financial liabilities#	98,344	2,602	75,006	-	-	20,736	**98,344**
Trade payables	119,706	-	119,706	-	-	-	**119,706**
Financial liabilities (excluding derivatives)	**674,217**	**5,638**	**206,050**	**30,859**	**69,284**	**635,155**	**946,986**
Derivative assets	858	-	387	75	243	153	**858**
Derivative liabilities	(704)	-	(572)	(124)	(3)	(5)	**(704)**
Net derivatives	**154**	**-**	**(185)**	**(49)**	**240**	**148**	**153**

Particulars	As of April 1, 2015						Total
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	
Interest bearing borrowings*#	213,876	-	14,171	7,550	38,208	273,711	**333,640**
Other financial liabilities#	84,726	2,722	62,291	-	-	19,713	**84,726**
Trade payables	105,769	-	105,769	-	-	-	**105,769**
Financial liabilities (excluding derivatives)	**404,371**	**2,722**	**182,231**	**7,550**	**38,208**	**293,424**	**524,135**
Derivative assets	322	-	116	52	86	68	**322**
Derivative liabilities	(344)	-	(158)	(65)	(112)	(9)	**(344)**
Net derivatives	**(22)**	**-**	**(42)**	**(13)**	**(26)**	**59**	**(22)**

* Includes contractual interest payment based on interest rate prevailing at the end of the reporting period after adjustment for the impact of interest swaps, over the tenor of the borrowings.

Interest accrued but not due of ₹ 1,409, ₹ 1,164 and ₹ 237 as of March 31, 2017, March 31, 2016 and April 1, 2015, respectively, has been included in interest bearing borrowings and excluded from other financial liabilities.

The Company from time to time in its usual course of business guarantees certain indebtedness of its subsidiaries. Accordingly, as of March 31, 2017, March 31, 2016 and April 1, 2015 company has issued corporate guarantee for debt of ₹ 340,855, ₹ 393,128 and ₹ 433,987, respectively. The outflow in respect of these guarantees arises only on any default/non-performance of the subsidiary with respect to the guaranteed debt and substantial amount of such loans are due for payment after two years from the reporting date.

2. Capital Risk

The Company's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. However, the key objective of the Company's capital management is to, ensure that it maintains a stable capital structure with the focus on total equity, uphold investor; creditor and customer confidence, and ensure future development of its business activities. In order to maintain or adjust the capital structure, the Company may issue new shares, declare dividends, return capital to shareholders, etc.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

Particulars	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Borrowings	602,350	455,003	213,639
Less: Cash and Cash Equivalents	1,087	466	3,852
Net Debt	**601,263**	**454,537**	**209,787**
Equity	1,012,073	1,117,291	1,057,382
Total Capital	**1,012,073**	**1,117,291**	**1,057,382**
Capital and Net Debt	**1,613,336**	**1,571,828**	**1,267,169**
Gearing Ratio	**37.3%**	**28.9%**	**16.6%**

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(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

34 Fair Value of financial assets and liabilities

The category wise details as to the carrying value and fair value of the Company's financial instruments are as follows:

Particulars	Level	Carrying Value as of			Fair Value as of		
		March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Financial Assets							
FVTPL							
Derivatives							
- Currency swaps, forward and option contracts	Level 2	187	549	215	187	549	215
- Interest rate swaps		106	-	-	106	-	-
- Embedded derivatives	Level 2	554	309	107	554	309	107
Investments	Level 1	-	-	47,550	-	-	47,550
Investments	Level 2	52	60	69	52	60	69
Amortised cost							
Loans and security deposits	Level 2	82,470	72,237	83,444	82,470	72,237	83,444
Trade receivables	Level 2	32,118	31,724	33,047	32,118	31,724	33,047
Cash and cash equivalents	Level 1	1,087	466	3,852	1,087	466	3,852
Other financial assets	Level 2	9,328	14,557	10,152	9,328	14,557	10,152
		125,902	**119,902**	**178,436**	**125,902**	**119,902**	**178,436**
Financial Liabilities							
FVTPL							
Derivatives							
- Currency swaps, forward and option contracts	Level 2	1,848	596	111	1,848	596	111
- Embedded derivatives	Level 2	-	108	233	-	108	233
Amortised cost							
Borrowings- fixed rate	Level 1	64,082	65,402	-	65,008	67,469	-
Borrowings- fixed rate	Level 2	456,153	343,395	143,330	490,251	353,949	143,330
Borrowings- floating rate	Level 2	82,115	46,206	70,309	82,115	46,206	70,309
Trade payables	Level 2	149,698	119,706	105,769	149,698	119,706	105,769
Other financial liabilities	Level 2	77,552	99,508	84,963	77,552	99,508	84,963
		831,448	**674,921**	**404,715**	**866,472**	**687,542**	**404,715**

The following methods / assumptions were used to estimate the fair values:

i. The carrying value of trade receivables, trade payables, short-term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments.

ii. Fair value of quoted financial instruments is based on quoted market price at the reporting date.

iii. The fair value of long-term borrowings and non-current financial assets / liabilities is estimated by discounting future cash flows using current rates applicable to instruments with similar terms, currency, credit risk and remaining maturities.

iv. The fair values of derivatives are estimated by using pricing models, wherein the inputs to those models are based on readily observable market parameters. The valuation models used by the Company reflect the contractual terms of the derivatives (including the period to maturity), and market-based parameters such as interest rates, foreign exchange rates, volatility etc. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable.

During the year ended March 31, 2017 and 2016, there were no transfers between Level 1 and Level 2 fair value measurements. None of the financial assets and financial liabilities are in Level 3.

Following table describes the valuation techniques used and key inputs thereto for the Level 2 financial assets / liabilities as of March 31, 2017, March 31, 2016 and April 1, 2015:

Financial assets / liabilities	Valuation technique	Inputs used
- Currency swaps, forward and option contracts	Discounted Cash Flow	Forward currency exchange rates, Interest rates.
- Interest swaps	Discounted Cash Flow	Prevailing / forward interest rates in market, Interest rates.
- Embedded derivatives	Discounted Cash Flow	Forward currency exchange rates, Interest rates.
- Investments	Discounted Cash Flow	Prevailing / forward interest rates in market, Interest rates.
- Other financial assets	Discounted Cash Flow	Prevailing / forward interest rates in market, Interest rates.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

Financial assets / liabilities	Valuation technique	Inputs used
- Other borrowings- fixed rate	Discounted Cash Flow	Prevailing interest rates in market, Future payouts, Interest rates.
- Other financial liabilities	Discounted Cash Flow	Prevailing interest rates in market, Future payouts, Interest rates.

35 Auditor's remuneration

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
- Audit fee*	76	78
- Reimbursement of expenses*	6	6
- As advisor for taxation matters*	0	-
- Other services*	9	18
	91	**102**

*Excluding service tax

36 Micro, small & medium enterprises development act, 2006 ('MSMED') disclosure

The dues to micro and small enterprises as required under MSMED Act, 2006, based on the information available with the Company, is given below:

Sr No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
1	The principal amount and the interest due thereon [₹ Nil (March 31, 2016 – ₹ Nil)] remaining unpaid to any supplier as at the end of each accounting year	10	32
2	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	96	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year;	0	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

37 Other Matters

(i) In 1996, the Company had obtained the permission from DoT to operate its Punjab license through one of its wholly owned subsidiary. However DoT cancelled the permission to operate in April, 1996 and subsequently reinstated in March, 1998. Accordingly, for the period from April 1996 to March, 1998 ('blackout period') the license fee was disputed and not paid by the Company.

Subsequently, basis the demand from DoT in 2001, the Company paid the disputed license fee of ₹ 4,856 for blackout period under protest. Consequently, the license was restored subject to arbitrator's adjudication on the dispute. The arbitrator adjudicated the matter in favour of DoT, which was challenged by the Company before Hon'ble Delhi High Court. In 2012, Hon'ble Delhi High Court passed an order setting aside the arbitrator's award, which was challenged by DoT and is pending before its division bench. Meanwhile, the Company had filed a writ petition for recovery of the disputed license fee and interest thereto. However, the single bench, despite taking the view that the Company is entitled to refund, dismissed the writ petition on the ground that the case is still pending with the larger bench. The Company therefore has filed appeal against the said order with division bench and is currently pending.

(ii) TRAI vide Telecom Interconnect Usages Charges Regulation (Eleventh Amendment) 2015 has reduced the IUC charges for mobile termination charges to 14 paisa from 20 paisa and abolished the fixed-line termination charges. The company has challenged the said Regulation before the Hon'ble Delhi High Court and the matter is currently pending.

38 Reconciliation from previous GAAP

The following reconciliations provide a quantification of the effect of differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101 whereas the notes explain the significant differences thereto.

I. Balance sheet reconciliations as of April 1, 2015

II a. Balance sheet reconciliations as of March 31, 2016

II b. Reconciliations of statement of profit and loss for the year ended March 31, 2016

III. Notes to the balance sheet and statement of profit and loss reconciliations

IV. Explanation of material adjustments to statement of cash flows

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

I. Balance sheet reconciliation as of April 1, 2015

Particulars	Notes	Regrouped IGAAP	Ind AS Adjustment	Ind AS
Assets				
Non-current assets				
Property, plant and equipment	1 / 2 / 3	256,552	1,604	258,156
Capital work-in-progress	2	26,561	337	26,898
Intangible assets		277,892	-	277,892
Intangible assets under development		64,108	-	64,108
Investment in subsidiaries, joint ventures and associates	4 / 5	383,908	268,570	652,478
Financial Assets				
- Investments	7	52	-	52
- Derivative instruments	6	-	154	154
- Loans and security deposits	3 / 5	49,650	(6,758)	42,892
- Others		487	-	487
Deferred tax assets (net)	10	27,935	(694)	27,241
Other non-current assets	3	17,041	-	17,041
		1,104,186	**263,213**	**1,367,399**
Current assets				
Inventories		94	-	94
Financial Assets				
- Investments	7	47,211	356	47,567
- Derivative instruments	6	-	168	168
- Trade receivables		33,047	-	33,047
- Cash and cash equivalents		3,852	-	3,852
- Loans		40,552	-	40,552
- Others		9,665	-	9,665
Other current assets		12,864	81	12,945
		147,285	**605**	**147,890**
Total Assets		**1,251,471**	**263,818**	**1,515,289**
Equity and Liabilities				
Equity				
Shares capital		19,987	-	19,987
Other Equity		762,743	274,652	1,037,395
		782,730	**274,652**	**1,057,382**
Non-current liabilities				
Financial liabilities				
-Borrowings		194,209	-	194,209
-Derivative instruments	6	126	(5)	121
-Others		19,713	-	19,713
Deferred revenue	3	16,012	(125)	15,887
Provisions	1	1,969	(43)	1,926
		232,029	**(173)**	**231,856**
Current liabilities				
Financial liabilities				
-Borrowings		6,259	-	6,259
-Current maturities of long term borrowings		13,171	-	13,171
-Derivative instruments	6	126	97	223
-Trade payables		105,890	(121)	105,769
-Others	3	65,328	(78)	65,250
Deferred revenue	3	28,604	122	28,726
Provisions		1,174	-	1,174
Current tax liabilities (net)		507	-	507
Other current liabilities	8	15,653	(10,681)	4,972
		236,712	**(10,661)**	**226,051**
Total Liabilities		**468,741**	**(10,834)**	**457,907**
Total Equity and Liabilities		**1,251,471**	**263,818**	**1,515,289**

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

II a. Balance sheet reconciliation as of March 31, 2016

Particulars	Notes	Regrouped IGAAP	Ind AS Adjustment	Ind AS
Assets				
Non-current assets				
Property, plant and equipment	1 / 2 / 3	311,563	1,110	312,673
Capital work-in-progress	2	28,251	337	28,588
Intangible assets		606,582	-	606,582
Intangible assets under development		9,715	-	9,715
Investment in subsidiaries, joint ventures and associates	4 / 5	430,209	268,704	698,913
Financial assets				
- Investments	7	52	-	52
- Derivative instruments	6	-	396	396
- Loans and security deposits	3 / 5	33,199	(4,338)	28,861
- Others		598	-	598
Deferred tax assets (net)	10	23,503	(433)	23,070
Other non-current assets	3	26,622	-	26,622
		1,470,294	**265,776**	**1,736,070**
Current assets				
Inventories		53	-	53
Financial assets				
- Investments		8	-	8
- Derivative instruments	6	-	462	462
- Trade receivables		31,724	-	31,724
- Cash and cash equivalents		466	-	466
- Loans		43,376	-	43,376
- Others		13,959	-	13,959
Current tax assets (net)		820	-	820
Other current assets		23,483	(141)	23,342
		113,889	**321**	**114,210**
Total Assets		**1,584,183**	**266,097**	**1,850,280**
Equity and Liabilities				
Equity				
Shares capital		19,987	-	19,987
Other Equity		824,481	272,823	1,097,304
		844,468	**272,823**	**1,117,291**
Non-current Liabilities				
Financial liabilities				
- Borrowings		414,622	(52)	414,570
- Derivative instruments	6	11	(3)	8
- Others		20,736	-	20,736
Deferred revenue	3	17,110	(126)	16,984
Provisions	1	2,262	(39)	2,223
		454,741	**(220)**	**454,521**
Current liabilities				
Financial liabilities				
- Borrowings		6,961	38	6,999
- Current maturities of long-term borrowings		33,434	-	33,434
- Derivative instruments	6	108	588	696
- Trade payables		120,280	(574)	119,706
- Others	3	78,907	(135)	78,772
Deferred revenue	3	29,364	121	29,485
Provisions		1,189	-	1,189
Other current liabilities	8	14,731	(6,544)	8,187
		284,974	**(6,506)**	**278,468**
Total Liabilities		**739,715**	**(6,726)**	**732,989**
Total Equity and Liabilities		**1,584,183**	**266,097**	**1,850,280**

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

II b. Reconciliation of Statement of profit and loss for the year ended March 31, 2016

Particulars	Notes	Regrouped IGAAP	Ind AS Adjustment	Ind AS
Income				
Revenue from operations		603,002	1	603,003
Other Income		1,729	-	1,729
Total Income		**604,731**	**1**	**604,732**
Expenses				
Network operating expenses	3	137,540	349	137,889
Access charges		80,236	-	80,236
License fee / spectrum charges (revenue share)		69,635	-	69,635
Employee benefits	9	18,693	(45)	18,648
Sales and marketing Expenses		32,824	-	32,824
Other expenses	3	39,610	30	39,640
Total Expenses		**378,538**	**334**	**378,872**
Profit from operating activities before depreciation, amortisation and exceptional items		**226,193**	**(333)**	**225,860**
Depreciation and amortisation expense	1 / 2 / 3	95,431	322	95,753
Finance costs	1 / 3 / 6 / 7	35,002	451	35,453
Finance income	3 / 5 / 6 / 7	(12,458)	(3,250)	(15,708)
Non operating expense		1,019	-	1,019
Profit before exceptional items and tax		**107,199**	**2,144**	**109,343**
Exceptional items		6,799	-	6,799
Profit before tax		**100,400**	**2,144**	**102,544**
Tax expenses				
Current tax		20,558	-	20,558
Deferred tax	10	4,376	(193)	4,183
Profit for the year		**75,466**	**2,337**	**77,803**
Other comprehensive income ('OCI') :				
Items not to be reclassified to profit or loss :				
Re-measurement losses on defined benefit plans	9	-	(46)	(46)
Income tax credit	9	-	12	12
Other comprehensive loss for the year		**-**	**(34)**	**(34)**
Total comprehensive income for the year		**75,466**	**2,303**	**77,769**

III. Notes to the balance sheet and statement of profit and loss reconciliations

As the presentation requirements under IGAAP differ from Ind AS, the IGAAP information has been regrouped for ease and facilitation of reconciliation with Ind AS.

1. Asset retirement obligations ('ARO')

Under previous GAAP, ARO is initially measured at the expected cost to settle the obligation. Under Ind AS, the ARO is initially measured at the present value of expected cost to settle the obligation. The Company accordingly has recognized the adjustment to the cost of fixed assets and the consequent depreciation and finance cost. The corresponding impact on the date of transition has been recognised in equity.

2. Foreign exchange gain / losses

Under previous GAAP, certain foreign exchange gains or losses on foreign currency denominated liabilities were capitalized into the carrying value of fixed assets until March 31st 2008. Under Ind AS, such gains and losses are not allowed to capitalised. The Company accordingly has recognised the adjustment to the cost of fixed assets and the consequent depreciation. The corresponding impact on the date of transition has been considered in equity.

3. Non-current financial assets / liabilities

Under previous GAAP, certain non-current financial assets / liabilities which were measured at cost / best estimate of the expenditure required to settle the obligation, at the balance sheet date without considering the effect of discounting whereas these are measured at the present value on the balance sheet date under Ind AS. Accordingly, the Company has recognised the adjustment to the respective carrying amount and the consequent impact on finance cost / finance income due to the unwinding of the discounting impact. The corresponding impact on the date of transition has been recognised in equity.

4. Investment in subsidiaries – deemed cost exemption

Under previous GAAP, investments in subsidiaries were measured at cost. Under Ind AS, the Company has elected the option of fair value the investments in certain subsidiaries basis the requirements of Ind AS 101, First Time Adoption of Indian Accounting Standards for deriving the carrying value of these Investments ('deemed cost').

5. Fair valuation of loans

Under previous GAAP, interest free loans given by Parent to its subsidiaries are not required to be fair valued on

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹'; unless stated otherwise)

initial recognition and hence these were recognised at the amount of loan given. Under Ind AS, such loans are measured at fair value on initial recognition basis discounting at market interest rates and the difference is accounted as investment in respective subsidiary. The consequent unwinding of discounted fair value is recognised as interest income in the statement of profit and loss with the corresponding increase in loans.

6. Derivatives

Under previous GAAP, derivative contracts are measured at fair value at each balance sheet date with the changes over the previous carrying amount being recognised in the statement of profit and loss, but recognition of increase in the fair value is restricted only to the extent it represents any subsequent reversal of previously recognised losses. Under Ind AS, the entire changes the fair values of derivative contracts are recognised in statement of profit and loss in the year of change.

7. Investments

Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets are classified as FVTPL and the changes in fair value are recognised in statement of profit and loss. On the transition date, these financial assets have been measured at their fair value which is higher than its cost as per previous GAAP, resulting in an increase in carrying value of the investments with corresponding increase being recognised in equity.

8. Proposed dividend

Under previous GAAP, dividend on equity shares recommended by the board of directors ('proposed dividend') was recognised as a liability in the financial statements in the period to which it relates. Under Ind AS, such dividend is recognised as a liability when approved by the shareholders in the general meeting. The Company accordingly, has de-recognised the proposed dividend liability with the corresponding increase being recognised in equity.

9. Remeasurement differences

Under previous GAAP, there was no concept of other comprehensive income and hence, previous GAAP profit is reconciled to total comprehensive income as per Ind AS. Under previous GAAP, the remeasurements of the net defined benefit liability were recognised in the statement of profit and loss. Under Ind AS, the said remeasurement differences net of the related tax impact are recognised in other comprehensive income.

10. Deferred Taxes

Under Ind AS, the Company has recognised the consequential deferred tax implications on the impact on account of adjustments explained above.

IV. Explanation of material adjustments to Statement of Cash Flows

There were no material differences between the statement of cash flows presented under Ind AS and the previous GAAP except due to various re-classification adjustments recorded under Ind AS and difference in the definition of cash and cash equivalents under these two GAAPs.