INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF **BHARTI AIRTEL LIMITED**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **BHARTI AIRTEL LIMITED** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of net profit in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements / financial information of the joint ventures referred to in the Other Matter section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2020, and their consolidated loss, consolidated total comprehensive loss, consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act ("SAs"). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter section below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Emphasis of Matters

i. "Accounting treatment of for Deferred Tax" of Indus Towers Limited, a joint venture company - Reported by auditors of Indus Towers Limited

We draw attention to Note 4(f) of the Consolidated Financial Statements, which describes the auditors of Indus Towers Limited ("Indus"), a joint venture company, have included an 'Emphasis of Matter' paragraph in their audit report on the financial statements of that company for the year ended March 31, 2020 with respect to accounting treatment of adjustments of ₹ 2,039 million in carrying value of deferred tax assets, by setting off the same against the reserves created out of scheme of merger pursuant to the scheme of merger as approved by the appropriate judicature. However, this is not in compliance with Ind AS 12, Income taxes.

The Group's share out of above adjustment is ₹ 856 million.

ii. "Material uncertainty arising out of certain developments and its consequential impact on business operations" of Indus Towers Limited, a joint venture company - Reported by auditors of Indus Towers Limited

We draw attention to Note 4(k) of the Consolidated Financial Statements, which describes the auditors of Indus Towers Limited ("Indus"), a joint venture company, in their audit report on the financial statements of that company for the year ended March 31, 2020, have reported under the above heading a matter which describes the effect on business, results of operations, financial position of the joint venture company on account of uncertainty regarding continuance of operations of their top customers caused by financial stress post the AGR judgement of Honorable Supreme Court dated October 24, 2019 and March 18, 2020.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue from operations:** There is an inherent risk around accuracy of revenue recorded in respect of Mobile Services, Airtel Business, Digital TV Services and Tower Infrastructure Service segments because of the complexity of the IT systems and other support systems, significance of volumes of data processed by the systems and the impact of changing pricing models (tariff structures, incentive arrangements and discounts, etc.). In addition, for Airtel Business, we considered occurrence of revenue as a risk due to the possibility that revenue may be recorded without active service links being provided to customers or for contracts that are cancelled/not renewed. Refer note 2.19 "Revenue recognition" for accounting policies, note 3.2.a 'Revenue recognition and presentation' under the head Critical judgements in applying the Group's accounting policies', and note 24 on disclosures related to Revenue in the Consolidated Financial Statements.	**Principal Audit Procedures** We evaluated the design and tested the operating effectiveness of the general IT controls and application specific controls within the IT system, including testing of system generated reports used in our audit of revenues by involving our IT specialist. We also tested the controls within the billing systems, prepaid charging systems, capturing and recording of revenue, authorisation and input of changes to the IT systems and over reconciliations performed between the active customers base with billing system. We performed substantive procedures, which included testing the accuracy of customer invoices and tracing receipts to customer invoices, comparing the number of links/connection as per the active customer base to the billing system, testing reconciliations between billing system and the general ledger (including validation of relevant journal entries), making test calls and testing whether they are rated correctly and analytical procedures for relevant segment revenue. We verified the appropriateness of the accounting policies and the disclosures related to Revenue in notes 2.19, 3.2.a and 24 respectively in the Consolidated Financial Statements.
2	**Determination of additional provision for License fees and Spectrum Usage Charges along with interest, penalty and interest on penalty pursuant to Supreme Court judgement on Adjusted Gross Revenue** Consequent to a Judgement of the Hon'ble Supreme Court of India on October 24, 2019 in relation to a long outstanding industry-wise case upholding the view of the Department of Telecommunications ('DoT') in respect to the definition of Adjusted Gross Revenue (AGR) (the Court Judgement), the Group recorded additional provisions for periods upto September 2019 of ₹ 61,640 million towards License fee and Spectrum Usage Charges (SUC), and ₹ 242,047 million towards applicable interest, penalty and interest on penalty and disclosed the same as an Exceptional Item in the Statement of Profit and Loss. The Group computed and recorded the additional provision on the basis of (1) demands received and (2) the periods for which demands have not been received by following the same methodology used in the assessments carried out in earlier years, the guidelines/clarifications provided by DoT, and the principles set out in the Court Judgement. The additional provision, apart from having a significant impact, also involves significant management judgment in its computation. Refer notes 4 (a) and 31 (i) (a) to the Consolidated Financial Statements for disclosures related to License fees and SUC.	**Principal Audit Procedures** We tested the effectiveness of the controls over determining the additional provision for License fees and SUC. We also tested the appropriateness of the additional provision for Licenses fees and SUC by (1) Reading the License Agreements, the Court Judgement, demand orders and the guidelines/clarifications provided by DoT and comparing them to the assumptions used in the management's estimate in determining the provisions for years for which demands from DoT has been received and (2) Testing that the assumptions and methodology used in computing the provisions for the years for which demands are not received is consistent with the methodology adopted in (1) above. We evaluated the disclosures provided in the notes 4(a) and 31(i)(a) to the Consolidated Financial Statements concerning this matter.

Sr. No.	Key Audit Matter	Auditor's Response
3	**Measurement of the Right-of-use assets and Lease liabilities in leases with tower infrastructure companies in India under Ind AS 116 -Leases:** The Group adopted Ind AS 116 "Leases" using the modified retrospective approach with effect from April 1, 2019. The measurement of Right-of-use assets and lease liabilities in leases with tower infrastructure companies involves significant management estimates (a) in determination of lease term (b) in segregating the lease and non-lease components payable under the contractual arrangements and; (c) in determination of incremental borrowing rate used in discounting lease payments. Refer note 2.11 "Leases" for accounting policies, notes 3.2.b, 3.2.c and 3.2.d relating to 'Separating lease and non-lease components', 'Determining the lease term' and 'Determining the incremental borrowing rate for lease contracts' respectively under the head 'Critical judgements in applying the Company's accounting policies', and note 35 on disclosures related to leases in the Consolidated Financial Statements.	**Principal Audit Procedures** We evaluated the effectiveness of internal controls relating to the determination of lease term, segregation of lease and non-lease components and determination of incremental borrowing rate. For a sample of lease contracts ("contracts"), we performed the following substantive audit procedures: • We read the underlying contract, and compared relevant terms within the contract to the Group's determination of lease term analysis including the appropriateness of considering lease term as the period until which exit penalties are payable as per the contract. • We tested the relative standalone selling prices computed by management and used in the allocation of consideration to the lease and non-lease components in a contract by using the same information and details obtained by management from tower infrastructure service providers. We tested the appropriates of the incremental borrowing rate (IBR) by involving our valuation specialist, who assisted in: • Performing an independent assessment of the methodology used by the Group to estimate the IBR; • Evaluating the Group's assumptions underlying the estimation of the IBR; and • Developing an independent acceptable range for the IBR and comparing the results to the Group's IBR.
4	**Goodwill – Impairment Assessment** As at March 31, 2020, the Group had 346,192 million of Goodwill allocated across the Group's six group of cash generating units ("CGU's") in Africa and India – Nigeria, East Africa and Francophone Africa group of CGUs (the three Africa CGUs) pertaining to Mobile Services Africa, Mobile Services India, Airtel Business and Homes Services, which represents lowest level within the parent at which the goodwill is monitored for internal management purposes. The most significant amount of Goodwill relates to three Africa CGUs and Mobile service India CGU. Management performs Goodwill impairment testing as at December 31 (the annual impairment testing date) or more frequently when there are indicators of impairment. The determination of recoverable amount of goodwill based on value-in-use is complex and subjective as estimates of future cash flows and determination of value in use involves management's estimates and judgement in determining the assumptions such as the EBITDA margins, capital expenditure, and in determining the valuation assumptions relating to discount rates applied to estimated future cash flows and growth rate. Covid-19 led to significant market volatility over mid to late March 2020, including significant increase in country risk premiums derived from an increase in observed sovereign credit default swap rates across three Africa CGUs.	**Principal Audit Procedures** We tested the effectiveness of internal controls over the Group's forecasting process and goodwill impairment review including controls related to the review of the revenue growth rates, EBITDA margins, capital expenditure and the assumptions used to develop the discount rates and country specific long term growth rates in respect of the three Africa CGUs and Mobile services India CGU. We evaluated reasonableness of management's assumptions related to revenue growth rates, EBITDA margins, capital expenditure, discount rates and country specific long term growth rates in respect of the three Africa CGUs and Mobile services India CGU by considering (i) the current and past performance, (ii) the consistency with external sources of information, where available, and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. We also assessed the sensitivity of each of such CGUs to key assumptions and testing the integrity and mathematical accuracy of the impairment models. We involved our fair value specialists to assist in the evaluation of the appropriateness of the Group's model for calculating value in use for each of the three Africa CGUs and Mobile services India CGU and reasonableness of significant assumptions like discount rate and country specific long term growth rates. We reviewed the impairment disclosures against the requirements of Ind AS 36 – Impairment of Assets.

Sr. No.	Key Audit Matter	Auditor's Response
	Subsequent to 31 March 2020, these rates have reduced, albeit still not back to the pre March 2020 levels which leads to additional complexity in determining the appropriate discount rate at 31 March 2020. Management's methodology in determining the discount rate is set out in note 6 "Intangible assets" to the consolidated financial statements. These assumptions are sensitive to reasonable possible changes including economic uncertainties due to COVID-19 and therefore considered as a key audit matter. Refer note 2.9.a for policy on "Impairment of non-financial assets"- Goodwill, note 3.1.a 'Impairment reviews' under the head "Key sources of estimation uncertainties", and note 6 "Intangible assets" for disclosures related to Impairment review of goodwill in the Consolidated Financial Statements.	
5	**Assessment of recoverability relating to Deferred tax assets("DTA') recognized on carry forward losses and Minimum Alternate Tax credit (MAT)** The Group has recognised ₹ 301,432 as a DTA, as at March 31, 2020, relating to carry forward losses and MAT credit. The Group exercises significant judgement in assessing the recoverability of DTA relating to these components, particularly in respect of Bharti Airtel Limited, Airtel Networks Limited and DRC (three components). In estimating the recoverability of DTA, management uses inputs such as internal business and tax projections over a 10/5 year period, as applicable. Recoverability of DTA on carry forward losses and MAT credit is sensitive to the assumptions used by management in projecting the future taxable income, the reversal of deferred tax liabilities which can be scheduled, and tax planning strategies. Refer note 2.12 "Taxes" for accounting policies, note 3.1.b 'Taxes' under the head "Key sources of estimation uncertainties", and note 13 "Income tax" for disclosures related to taxes in the Consolidated Financial Statements.	**Principal Audit Procedures** We tested effectiveness of controls over the three components process for determining the recoverability of the DTA relating to carry forward losses and MAT credit which included amongst others controls over the over the assumptions and judgments used in the projections of future taxable income. To assess the three components ability to estimate future taxable income, we compared the three components previous forecasts to actual results We involved our tax professionals with specialized skills and knowledge to assist in evaluating taxation related matters including the three components tax planning strategies and interpretation of tax laws. We examined the consistency between the financial plan used for goodwill impairment assessment purposes and the plan used in the evaluation of the recoverability of the DTA in respect of these three components. We performed a sensitivity analysis over the key assumptions to assess their impact on the three components determination that the DTA relating to carry forward losses and MAT credit were realizable.
6	**Contingent liabilities and commitments - Contingencies related to Regulatory, Direct and Indirect tax matters** The Group has material contingencies related to Regulatory, Direct and Indirect tax matters which are under dispute with various authorities as more fully described in note 23(i) to the Consolidated financial statements. The Group exercises significant judgment to determine the possible outcome of these disputes. Thereafter the Group makes a determination for recording/write back of provisions or alternatively disclosing them as contingencies unless the matters is considered as remote.	**Principal Audit Procedures:** We tested the effectiveness of internal controls related to: (1) identification and recognition of liability for matters under review or appeal with relevant regulatory, direct and indirect tax authorities(2) completeness and accuracy of the underlying data used in the assessment and evaluating the assumptions used by management when determining its uncertain positions, the status of past audits and investigations, and the potential impact of past claims. (3) Management's assessment and interpretation of applicable laws including tax laws and its evaluation of which uncertain positions may not be sustained upon audit and controls over measurement of the liability.

Sr. No.	Key Audit Matter	Auditor's Response
	Refer Note 2.18 "Contingencies" for accounting policies, note 3.1.e 'Contingent liabilities and provisions' under the head "Key sources of estimation uncertainties", Note 21 "Provisions" for disclosure related to provisions for subjudice matters, and Note 23 (i) in respect of details of Contingent liabilities in the consolidated financial statements.	For direct and indirect tax matters, we involved our tax specialists who assisted in evaluating the reasonableness of management's assessments by comparing the positions taken by management with tax regulations and past decisions from tax authorities, recent developments, new information and where applicable, evaluating opinions from the Group's external tax advisors. For regulatory matters in progress, we assessed relevant regulatory orders, regulatory statutes and interpretations, recent developments, new information, external legal opinion obtained by the Group, if any, and other publicly available information to evaluate the likelihood of matters under dispute and compared that to management's assertion on these matters. We also evaluated the disclosures provided in the notes to the consolidated financial statements concerning these matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board's Report, Business Responsibility Report and Corporate Governance, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's reports thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the financial statements of the joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the joint ventures is traced from their financial statements audited by the other auditors.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent and its subsidiary companies and its associate and joint venture company which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associates and joint ventures to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such branches or entities or business activities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by the other auditors, other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The Consolidated Financial Statements also includes the Group's share of net profit after tax of ₹ 11,037 Million and total comprehensive income (net) of ₹ 11,028 Million for the year ended March 31, 2020, as considered in the Consolidated Financial Statements, in respect of two joint ventures, whose financial information have not been audited by us. These financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures and our report in term of Section 143(3) of the Act, is so far as it relates to aforesaid joint venture is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the joint ventures referred to in the Other Matter section above we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on March 31, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures; or

   ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; or

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Shyamak R Tata
Partner
(Membership No. 38320)
UDIN: 20038320AAAAAH5020

Place: Mumbai
Date: May 18, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Bharti Airtel Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of **BHARTI AIRTEL LIMITED** ("the Parent") and its subsidiary companies, its associate companies and joint venture companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and joint venture companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint venture companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the joint venture company, which is a company incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint venture companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and joint ventures companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to a joint venture which is a company incorporated in India, is based solely on the corresponding report of the auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Shyamak R Tata
Partner
(Membership No. 38320)
UDIN: 20038320AAAAAH5020

Place: Mumbai
Date: May 18, 2020

CONSOLIDATED BALANCE SHEET

(All amounts are in millions of Indian Rupee)

	Notes	As of March 31, 2020	As of March 31, 2019
Assets			
Non-current assets			
Property, plant and equipment	5	877,573	815,228
Capital work-in-progress	5	39,972	88,433
Right-of-use assets	35	259,049	-
Goodwill	6	346,192	332,562
Other intangible assets	6	809,741	860,525
Intangible assets under development	6	2,851	7,909
Investment in joint ventures and associates	7	96,808	88,937
Financial assets			
- Investments	9	20,278	21,941
- Derivative instruments	10	41	3,105
- Security deposits	11	8,728	16,452
- Others	12	14,696	9,242
Income tax assets (net)		21,088	17,694
Deferred tax assets (net)	13	270,160	89,379
Other non-current assets	14	74,181	71,511
		2,841,358	**2,422,918**
Current assets			
Inventories		1,569	884
Financial assets			
- Investments	9	137,679	46,232
- Derivative instruments	10	2,792	426
- Trade receivables	15	46,058	43,006
- Cash and cash equivalents	16	135,507	62,121
- Other bank balances	16	23,420	18,519
- Others	12	210,523	20,343
Other current assets	14	208,884	137,111
		766,432	**328,642**
Total assets		**3,607,790**	**2,751,560**
Equity and liabilities			
Equity			
Equity share capital	17	27,278	19,987
Other equity		744,170	694,235
Equity attributable to owners of the Parent		**771,448**	**714,222**
Non-controlling interests ('NCI')		249,847	135,258
		1,021,295	**849,480**
Non-current liabilities			
Financial liabilities			
- Borrowings	19	910,792	824,901
- Lease liabilities		243,678	47,553
- Derivative instruments	10	292	826
- Others	20	67,399	62,131
Deferred revenue	24	25,033	17,986
Provisions	21	7,548	6,823
Deferred tax liabilities (net)	13	16,877	11,297
Other non-current liabilities	22	-	429
		1,271,619	**971,946**
Current liabilities			
Financial liabilities			
- Borrowings	19	167,034	310,097
- Current maturities of long-term borrowings	19	98,364	71,732
- Lease liabilities		62,413	-
- Derivative instruments	10	568	12,742
- Trade payables		250,199	263,138
- Others	20	168,354	175,139
Deferred revenue	24	55,004	43,993
Provisions	21	451,093	6,701
Current tax liabilities (net)		13,519	8,228
Other current liabilities	22	48,328	38,364
		1,314,876	**930,134**
Total liabilities		**2,586,495**	**1,902,080**
Total equity and liabilities		**3,607,790**	**2,751,560**

The accompanying notes 1 to 40 form an integral part of these consolidated financial statements.

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Shyamak R Tata
Partner
Membership No: 38320

Place: **Mumbai, India**
Date: **May 18, 2020**

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
Chairman
DIN: 00042491
Place: London, England

Gopal Vittal
Managing Director & CEO (India and South Asia)
DIN: 02291778
Place: Bengaluru, India

Badal Bagri
Chief Financial Officer
Place: Gurugram, India

Pankaj Tewari
Company Secretary
Place: Gurugram, India

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(All amounts are in millions of Indian Rupee; except per share data)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from operations	24	875,390	807,802
Other income		3,248	3,463
		878,638	**811,265**
Expenses			
Network operating expenses	25	197,685	225,132
Access charges		107,395	93,521
License fee / Spectrum charges		72,561	69,426
Employee benefits expense	26	38,072	37,975
Sales and marketing expenses	27	34,325	41,568
Other expenses	29	59,257	82,542
		509,295	**550,164**
Profit from operating activities before depreciation, amortisation and exceptional items		**369,343**	**261,101**
Depreciation and amortisation expense	28	276,896	213,475
Finance costs	30	139,918	106,222
Finance income	30	(16,098)	(10,328)
Non-operating expenses (net)		1,272	1,894
Share of profit of associates and joint ventures (net)	7	(6,524)	(3,556)
Loss before exceptional items and tax		**(26,121)**	**(46,606)**
Exceptional items (net)	31	402,344	(29,288)
Loss before tax		**(428,465)**	**(17,318)**
Tax expense / (credit)			
Current tax	13	23,738	19,391
Deferred tax	13	(145,561)	(53,584)
(Loss) / profit for the year		**(306,642)**	**16,875**
Other comprehensive income ('OCI')			
Items to be reclassified subsequently to profit or loss :			
Net gains / (losses) due to foreign currency translation differences		4,814	(15,739)
Net losses on net investment hedge		(10,856)	(1,754)
Net losses on cash flow hedge		(109)	(833)
Net losses on fair value through OCI investments		(108)	(45)
Tax credit on above	13	2,883	5,428
		(3,376)	**(12,943)**
Items not to be reclassified to profit or loss :			
Re-measurement (losses) / gains on defined benefit plans	26.2	(76)	47
Tax charge on above	13	(41)	(62)
Share of OCI of associates and joint ventures	7	15	(12)
		(102)	**(27)**
Other comprehensive loss for the year		**(3,478)**	**(12,970)**
Total comprehensive (loss) / income for the year		**(310,120)**	**3,905**
(Loss) / income for the year attributable to :		**(306,642)**	**16,875**
Owners of the Parent		(321,832)	4,095
Non-controlling interests		15,190	12,780
Other comprehensive loss for the year attributable to :		**(3,478)**	**(12,970)**
Owners of the Parent		(11,748)	(10,216)
Non-controlling interests		8,270	(2,754)
Total comprehensive (loss) / income for the year attributable to :		**(310,120)**	**3,905**
Owners of the Parent		(333,580)	(6,121)
Non-controlling interests		23,460	10,026
(Loss) / earnings per share (Face value: ₹ 5/- each)*			
Basic	32	(63.41)	0.96
Diluted	32	(63.41)	0.96

*Basic and diluted (loss) / earnings per share for the previous year has been adjusted retrospectively for the bonus element in respect of rights issue made during the year ended March 31, 2020.

The accompanying notes 1 to 40 form an integral part of these consolidated financial statements.

As per our report of even date

For and on behalf of the Board of Directors of Bharti Airtel Limited

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Shyamak R Tata
Partner
Membership No: 38320

Place: **Mumbai, India**
Date: **May 18, 2020**

Sunil Bharti Mittal
Chairman
DIN: 00042491
Place: London, England

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778
Place: Bengaluru, India

Badal Bagri
Chief Financial Officer
Place: Gurugram, India

Pankaj Tewari
Company Secretary
Place: Gurugram, India

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts are in millions of Indian Rupee; unless stated otherwise)

	Equity attributable to owners of the Parent											Non-controlling interests ('NCI')	Total equity
	Equity share capital		Other equity										
			Reserves and surplus							Other components of equity (Note 18)	Total		
	No of shares (in '000)	Amount	Securities premium	Retained earnings	General reserves	Debenture redemption reserve	Capital reserve	Share-based payment reserve	NCI reserve				
As of April 1, 2018	**3,997,400**	**19,987**	**123,456**	**475,481**	**23,040**	**7,500**	**-**	**782**	**119,841**	**(74,743)**	**675,357**	**88,139**	**783,483**
Profit for the year	-	-	-	4,095	-	-	-	-	-	-	4,095	12,780	16,875
Other comprehensive loss	-	-	-	(29)	-	-	-	-	-	(10,187)	(10,216)	(2,754)	(12,970)
Total comprehensive income	**-**	**-**	**-**	**4,066**	**-**	**-**	**-**	**-**	**-**	**(10,187)**	**(6,121)**	**10,026**	**3,905**
Transaction with owners of equity													
Issue of equity shares (refer note 4 (n))	0	0	0	-	-	-	-	-	-	-	0	-	0
Employee share-based payment expense	-	-	-	-	-	-	-	333	-	-	333	12	345
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(248)	(248)	-	(248)
Exercise of share options	-	-	-	-	12	-	-	(371)	-	336	(23)	(20)	(43)
Transaction with NCI	-	-	-	-	-	-	-	-	44,439	-	44,439	60,365	104,804
Business combination (refer note 4 (n))	-	-	-	-	-	-	5,315	-	-	-	5,315	-	5,315
Dividend (including tax) to Company's shareholders	-	-	-	(24,096)	-	-	-	-	-	-	(24,096)	-	(24,096)
Dividend (including tax) to NCI	-	-	-	-	-	-	-	-	-	-	-	(22,638)	(22,638)
Movement on account of court approved schemes	-	-	-	(721)	-	-	-	-	-	-	(721)	(626)	(1,347)
As of March 31, 2019	**3,997,400**	**19,987**	**123,456**	**454,730**	**23,052**	**7,500**	**5,315**	**744**	**164,280**	**(84,842)**	**694,235**	**135,258**	**849,480**
Transition impact on adoption of Ind AS 116 (note 35)	-	-	-	(19,234)	-	-	-	-	-	(129)	(19,363)	(5,283)	(24,646)
As of April 1, 2019	**3,997,400**	**19,987**	**123,456**	**435,496**	**23,052**	**7,500**	**5,315**	**744**	**164,280**	**(84,971)**	**674,872**	**129,975**	**824,834**
Loss for the year	-	-	-	(321,832)	-	-	-	-	-	-	(321,832)	15,190	(306,642)
Other comprehensive (loss)/ income	-	-	-	(116)	-	-	-	-	-	(11,632)	(11,748)	8,270	(3,478)
Total comprehensive (loss) / income	**-**	**-**	**-**	**(321,948)**	**-**	**-**	**-**	**-**	**-**	**(11,632)**	**(333,580)**	**23,460**	**(310,120)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts are in millions of Indian Rupee; unless stated otherwise)

	Equity attributable to owners of the Parent											Non-controlling interests ('NCI')	Total equity
	Equity share capital		Other equity								Total		
			Reserves and surplus							Other components of equity (Note 18)			
	No of shares (in '000)	Amount	Securities premium	Retained earnings	General reserves	Debenture redemption reserve	Capital reserve	Share-based payment reserve	NCI reserve				
Transaction with owners of equity													
Issue of equity shares, net of expenses (note 4 (c) & (g))	1,134,562	5,673	243,425	-	-	-	-	-	-	-	243,425	-	249,098
Employee share-based payment expense	-	-	-	-	-	-	-	345	-	-	345	17	362
Issue of equity shares to Qualified Institutional Buyers, net of expenses (note 4 (b))	323,595	1,618	141,438	-	-	-	-	-	-	-	141,438	-	143,056
Issuance of foreign currency convertible bonds, net of expenses (refer note 4 (b))	-	-	-	-	-	-	-	-	-	3,542	3,542	-	3,542
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(497)	(497)	-	(497)
Exercise of share options	-	-	-	-	133	-	-	(416)	-	263	(20)	(13)	(33)
Transaction with NCI (net of expenses)	-	-	-	-	-	-	-	-	2,880	-	2,880	44,177	47,057
Issue of perpetual securities (refer note 4 (d))	-	-	-	-	-	-	-	-	-	-	-	71,390	71,390
Business combination (note 4 (c))	-	-	-	-	-	-	12,912	-	-	-	12,912	262	13,174
Dividend (including tax) to NCI	-	-	-	-	-	-	-	-	-	-	-	(18,425)	(18,425)
New tax regime charge on Ind AS 116 transition impact / others	-	-	-	(371)	-	-	-	-	-	-	(371)	(322)	(693)
Movement on account of court approved schemes	-	-	-	(776)	-	-	-	-	-	-	(776)	(674)	(1,450)
As of March 31, 2020	**5,455,557**	**27,278**	**508,319**	**112,401**	**23,185**	**7,500**	**18,227**	**673**	**167,160**	**(93,295)**	**744,170**	**249,847**	**1,021,295**

The accompanying notes 1 to 40 form an integral part of these consolidated financial statements.

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

For and on behalf of the Board of Directors of Bharti Airtel Limited

Shyamak R Tata
Partner
Membership No: 38320

Sunil Bharti Mittal
Chairman
DIN: 00042491
Place: London, England

Gopal Vittal
Managing Director & CEO (India and South Asia)
DIN: 02291778
Place: Bengaluru, India

Place: **Mumbai, India**
Date: **May 18, 2020**

Badal Bagri
Chief Financial Officer
Place: Gurugram, India

Pankaj Tewari
Company Secretary
Place: Gurugram, India

CONSOLIDATED STATEMENT OF CASH FLOW

(All amounts are in millions of Indian Rupee)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flows from operating activities		
Loss before tax	(428,465)	(17,318)
Adjustments for:		
Depreciation and amortisation expense	276,896	213,475
Finance costs	137,261	110,134
Finance income	(16,098)	(14,240)
Share of profit of joint ventures and associates (net)	(6,524)	(3,556)
Exceptional items (net)	401,619	(32,792)
Employee share-based payment expense	357	345
Loss / (profit) on sale of property, plant and equipment	10	(175)
Other non-cash items	5,132	11,909
Operating cash flow before changes in working capital	**370,188**	**267,782**
Changes in working capital		
Trade receivables	(8,925)	8,427
Trade payables	(2,477)	21,580
Inventories	(522)	(191)
Provisions	(128,107)	(107)
Other financial and non-financial liabilities	19,064	(20,955)
Other financial and non-financial assets	(44,997)	(64,128)
Net cash generated from operations before tax	**204,224**	**212,408**
Income tax paid (net)	(22,937)	(11,706)
Net cash generated from operating activities (a)	**181,287**	**200,702**
Cash flows from investing activities		
Purchase of property, plant and equipment amd capital work-in-progress	(191,902)	(260,971)
Proceeds from sale of property, plant and equipment	1,317	1,225
Purchase of intangible assets	(15,266)	(33,804)
Payment towards spectrum - Deferred payment liability*	(15,424)	(11,720)
Net movement in current investments	(85,236)	18,158
Sale of non-current investments	2,950	44,976
Purchase of non-current investments	-	(57,067)
Consideration / advance for acquisitions, net of cash acquired	(1,345)	(5,083)
Sale of tower assets	-	3,051
Investment in Associates	(4,761)	(60)
Dividend received	-	11,493
Interest received	4,748	4,793
Net cash used in investing activities (b)	**(304,919)**	**(285,009)**

CONSOLIDATED STATEMENT OF CASH FLOW (CONTD..)

(All amounts are in millions of Indian Rupee)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flows from financing activities		
Net proceeds from issue of shares (Rights issue)	248,759	-
Net proceeds from issue of shares (QIP)	143,055	-
Net proceeds from issuance of FCCBs	70,456	-
Proceeds from borrowings	377,400	353,141
Repayment of borrowings	(439,813)	(345,359)
Repayment of lease liabilities	(47,740)	(5,077)
Net (repayments) / proceeds from short-term borrowings	(117,140)	98,101
Proceeds from sale and finance leaseback of towers	-	1,688
Purchase of treasury shares	(497)	(248)
Interest and other finance charges paid	(109,993)	(76,171)
Proceeds from exercise of share options	5	10
Dividend paid (including tax)	(18,263)	(46,617)
Net proceeds from issuance of equity shares to Non-controlling interest	57,144	104,341
Net proceeds from issuance of perpetual bonds to Non-controlling interest	71,370	-
Net payment towards derivatives	(41,517)	-
Sale of interest in a subsidiary	-	16,238
Purchase of shares from Non-controlling interest	-	(5,409)
Payment on maturity of forwards	(1,782)	-
Net cash generated from financing activities (c)	**191,444**	**94,638**
Net increase in cash and cash equivalents during the year (a+b+c)	**67,812**	**10,331**
Effect of exchange rate on cash and cash equivalents	8,934	2,153
Cash and cash equivalents as at beginning of the year	53,793	41,309
Cash and cash equivalents as at end of the year (Note 16)	**130,539**	**53,793**

*Cash flows towards spectrum acquisition are based on the timing of payouts to DoT (viz. upfront / deferred).

The accompanying notes 1 to 40 form an integral part of these consolidated financial statements.

As per our report of even date

For and on behalf of the Board of Directors of Bharti Airtel Limited

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Shyamak R Tata
Partner
Membership No: 38320

Sunil Bharti Mittal
Chairman
DIN: 00042491
Place: London, England

Gopal Vittal
Managing Director & CEO (India and South Asia)
DIN: 02291778
Place: Bengaluru, India

Place: **Mumbai, India**
Date: **May 18, 2020**

Badal Bagri
Chief Financial Officer
Place: Gurugram, India

Pankaj Tewari
Company Secretary
Place: Gurugram, India

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

1. Corporate information

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

The Company together with its subsidiaries (hereinafter referred to as 'the Group') has presence in India, Africa and South Asia. The principal activities of the Group, its joint ventures and associates consist of provision of telecommunication services, tower infrastructure services and direct-to-home digital television services. The details as to the services provided by the Group and the Group entities are further provided in note 33 and note 40 respectively.

2. Summary of significant accounting policies

2.1 Basis of preparation

These consolidated financial statements ('financial statements') have been prepared to comply in all material respects with the Indian Accounting Standard ('Ind AS') as notified by the Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act.

The financial statements are approved for issue by the Company's Board of Directors on May 18, 2020.

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 consolidated statement of profit and loss ('statement of profit and loss') and consolidated balance sheet ('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 ('Rupee' or '₹') and are rounded to the nearest million, except per share data and unless stated otherwise. Further, due to rounding off, certain amounts are appearing as '0'.

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 Group'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 accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by all the group entities, to all the periods presented in the said financial statements, except in case of adoption of any new standards and/or amendments during the year.

To provide more reliable and relevant information about the effect of certain items in the balance sheet and statement of profit and loss, the Group has changed the classification of such items, which besides other items, includes classification/presentation of material balances relating to mobile money business of the Group due to increasing significance of their balances and growth in mobile money business.

Liability balances pertaining to mobile money business were earlier presented as 'trade payables'. The liabilities amounting to ₹ 16,478 as of March 31, 2019 are now presented separately as 'Mobile money wallet balance' under the head 'other financial liabilities-current'. For the purpose of Statement of Cash Flow, 'Balance held under mobile money trust' have been presented as cash and cash equivalents. The movement in 'Mobile money wallet balance' are presented as part of 'other financial liabilities-current' in the Statement of Cash Flows as part of operating activity.

In addition to above, previous year figures have been re-grouped or reclassified, to confirm to such current year's grouping / classifications. There is no impact on equity or net loss due to these regrouping / reclassifications.

New Standards and amendments adopted during the year

The Company has applied the following Standards and amendments for the first time for their annual reporting period commencing April 1, 2019:

- Ind AS 116, Leases
- Amendment to Ind AS 12, Income Taxes
- Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments

Ind AS 116, Leases

MCA had notified Ind AS 116 'Leases' effective for annual reporting periods beginning on or after April 1, 2019. The Company has applied Ind AS 116 using the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

modified retrospective approach. The Group elected to apply the practical expedient included in Ind AS 116 and therefore retained its existent assessment under Ind AS 17 as to whether a contract entered or modified before April 1, 2019 contains a lease. Refer note 35 for impact of adoption of Ind AS 116. Also, refer note 2.11 for accounting policy on 'leases'.

Amendment to Ind AS 12, Income Taxes

MCA had notified Amendment to Ind AS 12, Income taxes, effective for annual reporting periods beginning on or after April 1, 2019. As per the amendment, an entity shall recognise the income tax consequences of dividends when it recognises a liability to pay a dividend and shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment does not have a material impact on the financial statements of the Group in addition to what the Group has already recorded/ disclosed.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments

MCA had notified Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments, effective for annual reporting periods beginning on or after April 1, 2019. Appendix C to Ind AS 12 addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12, Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. Appendix C to Ind AS 12 addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group has applied Appendix C to Ind AS retrospectively with the cumulative effect of initial application recognised at the date of initial application.

Upon application of Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions. The Company's and the subsidiaries' tax filings in different jurisdictions include deductions and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. Appendix C to Ind AS 12 does not have a material impact on the financial statements of the Group in addition to what the Group has already recorded/ disclosed.

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 or through other comprehensive income (refer note 2.10 (b)), liability for cash-settled awards (refer note 2.16 (d)), the component of carrying values of recognised liabilities that are designated in fair value hedges (refer note 2.10 (d)) - 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 a liability can be transferred, in an orderly transaction between market participants. The Group's accounting policies require measurement of certain financial instruments at fair values (either on a recurring or non-recurring basis). In addition, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

The Group 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 Group 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

2.3 Basis of consolidation

a. Subsidiaries

Subsidiaries include all the entities over which the Group has control. The Group controls an entity when it is exposed or has right to variable return from its involvement with the entity, and has the ability to affect those returns through its power (that is, existing rights that give it the current ability to direct the relevant activities) over the entity. The Group re-assesses whether or not it controls the entity, in case the under-lying facts and circumstances indicate that there are changes to above-mentioned parameters that determine the existence of control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group, and they are de-consolidated from the date that control ceases. Non-controlling interests is the equity in a subsidiary not attributable to a parent and presented separately from the parent's equity. Non-controlling interests consist of the amount at the date of the business combination and its share of changes in equity since that date. Profit or loss and other comprehensive income are attributed to the controlling and non-controlling interests in proportion to their ownership interests, even if this results in the non-controlling interests having a deficit balance. However, in case where there are binding contractual arrangements that determine the attribution of the earnings, the attribution specified by such arrangement is considered.

The profit or loss on disposal (associated with loss of control) is recognised in the statement of profit and loss being the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest, and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary less any non-controlling interests. In addition, any amounts previously recognised in the other comprehensive income in respect of that de-consolidated entity, are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in the other comprehensive income are reclassified to the statement of profit and loss. Any retained interest in the entity is remeasured to its fair value with the resultant change in carrying value being recognised in statement of profit and loss.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as a transaction with equity holders. Any difference between the amount of the adjustment to non-controlling interests and any consideration exchanged is recognised in 'NCI reserve', a component of equity.

b. Joint ventures and associates

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investment in joint ventures and associates are accounted for using equity method from the date on which Group obtains joint control over the joint venture / starts exercising significant influence over the associate. The said investments are tested for impairment at-least annually and whenever circumstances indicate that their carrying values may exceed the recoverable amount (viz. higher of the fair value less costs to sell and the value-in-use).

c. Method of consolidation

Accounting policies of the respective individual subsidiary, joint venture and associate are aligned wherever necessary to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

The standalone financial statements of subsidiaries are fully consolidated on a line-by-line basis, after adjusting for business combination adjustments (refer note 2.4). Intra-group balances and transactions, and income and expenses arising from intra-group transactions, are eliminated while preparing the said financial statements. The un-realised gains resulting from intra-group transactions are also eliminated. Similarly, the un-realised losses are eliminated, unless the transaction provides evidence as to impairment of the asset transferred.

The Group's investments in its joint ventures and associates are accounted for using the equity method. Accordingly, the investments are carried at cost less any impairment losses, as adjusted for post-acquisition changes in the Group's share of the net assets of investees. Any excess of the cost of the investment over the Group's share of net assets in its joint ventures / associates at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment. The

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un-realised gains / losses resulting from transactions with joint ventures and associates are eliminated against the investment to the extent of the Group's interest in the investee. However, un-realised losses are eliminated only to the extent that there is no evidence of impairment. If as a result of equity method accounting, the Group's interest in its joint venture and/ or associate is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the entity has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. In such a case, if the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

At each reporting date, the Group determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of investment and its carrying value.

2.4 Business combinations

The Group accounts for business combinations using the acquisition method of accounting, and accordingly, the identifiable assets acquired and the liabilities assumed in the acquiree are recorded at their acquisition date fair values (except certain assets and liabilities which are required to be measured as per the applicable standard) and the non-controlling interest is initially recognised at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. The consideration transferred for the acquisition of a subsidiary is aggregation of the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the parent in exchange for control of the acquiree.

The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is subsequently measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, along with the amount of any non-controlling interests in the acquiree and the acquisition-date fair value (with the resulting difference being recognised in statement of profit and loss) of any previous equity interest in the acquiree, over the fair value of the identifiable net assets of the acquiree is recorded as goodwill.

Acquisition-related costs are expensed in the period in which the costs are incurred.

If the initial accounting for a business combination is incomplete as at the reporting date in which the combination occurs, the identifiable assets and liabilities acquired in a business combination are measured at their provisional fair values at the date of acquisition. Subsequently adjustments to the provisional values are made retrospectively within the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date or would have resulted in the recognition of those assets and liabilities as of that date; otherwise the adjustments are recorded in the period in which they occur.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or amount initially recognised less, when appropriate, cumulative income recognised in accordance with Ind AS 115 'Revenue from Contracts with Customers'.

2.5 Foreign currency transactions

a. Functional and presentation currency

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

The items included in financial statements of each of the Group's entities are measured using the currency of primary economic environment in which the entity operates (i.e. 'functional currency').

b. Transactions and balances

Transactions in foreign currencies are initially recorded in the relevant functional currency at the exchange rate 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.

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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.

c. Foreign operations

The assets and liabilities of foreign operations (including the goodwill and fair value adjustments arising on the acquisition of foreign entities) are translated into Rupees at the exchange rates prevailing at the reporting date whereas their statements of profit and loss are translated into Rupees at monthly average exchange rates and the equity is recorded at the historical rate. The resulting exchange differences arising on the translation are recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR'), a component of equity. On disposal of a foreign operation (that is, disposal involving loss of control), the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

2.6 Current versus non-current classification

The Group 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 and 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.

The derivatives designated in hedging relationship and separated embedded derivatives are classified basis the hedged item and host contract respectively.

2.7 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 Group 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), assets retirement obligations (refer note 2.17 (b)) and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Further, it includes assets installed on the premises of customers as the associated risks, rewards and control remain with the Group.

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of PPE are required to be replaced at regular intervals, the Group 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 Group, 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. 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.

Freehold land is not depreciated as it has an unlimited useful life.

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The Group has established the estimated range of useful lives for different categories of PPE as follows:

Categories	Years
Leasehold improvement	Period of lease term or upto 20 years, as applicable, whichever is less
Buildings	20
Building on leased land	20 years or period of lease term whichever is lower
Plant and equipment	
- Network equipment (including passive infrastructure)	3 - 25
- Customer premise equipment	3 - 7
Other equipment, operating and office equipment	
Computers/ Servers	3 - 5
Furniture & fixture and Office equipment	1 - 5
Vehicles	3 - 5

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at-least, as at each financial year-end 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 of 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 cost of capital work-in-progress ('CWIP') is presented separately in the balance sheet.

2.8 Intangible assets

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

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable net assets purchased (refer note 2.4). Goodwill is not amortised; however it is tested annually for impairment and whenever there is an indication that the unit may be impaired (refer note 2.9) and carried at cost less any accumulated impairment losses. The gains / (losses) on the disposal of a cash-generating-unit ('CGU') include the carrying amount of goodwill relating to the CGU sold (in case goodwill has been allocated to group of CGUs; it is determined on the basis of the relative fair value of the operations sold).

The intangible assets that are acquired in a business combination are recognised at its fair value there at. Other 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 Group has established the estimated useful lives of different categories of intangible assets as follows:

a. Software

Software are amortised over the period of license, generally not exceeding five years.

b. 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 five 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.

c. 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

Distribution network: One year to two 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 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 for prospectively, and accordingly, the amortisation is calculated over the remaining revised useful life.

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Further, the cost of intangible assets under development includes the following:

(a) the amount of spectrum allotted to the Group and related costs (including borrowing costs that are directly attributable to the acquisition or construction of qualifying assets (refer note 6), if any, for which services are yet to be rolled out and are presented separately in the balance sheet.

(b) the amount of software / IT platform under development.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

2.9 Impairment of non-financial assets

a. Goodwill

Goodwill is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired. For the purpose of impairment testing, the goodwill is allocated to a cash-generating-unit ('CGU') or group of CGUs ('CGUs'), which are expected to benefit from the acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment occurs when the carrying value of a CGU / CGUs including the goodwill, exceeds the estimated recoverable amount of the CGU / CGUs. The recoverable amount of a CGU / CGUs is the higher of its fair value less costs to sell and its value in use. Value-in-use is the present value of future cash flows expected to be derived from the CGU / CGUs.

The total impairment loss of a CGU / CGUs is allocated first to reduce the carrying value of goodwill allocated to that CGU / CGUs and then to the other assets of that CGU / CGUs - on pro-rata basis of the carrying value of each asset.

Further detail including the key assumptions adopted to determine the recoverable amount of goodwill are detailed in note 6.

b. PPE, ROU, intangible assets and intangible assets under development

PPE (including CWIP), ROU (Right-of-use assets), intangible assets under development 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. Intangible assets under development is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired.

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 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.

Reversal of impairment losses

Impairment loss in respect of goodwill is not reversed. Other impairment losses are reversed in the statement of profit and loss 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 / CGU previously.

2.10 Financial instruments

a. Recognition, classification and presentation

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

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

The Group classifies its financial assets in the following categories: a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and b) those to be measured 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.

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

The Group has classified foreign currency convertible bond denominated in USD that can be converted to ordinary shares at the option of the bondholder at a conversion price fixed in Company's functional currency (INR) as a compound financial instrument comprising of a liability component and an equity component.

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 / financial liabilities (measured at amortised cost) 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 offset against each other and the resultant net amount is presented in the balance sheet, if and only when, the Group 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 Group measures the non-derivative financial instruments at its fair value plus, in the case of financial instruments not at fair value through profit or loss, transaction costs. Otherwise transaction costs are expensed in the statement of profit and loss.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

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 other comprehensive income ('FVTOCI')

Equity investments which are not held for trading and for which the Group has elected to present the change in the fair value in other comprehensive income and debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flow represent solely payment of principal and interest, are measured at FVTOCI.

The changes in fair value are taken through OCI, except for the impairment (on debt instruments), interest (basis EIR method), dividend and foreign exchange differences which are recognised in the statement of profit and loss.

When the financial asset is derecognised, the related accumulated fair value adjustments in OCI as at the date of derecognition are reclassified from equity and recognised in the statement of profit and loss. However, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss in case of equity instruments.

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

All equity instruments and financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. Interest (basis EIR method) and dividend income from financial assets at FVTPL is recognised in the statement of profit and loss within finance income 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 and debt instrument carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk since

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initial recognition. If credit risk has not increased significantly, twelve month expected credit loss ('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

Financial liabilities are subsequently measured at amortised cost using the EIR method (if the impact of discounting / any transaction costs is significant).

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured. Interest related to the financial liability is recognised in profit or loss under finance cost. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

c. Measurement - derivative financial instruments

Derivative financial instruments, including separated embedded derivatives, that are not designated as hedging instruments in a hedging relationship 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 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. Hedging activities

I. Fair value hedge

Some of the Group's entities use derivative financial instruments (e.g. interest rate / currency swaps) to manage / mitigate their exposure to the risk of change in fair value of the borrowings. The Group designates certain interest swaps to hedge the risk of changes in fair value of recognised borrowings attributable to the hedged interest rate risk. The effective and ineffective portion of changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss within finance income / finance costs, together with any changes in the fair value of the hedged liability that is attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised to the statement of profit and loss over the period to remaining maturity of the hedged item.

II. Cash flow hedge

Some of the Group's entities use derivative financial instruments (e.g. foreign currency forwards, options, swaps) to manage their exposure to foreign exchange and price risk. Further, the Group designates certain derivative financial instruments (or its components) as hedging instruments for hedging the exchange rate fluctuation risk attributable to either a recognised item or a highly probable forecast transaction ('Cash flow hedge'). The effective portion of changes in the fair value of derivative financial instruments (or its components) that are designated and qualify as cash flow hedges, are recognised in other comprehensive income and held as cash flow hedge reserve ('CFHR') – within other components of equity. Any gains / (losses) relating to the ineffective portion, are recognised immediately in the statement of profit and loss within finance income / finance costs. The amounts accumulated in equity are reclassified to the statement of profit and loss in the periods when the hedged item affects profit / (loss).

When a hedging instrument expires or is sold, or when a cash flow hedge no longer meets the criteria for hedge accounting, any cumulative gains / (losses) existing in equity at that time remains in equity and is recognised (on the basis as discussed in the above paragraph) when the forecast transaction is ultimately recognised in the statement of profit and loss. However, at any point of time, when a forecast transaction is no longer expected to occur, the cumulative gains / (losses) that were reported in equity is immediately transferred to the statement of profit and loss within finance income / finance costs.

III. Net investment hedge

The Group hedges its net investment in certain foreign subsidiaries. Accordingly, any foreign exchange differences on the hedging instrument (e.g. borrowings) relating to the effective portion of the hedge is recognised in other comprehensive income as foreign

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currency translation reserve ('FCTR') – within other components of equity, so as to offset the change in the value of the net investment being hedged. The ineffective portion of the gain or loss on these hedges is immediately recognised in the statement of profit and loss. The amounts accumulated in equity are included in the statement of profit and loss when the foreign operation is disposed or partially disposed.

e. 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 derecognised from the balance sheet when the rights to receive cash flows from the financial assets have expired, or have been transferred and the Group has transferred substantially all risks and rewards of ownership. The resultant impact of derecognition is recognised in the statement of profit and loss.

2.11 Leases

The Group, at the inception of a contract, assesses the contract as, or containing, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether the contract involves the use of an identified asset, the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the Group has the right to direct the use of the asset.

Group as a lessee

On initial application of Ind AS 116, the Group recognised a lease liability measured at the present value of all the remaining lease payments, discounted using the Group's incremental borrowing rate at April 1, 2019 whereas the Group has elected to measure ROU at its carrying amount as if Ind AS 116 had been applied since the lease commencement date, but discounted using the Group's incremental borrowing rate at April 1, 2019.

For new lease contracts, the Group recognises a ROU and a corresponding lease liability with respect to all lease agreements in which it is the lessee in the balance sheet. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate (as the rate implicit in the lease cannot be readily determined). Lease liabilities include the net present value of fixed payments (including any in-substance fixed payments), any variable lease payments that are based on consumer price index ('CPI'), the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Subsequently, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments including due to changes in CPI or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or when the lease contract is modified and the lease modification is not accounted for as a separate lease. The corresponding adjustment is made to the carrying amount of the ROU, or is recorded in profit or loss if the carrying amount of the related ROU has been reduced to zero and there is a further reduction in the measurement of the lease liability.

ROU are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date and any initial direct costs less any lease incentives received.

Subsequent to initial recognition, ROU are stated at cost less accumulated depreciation and any impairment losses and adjusted for certain remeasurements of the lease liability. Depreciation is computed using the straight-line method from the commencement date to the end of the useful life of the underlying asset or the end of the lease term, whichever is shorter. The estimated useful lives of ROU are determined on the same basis as those of the underlying asset.

In the balance sheet, the ROU and lease liabilities are presented separately. In the statement of profit and loss, interest expense on lease liabilities are presented separately from the depreciation charge for the ROU. Interest expense on the lease liability is a component of finance costs, which are presented separately in the statement of profit or loss. In the statement of cash flows, cash payments for the principal portion of lease payments and the interest portion of lease liability are presented as financing activities, and short-term lease payments and payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability, if any, as operating activities.

When a contract includes lease and non-lease components, the Group allocates the consideration in the contract on the basis of the relative stand-alone prices of each lease component and the aggregate stand-alone price of the non-lease components.

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Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU and lease liabilities for short term leases that have a lease term of twelve months or less and leases of low value assets. The Group recognises lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Group as a lessor

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under a finance lease are recognised as receivables at an amount equal to the net investment in the leased assets. Finance lease income is allocated to the periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

When a contract includes lease and non-lease components, the Group applies Ind AS 115 'Revenue from Contracts with Customers' to allocate the consideration under the contract to each component.

The Group enters into 'Indefeasible right to use' ('IRU') arrangements wherein the right to use the assets is given over the substantial part of the asset life. However, as the title to the assets and the significant risks associated with the operation and maintenance of these assets remains with the Group, 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.

2.12 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 in the respective countries where the group entities operate and generate taxable income. The payment made in excess / (shortfall) of the respective group entities' income tax obligation for the period are recognised in the balance sheet under non-current assets as income tax assets/ under current liabilities as current tax 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.

The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation. The Group considers whether it is probable that a taxation authority will accept an uncertain tax treatment. If the Group concludes it is probable that the taxation authority will accept an uncertain tax treatment, it determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If the Group concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity reflects the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates.

b. Deferred tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax assets/ liabilities recognised for temporary differences arising from a business combination, affect the amount of goodwill or the bargain purchase gain that the Group recognises. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is 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.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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can be utilised. The Group considers the projected future taxable income and tax planning strategies in making this assessment.

Moreover, deferred tax is recognised on temporary differences arising on investments in subsidiaries, joint ventures and associates - unless the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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 asset is realised or the liability is settled.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the balance sheet to the extent that it is probable that future taxable profit will be available against which MAT credit can be utilised.

Income tax assets and liabilities are offset against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Group 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.

2.13 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 the inventories 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 costs necessary to make the sale.

2.14 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 Group's cash management, are also included as a component of cash and cash equivalents.

2.15 Share capital / Treasury shares

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.

When the Company purchases its ordinary shares through Bharti Airtel Employees' Welfare Trust, they are treated as treasury shares, and the consideration paid is deducted from the Equity. When the treasury shares are subsequently re-issued, any difference between its carrying amount and consideration received is recognised in share-based-payment reserve.

2.16 Employee benefits

The Group's employee benefits mainly include wages, salaries, bonuses, defined contribution 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 group employees. Short-term employee benefits are recognised in statement of profit and loss at undiscounted amounts during the period in which the related services are rendered.

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 Group 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. Some of the entities outside India has defined benefit plans in form of 'Retirement Benefits' and 'Severance Pay'.

The Group provides for the liability towards the said plans on the basis of actuarial valuation carried out

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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 appropriate discount rate.

The interest income / (expense) are calculated by applying the above mentioned discount rate to the plan assets and defined benefit obligations. The net interest income / (expense) on the net defined benefit obligation is recognised in the statement of profit and loss. However, the related re-measurements of the net defined benefit obligation 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 reclassified to the statement of profit and loss in any of the subsequent periods.

c. Other long-term employee benefits

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

In case of equity-settled awards, the fair value of stock options (at grant date) is recognised as an expense in the statement of profit and loss within employee benefits as employee share-based payment expenses over the vesting period, 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 over the vesting period. 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 Group 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 vested 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.

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. In case of cancellation of cash-settled award, change in the value of the liability, if any, is recognised in statement of profit and loss.

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2.17 Provisions

a. General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a 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 (if the impact of discounting is significant), using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to un-winding of interest over passage of time is recognised within finance costs.

b. Asset retirement obligations ('ARO')

ARO are recognised for those operating lease arrangements where the Group 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. Contingent assets are not recognised and disclosed only where an inflow of economic benefits is probable.

2.19 Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to the customer at the consideration which the Group has received or expects to receive in exchange of those products or services, net of any taxes / duties, discounts and process waivers. When determining the consideration to which the Group is entitled for providing promised products or services via intermediaries, the Group assesses whether it is primarily responsible for fulfilling the performance obligation and whether it controls the promised service before transfer to customers. To the extent that the intermediary is considered a principal, the consideration to which the Group is entitled is determined to be that received from the intermediary.

Revenue is recognised when, or as, each distinct performance obligation is satisfied. The main categories of revenue and the basis of recognition are as follows:

a. Service revenues

Service revenues mainly pertain to usage, subscription and customer onboarding charges for voice, data, messaging, value added services and Direct to Home (DTH) services. It also includes revenue from interconnection / roaming charges for usage of the Group's network by other operators for voice, data, messaging and signaling services. Service revenues also includes rental revenue for use of sites and energy revenue for the provision of energy for operation of sites.

Telecommunication services (comprising voice, data and SMS) are considered to represent a single performance obligation as all are provided over the Group's network and transmitted as data representing a digital signal on the network. The transmission consumes network bandwidth and therefore, irrespective of the nature of the communication, the customer ultimately receives access to the network and the right to consume network bandwidth.

The Group recognises revenue from these services as they are provided. Revenue is recognised based on actual units of telecommunication services provided during the reporting period as a proportion of the total units of telecommunication services to be provided. Subscription charges are recognised over the subscription pack validity period. Customer onboarding revenue is recognised upon successful onboarding of customer i.e. upfront except for 'Digital TV services' business, in which case the customer onboarding revenue is deferred over the average expected customer life. Revenues in excess of invoicing are classified as unbilled revenue while invoicing / collection in excess of revenue are classified as deferred revenue / advance from customers. The Group collects Goods and service tax ('GST') on behalf of the government and therefore, it is not an economic benefit flowing to the Company, hence it is excluded from revenue.

Service revenues also includes revenue from interconnection / roaming charges for usage of

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the Group's network by other operators for voice, data, messaging and signaling services. These are recognised upon transfer of control of services over time.

Certain business services revenues include revenue from registration and installation, which are amortised over the period of agreement since the date of activation of service.

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

Rental revenue is recognized as and when services are rendered on a monthly basis as per the contractual terms prescribed under master service agreement entered with customer. Exit Charges are recognised when uncertainty relating to the amounts receivable on exit is resolved and it is probable that a significant reversal relating to the amounts receivable on exit will not occur. Energy revenue is recognized over the period on a monthly basis upon satisfaction of performance obligation as per contracts with the customers. The transaction price is the consideration received from customers based on prices agreed as per the contract with the customers. The determination of standalone selling prices is not required as the transaction prices are stated in the contract based on the identified performance obligation.

As part of the mobile money services, the Group earns commission from merchants for facilitating recharges, bill payments and other merchant payments. It also earns commissions on transfer of monies from one customer wallet to another. Such commissions are recognised as revenue at a point in time on fulfillment of these services by the Group.

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 distinct performance obligations, and if so, they are accounted for separately. Total consideration related to the multiple element arrangements is allocated to each performance obligation based on their standalone selling prices. The stand-alone selling prices are determined based on the list prices at which the Company sells equipment and network services separately.

c. Equipment sales

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories for which revenue is recognised when the control of equipment is transferred to the customer, i.e. transferred at a point in time. However, in case of equipment sale forming part of multiple-element revenue arrangements which is not a distinct performance obligation, revenue is recognised over the customer relationship period.

d. Interest income

The interest income is recognised using the EIR method. For further details, refer note 2.10.

e. Costs to obtain or fulfil a contract with a customer

The Group incurs certain costs to obtain or fulfill contracts with customers viz. intermediary commission, etc. Where based on group's estimate of historic average customer life derived from customer churn rate is longer than 12 months, such costs are deferred and are recognized over the average expected customer life.

f. Dividend income

Dividend income is recognised when the Company's right to receive the payment is established. For further details, refer note 2.10.

2.20 Government grants

Grants from the government are recognised where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

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2.21 Borrowing costs

Borrowing costs consist of interest and other ancillary costs that the Group 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 other borrowing costs are recognised in the statement of profit and loss within finance costs in the period in which they are incurred.

2.22 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 Group.

2.23 Non-operating expense / income

Non-operating expense comprises regulatory levies applicable to finance income in some of the geographies whereas non-operating income pertains to certain fee in one of the group entities.

2.24 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 shareholders' approval, are recognised as a liability and deducted from retained earnings, in the year in which the dividends are so declared.

2.25 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS.

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

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. Key sources of estimation uncertainties and critical judgements

The estimates and judgements used in the preparation of the said financial statements are continuously evaluated by the Group, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Group 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 Group 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 year in which they become known.

3.1 Key sources of estimation uncertainties

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. Impairment reviews

Goodwill is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired. For details as to the impairment policy, refer note 2.9.

In calculating the value in use, the Group is required to make significant judgements, estimates and assumptions inter-alia concerning the growth in earnings before interest, taxes, depreciation and amortisation ('EBITDA') margins, capital expenditure, long-term growth rates and discount rates to reflect the risks involved. Also, judgement is involved in determining the CGU /grouping of CGUs for allocation of the goodwill.

The Group mainly operates in developing markets and in such markets, the plan for shorter duration is not indicative of the long-term future performance. Considering this and the consistent use of such robust ten-year information for management reporting purpose, the Group uses ten-year plans for the purpose of impairment testing.

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b. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority.

Deferred tax assets are recognised for the unused tax losses and minimum alternate tax credits for which there is probability of utilisation against the future taxable profit. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments. For detail as to provisions and contingencies, refer note 21 and 23 respectively.

c. Property, plant and equipment

As described at note 2.7 above, the Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. After considering market conditions, industry practice, technological developments and other factors, the Group determined that the current useful lives of its PPE remain appropriate. However, changes in economic conditions of the markets, competition and technology, among others, are unpredictable and they may significantly impact the useful lives of PPE and therefore the depreciation charges. Refer note 2.7 and 5 for the estimated useful life and carrying value of property, plant and equipment respectively.

d. 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

e. Contingent liabilities and provisions

The Group is involved in various legal, tax and regulatory matters, the outcome of which may not be favourable to the Group. Management in consultation with the legal, tax and other advisers assess the likelihood that a pending claim will succeed. The Group has applied its judgement and has recognised liabilities based on whether additional amounts will be payable and has included contingent liabilities where economic outflows are considered possible but not probable.

3.2 Critical judgements in applying the Group's accounting policies

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

a. Revenue recognition and presentation

The Group assesses its revenue arrangements in order to determine if it is acting as a principal or as an agent by determining whether it has primary obligation basis pricing latitude and exposure to credit / inventory risks associated with the sale of goods / rendering of services.

In the said assessment, both the legal form and substance of the agreement are reviewed to determine each party's role in the transaction.

b. Separating lease and non-lease components

The consideration paid by the Group in telecommunication towers lease contracts include the use of land and passive infrastructure as well as maintenance, security, provision of energy etc. services. Therefore, in determining the allocation of consideration between lease and non-lease components, for the additional services that are not separately priced, the Group performs analysis of cost split to arrive at relative stand-alone prices of each of the components. The bifurcation of the consideration paid (excluding energy) between lease versus non-lease component across the Group has been accordingly considered at 55-78% as lease component on an overall basis.

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c. Determining the lease term

Under Ind AS 116 if it is reasonably certain that a lease will be extended / will not be early terminated, the Group is required to estimate the expected lease period which may be different from the contractual tenure. The Group has various tower lease agreements with a right to extend / renew / terminate wherein it considers the nature of the contractual terms and economic factors to determine the lease term. After assessing such factors, the lease liability has been calculated using the remaining - contractual lease period / lease period until which significant exit penalties are payable.

d. Determining the incremental borrowing rate for lease contracts

The initial recognition of lease liabilities at present value requires the identification of an appropriate discount rate. The Group has determined the incremental borrowing rate based on considerations specific to the leases by taking consideration of the risk free borrowing rates as adjusted for country / company specific risk premiums (basis the readily available data points).

e. Determination of functional currency

The Group has determined the functional currency of the group entities by identifying the primary economic environment in which the entity operates - based on under-lying facts / circumstances. However, in respect of certain intermediary foreign operations of the Group, the determination of functional currency is not very obvious due to mixed indicators and the extent of autonomy enjoyed by the foreign operation. In such cases management uses its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

f. Taxes

The identification of temporary differences pertaining to the investment in subsidiaries that are expected to reverse in the foreseeable future and the determination of the related deferred income tax liabilities after considering the requisite tax credits require the Group to make significant judgements.

4. Significant transactions / new developments

a) On October 24, 2019, the Hon'ble Supreme Court of India delivered a judgement in relation to a long outstanding industry-wide case upholding the view of the Department of Telecommunications ('DoT') in respect of the definition of Adjusted Gross Revenue ('AGR') ("Court Judgement"). The Hon'ble Supreme Court in a Supplementary Order of the same date directed the affected parties to pay amounts due to DoT within a period of three months, which ended on January 23, 2020.

Subsequent to the Court Judgment, DoT had issued letters dated November 13, 2019 and February 3, 2020 to the Group to carry out own-assessment of the liability and afforded certain guidelines/clarifications to compute the amounts payable based on the Hon'ble Supreme Court Judgement. Accordingly, in February 2020, the Group based on its interpretation and assessment of the guidelines/clarifications, and the principles laid down in the Court Judgement, made payments aggregating ₹ 127,490 to the DoT, and an additional ₹ 50,000 as a deposit (subject to subsequent refund/ adjustment) to cover differences resulting from re-verification / reconciliation by DoT.

On March 16, 2020, the DoT had filed an application with respect to giving reasonable time to the affected parties (a period of 20 years with 8% interest on unpaid amounts to duly protect the net present value) and to cease the currently applicable interest after a particular date. The Hon'ble Supreme Court, in a hearing on March 18, 2020, ordered that no exercise of self-assessment/ re-assessment is to be done and the dues which were placed before the Court have to be paid including interest and penalty. At the same hearing, the Hon'ble Supreme Court stated that the DoT application would be considered on the next date of hearing, which is pending disposal.

In the absence of any potential reliefs, without prejudice, and given the matter is still being considered by the Hon'ble Supreme Court as stated above, the Group has, on the basis of demands received and the period for which demands have not been received having regard to assessments carried out in earlier years and the guidelines/clarifications, provided for, in respect of License Fees, an additional amount of ₹ 179,913 (comprising of Principal of ₹ 32,070 (upto September 30, 2019) and applicable penalty thereon of ₹ 24,920, and, on such unpaid amounts, interest of ₹ 77,015 and interest on penalty of ₹ 45,908 upto March 31, 2020) and in respect of Spectrum Usage Charges, an amount of ₹ 123,774 (comprising of Principal of ₹ 29,570 (upto September 30, 2019) and applicable penalty thereon of ₹ 12,680, and, on such unpaid amounts, interest of ₹ 57,136 and interest on penalty of ₹ 24,388 upto March 31, 2020) as a charge to the statement of profit and loss and disclosed as an exceptional item. From September, 2019, the License Fees/Spectrum Usage Charges have been accounted

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for considering the effect of the Court Judgement, and reflected accordingly in the Statement of Profit and Loss (refer note 31).

b) During the year ended March 31, 2020, the Company has successfully raised ₹ 215,017 of additional long term financing through a combination of ₹ 144,000 in the form of qualified institutional placement of equity shares (approximately 323.60 Mn fully paid up equity shares of face value ₹ 5 each were issued and allotted at a price of ₹ 445 per equity share) and ₹ 71,017 in the form of 1.50% Foreign Currency Convertible Bond offerings (issued at par and repayable in 2025 at 102.66% of their outstanding principal amount).

c) During the year ended March 31, 2020, the Group gave effect to the merger of consumer mobile businesses of Tata Teleservices Limited ('TTSL') and Tata Teleservices (Maharashtra) Limited ('TTML') with the Company and one of its subsidiaries, on July 1, 2019 (being the effective and appointed date of the Scheme of Arrangement under section 230 to section 232 of the Companies Act, 2013). As part of the said transaction, the Group is indemnified, for the ramifications of past liabilities (viz. for the period prior to the completion of the transaction). Considering that the said merger has been completed and as a consequence of the Court Judgement, the incremental liabilities of TTSL / TTML pertaining to AGR as per the estimates available have been recorded in the books of the Group with a corresponding indemnity asset (included in Other current financial assets) for the same. As the said incremental liabilities pertains to the period before the acquisition, TTSL / TTML reserve their rights as available to them under law to take appropriate action vis-a-vis the authorities.

The Group, on the basis of the TDSAT orders directing the operationalization of the spectrum and taking all consequent actions, and based on the final approval by Tribunal and Registrar of Companies believes that the required approvals were in place for the Scheme to be effective. Accordingly, the said merger is accounted in accordance with Ind AS 103, 'Business Combinations'. Consequently, the excess of net assets over purchase consideration, amounting to ₹ 13,174 has been recognized as Capital reserve, a component of equity. While the merger is completed in the books of the Company, the same has also been taken on record by the DoT on February 6, 2020.

The summarised aggregated financial information of TTSL and TTML is as follows:

A. Consideration paid*	**338**
B. Net assets acquired	
Non-current assets	
Property, plant and equipment (including capital-work-in-progress for ₹ 16)	3,359
Right-of-use assets	20,430
Other intangible assets	33,901
Deferred tax assets (net)	15,500
Others	6,811
Current assets	
Indemnification assets	48,092
Others#	9,206
Total Assets (a)	**137,299**
Non-current liabilities	
Borrowings	3,859
Current liabilities	
Borrowings	45,680
Provisions^	43,085
Others$	31,163
Total Liabilities (b)	**123,787**
Net assets acquired (a-b)	**13,512**

* 970,668 equity shares of ₹ 5 each and 957 redeemable preference shares of ₹ 100 each

\# mainly includes goods and service tax input credit

^ mainly includes regulatory dues

$ mainly includes trade payable and advances

On above 'land & building' included in 'property, plant and equipment' (refer note 5) amounting to ₹ 2,865 and 'land and building' included in 'ROU' (refer note 35) amounting to ₹ 250, the title deed and lease agreements are held in the name of TTSL/TTML and are pending to be transferred in the name of Company.

d) Network i2i Limited (a wholly owned subsidiary of the Company) on October 15, 2019 issued subordinated perpetual securities (original securities) of USD 750 Mn (₹ 53,489) at an issue price of USD 200,000 which were guaranteed by the Company. Subsequently, on February 18, 2020, Network i2i Limited issued subordinated perpetual securities (additional securities) of USD 250 Mn (₹ 17,894) at an issue price of USD 201,300 plus accrued interest from October 15, 2019. The additional securities constitute a further issuance of, and form a single series with, the original securities and have the same terms and conditions as the original securities except the principal amount, issue date and issue price. The interest payments on these securities (original securities and additional securities) may be deferred in a cumulative, non-compounding manner, subject to certain restrictions including on distributions and payment of dividend until such cumulative interest remains unpaid. Both the securities have been classified as equity instruments.

e) During the year ended March 31, 2020, a subsidiary of the Company, Bharti Hexacom Limited has listed its commercial papers (CPs) valued at ₹ 26,150 out of which

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₹ 16,150 is listed on SEBI as on March 31, 2020. The listing is pursuant to SEBI circulars dated October 1, 2019 and October 22, 2019 which prohibit mutual fund schemes to invest in unlisted debt instruments including CPs.

f) Certain group entities have elected to exercise the option permitted under section 115BAA of the Income - tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 dated September 20, 2019. Accordingly, during the year ended March 31, 2020, these group entities have recognised provision for income tax and remeasured its deferred tax assets basis the rate prescribed thereby and the related impact is recognised in the statement of profit and loss; except for Group's share as to the rate change impact on account of deferred tax created on transition to Ind AS 116, 'Leases' relating to one of its joint venture (which has been utilised from general reserves created out of scheme of merger as approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 effective from June 11, 2013, as permitted thereunder). This has resulted as an exceptional charge of ₹ 4,195 in statement of profit and loss and a charge of ₹ 856 in the equity.

g) During the year ended March 31, 2020, pursuant to the closure of rights issue on May 17, 2019, the Company allotted approximately 1,134 Mn fully paid up equity shares of face value ₹ 5 each at the price of ₹ 220 per equity share (including a premium of ₹ 215 per share) amounting to ₹ 249,390, to the eligible shareholders.

h) During the year ended March 31, 2020 the government of Tanzania ('GoT'), Bharti Airtel Tanzania B.V. ('BATBV'), Bharti Airtel International (Netherlands) B.V. ('BAIN') and Airtel Tanzania ('AT') executed agreements to resolve all disputes. These mainly cover the following:

- New shares to be issued by AT to the GoT at no cost such that the GoT will own 49% of the entire share capital of AT and BATBV will own 51%;
- Tanzania Revenue Authority's ('TRA') tax claim of approximately USD 874 Mn (₹ 66,140) on BAIN will be treated as settled without any liability (no provision has been recognised currently);
- Tanzania Communications Regulatory Authority's ('TCRA') Compliance Decision of April 20, 2018 imposing on AT a fine of approximately USD 183 Mn (₹ 13,849) too will be treated as settled without any liability (no provision has been recognised currently);
- TRA's various tax claims against AT of approximately USD 47 Mn (₹ 3,557) will, subject to verification and consideration of the records, be treated as settled without any liability (no provision has been recognised currently);
- AT will be issued a one-time tax clearance certificate in regard to tax disputes in respect of all historical tax claims up to December 31, 2018;
- In all cases this shall not be construed as an admission of fact or law or as a concession or admission of any wrongdoing, obligation, liability by any party;
- AT, subject to verification and consideration of the records by the TRA will be allowed the carry-forward tax loss balance as recorded in AT's corporate tax return for the tax year ended December 31, 2017;
- Parties will cooperate to effect the sale of towers and the proceeds thereof will be distributed in a pre-defined manner towards repayment of AT's shareholder loan, to be retained in AT and balance as a special one-time payout to the GoT. On receipt of its share of the proceeds from sale of towers, BATBV will waive the balance shareholder loan;
- A valid Listing Waiver will be provided to AT and the Group entities in AT in accordance with the laws of Tanzania. Furthermore, in case of listing, the BATBV shares in AT are not subject to listing;
- Group entities will not be subject to any tax in connection with any of the transactions described above;
- AT will pay to GOT, approximately USD 0.4 Mn (₹ 28) every month for a period of 60 months, effective April 1, 2019 for the support services provided; and
- AT will pay a special dividend ('Special Dividend') to its shareholders in proportion of their shareholding of upto 25% EBITDA based on its audited financial statements for the financial year ending December 31, 2019 subject to applicable laws.

Post the agreement following matters have been resolved:

- TRA's tax claim of approx. USD 874 Mn (₹ 66,140), TCRA's imposition of approx. USD 183 Mn (₹ 13,849) and various tax claims against AT of approx. USD 22 Mn (₹ 1,665) have been vacated without any liability. Since the Group did not carry any provisions for these matters, no accounting implications have arisen due to such resolution.
- On November 29, 2019 AT issued 36,176,471 shares to GOT at zero effective cost thus increasing GOT's shareholding in AT to 49%. The Group has thus recognised non-controlling interest to the extent of 9% of carrying value of net assets of AT.
- Corporate tax return for carried forwards tax losses of AT has been concluded until December 31, 2016.

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The completion of all other steps set out above are still in progress at the date of approval of the financial statements.

i) During the year ended March 31, 2020, Airtel Africa plc. ('AAP', a subsidiary of the Group) listed on London Stock Exchange and Nigeria Stock Exchange by issuing approximately 676 Mn equity shares at 80 pence and 363 NGN per share respectively. Due to the transaction, the shareholding of the Group in Airtel Africa plc. has reduced to approximately 56%.

j) Pursuant to the requirement of New Telecommunication Act in Malawi, it was made mandatory for companies holding electronic communication licences to have 20% local shareholding. To give effect to this, the Group has transferred by way of a secondary sale, its 20% shareholding in Airtel Malawi plc (Airtel Malawi), a wholly owned subsidiary of Airtel Africa plc, to the public and consequently Airtel Malawi listed on Malawi Stock Exchange on February 24, 2020. Accordingly, with effect from the date of such transfer, the Group has recognised a non-controlling interest equivalent to 20% of the net assets of Airtel Malawi. The excess of carrying value over consideration received from non-controlling interest ('NCI') amounting to USD 20 Mn (₹ 1,493), has been recognised in the 'transaction with NCI reserve', within equity.

k) In respect of Tower Infrastructure Services Segment of the Group:

   i) On April 20, 2020, Indus Towers Limited, a Joint Venture Company ('JVC') of a subsidiary of the Company, Bharti Infratel Limited (both in the Tower Infrastructure Service Segment), in its financial statements for the year ended March 31, 2020 reported that the JVC's top two major customers in the telecom services industry contributed substantial portion of the net sales of the JVC, for the same period, which also resulted in significant part of the trade receivables due from these two customers as at March 31, 2020. It also reported that the JVC's largest customer (one of the two major customers) in its declared results for the quarter and nine months period ended December 31, 2019, had expressed its ability to continue as going concern to be dependent on positive outcome of the application for modification of the Supplementary Order before the Hon'ble Supreme Court and subsequent agreement with DoT for the payment in instalments after some moratorium and other reliefs. Further, the loss of a significant customer or the failure to attract new customers could have a material adverse effect on the business, results of operations and financial condition of the JVC. The auditors of the JVC have brought out this material uncertainty in their auditor's report.

   ii) On April 23, 2020, Bharti Infratel Limited ('BIL'), a subsidiary of the Company, has indicated that that the largest customer of the JVC (as referred above) is also a major customer of BIL. The loss of a significant customer or the failure to attract new business in both these entities could have an adverse effect on their business and results of operations. The Management of BIL and the Group have respectively also concluded that there is no impairment with respect to property, plant and equipment of BIL and the carrying value of its investment in the JVC.

l) Telecom Regulatory Authority of India's tariff order in relation to broadcasting services relating to television provided to subscribers has been implemented from February 1 2019, as per the extended timelines. During the quarter ended March 31, 2019, owing to the practical difficulties, there was delay in implementation of the tariff order in its entirety. The distributors were in transition from previous to the new regime and were in the process of implementation of content cost contracts with the Broadcasters. Subsequently, Bharti Telemedia Limited, one of the Company's subsidiary, has entered into revised agreements with the broadcasters. With effect from April 1, 2019, basis such revised agreements and the provisions of the new tariff order, Bharti Telemedia Limited has re-assessed its performance obligations, extent of control over broadcasted content and various other responsibilities and liabilities. Consequently, the Group has considered network capacity fee and, commission and incentives from broadcasters as to subscription services, as part of its revenue from operations. Further, the Telecom Regulatory Authority of India has implemented second amendment to the tariff order effective from March 1, 2020 and Bharti Telemedia Limited has implemented the same to the extent is applicable and is in control of distributor.

m) During the year ended March 31, 2019 Airtel Kenya, the Group's operating subsidiary in Kenya, entered into an agreement with Telkom Kenya Limited, the third largest mobile network operator in Kenya, to merge their respective mobile, enterprise and carrier services businesses to operate as 'Airtel-Telkom'. As at the date of these financial statements, the transaction remains subject to final approval by the relevant authorities and consequently there is no impact within these financial statements.

n) During the year ended March 31, 2017, the Group had entered into a scheme of amalgamation for the merger of Telenor (India) Communications Private Limited ('Telenor')

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with the Company. Further, during the year ended March 31, 2019, as the closing conditions for the said merger were fulfilled, the said transaction was consummated. The difference of ₹ 5,315 between the purchase consideration (issuance of five equity shares and working capital adjustments) and fair value of net assets was recognised as Capital reserve, a component of equity. As part of the said transaction, the Company is indemnified, for the ramification of past liabilities (viz. for the period prior to the completion of the transaction).

Considering that the said merger has been completed and as a consequence of the Court Judgement, during the year ended March 31, 2020, the incremental liabilities of Telenor pertaining to AGR as per the estimates available have been recorded in the books of the Company with a corresponding indemnity asset (included in Other current financial assets) for the same. As the said incremental liabilities pertains to the period before the acquisition, Telenor reserve its rights as available to them under law to take appropriate action vis-à-vis the authorities.

The fair values of the assets and liabilities recognised at the date of merger are as follows:

Non-current assets	
Property, plant and equipment (including capital-work-in-progress of ₹ 94)	4,264
Other intangible assets (including intangible assets under development of ₹ 655)	17,684
Indemnification assets	8,835
Others	6,309
Current assets	
Cash and cash equivalents	6,931
Others	7,661
Non-current liabilities	
Borrowings	14,842
Others	955
Current liabilities	
Borrowings	1,229
Trade payables	17,301
Others	12,592
Net assets acquired	**4,765**

o) During the year ended March 31, 2019, Bharti Airtel International (Netherlands) B.V., a subsidiary of the Group, early redeemed an amount of USD 995 Mn (₹ 70,112) from its USD 1,500 Mn (₹ 105,697) 5.125% Guaranteed Senior Notes due in March 2023 at a consideration equivalent to 98.5% of the par amount of each bond plus interest accrued.

p) During the year ended March 31, 2019, Bharti Airtel International (Netherlands) B.V., a subsidiary of the Company, has redeemed Euro 1,000 Mn (₹ 79,948) 4% senior notes due in December 2018 ('Notes').

q) During the year ended March 31, 2019, consequent to the change in shareholder rights in Airtel Payments Bank Limited ('APBL'), APBL ceased to be a subsidiary (under Ind AS 110, 'Consolidated Financial Statements'). APBL has since been considered as an associate (under Ind AS 28, 'Investments in Associates and Joint Ventures'). Hence, in accordance with Ind AS 110, the difference between the fair value of retained interest and the previous carrying amount of the Group's share in the net assets of APBL, of ₹ 8,735 has been recognized as gain within exceptional items.

r) During the year ended March 31, 2019, the Group acquired 7.95% equity stake in Airtel Gabon S.A. thereby, increasing its shareholding to 97.95%. The excess of consideration paid to NCI over the carrying value of the interest acquired ₹ 1,112 was recognised in the transaction with NCI reserve, a component of equity.

s) During the year ended March 31, 2019, the Group has acquired 8.52% equity stake in Airtel Networks Limited thereby, increasing its shareholding to 91.77%. The excess of consideration paid to NCI over the carrying value of the interest acquired ₹ 4,684 has been recognised in the transaction with NCI reserve, a component of equity.

t) During the year ended March 31, 2018, the Group had entered into an agreement to sell 15% equity stake in Bharti Telemedia Limited, a subsidiary of the Company. Further, during the year ended March 31, 2019, as the closing conditions for the said transaction were fulfilled, the said transaction was consummated. Accordingly, the excess of proceeds over the NCI amounting to ₹ 19,064 was recognised directly in NCI reserve, a component of equity.

u) Pursuant to the share purchase agreement with Millicom International Cellular S.A. entered during the year ended March 31, 2018, the Group acquired 100% equity interest in Tigo Rwanda Limited . The acquisition will make the Group the second largest mobile operator in Rwanda. The difference of ₹ 873 between the fair value of the purchase consideration (including contingent consideration) aggregating ₹ 3,377 and fair value of net assets of ₹ 2,504 was recognised as final goodwill on completion of measurement period during the year ended March 31, 2019. The said goodwill is mainly attributable to the acquired customer base, assembled workforce and economies of scale expected from combining the operations of the Group. Further, with effect from July 1, 2018, Tigo Rwanda Limited had merged with Airtel Rwanda Limited. Accordingly Tigo Rwanda Limited has ceased to exist.

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

The following table presents the reconciliation of changes in the carrying value of PPE for the year ended March 31, 2020 and 2019:

	Leasehold improvement	Building	Land	Plant and equipment	Furniture & fixture	Vehicles	Office equipment	Computer & Servers	Total
Gross carrying value									
As of April 1, 2018	**9,010**	**10,157**	**4,212**	**1,458,452**	**2,997**	**2,282**	**7,510**	**78,337**	**1,572,957**
Additions	849	2	211	251,349	571	24	1,111	5,988	260,105
Acquisition through business combinations@	-	-	-	4,450	27	-	5	82	4,564
Disposals / adjustments	(24)	(53)	87	(6,091)	(130)	(146)	(585)	(1,933)	(8,875)
Sale of subsidiaries^	(4)	-	-	-	(1)	-	(17)	(153)	(175)
Exchange differences	8	(74)	3	(5,719)	(316)	51	50	491	(5,506)
As of March 31, 2019	**9,839**	**10,032**	**4,513**	**1,702,441**	**3,148**	**2,211**	**8,074**	**82,812**	**1,823,070**
Balance as of April 1, 2019	**9,839**	**10,032**	**4,513**	**1,702,441**	**3,148**	**2,211**	**8,074**	**82,812**	**1,823,070**
Transition impact on adoption of Ind AS 116$	-	-	(1,125)	(37,242)	-	-	-	-	(38,367)
Adjusted balance as of April 1, 2019	**9,839**	**10,032**	**3,388**	**1,665,199**	**3,148**	**2,211**	**8,074**	**82,812**	**1,784,703**
Additions	659	1,239	16	241,735	980	10	1,100	5,906	251,645
Acquisition through business combinations@	-	235	2,630	478	-	-	-	-	3,343
Disposals / adjustments	(33)	(571)	(282)	(15,329)	(231)	(263)	(44)	(635)	(17,388)
Exchange differences	190	(14)	91	1,760	(65)	215	(0)	1,852	4,029
As of March 31, 2020	**10,655**	**10,921**	**5,843**	**1,893,843**	**3,832**	**2,173**	**9,130**	**89,935**	**2,026,332**
Accumulated depreciation									
As of April 1, 2018	**7,308**	**3,780**	**124**	**777,406**	**2,656**	**2,030**	**5,390**	**68,184**	**866,878**
Charge#	490	548	19	146,611	410	112	923	5,799	154,912
Sale of subsidiaries^	(13)	(19)	84	(4,357)	(118)	(134)	(577)	(1,669)	(6,803)
Disposals / adjustments	(4)	-	-	-	-	-	(10)	(61)	(75)
Exchange differences	5	(47)	2	(7,211)	(288)	46	49	374	(7,070)
As of March 31, 2019	**7,786**	**4,262**	**229**	**912,449**	**2,660**	**2,054**	**5,775**	**72,627**	**1,007,842**
Balance as of April 1, 2019	**7,786**	**4,262**	**229**	**912,449**	**2,660**	**2,054**	**5,775**	**72,627**	**1,007,842**
Transition impact on adoption of Ind AS 116$	-	-	(176)	(21,479)	-	-	-	-	(21,655)
Adjusted balance as of April 1, 2019	**7,786**	**4,262**	**53**	**890,970**	**2,660**	**2,054**	**5,775**	**72,627**	**986,187**
Charge#	513	479	-	170,624	435	72	1,248	5,936	179,307
Disposals / adjustments	(33)	(399)	(81)	(13,888)	(203)	(250)	(44)	(154)	(15,052)
Exchange differences	189	(7)	28	(3,626)	49	103	(236)	1,817	(1,683)
As of March 31, 2020	**8,455**	**4,335**	**0**	**1,044,080**	**2,941**	**1,979**	**6,743**	**80,226**	**1,148,759**
Net carrying value									
As of March 31, 2019	**2,053**	**5,770**	**4,284**	**789,992**	**488**	**157**	**2,299**	**10,185**	**815,228**
As of March 31, 2020	**2,200**	**6,586**	**5,843**	**849,763**	**891**	**194**	**2,387**	**9,709**	**877,573**

@ Refer note 4 (c), (n) & (u).

$ Refer note 2.1 and note 35.

^ Refer note 4 (q).

It includes ₹ 13,591 (March 31, 2019 ₹ 5,861) on account of exceptional item with respect to plant and equipment (refer note 31 (i) (b) and (ii) (a)) and ₹ 440 (March 31, 2019 ₹ 419) on account of court approved scheme / arrangements.

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The Company has capitalised borrowing cost of ₹ 2,978 and ₹ 930 during the year ended March 31, 2020 and 2019 respectively. The rate used to determine the amount of borrowing costs eligible for capitalisation was 9.35% for year ended March 31, 2020 and 8.03% for year ended March 31, 2019, which is the weighted average interest rate applicable to the group's general borrowings.

The carrying value of CWIP as at March 31, 2020 and 2019 is ₹ 39,972 and ₹ 88,433 respectively, which mainly pertains to plant and equipment.

For details towards pledge of the above assets refer note 19.2.

Change in useful life

i) During the year ended March 31, 2020, the Group has reassessed useful life of customer premise equipment (Digital TV services business) based on internal assessment and technical evaluation, and accordingly has revised the estimate of its useful life from 5 years to 7 years in respect of those assets. The impact of above change on the depreciation charge for the current and future years are as follows:

	For the year ended March 31, 2020	For the year ending			Future period till end of life
		March 31, 2021	March 31, 2022	March 31, 2023	
Impact on depreciation charge	(2,188)	(1,436)	(258)	753	3,129

ii) During the year ended March 31, 2020, the Group 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. The impact of above change on the depreciation charge for the current and future years are as follows:

	For the year ended March 31, 2020	For the year ending			Future period till end of life
		March 31, 2021	March 31, 2022	March 31, 2023	
Impact on depreciation charge	11,524	(2,419)	(2,180)	(1,808)	(5,117)

6. Intangible assets

The following table presents the reconciliation of changes in the carrying value of goodwill and other intangible assets for the year ended March 31, 2020 and 2019:

	Goodwill#	Other intangible assets				Total
		Software	Bandwidth	Licenses (including spectrum)	Other acquired intangibles	
Gross carrying value						
As of April 1, 2018	**330,710**	**21,481**	**30,637**	**979,403**	**10,128**	**1,041,649**
Additions	-	2,740	18,269	47,713	-	68,722
Acquisition through business combinations@	436	1	-	15,691	831	16,523
Disposals / adjustments*	-	(1)	319	326	(23)	621
Sale of subsidaries^	(3)	(194)	-	-	-	(194)
Exchange differences	4,056	20	1,252	133	53	1,458
As of March 31, 2019	**335,199**	**24,047**	**50,477**	**1,043,266**	**10,989**	**1,128,779**
Balance as of April 1, 2019	**335,199**	**24,047**	**50,477**	**1,043,266**	**10,989**	**1,128,779**
Transition impact on adoption of Ind AS 116$	-	-	(50,477)	-	-	(50,477)
Adjusted balance as of April 1, 2019	**335,199**	**24,047**	**-**	**1,043,266**	**10,989**	**1,078,302**

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6. Intangible assets (Contd..)

	Goodwill#	Other intangible assets				Total
		Software	Bandwidth	Licenses (including spectrum)	Other acquired intangibles	
Additions		3,465		14,685	91	18,241
Acquisition through business combinations@		-		32,890	1,011	33,901
Disposals / adjustments*		41		(9,815)	-	(9,774)
Exchange differences	13,630	33		963	110	1,106
As of March 31, 2020	**348,829**	**27,586**	**-**	**1,081,989**	**12,201**	**1,121,776**
Accumulated amortisation						
As of April 1, 2018	**-**	**16,657**	**8,359**	**172,211**	**6,567**	**203,794**
Charge	-	2,525	2,799	57,515	2,004	64,843
Disposals / adjustments*	-	(1)	104	12	(22)	93
Sale of subsidiaries^	-	(75)	-	-	-	(75)
Exchange differences	-	20	178	(644)	45	(401)
As of March 31, 2019	**-**	**19,126**	**11,440**	**229,094**	**8,594**	**268,254**
Balance as of April 1, 2019	**-**	**19,126**	**11,440**	**229,094**	**8,594**	**268,254**
Transition impact on adoption of Ind AS 116$	-	-	(11,440)	-	-	(11,440)
Adjusted balance as of April 1, 2019	-	19,126	-	229,094	8,594	256,814
Charge	-	3,143		61,330	1,441	65,914
Disposals / adjustments*	-	-		(10,099)	0	(10,099)
Exchange differences	-	33		(786)	159	(594)
As of March 31, 2020	**-**	**22,302**	**-**	**279,539**	**10,194**	**312,035**
Net carrying value						
As of March 31, 2019	**332,562**	**4,921**	**39,037**	**814,172**	**2,395**	**860,525**
As of March 31, 2020	**346,192**	**5,284**	**-**	**802,450**	**2,007**	**809,741**

#Net carrying value of goodwill includes accumulated impairment of ₹ 2,637.

@ Refer note 4 (c), (n) & (u)

$ Refer note 2.1 and note 35.

^ Refer note 4 (q)

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

The carrying value of Intangible assets under development as at March 31, 2020 and March 31, 2019 is ₹ 2,851 and ₹ 7,909 respectively, which pertains to spectrum and software / IT platform.

During the year ended March 31, 2020 and 2019 the Group has capitalised borrowing cost of Nil and ₹ 178 respectively. The rate used to determine the amount of borrowing costs eligible for capitalisation was Nil for year ended March 31, 2020 and 9.3% for year ended March 31, 2019, which is the weighted average interest rate applicable to the group's specific borrowings.

Weighted average remaining amortisation period of licenses as of March 31, 2020 and March 31, 2019 is 13.99 years and 15.01 years respectively.

For details towards pledge of the above assets refer note 19.2.

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Impairment review - Goodwill

The carrying value of Group's goodwill has been allocated to the following six group of CGUs, whereby Nigeria, East Africa and Francophone Africa (previously referred to as Rest of Africa) group of CGUs pertain to Airtel Africa plc. (Airtel Africa) operations.

		As of March 31, 2020	As of March 31, 2019
Mobile Services Africa- Nigeria	103,977		-
Mobile Services Africa- East Africa	140,535		-
Mobile Services Africa- Francophone Africa	54,259		-
Mobile services- Africa		298,771	285,327
Mobile Services- India		40,413	40,413
Airtel business		6,664	6,478
Homes Services		344	344
		346,192	**332,562**

The Group tests goodwill for impairment annually on 31 December. The recoverable amounts of the above group of CGUs are based on value-in-use, which are determined based on ten-year business plans that have been approved by management for internal purposes. The said planning horizon reflects the assumptions for short-to-mid term market developments. The Group mainly operates in emerging markets and in such markets, the plans for the short term is not indicative of the long-term future prospects and performance. Considering this and the consistent use of such robust ten-year information for management reporting purposes, the Group uses ten-year plans for the purpose of impairment testing. Management believes that this planning horizon reflects the assumptions for medium to long term market developments and better reflects the expected performance in the markets in which the Group operates.

The cash flows beyond the planning period are extrapolated using appropriate long term terminal growth rates. The long term terminal growth rates used do not exceed the long-term average growth rates of the respective industry and country in which the entity operates and are consistent with internal/external sources of information.

Details of impairment testing for the Group are as follows:

A. Impairment review of goodwill pertaining to Airtel Africa operations

During March 2019, after the annual impairment testing in December 2018 considering Africa as one group of CGU, due to revision in organisational structure of Mobile Services Africa segment, goodwill was re-allocated to three clusters (namely Nigeria, East Africa and Francophone Africa) based on implicit goodwill approach as an alternative to the relative fair value method.

For the year ended March 31, 2020, the annual impairment testing was carried out in December 2019. The discount rates and long term growth rates applied in performing the impairment assessment at December 31, 2019 were as follows:

Assumptions	Nigeria	East Africa	Francophone Africa
Pre tax discount rate	23.0%	15.3%	14.3%
Long term growth rate	2.6%	5.1%	3.8%

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At December 31, 2019, the impairment testing did not result in any impairment in the carrying amount of goodwill in any group of CGUs.

The discount rate and long term growth rate applied in performing the impairment assessment at December 31, 2018 were as follows:

	Mobile Services- Africa
Pre tax Discount Rate	24.15%
Long term Growth Rate	4.0%

In case of Mobile Services - Africa CGU group, the recoverable amount exceeds the carrying amount by ₹ 153,714 (39.39%) as of December 31, 2018. An increase of 5.67% in pre-tax discount rate shall equate the recoverable amount with the carrying amount of the Mobile Services- Africa CGU group as of December 31, 2018. Further, no reasonably possible change in the terminal growth rate beyond the planning horizon would cause the carrying amount to exceed the recoverable amount.

Following the outbreak of the COVID-19 pandemic, the Group's impairment tests and sensitivity analysis were updated at March 31, 2020 for current devaluations in certain countries, in particular Nigeria and Zambia, the potential impact of COVID-19 on the Group and the impact on the discount rates used. The key assumptions in performing the December 31, 2019 and the March 31, 2020 impairment assessments were as follows:

Assumptions	Basis of assumptions
Discount rate	Discount rate reflects the market assessment of the risks specific to the group of CGUs and estimated based on the weighted average cost of capital for respective CGUs.
Capital expenditures	The cash flow forecasts of capital expenditure are based on experience after considering the capital expenditure required to meet coverage and capacity requirements relating to voice, data and mobile money services and facilitate continued revenue and EBITDA growth.
Earnings before interest, taxes, depreciation and amortization ('EBITDA') margins	The margins have been estimated based on past experience after considering incremental revenue arising out of, voice , data services and mobile money services from the existing and new customers. Margins will be positively impacted from the increased flowthrough of revenues, efficiencies and cost optimisation / other initiatives driven by the Company; whereas, factors like higher churn, increased volume based cost of operations may impact the margins negatively. EBITDA incorporates the potential impact of COVID-19 on the Group's cashflows
Growth rates	The growth rates used are in line with the long-term average growth rates of the respective industry and country in which the entity operates and are consistent with the internal / external sources of information.

Details around the capital expenditure and growth rates used within the value in use calculations at March 31, 2020 are as follows:

Assumptions	Nigeria	East Africa	Francophone Africa
Capital expenditure[1]	10% - 20%	7.5% - 17.5%	6% - 15%
Long term growth Rate	2.6%	5.1%	3.8%

[1] Capital expenditure is expressed as a percentage of revenue over the plan period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Discount rate

A critical assumption in the impairment assessment is the discount rate. The Group estimates the discount rate for each group of CGUs based on the weighted average cost of capital for each group of CGUs plus additional risk premiums, if required. Key inputs into the weighted average cost of capital calculation include risk free rates, equity risk premiums, country inflation and country risk premiums. Following the outbreak of COVID-19, there was significant volatility within the financial markets over mid and late March 2020. This led to a significant increase in equity and country risk premiums, with the increase in country risk premiums derived from an increase in observed sovereign credit default swap rates across all jurisdictions. Subsequent to April 1, 2020, these rates have reduced, albeit still not back to the levels pre March 2020. This volatility has led to greater complexity in determining the appropriate discount rate for the March 31, 2020 impairment assessment.

The Group has analysed the level of volatility within country risk premiums by reference to credit default swap rates in the period between December 31, 2019 and March 31, 2020, and the reduction in these rates since that date. The Group has concluded that in determining the discount rate at March 31, 2020, using spot country risk premiums would not give a discount rate that a market participant would expect at the balance sheet date in determining the present value of cash flows over the ten year business plan. Consequently, given this volatility, to determine an appropriate discount rate for the purpose of the March 31, 2020 impairment assessment, consideration has been given to average country risk premiums at December 2019, March 2020 and subsequent to March 2020, which in the group's view, better reflects the risks associated with cash flows over ten years and beyond. The rates adopted by management in the March 31, 2020 impairment assessment, taking into account these average country risk premiums, were as follows:

Assumptions	Nigeria	East Africa	Francophone Africa
Pre tax Discount Rate	24.5%	17.1%	16.4%

The results of the impairment tests using these rates show that the recoverable amount exceeds the carrying amount by USD 383 Mn (₹ 28,966) for Nigeria (16%), USD 669 Mn (₹ 50,596) for East Africa (22%) and USD 714 Mn (₹ 54,000) for Francophone Africa (46%), as disclosed in the consolidated financial statements of Airtel Africa plc for the year ended March 31, 2020. The Group therefore concluded that no impairment was required to the goodwill held against each groups of CGUs.

Reasonably possible change in discount rate and other assumptions

- **Discount rate**

  As previously noted, the impairment assessment is sensitive to a change in discount rates. The table below sets out the March 2020 discount rate for spot country risk premiums and the breakeven discount rate for each group of CGUs.

Reasonably possible change in discount rate assumptions	Nigeria	East Africa	Francophone Africa
Pre tax Discount Rate - spot country risk premiums	26.8%	20.0%	19.4%
Pre tax Discount Rate - breakeven	27.3%	19.6%	21.7%

Given the volatility within financial markets, there is a risk that a prolonged pandemic could lead to increased credit default rates and other inputs into determining the discount rate over a prolonged period. This could lead to discount rates moving higher than the levels seen in March 2020, thus giving rise to a possible impairment in future periods (up to USD 100 Mn (₹ 7,568) at the above March 2020 rates). There is also a risk that COVID-19 could lead to a decrease in future revenue growth should the impact of COVID-19 extend further into 2021 and 2022.

- **Other assumptions**

  The below table, presents the increase in isolation in capital expenditure which will result in equating the recoverable amount with the carrying amount of the group of CGU's:

Assumptions	Nigeria	East Africa	Francophone Africa
Capital expenditure	3.8%	6.2%	8.8%

No reasonably possible change in the terminal growth rate would cause the carrying amount to exceed the recoverable amount.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

B. Impairment review of goodwill pertaining operations other than Airtel Africa

The testing carried out during December 2019, did not result in any impairment in the carrying amount of goodwill. As part of such testing, the key assumptions used in value-in-use calculations are as follows:

Assumptions	Basis of assumptions
EBITDA margins	The margins have been estimated based on past experience after considering incremental revenue arising out of adoption of value added and data services from the existing and new customers, though these benefits are partially offset by decline in tariffs in competitive scenario. Margins will be positively impacted from the efficiencies and cost rationalisation / others initiatives driven by the Group; whereas, factors like higher churn, increased cost of operations may impact the margins negatively.
Discount rate	Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs and estimated based on the weighted average cost of capital for respective CGU/ group of CGUs. Pre-tax discount rates used are 13.40% for the year ended March 31, 2020 and 13.39% for the year ended March 31, 2019.
Growth rates	The growth rates used are in line with the long-term average growth rates of the respective industry and country in which the entity operates and are consistent with the internal/ external sources of information. The average growth rate used in extrapolating cash flows beyond the planning period is 3.5% for March 31, 2020 and 3.5% for March 31, 2019.
Capital expenditures	The cash flow forecasts of capital expenditure are based on past experience after considering the additional capital expenditure required for roll out of incremental coverage and capacity requirements and to provide enhanced voice and data services.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use for Homes Services and Airtel Business, no reasonably possible change in any of the above key assumptions would have caused the carrying amount of these units to exceed their recoverable amount.

In case of Mobile Services- India CGU group, the recoverable amount exceeds the carrying amount by ₹ 787,359 (48.48%) as of December 31, 2019 and ₹ 338,681 (22.99%) as of December 31, 2018. An increase of 4.67% (December 31, 2018: 1.76%) in pre-tax discount rate shall equate the recoverable amount with the carrying amount of the Mobile Services – India CGU group as of December 31, 2019. Further, no reasonably possible change in the terminal growth rate beyond the planning horizon would cause the carrying amount to exceed the recoverable amount.

Following the outbreak of the COVID-19 pandemic, management performed sensitivity analysis for the potential impact of COVID-19 on the recoverable value including the impact of change in discount rates used. Management has concluded that none of these sensitivities resulted in impairment for any of these groups of CGUs.

7. Investment in joint ventures and associates

The amounts recognised in the balance sheet are as follows:

	As of March 31, 2020	As of March 31, 2019
Joint ventures	60,781	54,227
Associates	36,027	34,710
	96,808	**88,937**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The amounts recognised in the statement of profit and loss are as follows:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Recognised in profit and loss		
Joint ventures	11,069	3,630
Associates	(4,545)	(74)
	6,524	**3,556**
Recognised in other comprehensive income		
Joint ventures	(9)	(2)
Associates	24	(10)
	15	**(12)**

During the year ended March 31, 2020, the Group's investment in the joint venture Airtel Ghana Holdings BV (accounted under equity method) was reduced to Nil. Un-recognised share of losses of Airtel Ghana Limited is USD 39 Mn (₹ 2,759) for the year ended March 31, 2020 (Nil for the year ended March 31, 2019) and USD 39 Mn (₹ 2,759) cumulatively.

The summarised financial information of joint venture and associate that are material to the Group are as follows:

Summarized balance sheet

	As of							
	Joint ventures				Associate			
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Indus Towers Limited		Bharti Airtel Ghana Holdings B.V.*		Robi Axiata Limited		Airtel Payment Bank Limited	
Assets								
Non current assets	**278,070**	**193,138**	**20,861**	**24,056**	**139,753**	**105,957**	**2,448**	**1,062**
Current assets								
Cash and cash equivalents ('C&CE')	1,355	3,224	181	886	2,178	1,920	423	4,290
Other current assets (excluding 'C&CE')	59,816	47,774	2,932	3,605	13,357	8,456	9,715	7,207
Total current assets	**61,171**	**50,998**	**3,113**	**4,491**	**15,535**	**10,376**	**10,138**	**11,497**
Liabilities								
Non current liabilities								
Borrowings	1,667	11,223	11,103	9,705	5,215	11,509	-	-
Other liabilities	110,011	32,429	7,925	5,489	31,247	3,805	86	47
Total non current liabilities	**111,678**	**43,652**	**19,028**	**15,194**	**36,462**	**15,314**	**86**	**47**
Current liabilities								
Borrowings	36,254	44,574	2,131	1,654	15,511	11,071	470	-
Other liabilities	54,838	34,279	12,895	8,347	50,061	39,990	9,229	10,579
Total current liabilities	**91,092**	**78,853**	**15,026**	**10,001**	**65,572**	**51,061**	**9,699**	**10,579**
Equity	**136,471**	**121,631**	**(10,080)**	**3,352**	**53,254**	**49,958**	**2,801**	**1,933**
Percentage of Group's ownership interest	42.00%	42.00%	50.00%	50.00%	25.00%	25.00%	80.10%	80.10%
Interest in joint venture / associate	57,318	51,085	(5,040)	1,676	13,313	12,490	2,244	1,548
Consolidation adjustment (inlcuding goodwill / accounting policy alignment)	3,355	1,397	-	-	12,336	11,396	7,766	8,735
Carrying amount of investment	**60,673**	**52,482**	**-**	**1,676**	**25,649**	**23,886**	**10,010**	**10,283**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Summarised information on statement of profit and loss

	For the year ended							
	Joint ventures				Associate			
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Indus Towers Limited		Bharti Airtel Ghana Holdings B.V.*		Robi Axiata Limited		Airtel Payment Bank Limited	
Revenue	188,281	184,775	10,086	11,683	64,557	60,491	4,698	1,434
Depreciation and amortisation	39,895	27,572	4,543	3,689	16,772	15,016	115	45
Finance income	630	534	-	-	70	85	45	-
Finance cost	12,601	6,028	3,887	5,180	3,955	2,697	90	98
Income tax expense	7,047	13,078	-	2	3,973	889	-	-
Profit / (loss) for the year	**32,869**	**24,220**	**(8,441)**	**(9,059)**	**511**	**2,887**	**(4,638)**	**(1,541)**
OCI / loss for the year	(22)	(6)	-	-	74	(46)	7	1
Percentage of Group's ownership interest	42.00%	42.00%	50.00%	50.00%	25.00%	25.00%	80.10%	80.10%
Group's share in profit / (loss) for the year	13,805	10,172	(4,221)	(4,529)	128	722	(3,715)	(1,235)
Group's share in OCI / (loss) for the year	(9)	(2)	-	-	18	(11)	6	1
Consolidation adjustments / accounting policy alignment	(654)	(1,294)	(724)	(724)	-	471	(969)	-
Group's share in profit / (loss) recognised	**13,151**	**8,879**	**(2,114)**	**(5,253)**	**128**	**1,193**	**(4,684)**	**(1,235)**
Dividend received from joint venture / associate	-	11,261	-	-	-	-	-	-

*Based on consolidated financial statements of the entity

The aggregate information of joint ventures that are individually immaterial is as follows:

	As of March 31, 2020	As of March 31, 2019
Carrying amount of investments	108	69

Group's share in joint ventures	For the year ended March 31, 2020	For the year ended March 31, 2019
Net profit	32	4
Total comprehensive income	32	4

The aggregate information of associates that are individually immaterial is as follows:

	As of March 31, 2020	As of March 31, 2019
Carrying amount of investments	368	541

Group's share in associates	For the year ended March 31, 2020	For the year ended March 31, 2019
Net profit	11	(32)
Total comprehensive income	11	(32)

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

Details of joint ventures:

S. no.	Name of joint ventures#	Principal place of business	Principal activities	Ownership interest % As of March 31, 2020	Ownership interest % As of March 31, 2019
1	Indus Towers Limited*	India	Passive infrastructure services	22.47	22.47
2	Bharti Airtel Ghana Holdings B.V.$	Netherlands	Investment company	50.00	50.00
3	Bridge Mobile Pte Limited	Singapore	Provision of regional mobile services	10.00	10.00
4	FireFly Networks Limited	India	Telecommunication services	50.00	50.00

Investments in joint ventures are unquoted.

* Bharti Infratel Limited, in which the Group has 53.51% equity interest (53.51% as of March 31, 2019), owns 42% of Indus Towers Limited.

$ The joint venture has four subsidiaries namely Airtel Ghana Limited, Airtel Mobile Commerce (Ghana) Limited, Mobile Financial Services Limited and Millicom Ghana Company Limited. For details, refer note 40.

Details of associates:

S. no.	Name of associates#	Principal place of business	Principal activities	Ownership interest % As of March 31, 2020	Ownership interest % As of March 31, 2019
1	Seychelles Cable Systems Company Limited*	Seychelles	Submarine cable system	14.56	17.76
2	Robi Axiata Limited	Bangladesh	Telecommunication services	25.00	25.00
3	Seynse Technologies Private Limited	India	Financial services	22.54	22.54
4	Juggernaut Books Private Limited	India	Digital books publishing services	17.79	19.35
5	Airtel Payments Bank Limited (w.e.f. October 25, 2018)	India	Mobile commerce services	80.10	80.10

* Airtel Africa plc, in which the Group has 56.01% equity interest (68.31% as of March 31, 2019), owns 26% of Seychelles Cable Systems Company Limited. The associate has a subsidiary RedDot Digital Limited which was incorporated on November 5, 2019. For details, refer note 40.

Investments in associates are unquoted.

Refer note 23 for Group's share of joint venture's and associate's commitments and contingencies.

8. Investments in subsidiaries

Information as to the subsidiaries which are part of the Group is as follows:

S. no.	Principal activity	Principal place of business	Number of wholly-owned subsidiaries As of March 31, 2020	Number of wholly-owned subsidiaries As of March 31, 2019
1	Telecommunication services	India	3	4
2	Telecommunication services	Africa	0	7
3	Telecommunication services	South Asia	1	1
4	Telecommunication services	Others	6	6
5	Mobile commerce services	Africa	1	13
6	Infrastructure services	Africa	0	3
7	Submarine cable	Mauritius	1	1
8	Submarine cable	Africa	1	0
9	Investment company	Netherlands	0	31
10	Investment company	Mauritius	5	10
11	Investment company	Others	0	3
12	Investment company	India	1	0
13	Others	India	2	3
			21	**82**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

8. Investments in subsidiaries (Contd..)

S. no.	Principal activity	Principal place of business	Number of non-wholly-owned subsidiaries % As of March 31, 2020	March 31, 2019
1	Telecommunication services	India	2	2
2	Telecommunication services	Africa	14	7
3	Mobile commerce services	Africa	15	3
4	Infrastructure services	India	1	1
5	Infrastructure services	Africa	5	2
6	Direct to home services	India	1	1
7	Investment company	Africa	2	2
8	Investment company	Mauritius	5	0
9	Investment company	Netherlands	31	0
10	Investment company	Others	2	0
11	Others	India	1	0
			79	**18**

Additionally, the Group also controls the employee stock option plan trusts as mentioned here below:

S. no.	Name of trust	Principal place of business
1	Bharti Airtel Employees' Welfare Trust	India
2	Bharti Infratel Employees' Welfare Trust	India

The summarised financial information of subsidiaries (including acquisition date fair valuation and adjustments thereto, and accounting policies alignment) having material non-controlling interests is as follows:

Summarised balance sheet

	Bharti Infratel Limited* As of March 31, 2020	March 31, 2019	Bharti Hexacom Limited As of March 31, 2020	March 31, 2019	Airtel Africa Plc.** As of March 31, 2020	March 31, 2019
Assets						
Non current assets	158,946	139,923	123,947	103,402	578,466	501,388
Current assets	53,495	42,800	30,400	10,005	127,671	98,248
Liabilities						
Non current liabilities	25,959	13,033	27,946	3,237	267,707	203,033
Current liabilities	42,102	17,752	96,201	52,494	188,789	198,818
Equity	**144,380**	**151,938**	**30,200**	**57,676**	**249,641**	**197,785**
% of ownership interest held by NCI	46.49%	46.49%	30.00%	30.00%	43.99%	31.69%
Accumulated NCI	67,122	70,636	9,060	17,303	109,817	62,678

Summarised statement of profit and loss

	Bharti Infratel Limited* For the year ended March 31, 2020	March 31, 2019	Bharti Hexacom Limited For the year ended March 31, 2020	March 31, 2019	Airtel Africa Plc.** For the year ended March 31, 2020	March 31, 2019
Revenue	66,244	65,889	38,920	36,199	242,173	226,079
Net profit / (loss)	31,449	22,085	(27,165)	(7,220)	28,564	29,847
Other comprehensive income / (loss)	(119)	(24)	(2)	3	6,569	(17,195)
Total comprehensive income / (loss)	31,330	22,061	(27,167)	(7,217)	35,133	12,652
Profit / (loss) allocated to NCI	14,618	10,271	(8,150)	(2,160)	8,716	3,486

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

Summarised statement of cash flows

	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Africa Plc.*#	
	For the year ended		For the year ended		For the year ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Net cash (outflow) / inflow from operating activities	23,151	31,586	(3,159)	4,926	98,311	64,827
Net cash (outflow) / inflow from investing activities	(10,122)	15,999	(10,756)	(11,657)	(56,439)	17,557
Net cash (outflow) / inflow from financing activities	(11,854)	(47,947)	18,642	5,595	(27,564)	(41,939)
Net cash (outflow) / inflow	**1,175**	**(362)**	**4,727**	**(1,136)**	**14,308**	**40,445**
Dividend paid to NCI (including tax)	14,408	22,286	-	-	3,533	-

*Based on consolidated financial statements of the entity.

#Refer note 4 (i)

9. Investments

Non-current

	As of March 31, 2020	As of March 31, 2019
Investment at FVTPL		
Government securities	2	293
Equity instruments	2,900	3,175
Mutual funds	17,002	16,007
Preference shares	374	342
	20,278	**19,817**
Investment at FVTOCI		
Bonds	-	2,124
	-	**2,124**
	20,278	**21,941**

Current

	As of March 31, 2020	As of March 31, 2019
Investment at FVTPL		
Mutual funds	134,489	33,506
Government securities	2,940	11,925
Bonds	-	801
Non-convertible debenture	250	-
	137,679	**46,232**
Investment at FVTOCI		
Government securities	-	-
Commercial paper	-	-
	-	**-**
	137,679	**46,232**
Aggregate book / market value of quoted investments		
Non-current	17,002	18,424
Current	137,679	46,232
Aggregate book value of unquoted investments		
Non-current	3,276	3,517
Current	-	-

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

10. Derivative financial instruments

	As of March 31, 2020	As of March 31, 2019
Assets		
Currency swaps, forward and option contracts	2,716	346
Interest swaps	117	3,185
	2,833	**3,531**
Liabilities		
Currency swaps, forward and option contracts	600	3,691
Interest swaps*	26	9,579
Embedded derivatives	234	298
	860	**13,568**
Non-current derivative financial assets	41	3,105
Current derivative financial assets	2,792	426
Non-current derivative financial liabilities	(292)	(826)
Current derivative financial liabilities	(568)	(12,742)

*During the year ended March 31, 2019 the Company had issued shares to several global investors. The shares subscription agreements included certain indemnities that were embedded derivatives not clearly and closely related to the shares and therefore have been bifurcated and presented separately as a derivative financial liability. The fair value of those embedded derivatives was ₹ 9,095 as of March 31, 2019.

Refer note 36 for details of the financial risk management of the Group.

11. Security deposits

	As of March 31, 2020	As of March 31, 2019
Considered good*	8,728	16,452
Considered doubtful	1,548	1,448
Less: allowance for doubtful deposits	(1,548)	(1,448)
	8,728	**16,452**

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

*It includes amount due from related party refer note 34.

For details towards pledge of the above assets refer note 19.2.

12. Financial assets - others

Non-current

	As of March 31, 2020	As of March 31, 2019
Indemnification asset*	14,606	9,082
Bank deposits	16	13
Margin money deposits	74	147
	14,696	**9,242**

*pursuant to merger with TTML/TTSL and Telenor (refer note 4 (c) and 4 (n))

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

Current

	As of March 31, 2020	As of March 31, 2019
Unbilled revenue (refer note 24)	19,221	17,072
Indemnification assets*	189,718	-
Interest accrued on investments / deposits	296	602
Others#	1,288	2,669
	210,523	**20,343**

*primarily includes indemnification assets pursuant to merger with TTML/TTSL and Telenor (refer note 4 (c) and 4 (n)).

#It includes amounts due from related party (refer note 34).

For details towards pledge of the above assets refer note 19.2.

13. Income tax

The major components of the income tax expense are:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current income tax		
- For the year	25,400	19,527
- Adjustments for prior periods	(1,662)	(136)
	23,738	**19,391**
Deferred tax		
- Origination and reversal of temporary differences	(151,653)	(27,924)
- Effect of change in tax rate (refer note 31)	5,090	-
- Adjustments for prior periods	1,002	(25,660)
	(145,561)	**(53,584)**
Income tax credit	**(121,823)**	**(34,193)**

Consolidated statement of other comprehensive income	For the year ended March 31, 2020	For the year ended March 31, 2019
Deferred tax on fair value changes of financial assets of FVTOCI	13	3
Net gains on net investments hedge	2,870	5,425
Re-measurement losses on defined benefit plans	(41)	(62)
Deferred tax charge recorded in Other Comprehensive Income	**2,842**	**5,366**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
Loss before tax	(428,465)	(17,318)
Enacted tax rates in India	34.944%	34.944%
Tax expense @ Company's domestic tax rate 34.944%	(149,723)	(6,052)
Effect of:		
Share of profits in associates and joint ventures	(926)	(1,245)
Tax holiday	516	264
Adjustment in respect to MAT credit recoverability (refer note 31)	12,357	-
Adjustments in respect of previous years	(660)	(25,796)
Effect of changes in tax rate	5,090	-
Additional taxes / taxes for which no credit is allowed	476	3,139
Difference in tax rate applicable to group companies	11,305	(1,589)
Items subject to different tax rate	(43)	(30)
Income (net) not taxable / deductible	(4,998)	(3,028)
Tax on undistributed retained earnings	8,167	2,286
Item for which no deferred tax asset was recognised	2,145	(24)
Settlement of various disputes	233	(2,229)
Deferred tax recognised on losses and deductible temporary differences pertaining to business combination	(2,537)	-
Tax on common control transactions	(4,037)	-
Others	812	111
Income tax credit	**(121,823)**	**(34,193)**

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

Deferred tax assets (net)	As of March 31, 2020	As of March 31, 2019
a) Deferred tax liability due to		
Depreciation / amortisation on PPE / intangible assets / ROU / interest on lease liabilities	(53,717)	(89,029)
b) Deferred tax asset arising out of		
Allowance for impairment of debtors / advances	13,504	13,023
Carry forward losses	253,351	90,952
Unearned income	171	559
Employee benefits	1,378	1,311
Minimum alternate tax ('MAT') credit	48,081	60,463
Lease rent equalisation	-	6,893
Fair valuation of financial instruments and exchange differences	1,132	3,068
Fair valuation of compulsory convertible debentures	(1,796)	-
Government grant	965	-
Rates and taxes	5,837	1,511
Others	1,254	628
	270,160	**89,379**

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

Deferred tax liabilities (net)	As of March 31, 2020	As of March 31, 2019
a) Deferred tax liability due to		
Revenue equalisation (net)	1,542	2,804
Fair valuation of financial instruments and exchange differences	699	136
Depreciation / amortisation on PPE / intangible assets / ROU / interest on lease liabilities	4,215	5,940
Undistributed retained earnings	11,220	3,367
Others	395	345
b) Deferred tax asset arising out of		
Allowance for impairment of debtors / advances	(762)	(828)
Carry forward losses	(254)	(250)
Unearned income	9	8
Employee benefits	(187)	(225)
	16,877	**11,297**

Deferred tax income	For the year ended March 31, 2020	For the year ended March 31, 2019
Allowance for impairment of debtors / advances	470	(4,437)
Carry forward losses	161,622	61,811
Unearned income	(272)	(43)
Employee benefits	(45)	47
MAT credit	(12,348)	3,150
Lease rent equalisation (net)	1,258	653
Fair valuation of financial instruments and exchange differences	(4,916)	(14,270)
Fair valuation of compulsory convertible bonds (FCCB)	107	-
Rates and taxes	4,330	(955)
Depreciation / amortisation on PPE / intangible assets / ROU / interest on lease liabilities	1,872	6,039
Government grant	965	-
Undistributed retained earnings	(7,684)	201
Revenue equalisation	-	-
Revaluation of investments to fair value	-	-
Others	202	1,388
Net deferred tax income	**145,561**	**53,584**

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening balance	**78,082**	**18,724**
Tax income recognised in statement of profit or loss	145,561	53,584
Tax expense recognised in equity on FCCBs	(1,903)	-
Tax income during the period recognized in equity under Ind AS 116	13,039	-
Tax arising on business combination	15,500	3,717
Tax income / (expense) recognised in OCI:		
- on net investments hedge	2,870	5,425
- on fair value changes of financial assets of FVTOCI	13	3
- on fair value through OCI investments	(41)	(62)
Exchange differences and others	(3,875)	(3,309)
Tax recognised under common control transaction in equity	4,037	-
Closing balance	**253,283**	**78,082**

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Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and carry forward tax losses / credits (including capital losses) can be utilised. Accordingly, the Group has not recognised deferred tax assets in respect of deductible temporary differences and carry forward tax losses (including capital losses) of ₹ 636,739 and ₹ 509,317 as of March 31, 2020 and March 31, 2019 respectively, as it is not probable that relevant taxable profits will be available in future. The applicable tax rates for the same vary from 3% to 45%, depending on the tax jurisdiction in which the respective group entity operates. Of the above balance as of March 31, 2020 and March 31, 2019, ₹ 154,605 and ₹ 57,130 respectively have an indefinite carry forward period and the balance amount expires, if unutilised, as follows:

Expiry date	**As of March 31, 2020**	**As of March 31, 2019**
Within five years	387,510	86,864
Above five years	94,624	365,323
Unlimited	154,605	57,130
	636,739	**509,317**

Moreover, deferred tax liability has not been recognised in respect of temporary differences pertaining to the investment in its certain subsidiaries, as where Group is in a position to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The temporary differences associated with respect to such investment in subsidiaries are represented by their retained earnings and other reserves (on the basis of their standalone financial statements), aggregating ₹ 86,245 and ₹ 111,421 as of March 31, 2020 and March 31, 2019 respectively. In case of distribution of the same as dividend, it is expected to attract tax in the range of Nil to 20% (except for companies incorporated in India wherein with effect from April 1, 2020, dividend distribution does not attract tax deduction at source) depending on the tax rates applicable as of March 31, 2020 in the relevant jurisdiction.

Factors affecting the tax charge in future years

a) The group's future tax charge and effective tax rate, could be affected by the following factors:

- Change in income tax rate in any of the jurisdictions in which group operates
- Overall profit mix between profit and loss making entities
- Withholding tax on distributed and undistributed retained earnings of subsidiaries
- Recognition of deferred tax assets in any of the group entities meeting the criteria

b) The group is routinely subject to audit by tax authorities in the jurisdictions in which the group entities operate. The group recognises tax provisions based on reasonable estimates for those matters where tax determination is uncertain but it is considered probable that there will be a future outflow of funds to tax authorities. The amount of such provisions are based on various factors, such as experience of previous tax audits and different interpretations of tax regulations by the tax authority in jurisdictions in which the Group operates; the amount ultimately paid in these kind of uncertain tax cases may differ materially and could therefore affect the group's overall profitability and cash flows in future.

c) The tax impact of a transaction disclosed as contingent liability can also be uncertain until a conclusion is reached with the relevant tax authority or through a legal process. Refer note 23 for details of the contingencies pertaining to income tax.

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14. Other assets

Non-current

	As of March 31, 2020	As of March 31, 2019
Costs to obtain a contract with the customer (refer note 24)	6,471	-
Revenue equalisation	3,460	3,067
Advances (net)#	23,737	34,202
Capital advances	207	939
Prepaid expenses	26,063	2,082
Taxes recoverable	13,509	21,738
Others*	734	9,483
	74,181	**71,511**

#Advances (net) represent payments made to various government authorities under protest and are disclosed net of allowance.

*It mainly includes advances.

Current

	As of March 31, 2020	As of March 31, 2019
Costs to obtain a contract with the customer (refer note 24)	5,788	-
Taxes recoverable#	135,665	105,603
Advances to suppliers (net)@	6,725	20,436
Prepaid expenses	9,635	8,201
Deposit with government authorities^	50,000	-
Others*	1,071	2,871
	208,884	**137,111**

Taxes recoverable primarily include Goods and service tax and customs duty.

@ Advance to suppliers are disclosed net of allowance of ₹ 3,304 and ₹ 2,866 as of March 31, 2020 and March 31, 2019 respectively.

^ It represents deposits made with DOT towards the AGR matter (refer note 4 (a)).

* It includes employee receivables which principally consist of advances given for business purpose.

15. Trade receivables

	As of March 31, 2020	As of March 31, 2019
(a) Trade Receivables considered good– unsecured*	91,986	80,856
Less: allowances for doubtful receivables	(45,928)	(37,850)
	46,058	**43,006**

*It includes amount due from related party refer note 34.

Refer note 36 (iv) for credit risk.

The movement in allowances for doubtful debts is as follows:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening balance	**37,850**	**51,579**
Additions	5,199	10,256
Write off (net of recovery)	(697)	(24,353)
Exchange differences	3,576	368
Closing balance	**45,928**	**37,850**

For details towards pledge of the above assets refer note 19.2.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

16. Cash and bank balances

Cash and cash equivalents

	As of March 31, 2020	As of March 31, 2019
Balances with banks		
- On current accounts	14,286	7,064
- Bank deposits with original maturity of 3 months or less	119,487	53,848
Cheques on hand	102	125
Cash on hand	1,632	1,084
	135,507	**62,121**

Other bank balances

	As of March 31, 2020	As of March 31, 2019
Balance held under mobile money trust*	22,330	16,478
Earmarked bank balances - unpaid dividend	12	110
Term deposits with bank	153	273
Margin money deposits#	925	1,658
	23,420	**18,519**

*It represents cash received from subscribers of mobile commerce services relating to its subsidiaries in Africa and the same is not available for general use by the Group.

#Margin money deposits represents amount given as collateral for legal cases and / or bank guarantees for disputed matters.

The details of interest accrued on above items (which is included within 'interest accrued on deposits' under current other financial assets) is as below:

	As of March 31, 2020	As of March 31, 2019
Cash and cash equivalents		
- Bank deposits with original maturity 3 months or less	122	106
	122	**106**
Other bank balance		
- Term deposits with bank	113	47
	113	**47**
	235	**153**

For the purpose of statement cash flows, cash and cash equivalents comprise of following:

	As of March 31, 2020	As of March 31, 2019
Cash and cash equivalents as per Balance Sheet	135,507	62,121
Balance held under mobile money trust*	22,330	16,478
Bank overdraft	(27,298)	(24,806)
	130,539	**53,793**

*It represents cash received from subscribers of mobile commerce services relating to its subsidiaries in Africa and the same is not available for general use by the Group.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

17. Share capital

	As of March 31, 2020	As of March 31, 2019
Issued, subscribed and fully paid-up shares		
5,455,557,355 (March 31,2019 - 3,997,400,107) equity shares of ₹ 5 each	27,278	19,987
	27,278	**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

	As of March 31, 2020		As of March 31, 2019	
	No. of shares '000	% holding	No. of shares '000	% holding
Equity shares of ₹ 5 each fully paid up				
Bharti Telecom Limited	2,116,236	38.79%	2,002,818	50.10%
Pastel Limited	759,007	13.91%	591,319	14.79%
Indian Continent Investment Limited	331,436	6.08%	81,151	2.03%

c. Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

- During the year ended March 31, 2020, 970,668 equity shares of ₹ 5 each were issued to the shareholders of TTML as per the terms of the scheme of arrangement (refer note 4 (c)).
- During the year ended March 31, 2019, 5 equity shares of ₹ 5 each were issued to the shareholders of Telenor as per the terms of the scheme of amalgamation (refer note 4 (n)).

d. Treasury shares

	For the year ended March 31, 2020		For the year ended March 31, 2019	
	No. of shares '000	Amount	No. of shares '000	Amount
Opening balance	1,492	554	1,719	642
Purchased during the year	1,291	497	700	248
Excercised during the year	(564)	(263)	(927)	(336)
Closing balance	**2,219**	**788**	**1,492**	**554**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

e. Dividend

The proposed dividend being subject to approval at respective annual general meetings, no related corresponding liability has been recognised in the respective financial years.

	For the year ended March 31, 2020	For the year ended March 31, 2019
A Declared and paid during the year:		
Interim dividend for 2019-20: ₹ Nil per share (2018-19 : ₹ 2.50 per share)	-	12,044
Dividend on treasury shares	-	4
(including dividend distribution tax 2018-19 @ 20.56% of ₹ 2,054)		
Final dividend for 2018-19: ₹ Nil per share (2017-18 : ₹ 2.50 per share)	-	12,044
Dividend on treasury shares	-	4
(including dividend distribution tax 2018-19 @ 20.56% of ₹ 2,054)		
	-	**24,096**
B Proposed dividend		
Final dividend for 2019-20: ₹ 2 per share (2018-19 : ₹ Nil per share)	10,911	-
	10,911	**-**

The proposed dividend being subject to approval at respective annual general meetings, accordingly no corresponding liability has been recognised in the respective financial years.

18. Other equity

a. Retained earnings: Retained earnings represent the amount of accumulated earnings of the Group, re-measurement differences on defined benefit plans, any transfer from general reserve and the reserves arising due to court scheme accounting and adjustments thereto (as explained below for significant Scheme of Arrangements).

The Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities at their respective fair values from Bharti Infratel Ventures Limited (erstwhile subsidiary company), Vodafone Infrastructure Limited, Idea Cellular Tower Infrastructure Limited to its joint venture Indus Towers Limited, was approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 and filed with the Registrar of Companies on June 11, 2013 with appointed date April 1, 2009 and hence was accounted retrospectively with effect from April 1, 2009. Similarly, pursuant to the Scheme of Arrangement of the Company under sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of the Company was transferred to one of its subsidiary Bharti Infratel Limited during the year ended March 31, 2008.

Further, pursuant to the said schemes, mainly the excess of the fair values over the original book values of the assets transferred to them and the periodic depreciation thereto is adjusted in retained earnings.

In absence of any specific provision under Ind AS with respect to court schemes, and the fact that the court schemes are part of the law, accounting prescribed therein (as explained above) will continue to prevail even in the Ind AS financial statements of the Group after being adjusted for intra-group eliminations / equity accounting, as required.

b. General reserve: The Company has transferred a portion of its profit before declaring dividend in respective prior years to general reserve, as stipulated under the erstwhile Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013 ('Act').

Further, on exercise of the stock options, the difference between the consideration (i.e. the exercise price and the related amount of share-based payment reserve) and the cost of the related treasury shares, is transferred to general reserve.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

c. Debenture redemption reserve: Pursuant to the provisions of the Act, the Company is required to create debenture redemption reserve out of the profits and is to be utilised for the purpose of redemption of debentures. On redemption of the debentures, the related amount of this reserve gets transferred to retained earnings.

d. Capital reserve: It pertains to capital reserve acquired pursuant to the scheme of arrangement under the Companies Act accounted under pooling of interest method and excess of purchase consideration over fair value of net assets (for certain business combinations).

e. Securities premium: It is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Other components of equity

	Foreign currency translation reserve	Cash flow hedge reserve	Fair value through OCI reserve	Treasury shares	Equity component of foreign currency convertible bond	Total
As of April 1, 2018	**(75,249)**	**943**	**205**	**(642)**	**-**	**(74,743)**
Net gains due to foreign currency translation differences	(11,544)	-	-	-	-	(11,544)
Net gains on net investment hedge	2,264	-	-	-	-	2,264
Net losses on cash flow hedge	-	(881)	-	-	-	(881)
Net gains on fair value through OCI investments	-	-	(26)	-	-	(26)
Purchase of treasury shares	-	-	-	(248)	-	(248)
Exercise of share options	-	-	-	336	-	336
As of March 31, 2019	**(84,529)**	**62**	**179**	**(554)**	**-**	**(84,842)**
Transition impact on adoption of Ind AS 116 (note 35)	(129)	-	-	-	-	(129)
Balance as at April 1, 2019	**(84,658)**	**62**	**179**	**(554)**	**-**	**(84,971)**
Net losses due to foreign currency translation differences	(4,478)	-	-	-	-	(4,478)
Net losses on net investment hedge	(7,038)	-	-	-	-	(7,038)
Net gains on cash flow hedge	-	(62)	-	-	-	(62)
Net losses on fair value through OCI investments	-	-	(54)	-	-	(54)
Purchase of treasury shares	-	-	-	(497)	-	(497)
Exercise of share options	-	-	-	263	-	263
Issuance of foreign currency convertible bonds	-	-	-	-	3,542	3,542
As of March 31, 2020	**(96,174)**	**-**	**125**	**(788)**	**3,542**	**(93,295)**

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19. Borrowings

Non-current

	As of March 31, 2020	As of March 31, 2019
Secured		
Term loans	-	1,403
Vehicle loans*	1	10
	1	**1,413**
Less: Current portion (A)	(1)	(1,386)
Less: Interest accrued but not due (refer note 20)	-	(24)
	-	**3**
Unsecured		
Liability component of a foreign currency convertible bond^	69,856	-
Term loans#	222,746	175,551
Non-convertible bonds@	259,486	253,741
Non-convertible debentures	32,342	32,322
Deferred payment liabilities***	458,892	466,191
	1,043,322	**927,805**
Less: Current portion (B)	(98,363)	(70,346)
Less: Interest accrued but not due (refer note 20)	(34,167)	(32,561)
	910,792	**824,898**
	910,792	**824,901**
Current maturities of long-term borrowings (A + B)	98,364	71,732

Current

	As of March 31, 2020	As of March 31, 2019
Secured		
Bank overdraft	280	1,682
	280	**1,682**
Unsecured		
Term loans	114,692	193,988
Commercial papers	25,173	91,826
Bank overdraft	27,018	23,124
	166,883	**308,938**
Less: Interest accrued but not due (refer note 20)	(129)	(523)
	167,034	**310,097**

*These loans are secured by hypothecation of the vehicles.

#It includes re-borrowable term loans of ₹ 511 and ₹ 3,847 as of March 31, 2020 and March 31, 2019 respectively which have daily prepayment flexibility.

@It includes impact of fair value hedge refers note 36 (ii). During the year ended March 31, 2020, Airtel Africa Limited made payment of non-convertible bonds of CHF 350 Mn (₹ 26,486) at maturity.

***During the year ended March 31, 2018, the Government of India had provided one time option to elect higher number of annual instalments prospectively (upto a maximum of 16 instalments) towards the repayment of spectrum liability vis-a-vis earlier allowed 10 instalments. Accordingly, the Company had then exercised the option to increase the remaining number of instalments by 6 annual instalments, for all its existing deferred payment liabilities. Further, during the year ended March 31, 2020, the Government of India deferred the payment of the annual instalments due for year 2020-21 and 2021-22 and revised the remaining instalment amount. The revised instalments amount are based on deferred instalment amount are to be equally spread over the remaining instalment to be paid, without any increase in the existing time period specified for making the instalment payment.

^ During the year ended March 31, 2020, the Company has issued 1.50% Foreign Currency Convertible Bonds ('FCCBs') of USD 1,000 Mn (₹ 71,017) at par, convertible into ordinary shares of the Company at an initial conversion price of INR 534 per share at any time on or after February 27, 2020 and up to the close of business on February 7, 2025, at the option of the FCCB holders. FCCBs, which are not converted to ordinary shares during such specified period, are redeemable at 102.66% of their principal amount on February 17, 2025.

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The details of this FCCB issuance is as follows:

	As of March 31, 2020
Face Value of Bond issued	71,017
Equity component of convertible bonds - value of conversion rights[(1)]	(5,488)
Transaction costs	(491)
	65,038
Interest accrued but not due[(2)]	552
Foreign exchange differences	4,266
Borrowings non-current	**69,856**

[(1)]The equity component of convertible bonds has been presented in 'Other Equity' net of deferred tax of ₹ 1,903 (refer note 13).

[(2)]Interest is calculated by applying effective interest rate of 3.9% to the liability component.

19.1 Analysis of borrowings

The details given below are gross of debt origination cost and fair valuation adjustments with respect to the hedged risk.

19.1.1 Repayment terms of borrowings

The table below summarises the maturity profile of the Group's borrowings:

	As of March 31, 2020						
	Interest rate (range)	Frequency of installments	Number of installments outstanding per facility (range)*	Within one year	Between one and two years	Between two and five years	Over five years
Vehicle loans	8% - 9.5%	Monthly	4 - 6	1	-	-	-
Term loans	6% - 15%	Monthly	1 - 16	16,584	199	252	-
	4.2% - 9%	Quaterly	2 - 12	12,410	15,667	9,552	-
	7.8% - 9.2%	Half - yearly	3 - 6	9,719	46,300	45,653	1,090
	1.9% - 12.9%	One time	1	159,301	9,152	10,204	-
Liability component of a foreign currency convertible bond	1.5%	One time	1	-	-	77,688	-
Non-convertible bonds	3.4% - 5.4%	One time	1	-	62,420	113,902	75,372
Non-convertible debentures	8.3% - 8.4%	One time	1	15,000	15,000	-	-
Deferred payment liabilities	9.3% - 10%	Annual	2 - 10	-	-	22,308	411,185
Commercial papers	6.3% - 7.5%	One time	1	25,215	-	-	-
Bank overdraft	4.3% - 20.8%	Payable on demand	NA	27,298	-	-	-
				265,528	**148,738**	**279,559**	**487,647**

*The instalments amount due are equal / equated per se.

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19.1.1 Repayment terms of borrowings (Contd..)

	As of March 31, 2019						
	Interest rate (range)	Frequency of installments	Number of installments outstanding per facility (range)*	Within one year	Between one and two years	Between two and five years	Over five years
Vehicle loans	8% - 9.5%	Monthly	3 - 22	8	3	-	-
Term loans	15%	Monthly	60	66	77	316	-
	6.1% - 8.4%	Quarterly	1 - 13	8,556	6,289	9,335	-
	0.8% - 4%	Half yearly	3 - 9	1,426	1,426	8,265	2,350
	0.5% - 5.4%	One time	1	40,527	77,120	14,765	-
	10.6% - 14.5%	Quarterly	6 - 12	1,465	44	1,139	-
	5.4% - 8.8%	Half yearly	1 - 9	4,661	16,913	4,975	-
	8.6% - 8.7%	Annual	1	880	-	3,847	-
	8% - 9.7%	One time	1	162,458	-	-	-
Commercial papers	7.7% - 8.5%	One time	1	91,858	-	-	-
Non-convertible bonds	3% - 5.4%	One time	1	24,282	-	162,059	68,832
Non-convertible debentures	8.3% - 8.4%	One time	1	-	15,000	15,000	-
Deferred payment liabilities	9.3% - 10%	Annual	12 - 16	15,244	16,750	60,851	348,007
Bank overdraft	4.2% - 12.3%	Payable on demand	NA	23,159	-	-	-
	15.8% - 21%	Payable on demand	NA	1,643	-	-	-
				376,233	**133,622**	**280,552**	**419,189**

*The instalments amount due are equal / equated per se.

19.1.2 Interest rate and currency of borrowings

	Weighted average rate of Interest	Total Borrowings	Floating Rate Borrowings	Fixed Rate Borrowings
INR	9.08%	756,571	220,320	536,251
USD	3.87%	331,590	64,328	267,262
Euro	3.31%	67,805	-	67,805
XAF	6.84%	6,130	-	6,130
XOF	6.61%	4,389	-	4,389
Others	9% to 20.25%	7,126	5,613	1,513
March 31, 2020		**1,173,611**	**290,261**	**883,350**
INR	9.23%	780,990	202,123	578,867
USD	4.66%	300,054	122,425	177,629
Euro	3.03%	71,763	13,779	57,984
CHF	3.00%	24,282	-	24,282
JPY	0.60%	14,027	14,027	-
XAF	7.40%	4,333	-	4,333
XOF	6.69%	6,251	-	6,251
Others	9.64% to 20.64%	7,896	7,830	66
March 31, 2019		**1,209,596**	**360,184**	**849,412**

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19.2 Security details

The Group has taken borrowings in various countries mainly for working capital, capital expenditure and refinancing of existing borrowings. The details of security provided by the Group in various countries are as follows:

	Outstanding loan amount		Security detail
	March 31, 2020	March 31, 2019	
Bharti Airtel limited	1	10	Hypothecation of Vehicles
Bharti Airtel Africa B.V and its subsidaries	303	3,061	Pledge of all fixed and floating assets - Tanzania (March 31, 2019 - Pledge of all fixed and floating assets - Kenya, Nigeria, Tanzania, Uganda and DRC)
	304	**3,071**	

Africa operations acquisition related borrowing:

Borrowings include certain loans, which have been taken to refinance the Africa acquisition related borrowing. These loan agreements prevents the Group (excluding Bharti Airtel Africa B.V, Bharti Infratel Limited, and their respective subsidiaries) to pledge any of its assets without prior written consent of the majority lenders except in certain agreed circumstances.

The USD bonds due in 2023 contains certain covenants relating to limitation on indebtedness. All bonds carry restriction on incurrence of any lien on its assets other than as permitted under the agreement, unless the bonds and guarantee are ranked pari- pasu with such indebtedness. The limitation on indebtedness covenant on the USD bonds due in 2023 is suspended as the agreed criteria for such covenants to be in force, has not been met. The debt covenants remained suspended as of the date of the approval of the financial statements.

These bonds along with the Euro bonds due in 2021 and the USD bonds due in 2024 are guaranteed by the Company. Such guarantee is considered an integral part of the bonds and therefore accounted for as part of the same unit of account.

19.3 Unused lines of credit*

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

	As of March 31, 2020	As of March 31, 2019
Secured	38,216	8,409
Unsecured	135,159	138,219
	173,375	**146,628**

*Excludes non-fund based facilities

20. Financial liabilities - others

Non-current

	As of March 31, 2020	As of March 31, 2019
Payables against capital expenditure	6,773	16,921
Lease rent equalisation	84	14,859
Interest accrued but not due	25,401	-
Payable towards acquisition@	-	153
Security deposits	734	1,052
Others*	34,407	29,146
	67,399	**62,131**

*It includes advance amounting to ₹ 33,415 and ₹ 29,051 as on March 31, 2020 and March 31,2019 respectively received against an agreement to sell certain investment, at a future date and is subject to certain customary closing conditions.

@Refer note 4 (u).

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Current

	As of March 31, 2020	As of March 31, 2019
Payables against capital expenditure	122,783	103,722
Mobile money wallet balance	22,074	16,478
Interest accrued but not due	8,874	33,419
Payable against business / asset acquisition@	4,296	5,575
Employees payables	5,041	5,385
Security deposit^	3,565	3,917
Others#	1,721	6,643
	168,354	**175,139**

@It includes payable to Qualcomm Asia Pacific Pte. Limited for ₹ 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) and other acquisitions.

^It pertains to deposits received from subscriber / channel partners, which are repayable on demand after adjusting the outstanding amount, if any.

#The Company had issued shares to several global investors during the year ended March 31, 2019. The Shares Subscription Agreement included certain indemnities for claim under certain stipulated indemnities or for breach of agreed warranties. The liability estimated against these claims was ₹ 4,979 as of March 31, 2019, which expired on May 28, 2019 in accordance with the original Share Subscription Agreement. It also includes refund payable to inactive customers and unclaimed liability and liability towards cash settled employee share based payment plans.

21. Provisions

Non-current

	As of March 31, 2020	As of March 31, 2019
Asset retirement obligations	4,286	3,858
Gratuity	2,713	2,611
Other employee benefit plans	549	354
	7,548	**6,823**

Current

	As of March 31, 2020	As of March 31, 2019
Gratuity	987	696
Other employee benefit plans	1,454	1,501
Sub-judice matters*	448,652	4,504
	451,093	**6,701**

*This majorly includes provision related to AGR matter reclassified to 'provisions', earlier it was disclosed under 'other non-financial liabilities' and 'trade payables'.

Refer note 26 for movement of provision towards various employee benefits.

The movement of provision towards asset retirement obligations is as below:

	For the year ended March 31, 2020
Opening balance	3,858
Net addition / (reversal)	184
Interest cost	244
Closing balance	**4,286**

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The provision for asset retirement obligation is in relation to the site restoration related obligation arising from the land taken on leases and represent the management's best estimate of the costs, which will be incurred in the future to meet the Group's obligation under these lease arrangements.

The movement of provision towards sub-judice matters is as below:

- AGR matter (refer note 4 (a)):

	For the year ended March 31, 2020
Opening balance*	68,514
Provisions made during the year#	506,605
Payments^	(131,360)
Closing balance	**443,759**

*In previous year, it was presented under 'other non-financial liabilities' and 'trade payables'.

#It includes provision of ₹ 160,196 towards AGR pursuant to merger with TTSL/ TTML and provision of ₹ 29,522 towards AGR pertaining to Telenor. The Company has recognised an indemnification asset towards the said provisions (refer note 4 (c) and 4 (n)).

^It includes payment to DoT of ₹ 2,550 towards AGR pertaining to Telenor.

- Other sub-judice matters

	For the year ended March 31, 2020
Opening balance	4,504
Addition during the year	1,526
Reversal during the year	(380)
Utilisation during the year	(757)
Closing balance	**4,893**

22. Other liabilities

Non-current

	As of March 31, 2020	As of March 31, 2019
Deferred rent	-	429
	-	**429**

Current

	As of March 31, 2020	As of March 31, 2019
Taxes payable*	44,220	38,324
Others	4,108	40
	48,328	**38,364**

*Taxes payable mainly pertains to GST and payable towards sub-judice matters related to entry tax and entrainment tax.

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23. Contingencies and commitments

(i) Contingent liabilities

Claims against the Company not acknowledged as debt:

	As of March 31, 2020	As of March 31, 2019
(i) Taxes, duties and other demands (under adjudication / appeal / dispute)		
- Sales Tax, Service Tax and GST	30,075	13,810
- Income Tax	15,331	14,088
- Customs Duty	3,837	6,684
- Entry Tax (note 23(i)(e))	4,315	9,951
- Stamp Duty	596	596
- Municipal Taxes	1,943	1,663
- Department of Telecom ('DoT') demands	52,925	97,794
- Entertainment Tax (note 23(i)(f))	7,826	4,319
- Other miscellaneous demands	1,327	1,226
(ii) Claims under legal cases including arbitration matters		
- Access charges / Port charges	14,393	12,640
- Others	7,108	2,816
	139,676	**165,587**

Further, refer below for note g (iv) and (v) other DoT matter.

In addition to the above, the Group's share of joint ventures and associates contingent liabilities is ₹ 49,849 and ₹ 28,089 as of March 31, 2020 and March 31, 2019 respectively.

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

a) Sales Tax, Service Tax and GST

The claims for sales tax comprised of cases relating to the appropriateness of declarations made by the Group 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 Group 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 SMS Termination and employee talk time, Cenvat credit disallowed for procedural lapses and usage in excess of 20% limit.

The GST demand relates to procedural compliance in regard to e-way bills.

b) Income Tax demand

Income tax demands mainly include the appeals filed by the Group before various appellate authorities against the disallowance by income tax authorities of certain expenses being claimed and non-deduction of tax at source with respect to pre-paid dealers / distributor's margin.

c) Access 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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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 on the ground that this would form part of the hardware on which it was pre-loaded at the time of import. The view of the Group 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 Group, the Hon'ble Central Excise and Service Tax Appellate Tribunal ('CESTAT') has passed an order in favour of the custom authorities. The Group 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 Group 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 Group, 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. During the year ended March 31, 2020, the Group has reassessed the position and accordingly recorded provision for part of contingent liability.

f) Entertainment tax

The contingent liability for entertainment tax comprise of cases for levying entertainment tax on activation charges and interest on disputed dues. During the year, there was a re-assessment of levies of entertainment tax based on an ex-parte judgment leading to a credit of ₹ 2,812 (refer note 31 (i) (k)) in Bharti Telemedia Limited, a subsidiary of the Company.

g) DoT demands

(i) DoT had enhanced the microwave rates by introducing slab-wise rates based on the number of carriers vide circulars issued in 2006 and 2008 from erstwhile basis being allocated frequency. The Company had challenged the matter in TDSAT and it has set aside the respective circulars of DoT vide its Judgment dated April 22, 2010. Thereafter, DOT had challenged the order of TDSAT before the Hon'ble Supreme Court, which is yet to be listed for hearing. Further, TDSAT pronounced its judgment in March 2019 in relation to Unified Licenses which provides for manner of determination of such levies and dates from which such levies can be made applicable. DoT had filed an appeal before the Supreme Court. DoT and another telecom service provider have filed cross appeals before Supreme Court against the TDSAT judgment, wherein the Supreme Court has stayed the TDSAT Judgment and the appeals are pending.

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

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(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 one of its subsidiaries and based on legal advice, the Company and one of its subsidiaries believes that it has complied with all license related regulations and does not expect any financial impact due to these matters.

(iv) In respect of levy of one time spectrum charge ('OTSC'), the DoT has raised demand on the Company in January 2013. In the opinion of the Company, inter-alia, the above demand amounts to alteration of financial terms of the licenses issued in the past and therefore the Company filed a petition in the Hon'ble High Court of Bombay, which vide its order dated January 28, 2013, had 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 this matter is currently pending with Hon'ble High Court of Bombay. The DoT revised demands on the Company aggregating ₹ 84,140 in June 2018, including a retrospective charge and a prospective charge till the expiry of the initial terms of the respective licenses. The said revised demand has subsequently also been brought within the ambit of the earlier order of no coercive action by the Hon'ble High Court of Bombay. The Company intends to continue to pursue its legal remedies.

Further, in a similar matter on a petition filed by another telecom service provider, the Hon'ble TDSAT, vide its order dated July 4, 2019, has set aside the DoT order for levy of OTSC with retrospective effect. Accordingly, as per the said order of the Hon'ble TDSAT; DoT can levy OTSC on the Spectrum beyond 6.2 MHz allotted after July 1, 2008, only from the date of allotment of such spectrum and in case of Spectrum beyond 6.2 MHz allocated before July 1, 2008, only prospectively i.e. w.e.f. January 1, 2013. Further, demand for OTSC on spectrum allotted beyond start-up and up-to the limit of 6.2 MHz has been set aside. The Hon'ble TDSAT has asked DoT to issue revise demands, if any, in terms of the above directions. The said telecom service provider filed an appeal in the Hon'ble Supreme Court of India against the Order of the TDSAT. On March 16, 2020, the Hon'ble Supreme Court dismissed the appeal of the telecom service providers and did not interfere with the TDSAT judgement. DoT's appeal against the said TDSAT Order for the levy on Spectrum below 6.2 MHz is pending. Accordingly, out of prudence, of the total demands of ₹ 84,140, the Company has recorded a charge of ₹ 18,075. Along with interest thereon of ₹ 38,345, the aggregate of ₹ 56,420 is disclosed as an exceptional item (refer note 31 (i) (c)).

(v) DOT had issued notices to the Company (as well as other telecom service providers) to stop provision of 3G services to its customers (under 3G Intra Circle Roaming ('ICR') arrangements executed with other service providers) in such service areas where the service provider has not been allocated 3G spectrum, and levied a penalty of ₹ 3,500 on the Company. The Company contested the notices before TDSAT, which in 2014 held 3G ICR arrangements between service providers to be competent and compliant to 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.

(vi) In August 2013, DoT issued guidelines for Grant of Unified License, by which it permitted the existing ISP License holders to continue with their existing licenses without migration, but mandated the licenses which are due for renewal to move to the new regime. The ISP Licence of the Company expired in March 2014 and therefore, it had to renew its license under Unified Licence regime, wherein DoT imposed the condition of levy of licence fee on the revenue earned from pure Internet services. The Company via an industry petition challenged the discriminatory stand of DoT, wherein the Tribunal vide its order dated October 13, 2015 stayed the payment with respect to Pure Internet Service, subject to submission of undertaking. The matter is pending for adjudication.

Meanwhile, in other similar petitions filed by ISP Associations and ISPs, the TDSAT, vide its judgment & orders dated October 18, 2019, December 12, 2019 and January 21, 2020, allowed the said petitions and set aside the decision to include revenue from pure internet service in the AGR for levy of license fee on the ISPs under UL regime, accordingly all the impugned demands of license fee were set aside with a direction to raise revised demands for licence fee on the basis of same concept of AGR as is being done in respect of ISPs holding licences under the old regime. Further, the ISPs are allowed to pay such revised demand forthwith after deducting payments, if any, made in the meantime towards licence fee by way of ad hoc payments as per understating.

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The Company had made a provision of ₹ 16,931 until September 30, 2019 for the period from FY 2015-16 to FY 2019-20. Subsequently, basis the recent judgment and order the matter has now been assessed to be a contingent liability (refer note 31 (i) (i)).

Considering the nature of above disputes/ litigations, it is difficult to reliably ascertain the amount or timing of outflow on settlement.

Guarantees:

Guarantees outstanding as of March 31, 2020 and March 31, 2019 amounting to ₹ 121,627 and ₹ 107,689 respectively, have been issued by banks and financial institutions on behalf of the Group. These guarantees include certain financial bank guarantees which have been given for subjudice matters / compliance with licensing requirements, the amount with respect to these have been disclosed under capital commitments, contingencies and liabilities, as applicable, in compliance with the applicable accounting standards.

In addition to the above the Group's share of guarantees of joint ventures and associates is ₹ 600 and ₹ 901 as of March 31, 2020 and March 31, 2019 respectively.

(ii) Airtel Bangladesh Limited was amalgamated with Robi Axiata Limited vide merger agreement dated January 28, 2016 and as a result the Company held 25% shareholding in Robi via its step-down subsidiary, Bharti International (Singapore) Pte. Limited. On November 16, 2016, a 'Tax Offset' Agreement was entered into between Robi Axiata Limited, Axiata Investments (Labuan) Limited and Bharti International (Singapore) Pte. Limited. Based on the terms of the tax offset arrangement, if Robi Axiata Limited is able to effect any tax offset of an amount attributable to Airtel Bangladesh Limited's tax relief (in form of carried forward tax losses and unabsorbed depreciation) following the issuance of a final order by Bangladesh tax authorities, Robi Axiata Limited shall transfer an amount equal to 40% of the tax relief to the Group. The Group believes that at this stage, it is not possible to ascertain the probability of such future benefits considering uncertainties around timing and amount of future cash inflows.

(iii) Commitments

Capital commitments

The Group has contractual commitments towards capital expenditure (net of related advance) of ₹ 87,885 and ₹ 93,336 as of March 31, 2020 and March 31, 2019 respectively.

In addition to the above, the Group's share of capital commitments of joint ventures and associates is ₹ 3,031 and ₹ 2,904 as of March 31, 2020 and March 31, 2019 respectively.

24. Revenue

	For the year ended March 31, 2020	For the year ended March 31, 2019
Service revenue	871,139	805,002
Sale of products	4,251	2,800
	875,390	**807,802**

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Disaggregation of Revenue

Revenue is disaggregated by primary geographical market; major products/service lines and timing of revenue recognition are as follows:

Particulars	Mobile Services		Airtel Business		Tower Infrastructure Services		Homes Services		Digital TV Services		Others		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Geographical Markets*														
India	442,956	394,707	85,448	82,967	28,625	31,291	22,287	22,235	29,201	40,935	-	867	608,517	573,002
South Asia	4,366	4,199	-	-	-	-	-	-	-	-	-	-	4,366	4,199
Africa	236,975	210,333	-	-	-	-	-	-	-	-	-	-	236,975	210,333
Others	-	-	25,532	20,268	-	-	-	-	-	-	-	-	25,532	20,268
	684,297	**609,239**	**110,980**	**103,235**	**28,625**	**31,291**	**22,287**	**22,235**	**29,201**	**40,935**	**-**	**867**	**875,390**	**807,802**
Major Product/ Services lines														
Data and Voice Services	533,312	485,877	83,801	81,000	-	-	21,250	21,196	-	-	-	-	638,363	588,073
Setting up, operating and maintaining towers	-	-	-	-	28,625	31,291	-	-	-	-	-	-	28,625	31,291
Others	150,985	123,362	27,179	22,235	-	-	1,037	1,039	29,201	40,935	-	867	208,402	188,438
	684,297	**609,239**	**110,980**	**103,235**	**28,625**	**31,291**	**22,287**	**22,235**	**29,201**	**40,935**	**-**	**867**	**875,390**	**807,802**
Timing of Revenue Recognition														
Products and services transferred at a point in time	3,094	2,896	2,919	1,748	-	-	22	39		1,232	-	-	6,035	5,915
Products and services transferred over time	681,203	606,343	108,061	101,487	28,625	31,291	22,265	22,196	29,201	39,703	-	867	869,355	801,887
	684,297	**609,239**	**110,980**	**103,235**	**28,625**	**31,291**	**22,287**	**22,235**	**29,201**	**40,935**	**-**	**867**	**875,390**	**807,802**

*Basis location of entity.

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Contract Balances

The following table provides information about unbilled revenue and deferred revenue from contract with customers

	As of March 31, 2020	As of March 31, 2019
Unbilled revenue (refer note 12)	19,221	17,072
Deferred revenue	80,037	61,979

Significant changes in the unbilled revenue and deferred revenue balances during the year are as follows:

	For the year ended March 31, 2020 Unbilled revenue	For the year ended March 31, 2019 Deferred revenue
Revenue recognised that was included in the Deferred revenue at the beginning of the year	-	43,993
Increases due to cash received, excluding amounts recognised as revenue during the year	-	62,052
Transfers from unbilled revenue recognised at the beginning of the year to receivables	17,072	-

The Company has entered into an agreement with Universal Service Obligation Fund ('USOF') to provide mobile services in identified uncovered villages and seamless mobile coverage on the national highways in north-eastern region. The Company has recognised deferred income for front loaded subsidy (representing 50% of eligible USOF subsidy) on receipt of approved Proof of Concept (PoC) for a particular USOF site and for equated quarterly subsidy (representing remaining 50% of the eligible USOF subsidy receivable in twenty quarterly instalments) on quarterly basis. The deferred income is amortised over the period of contract entered with the government. The company has recognised Government grant of ₹ 297 during the year ended March 31, 2020.

Costs to obtain or fulfil a contract with a customer

The Group (except Airtel Africa plc and its subsidiaries), during the current year, has estimated that the historical average customer life is longer than 12 months and believes that its churn rate provides the best indicator of anticipated average customer life and, hence, started deferral of such costs prospectively. The financial impact of this change has resulted in increase of the Group's profits before tax by ₹ 12,132 for the year ended March 31, 2020.

Airtel Africa plc and its subsidiaries have updated the policy on cost deferral recognition within these financial statements and now capitalise and amortise customer acquisition costs. The financial impact of this change in Airtel Africa plc and its subsidiaries has resulted in increase of profits before tax in total by USD 33 Mn (₹ 2,335), out of which USD 6 Mn (₹ 424) is relating to the current year, USD 6 Mn (₹ 424) is relating to prior year and USD 21 Mn (₹ 1,486) is relating to earlier years.

	For the year ended March 31, 2020	For the year ended March 31, 2019
Costs to obtain a contract with a customer		
Opening balance	-	-
Costs incurred and deferred	17,457	-
Less: Cost amortised	5,198	-
Closing balance	**12,259**	**-**

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25. Network operating expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Passive infrastructure charges	28,081	74,492
Power and fuel	91,249	80,436
Repair and maintenance	41,458	39,310
Internet, bandwidth and leasedline charges	18,516	14,550
Others*	18,381	16,344
	197,685	**225,132**

*It includes charges towards managed services, installation, insurance and security.

26. Employee benefits expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries	31,849	32,092
Contribution to provident and other funds	2,043	2,004
Staff welfare expenses	1,968	1,723
Defined benefit plan / other long term benefits	1,294	835
Employee share-based payment expense		
- Equity-settled plans	338	347
- Cash-settled plans	(13)	187
Others*	593	787
	38,072	**37,975**

*It mainly includes recruitment and training expenses.

26.1 Share based payment plans

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

Scheme	Plan	Vesting period (years)	Contractual term (years)
Equity settled Plans			
Scheme I	2006 Plan	1 - 5	7
Infratel plan	Infratel 2008 Plan	1 - 5	7
Scheme 2005	Long Term Incentive (LTI) Plan	1 - 3	7
Infratel plan	Infratel LTI plans	1 - 3	7
Africa Plan	Replacement stock awards	1-2	2
Africa Plan	IPO Awards	1-3	3
Africa Plan	IPO share options	1-3	10
Africa Plan	IPO executive share options	1-3	10
Cash settled Plans			
Performance Unit Plan (PUP)	PUP 2013 - PUP 2017	1 - 5	3-5
Infratel plan	PUP	1 - 3	7
Africa Plan	Shadow stock plan	1-2	-

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

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The movement in the number of stock options and the related weighted average exercise prices are given in the table below:

	For the year ended March 31, 2020		For the year ended March 31, 2019	
	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	65	5.00	115	5.00
Granted	30	-	-	-
Exercised	(8)	5	(50)	5.00
Forfeited / expired	(57)	-	-	-
Outstanding at end of year	30	-	65	5.00
Exercisable at end of year	-	-	8	5.00
Infratel 2008 Plan				
Outstanding at beginning of year	58	109.67	108	109.67
Granted	-	-	-	-
Exercised	(10)	109.67	(49)	109.67
Forfeited / expired	(2)	109.67	(1)	109.67
Outstanding at end of year	46	109.67	58	109.67
Exercisable at end of year	46	109.67	58	109.67
LTI Plans				
Outstanding at beginning of year	3,412	5.00	2,977	5.00
Granted	1,682	-	2,274	-
Exercised	(556)	5.00	(877)	5.00
Forfeited / expired	(1,343)	5.00	(962)	5.00
Outstanding at end of year	3,195	5.00	3,412	5.00
Exercisable at end of year	112	5.00	478	5.00
Infratel LTI plans				
Outstanding at beginning of year	295	10.00	238	10.00
Granted	135	10.00	158	10.00
Exercised	(76)	10.00	(63)	10.00
Forfeited / expired	(20)	10.00	(38)	10.00
Outstanding at end of year	334	10.00	295	10.00
Exercisable at end of year	73	10.00	48	10.00
Replacement stock awards*				
Outstanding at beginning of year	-	-	-	-
Converted from performance unit plans	674	-	-	-
Exercised	-	-	-	-
Forfeited / expired	-	-	-	-
Outstanding at end of year	674	-	-	-
Exercisable at end of year	-	-	-	-
IPO Awards*				
Outstanding at beginning of year	-	-	-	-
Converted from performance unit plans	755	-	-	-
Exercised	-	-	-	-
Forfeited / expired	-	-	-	-
Outstanding at end of year	755	-	-	-
Exercisable at end of year	-	-	-	-
IPO share options*				
Outstanding at beginning of year	-	-	-	-
Converted from performance unit plans	3,132	77	-	-
Exercised	-	-	-	-
Forfeited / expired	-	-	-	-
Outstanding at end of year	3,132	-	-	-
Exercisable at end of year	-	-	-	-
IPO executive share options*				
Outstanding at beginning of year	-	-	-	-
Converted from performance unit plans	12,517	77	-	-
Exercised	-	-	-	-

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26.1 Share based payment plans (Contd..)

	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Number of share options ('000)	Weighted average exercise price (₹)	Number of share options ('000)	Weighted average exercise price (₹)
Forfeited / expired	(636)	-	-	-
Outstanding at end of year	11,881	-	-	-
Exercisable at end of year	-	-	-	-
Performance Unit Plans*				
Outstanding at beginning of year#	1,287	-	1,401	-
Granted	-	-	670	-
Exercised#	(423)	-	(503)	-
Forfeited / expired#	(236)	-	(281)	-
Converted into shadow stock plan#	(479)	-	-	-
Converted into replacement stock awards#	(142)	-	-	-
Outstanding at end of year	7	-	1,287	-
Exercisable at end of year	7	-	23	-
Shadow stock plan				
Outstanding at beginning of year	-	-	-	-
Converted into shadow stock plan#	2,276	-	-	-
Forfeited / expired#	(433)	-	-	-
Outstanding at end of year	1,843	-	-	-

*On IPO in one of subsidiary company, these PUPs have been replaced with 'shadow stock plan' awards and 'replacement stock awards' and the benefits under the new replaced plans are based on share price of Airtel Africa plc. For IPO awards, Replacement Stock Awards and Shadow Stock awards, vesting is subject to service, total shareholder return ('TSR') and financial performance conditions while for IPO share options and IPO executive share options, vesting is subject to service condition only.

#Below share options has been converted into shadow stock plan and replacement stock and these plan no longer exist as on 31 March 2020:

	March 31, 2020	March 31, 2019
	Number of share options (in '000)	Number of share options (in '000)
Performance unit plans ('PUP')		
Outstanding at beginning of year	1,130	980
Granted	-	670
Exercised	(407)	(303)
Forfeited / Expired	(102)	(217)
Converted into shadow stock plan	(479)	-
Converted into replacement stock awards	(142)	-
Outstanding at end of year	-	1,130
Exercisable at end of year	-	-

The fair value of options is measured using Black-Scholes / Binomial 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:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Risk free interest rates	0.12% to 6.56%	6.31% to 8.03%
Expected life	1 to 78 months	4 to 60 months
Volatility	26.46% to 36.38%	29.06% to 34.54%
Dividend yield	0.68% to 10.00%	0.74% to 4.74%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The expected life of the stock options is based on the Group'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.

For details as to exercise price, refer table above.

The details of weighted average remaining contractual life, weighted average fair value and weighted average share price for the options are as follows:-

Weighted average	March 31, 2020	March 31, 2019
Remaining contractual life for the options outstanding as of (years)	1 to 9	0.35 to 8.44
Fair value for the options granted during the year ended (₹)	0.00 to 409.73	258.29 to 409.73
Share price for the options exercised during the year ended (₹)	247.60 to 412.43	188.62 to 598.01

The carrying value of cash settled plans liability is ₹ 46 and ₹ 227 as of March 31, 2020 and March 31, 2019 respectively.

26.2 Employee benefits

The details of significant employee benefits are as follows:

	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Retirement benefits	Compensated absence	Retirement benefits	Compensated absence
Obligation:				
Balance as at beginning of the year	3,311	1,253	3,272	1,424
Current service cost	427	402	453	266
Interest cost	283	111	281	120
Benefits paid	(524)	(373)	(648)	(344)
Transfers	16	5	(45)	(0)
Remeasurements	76	72	(48)	(286)
Exchange Difference	116	150	46	73
Present value of funded obligation	**3,705**	**1,620**	**3,311**	**1,253**
Assets:				
Balance as at beginning of year	4	-	16	-
Interest income	1	-	1	-
Benefits paid	-	-	(12)	-
Remeasurements	-	-	(1)	-
Fair value of plan assets	**5**	**-**	**4**	**-**
Liability recognised in the balance sheet	**3,700**	**1,620**	**3,307**	**1,253**
Current portion	**987**	**1,294**	**696**	**1,253**
Non-current portion	**2,713**	**326**	**2,611**	**-**

As at March 31, 2020, expected contributions for defined benefit plans for Indian entities for the next annual reporting period is ₹ 550.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

Amount recognised in other comprehensive income for the above plans

	For the year ended March 31, 2020	For the year ended March 31, 2019
Experience losses	(72)	(49)
Losses from change in demographic assumptions	(6)	(13)
Gains from change in financial assumptions	154	14
Remeasurements on liability	**76**	**(48)**
Return on plan assets, excluding interest income	-	(1)
Remeasurements on plan assets	**-**	**(1)**
Net remeasurements recognised in OCI	**76**	**(47)**

The above mentioned plan assets are entirely represented by funds invested with LIC.

Due to its defined benefit plans, the Group 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:

	As of March 31, 2020	As of March 31, 2019
Discount rate	9.38%	9.08%
Rate of return on plan assets	3.45%	3.83%
Rate of salary increase	5.82%	5.60%
Rate of attrition	5.57%- 43%	7.49%- 27%
Retirement age	58 to 60	58

The Group 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:

	Change in assumption	As of March 31, 2020 Retirement benefits	As of March 31, 2019 Retirement benefits
Discount Rate	+1%	(162)	(156)
	-1%	156	188
Salary Growth Rate	+1%	154	180
	-1%	(163)	(168)

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.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

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

	As of	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Within one year	988	725
Within one-three years	973	689
Within three-five years	1,002	771
above five years	2,085	2,296
	5,048	**4,481**
Weighted average duration (in years)	6.24	5.15

27. Sales and marketing expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Sales commission and distribution	18,185	24,662
Advertisement and marketing	10,412	10,599
Business promotion	1,895	3,023
Other ancillary expenses	3,833	3,284
	34,325	**41,568**

28. Depreciation and amortisation expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation (including on ROU)	210,982	148,632
Amortisation	65,914	64,843
	276,896	**213,475**

29. Other expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Content cost	8,778	24,646
Cost of good sold	12,959	10,855
IT expenses	5,998	7,547
Customer care expenses	7,120	7,670
Legal and professional fees	3,737	2,026
Allowance for doubtful debts	4,502	(14,037)
Collection and recovery expenses	1,486	1,320
Travelling and conveyance	2,372	2,236
Bad debts written off	697	24,353
Charity and donation	1,320	1,292
(Reversal of earlier allowance) / allowance for diminution in value of inventory	-	(163)
Others[#]	10,288	14,797
	59,257	**82,542**

[#]It includes rent, printing and stationary, security, repair and maintenance expenses etc. Further, it includes political contributions amounting to ₹ 393 and ₹ 542 made under Section 182 of the Companies Act, 2013 during the year ended March 31, 2020 and 2019 respectively.

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30. Finance costs and income

	For the year ended March 31, 2020	For the year ended March 31, 2019
Finance costs		
Interest expense	79,438	90,566
Net foreign exchange loss	14,824	5,973
Other finance charges#	45,656	9,683
	139,918	**106,222**
Finance income		
Dividend from mutual funds	57	231
Interest income	3,981	5,025
Net gains on FVTPL investments	7,208	3,394
Net gain on derivative financial instruments	4,852	1,678
	16,098	**10,328**

#It includes bank charges, trade finance charges, charges relating to derivative instruments and interest charges towards subjudice matters.

31. Exceptional items

Exceptional items comprise of the following:

(i) For the year ended March 31, 2020:

a. charge on account of license fee and Spectrum Usage Charges (SUC) aggregating ₹ 303,687 as detailed in note 4(a).

b. charge of ₹ 13,757 towards accelerated depreciation on 3G network equipments / operating costs on network re-farming and up-gradation program.

c. charge of ₹ 56,420 on account of reassessment of regulatory cost based on a recent judgement on related matter as detailed in note 23 (i)(g)(iv).

d. charge of ₹ 1,681 on account of licence fees and interest based on a recent judgment on a similar matter.

e. provision of ₹ 18,633 on account of rates and taxes including aged balances.

f. charge of ₹ 766 on other miscellaneous items.

g. deferment of customer acquisition cost of ₹ 1,911 following reassessment of customer life for some of the subsidiaries of Airtel Africa plc.

h. an incremental provision ₹ 27,447 pertaining mainly to customary indemnities to a clutch of investors of Airtel Africa plc determined on the basis of methodology settled prior to listing.

i. credit of ₹ 15,540 pertaining to re-assessment of levies based on a recent judgement note 23 (i)(g)(vi).

j. net charge of ₹ 216 due to adjustments towards certain indemnity assets / liabilities pertaining to past transactions.

k. net credit of ₹ 2,812 due to re-assessment of levies based on ex-parte judgement (refer note 23 (i) (f)).

(ii) For the year ended March 31, 2019:

a. Charge of ₹ 6,399 mainly towards accelerated depreciation / operating costs on network re-farming and up-gradation program.

b. Credit of ₹ 28,568 due to re-assessment of levies, based on a recent pronouncement related to the manner of determination of such levies and settlement of litigations.

c. Charge of ₹ 1,368 mainly towards net integration related cost / reversal pertaining to the business combination.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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d. Charge of ₹ 248 related to the early redemption of the USD 1,500 Mn (₹ 105,697) 5.125% Guaranteed Senior Notes due in March 2023 (refer note 4 (o)).

e. Credit of ₹ 8,735 Mn due to de-consolidation of APBL (refer note 4 (q)).

Tax credit include:

(a) Net benefit of ₹ 114,221 (including credit resulting from internal restructuring, charge due to adoption of new tax regime in certain group entities and reversal of tax credit and deferred tax asset pertaining to one of the subsidiaries recognized) (refer note 13) and net charge of ₹ 9,579 during the year ended March 31, 2020 and 2019 respectively on above exceptional items.

(b) Net charge of ₹ Nil and ₹ 407 on account of re-assessment of tax provisions for the year ended March 31, 2020 and 2019 respectively on above exceptional items.

The net impact for non-controlling interests is charge of ₹ 7,032 and ₹ 579 during the year ended March 31, 2020 and 2019 respectively, relating to the above exceptional items.

32. Earnings per share (‘EPS’)

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

	As of March 31, 2020	As of March 31, 2019
	In thousands	
Weighted average shares outstanding for basic EPS	5,075,636	4,284,371
Effect of dilution due to employee share options*	-	2,044
Weighted average shares outstanding for diluted EPS	**5,075,636**	**4,286,415**

(Loss) / profit attributable to equity holders for basic and diluted EPS is ₹ (321,832) and ₹ 4,095 for the year ended March 31, 2020 and 2019 respectively.

*During the year ended March 31, 2019, the effect of employee share options was dilutive, hence, these have been included in the calculation of diluted earnings per share.

During the year ended March 31, 2020, the effect of employee share options and newly issued foreign currency convertible bonds is anti-dilutive, hence, these have not been included in the calculation of diluted earnings per share. Refer note 19 for terms of the bonds.

33. Segment reporting

The Group’s operating segments are organised and managed separately through the respective business managers, according to the nature of products and services provided and geographies in which services are provided, with each segment representing a strategic business unit. These business units are reviewed by the Chairman of the Group (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, after excluding charity and donation cost but including share of result of joint ventures and associates. Accordingly, finance costs / income, non-operating (income) / expenses and exceptional items are not allocated to individual segment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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 / Group accounting policy alignments are reflected in the 'Eliminations / Adjustments' column.

Segment assets / liabilities comprise assets / liabilities directly managed by each segment. Segment assets primarily includes receivables, ROU, property, plant and equipment, capital work-in-progress, intangible assets, intangible assets under development, non-current investments, inventories and cash and cash equivalents. Segment liabilities primarily include operating and lease liabilities. Segment capital expenditure comprises of additions to PPE, CWIP, intangible assets, and intangible assets under development, ROU and capital advances.

The reporting segments of the Group are as below:

Mobile Services India: 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.

Mobile Services Africa: These services cover provision of voice and data telecom services provided through wireless technology (2G / 3G / 4G) offered to customers in Africa. This also includes corporate headquarter costs of the Group's Africa operations.

Mobile Services South Asia: These services cover voice and data telecom services provided through wireless technology (2G / 3G) in Sri Lanka.

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.

Tower Infrastructure Services: These services include setting up, operating and maintaining wireless communication towers in India.

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

Digital TV Services: This includes digital broadcasting services provided under the direct-to-home platform.

Others: It includes certain other strategic investment in joint venture / associates, and administrative / support services provided to other segments.

Unallocated: It includes expenses / results, assets and liabilities primarily of corporate headquarters of the Group, non-current investment, current taxes, deferred taxes, borrowings and certain financial assets and liabilities, not allocated to the operating segments.

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Summary of the segmental information for the year ended and as of March 31, 2020 is as follows:

	Mobile Services India	Mobile Services Africa	Mobile Services South Asia	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others	Unallocated	Eliminations / Adjustments	Total
Revenue from external customers	442,956	236,975	4,366	110,980	29,406	22,287	29,201	-	-	(781)	875,390
Inter-segment revenue	16,707	5,198	186	21,351	38,017	164	38	50	-	(81,711)	-
Total revenue	**459,663**	**242,173**	**4,552**	**132,331**	**67,423**	**22,451**	**29,239**	**50**	**-**	**(82,492)**	**875,390**
Share of results of joint ventures and associates	5	13	-	-	13,805	31	-	(6,676)	-	(654)	6,524
Segment results	(31,379)	64,488	(1,055)	31,889	38,127	5,191	11,394	(6,629)	(2,975)	(8,367)	100,684
Less:											
Finance costs											139,918
Finance income											(16,098)
Non-operating expense (net)											1,272
Charity and donation											1,713
Exceptional items (net) (refer note 31)											402,344
Loss before tax											**(428,465)**
Other segment items											
Capital expenditure	108,373	45,417	1,513	26,058	8,720	5,589	10,512	-	-	-	206,182
Addition to ROU	50,106	10,980	438	1,912	5,626	789	410	-	-	-	70,261
Depreciation and amortisation expense	200,926	42,786	1,485	10,774	12,815	6,147	8,565	-	1,276	(7,878)	276,896
As of March 31, 2020											
Segment assets	2,108,687	675,156	8,188	200,255	202,823	42,425	39,749	36,724	441,744	(147,961)	3,607,790
Segment liabilities	1,025,832	201,937	3,943	131,256	41,839	23,355	41,224	437	1,236,696	(120,024)	2,586,495
Investment in joint ventures and associates (included in segment assets above)	77	264	-	-	60,670	31	-	35,766	-	-	96,808

During the year ended March 31, 2020, the Group transferred its operations pertaining to optical fibre on a going concern basis on August 1, 2019 from Company to its wholly owned subsidiary. As a result, the Group reorganised the business, whereby, the assets and liabilities pertaining to bandwidth capacities have been allocated to Mobile Services India, Airtel Business and Homes Services. Previously, these operations were part of Mobile Services India and bandwidth capacities were billed by Mobile Services India to Airtel Business and Homes Services. Without such reorganisation, for the year ended March 31, 2020 and as of that date, segment revenue, segment results, segment assets and segment liabilities for Mobile Services India would have been ₹ 464,759, ₹ (32,730), ₹ 2,154,218 and ₹ 1,075,354 respectively; segment results, segment assets and segment liabilities for Airtel Business would have been ₹ 32,946, ₹ 176,660 and ₹ 109,978 respectively; and for Homes Services would have been ₹ 4,583, ₹ 44,658 and ₹ 17,541 respectively.

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Summary of the segmental information for the year ended and as of March 31, 2019 is as follows:

	Mobile Services India	Mobile Services Africa	Mobile Services South Asia	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others	Unallocated	Eliminations / Adjustments	Total
Revenue from external customers	394,707	210,333	4,199	103,235	32,047	22,235	40,935	867	-	(756)	807,802
Inter-segment revenue	20,833	4,695	237	21,302	36,138	156	66	296	-	(83,723)	-
Total revenue	**415,540**	**215,028**	**4,436**	**124,537**	**68,185**	**22,391**	**41,001**	**1,163**	**-**	**(84,479)**	**807,802**
Share of results of joint ventures and associates	4	(7)	-	-	10,172	3	-	(5,324)	-	(1,292)	3,556
Segment results	(56,762)	52,390	(1,069)	27,631	31,974	3,376	7,447	(7,228)	(1,717)	(3,026)	53,016
Less:											
Finance costs											106,222
Finance income											(10,328)
Non-operating expense (net)											1,894
Charity and donation											1,834
Exceptional items (net) (refer note 31)											(29,288)
Loss before tax											**(17,318)**
Other segment items											
Capital expenditure	235,770	50,846	1,228	18,986	9,107	8,931	8,791	41	-	(5,769)	327,931
Depreciation and amortisation expense	150,991	31,234	1,196	13,014	10,658	7,453	8,275	50	11	(9,407)	213,475
As of March 31, 2019											
Segment assets	1,700,637	569,606	6,774	149,445	169,693	45,889	31,234	37,927	133,120	(92,765)	2,751,560
Segment liabilities	408,088	110,571	2,515	87,225	22,303	21,729	35,423	2,181	1,313,444	(101,399)	1,902,080
Investment in joint ventures and associates (included in segment assets above)	66	230	-	-	52,479	3	-	36,159	-	-	88,937

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Geographical information*:

(a) Revenue from external customers:

	For the year ended March 31, 2020	For the year ended March 31, 2019
India	608,518	573,002
Africa	236,975	210,333
Others	29,897	24,467
	875,390	**807,802**

(b) Non-current assets#:

	As of March 31, 2020	As of March 31, 2019
India	1,773,398	1,608,049
Africa	541,850	470,490
Others	20,334	27,057
	2,335,582	**2,105,596**

*Basis location of entity.

#Non-current operating assets for this purpose consist of PPE, CWIP, ROU, intangible assets, intangible assets under development, capital advances and goodwill.

34. Related party disclosures

(a) List of related parties

i. Ultimate controlling entity

Bharti Enterprises (Holding) Private Limited. It is held by private trusts of Bharti family, with Mr. Sunil Bharti Mittal's family trust effectively controlling the said company.

ii. Entity having control over the Company

Bharti Telecom Limited

iii. For list of subsidiaries, joint venture and associates refer note no. 40.

iv. Other entities with whom transactions have taken place during the reporting periods

- **Entities having significant influence over the Company**

  Pastel Limited

  Singapore Telecommunications Limited

- **Fellow companies (subsidiaries / joint ventures / associates other than that of the Company)**

  a) Subsidiaries

  Bharti Axa General Insurance Company Limited

  Bharti Axa Life Insurance Company Limited

  Bharti Enterprises Limited (formerly known as Bharti Ventures Limited)

  Bharti Insurance Holdings Private Limited (Merged with Bharti Airtel Enterprises (Holdings) Private Limited w.e.f. 18th October, 2018)

  Cedar support Services Limited (Merged with Bharti Airtel Enterprises (Holdings) Private Limited w.e.f. 18th October, 2018)

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b) Associates

Bharti General Ventures Private Limited

Bharti Life Ventures Private Limited

- **Others related parties***

a) Entities where Key Management Personnel and their relatives exercise significant influence

Bharti Airtel Employees Welfare Trust
Bharti Foundation
Satya Bharti Foundation
Hike Private Limited (formerly known as Hike Limited)

b) Others

Bharti Land Limited

Bharti Realty Holdings Limited (merged with Bharti Realty Limited w.e.f. December 4, 2019)

Bharti Realty Limited

Bharti Support Services Private Limited (Merged with Bharti Airtel Enterprises (Holdings) Private Limited w.e.f. 18th October, 2018)

Brightstar Telecommunication India Limited

Centum Learning Limited

Centum Work skills India Limited

Deber Technologies Private Limited

Fieldfresh Foods Private Limited

Gourmet Investments Private Limited

Indian Continent Investment Limited

Jersey Airtel Limited

Nile Tech Limited (merged with Bharti Realty Limited w.e.f. December 4, 2019)

Oak Infrastructure Developers Limited

***'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.

v. Key Management Personnel ('KMP')

Sunil Bharti Mittal

Gopal Vittal

Raghunath Venkateswarlu Mandava

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In the ordinary course of business, there are certain transactions among the group entities. However, the intra-group transactions and balances, and the income and expenses arising from such transactions, are eliminated on consolidation. The transactions with related parties (other than with KMPs which are disclosed in note 34 (d)) for the year ended March 31, 2020 and 2019 respectively, are described below:

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

Relationship	For the year ended March 31, 2020				For the year ended March 31, 2019			
	Significant influence entities	Associates	Joint ventures	ORP / FC*	Significant influence entities	Associates	Joint ventures	ORP / FC*
Purchase of assets	(313)	-	-	(1,339)	-	-	(334)	(967)
Sale / rendering of services	757	309	88	179	983	105	121	153
Purchase of goods / receiving of services	(706)	(2,831)	(15,706)	(821)	(609)	(287)	(43,647)	(2,985)
Reimbursement of energy expenses	-	-	(33,818)	(1)	-	-	(24,760)	(1)
Receiving of assets (related to ROU)#	-	-	(16,592)	-	-	-	-	-
Dividend paid	-	-	-	-	(13,013)	-	-	(414)
Dividend received	-	-	-	-	-	-	(11,261)	-
Sale of fixed assets / IRU	241	-	-	124	-	-	-	-
Fund transferred / Expenses incurred on behalf of others	-	252	8	18	-	150	4	4
Fund received / Expenses incurred on behalf of the Company	-	(307)	(1)	(515)	-	(289)	-	(530)
Security deposit given	-	-	-	33	-	-	170	22
Loans given	-	-	-	497	-	-	-	-
Repayment of Loans given	-	-	-	(262)	-	-	-	-
Interest charged by the company	-	-	0	-	-	-	1	
Refund of Security deposit given	-	-	(4,460)	-	-	-	-	(15)
Interest charged by others	-	-	(43)	-	-	-	(11)	-
Commission paid	-	-	(93)	-	-	-	(108)	-

*Other related parties / fellow companies

#Amount disclosed is net of termination

The significant related party transactions are summarised below:

		For the year ended March 31, 2020	For the year ended March 31, 2019
(i)	**Purchase of fixed assets**		
	Entities having control over the Company / entities having significant influence over the Company		
	Singapore Telecommunications Limited	(313)	-
	Other related parties		
	Brightstar Telecommunication India Limited	(1,339)	(856)
	Joint venture		
	Indus Towers Limited	-	(111)
(ii)	**Rendering of services**		
	Entities having control over the Company / entities having significant influence over the Company		
	Singapore Telecommunications Limited	687	983

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The significant related party transactions are summarised below: (Contd..)

		For the year ended March 31, 2020	For the year ended March 31, 2019
(iii)	**Receiving of services**		
	Entities having control over the Company / entities having significant influence over the Company		
	Singapore Telecommunications Limited	(693)	(596)
	Associates		
	Airtel Payment bank Limited	(2,795)	(224)
	Joint venture		
	Indus Towers Limited#	(15,579)	(43,533)
(iv)	**Reimbursement of energy expenses paid**		
	Joint Venture		
	Indus Towers Limited	(33,829)	(24,764)
(v)	**Refund of security deposit given**		
	Joint Venture		
	Indus Towers Limited	4,460	-
(vi)	**Repayments of loans given**		
	Other related parties		
	Bharti Airtel Employees Welfare Trust	497	-
(viii)	**Receiving of assets(ROU)*#**		
	Joint venture		
	Indus Towers Limited	(16,592)	-

#Amount does not include GST

*Amount disclosed is net of termination

(c) The outstanding balances of the above mentioned related parties are as follows:

Scheme	Significant influence entities	Associates	Joint ventures	ORP / FC*
As of March 31, 2020				
Trade payables	(57)	(38)	(16,301)	(260)
Trade receivables	-	1,886	-	838
Other financial assets - Loans given	-	-	8	-
Security deposit	1	-	1,148	1,248
Lease liability#	-	-	(98,440)	(7,910)
As of March 31, 2019				
Trade payables	(219)	(71)	(21,566)	(227)
Trade receivables	-	406	-	54
Security deposit	2	-	4,604	1,214

*Other related parties / fellow companies

#It include discounted value of future cash payouts

(1) Outstanding balances at period end are un-secured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

(2) In addition to the above, ₹ 714 and ₹ 844 donation has been given to Satya Bharti Foundation and Bharti Foundation during the year ended March 31, 2020 and 2019 respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

(d) Transactions and balances with KMPs

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
Short-term employee benefits	340	339
Performance linked incentive ('PLI')#	203	178
Post-employment benefits	29	28
Other long-term benefits	18	24
Other awards	71	-
Share-based payment	47	64
	708	**633**

#Value of PLI considered above represents incentive at 100% performance level and a one-time special performance incentive of ₹ 16 for the financial year 2019-20. The balance PLI is paid in the next year on the basis of actual performance parameters. During the year ended March 31, 2020 and 2019, PLI of ₹ 205 and ₹ 188 respectively has been paid. As at March 31, 2020, an amount of ₹ 6 was recoverable from one of the KMPs, which has been since recovered.

As the liabilities for the gratuity and compensated absences are provided on an actuarial basis, and calculated for the Group 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, Nil and ₹ 2 have been paid as dividend to key management personnel during the year ended March 31, 2020 and 2019 respectively.

35. Leases

Impact of adoption of Ind AS 116 where the Group is a lessee

The adoption of the said change in accounting policy affected the following items in the balance sheet on April 1, 2019:

	As of March 31, 2019
Property, plant and equipment (including CWIP amounting to ₹ 114)	(16,830)
Right-of-use assets	222,866
Other intangible assets	(39,037)
Intangible assets under development	(3,038)
Deferred tax assets (net)	14,480
Other non-current assets	22,025
Other current assets	399
Lease liabilities	(239,721)
Other non-current liabilities	14,210
Decrease in Equity	**(24,646)**

Impact of adoption of Ind AS 116 where the Company is a lessor

The Company did not have any material impact due to transition to Ind AS 116.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

Group as a lessee

ROU

The following table presents the reconciliation of changes in the carrying value of ROU assets for the year ended March 31, 2020:

	Bandwidth	Plant and equipment	Building	Lease hold land	Transponder	Vehicle	Total
As of April 1, 2019	16,010	177,868	14,261	12,855	1,754	117	222,865
Additions	6,444	54,915	331	8,161	410	-	70,261
Acquisition through Business Combinations@	20,180	-	235	15	-	-	20,430
Depreciation/Amortisation	(3,238)	(35,605)	(2,894)	(2,623)	(1,272)	(74)	(45,706)
Dismantle/adjustments	422	(9,484)	(14)	(1,864)	(23)	-	(10,963)
Foreign currency translation reserve	14	1,916	250	-	-	(18)	2,162
As of March 31, 2020	**39,832**	**189,610**	**12,169**	**16,544**	**869**	**25**	**259,049**

@Refer note 4 (c)

- Bandwidth

  The Group's leases of bandwidth comprise of dark fiber taken on lease.

- Plant and equipment

  The Group leases passive infrastructure for providing telecommunication services under composite contracts that include lease of passive infrastructure and land on which the passive infrastructure is built as well as maintenance, security, provision of energy etc. services.

- Building

  The Group's leases of building comprise of lease of offices, warehouses and shops.

- Leasehold land

  The Group's leases of land comprise of land taken on lease on passive infrastructure is built and offices.

- Transponder

  The Group's leases comprise of capacity in the space segment in satellite system in direct to home business.

Amounts recognised in profit or loss

	For the year ended March 31, 2020
Interest on lease liabilities	25,662
Expenses relating to short-term leases	427
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	173

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Amounts recognised in statement of cash flows

	For the year ended March 31, 2020
Total cash outflow for leases	47,740

Termination options

Termination options are included in a number of property and equipment leases across the Group, where the Group is a lessee. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of termination options held are exercisable only by the Group and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive not to exercise a termination option. Periods after termination options are only included in the lease term if the lease is reasonably certain to be not terminated by the Group. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

The reconciliation of operating lease commitments disclosed as at March 31, 2019 to lease liabilities recognised as at April 1, 2019 is given below:

	For the year ended March 31, 2020
Operating lease commitment at March 31, 2019	**448,063**
Discounted using the incremental borrowing rate at April 1, 2019	**354,738**
Non - lease component	(126,868)
Short term lease	(356)
Lease component in service contract	12,207
Lease liabilities recognised at April 1, 2019	**239,721**

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 April 2019. The incremental borrowing rate used across the Group ranges from 6.09% to 18.82%.

The Group has made use of the following practical expedients available on transition to Ind AS 116: (a) used a single discount rate to a portfolio of leases of similar assets in similar economic environment, (b) not recognised ROU assets and lease liabilities for leases with less than twelve months of remaining lease term and low-value assets on the date of initial application, (c) relied on previous assessments that none of the leases were onerous and concluded that there is no need for impairment review and (d) used hindsight in determining the lease term where the contracts contained options to extend or terminate the lease.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be paid after the reporting date.

	As of March 31, 2020
Not later than one year	86,271
Later than one year but not later than five years	221,900
Later than five years	98,978
Total	**407,149**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Group as a lessor- operating lease

Amounts recognised in profit or loss

	For the year ended March 31, 2020
Lease income	22,634

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

Operating leases under Ind AS 116	As of March 31, 2020
Less than one year	17,013
One to two years	15,636
Two to three years	14,813
Three to four years	13,130
Four to five years	11,241
More than five years	22,203
Total	**94,036**

Operating leases under Ind AS 17	As of March 31, 2020
Not later than one year	17,586
Later than one year but not later than five years	57,291
Later than five years	25,289
Total	**100,166**

Group has entered into non–cancellable lease arrangements to provide dark fiber on indefeasible right of use ('IRU') basis and tower assets on site-sharing basis. Due to the nature of these transactions, 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, 2020 and March 31, 2019 and accordingly, the related disclosures are not provided.

36. Financial and Capital risk

1. Financial risk

The business activities of the Group 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 Group'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 Group uses certain derivative financial instruments to mitigate some of these risk exposures (as discussed below in this note).

The financial risk management for the Group is driven by the Group's senior management ('GSM'), in close co-ordination with the operating entities and internal / external experts subject to necessary supervision. The Group 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 Group'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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The Group policy requires for material translation exposure to be established under effective hedge relationships by ensuring that the critical terms of the hedging instruments match with the terms of the hedged item so as maintain the hedge ratio to be 1:1. The Group uses prospective effectiveness assessment (dollar offset / hypothetical derivative method) to ensure that an economic relationship exists between the hedged item and hedging instrument.

(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 transacting group entity. The Group, through its parent entity, several intermediary entities and subsidiaries; operates across multiple geographies in the Africa and Asia continent. Accordingly, the Group is exposed to translation risk on the net investment in foreign subsidiaries. The Group has foreign currency trade payables, receivables and borrowings (internal as well as external). However, foreign exchange exposure mainly arises from borrowings and trade payables denominated in foreign currencies and certain net investment in foreign currency. Consequently, the Group is mainly exposed to foreign exchange risks related to USD / Euro vis-à-vis the functional currencies and the translation risk related to USD to INR and USD to XAF-XOF (pegged to Euro).

The foreign exchange risk management policy of the Group requires it to manage the foreign exchange risk either through derivatives or reducing the exposure by transacting as far as possible in the functional currency. Moreover, the Group 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 19. Further, for the details as to the fair value of various outstanding derivative financial instruments designated in a hedge relationship or otherwise refer note 10.

As per the Group's hedging policy certain foreign currency liability, highly probable forecast transactions and material net investment of the Group in foreign subsidiaries have been designated under cash flow hedge and net investment hedge respectively. The following table analyses the movement in the cash flow hedge reserve / net investment hedging in FCTR due to said hedges and details thereto.

a) Cash flow hedge

	March 31, 2020	March 31, 2019	
Currency exchange risk hedged	CHF to USD#	Euro to USD	CHF to USD
Nominal amount of hedging instruments	CHF 350 Mn	Euro 870 Mn	CHF 350 Mn
Maturity date	March 2020	December 2018	March 2020
Weighted average forward price	1 CHF: 1.12 USD	1 Euro: 1.12 USD	1 CHF: 1.12 USD
Carrying value of derivative instruments (liabilities)	-	-	1,806
Change in fair value during the year			
Hedged item	(1,806)	7,377	2,173
Hedging instrument	1,806	(7,377)	(2,173)
CFHR for continuing hedge	-	-	138
Hedging loss recognised during the year	-	(7,377)	(2,173)
Gain reclassification during the year to P&L	109	6,968	1,778

#Bharti Airtel International (Netherlands) B.V., a subsidiary of the Company, had redeemed CHF 350 Mn (₹ 26,486) 3% senior notes in March 2020 and Euro 1,000 Mn (₹ 79,948) 4% senior notes in December 2018. Consequently, the cash flow hedges on these bonds were discontinued.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

b) Net investment hedge

	March 31, 2020		March 31, 2019	
Currency exchange risk hedged	Euro to USD	USD to INR	Euro to USD	USD to INR
Nominal amount of hedging instruments	Euro 160 Mn	USD 1883 Mn	Euro 365 Mn	USD 1405 Mn
Maturity date	May 2021	June 2025 - February 2028	May 2021	June 2025 - February 2028
Carrying value of hedging instruments (borrowings)	13,364	142,473	28,335	97,163
Change in fair value during the year				
Hedged item	(377)	11,232	(3,101)	4,855
Hedging instrument	377	(11,232)	3,101	(4,855)
FCTR loss for continuing hedge (net of tax and NCI)	(1,941)	(25,067)	(2,153)	(16,707)
Hedging loss recognised during the year	377	(11,232)	3,101	(4,855)

Foreign currency sensitivity

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

	Change in currency exchange rate	Effect on profit before tax	Effect on equity (OCI)
For the year ended March 31, 2020			
US Dollar	+5%	(8,017)	(10,567)
	-5%	8,017	10,567
Euro	+5%	(2,696)	(681)
	-5%	2,696	681
Others	+5%	(174)	-
	-5%	174	-

	Change in currency exchange rate	Effect on profit before tax	Effect on equity (OCI)
For the year ended March 31, 2019			
US Dollar	+5%	(10,269)	(9,109)
	-5%	10,269	9,109
Euro	+5%	(2,368)	(1,590)
	-5%	2,368	1,590
Others	+5%	(905)	-
	-5%	905	-

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(All amounts are in millions of Indian Rupee; 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 / Euro / CHF denominated borrowings, derivative financial instruments, trade and other 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 Group's Management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

(ii) Interest rate risk

As the Group 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 Group's interest rate risk arises mainly from borrowings.

Borrowings

Borrowings with floating and fixed interest rates expose the Group to cash flow and fair value interest rate risk respectively. However, the short-term borrowings of the Group 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 Group to achieve an optimum debt-mix basis its overall objectives and future market expectations.

The Group 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.

The Group has designated the interest rate components (which is separately identifiable from other components) of certain fixed interest rate bonds under the hedge relationship since historically it accounts for substantial portions of the total fair value change of the bonds.

The following table analyses the financial impact of fair value hedge and details thereto.

	March 31, 2020	March 31, 2019
Interest rate risk covered for currency	USD	USD
Nominal amount of Hedging instruments	USD 2200 Mn#	USD 2200 Mn
Maturity date	-	March 2023 - June 2025
Carrying value of hedging instruments (derivative assets)	-	1,468
Carrying value of hedging instruments (derivative liabilities)	-	476
Carrying value of hedged item (borrowings)	-	152,141
Change in fair value during the year		
Hedged item	(5,752)	(5,055)
Hedging instrument	5,759	5,338
Hedge ineffectiveness recognised in finance income/cost during the year	8	283
Cumulative change in fair value of hedged item	-	943
Unamortised portion of fair value hedge adjustment	(4,484)	735

#During the year, the derivatives designated for fair value hedges has been cancelled.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

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 (basis points)	Effect on profit before tax
For the year ended March 31, 2020		
INR - borrowings	+100	(2,166)
	-100	2,166
USD - borrowings	+25	(161)
	-25	161
Other currency - borrowings	+100	(56)
	-100	56
For the year ended March 31, 2019		
INR - borrowings	+100	(2,021)
	-100	2,021
USD - borrowings	+25	(306)
	-25	306
Euro - borrowings	+25	(34)
	-25	34
Other currency - borrowings	+100	(219)
	-100	219

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 Group's borrowings in INR, USD and Euro (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 Group's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

(iii) Price risk

The Group invests its surplus funds in various fixed income products, including but not limited to debt mutual funds, short term debt funds, corporate debt, government securities and fixed deposits. In order to manage its price risk arising from investments, the Group diversifies its portfolio in accordance with the limits set by the risk management policies. The Group has exposure across debt securities, mutual fund and money market instruments.

Debt investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenor of money market instruments and the underlying portfolio in liquid schemes, these do not pose any significant price risk. On the duration investment balance, an increase / decrease of 25 basis points in market yields (parallel shift of the yield curves), will result in decrease / increase in the marked to market value of the investments by ₹ 44 and ₹ 147 as on March 31, 2020 and March 31, 2019 respectively.

(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 Group to potential financial losses.

The Group is exposed to credit risk mainly with respect to trade receivables, investment in bank deposits, debt securities, mutual funds and derivative financial instruments.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Trade receivables

The Trade receivables of the Group are typically non-interest bearing unsecured 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 Group, 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 Group'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 Group to its customers generally ranges from 14-30 days except Airtel business segment wherein it ranges from 7-90 days.

The Group uses a provision matrix to measure the expected credit loss of trade receivables, which comprise a very large numbers of small balances. Refer note 15 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 270 days past due in case of interconnect debtors in Africa Mobile Segment and 90 days past due in all other cases.

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

	Neither past due nor impaired	Past due but not impaired				Total
		Less than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
March 31, 2020	11,891	16,860	7,128	6,402	3,777	46,058
March 31, 2019	12,548	12,109	6,765	5,183	6,401	43,006

The Group 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 of (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group 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 Group 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 Group's treasury, in accordance with the board approved policy, maintains its cash and cash equivalents, deposits and investment in mutual funds & debt securities, and enters into derivative financial instruments - with banks, financial and other institutions, having good reputation and past track record, and high / sovereign credit rating. Similarly, counter-parties of the Group's other receivables carry either no or very minimal credit risk. Further, the Group 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 Group will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Group 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.

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Moreover, the GSM 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 19.

Based on past performance and current expectations, the Group 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 Group's financial liabilities based on contractual undiscounted payments:

	As of March 31, 2020						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings*#	1,210,463	20,406	161,779	115,322	168,813	1,263,802	1,730,122
Lease liabilities*	306,091	-	36,827	49,520	74,869	246,008	407,224
Other financial liabilities#	201,480	29,238	93,008	37,460	39,553	2,872	202,131
Trade payables	250,199	-	250,199	-	-	-	250,199
Financial liabilities (excluding derivatives)	**1,968,233**	**49,644**	**541,813**	**202,302**	**283,235**	**1,512,682**	**2,589,676**
Derivative liabilities	860	-	319	239	-	302	860

	As of March 31 , 2019						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings*#	1,240,149	24,802	304,325	153,248	197,561	1,058,793	1,738,729
Lease liabilities*	47,553		5,049	5,049	10,097	45,593	65,788
Other financial liabilities#	203,851	19,100	113,102	10,649	9,804	51,196	203,851
Trade payables	263,138	-	263,138	-	-	-	263,138
Financial liabilities (excluding derivatives)	**1,754,691**	**43,902**	**685,614**	**168,946**	**217,462**	**1,155,582**	**2,271,506**
Derivative liabilities	13,568	-	10,651	2,112	149	656	13,568

*It 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 has been included in interest bearing borrowings and excluded from other financial liabilities.

vi) Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows:

Balance sheet caption	Statement of cash flows line item	April 1, 2019	Cash flows	FCCBs	Non-cash movements					March 31, 2020
					Interest expense	Foreign exchange	Fair value changes	FCTR	Others	
Borrowings*	Proceeds / repayments of borrowings (including short-term)	741,071	(179,553)	65,012	-	14,362	2,476	23,211	48,821	715,399
Interest accrued but not due / derivative instruments	Interest and other finance charges paid	39,052	(94,859)	-	112,314	(6,084)	(3,925)	749	(14,709)	32,538

*It does not include deferred payment liabilities and bank overdraft but include obligations towards Africa tower sale, and lease back transaction.

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2. Capital risk

The Group'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 Group'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 Group may issue new shares, declare dividends, return capital to shareholders, etc.

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

The Group monitors capital using a gearing ratio calculated as below:

	As of March 31, 2020	As of March 31, 2019
Borrowings	1,176,190	1,206,730
Less: cash and cash equivalents	135,507	62,121
Less: term deposits with bank	153	273
Net debt	**1,040,530**	**1,144,336**
Equity	771,448	714,222
Total capital	**771,448**	**714,222**
Capital and net debt	**1,811,978**	**1,858,558**
Gearing ratio	**57.4%**	**61.6%**

37. Fair value of financial assets and liabilities

The category wise details as to the carrying value, fair value and the level of fair value measurement hierarchy of the Group's financial instruments are as follows:

	Level	Carrying value as of		Fair value as of	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial assets					
Fair value through profit and loss					
Derivatives					
- Currency swaps, forward and option contracts	Level 2	2,716	346	2,716	346
- Interest swaps	Level 2	117	3,185	117	3,185
Investments-quoted	Level 1	154,682	62,546	154,682	62,546
Investments-unquoted	Level 2	3,275	3,515	3,275	3,515
Fair value through other comprehensive income					
Investments-quoted	Level 1	-	2,112	-	2,112
Amortised cost					
Security deposits		8,728	16,452	8,728	16,452
Trade receivables		46,058	43,006	46,058	43,006
Cash and cash equivalents		135,507	62,121	135,507	62,121
Other bank balances		23,420	18,519	23,420	18,519
Other financial assets		225,219	29,585	225,219	29,585
		599,722	**241,387**	**599,722**	**241,387**

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37. Fair value of financial assets and liabilities (Contd..)

	Level	Carrying value as of		Fair value as of	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial liabilities					
Fair value through profit and loss					
Derivatives					
- Currency swaps, forward and option contracts	Level 2	600	3,691	600	3,691
- Interest rate swaps / others	Level 2	26	9,579	26	9,579
- Embedded derivatives	Level 2	234	298	234	298
Amortised cost					
Borrowings - fixed rate	Level 1	333,510	254,194	325,204	256,985
Borrowings - fixed rate	Level 2	502,343	625,002	575,157	663,523
Borrowings - floating rate		340,337	375,087	340,337	375,087
Trade payables		250,199	263,138	250,199	263,138
Other financial liabilities		235,753	237,270	235,753	237,270
		1,663,002	**1,768,259**	**1,727,510**	**1,809,571**

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

i. The carrying value of other bank balances, trade receivables, trade payables, short-term borrowings, floating-rate long-term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments / being subject to floating-rates.

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

iii. The fair value of non-current financial assets, other long-term borrowings and other financial 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 Group 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, 2020 and March 31, 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

The following table describes the key inputs used in the valuation (basis discounted cash flow technique) of level 2 financial assets / liabilities as of March 31, 2020 and March 31, 2019:

Financial assets / liabilities	Inputs used
Derivatives	
- Currency swaps, forward and option contracts	Forward currency exchange rates, Interest rates
- Interest swaps	Prevailing / forward interest rates in market, Interest rates
- Embedded derivatives	Forward currency exchange rates, Interest rates
Investments	Prevailing interest rates in market, Interest rates
Fixed rate borrowings	Prevailing interest rates in market, Future payouts, Interest rates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Level 3 financial instruments

The following table provides the details as to changes in value of financial instruments categorised within level 3 of the fair value hierarchy:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening balance	9,139	-
Issuance: recognised in finance costs / finance income	-	9,139
Increase in fair value (net): recognised in finance costs / finance income	31,979	-
Payment	(41,118)	-
Closing balance	**-**	**9,139**

As part of issue of equity shares to global investors, the Group had committed indemnities pertaining to acquisition of non-controlling interest in Group's operations and other protections (together referred as 'indemnities'). The derivative liabilities for such indemnities derived its value based on the price of the shares. The significant input to valuation was the probability of payout of these indemnities. The liability was valued on the basis of probability weighted amount payable for these indemnities and was considered a significant unobservable input to the valuation, thereby resulting in the embedded derivative being classified as Level 3 in the fair value hierarchy.

The Group engages external, independent and qualified valuers to determine the fair value of the Group's embedded derivative categorized within level 3.

Narrative description of sensitivity of fair value changes to changes in unobservable inputs

Any increase/ decrease in probability of expected payouts under non-controlling indemnity liability by 5% will result in 5% increase/ decrease in the derivative liability value.

38. COVID-19

Covid 19 pandemic has resulted in a nationwide locked down with restrictions imposed on movement of people and goods. Telecommunications, Internet, Broadcast and Cable Services" have been mentioned as an "Essential" service in all government orders/notifications. Consequently, the Group formulated a robust Business Continuity Plan to ensure that its operations are not disrupted. The Group has considered a range of possible scenarios to understand potential outcomes on its business and plan appropriately.

A detail assessment has been carried out by the Group for each business segment with regards to impact on revenue and costs. Impact due to any extended credit terms, cancelled orders, change in contractual terms, price concession request, onerous obligations etc. were comprehensively evaluated for any risk due to Covid-19 on revenue recognized and collectability thereof and no material impact has been noted. The Group has not experienced any loss of significant customer on account of force majeure clauses in the revenue contracts. Besides, the Group has also assessed its other arrangements, including leasing and borrowing arrangements and no changes in terms of those arrangements are expected due to COVID-19. In borrowing arrangements, the Group has not defaulted and there is no breach of any of the debt covenants. Further, impairment testing of tangible assets, goodwill and Group's investments in joint ventures and associates was also re-performed to assess any potential impairment on account of COVID 19. Based on the impairment assessment performed as at March 31, 2020, no further impairment was required to be recorded in the books of accounts.

The Group has also re-assessed its financial risk management policies and impact of any change on the related disclosures in the financial statements, on counterparty credit risk, liquidity risk and foreign currency risk and no material impact has been noted. Further, the Group has also evaluated its hedging arrangements and hedge effectiveness and no material impact was noted.

Accordingly, there is no material impact on the consolidated financial statements for the year ended March 31, 2020.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

39. 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. DoT had also filed an appeal against the single judge order. Both these appeals are tagged together and are listed for final hearing.

(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.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

40. Additional information as required under Schedule III of the Companies Act, 2013

Table 1 - Details pertaining to share in net assets, profit or loss and total comprehensive income

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2020 and 2019 (Refer note 1 and 2)	Principal place of operation / country of incorporation	March 31, 2020					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
	Parent								
	- Telecommunication services								
1	Bharti Airtel Limited	100%	India	99.32%	1,014,306	112.13%	(360,882)	108.21%	(360,952)
	Subsidiaries								
	A. Indian								
	- Telecommunication services								
1	Bharti Hexacom Limited	70%	India	2.96%	30,200	8.44%	(27,165)	8.14%	(27,167)
2	Nxtra Data Limited	100%	India	0.10%	1,056	-0.22%	712	-0.21%	711
3	Smartx Services Limited	53.51%	India	0.00%	7	0.02%	(66)	0.02%	(66)
4	Telesonic Networks Limited	100%	India	0.48%	4,895	-1.27%	4,098	-1.22%	4,081
5	Airtel Digital Limited (formerly known as Wynk Limited)	100%	India	-0.01%	(139)	0.20%	(628)	0.19%	(630)
	- Direct To Home services								
1	Bharti Telemedia Limited	80%	India	-0.74%	(7,601)	-1.20%	3,857	-1.15%	3,852
	- Infrastructure sharing services								
1	Bharti Infratel Limited	53.51%	India	7.32%	74,743	-6.18%	19,900	-5.93%	19,790
	- Investment Company								
1	Nettle Infrastructure Investments Limited	100%	India	-6.13%	(62,645)	-1.49%	4,805	15.52%	(51,782)
	- Others								
1	Bharti Airtel Services Limited	100%	India	0.00%	(32)	-0.08%	254	-0.08%	255
2	Airtel International LLP ^	100%	India	0.01%	77	-0.01%	44	-0.01%	44
	- Uplinking channels for broadcasters								
1	Indo Teleports Limited	100%	India	-0.07%	(672)	0.02%	(70)	0.02%	(70)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Table 1 - Details pertaining to share in net assets, profit or loss and total comprehensive income (Contd..)

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2020 and 2019 (Refer note 1 and 2)	Principal place of operation / country of incorporation	March 31, 2020					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
	B. Foreign								
	- Infrastructure sharing services								
1	Congo RDC Towers S.A. ^	100%	Democratic Republic of Congo	-0.07%	(675)	0.01%	(18)	0.01%	(18)
2	Gabon Towers S.A. # ^	97.95%	Gabon	0.00%	(2)	0.00%	(0)	0.00%	(0)
3	Madagascar Towers S.A. ^	100%	Madagascar	0.08%	809	-0.06%	185	-0.06%	185
4	Malawi Towers Limited ^	100%	Malawi	-0.03%	(339)	0.00%	7	0.00%	7
5	Tanzania Towers Limited ^	51.00%(i)	Tanzania	0.00%	(35)	0.00%	1	0.00%	1
	- Investment Company								
1	Africa Towers N.V. ^	100%	Netherlands	-0.07%	(708)	0.03%	(98)	0.03%	(98)
2	Airtel Mobile Commerce B.V. ^	100%	Netherlands	-0.02%	(201)	0.03%	(83)	0.02%	(83)
3	Airtel Mobile Commerce Holdings B.V. ^	100%	Netherlands	0.00%	3	0.00%	2	0.00%	2
4	Airtel Africa Mauritius Limited	100%	Mauritius	10.91%	111,382	10.18%	(32,760)	9.82%	(32,760)
5	Airtel Africa Plc	56.01%(ii)	United Kingdom	31.21%	318,702	-8.33%	26,803	-8.03%	26,803
6	Airtel Mobile Commerce Nigeria B.V. ^	100%	Netherlands	0.00%	0	0.00%	-	0.00%	-
7	Airtel Mobile Commerce (Seychelles) B.V. ^	100%	Netherlands	0.00%	0	0.00%	-	0.00%	-
8	Airtel Mobile Commerce Congo B.V. ^	100%	Netherlands	0.00%	0	0.00%	-	0.00%	-
9	Airtel Mobile Commerce Kenya B.V. ^	100%	Netherlands	0.00%	0	0.00%	-	0.00%	-
10	Airtel Mobile Commerce Madagascar B.V. ^	100%	Netherlands	0.00%	0	0.00%	-	0.00%	-
11	Airtel Mobile Commerce Malawi B.V. ^	100%	Netherlands	0.00%	0	0.00%	-	0.00%	-
12	Airtel Mobile Commerce Rwanda B.V. ^	100%	Netherlands	0.00%	0	0.00%	-	0.00%	-
13	Airtel Mobile Commerce Tchad B.V. ^	100%	Netherlands	0.00%	0	0.00%	-	0.00%	-
14	Airtel Mobile Commerce Uganda B.V. ^	100%	Netherlands	0.00%	0	0.00%	-	0.00%	-
15	Airtel Mobile Commerce Zambia B.V. ^	100%	Netherlands	0.00%	0	0.00%	-	0.00%	-
16	Bharti Airtel Africa B.V. ^	100%	Netherlands	11.04%	112,795	-6.98%	22,452	-6.73%	22,452

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Table 1 - Details pertaining to share in net assets, profit or loss and total comprehensive income (Contd..)

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2020 and 2019 (Refer note 1 and 2)	Principal place of operation / country of incorporation	March 31, 2020					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
17	Bharti Airtel Chad Holdings B.V. ^	100%	Netherlands	-0.06%	(637)	0.00%	0	0.00%	0
18	Bharti Airtel Congo Holdings B.V. ^	100%	Netherlands	0.45%	4,636	-0.06%	202	-0.06%	202
19	Bharti Airtel Developers Forum Limited ^	96.36%	Zambia	-	-	0.00%	-	0.00%	-
20	Bharti Airtel Holding (Mauritius) Limited	100%	Mauritius	0.01%	11,545	0.00%	(1)	0.00%	(1)
21	Bharti Airtel Overseas (Mauritius) Limited	100%	Mauritius	0.01%	7,963	-0.35%	1,142	-0.34%	1,142
22	Bharti Airtel Gabon Holdings B.V. ^	100%	Netherlands	0.95%	9,655	0.00%	(0)	0.00%	(0)
23	Bharti Airtel International (Mauritius) Limited	100%	Mauritius	1.87%	19,109	-0.16%	528	-0.16%	528
24	Bharti Airtel International (Netherlands) B.V. ^	100%	Netherlands	22.78%	232,661	-8.67%	27,917	-8.37%	27,917
25	Bharti Airtel Kenya B.V. ^	100%	Netherlands	-2.78%	(28,401)	0.91%	(2,925)	0.88%	(2,925)
26	Bharti Airtel Kenya Holdings B.V. ^	100%	Netherlands	-0.33%	(3,372)	0.04%	(142)	0.04%	(142)
27	Bharti Airtel Madagascar Holdings B.V. ^	100%	Netherlands	-0.47%	(4,808)	0.00%	0	0.00%	0
28	Bharti Airtel Malawi Holdings B.V. ^	100%	Netherlands	0.42%	4,240	-0.68%	2,200	-0.66%	2,200
29	Bharti Airtel Mali Holdings B.V. ^	100%	Netherlands	0.00%	(22)	0.01%	(24)	0.01%	(24)
30	Bharti Airtel Niger Holdings B.V. ^	100%	Netherlands	1.55%	15,792	-0.27%	867	-0.26%	867
31	Bharti Airtel Nigeria B.V. ^	100%	Netherlands	-9.38%	(95,774)	1.11%	(3,560)	1.07%	(3,560)
32	Bharti Airtel Nigeria Holdings II B.V. ^	100%	Netherlands	-0.01%	(125)	0.00%	(0)	0.00%	(0)
33	Bharti Airtel RDC Holdings B.V. ^	100%	Netherlands	-0.11%	(1,167)	0.00%	1	0.00%	1
34	Bharti Airtel Rwanda Holdings Limited ^	100%	Mauritius	0.00%	(24)	0.00%	(1)	0.00%	(1)
35	Bharti Airtel Services B.V. ^	100%	Netherlands	0.04%	361	0.00%	(14)	0.00%	(14)
36	Bharti Airtel Tanzania B.V. ^	100%	Netherlands	-0.45%	(4,600)	0.00%	(0)	0.00%	(0)
37	Bharti Airtel Uganda Holdings B.V. ^	100%	Netherlands	0.02%	197	-2.31%	7,442	-2.23%	7,442
38	Bharti Airtel Zambia Holdings B.V. ^	100%	Netherlands	1.15%	11,761	0.00%	(0)	0.00%	(0)
39	Celtel (Mauritius) Holdings Limited ^	100%	Mauritius	0.29%	2,945	0.00%	0	0.00%	0

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Table 1 - Details pertaining to share in net assets, profit or loss and total comprehensive income (Contd..)

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2020 and 2019 (Refer note 1 and 2)	Principal place of operation / country of incorporation	March 31, 2020					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
40	Channel Sea Management Company (Mauritius) Limited ^	100%	Mauritius	0.00%	36	0.00%	(1)	0.00%	(1)
41	Indian Ocean Telecom Limited ^	100%	Jersey	0.16%	1,654	-0.09%	303	-0.09%	303
42	Montana International ^	100%	Mauritius	0.00%	(17)	0.00%	(1)	0.00%	(1)
43	Partnership Investments Sarl ^	100%	Democratic Republic of Congo	-	-	0.00%	-	0.00%	-
44	Société Malgache de Téléphone Cellulaire S.A. ^	100%	Mauritius	0.01%	116	0.00%	(1)	0.00%	(1)
45	Bharti Airtel International (Mauritius) Investments Limited	100%	Mauritius	0.00%	(1)	0.00%	(1)	0.00%	(1)
	- Mobile commerce services								
1	Airtel Mobile Commerce (Kenya) Limited ^	100%	Kenya	0.00%	0	0.00%	-	0.00%	-
2	Airtel Mobile Commerce (Seychelles) Limited ^	100%	Seychelles	0.00%	(40)	0.00%	(3)	0.00%	(3)
3	Airtel Mobile Commerce (Tanzania) Limited ^	100%	Tanzania	0.00%	0	0.00%	(0)	0.00%	(0)
4	Airtel Mobile Commerce (Malawi) Limited ^	100%	Malawi	0.08%	798	-0.06%	198	-0.06%	198
5	Airtel Mobile Commerce Madagascar S.A. ^	100%	Madagascar	0.02%	207	-0.04%	130	-0.04%	130
6	Airtel Mobile Commerce Rwanda Limited ^	100%	Rwanda	0.00%	1	0.00%	-	0.00%	-
7	Airtel Mobile Commerce Tchad S.a.r.l. ^	100%	Chad	0.00%	0	0.00%	-	0.00%	-
8	Airtel Mobile Commerce Uganda Limited ^	100%	Uganda	0.00%	0	0.00%	-	0.00%	-
9	Airtel Mobile Commerce Zambia Limited ^	100%	Zambia	0.07%	721	-0.26%	852	-0.26%	852
10	Airtel Money (RDC) S.A. ^	98.50%	Democratic Republic of Congo	0.18%	1,796	-0.26%	831	-0.25%	831

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Table 1 - Details pertaining to share in net assets, profit or loss and total comprehensive income (Contd..)

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2020 and 2019 (Refer note 1 and 2)	Principal place of operation / country of incorporation	March 31, 2020					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
11	Airtel Money Niger S.A. ^	90%	Niger	0.00%	199	-0.03%	111	-0.03%	111
12	Airtel Money S.A. (Gabon) ^	100%	Gabon	0.23%	2,298	-0.37%	1,200	-0.36%	1,200
13	Airtel Money Transfer Limited ^	100%	Kenya	0.00 %	14	0.00%	(1)	0.00%	(1)
14	Mobile Commerce Congo S.A. ^	100%	Congo Brazzaville	0.00%	1	0.00%	-	0.00%	-
15	Airtel Money Tanzania Limited ^	51.00%(i)	Tanzania	0.03%	275	-0.18%	564	-0.17%	564
16	Airtel Mobile Commerce Nigeria Limited ^	91.74%(iii)	Nigeria	-	-	0.00%	-	0.00%	-
	- Submarine Cable System								
1	Network i2i Limited	100%	Mauritius	17.90%	182,764	0.21%	(681)	0.20%	(681)
2	Network I2I (Kenya) Limited (incorporated w.e.f. July 3, 2019)	100%	Kenya	0.00%	-	0.00%	-	0.00%	-
	- Telecommunication services								
1	Airtel (Seychelles) Limited ^	100%	Seychelles	0.05%	508	-0.06%	197	-0.06%	197
2	Airtel Congo (RDC) S.A. ^	98.50%	Democratic Republic of Congo	-5.37%	(54,840)	-1.25%	4,032	-1.21%	4,032
3	Airtel Congo S.A. ^	90.00%	Congo Brazzaville	-0.17%	(1,742)	0.39%	(1,259)	0.38%	(1,259)
4	Airtel Gabon S.A. ^	97.95%	Gabon	-0.52%	(5,336)	0.08%	(243)	0.07%	(243)
5	Airtel Madagascar S.A. ^	100%	Madagascar	-0.94%	(9,607)	0.53%	(1,716)	0.51%	(1,716)
6	Airtel Malawi Plc ^	80.00%(iv)	Malawi	0.23%	2,364	-0.75%	2,422	-0.73%	2,422
7	Airtel Networks Kenya Limited @^	100%	Kenya	-3.15%	(32,146)	0.95%	(3,048)	0.91%	(3,048)
8	Airtel Networks Limited ^	91.74%(iii)	Nigeria	2.91%	29,737	-7.95%	25,571	-7.67%	25,571
9	Airtel Rwanda Limited ^	100%	Rwanda	-2.04%	(20,810)	1.07%	(3,428)	1.03%	(3,428)
10	Airtel Tanzania Public Limited Company ^ (Formerly known as Airtel Tanzania Limited)	51.00%(i)	Tanzania	-3.08%	(31,501)	-0.43%	1,386	-0.42%	1,386
11	Airtel Tchad S.A. ^	100%	Chad	-0.59%	(5,986)	-0.01%	44	-0.01%	44
12	Airtel Uganda Limited ^	100%	Uganda	0.12%	1,269	-1.95%	6,260	-1.88%	6,260
13	Bharti Airtel (France) SAS	100%	France	0.08%	835	-0.06%	185	-0.06%	185

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

Table 1 - Details pertaining to share in net assets, profit or loss and total comprehensive income (Contd..)

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2020 and 2019 (Refer note 1 and 2)	Principal place of operation / country of incorporation	March 31, 2020					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
14	Bharti Airtel (Hong Kong) Limited	100%	Hong Kong	0.04%	374	-0.05%	161	-0.05%	161
15	Bharti Airtel (Japan) Private Limited	100%	Japan	0.00%	9	0.00%	4	0.00%	4
16	Bharti Airtel (UK) Limited	100%	United Kingdom	0.13%	1,346	-0.13%	403	-0.12%	403
17	Bharti Airtel (USA) Limited	100%	United States of America	0.09%	960	0.00%	9	0.00%	9
18	Bharti Airtel Lanka (Private) Limited	100%	Sri Lanka	-0.25%	(2,552)	0.67%	(2,165)	0.65%	(2,167)
19	Bharti International (Singapore) Pte. Ltd.	100%	Singapore	1.26%	12,881	0.01%	(47)	0.01%	(47)
20	Celtel Niger S.A. ^	90%	Niger	-0.31%	(3,142)	0.67%	(2,158)	0.65%	(2,158)
21	Airtel Networks Zambia Plc ^	96.36%	Zambia	-0.22%	(2,289)	0.32%	(1,034)	0.31%	(1,034)
	Minority Interests in all subsidiaries			24.46%	249,847	4.72%	(15,190)	7.03%	(23,460)
	Associates (Investment as per the equity method)								
	A. Indian								
	- Financial Services								
1	Seynse Technologies Private Limited	22.54%	India	0.00%	-	0.00%	-	0.00%	-
	- Mobile commerce services								
1	Airtel Payments Bank Limited	80.10%	India	0.98%	10,010	1.46%	(4,684)	1.40%	(4,678)
	- Others								
1	Juggernaut Books Private Limited	17.79%(v)	India	0.01%	107	0.00%	(2)	0.00%	(2)
	B. Foreign								
	- Submarine cable system								
1	Seychelles Cable Systems Company Limited ^	26%	Seychelles	0.03%	261	0.00%	13	0.00%	13

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Table 1 - Details pertaining to share in net assets, profit or loss and total comprehensive income (Contd..)

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2020 and 2019 (Refer note 1 and 2)	Principal place of operation / country of incorporation	March 31, 2020					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
	- Telecommunication services								
1	Robi Axiata Limited	25%	Bangladesh	2.51%	25,649	-0.04%	128	-0.04%	146
2	RedDot Digital Limited (Incorporated on 5 November 2019)	25%	Bangladesh	0.00%	-	0.00%	-	0.00%	-
	Joint Ventures (Investment as per the equity method)								
	A. Indian								
	- Passive infrastructure services								
1	Indus Towers Limited	22.47%	India	5.94%	60,673	-4.09%	13,151	-3.94%	13,142
	- Telecommunication services								
1	FireFly Networks Limited	50%	India	0.00%	31	-0.01%	27	-0.01%	27
	B. Foreign								
	- Provision of regional mobile services								
1	Bridge Mobile Pte Limited	10%	Singapore	0.01%	77	0.00%	5	0.00%	5
	- Telecommunication services								
1	Bharti Airtel Ghana Holdings B.V.	50%	Netherlands	0.00%	0	0.66%	(2,114)	0.63%	(2,114)
	Inter-company eliminations / adjustments on consolidation				(1,174,380)		(37,225)		16,077
	Total			**100%**	**1,021,295**	**100%**	**(321,832)**	**100%**	**(333,580)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Table 2 - Details pertaining to share in other comprehensive income.

S. No.	Name of the entity	% of shareholding as at March 31, 2020 and 2019 (Refer note 1 and 2)	Principal place of operation / country of incorporation	March 31, 2020 Share in other comprehensive income ('OCI') As % of OCI	March 31, 2020 Share in other comprehensive income ('OCI') Amount
	Parent				
	Telecommunication services				
1	Bharti Airtel Limited	100%	India	0.60%	(70)
	Subsidiaries				
	- Indian				
	- Telecommunication services				
1	Bharti Hexacom Limited	70%	India	0.02%	(2)
2	Nxtra Data Limited	100%	India	0.01%	(1)
3	Telesonic Networks Limited	100%	India	0.14%	(17)
4	Airtel Digital Limited (formerly known as Wynk Limited)	100%	India	0.02%	(2)
	- Direct To Home services				
1	Bharti Telemedia Limited	80%	India	0.04%	(5)
	- Infrastructure sharing services				
1	Bharti Infratel Limited	53.51%	India	0.94%	(110)
	- Investment Company				
1	Nettle Infrastructure Investments Limited	100%	India	481.67%	(56,587)
	- Other				
1	Bharti Airtel Services Limited	100%	India	-0.01%	1
	- Foreign				
	- Telecommunication services				
1	Bharti Airtel Lanka (Private) Limited	100%	Sri Lanka	0.02%	(2)
	Minority Interests in all subsidiaries			70.39%	(8,270)
	Associates (Investment as per the equity method)				
	A. Foreign				
	- Telecommunication services				
1	Robi Axiata Limited	25%	Bangladesh	-0.15%	18
	- Mobile commerce services				
1	Airtel Payments Bank Limited	80.10%	India	-0.05%	6

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

S. No.	Name of the entity	% of shareholding as at March 31, 2020 and 2019 (Refer note 1 and 2)	Principal place of operation / country of incorporation	March 31, 2020 Share in other comprehensive income ('OCI')	
				As % of OCI	Amount
	Joint Ventures (Investment as per the equity method)				
	A. Indian				
	- Passive infrastructure services				
1	Indus Towers Limited	22.47%	India	0.08%	(9)
	Inter-company eliminations / adjustments on consolidation				53,302
	Total			**100%**	**(11,748)**

Notes:

1 Changes in shareholding during the year ended March 31, 2020:

i) The Company has reduced its shareholding to 51.00% (60% in March 31, 2019) during the year ended March 31, 2020.

ii) The Company has reduced its shareholding to 56.01% (68.31% in March 31, 2019) during the year ended March 31, 2020.

iii) The Company has reduced its shareholding to 91.74% (91.77% in March 31, 2019) during the year ended March 31, 2020.

iv) The Company has reduced its shareholding to 80.00% (100.00% in March 31, 2019) during the year ended March 31, 2020.

v) The Company has reduced its shareholding to 17.79% (19.35% in March 31, 2019) during the year ended March 31, 2020.

2 Others

#Under liquidation.

@ The Group also holds 100% preference shareholding in the Company. The preference shares do not carry any voting rights.

^During the period effective shareholding of Airtel Africa Plc ('AAP') has been changed to 56.01%, due to which effective shareholding of entities owned by AAP directly/ indirectly will undergo change vis-à-vis the % presented in the above table.

The figures which are appearing as '0' are result of rounding off.