bharti

August 20, 2016

National Stock Exchange of India Limited
Exchange Plaza, C-1 Block G
Bandra Kurla Complex, Bandra (E),
Mumbai-400051

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai-400001

Ref: Bharti Airtel Limited (532454 / BHARTIARTL)

Sub: Adoption of Annual Report by shareholders in 21st Annual General Meeting

Dear Sir/ Madam,

Pursuant to Regulation 34 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015, Annual Report of the Company, as adopted by the shareholders in the Annual General Meeting held on Friday, August 19, 2016 at 03:30p.m, is enclosed.

We request you to take the same on record.

Thanking you,

Sincerely Yours

For Bharti Airtel Limited

Rajendra Chopra
Sr. Vice President & Company Secretary

Encl: As above

Transformational Network

ENRICHING EXPERIENCE.
ENDURING VALUE.

Bharti Airtel Limited | Annual Report 2015-16

Corporate Information

Board of Directors

Mr. Sunil Bharti Mittal, *Chairman*
Ms. Chua Sock Koong
Sheikh Faisal Thani Al-Thani
Mr. Ben Verwaayen
Mr. Rakesh Bharti Mittal
Mr. V. K. Viswanathan
Mr. Craig Ehrlich
Mr. D. K. Mittal
Mr. Manish Kejriwal
Mr. Shishir Priyadarshi
Ms. Tan Yong Choo
Mr. Gopal Vittal, *Managing Director & CEO (India & South Asia)*

Executive Chairman (Africa)

Bharti Airtel International (Netherlands) B.V.
Mr. Christian de Faria

Company Secretary & Compliance Officer

Mr. Rajendra Chopra

Statutory Auditors

M/s. S. R. Batliboi & Associates LLP
Chartered Accountants

Internal Auditors

M/s. ANB & Co.
M/s. KPMG

Cost Auditors

M/s. R. J. Goel & Co.
Cost Accountants

Secretarial Auditors

M/s. Chandrasekaran Associates
Company Secretaries

Registered & Corporate Office

Bharti Airtel Limited
Bharti Crescent,
1, Nelson Mandela Road,
Vasant Kunj, Phase – II,
New Delhi – 110 070, India

Website

www.airtel.com

Corporate Identification Number (CIN)

L74899DL1995PLC070609

Bharti Airtel Limited is a leading global telecommunication company with operations in 20 countries across Asia and Africa.

Headquartered in New Delhi, India, the Company ranks among the top 3 mobile service providers globally in terms of subscribers. In India, the Company's product offerings include 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high speed DSL broadband, IPTV, DTH, enterprise services including national & international long-distance services to carriers. In the rest of the geographies, it offers 2G, 3G and 4G wireless services and mobile commerce. Bharti Airtel had over 342 Mn customers across its operations at the end of March 2016.

The information contained in this report can be accessed through the **Airtel Investor Relations app** available on the iPhone and iPad.

For the online version of the Annual Report please log on to **http://www.airtel.in/about-bharti/equity/results/**

Inside this Report

"Airtel became the first company in India to receive a payments bank license. I strongly believe with our deep distribution network touching remote corners of the country, Airtel Payments Bank is uniquely placed to deliver a differentiated banking experience to our customers".

Sunil Bharti Mittal, Chairman

PG 12

#3 PG 3

Ranked Telecom Operator Globally
(in terms of subscriber base)

21.1% PG 5

Spectrum Market Share

45.2% PG 5

Incremental RMS (Y-o-Y)

61% PG 5

Incremental EBITDA Margin (Y-o-Y)

₹965.3Bn PG 3

Global Revenues FY 2015-16

Corporate Overview

Statutory Reports

Financial Statements

Telecommunication today reflects majestic leaps of human imagination, transcending the limits of time and space. The industry is seeing unprecedented progress in terms of innovation and adoption of new technologies that elevate life in so many different ways.

Smartphones are now being used by millions of people across the emerging world, resulting in a huge uptake in new applications and data consumption. Regulatory issues are also being scrutinised to untangle the web of complexities; and create a level playing field for market participants globally.

Against the backdrop of these broad trajectories, we at Bharti Airtel crossed major milestones in almost every aspect of the business.

During the year, we emerged as the world's third largest mobile operator in terms of subscribers. We bolstered our operating efficiencies, margins and revenue market share significantly in India. We embarked upon our ambitious Project Leap to radically transform our network in India; and undertook one of our largest sites deployment initiatives, rolling out over 87,000 sites.

Not just that, we unveiled India's first Open Network, setting a new benchmark of transparency for the industry. We are opening up; so that customers can evaluate our capabilities, see our commitment, even partner us in building a truly great network.

We have also had the honour of being India's first company to receive a payments bank license from the Reserve Bank of India. We are committed to help strengthen financial inclusion, leveraging our deep distribution network across India's vast terrains.

The year also saw us responding with resilience in challenging African markets, providing opportunities across communities to help Africa realise its full potential. We are also focusing on a viable blueprint to grow our market share, reduce waste and accelerate voice and non-voice businesses across the continent.

Amid an exciting and eventful year, we continued to drive our environmental and sustainability initiatives with passion and diligence.

This is the broad canvas of sweeping transformation that we are delivering to customers and stakeholders, who partner our vision of enriching lives.

Transformation for us is not just evolution in response to shifting global realities. It is a quest for new paradigms, harbours of hope and innovation in a deeply connected and collaborative world.

Touching Lives
through the transformative power of communication

#1
Ranked telecom operator in India

#2
Ranked telecom operator in Africa

#3
Ranked telecom operator globally (in terms of subscriber base)

342 Mn+
Mobile subscribers across Asia (India, Bangladesh and Sri Lanka) and Africa

77 Mn
Wireless data customers across Asia and Africa

25.2 Mn
New mobile subscriptions in India in FY 2015-16, the fastest subscriber growth in the industry

20
Countries presence across the globe

2 Bn+
Addressable population globally, considering the geographies in which Airtel has presence

₹965.3 Bn
Global revenues in FY 2015-16

1.35 Tn
Minutes of mobile voice traffic in FY 2015-16 globally

597Bn MB
Data usage in FY 2015-16

USD19.8 Bn
Total Airtel Money transaction value in Africa in FY 2015-16 (Q4 annualised)

437 MHz
Spectrum won in auctions in India (February 2014 and March 2015) and acquired via trading

₹760 Bn
Investment in spectrum auction and purchase

₹995.8 Bn
Cumulative contribution to the exchequer in India in the last 5 years

Our Winning Strategy

Vision

Our vision is to enrich the lives of our customers. Our obsession is to win customers for life through exceptional experience.

Objectives

- **Grow market share profitably**
- **Accelerate non-mobile businesses**

Values

- **Alive**
- **Inclusive**
- **Respectful**

Win-win for all

Win through go-to-market excellence

- Grow share of new smartphones and 4G devices
- Accelerate data penetration via intuitive pricing and innovation
- Build India's No. 1 payments bank through a 'frugal and digital' model

Win with a brilliant network experience

- Address customer concerns through quality obsession
- Improve customer advocacy through granular planning and communication
- Drive down unit cost per MB through leveraging multiple technologies

Win with valuable customers

- Grow 3G / 4G data by encouraging consumption, bundling and upgradation
- Grow postpaid through propositions, store experience and B2B drive
- Accelerate B2B through improved experience
- Empower homes through high-speed broadband, low-cost access and bundling
- Win DTH through a disproportionate share of digitisation and innovation

Win with a war on waste

- Drive cost efficiency initiatives
- Lower costs and maximising sharing
- Reduce waste by network re-design

Win with people

- Drive a high-performance culture
- Grow talent through strong learning, mentoring and succession planning

Value Enablers

Our guiding philosophy revolves around customer centricity, performance excellence, transparency and ethical governance.

Large residual opportunity with bulk investments in place

We have large residual opportunities in India and Africa; and are well positioned to capture future growth through our network of towers and base stations, superior spectrum bank, and largest layout of optic fibre.

~50%
Unique mobile users of total SIMs sold
(Source: CISCO VNI Forecasts)

21.1%
Spectrum market share

2x
Industry leading revenue yield/MHz at 2x average with same cost/MHz

435,000 Rkms
Largest optical fibre network among private players

Significant scale and scope to capitalise on the opportunities

Airtel is growing across key growth markets with a subscriber base of 342+ Mn. We are the only telecom operator with a diversified portfolio in India; and we are suitably positioned to capitalise on the opportunities ahead.

45.2% (Y-o-Y)
Incremental Revenue Market Share (RMS) - Highest in the industry

38.7%
Incremental subscriber share as of Feb 2016
(Source: TRAI)

Highest revenue
Market share and subscriber market share in India

Leader in India
and #1 or #2 in 14 African countries

Financial flexibility, strong balance sheet and operating efficiencies

We continue to focus on de-leveraging through strategic initiatives taken in India and Africa which include tower sales, and strategic divestment of two African countries. We realised ~USD 1.6 Bn from tower sales and sales in 3 countries are work-in-progress. We are also achieving high operating efficiencies and strengthening our war on waste across geographies.

9.6%
Revenue growth of India and South Asia (Y-o-Y)

3.2%
Revenue growth of Africa (Y-o-Y) (on a constant currency basis)

34.2% to 35.4%
Increase in EBITDA margins (FY 2014-15 to FY 2015-16)

61%
Incremental EBITDA margin (Y-o-Y)

Global talent pool

Our huge talent pool helps us create differentiated experience for our customers through an attractive portfolio of products and services.

A high-performance culture through talent-first strategy with contemporary learning modules, mentoring, and succession planning strengthens the differentiation of our brand.

Strength of our team:

19,523
India

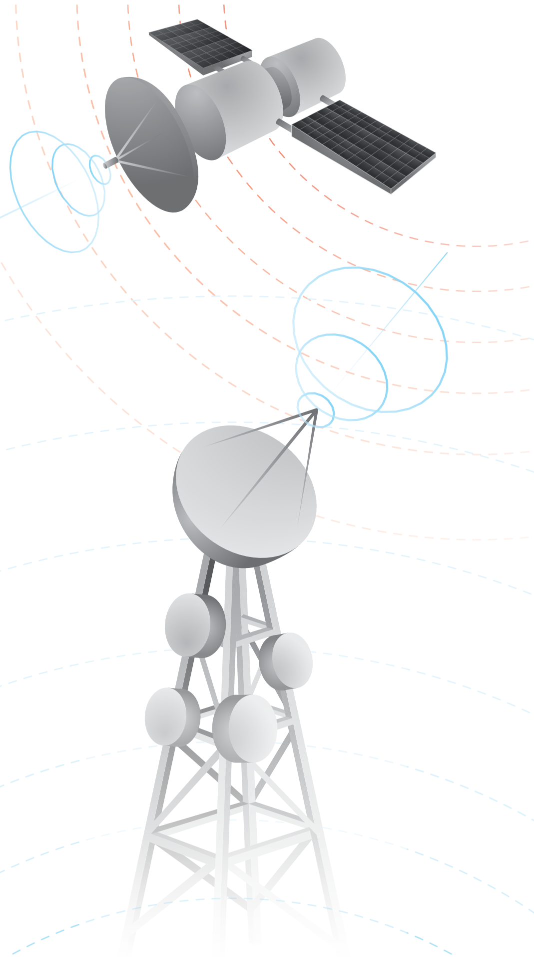
646
South Asia

4,771
Africa

Imagine Our Network of Possibilities

As the world's leading global telecommunications company, we are building the network of the future. Network that is more heterogeneous, flexible and attuned to evolving customer expectations. We are migrating to a more granular network quality model that enhances transparency and reinforces customer trust on the brand.

Our multi-layered and multi-technology network is a futuristic and highly complex architecture. Therefore, in order to maintain and improve the network experience, we have embarked upon innovative tools for near real-time optimisation through Self Optimisation Network (SON) and geo-analytics.



Airtel has pioneered a customer demand centric network planning and densification by getting visibility of the network consumption on a granular 50m x 50m grid. It has helped in ensuring deployment of new sites, small cells in corridors of high consumption, thus improving efficiency of new deployments.

With operations across 20 countries in Asia and Africa, our innovations are touching the lives of millions of people worldwide. We globally rank among the top three mobile service providers in terms of subscribers, offering a wide array of products and services.

We provide telecom services under wireless and fixed line technology, national and international long distance connectivity, Digital TV and IPTV services; and complete integrated telecom solutions to our enterprise customers.

Through 'Airtel Money' we are driving financial inclusion by offering convenience of payments and money transfers on mobile phones over secure and stable platforms.

Product Portfolio

Mobile Services

- First to launch 4G in India
- Pocket-friendly data packs
- Seamless 3G connectivity
- Wide range of plans to choose from

India
₹ Mn

519,636
560,818

8% ↑ Y-o-Y

South Asia
₹ Mn

15,759
16,454

4% ↑ Y-o-Y

Africa
USD Mn

3,935
4,059

3% ↑ Y-o-Y

Telemedia

Landline
- Attractive plans and offers
- Highly reliable service
- 24/7 online support
- Value added services

Internet
- Superior connectivity
- Tailor-made plans
- High speed internet access
- Value added services

₹ Mn

44,325
47,609

7% ↑ Y-o-Y

Digital TV

- Superior digital picture quality
- Dolby digital sound
- HD channels
- Universal remote
- 330+ channels
- Interactive services

₹ Mn

24,759
29,178

18% ↑ Y-o-Y

Airtel Business

- Diverse portfolio of services - voice, data, video, network integration, data centres, managed services, enterprise mobility applications and digital media
- Strategically located submarine cables and satellite network
- Global network running across 225,000 Rkms, covering 50 countries and 5 continents

₹ Mn

67,130
78,033

16% ↑ Y-o-Y

Tower Infrastructure

- One of the world's largest passive infrastructure providers
- 88,808+ towers (including proportionate share of Indus Towers)

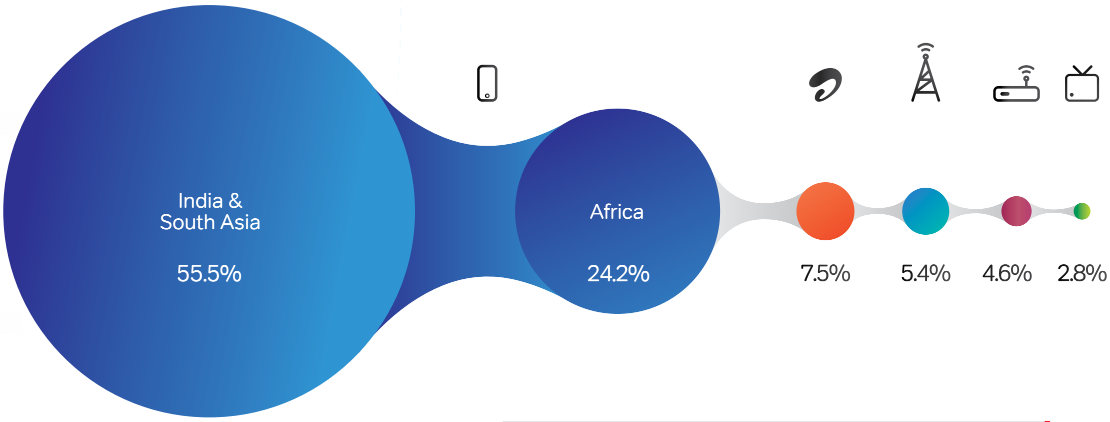
₹ Mn

54,282
56,173

3% ↑ Y-o-Y

FY 2014-15 FY 2015-16

Revenue Mix FY 2015-16



Financial Progress

		Financial Year Ended March 31				
Operating Highlights	**Units**	**2012**	**2013**	**2014**	**2015**	**2016**
Total Customer Base	000s	251,646	271,227	295,948	324,368	**357,428**
Mobile Services	000s	241,148	259,844	283,580	310,884	**342,040**
Broadband & Telephone Services	000s	3,270	3,283	3,356	3,411	**3,664**
Digital TV Services	000s	7,228	8,100	9,012	10,073	**11,725**
Based on Consolidated Income Statement						
Revenue	₹ Mn	683,267	769,045	857,461	920,394	**965,321**
EBITDA (before exceptional items)	₹ Mn	222,533	233,340	278,430	314,517	**341,902**
Cash Profit from Operations before Derivative and Exchange Fluctuation (before exceptional items)	₹ Mn	193,899	195,643	241,813	285,280	**289,152**
Earnings Before Tax	₹ Mn	63,792	47,853	78,643	107,130	**120,705**
Net Profit	₹ Mn	42,594	22,757	27,727	51,835	**54,842**
Based on Consolidated Statement of Financial Position						
Shareholder's Equity	₹ Mn	506,113	503,217	597,560	619,564	**656,301**
Net Debt	₹ Mn	618,442	583,567	605,416	668,417	**838,883**
Capital Employed	₹ Mn	1,124,555	1,086,784	1,202,976	1,287,981	**1,495,184**
Key Ratios						
Capex Productivity	%	69.17	69.12	72.91	77.40	**70.04**
Opex Productivity	%	43.84	45.43	45.20	43.79	**42.98**
EBITDA Margin	%	32.57	30.34	32.47	34.17	**35.42**
EBIT Margin	%	13.97	11.08	14.22	17.23	**17.24**
Return on Shareholder's Equity	%	8.57	4.51	5.04	8.52	**8.60**
Return on Capital Employed	%	7.06	5.68	6.65	8.05	**8.89**
Net Debt to EBITDA	Times	2.60	2.51	2.19	2.08	**2.47**
Interest Coverage Ratio	Times	9.11	6.79	7.58	8.43	**7.04**
Book Value Per Equity Share	₹	133.27	132.51	149.49	154.99	**164.18**
Net Debt to Shareholders' Equity	Times	1.22	1.16	1.01	1.08	**1.28**
Earnings Per Share (Basic)	₹	11.22	6.00	7.02	12.97	**13.72**
Contribution to Exchequer (India)						
Taxes, Duties, Fees and other Levies	₹ Mn	119,082	141,513	213,324	237,688	**284,215**

All figures are based on Consolidated Financial Statements (IFRS).

Credible Growth

Revenue
₹ Mn

5% ↑ Y-o-Y

EBITDA
₹ Mn

9% ↑ Y-o-Y

Incremental EBITDA Margin
%

361 bps ↑ Y-o-Y

Cost Efficiency

Opex Productivity[1]
%

81 bps ↓ Y-o-Y

Capex Productivity[2]
%

736 bps ↓ Y-o-Y

Expanding Margins

EBITDA Margin
%

125 bps ↑ Y-o-Y

PAT Margin
%

5 bps ↑ Y-o-Y

Market Share Growth

Revenue Market Share (RMS) in India stood at 31.5% for FY 2015-16 versus 30.7% for FY 2014-15

Leading the pack on data revenues with data RMS of >45% in FY 2015-16 among the top three

India and Africa churn is under control

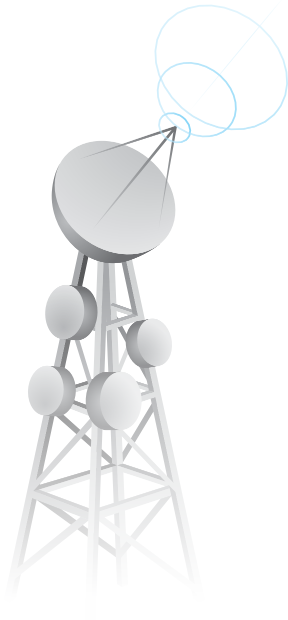
FY 2014-15 | FY 2015-16

1
- 81 bps improvement in operational productivity on an year-on-year basis.
- This is computed by dividing the operating expenses by the total revenues for the respective period. Operating expenses is the sum of (i) employee costs, (ii) network operations costs and (iii) selling, general and administrative costs. This ratio depicts the operational efficiencies in the Company.

2
- 736 bps decrease in capex productivity on an year-on-year basis.
- This is computed by dividing revenue for the period by gross cumulative capex (gross fixed assets and capital work-in-progress) till date i.e. the physical investments made in the assets creation of the Company. This ratio depicts the asset productivity of the Company.

Achievements in FY 2015-16

Operational Highlights
Financial Highlights



15

May

- **Received Bilateral Financing Commitments of up to USD 2.5 Bn from China Development Bank and Industrial and Commercial Bank of China.**

June

- Airtel becomes the third largest mobile operator in the world.
- **Signed an agreement to acquire 100% equity stake in Augere Wireless Broadband India.**

July

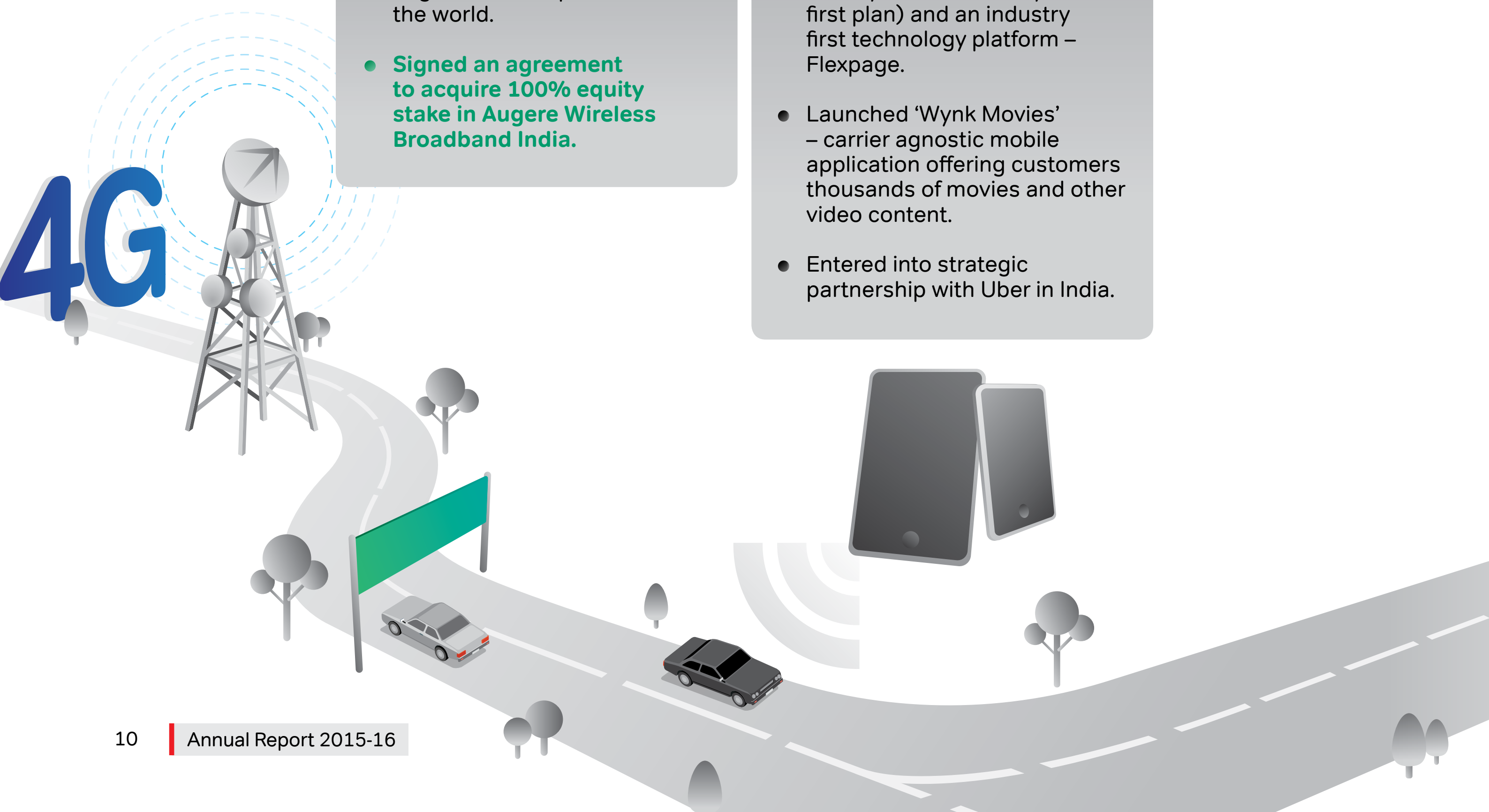
- Rolled out a national mobile number portability.
- Announced the launch of first indigenously manufactured DTH set top boxes; in step with the Government's 'Make in India' initiative.
- In collaboration with the Government of Madhya Pradesh, launched an internet literacy programme - 'e-Shakti', to build internet awareness and access for women working with various government departments and for girl students of government-run schools and colleges.

August

- Introduced new range of 'Infinity Plans' (industry first plan) and an industry first technology platform – Flexpage.
- Launched 'Wynk Movies' – carrier agnostic mobile application offering customers thousands of movies and other video content.
- Entered into strategic partnership with Uber in India.

September

- Signed pan-African agreement with Liquid Telecom to provide fibre connectivity to towers.
- Won 'Golden Peacock Award for Sustainability' for the year 2015.



October

- Launched high speed 4G services commercially in 334 towns across India.
- **Concluded the sale of about 9,000 telecom towers in eight African countries. Total proceeds from all the concluded transactions is over USD 1.8 Bn.**

November

- Wynk Music crossed 12 Mn downloads.
- **Announced 'Project Leap' - largest capital expenditure of ₹600,000 Mn in the next three years towards a comprehensive network transformation.**

January

- **Entered into an exclusive discussion with Axiata Group to explore the possibility of combining the business operations of their subsidiaries in Bangladesh, namely, Robi Axiata.**
- **Signed a definitive agreement with Orange to sell operations in Burkina Faso and Sierra Leone.**

February

- Became the first mobile operator in India to commercially deploy LTE-Advanced (4G+) technology on a live 4G network in Kerala. LTE-Advanced carrier aggregation technology combines TD LTE (2300 MHz) with FD LTE (1800 MHz) bandwidths to deliver mobile data speeds up to 135 Mbps.
- Airtel Rwanda received the award of best 4G Mobile Network Operator for the year 2015 for exceptional performance in 4G LTE by Olleh Rwanda Networks (ORN).

March

16

- **Entered into a definitive agreement with Videocon Telecommunications Limited (VTL) to acquire, rights to use 2x5 MHz spectrum in the 1800 MHz Band in six circles at an aggregate consideration of ₹44,280 Mn.**
- **Kotak Mahindra Bank Limited agreed to acquire 19.90% of the paid-up capital of Airtel Payments Bank Limited.**
- **Entered into agreement for the sale of over 1,300 telecom towers in Tanzania to American Tower Corporation (ATC).**

Message from Chairman

Dear Shareholders,

The global economy went through another challenging year. Even as the US experienced sustained recovery, growth in the Euro area remained muted and China continued to slow down, dragging down global economy conspicuously.

Although India, our core market, by contrast had a reasonably good year; for Africa's largely commodity driven economies it turned out to be extremely tumultuous, as weak growth was accompanied by a sharp depreciation of currencies. Overall, we encountered a mixed economic environment in our key markets.

Telecommunication witnessed phenomenal progress on the innovation and adoption front. As a sector, it witnessed two remarkable trends in the emerging markets – one, overall penetration of smartphones expanded rapidly, resulting in a sharp uptake in new applications and data consumption; two, regulatory issues with regard to net neutrality and OTT applications continued to be debated rather vociferously. Notwithstanding the overhang of uncertainty over these issues, operators globally have steadily come to terms with complex regulatory issues.

Sunil Bharti Mittal

19.6%

of our total customer base in Africa are data customers

Early on during the year, Airtel moved past a key milestone, when it became the world's third largest mobile operator (by subscribers). The year also witnessed a steady strengthening of our operating benchmarks in different geographies. The improvement was most conspicuous in India, where we scaled up our margins and revenue market share significantly. Although improvement in African markets remained rather subdued, following sharp currency devaluations, caused largely by macro-economic headwinds facing these markets, positive change in key metrics definitely augur well for the future. I firmly believe six years of hard work has finally started showing some results on ground.

Riding on rapid increase in smartphone penetration, data revenues continued to be a key driving force of our incremental revenues, both in India and Africa. While data customers accounted for 23.2% of our total customer base in India, the corresponding ratio for Africa stood at 19.6% at the end of the year. Similarly, the share of data revenues in total revenues stood at 23.3% and 15.6% in India and Africa, respectively. We expect these ratios to expand in an accelerated manner in the coming years.

4G as a technology is maturing at a much faster rate than earlier expected, particularly so in India. Throughout the year, we not only expanded our 4G footprint to nearly 400

400

Cities and towns 4G expansion undertaken, making ours the widest 4G network in India

Riding on rapid increase in smartphone penetration, data revenues continued to be a key driving force of our incremental revenues, both in India and Africa.

₹600,000 Mn

'Project Leap', involving a cumulative investment of ₹ 600,000 Mn (USD 9 Bn) over three years

cities and towns, making ours the widest 4G network in India, but also acquired new spectrum from the market under the new spectrum trading guidelines to consolidate our 4G presence with a pan-India footprint. We also embarked upon a bold network transformation initiative – 'Project Leap', involving a cumulative investment of ₹ 600,000 Mn (USD 9 Bn) over three years. During the year, we completed one of the largest site deployment initiatives in the world rolling out over 87,000 new sites.

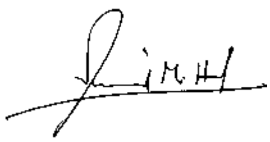
Airtel became the first company in India to receive a payments bank license. I strongly believe with our deep distribution network touching remote corners of the country, Airtel Payments Bank is uniquely placed to deliver a differentiated banking experience to our customers. Other businesses in India, i.e. Direct to Home (DTH) and Telemedia too, strengthened their operational parameters during the year significantly.

Asset restructuring and rationalisation remained a key guiding factor for us in Africa. We entered into definitive agreements, which will lead to Orange's acquisition of Airtel's operations in Burkina Faso and Sierra Leone. We also achieved closure of the Tower Cos divestment agreements in eight countries during the year. Tower Cos divestment will not only help us deleverage through debt reduction, but enable Airtel to significantly reduce its on-going capital expenditure on passive infrastructure, besides helping us to focus on our core business.

Airtel Africa's management structure has been redesigned to achieve a higher level of empowerment and accountability at the operating levels. Under the new cluster based organisational structure, Christian de Faria has assumed the position of Executive Chairman and Raghunath Mandava, who moved to Africa from our India and South Asia operation has assumed charge as the Chief Operating Officer.

Our philanthropic arm, Bharti Foundation expanded the ambit of its initiatives considerably during the year. Our education related initiatives are today reaching out to over 73,000 underprivileged rural children. Similarly the rural sanitation initiative Satya Bharti Abhiyan, launched in the last financial year has already constructed and delivered over 12,700 household toilets benefiting over 63,000 users in 559 villages in Punjab's Ludhiana district. The Programme is already being hailed as one of the most successful private sector initiatives in the country in rural sanitation. Airtel Africa's 'Adopt a School' initiative is today reaching out to over 27,000 students with over 700 teachers.

Technology innovations – from virtual reality and artificial intelligence to robotics are taking significant strides to open up numerous possibilities in our lives. At the heart of these exciting possibilities lie the global telecommunications networks that are upgrading themselves with equal alacrity to match the pace and scope of these innovations. As new innovations riding our networks evolve to the next stage, network operators will no longer remain the proverbial 'dumb pipes', but 'smart facilitators'. It's an exciting future waiting out there.



Sunil Bharti Mittal

Message from Managing Director & CEO (India & South Asia)

Dear Shareholders,

FY 2015-16 was an exciting year for us. During the year, we strengthened our go-to-market operations, launched innovative data propositions, accelerated postpaid dramatically, besides enhancing customer experience and stripping out waste. As a result, this year we have witnessed the highest ever growth in our market share. We also accelerated our smaller businesses considerably. Finally, we secured spectrum to further consolidate our 4G presence, giving us a pan-India footprint for 4G services.

On go-to-market excellence, we further strengthened our rural direct distribution and introduced innovative demand generation initiatives. We continue to push the automation of our sales force processes and emphasise on the quality of acquisition. Data continues to be an important component of our portfolio. We have expanded our 4G footprint across many more cities and towns in India and have successfully positioned our brand as 'The Smartphone Network'. Our brand is now in a very strong position. We have expanded our content portfolio with the launch of Wynk Movies and Wynk Games.

We are committed to providing our customers the best data experience possible. This is why we announced a bold and ambitious initiative called 'Project Leap' that will see an investment of ₹ 600,000 Mn over three years to transform our network. As a part of Project Leap, we undertook one of our largest sites deployment initiatives this year, rolling out over 87,000 sites. We believe these efforts will help us perceptibly improve our network quality and deliver a differentiated customer experience.

Gopal Vittal

We accelerated the growth of postpaid decisively ahead of competition through a combination of innovative propositions, retail store expansion and a relentless focus on execution. In the home broadband business, we saw tremendous growth in customer additions on the back of carefully planned micromarketing. We automated several customer-facing processes and are continuously improving the quality of our call centres, so that we can give a superior experience to our customers.

We continued our emphasis on identifying and stripping out waste from our business. In the past three years, we had set ambitious cost saving targets for ourselves and we have been able to meet them successfully.

On Airtel Payments Bank, we are the first company in India to receive a payments bank license from the RBI. This initiative reflects our strong focus on the mobile banking segment and our commitment to the Government's vision of financial inclusion and banking services for every citizen. We believe that Airtel Payments Bank is uniquely placed to deliver quality banking services to customers, given Airtel's deep distribution network that touches every corner of the country.

Finally, Bharti Airtel has constantly striven to be among the preferred places of work for the smartest in the industry. This year, we have been ranked 8th as the employer of choice across all companies in India. We strengthened our internal performance management processes and stepped up recruitment from the top engineering and management institutes in the country. We continue to encourage our talent to build a holistic long-term career at Airtel.

As we strive for business growth and excellence, we continue to fulfil our responsibility to the environment and our obligation to the society. We have launched our third sustainability report this year, which captures our initiatives that further put sustainability at the core of our agenda. Bharti Foundation, with full support from our employees, has been doing remarkable work in the area of promoting education among the underprivileged rural children. These initiatives have made our corporate citizenship more meaningful.

As we look ahead to the future, we have an exciting opportunity to help digitise the nation. We are determined to do this despite potential challenges such as the entry of a new operator, challenges around data penetration, network quality and pricing. We believe we are in a strong position to compete in this environment, given our spectrum and network assets, impressive customer and product portfolio, our innovations and most importantly, our people.

As we look forward to an eventful year, I would like to thank our customers, our people, our partners and our shareholders for their support and faith in us. We seek your continued guidance in our journey.

Gopal Vittal

Message from Executive Chairman (Africa)

Dear Shareholders,

Telecommunications continues to change the face of the African continent by providing an enabling environment for inclusion. Bharti Airtel, is playing a central role in addressing a range of socio-economic developmental issues. Today, Airtel is bringing this technology to more than 80 Mn people across the continent.

During the year, we encountered some headwinds fuelled by currency fluctuations, regulatory issues and other industry challenges. Despite them, we strengthened our operations through a well-considered growth strategy. Our strategic focus has led to an improvement in our performance since Airtel's entry into Africa. Some of the key focus areas during the year were:

- Continuing our aggressive war on waste in all our OpCo's to ensure cost efficiencies across all functions, leading to overall savings.
- Growing our customer base with a focus on quality and a pragmatic approach towards customer interventions and engagement.
- Network upgrades to cater for the existing and expected data growth.
- Focusing on enhancement of internal controls for compliance and governance.

Some key milestones during the last financial year included:

- Airtel and Orange signing an agreement leading to Orange's acquisition of Airtel's operations in Burkina Faso and Sierra Leone.

Christian de Faria

- Achieving closure of the Tower Cos agreements in eight of the 11 countries. We are confident to reach full closure within 2016-17.
- Right-sizing of our current workforce to create a nimbler, high performing organisation.

Data continues to play a key role in driving our revenues and we foresee growth in data subscriptions in the coming years. During the last financial year, our data subscriptions grew by 28.5%, while total MBs on the network grew by 109%. Data usage per customer reached 547.4 MBs by March 2016, accounting for a year-on-year growth of 58.7%.

In the last financial year alone, we added 3,117 3G sites across our markets in Africa. We are also looking at steadily enhancing our 4G (FD-LTE) network. We currently have Seychelles, Gabon and Rwanda enabled on 4G.

With over 9 Mn subscribers transacting close to USD 16.9 Bn (Constant Currency) during the year and a presence across all our 17 markets, Airtel Money is ready to move to the next level. Whilst DRC, Zambia, Rwanda and Niger went live on the cross border remittance service, the Airtel / MTN Remittance partnership for Burkina Faso - Ivory Coast and Niger - Benin also became operational during the year. Our strategy for Airtel Money growth is to focus on the ecosystem - expand our retail outlets and merchants.

Under Airtel Rising Stars, Africa's largest youth football property, we continued to focus on identifying and nurturing talent from the grassroots level onto the national and international stage. In 2015, 476,000 boys and girls in 28,000 teams participated in the ARS, which is a 6.25% participation growth year-on-year.

Airtel Africa's Corporate Social Responsibility programmes are focused on health, education, environment and the development of youth. We have had noteworthy success while contributing towards mitigating the Ebola crisis in West Africa which was recognised by the African Union. We are also actively involved in 'Train My Generation', an initiative launched to train youth in ICT, under which 10,000 youth in Chad and Gabon will receive training.

Finally, success for Airtel in Africa will be through nurturing a high performance culture. We have to continue enabling, encouraging and deploying the best in class talent to achieve our goals. In the next fiscal year, our objectives are to grow our market share, reduce waste and accelerate our non-voice business. With our strategic plans and supporting structure already identified, I believe that we are well positioned to achieve our objectives.

I would like to extend my gratitude to our customers, partners for continuing to support us in our journey and look forward to an even more exciting year ahead.

Christian de Faria
Bharti Airtel International (Netherlands) B.V.

A Bold Leap Forward

Project Leap

A leap by its very nature does not follow a linear pattern. For us at Bharti Airtel, every leap is an ambitious, orbit-shifting trajectory to chart a new course, set a higher benchmark and take a historic step forward.

In FY 2015-16, we announced a ₹ 600,000 Mn investment on a comprehensive network transformation programme – 'Project Leap'. It will help us build a smart and dynamic communication architecture to improve customer experience through high quality voice and data experience across India.

This investment of ₹ 600,000 Mn is over and above the ₹ 1,600,000 Mn, we have already invested in our active and passive networks, spectrum, fibre, submarine cables and systems till date. This investment is one of the largest by a private sector company in India till date.

Project Leap will enable us to take a decisive lead in delivering a differentiated customer experience.

Largest Deployment of Network Infrastructure: We deployed over 70,000 base stations in FY 2015-16, making it the largest deployment in the history of India in a single year. Today, over 60% of Airtel's network is mobile broadband enabled. In three years, we will deploy over 160,000 base stations, effectively doubling our presence from what it has today on the ground.

Broadband for All: We have expanded our mobile broadband coverage to all towns and over 250,000 villages by March 2016. In three years, Airtel plans to offer mobile broadband to over 500,000 villages in the country. We will also modernise our 3 Mn plus strong home broadband network by upgrading our copper assets through new-age Vectoring Technology. This technology will enable us to offer 50 Mbps speeds from its current 16 Mbps by 2016-17. In addition, we plan to deploy fibre network to homes, offering up to 100 Mbps speeds.

World-class Indoor Experience in Every City: We will deploy a range of solutions including small cells, carrier aggregation solutions, Wi-Fi and the use of multiple technologies across different spectrum bands. This will enable us to provide a state-of-the-art coverage on both voice and data services inside buildings across cities. Over a period of three years, Airtel plans to deploy over 100,000 solutions through a combination of Wi-Fi hotspots, small cells and indoor solutions.

Strong Backend: We will cumulatively deploy more than 550,000 kms of domestic and international fibre in order to drive down latency, improve customer experience and serve the growing demand of data services for years to come.

Massive Modernisation of Existing Networks: We will swap our legacy networks and base stations over a three-year period and replace them with smaller, more compact and efficient technologies that will significantly improve customer experience. These modern base stations will use a single radio access network to manage multiple spectrum bands.

Strategy for Small Businesses: We will use our extensive domestic infrastructure to deploy a range of solutions comprising fibre optics and Internet Wireless Access Network (IWAN). As a part of this programme, we plan to provide seamless connectivity to millions of small and medium enterprises in India.

World-class Service Operations Centre: We will invest in a broad range of tools that includes Self Optimising Networks (SON) for automatic network optimisation, geo spatial network tools for targeted network planning, capacity enhancements, Customer Experience Management (CEM) as well as software defined networks that will dramatically improve customer experience.

Significant Reduction in Carbon Footprint: Airtel will make substantial investments in green technologies over the next three years. We will deploy modern and less power consuming radio technologies that include compact base stations and small cells. We will also leverage multiple band antennas and deploy new battery technologies that will significantly lower energy consumption and reduce diesel dependency. As a result, Airtel will reduce its carbon footprint by up to 70% on a per unit basis in the next three years.

During FY 2015-16, 40,000+ Airtel telecom towers operate on a battery- hybrid, Li-ion and solar-hybrid technologies. Airtel's new telecom tower design and architecture functions without diesel generators. We aim to increase the use of renewable energy wheeling on core sites to enhance the green energy consumption.

In the next three years

500,000+
Villages in the country will be offered mobile broadband

160,000+
Base station deployments

100,000
Solutions will be offered through a combination of Wi-Fi hotspots, small cells and indoor solutions

70%
Reduction in our carbon footprint

Truly Transparent

Airtel has been the first to launch the Open Network initiative to empower customers and make them part of the journey. Through this initiative entire network information including coverage, site details and signal strength is being made available to customers. Any customer can find out detailed information about the quality of signals in his / her area and which sites he / she is being served from. Customers can also lodge a complaint for poor service. This portal also enables customers to help us erect a tower in the vicinity of his / her location.

A New Generation's Take on Life

Yes, that's the prism through which we look at the transformative power of communications. In a country with a significant youth bulge (over 65% of the population is 35 or under, and half the country's population is under 25 years of age) our strategy is to continue to innovate for New India; and find the courage to chase seemingly 'off-the-wall' ideas. We believe that's the fastest lane through which we can get closer to aspirations, and create an experiential world, our customers desire and deserve to live in.

myPlan Family

The first ever family share plan by an Indian telecom operator with sharing starting at ₹ 99 only. The entire family can share data, voice and SMSes and roaming benefits. This industry first initiative gifts a unique power of flexibility to the customer.

Growing the Wynk Family

Launched in 2014, Wynk Music today is one of the most popular music apps with over 10 Mn songs played daily. On an average, active users spend 5.25 hours every month on the app, ensuring high product quality in the music and entertainment space.

~3,000
Airtel stores spread across 650 cities

8,000
Customer Relationship Officers

To meet the growing demand for quality content by smartphone users on the go, the Wynk product portfolio was expanded with the launch of Wynk Movies and Wynk Games in 2015. Wynk Movies is a marketplace for movies in partnership with five content providers. It is an impressive repository of some of the latest and biggest blockbusters in Hindi, English and regional Indian languages.

We expanded our content portfolio with the launch of 'Wynk Games', offering a library of over 2,000 global and local games from across genres. Wynk Games, bundled with Airtel data packs, aims to enhance consumption of this data category.

The carrier-agnostic and multi-device compatible applications enable customers to stream, download and buy content at reasonable prices. For our content partners, these have become ideal platforms to reach audiences and monetise their services, while simultaneously augmenting data consumption, keeping us ahead of the curve.

Currently, Wynk services are available only in the Indian sub-continent. Going forward, we plan to expand our services to international markets through strategic partnerships to establish leadership in emerging markets.

Pre on Post

Pre on post is another industry first. A person who has a corporate account can simply do a prepaid data recharge on the corporate number. Pre on post is very simple; one can recharge anywhere like a prepaid number with no additional documentation required. Over 100,000 customers have endorsed this refreshing idea.

4G Rollout

We partnered with Flipkart and Samsung to bundle 4G SIMs in the 4G handset boxes, an industry first. Through these alliances, we were able to cover SIM deliveries to roughly 70% of the 4G smartphone buyers in the country. This resulted in 20-25% of the bundled SIMs getting activated, despite going to non-Airtel customers and also helped to accelerate the 4G adoption process.

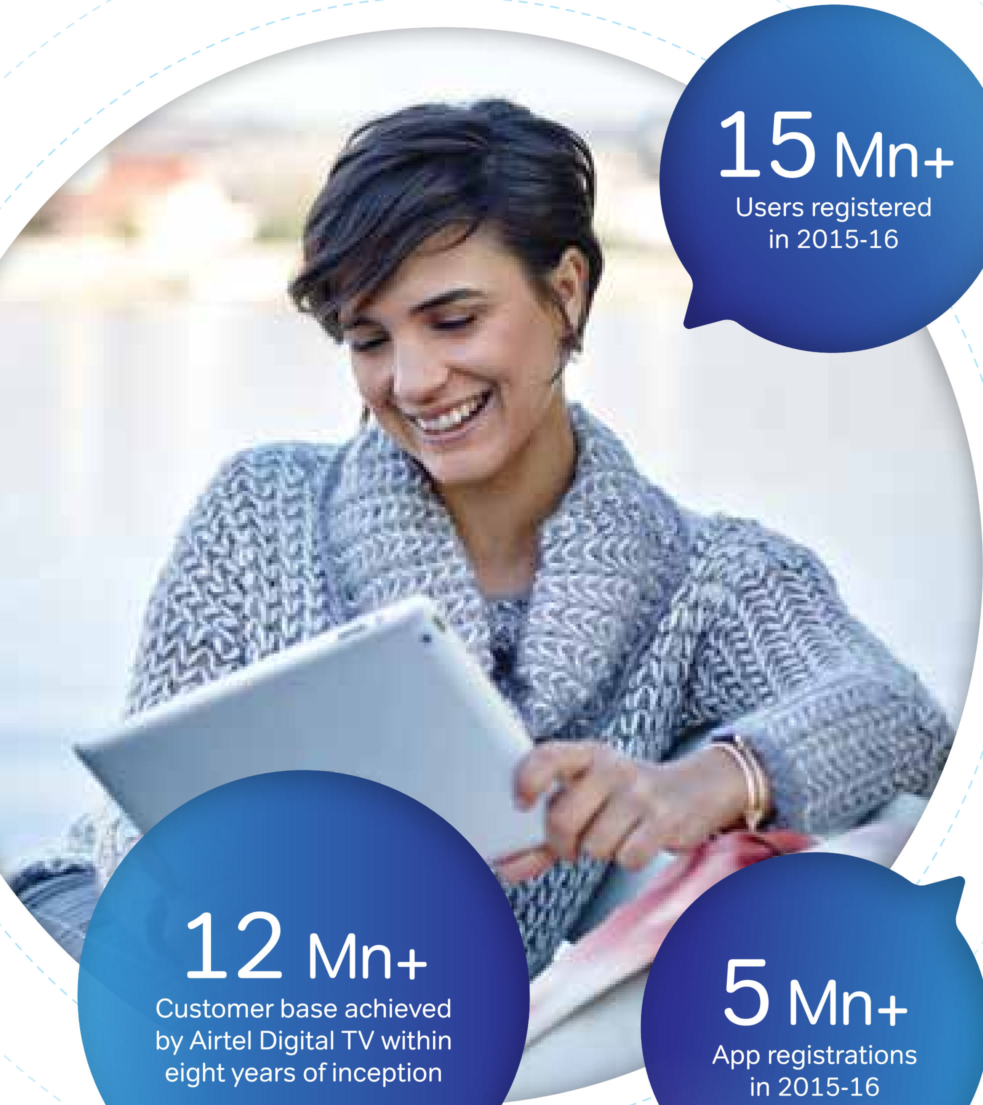
Transforming Retail Customer Experience

Over the last few years, the Airtel Retail Stores have established a unique relationship with our customers. Our stores are fast becoming the face of Airtel for our retail customers. Currently, we have approximately 3,000 stores, spanning 650 cities with approximately 8,000 Customer Relationship Officers deployed to serve our customers. These stores serve our postpaid and prepaid customers, and have played an instrumental role in postpaid myPlan penetration.

Going forward, we are implementing world-class tools such as net promoter scores, which will provide us better insights about customer experience. These insights, along with continuous high-impact training across behaviour, process and products, will better equip our store staff in delighting our customers.

Best-in-Class DTH Services

We are committed to provide installation within four hours and complaint resolution within six hours, in line with our motto of being the fastest to install and fastest to resolve in the industry. In FY 2015-16, 95% of our installation was completed within four hours and 90% of our customer complaints were resolved within six hours. Additionally, we have launched express service for our customers wherein new connections will be installed within two hours in top 26



15 Mn+
Users registered in 2015-16

12 Mn+
Customer base achieved by Airtel Digital TV within eight years of inception

5 Mn+
App registrations in 2015-16

cities to further enhance customer on-boarding experience.

We constantly work on advancing our technology to enable our customers have a best-in-class and seamless TV viewing experience. We offer customised solutions such as multi-lingual electronic programme guide and universal remote in the market, thereby simplifying TV viewing for our customers. We are also working on a Hybrid STB, combining internet with TV, with which our customers will be able to access OTT content through apps on TV.

Make in India Set-top Box

We have launched our indigenously manufactured set-top boxes. The Made in India set-top boxes are available in HD to begin with and soon all Airtel Digital TVs set-top boxes will be manufactured in India. We are inspired to participate in the Government's Make in India initiative, contributing to its growing proliferation across sectors. The launch also provides the much needed impetus to build an ecosystem that will drive indigenous manufacturing of DTH set-top boxes, supported by domestic production capabilities and technical expertise.

Differentiated Banking Experience

Customers enjoyed the on-the-go payments experience through our prepaid wallet offering Airtel Money. This service was delivered through the Airtel Money app and Airtel Money physical touch points.

With an aim to extend hassle-free payments experience to customers, Airtel Money app was completely redesigned. Our focus was on enabling easy registrations, fast cash load and seamless experience for customers.

Payments Bank License

During 2015-16, the Reserve Bank of India (RBI) granted the Payments Bank license to Airtel Payments Bank Limited with a time frame of 18 months to operationalise the bank. This move will play a pivotal role in bringing millions of unbanked Indians into the fold of formal banking.

Airtel Payments Bank Limited also launched a domestic remittance service in January 2016. This service is offered through Airtel Payments Bank Limited money points where customers can walk in and transfer money to any bank account across the country. Airtel Payments Bank Limited is the first entity among the 11 licensee holders to be granted the final banking license; and is on track to become the first payments bank in the country, enabling inclusive growth.

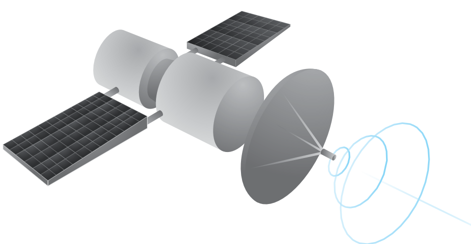
Strengthening Airtel Business

Airtel Talk

Our global Voice over IP (VoIP) calling and messaging application 'Airtel Talk' has grown significantly and now has presence in more than 100 countries with 3.5 Mn+ global subscribers. In certain markets, the app is among the top five apps in the app store to make international calls.

Through Airtel Talk, we have entered into unique partnerships (first of its kind) in the Over The Top (OTT) applications space. These partnerships have enabled us to launch Airtel Talk in markets like Singapore, wherein the local operator is using the app to generate more international minutes towards the Indian subcontinent. Partnerships have also enabled us to create the best cost structure in multiple countries, providing affordable solution for ISD calling. It works as an alternative to the expensive ISD voice-only calls, low quality messenger, calling cards, among others.

The app is also the first in the industry to have launched features like Share Credit with Friends and Call Me Free. Both these features have been designed to simplify user journey and iron out the challenges faced by our subscribers.



Global DIA

We have created an innovative solution to simplify our carrier partners' internet requirements in multiple countries. Earlier, partners had to interact with multiple providers, multiple billings and multiple SLAs when procuring local internet for their customers in different countries. Now, our 'Global DIA' product gives a single window solution to our partners in 40+ countries, and has the following benefits:

- Worldwide coverage
- Single billing option
- SLA stitched offering
- Competitive pricing
- Flexible and scalable model

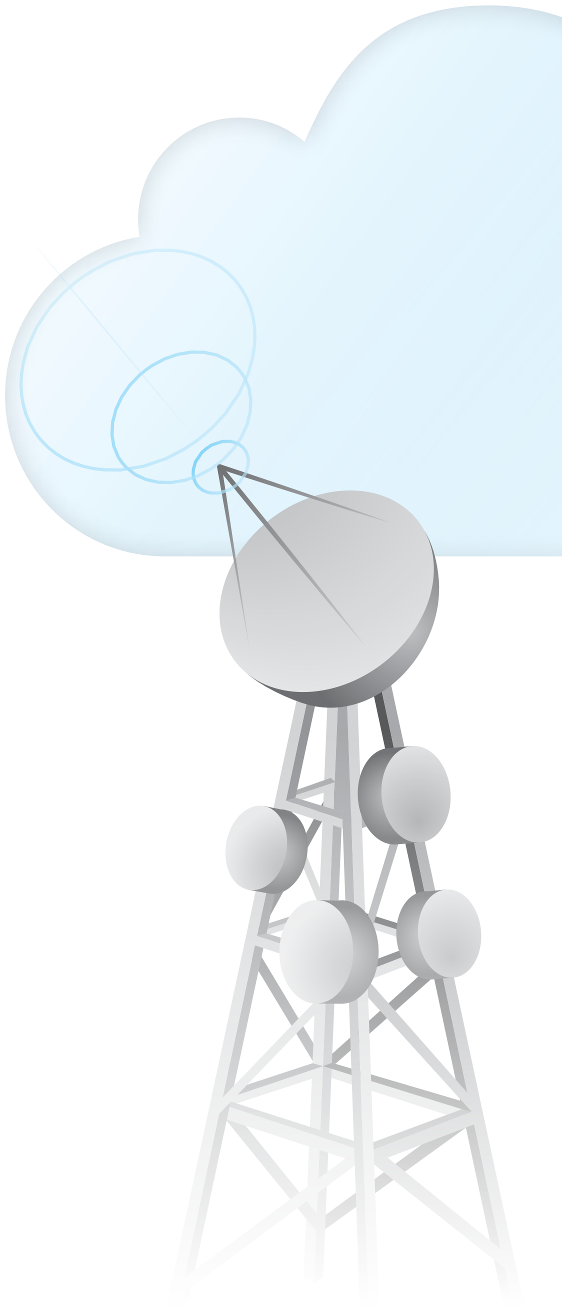
Content Distribution Service

We created an innovative solution for global content players, cloud service providers and e-commerce players. This was an end-to-end managed services solution comprising of data centres, international network and domestic content distribution services. This helped localise the content in India thereby significantly improving the consumer experience and lower cost of operations. Riding on the global sentiment to capitalise on the India growth, this initiative helped us create this solution with most of the large global players in this space.

Satellite Business

We are bridging the gaps in our worldwide fibre network coverage through our satellite services that fully complement our fibre infrastructure for emerging markets. Airtel Business continues to provide a one-stop network solution to customers, leveraging its efficient network capability. The satellite service provider industry is slowly progressing from conventional geo-stationary satellites to medium and low orbit satellites. The advantage is 'high throughput' and 'low latency' to the global network. Airtel Business is among the very first adaptors and promoters of this technology. It has partnered with medium earth orbit (MEO) satellite providers to delight its customers with the affordable and efficient network solution on this platform.

Airtel Business elevated connectivity to the next level by providing high bandwidth network connectivity to various MNOs / telecom operators through its satellite network platform that uses the stable GEO and revolutionary MEO satellite system. It created a truly differentiated experience for customers, who received fibre comparable speeds on satellite network (4x faster than GEO satellites) at affordable prices in areas with minimal hopes of high-speed and high-capacity connectivity in the absence of fibre cable. Airtel Business is also providing satellite services to media houses, broadcasters, enterprises and governments overseas.



Africa's Conversation is Changing

We believe there is a great disconnect between dated perceptions and rapidly changing realities on ground in Africa. At Bharti Airtel, we are helping the continent leverage the right network and build consensus on critical socio-economic issues. We are fostering development by changing the face of communications. Africa now has a new narrative to share with the world.

6.2 Mn
Customers (51% growth from FY 2014-15) engaged through social media across Africa

4G
Gabon went live on 4G in December 2015

Active on Social Media

During 2015-16, our social media engagement grew across Africa. The outcomes were encouraging:

- We engaged with 6.2 Mn customers across the continent (51% growth from FY 2014-15).
- Airtel Kenya became Africa's top social media brand in telecommunication in the latest Africa Brand Index Rankings. The Company was recognised for its outstanding use of social media platforms in customer engagements.
- Seven other regions also attained market leadership in social media standings.
- Launched self-service Value Added Services (VAS) in Nigeria, where customers can activate and deactivate any of the VAS services. The solution is likely to be rolled out across Africa.

Engaging More with Customers

We launched a 'Customer Forum' across 10 locations in Africa where customers can directly engage with Airtel and make their voice heard. Surprise engagements on birthdays and anniversaries and regular publication of newsletters helped us enhance engagement with premier and high-value customers. Their experience was highlighted through partnerships with hotels, airlines, airport lounges, among others.

Key Achievements of 2015-16

- Airtel Rwanda received the award of best 4G Mobile Network Operator for 2015 for exceptional performance in 4G LTE performance.
- Airtel Money Malawi was commended for being the mobile financial services leader in Malawi by Malawi Communications Regulatory Authority in collaboration with the National Statistical Office.

- Airtel signed a three-year global agreement with World Food Programme for cash and value voucher distribution services in Madagascar, Malawi, Tanzania, DRC, Congo B and Zambia.
- Airtel Money continues to change the financial landscape with the launch of micro loans (Kutchova loans) in Malawi and the launch of NFC via NFC tags in DRC.
- Gabon went live on 4G in December 2015, making it the third Opco after Rwanda and Seychelles.

Brand Connect

Airtel Rising Stars (ARS): Airtel Rising Stars is Africa's largest grassroots under 17 football tournament, focused on providing a platform to discover the next generation of soccer stars. The tournament is played in 17 countries across Sub-Saharan Africa. ARS is currently competing for the 2016 edition (6th edition) of the competition that has produced many successful footballers in the continent. We have had over 1.8 Mn boys and girls participate in ARS over the last 5 years. ARS has also provided a platform for us to engage with local communities and share our offerings.

Airtel Trace Music Stars (ATMS): The second season of ATMS began in February 2016, featuring the international Superstar Keri Hilson as the official Mentor. ATMS is the biggest mobile phone based pan-African talent search competition; with 2.3 Mn calls made in season one.

Airtel Africa, Google TVC wins Best Creative Award at 2015 MSK Gala: Airtel Africa in partnership with Google won the Best Creative award for our co-produced TVC called The Potato at the 2015 Marketing Society of Kenya (MSK) Awards. The TV commercial, which was created in collaboration with Google Inc., sought to illustrate the potential of mobile internet to change lives using online resources, such as the Google Search engine. The Award recognises our efforts in deepening internet penetration and making information accessible to spur innovation and creativity in Africa.

Network Transformation

Network Modernisation: Airtel initiated network modernisation drive by refarming / introduction of U900 / launch of LTE in Kenya, Chad, Uganda and Gabon. The modernisation drive will lead to improved connectivity and better throughput for customers.

Managed Services (MS) Insourcing / MS Transition to other MS partners: MS transition to insource or transition to other MS partners has resulted in improvement in network KPIs, customer experience, and reduced time-to-market.

Managed Capacity (MC) Insourcing: Design and planning activity insourced in all operating locations provides single end-to-end design in a multi-vendor, multi-technology environment. We initiated stronger alignment between AOP and design plan, improved quality of design and planning, optimised capex, and enhanced responsiveness and ownership.

Tower Co-transition: We divested tower assets in African countries, which enabled us to focus on our core business and customers. It also helped us to deleverage through debt reduction, and significantly reduced our on-going capital expenditure on passive infrastructure.

Access Agnostic Packet Core Network (AAPCN): It was rolled out in all locations of Airtel Africa to transform the legacy packet core into end user intensive, modernised network; supporting Airtel's journey towards being the best data service provider in Africa.

Interactive End of Bundle Notification (IEOBN): It was rolled out across nine operating locations. This prevented data bundle users bill shock, facilitate data bundle purchase when customer has depleted his bundle increasing overall customer satisfaction.

Product Launches

Wynk Music	Airtel Branded Music Application
FreeBasics	FreeBasics is a zero rated portal limited to text content. Rich content like images, video, music are chargeable and can be activated directly on FreeBasics with user consent, to protect against data revenue cannibalisation.
Tap2Bill	Tap2Bill is a primary intermediary billing platform, connected to multiple vendors. It allows mobile users pay for a range of services and digital goods through their mobile phone.
Connected Homes	The connected home solution offers technology agnostic facility of data sharing, at Home (over Wi-Fi) and outside home among family, friends or colleagues.
Advice of Charge (AOC)	AOC is the page a customer is redirected to when he / she exhausts his / her bundle or main account balance to alert him / her. This page can be used to purchase new bundle or browse on PayG.
One Touch Internet (OIT)	Aims to bring new data users on board with three main sectors: 1. How to Videos, 2. Free Offers, 3. Advice of Charge.
Artist Management	Removes intermediaries and facilitates transparent payouts between artists and Airtel with control over content distribution.

Board of Directors

Mr. Sunil Bharti Mittal

Chairman

Ms. Chua Sock Koong

Non-Executive Director

Sheikh Faisal Thani Al-Thani

Non-Executive Director

Mr. Craig Ehrlich

Independent Director

Mr. D. K. Mittal

Independent Director

Mr. Manish Kejriwal

Independent Director

CHAIRMAN
MEMBER

- Audit & Risk Management Committee
- HR & Nomination Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Committee of Directors

Mr. Ben Verwaayen

Independent Director

Mr. Rakesh Bharti Mittal

Non-Executive Director

Mr. V. K. Viswanathan

Independent Director

Mr. Shishir Priyadarshi

Independent Director

Ms. Tan Yong Choo

Non-Executive Director

Mr. Gopal Vittal

MD & CEO
(India & South Asia)

A Rewarding Year!

- Bharti Airtel ranked first in a listing of 100 emerging market multinational companies by Transparency International on corporate transparency and reporting. According to the study, the Company topped the list with a cumulative score of 7.3 out of 10.
- Bharti Airtel was ranked among the top three in a listing of the Top 100 BSE listed companies in FTI Consulting's 'India Disclosure Index 2015' Report with a composite score of 10 out of 10.

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- Bharti Airtel's e-Shakti (Madhya Pradesh) bagged the ET Telecom Award as the best initiative in the 'Use of Telecom for Social Good' category.
- Bharti Airtel was recognised for excellence in internal auditing at the 'Innovation Award 2016' by the Institute of Internal Auditors (IIA), Delhi.
- Bharti Airtel has been recognised as an 'Innovator & Disruptor in HR Technology Practices' by the Society for Human Resource Management (SHRM).
- Bharti Airtel won the 'Firm of the year – Telecommunication' Award at the CNBC TV18 India Risk Management Awards 2015 held in New Delhi.
- Bharti Airtel honoured with the 'Golden Peacock Award for Sustainability 2015' at the London Global Convention on Corporate Governance & Sustainability held in London, UK.
- Bharti Airtel won the 'Operator Excellence Award' in the 'Business Innovation in Risk Management' category at Subex User Conference held in Prague, Czech Republic.
- Bharti Airtel won the 'Top Treasury Team (Asia) Award' at the Adam Smith Asia Awards 2015.
- Bharti Airtel won the 'Data Security Council of India (DSCI) Excellence Award' for security in Telecom at the NASSOCM-DSCI Annual Information Security Summit 2015.


4

- Bharti Airtel's e-Shakti (Andhra Pradesh) won 'Telecom Service Provider' Award from the Government of Andhra Pradesh for women empowerment.
- Bharti Airtel was recognised for 'Legal Finesse, Innovation & Accomplishments: In-House Team' at the Legal Era Awards 2015-16.
- Bharti Airtel won 'India's Top Mobile Service Operator', 'Top Internet Services Operator' and 'Top Broadband Wireless Access Operator' at the annual Cybermedia ICT Awards 2015.


5

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- Bharti Airtel honoured with 'Company of the Year for Sustainability Telecommunication India & South Asia' Award at the IAIR Awards 2016.
- Bharti Airtel was recognised for 'Best Corporate Social Responsibility Practices' and 'Community Development' at the Global CSR Excellence & Leadership Awards.
- Bharti Airtel was awarded at the 'Top Community Care Companies in Asia' Award at the Asia Corporate Excellence & Sustainability Awards (ACES) 2015.
- Bharti Airtel won the Aegis Graham Bell Award 2015 in the mHealth category.
- Airtel Kenya was recognised as the 'Best Wholesale Operator' at Mobile Virtual Network Operators (MVNOs) World Congress 2015 in Nice, France.
- Airtel Ghana won four awards - 'Telecom Brand of the Year', 'Marketing Campaign of the Year', 'Innovative Enterprise Product of the Year' and 'Special Recognition to the Telecom Industry' at the Ghana Telecom Awards 2015 in Accra.

7

- Airtel Zambia won four awards – 'Outstanding – Telecommunications Companies in Zambia', 'Outstanding – Companies / Institutions held in High Esteem', 'Outstanding – Advertising Campaigns' and 'Excellent – Companies / Institutions doing most for the Elderly / Senior Citizens' at the PMR Africa Awards 2015 held in Lusaka.
- Airtel Bangladesh won the 'Asia Communications Award 2015' held in Singapore under 'Customer Experience Initiative' category.

8

- Bharti Airtel Lanka won the Gold Award and Silver Award in the categories of 'Best Multinational Corporations' and 'Medium Sized Enterprise' respectively at the Great Places to Work (GPTW) Awards 2015.

1. Global CSR Excellence & Leadership Awards, 2016.
2. Frost & Sullivan India Information & Communications Technology (ICT) Award, 2015.
3. Innovation Award, 2016.
4. London Global Convention on Corporate Governance & Sustainability, 2015.
5. ET Telecom Award, 2016.
6. Ghana Telecom Awards, 2015.
7. PMR Africa Awards, 2015 – Airtel Zambia.
8. Great Places to Work (GPTW) Awards, 2015 – Bharti Airtel Lanka.

Corporate Social Responsibility & Sustainability

As one of the world's leading providers of telecommunication services, we are committed to conducting our business responsibly and sustainably, with engagement and dialogue with all key stakeholders. Our network is touching and transforming the lives of millions of people across South Asia and Africa; and we are happy and honoured to partner the progress of such a huge proportion of the global population.

As a part of our corporate strategy, we are vigorously renewing our existing systems, adopting innovations across the economic, social and environmental dimensions; and making our infrastructure more energy efficient.

Transformational network has a deep and diverse connotation at Bharti Airtel.

a) It touches all aspects of stakeholder empowerment through multiple community initiatives in the realm of education, employment generation, sanitation along with healthcare and disaster management.

b) It emphasises upon protecting the environment, reducing the carbon footprint and collaborating with all stakeholders to help combat climate change.

India

A. Holistic Community Initiatives

At Bharti Airtel, our agenda is to support inclusive socio-economic progress for the development of our country. Our focus areas comprise education, employment generation, sanitation, healthcare, disaster management and environment protection, among others. We believe every small step in this direction counts; and several initiatives on the community front together can bring about enduring social change. We are building a replicable, scalable and sustainable model of development for the communities we work with.

Bharti Foundation

Bharti Foundation, the philanthropic arm of Bharti Enterprises has a vision "To help underprivileged children and young people of our country realise their potential". It aims to achieve its vision by imparting quality education to disadvantaged sections of society across rural India. Implementing and supporting programs in the field of primary, elementary, senior secondary and higher education is a key focus of the Foundation. Satya Bharti School Program, Government School interventions under its Satya Bharti Quality Support Program and Satya Bharti Learning Centres, are programs through which the Foundation supports education. The Foundation has been actively implementing 'Satya Bharti Abhiyan' since year 2014, to improve sanitation facilities in rural Ludhiana. Recently, it has introduced 'Nyaya Bharti' to provide legal and financial assistance to deserving, underprivileged undertrials languishing in jails across the country for minor offences.

Catalysts of Change: Education in Rural India

I. Satya Bharti School Program

This year the Foundation has initiated year-long celebrations, commemorating 10 years of the Satya Bharti School Program, launched in 2006 as its flagship initiative. Satya Bharti Schools, located across the villages of Punjab, Rajasthan, Haryana, Uttar Pradesh, Tamil Nadu and West Bengal are celebrating this milestone with commemorative activities throughout the celebratory year. The schools continue to deliver on the promise of transforming underprivileged children into educated, employable and responsible citizens of tomorrow.

The schools provide quality education to students, completely free of cost, with a special focus on the girl child. Besides, the schools also provide welfare schemes (free mid-day meals, textbooks, notebooks, shoes, stationery, etc.) to every student.

After 10 successful years of implementation, it is pertinent to reaffirm our commitment to the primary objectives of Satya Bharti School Program, which are to:

- Provide free and quality education to underprivileged children in rural India, with a special focus on the girl child.
- Transform students into educated, confident, responsible and self-reliant employable citizens, with a deep sense of social commitment.
- Encourage active involvement of the community, parents and like-minded organisations.
- Make a lasting and sustainable impact on the community.
- Find innovative solutions through its primary, elementary and senior secondary schools to create replicable and scalable components in the program, facilitating delivery of quality education.

Satya Bharti School Program – Key Performance Indicators:

Schools	254
States	06
Students	40,676
Percentage of Girls	49
Percentage of children from SC/ST/OBC communities	75
Teachers	1,635
Percentage of female teachers	54

Data as on March 31, 2016.

40,676
Students

254
Schools

49%
of students are Girls

Rani Goyal, Class VIII,
Satya Bharti School, Shergarh, Jodhpur, Rajasthan

Transformation at Grassroots: Creating Impact

Born in an underprivileged family, with survival being a daily challenge, Rani's journey from illiteracy to accessing quality education from a Satya Bharti School has not been easy. She comes from the *Bheel* community, where illiteracy is a common phenomenon, especially among girls. Rani's mother suffers from severe visual impairment, while her father, Maniram is a daily wage earner.

Most girls like Rani, would have buckled under such circumstances. However, Rani's strength of character helped her convince her family that an education would not hinder her responsibilities at home. Rani resolved to say, **"YES TO EDUCATION!"**

The nearest Satya Bharti School is located six kilometres away from Rani's home. Rani, did not let this deter her resolve, she began waking up at 5 a.m., completing all the household chores and only then start off for school. Her teachers noticed this remarkable girl and helped her blossom. Today, Rani is a topper in her class and also participates whole-heartedly in all co-curricular activities. Energised by her own transformation, she has begun promoting the cause of quality education in her village. Inspired by her efforts, her Father has also enrolled her siblings in Satya Bharti School, Shergarh. He says, "I am so happy that all my children are studying at Satya Bharti School; they now have the opportunity to learn and excel in life."

Key Achievements 2015-16

- 20 students have secured admission in Jawahar Navodaya Vidyalayas (JVN); these schools enrol talented rural children of India through a competitive entrance examination to provide them with an education (free of cost), equivalent to the best residential school system.
- Eight school entries were awarded at the Design for Change contest, a global award platform that celebrates children who drive social change in their communities.
- The Pramerica Spirit of Community Awards declared eight winners from Satya Bharti Schools. This award recognises and rewards post-primary / second-level students for volunteer work carried out in their communities.
- Satya Bharti Senior Secondary School, Rauni, Ludhiana (Punjab) won the International School Award (2015-2018), instituted by the British Council, for their outstanding project on learning in the global context.
- Satya Bharti Schools participated in the 'School Enterprise Challenge', an international conference led by *Teach a Man to Fish*. Satya Bharti Adarsh Senior Secondary School, Fattubhila won the Stage III Special Recognition award and Bharti Foundation was conferred with the 'Best Partnership Initiative Award'. The awards celebrate the entrepreneurial spirit in children with an underlining message of giving back to society.
- The esteemed CBSE affiliation was granted to all five Satya Bharti Senior Secondary Schools located in rural Punjab.
- Bharti Foundation celebrated the success of Class X students at the CBSE Board Examinations 2016. With 225 students appearing for the exams, 41 students scored a perfect 10 CGPA, 56 students scored between 9 and 9.9 CGPA, 66% of these achievers were girl students and the overall pass percentage was a remarkable 99.11%.

II. Satya Bharti Learning Centres

The Satya Bharti Learning Centre Program focuses on the issue of Out of School Children (OOSC), in close coordination with the Government Schools. In 2012, the Foundation entered into a partnership with Educate A Child (EAC), a global initiative under the Qatar based Education Above All (EAA). The Satya Bharti Learning Centre Program aims to mainstream Out of School Children back into schools by identifying, enrolling and providing them bridge courses that bring them to an age / class appropriate level of education. The project is run in partnership with the respective State Government's Department of Education. Based on the success of the program in Rajasthan, in 2015 it was further extended to the remote rural areas of Madhya Pradesh and Jharkhand.

22,830
Children impacted

5,302
Children enrolled

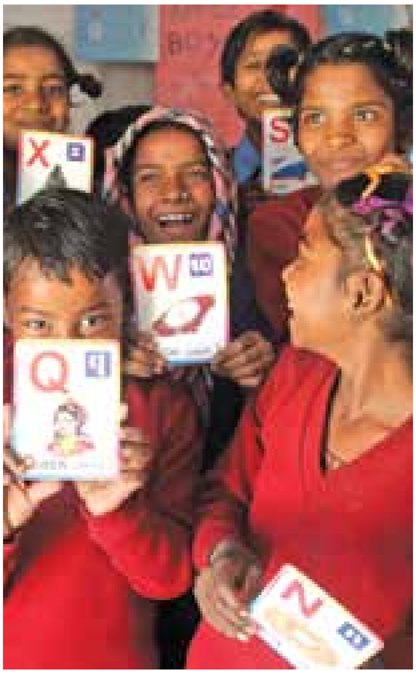
Program Approach

Multi-Grade Teaching
To address the huge variation in age and the learning levels of enrolled Out of School Children.

Teaching Learning Material
Development of key concepts with the use of Teaching Learning Material to cater to the basic learning needs.

Engagement with Government
Working with the Government to ensure identification, mainstreaming and provision of welfare schemes.

Engagement with Community
Engaging parents and communities to make them active participants under the program.



Satya Bharti Learning Centres – Key Performance Indicators:

Centres	459*
Children impacted	22,830
Children enrolled	5,302
Children mainstreamed	14,703
Percentage of girls	50
Percentage of SC/ST/ OBC students	96
Education volunteers	416**

*479 centres have been closed as most of the OOSC's in these villages have been mainstreamed (number included in overall impact); in some villages the count of OOSC's have dropped to such a low figure that it has gone below the minimum numbers required to run a centre, as per Government norms.

**Recruitment in progress.

Data as on March 31, 2016.

Key Achievements 2015-16

- Program expansion into Madhya Pradesh, Jharkhand and more Blocks in Rajasthan.
- 22,830 Out of School Children (OOSC) covered, 473 new centres established with enrolment of 12,282 OOSC.
- 348 villages made OOSC free, in some cases the count of OOSC dropped to such a low figure that it went below the minimum numbers required to run a centre in the village as per Government norms.
- Over 1,100 Education Volunteers have been trained till date.
- Extensive appreciation and recognition received from the respective Government Education Departments, school Principals and the community.

III. Satya Bharti Quality Support Program

Launched in 2013, the Program's objective is to support Government schools in their journey towards holistic quality education and to make schools centres of learning and development. This initiative envisages improving the quality of Government schools through need-based interventions. The learnings accrued while operating 254 Satya Bharti Schools over 10 successful years are systematically transferred to these schools.

Bharti Foundation introduces innovative tools and processes to enhance a school's current performance by:

a. Creating an opportunity for exposure to best practices in education.

b. Conducting need-based training for key stakeholders.

c. Co-creating processes to sustain the desired change.

Key Achievements 2015-16

- Successful pilot launch of Innovative Teachers' Award in Jodhpur, Rajasthan.
- Acceptance of program approach and impact by stakeholders with requests from 50 schools through Principals, officials from education departments and community members.
- Steady increase in teachers' engagement to enhance the performance of students; provided educational support, such as books for competitive exams, student lectures, career counselling, interschool events, among others.
- Awards won by Haryana School for special projects like ISA by British Council (Bhojawas, Haryana) and nominated for 'Best School Award' for Overall School effectiveness (Jodhpur).
- 7 Teachers certified for implementation of innovative ideas by Roehampton University (Kanina Block, Haryana).

Program Approach

Optimise use of existing resources, policies and systems

Support school leaders to achieve higher goals and bridge existing gaps

Collaborate with school leadership and staff to maximise usage

Facilitate, support and enhance school resources, processes and efforts

Satya Bharti Quality Support Program – Key Performance Indicators:

Schools (In four States*)	39
Teachers	953
Students	21,620

*Punjab, Haryana, Rajasthan and Delhi.
Data as on March 31, 2016.

IV. Satya Bharti Abhiyan

Bharti Foundation launched the Satya Bharti Abhiyan to improve sanitation facilities in rural Ludhiana district and support the Government's agenda of Swachh Bharat Mission. Through this initiative, it provides individual toilets in households lacking such facilities, across 900+ villages.

In addition, the aim is to improve sanitation facilities in government schools of rural Ludhiana by building separate toilets for girls, where no such amenities exist.

Program Objectives*

A. Provide an individual toilet in every household in rural Ludhiana which is without a toilet.

B. Provide a girl's toilet in every Government School of rural Ludhiana that does not have a separate toilet for girls.

*Urban areas and private schools do not fall under the purview of this Program.

12,723
Households benefited

559
Villages covered

Satya Bharti Abhiyan – Key Performance Indicators:

Number of individual toilets handed over	**12,723**
Number of direct beneficiaries*	**63,050**
Villages covered	**559**
Girls' toilets constructed in Government Schools	**14**

Data as of March 31, 2016, with total figures from inception in August 2014.
*User numbers as reported by individual households at the time of handing over of the toilet.

Key Achievements

- Quantitative targets -
  Satya Bharti Abhiyan has been able to deliver following targets:

Year	Individual Toilets Handed Over	Girls' Toilets Handed Over	Villages Impacted	No. of Beneficiaries
2015-16	**11,644**	**14**	**489**	**58,734**
2014-15	**1,079**	**-**	**70**	**4,316**
Total	**12,723**	**14**	**559**	**63,050**

- 14 Government Schools identified by the state education department were provided separate toilet blocks for girl students.

Details of individual toilets constructed by Bharti Foundation are uploaded on the Government's Swachh Bharat Mission data website (http://sbm.gov.in/SBMReport/Report/Physical/SBM_TargetVsAchievement.aspx). As on March 31, 2016, details of 80% (approx.) of the constructed toilets have been updated. Details of the toilets constructed by Bharti Foundation can also be accessed at http://sbm.gov.in/cfd/RptCorporateContribution.aspx.

V. Higher Education Programs

Bharti Foundation partnered with Indian Institute of Technology, Delhi in 2,000 to set up the Bharti School of Telecommunication Technology and Management, IIT Delhi. The Foundation has also set up the Bharti Centre for Communication, Bombay in partnership with IIT Bombay. The Foundation also recognises and awards exceptionally talented students to pursue studies at The Cambridge University, UK, through the Manmohan Singh Bursary Fund. In addition, Bharti Institute of Public policy, Mohali has been set up as a partnership between Indian School of Business and Bharti Enterprises, with Fletcher School of Law and Diplomacy, Tufts University (USA) as its partner school.

VI. Nyaya Bharti

Nyaya Bharti was launched in November 2015 to help deserving and underprivileged undertrials, languishing in jails across the country for minor offences. The aim is to provide them with legal and financial support and assistance, while increasing awareness of every individual's constitutional right to legal defence. This is a unique corporate initiative at the national level and hopes to fulfil the Hon'ble Prime Minister's Vision of 'Sabka Nyaya' – Access to Justice for all. The Board comprising eminent members from legal and other professional field is chaired by Justice A. S. Anand (Retired Chief Justice of India) guiding the strategy for the project. This is implemented by a panel of young lawyers who have been engaged to work with the judicial system and courts to implement the same.

Airtel Connect

Airtel Delhi Half Marathon

The Airtel Delhi Half Marathon (ADHM) has created an impressive platform to bring together corporates, individuals, employees and students of schools and colleges to raise awareness about the Satya Bharti School Program, raise funds and also enjoy the marathon run.

Bharti Foundation's theme for ADHM 2015 was centred on celebrating 10 successful years of the Satya Bharti School Program. Over the last eight ADHMs, as many as 6,325 employees comprising 217 teams from 77 corporates have run for us, with many of them consistently supporting us.

6,325

Employees have run for us, over the last eight ADHMs

Young Leader Program

It is a two-week program (part of corporate induction) in which new team members of Bharti Airtel engage as volunteers to support various initiatives of Bharti Foundation. This year 43 Young Leaders volunteered in 43 Satya Bharti Schools in Punjab, Haryana and Uttar Pradesh.

43

Young Leaders volunteered this year in 43 Satya Bharti Schools in Punjab, Haryana and Uttar Pradesh.

ACT (A Caring Touch)

It is an employee payroll giving program for Bharti Group of Companies. The Program encourages employees to give back to society in terms of money, time, skills or knowledge. In FY 2015-16, Bharti Airtel employees have contributed ₹ 7.61 Mn towards the Satya Bharti School Program and ₹ 0.36 Mn was provided to other NGOs.

₹3,934,120

Employee Participation

₹3,675,870

Employer Participation

₹7.61 Mn

Total contribution towards Satya Bharti School Program

Compassionate Leadership

Helping the Disadvantaged

We have started a scholarship programme for underprivileged students of Footwear Design and Development Institute (FDDI), Chhindwara district, Madhya Pradesh. FDDI is a leading design and management institution and conducts various professional programmes of international standards. Over 100 underprivileged students were granted scholarship during the FY 2015-16. Besides, under the 'Campus to Corporate' programme, the underprivileged students of FDDI were mentored and provided with placement assistance.

Investing in Talent

Him Jyoti School provides free value-based education to bright girls from impoverished families of Uttarakhand. The School's vision is to teach learners to be pluralistic, creative, interdependent and capable citizens with a global outlook. We partnered and supported the school's educational mission.

Caring for the Elderly

Anubandh, situated on the outskirts of Jodhpur, helps senior citizens deserted by their families. We partnered and supported Anubandh in furtherance of their initiatives.

Supporting the Community

We also partnered and supported various programmes and initiatives of charitable institutions such as Telangana Yuvathi Mandali, CRY, HelpAge India, National Association for the Blind, Save life Foundation, SOS Children Villages of India, The Banyan and IDIA Charitable Trust, among others.

Contributing to Social Welfare

Carnegie India is the 6th international centre of the Carnegie Endowment for International Peace. The organisation is engaged in high-quality public policy research on national, regional, and global issues. During the year, we supported their initiatives.

Good Samaritans

Initiatives by Airtel Circle Offices

Digital Empowerment

At Bharti Airtel, we have partnered with the Government of Andhra Pradesh for a mobile literacy digital mission in collaboration with the Society for Eradication of Rural Poverty. As part of this, we rolled out 'e-Shakti', an initiative to build mobile internet awareness and literacy among the women of Andhra Pradesh.

Our zonal teams have since then been actively involved in spearheading training sessions in every district of the state. During FY 2015-16, our teams trained 360,000 women in all 13 districts of the state, an encouraging achievement in such a time span.

We also partnered with the Government of Madhya Pradesh to take e-Shakti Abhiyaan to the women of the state. The training sessions, conducted by Airtel's quality trainers focused on the basics of internet and its uses, awareness of various government portals, introduction to apps and social media. Over 149,000 women were trained across 23 districts of Madhya Pradesh so far.

The similar initiative was undertaken by Rajasthan Circle in its Kota Zone, which would focus on the district's women as well as men and college students.

500,000+

Women trained across Madhya Pradesh, Andhra Pradesh and Rajasthan in FY 2015-16

Time for Celebrations

Various initiatives were undertaken at different locations across India, celebrating festivals and events. To celebrate Children's Day and Diwali with the kids, the teams bearing gifts from Airtel Circle Office at Jaipur, Jodhpur and Alwar zones went to four different Satya Bharti Schools and shared various gifts with children. We also celebrated Durga Puja and were privileged to be part of the Sarathi Socio Trust in Bengaluru.

Kids of Prakash School over the last many years, come to our office ground and celebrate with us, having dinner and dancing. The Airtel employees with families engage and have a great time with them. This activity helps employees to engage with street kids and old-age homes and spread smiles by doing small activities at local end.

Community Greening

We have always been proactive in supporting green initiatives across all geographies where we operate. In line with that overriding vision, our Jaipur team spearheaded multiple tree plantation drives to make the city a cleaner and greener place to reside in. The participation was enthusiastic and the outcome encouraging.

Joy of Giving

Our Rajasthan team celebrated the Joy of Giving week with much fanfare. The team interacted with children at various Satya Bharti Schools and sought from them the wishes that they would want to be fulfilled. These wishes were put on a 'Wish Tree' and were fulfilled by our team members by converting those wishes to 'Wish Fruits'.

Swachh Bharat

At Bharti Airtel, we are committed to translate the vision of Swachh Bharat into an everyday reality. Airtel employees participated in a cleanliness drive at Chandigarh Technology Park office under Swachh Bharat Abhiyaan in FY 2015-16. We will continue to undertake more such initiatives for a cleaner, prosperous India.

Blood Donation

Periodic blood donation camps are also organised, wherein circle employees donated their blood; and helped save lives. In FY 2015-16, our Gujarat team organised two camps; and was able to collect 50 units each. Besides, this initiative has helped our employees count on blood banks in their hour of need.

Disaster Relief

The unprecedented rains and consequent floods in Chennai caused unimaginable destruction, depriving a huge proportion of the population of even bare essentials of life. Team Kerala and Tamil Nadu (KTN) rose to the occasion and protected employees. They also contributed to bring Chennai and Cuddalore back to normalcy. The rescue team worked with local support groups, police action groups and community volunteer groups to help save lives.

Our Bihar and Jharkhand Circles donated ₹ 958,735 to the Chief Minister's Relief Fund on behalf of Bharti Airtel for the rehabilitation of victims of Nepal's earthquake. Airtel also initiated 48 hours of free network usage for all calls made to Nepal, to facilitate relief work and communication in the disaster hit area.

Gujarat suffered heavy rains and flood in July 2015. At areas like Banaskantha, Patan, Kutch, Mehsana, Sabarkanta and Morbi, the network was significantly impacted with power outages in over 2,900 villages. Team Airtel Gujarat, Indus Towers and NSN worked diligently in this hour of need. Over 50% network was restored within just 48 hours. Airtel was among the few first to restore connectivity, when many locations were drowned under water.

₹958,735

donated by our Bihar and Jharkhand Circles to the Chief Minister's Relief Fund on behalf of Bharti Airtel for the rehabilitation of victims of Nepal's earthquake

Airtel NESA launched a flood relief campaign in North East India. The team volunteered one day for flood relief campaign at adversely affected Ampati district in South West Garo Hills, Meghalaya. The campaign was conducted, along with government officials.

Holistic Welfare

We took several initiatives like 'Each One Teach One' and Azaadi Campaign, to enhance digital literacy across India's cities and towns. We will be driving more such initiatives in step with the Government's Digital India mission.

As a part of our community uplift initiatives, we help create jobs for local youth closer to their homes; so that they don't need to migrate from their native places. We will continue to invest more resources and expertise to generate employment opportunities for India's youth, especially for those in rural regions.

We also regularly organise health camps to ensure holistic welfare. Our last camp benefited about 1,700 retailers and distributors. We will continue to organise such camps across areas of our operation.

We have also commenced a Scholarship Programme for kids where our partners can have their kids enrolled in this programme for cash rewards. Close to 40 children benefited from this programme last year. Besides, Republic Day, Children's Day, Back to School and other programmes are organised regularly. Our teams even volunteered to be invigilators for a Teacher Subject Knowledge Test across four locations in Punjab.

B. Environmental Conservation

Environmental degradation and climate change is a critical challenge that industries and governments across the world must focus on; and find sustainable solutions with greater urgency and unanimity. The Climate Summit in Paris in 2015 articulated this concern. Bharti Airtel is partnering with governments and other relevant stakeholders worldwide to help conserve the environment.

Our priorities comprise:

I. Promoting the use of renewable energy to reduce dependence on fossil fuels.

II. Exploring innovative technologies in network infrastructure to cut down emissions.

III. Working collectively with infrastructure partners to reduce energy consumption and resulting carbon emissions.

IV. Sharing network infrastructure with partners to reduce emissions.

V. Focusing on judicious resource management to wage a war against wastage.

Putting Faith in Green Energy

- Tagged nearly 375 sites green till date by installing green energy solutions and eliminating the use of diesel.
- Installed solar rooftop power plants at 14 Main Switching Centre (MSC) locations, expanding the total installed capacity to 0.805 MWp; these on-grid solar plants are generating over 0.82 Mn units, reducing the emission of 650 tons annually.
- Deployed nearly 700 cumulative sites with solar and battery hybrid, Li-ion and biomass solutions till date, reducing over 16,000 tons annually.
- Continued to focus on renewable sources to enhance energy efficiency; Green Power Wheeling agreements for the procurement of green energy, have been made for three Data Centres and one MSC location; planning to extend the initiative to nine more sites in the coming year.

33,000+

sites have been converted to outdoor till date

- Deployed over 150 own sites with advanced VLRA Battery Solution, resulting in over 370 sites with such solution till date.
- Rationalised air-conditioning on over 300 own sites to reduce the consumption by 10%.
- Completed trial on solar natural cooling to reduce energy demand.
- Piloted the use of thermocouple cooling unit at over 450 own and partner sites.

Innovative Network Technologies

Conversion of Indoor Sites to Outdoor

Airtel has been partnering with Tower Cos to convert indoor sites to outdoor sites. Over 33,000 sites have been converted to outdoor till date, reducing the energy consumption by about 25%. Sites are being converted mostly by installing FCU, NCU and IP55 cabinets for switching off the air conditioners, thus making them feasible for installing green energy solutions like solar, Li-ion, among others. This initiative also forms part of Airtel's War on Waste.

Infrastructure Sharing

Our constant endeavour is to promote infrastructure sharing, along with our partners. Our efforts with partners to consolidate passive infrastructure and green initiatives have considerably reduced carbon emission in the entire industry. This initiative not only reduces operational cost for service providers by eliminating operational waste, but also promotes optimal use of resources.

In FY 2015-16, 45% incremental sites were deployed as sharer sites, reducing the energy consumption by a minimum 30% over standalone sites.

Outdoor Site Deployment
During the year, over 90% of the new sites were deployed as outdoor, eliminating air-conditioner usage.

In addition, 80% of the sites have been installed with Auto-TRX shutdown feature, which ensures that the TRX remains switched off during non-peak hours.

Towards a Greener World

Project Green Cities
Project Green City was launched by Indus Towers and Bharti Infratel few years back; and over 37,600 sites have been tagged as green sites till date. Over 12,800 sites were converted to outdoor sites during the year under review, thus enhancing our energy efficiency significantly.

Resource Management

E-waste
The ever increasing volume of physical as well as e-waste generated in contemporary society impacts the environment considerably. At Airtel, we deeply acknowledge our responsibility towards judicious resource management for a cleaner, greener planet.

We focus on minimising end-to-end traceability and recycling the waste generated by our operations. We monitor on a continuous basis the generation of the e-waste, its transportation, processing and recycling comprehensively.

Any e-waste generated from technology upgradation, capacity augmentation and others is recycled as per the Waste Electrical and Electronic Equipment (WEEE) norms. We have a stringent system of selection of recyclers: recyclers have to be legally compliant; they should have their relevant licences in place with world-class facilities, procedures and practices to treat e-waste in an environmentally sound manner.

In FY 2015-16, over 1,700 tons of e-waste generated from IT and network infrastructure was recycled through authorised recycling partners.

E-bills
We are continuously evaluating the impact of our operations on resources and environment. Towards this end, we took significant steps like reducing paper usage and wastage by popularising paperless billing. We have been encouraging our customers to opt for e-billing and e-transactions. We provide flexibility for our customers to opt for paperless bills at any point in the life cycle.

3 Mn+

Airtel mobility postpaid customers have opted for e-bills over the past two years

We have a substantial share of customers opting for paperless billing. Over 3 Mn Airtel mobility postpaid customers have opted for e-bills over the past two years. In addition, we also have nearly 70% of our total postpaid customers on paperless bills till the end of FY 2015-16, representing over 24% increase in number of customers opting for paperless bills over the previous financial year.

Driving Sustainable Transformations Globally

We are committed to bring enduring socio-economic transformation to help elevate the quality of life for millions of people across the world. We are translating our commitment into reality on ground through several programmes, which are need-based and produce measurable outcomes for the community.

Africa

Airtel Africa is committed to functioning in a socially responsible manner to enable communities in the countries in which we operate. Our focus areas comprise education, welfare of the youth and health.

"Our CSR journey has just started, but it is an encouraging beginning. Over the upcoming fiscal, we will see our CSR teams integrate technology related support into the CSR programmes. This alignment will create an impact on society through the technology that we make available".

Christian de Faria, Executive Chairman, Airtel Africa

Education

Flagship Programmes

- The Adopt-a-School flagship programme has reached over 27,000 students, with more than 700 teachers.
- Airtel Kenya in partnership with the British Council and Global Peace Foundation provided internet access to students, teachers and communities.
- Airtel Zambia in partnership with the British Council, Samsung Electronics and the Ministry of Education has reached over 20,000 students and teachers with their ICT mobile internet bus.

Youth Development

Flagship Programmes

- **Train My Generation:** 5,000 young Gabonese will be trained in information and communication technology (ICT) skills over the next three years.
- **ICT Training in Chad:** Airtel partnered with the Ministry of Education in Chad to train 5,000 youth in the country to improve their ICT skills.
- **Airtel Fursa:** Airtel Tanzania is encouraging entrepreneurship among youth (18-24 years) in the country.
- **Airtel Catapult Your Business Competition Ghana:** Is a transformative start-up accelerator programme.
- **Our Airtel Touching Lives Programme:** Reaches out to over 70 Mn viewers, focusing on empowering the underprivileged.

Health

Flagship Programmes

- Airtel DRC launched 'Airtel Santé info' a mobile health service offered for its subscribers. The service offers free consultations and vaccinations, in partnership with the Medical Action Board Association.
- We continued to support the survivors of Ebola epidemic by providing start-up capital and other resources to 50 women entrepreneurs, especially Ebola widows.

- In Uganda, we organised health camps in partnership with Hinds Feet Programme in remote areas of the country, so that the underprivileged are offered a chance to test and undergo medical screening for various diseases, such Hepatitis B screening and shots, dental, eye check-ups and general medicine. There was also screening for HIV, diabetes, ulcers and blood pressure.
- Airtel Madagascar in partnership with Mobile Hi-Life has developed mobile clinics to help the community get access to better healthcare.

5,000

Airtel partnered with the Ministry of Education in Chad to train 5,000 youth in the country to improve their ICT skills

Accolades

- Recognition by the African Union for Airtel's Ebola related initiatives in Africa.
- Airtel Malawi was awarded a premium Awardee in the Corporate Social Responsibility category during the Top Employers Awards 2014 by the Employers Consultative Association of Malawi (ECAM).
- Airtel Zambia: 1st overall award for companies / institutions held in high esteem as good corporate citizen, based on their corporate responsibility initiatives and investments over the past 12 months.
- Ghana CSR Excellence Awards – Best CSR award in Education.
- Ghana Institute of Public Relations Excellence Awards – Best Community Relations programme of the year – Touching Lives.
- Nigeria SERA 2015 – Best Company in CSR health intervention.
- CSR Africa Leadership Awards – Presented to Michael Okwiri, Corporate Communications and CSR Airtel Africa.

Bangladesh

Airtel Bangladesh is committed to partner various community and environmental initiatives in Bangladesh to ensure holistic wellbeing for all. During the year, the Company provided crockeries and cooking utensils to facilitate the Food for Education Programme of Bidyanondo (learn with fun), a non-profit organisation. The programme helps educate children from disadvantaged sections of society.

The crockeries and utensils were sent to three branches of Bidyanondo (at various locations of Bangladesh), benefiting 500 students.

Sri Lanka

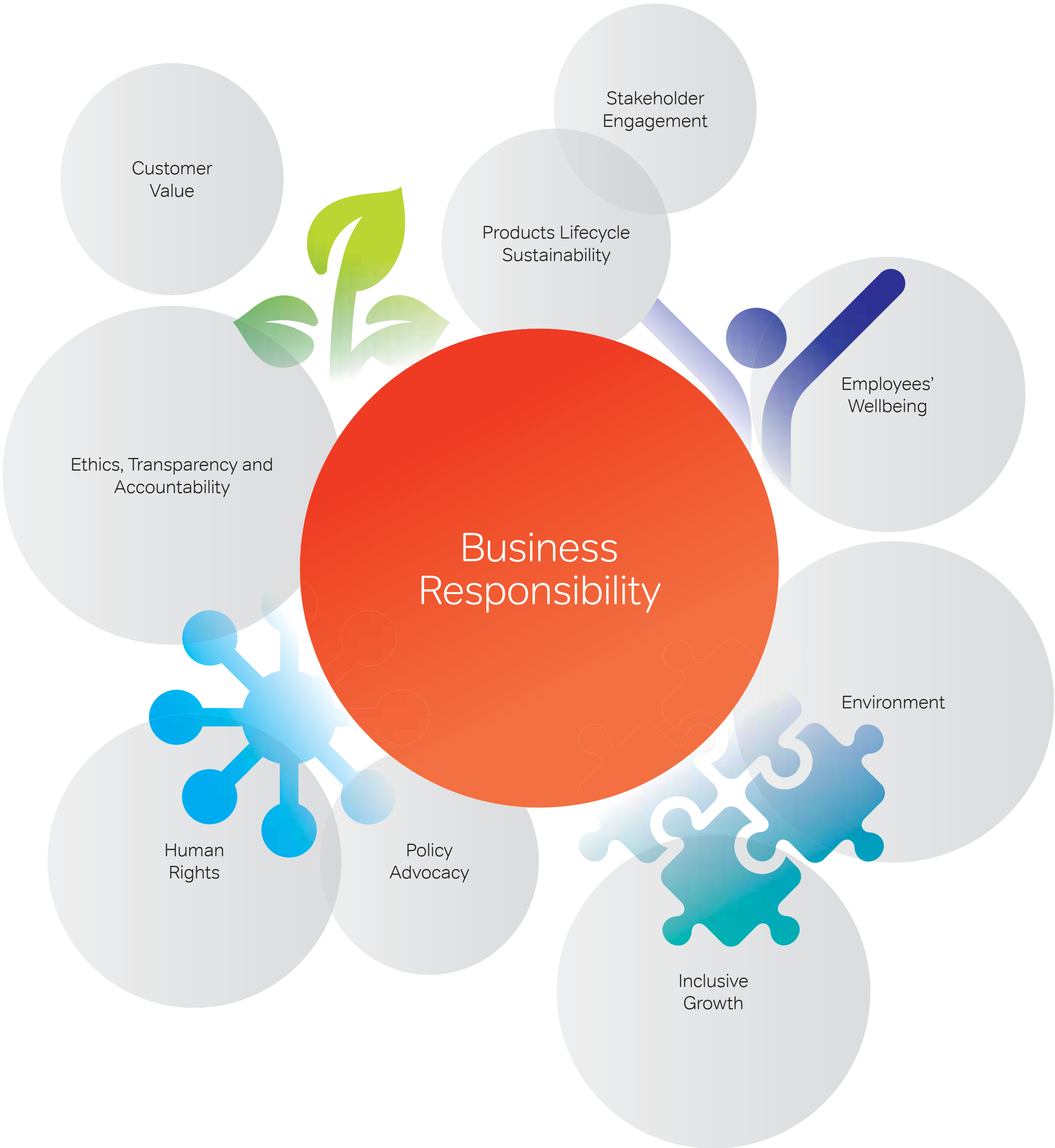
The Company collaborates with various stakeholders in Sri Lanka to drive community uplift and environment conservation initiatives.

The Lady Ridgeway Hospital is considered to be world's largest paediatric government hospital; it provides free medication and hospitalisation. Bharti Airtel Lanka refurbished the hospital into a more child-friendly environment. The Company also contributed several new TVs, furniture and equipment.

The effort proved to be encouraging with over one million children visiting the hospital annually for treatment and care, leaving happy and healthy.

To spread the message of joy, team Airtel Lanka also celebrated Christmas with disadvantaged children of few orphanages and paediatric hospitals.

Business Responsibility Report



Transformation for us has a deep social connotation as well. We are acting as an enabler of socio-economic change through our business priorities as well as need-based community interventions. These interventions are well coordinated with the participation of all relevant stakeholders, and have definite measurable outcomes. We will continue to invest more resources to deliver on the expectations of all stakeholders.

- Sunil Bharti Mittal

Section A

General Information about the Company

1.	Corporate Identity Number (CIN) of the Company:	L74899DL1995PLC070609
2.	Name of the Company	Bharti Airtel Limited
3.	Registered Address	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070
4.	Website	www.airtel.com
5.	Email id	compliance.officer@bharti.in
6.	Financial Year reported	2015-16
	Sector (s) that the Company is engaged in:	• Telecommunication Services – Mobile telecommunication, fixed line services and telecommunication enterprise solutions. • Direct-to-Home Services (through Subsidiary Company). • Payments Bank (through Subsidiary Company). • Passive Infrastructure Services (through Subsidiary Company).
7.	List three key products / services that the Company manufactures / provides (as in balance sheet)	a) Mobile Services b) Broadband Services c) Enterprise Services
8.	Total number of locations where business activity is undertaken by the Company	a. Number of International Locations - The Company has its business operations in 20 countries that includes India, Sri Lanka, Bangladesh and 17 countries in the African continent. b. Number of National Locations - Headquartered in New Delhi, Bharti Airtel Limited has its business activities in all 22 licensed telecom service areas.
9.	Markets served by the Company	Besides India, the Company also has operations in Africa and South Asia.

Section B

Financial Details of the Company

1.	Paid up capital	₹ 19,987 Mn
2.	Total turnover	₹ 603,002 Mn
3.	Total profit after taxes	₹ 75,465 Mn
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of average Net profit of the Company for last 3 financial years	0.57%
5.	List of activities in which expenditure in four above has been incurred:	• Promotion of education. • Rural sanitation programme. • Higher and technical education. • Child welfare programmes. • Disaster relief initiatives. • Community development programmes. • Environmental initiatives and awareness. • Employability and entrepreneurship.

Section C

Other Details

1. **Does the Company have any Subsidiary Company / Companies?**
   Bharti Airtel Limited had 17 direct and 92 indirect subsidiary companies, as on March 31, 2016.

2. **Does the Subsidiary Company / Companies participate in the BR initiatives of the parent company?**
   Almost all subsidiary companies of Bharti Airtel, either directly or along with Airtel, participate in the BR initiatives.

3. **Do any other entity / entities (e.g. suppliers and distributors, among others) that the Company does business with participate in the BR initiatives of the Company?**

   Bharti Airtel supports and constantly encourages its partners to undertake sustainability and CSR initiatives in their areas of operations. At present, the Company's infrastructure and facility management partners support its drive towards environment protection which represents less than 30% of all our partners.

Section D

Business Responsibility Information

1. **Details of Director / Directors responsible for BR**

   a) Details of Director / Directors responsible for the implementation of BR policy / policies

DIN Number	00042494
Name	Mr. Rakesh Bharti Mittal
Designation	Director

   b) Details of the BR head:

DIN Number (if applicable):	N.A.
Name	Mr. Sameer Chugh
Designation	Director – Legal & Regulatory
Telephone No.	+91 124 4243188
E-mail id	sustainability@airtel.com

2. **Principle-wise (as per NVGs) BR Policy / Policies**

Principle 1 Ethics, Transparency and Accountability	**Principle 2** Products Lifecycle Sustainability	**Principle 3** Employees' Wellbeing
Principle 4 Stakeholder Engagement	**Principle 5** Human Rights	**Principle 6** Environment
Principle 7 Policy Advocacy	**Principle 8** Inclusive Growth	**Principle 9** Customer Value

(a) Details of Compliance (Reply in Y/N)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If Yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Y	N	N	N	Y	N	Y	Y	N
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	-	Y	Y	Y	-	-	-	Y
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

- The policies are formulated with detailed consultation with relevant stakeholders and benchmarking across the industry. They are developed and aligned to applicable legal and regulatory requirements, and guidelines, SEBI listing regulation and our internal mandates.
- All policies are administered under the overall supervision of the Airtel Management Committee (AMB) of the Company, headed by the Managing Director and Chief Executive Officer. The Audit Committee of the Board along with other Board Committees reviews implementation of policies.
- The following Policies can be viewed on our website www.airtel.com and www.bharti.com

  1) Code of Conduct Policy 2) Code of Conduct Policy for Partners 3) CSR Policy 4) Ombudsperson Policy & Process.
- Except for policies listed above, all other policies are meant for internal consumption of the employees and are available on company's intranet. All policies have been periodically communicated to the relevant internal and external stakeholders.
- All the policies are owned by the respective AMB member and their senior leadership team is responsible for the effective implementation of the policy.
- Any clarifications or grievances related to either of the policies are addressed by the respective leadership team member and if not addressed to satisfaction can be escalated to the Ombudsperson.
- All policies and their implementation is audited by an independent internal audit team who in turn reports issues, if any, to the Board Audit Committee.

3. Governance related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the Company's BR performance. (Within 3 months, 3-6 months, annually, more than 1 year)**

  The CSR Committee and the Board assesses and reviews the BR performance annually and gives strategic direction to the Company on its BR initiatives, if required.

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?**

  The Company publishes an annual Sustainability Report in accordance with the Global Reporting Initiative (GRI) Framework. The report has been uploaded on the Company's website, and can be viewed at www.airtel.in/sustainability.

Section E

Principle-wise Performance

Principle 1
Ethics, Transparency and Accountability

The Company's Code of Conduct (CoC) affirms its commitment to the highest standards of integrity and ethics. Bharti Airtel has a 'zero tolerance' approach towards bribery and corruption. It strictly prohibits making any sort of facilitation payment. The Policy on 'Improper Payments' is non-negotiable for the Company; and it is committed to comply with the same in letter and spirit. The CoC is developed at the Group level and is applicable for all internal and external stakeholders. Adherence to the Code is mandatory for all employees, subsidaries, suppliers and contractors, service providers, channel partners and their employees. All employees have to undergo mandatory e-certification on CoC to affirm their commitment to the

Code. Besides, the office of the Ombudsperson serves as an independent forum for employees as well as other external stakeholders including associates, strategic partners and suppliers to raise concerns and complaints about improper practices such as bribery / corruption, which are in breach of the Bharti Code of Conduct. The Company's Consequence Management Policy deals with violation of the Code of Conduct, and misreporting or non-reporting of critical information. This includes financial impropriety including bribery or kickbacks.

During FY 2015-16, 16 allegations of corruption / bribery were received. Investigations were completed in 15 cases and actions were initiated as per the Consequence Management Policy. One case is currently under investigation.

Principle 2
Product Lifecycle Sustainability

Digital connectivity is becoming integral to economic and social development. Over the years, Bharti Airtel through its services namely mobile, broadband, enterprise services and DTH has served as a catalyst to bridge the digital divide. Its robust network and far-reaching distribution helped in strengthening the entire process. Besides, the Company is constantly expanding its bouquet of services and enhancing its communication technologies to make a positive impact on the communities it works with.

Bharti Airtel is committed to socio-economic transformation to help elevate the lives of millions. The Company takes a proactive approach to preserve the environment and reduce negative fallouts of the lifecycle of its products and services across the value chain. It believes in responsible growth that encourages social wellbeing, while promoting innovation and efficiency. Through various value-added services offered on the mobile and broadband platform, Bharti Airtel aims at generating awareness and offering services in the areas of mobile commerce, health, education and agriculture, thus, augmenting the efforts of the government to extend the reach and quality of basic life services to the population.

With a host of value-added services oriented towards rural communities, Bharti Airtel is perceived as an important driver of socio-economic empowerment in the country. Through the recent license received by Airtel Payments Bank, the Company aims to take pioneering steps towards easing the access to financial services for a majority of unbanked population. Similarly, services such as mEducation, mFarmer have used mobile and DTH platforms to transform the traditional service delivery model and reduce the cost of access to millions of people in far flung rural areas. IKSL, The Company's joint venture initiative with IFFCO - the world's largest fertilizer cooperative federation – is a great example of farmer empowerment. Over 3 Mn farmers benefit directly from its information services in weather forecasting, commodity prices, agronomy, dairy farming and forestry.

Bharti Airtel's network transformation programme, 'Project Leap' focuses on a series of new initiatives towards a greener environment and building a sustainable network for the future. It is in continuation with the Company's long-term commitment towards 'Green Network' initiatives. Under 'Project Leap', Bharti Airtel not only plans to establish a world-class and future-ready network, but also to bring down its carbon footprint emission by 70% over the next three years.

The Company also gives utmost importance to community health and safety. It acknowledges the growing concerns due to the alleged exposure to electromagnetic fields (EMF), and believes in maintaining transparency. It continues to monitor research outcomes and share updated research-based information with its stakeholders. The Company adheres to the emission norms prescribed by the International Commission on Non-ionizing Radiation Protection (ICNIRP); which is 10-times stricter for India, compared to technologically-advanced countries. In FY 2015-16, over 17,590 sites were audited by the TERM Cells, and almost 99.9% sites were found to be compliant with emission norms. Also, the Company, in partnership with the Cellular Operators Association of India (COAI), conducts several awareness building sessions over the issue.

War on Waste is one of the key business priorities of Bharti Airtel. In line with this, the Company continues to take initiatives and develops innovative technologies to minimise waste that is generated by its operations. This will ensure end-to-end traceability and recycling of both physical waste and e-waste.

Due to the nature of Bharti Airtel's operations, a large volume of e-waste is generated by the Company. The e-waste (electronic components, telecom equipment or IT hardware) that results from technology upgradation and capacity augmentation is recycled as per Waste Electrical and Electronic Equipment (WEEE) norms. In FY 2015-16, over 1,700 tons of e-waste generated from IT and network infrastructure was recycled through authorised recycling partners.

The Company promotes the use of electronic billing and online payment methods to reduce paper usage that results from physical copies of bills and receipts. In addition, an automated que management based printing solution is in place, besides telecommunication services like tele-conferencing and video-conferencing. The telecommunication services are used to ensure minimal business travel, thus cutting down carbon emission.

Bharti Airtel works closely with its partners towards ensuring sound and sustainable procurement procedures, built on a solid foundation of the Company's policies and principles. Nearly 90% of the Company's suppliers are based in India, and over 80% of the procurement for the year, in terms of value, was from these India-based partners. It constantly strives to build a responsible and sustainable supply chain. One of the important parameters of supplier selection at Airtel is the supplier's achievement of management certifications such as TL9000, ISO 9001, ISO27001, ISO 14001, OHSAS18001 and RoHS. Suppliers with certifications for high standards in their areas of expertise are preferred, and those seeking certifications are assisted in undergoing a certification programme within a defined period.

e-Shakti – Driving Digital Literacy

This initiative aims at building awareness about the basics of Internet, simplicity of internet, usefulness and presence of content relevant to women on internet and providing them with live experience on their own handsets.

In association with various state governments, over 500,000 women have been trained across several districts in Madhya Pradesh, Andhra Pradesh and Rajasthan.

Principle 3
Employees' Wellbeing

Bharti Airtel acknowledges the immense potential of its human capital, and therefore, 'Win with People' is one of the five key business priorities of the Company. Bharti Airtel believes that its success depends on its ability to develop knowledge, skills and expertise of its employees. The Company strongly believes 'Win with People' is essential to continue winning in the market. This belief translates in ensuring that every business vertical is equipped with right talent, which is both competent and engaged. The Company achieves this objective by undertaking various initiatives for talent development, employee engagement and communication.

This approach has helped the Company in building an organisation, which is not only inclusive and entrepreneurial but most importantly, experienced as an equal opportunity employer by its people. Bharti Airtel has consistently tried to create and promote an inclusive work environment for employees from diverse backgrounds to help them realise their full potential. The objective is to ensure that the - strong workforce of 18,179 employees are both skilled and engaged; and that the organisation is perceived as being inclusive, entrepreneurial and an equal opportunity employer.

There were 4,968 subcontracted employees as on March 31, 2016. During the period, there were no temporary and casual employees.

Being in service industry, the Company does not have any labour union or association in the organisation. However, employees have full access to management to raise their concern at any time without any fear / coercion. All the concerns or issue raised by employees are resolved satisfactorily.

The Company is fully committed to the promotion of diversity across all levels of the organisation. There were 1,491 permanent women employees, which represented around 8% of the total workforce. A total of 123 people with disabilities were employed at various company locations. To nurture workforce diversity, with a particular focus on gender, the Company has implemented practices and support systems that specifically address the requirements of its women employees. This is backed by stringent policies and procedures, which ensure the workplace environment free from sexual harassment.

The Company is fully compliant with the prevailing laws on the prevention of sexual harassment of women at workplace. The Internal Complaints Committee deals with all matters related to the subject in accordance with the tenets of the law. The Company is fully compliant with the prevailing laws on the prevention of sexual harassment of women at workplace. The Internal Complaints Committee deals with all matters related to the subject in accordance with the tenets of the law. The list of members of the Committee has been communicated to all employees and also prominently displayed in the public areas of all its offices. Besides, the Company has conducted awareness and training programmes for employees with respect to this law. Training sessions were also conducted for all members of the Internal Complaints Committee on the legal and practical aspects to enable the members to deal with investigations. Eight cases related to sexual harassment were reported and investigated during the year; and all procedures were followed. Guilt was established in five cases, and of these, four were separated from their services with the organisation. In the fifth case, there was a conciliation proceeding on the request of the complainant. However, the accused quit the organisation on his own accord post the conciliation closure.

During the year, no complaints were received by the Ombudsperson office for child labour, forced labour or discriminatory employment.

155+

Unique training interventions for the Company's employees, of which over 130 comprised functional training and 25 competency-based and leadership training.

Category	No. of employees which attended safety trainings	No. of employees which attended skill upgradation trainings
Permanent employees	7,433	8487
Permanent women employees	846	822
Casual / temporary / contractual employees	5,495	-
Employees with disabilities	18	21

Principle 4
Stakeholder Engagement

Bharti Airtel's sustainability approach has been carefully developed through systematic engagement with stakeholders worldwide. The Company's regular engagement with its stakeholders allows it to identify, review and prioritise its sustainability efforts. It makes sure that its sustainability strategy is aligned to its stakeholders' expectations and demands. The Company ensures the effectiveness of the stakeholder engagement process by mapping its key internal and external stakeholders in a structured manner.

Bharti Airtel engages with its stakeholders, both internal as well as external, namely, investors, customers, employees, business partners and suppliers, government and regulators and community to gauge their expectations; share information and sustainability priorities, along with practices and performance; and explore avenues of partnerships to achieve the goals. Concerns and feedback that the Company receives from its key stakeholders get integrated into its strategic business planning. This is performed through systematic stakeholder dialogue that helps in identifying the material issues and prioritising potential risks, which can turn into long-term opportunity for business. In addition to the ongoing stakeholder engagement with all our stakeholders, a formal stakeholder engagement materiality assessment is performed once in every two years to gather the stakeholder requirements and map the same to our business priorities.

The Company has identified the disadvantaged, vulnerable and marginalised stakeholders through its association with Bharti Foundation, the philanthropic arm of Bharti Enterprises. A significant portion of the beneficiaries of the Bharti Foundation and its programmes comprise the economically-challenged and disadvantaged groups, especially girl children. Please refer to the CSR section of the Annual Report for details on our intervention through Bharti Foundation.

Principle 5
Human Rights

Bharti Airtel adheres to the highest levels of ethical business practices as articulated by its Code of Conduct so as to achieve its performance with integrity. A strong commitment to human rights is embedded in the Company's Code of Conduct Policy, which lays down the acceptable behaviour on various aspects including human rights. The Code of Conduct is applicable for all employees, associates, business partners and Group NGO and they are required to comply with the Code, the relevant labour laws and human rights regulations applicable in their geographies of operation.

No incidence of discrimination or human rights violation was received by the Company's Ombudsperson office or was pending investigation as on March 31, 2016.

Principle 6
Protection of the Environment

As a leading telecom provider in India, Bharti Airtel understands its responsibility to operate in an environmentally sustainable way by developing, promoting and utilising resource-efficient and eco-friendly services. The Health, Safety and Environment (HSE) policy details our approach towards protection of the environment and is applicable for all employees of the Company and subsidiaries. As part of its energy and climate change mitigation strategy, the Company works closely with its infrastructure partners to ensure a sustained decline in GHG emissions. In addition, the Company has also intensified its efforts towards reducing its operational footprint, increasing resource efficiency and adopting green practices in areas where it operates.

Various alternate and renewable energy sources are being explored by the Company's network infrastructure partners to mitigate the dependency on diesel. Such sources of renewable energy include solar energy solutions, fuel cells, power management systems to optimise power consumption, energy-efficient DC diesel generators, and free cooling units that reduce dependence and power consumption by air-conditioners.

Reducing dependence on conventional sources of energy and increasing overall energy efficiency will help the Company's partners remain competitive in the telecom infrastructure business. In addition, the efforts of Indus Towers and Bharti Infratel in energy saving have been instrumental in reducing the carbon footprint of the telecom industry collectively.

In FY 2015-16, the Company did not receive any legal notice from pollution control boards. However, few notices were received pertaining to the operations of its infrastructure partners, which are being suitably addressed by them. Also, the emissions / waste generated by the Company are within the permissible limits given by CPCB / SPCB.

Detailed description of the Company's intervention towards reduction of carbon footprint can be found in the CSR section of this Report and in the Planet section of Bharti Airtel's Sustainability Reports available on www.airtel.in/sustainability.

Principle 7
Responsible Policy Advocacy

The Company works closely with all industry associations and trade chambers to ensure that its public policy positions complements and advances its sustainability and citizenship objective. In taking public policy positions, Bharti Airtel strives to advance innovation, enhance competitiveness and increase job creation, economic growth and sustainable standards of living. Its policy agenda is centered on the provision of network coverage, affordable access to the customers, digital inclusion, quality of service offerings, tariff and environment, among others that are being discussed and deliberated by the government, are likely to have a material impact on the Company's business.

The Company generally conveys its policy positions through its membership with the Cellular Operators Association of India (COAI). It also holds memberships of other industry associations like Confederation of Indian Industry (CII) and Federation of Indian Chambers of Commerce & Industry (FICCI). Internationally, Bharti Airtel is a member of the International Telecommunication Union (ITU) and GSM Association (GSMA).

Principle 8
Support Inclusive Growth

Multiple studies have shown that telecommunication services can play a pivotal role as one of the architects of an accelerated socio-economic growth. Technological platforms like mobile and internet improve governance, communication, security, disaster relief; and contribute to the overall strengthening of the socio-cultural ethos.

To this effect, in 2012, the Company launched the 'Blueprint for Social Inclusion', which aimed at leveraging its network presence and distribution network to provide awareness about basic life services like health education, financial inclusion and agriculture. Over the years, the Company has made rapid progress, and also augments the efforts of the Government, public private groups, Bharti Foundation and other stakeholders in the area of sustainability.

While recalibrating the Company's strategies to remain aligned with its sustainability vision, it launched a comprehensive and a structured 'Airtel Sustainability Plan 2020'. The Plan outlines the Company's corporate responsibility and how it aspires to empower millions more through social and economic development.

In addition to driving social inclusion, Bharti Airtel makes its presence felt in the communities it serves and also where its employees live and work. The Company is focused on creating a sustained, positive and deep-rooted impact on the society at large. Its philanthropic efforts, employee volunteerism, and community outreach initiatives support the desire to be seen as a trusted partner — one that honours its commitments and takes pride in the role it plays in community wellness. With the aim to help the communities actualise their true potential and become productive members of society, the Company focused on employee volunteerism and CSR efforts, along with Bharti Foundation and various other NGOs / associations.

Bharti Foundation was set up in 2000, as the philanthropic arm of the Bharti Enterprises. Since inception, it has partnered with Bharti Airtel Limited for implementing and supporting various programmes. It focuses on implementing programmes in the field of primary, elementary, senior secondary and higher education through the Satya Bharti School Program, as well as through government school interventions under its Satya Bharti Quality Support Program and Satya Bharti Learning Centres Program. Recently, in addition to its primary focus area of education, the Foundation initiated 'Satya Bharti Abhiyan'. This initiative is aimed to improve sanitation facilities in rural Ludhiana. Besides, the Foundation introduced 'Nyaya Bharti' programme to provide legal and financial assistance to deserving and underprivileged people under trial, languishing in jails for minor offences.

Along with Bharti Foundation, the Company has also supported various other initiatives, such as supporting schools in imparting free education to girl child, employment enhancing vocation skills, maintaining old age homes, promoting formulation of public policies and research among many others.

In FY 2015-16, Bharti Airtel contributed a total of ₹ 575 Mn towards various CSR initiatives and other charitable causes.

Refer to the CSR section of this Annual Report for further details on our work with Bharti Foundation and the impact created on the community.

Sanitation Drive

Motivated by the landmark speech of India's Hon'ble Prime Minister on Independence Day (2014) calling Corporates to step up for a 'Swachh Bharat', Bharti Airtel is enthusiastically supporting the 'Satya Bharti Abhiyan'. It is a sanitation drive being implemented by Bharti Foundation in rural Ludhiana over the next 3 years for the provision of toilets in households lacking such facilities, across more than 900 villages. The Foundation also committed to improve the sanitation facilities in the Government Schools of rural Ludhiana by building separate toilets for girls, where no such facility exits.

As on March 31, 2016, 12,737 toilets have been handed over to the community in 559 villages, impacting 63,050 beneficiaries.

Young Leaders

As part of corporate induction schedule, Bharti Airtel's Young Leaders help the Satya Bharti Schools. In this two-week programme, volunteers assist the Satya Bharti School teachers to organise upcoming events, strengthen their english and basic computer knowledge. Besides, it helps them raise the profile of village schools.

Principle 9
Providing Customer Value

To match the diverse expectations of the Company's urban, rural and multinational enterprise customers, Bharti Airtel continuously develops and offers a diverse range of solutions. These range from mobile, broadband, direct-to-home satellite television and enterprise solutions, along with a bouquet of value-added, customised services that address varied customer needs.

Bharti Airtel has been transparently communicating mandatory information regarding enrolment and deactivation, tariff, usage, contact and grievance on its periodical bills, enrolment form, booklets, website and POS displays. Besides, the Company pioneered the launch of Airtel myPlan for its post-paid customers, which enables its customers to customise their postpaid plans on the basis of their family's usage, preference and requirements. They can share the benefits among five of their family members, thus ensuring zero wastage or overspend. The plan provides the features of infinite flexibility of myPlan, added with affordability, convenience and zero wastage. The Company values its customers' feedback to ensure improvement in its products, services and processes. It uses tools like Net Promoter Score (NPS) to gather its customers' feedback and suggestions, which helps in identifying the areas of improvement.

During FY 2015-16, no legal cases were filed against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour. However, 26 complaints were registered with Advertisement Standard Council of India (ASCI) and all of them were resolved as per the process specified in ASCI rules. Also, as on March 31, 2016, 0.012% of the total customer[1] complaints and around 146 out of the 235 consumer cases received in FY 2015-16 were at various stages of resolution.

[1] This includes prepaid and postpaid customers.

Board's Report

Dear Members,

Your Directors have pleasure in presenting the 21st Board Report on the Company's business and operations, together with audited financial statements and accounts for the financial year ended March 31, 2016.

Company Overview

Bharti Airtel is among the top three mobile service providers globally with presence in 20 countries, including India, Sri Lanka, Bangladesh and 17 countries in the African continent.

The Company's diversified service range includes mobile, voice and data solutions, using 2G, 3G and 4G technologies. Its service portfolio comprises an integrated suite of telecom solutions to its customers, besides providing long-distance connectivity in India, Africa and the rest of the world. The Company also offers Digital TV and IPTV services in India. All these services are rendered under a unified brand 'airtel', either directly or through subsidiary companies.

The Company also deploys and manages passive infrastructure pertaining to telecom operations through its subsidiary, Bharti Infratel Limited, which also owns 42% of Indus Towers Limited. Together, Bharti Infratel and Indus Towers are the largest passive infrastructure service providers in India.

Financial Results

In compliance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations), the Company has prepared its standalone and consolidated financial statements as per Indian Generally Accepted Accounting Principles (IGAAP) for the FY 2015-16. In addition, the Company has also prepared consolidated financials as per the International Financial Reporting Standards (IFRS). The standalone and consolidated financial highlights of the Company's operations are as follows:

Standalone Financial Highlights (IGAAP)

Particulars	FY 2015-16		FY 2014-15	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenue	603,002	9,209	554,964	9,083
EBITDA before exceptional items	238,218	3,363	246,241	4,030
Cash profit from operations	202,628	3,095	232,150	3,799
Earnings before taxation	100,398	1,533	156,553	2,562
Net Income / (Loss)	75,465	1,153	132,005	2,160

* 1 USD = ₹ 65.48 Exchange Rate for the financial year ended March 31, 2016.
(1 USD = ₹ 61.10 Exchange Rate for the financial year ended March 31, 2015).

Consolidated Financial Highlights (IGAAP)

Particulars	FY 2015-16		FY 2014-15	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenue	1,009,373	15,415	961,007	15,728
EBITDA before exceptional items	378,133	5,775	356,978	5,872
Cash profit from operations	291,115	4,446	312,513	5,115
Earnings before taxation	106,677	1,629	105,398	1,725
Net Income / (Loss)	44,566	680	46,208	756

* 1 USD = ₹ 65.48 Exchange Rate for the financial year ended March 31, 2016.
(1 USD = ₹ 61.10 Exchange Rate for the financial year ended March 31, 2015).

Consolidated Financial Highlights (IFRS)

Particulars	FY 2015-16		FY 2014-15	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenue	965,321	14,742	920,394	15,064
EBITDA before exceptional items	341,902	5,222	314,517	5,148
Cash profit from operations	289,152	4,416	285,280	4,669
Earnings before taxation	120,705	1,843	107,130	1,753
Net Income / (Loss)	54,842	838	51,835	848

* 1 USD = ₹ 65.48 Exchange Rate for the financial year ended March 31, 2016.
(1 USD = ₹ 61.10 Exchange Rate for the financial year ended March 31, 2015).

The financial results and the results of operations, including major developments have been further discussed in detail in the Management Discussion and Analysis section.

Share Capital

During the year, there was no change in the Company's issued, subscribed and paid-up equity share capital. On March 31, 2016, it stood at ₹ 19,987 Mn, divided into 3,997,400,102 equity shares of ₹ 5/- each.

General Reserve

The Company has not transferred any amount to the General Reserve for the financial year ended March 31, 2016.

Dividend

Your Directors have recommended a final dividend of ₹ 1.36 per equity share of ₹ 5 each fully paid-up (27.2 % of face value) for FY 2015-16. The total final dividend payout will amount to ₹ 5,436 Mn, excluding tax on dividend. The payment of final dividend is subject to the approval of shareholders in the Company's ensuing Annual General Meeting (AGM).

The Register of Members and Share Transfer Books will remain closed from Saturday, August 13, 2016 to Friday, August 19, 2016 (both days inclusive) for the purpose of payment of final dividend for the FY 2015-16, if declared at the ensuing AGM.

Transfer of amount to Investor Education and Protection Fund

Since the Company declared its maiden dividend in August 2009 for FY 2008-09, no unclaimed dividend was transferred to Investor Education and Protection Fund in the previous year.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 21, 2015 (date of last Annual General Meeting) on the Company's website www.airtel.com.

Deposits

The Company has not accepted any deposits and, as such, no amount of principal or interest was outstanding, as on the balance sheet closure date.

Capital Market Ratings

As on March 31, 2016, the Company was rated by two domestic rating agencies, namely CRISIL and ICRA and three international rating agencies, namely Fitch Ratings, Moody's and S&P.

CRISIL and ICRA maintained their long-term ratings of the Company. Currently, they rate the Company at [CRISIL] AA+ / [ICRA] AA+, with a stable outlook. Short-term ratings were maintained at the highest end of the rating scale at [CRISIL] A1+ / [ICRA] A1+.

Fitch, Moody's and S&P also maintained the ratings at BBB-/ Stable, BBB-/Stable and Baa3/Stable, respectively.

As on March 31, 2016, the Company was rated 'Investment Grade' with a 'Stable' outlook by all three international credit rating agencies.

Employee Stock Option Plan

At present, the Company has two Employee Stock Option (ESOP) schemes, namely Employee Stock Option Scheme 2001 and Employee Stock Option Scheme 2005. Besides attracting talent, these schemes also helped retain talent and experience. The HR and Nomination Committee administers and monitors the Company's ESOP schemes.

Both the ESOP schemes are currently administered through Bharti Airtel Employees Welfare Trust (ESOP Trust), whereby shares held by the Trust are transferred to employees, upon exercise of stock options as per the terms of the Schemes. During the financial year 2015-16, the Company has obtained approval of members through postal ballot, authorising the ESOP Trust to acquire the Company's shares from secondary market, for implementation of ESOP Scheme 2005. Apart from the said change, there were no other changes in the ESOP Schemes of the Company.

Pursuant to the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 (ESOP Regulations), a disclosure with respect to ESOP Schemes of the Company as on March 31, 2016, is annexed as Annexure A to this report and has also been uploaded on the Company's website at http://www.airtel.in/wps/wcm/connect/c9e25993-5b80-4eb0-9874-37614225b876Annexure+Pursuant+to+ESOP+Regulations.pdf?MOD=AJPERES&CONVERTTO=url&CACHEID=c9e25993-5b80-4eb0-9874-37614225b876.

The aforesaid ESOP Schemes of the Company are in compliance with the ESOP Regulations. A certificate from M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Statutory Auditors, with respect to the implementation of the Company's ESOP schemes, would be placed before the shareholders at the ensuing AGM. A copy of the same will also be available for inspection at the Company's registered office.

Material changes and commitments affecting the financial position between the end of financial year and date of report after the balance sheet date

There were no material changes and commitments affecting the financial position of the Company between the end of financial year and date of this report.

Directors and Key Managerial Personnel

Inductions, Re-appointments, Retirements & Resignations

In line with the Company's policy on Independent Directors, the term of Ms. Obiageli Ezekwesili ended on September 25, 2015. Mr. Rajan Bharti Mittal resigned from the Company's Board w.e.f. January 07, 2016. The Board place on record its appreciation for help, guidance and contribution made by the outgoing Directors during their tenure on the Board.

Mr. Rakesh Bharti Mittal was appointed as an Additional Non-Executive Director on the Board w.e.f. January 07, 2016 and will hold the office till the date of ensuing Annual General Meeting and is eligible for re-appointment. The Company has received requisite notice from a member under Section 160 of the Companies Act, 2013, proposing the appointment of Mr. Rakesh Bharti Mittal as the Company's Non-Executive Director, liable to retire by rotation. Accordingly, the Board recommends his appointment.

Ms. Chua Sock Koong will retire by rotation at the ensuing AGM and being eligible, has offered herself for re-appointment.

Mr. Sunil Bharti Mittal, Chairman, will be completing his present term as Chairman of the Company on September 30, 2016. On the recommendation of the HR and Nomination Committee, the Board in its meeting held on April 27, 2016, subject to the approval of shareholders, has re-appointed Mr. Sunil Bharti Mittal as Chairman of the Company for a further term of five years w.e.f. October 01, 2016.

Brief resume, nature of expertise, details of directorships held in other companies of the Directors proposed to be appointed / re-appointed, along with their shareholding in the Company, as stipulated under Secretarial Standard 2 and Regulation 36 of the Listing Regulations, is appended as an Annexure to the Notice of the ensuing AGM.

The Board has appointed Mr. Nilanjan Roy as the Global Chief Financial Officer w.e.f. August 05, 2015, in place of Mr. Srikanth Balachandran, who has taken up the role of Global Chief HR Officer of the Company.

Declaration by Independent Directors

The Company has received declarations from all Independent Directors of the Company confirming that they continue to meet with the criteria of independence, as prescribed under Section 149 of the Companies Act, 2013 and Regulation 25 of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's code of conduct.

Board Diversity and Policy on Director's Appointment and Remuneration

The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board, among others, enhances the quality of decisions by utilising different skills, qualifications, professional experience and knowledge of the Board members necessary for achieving sustainable and balanced development. The Board has adopted a policy on 'Nomination, Remuneration and Board Diversity', which sets out the criteria for determining qualifications, positive attributes and independence of a director. The detailed policy is available on the Company's website at http://www.airtel.in/wps/wcm/connect/92b49e0e-8810-497a-9c3e-9b80657a3688/Policy-on-Remuneration-Nomination-and-Board-Diversity.pdf?MOD=AJPERES and is also annexed as Annexure B to this report.

Annual Board Evaluation and Familiarisation Programme for Board Members

A note on the familiarisation programme adopted by the Company for orientation and training of the Directors, and the Board evaluation process undertaken in compliance with the provisions of the Companies Act, 2013 and the Listing Regulations is provided in the Report on Corporate Governance, which forms part of this Report.

Committees of Board, Number of Meetings of the Board and Board Committees

The Board of Directors met four times during the previous financial year. As on March 31, 2016, the Board has six committees, namely, the Audit & Risk Management Committee, the HR and Nomination Committee, the Corporate Social Responsibility ('CSR') Committee, the Stakeholders' Relationship Committee, the Committee of Directors and the Airtel Corporate Council.

All the recommendations made by Committees of Board including the Audit & Risk Management Committee were accepted by the Board. A detailed update on the Board, its composition, detailed charter including terms and reference of various Board Committees, number of Board and Committee meetings held during FY 2015-16 and attendance of the Directors at each meeting is provided in the Report on Corporate Governance, which forms part of this Report.

Subsidiary, Associate and Joint Venture Companies

As on March 31, 2016, your Company has 109 subsidiaries, 2 associates and 3 joint ventures, as set out in page no. 344 of the Annual Report (for Abridged Annual Report please refer page no. 84).

During FY 2015-16, Augere Wireless Broadband India Private Limited (AWBIPL) and Airtel Money Transfer Limited became subsidiaries of the Company, and AWBIPL is in the process of amalgamation with the Company. Airtel DTH Services Congo (RDC) SARL, Burkina Faso Towers S.A., Niger Towers S.A., Bharti Airtel (Canada) Limited, Airtel Broadband Services Private Limited, Uganda Towers Limited, Kenya Towers Limited, Warid Congo S.A. and Zambian Towers Limited were liquidated and accordingly ceased to be subsidiaries of the Company.

During FY 2015-16, Indo Teleports Limited (formerly known as Bharti Teleports Limited) ceased to be an associate company and became a subsidiary of the Company, and Forum I Aviation Private Limited ceased to be a joint venture of the Company.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts of Companies) Rules, 2014, a statement containing salient features of financial statements of subsidiary, associate and joint venture companies is annexed on page no. 111 of the Abridged Annual Report and page no. 352 of the full version of Annual Report. The statement also provides the details of performance and financial position of each of the subsidiary, associate and joint venture.

The audited financial statements of each of its subsidiary, associate and joint venture companies would be available for inspection at the Company's registered office and also at registered offices of the respective companies.

Copies of the annual accounts of the subsidiary, associate and joint venture companies will also be made available to the investors of Bharti Airtel and those of the respective companies upon request.

Abridged Annual Report

In terms of the provision of Section 136(1) of the Companies Act, 2013, Rule 10 of Companies (Accounts of Companies) Rules, 2014 and Regulation 36 of the Listing Regulations, the Board of Directors has decided to circulate the Abridged Annual Report containing salient features of the balance sheet and statement of profit and loss and other documents to the shareholders for FY 2015-16, who have not registered their e-mail id. The Abridged Annual Report is being circulated to the members excluding Annexures to the Board's Report viz. the 'Disclosure on ESOPs', 'Policy on Nomination, Remuneration and Board Diversity', 'Secretarial Audit Report', 'Annual Report on Corporate Social Responsibility u/s 135 of the Companies Act, 2013', 'Business Responsibility Report', 'Report on Corporate Governance and Auditors' Certificate on compliance of conditions of Corporate Governance', 'Extract of Annual Return', 'Note on Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo' and 'Disclosures relating to remuneration u/s 197(12) read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014'.

Members who desire to obtain the full version of the report may write to the Company Secretary at the registered office address and will be provided with a copy of the same. Full version of the Annual Report will also be available on the Company's website www.airtel.com.

Auditors and Auditors' Report

Statutory Auditors

In terms of the provisions of Section 139 of the Companies Act, 2013, M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, were appointed as the Company's Statutory Auditors by the shareholders in the AGM held on September 01, 2014, for a period of three years i.e. till the conclusion of 22nd AGM.

The said appointment is subject to ratification by the members at every AGM. Accordingly, the appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, as the Company's Statutory Auditors, is placed for ratification by the members. The Company has received a certificate from the Statutory Auditors to the effect that ratification of their appointment, if made, shall be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Board has duly examined the Statutory Auditors' Report to the accounts, which is self-explanatory. Clarifications, wherever necessary, have been included in the Notes to Accounts section of the Annual Report.

As regards the comments under para i(a) of the Annexure 1 to the Independent Auditors' Report regarding updation of quantitative and situation details relating to certain fixed assets, the Company is in the process of executing a comprehensive project with the involvement of technical experts, for deploying automated tools and processes which will enable near real-time tracking of fixed assets and reconciliation thereto. This project is expected to be completed by next year.

Cost Auditors

The Board, on the recommendation of the Audit & Risk Management Committee, has approved the appointment of M/s. R. J. Goel & Co., Cost Accountants, as Cost Auditors, for the financial year ending March 31, 2017. The Cost Auditors will submit their report for the financial year ending 2015-16 on or before the due date.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration payable to the Cost Auditors is required to be ratified by the shareholders, the Board recommends the same for approval by shareholders at the ensuing AGM.

Secretarial Auditors

The Company had appointed M/s. Chandrasekaran Associates, Company Secretaries, to conduct its Secretarial Audit for the financial year ended March 31, 2016. The Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions of applicable corporate laws. The Report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is annexed as Annexure C to this report.

The Board has reappointed M/s. Chandrasekaran Associates, Company Secretaries, New Delhi, as Secretarial Auditor of the Company for FY 2016-17.

Sustainability Journey

Over the past few years, sustainability has not only been an integral part but also invariably complementary to Airtel's business agenda. Airtel's sustainability journey endeavours to contribute further to its society and environment. The Company made social inclusion as a cornerstone of its sustainability programme in order to create value across its entire value chain. To drive this agenda, Airtel has an undivided focus on bridging the digital divide and ensuring that millions more are empowered through sustainable social and economic development. It has been pushing boundaries and changing the business paradigms across industries by enabling the growth of sectors like finance and banking, education, health, agriculture and put in place innovative ways to reduce the carbon footprint. Airtel has been strengthening its efforts to reiterate its commitment towards bringing a positive transformation by enabling digital inclusion, well-being of communities and enriching their lives through its core competencies. It is passionate to actively support Bharti Foundation and its educational and other initiatives.

Airtel's sustainability and business responsibility initiatives have been detailed in its Sustainability Reports, which can be located on the Company's website http://www.airtel.in/sustainability-file/home.html.

Corporate Social Responsibility (CSR)

At Bharti Airtel, Corporate Social Responsibility (CSR) encompasses much more than social outreach programmes. It lies at the heart of the Company's business operations. Over the years, the Company has aligned its business processes and goals to make a more deep-rooted impact on the society's sustainable development.

In accordance with the requirements of Section 135 of the Companies Act, 2013, the Company has constituted a CSR Committee. The composition and terms of reference of the CSR Committee is provided in the Report on Corporate Governance, which forms part of this Report.

The Company has also formulated a Corporate Social Responsibility Policy, which is available on the Company's website at http://www.airtel.in/wps/wcm/connect/fd7b3172-02e5-4e25-af7e-51d64cc17534/CSR+Policy.pdf?MOD=AJPERES&ContentCache=NONE.

During FY 2015-16, the Company has spent over ₹ 534.69 Mn towards the CSR activities. Being the initial years, the Company is in the process of evaluating the focus areas / locations of intervention for CSR activities to cater to the pressing needs of society and deliver optimal impact. As a socially responsible Company, your Company is committed to increase its CSR impact and spend over the coming years, with its aim of playing a larger role in India's sustainable development by embedding wider economic, social and environmental objectives.

A detailed update on the CSR initiatives of the Company is provided in the Corporate Social Responsibility and Sustainability Report, which forms part of the Annual Report.

The Annual Report on Corporate Social Responsibility u/s 135 of the Companies Act, 2013 is annexed as Annexure D to this Report.

Business Responsibility Report

As stipulated under the Listing Regulations, the Business Responsibility Report, describing the initiatives taken by the Company from environmental, social and governance perspective forms part of the Annual Report.

Management Discussion and Analysis Report

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the year under review, is presented in a separate section, forming part of the Annual Report.

Corporate Governance

A detailed report on Corporate Governance, pursuant to the requirements of Regulation 34 of the Listing Regulations, forms part of the Annual Report.

A certificate from M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, the Statutory Auditors of the Company, confirming compliance of conditions of Corporate Governance, as stipulated under the Listing Regulations, is annexed as Annexure H to this report.

Risk Management

Risk management is embedded in Bharti Airtel's operating framework. The Company believes that managing risks goes hand-in-hand with maximising returns. To this effect, there is a robust process in place to identify key risks across the Group and prioritise relevant action plans to mitigate these risks. Risk Management framework is reviewed periodically by the Board and the Audit & Risk Management Committee, which includes discussing the management submissions on risks, prioritising key risks and approving action plans to mitigate such risks.

The Company has a duly approved Risk Management Policy. The objective of this policy is to have a well-defined approach to risk. The Policy lays broad guidelines for the appropriate authority so as to be able to do timely identification, assessment, and prioritisation of risks affecting the Company in the short and foreseeable future. The Policy suggests framing an appropriate response action for the key risks identified, so as to make sure that risks are adequately compensated or mitigated.

The Internal Audit function is responsible to assist the Audit & Risk Management Committee on an independent basis with a full status of the risk assessments and management.

Operationally, risk is being managed at the top level by Management Boards (AMB and Africa Exco) and at operating level by Executive Committees of Circles in India and Operating Companies in the international operations.

Detailed discussion on Risk Management forms part of Management Discussion & Analysis under the section 'Risks and Concerns', which forms part of this Annual Report. At present, in the opinion of the Board of Directors, there are no risks which may threaten the existence of the Company.

Internal Financial Control and its Adequacy

The Company has in place adequate tools, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

Other Statutory Disclosures

Vigil Mechanism

The Code of Conduct and vigil mechanism applicable to Directors and Senior Management of the Company is available on the Company's website at http://www.airtel.in/about-bharti/investor-relations/corporate-governance.

A brief note on the highlights of the Whistle Blower Policy and compliance with Code of Conduct is also provided in the Report on Corporate Governance, which forms part of this Annual Report.

Extract of Annual Return

In terms of provisions of Section 92, 134(3)(a) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, the extracts of Annual Return of the Company in form MGT-9 is annexed herewith as Annexure E to this report.

Significant and Material Orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Particulars of Loans, Guarantees and Investments

Particulars of loans, guarantees and investments form part of Note no. 18 & 24, 26 and 17 & 20 respectively to the financial statements provided in the full version of the Annual Report.

Related Party Transactions

A detailed note on procedure adopted by the Company in dealing with contracts and arrangements with Related Parties is provided in the Report on Corporate Governance, which forms part of this Annual Report.

All arrangements / transactions entered by the Company with its related parties during the year were in the ordinary course of business and on arm's length basis. During the year, the Company has not entered into any arrangement / transaction with related parties which could be considered material in accordance with the Company's Policy on Related Party Transactions and accordingly, the disclosure of Related Party Transactions in Form AOC - 2 is not applicable. However, names of Related Parties and details of transactions with them have been included in Note no. 47 to the financial statements provided in the full version of the Annual Report and Note no. 21 of the financial statements provided in abridged version of the Annual Report under Accounting Standard 18.

The Policy on the Related Party Transactions is available on the Company's website at http://www.airtel.in/wps/wcm/connect/36a5305d-f0ba-490c-9eff-152ef6811917/BALPolicy-on-Related-Party_Transactions.pdf?MOD=AJPERES.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The details of energy conservation, technology absorption and foreign exchange earnings and outgo as required under

Section 134(3) of the Companies Act, 2013, read with the Rule 8 of Companies (Accounts of Companies) Rules, 2014 is annexed as Annexure F to this report.

Particulars of Employees

Disclosures relating to remuneration of Directors u/s 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure G to this report.

The information, as required to be provided in terms of Section 197(12) of the Companies Act, 2013, read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure I to this report.

Directors' Responsibility Statement

Pursuant to Section 134 of the Companies Act, 2013, the Directors, to the best of their knowledge and belief, confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed, along with proper explanation relating to material departures;

b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors had prepared the annual accounts on a going concern basis;

e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgements

The Board wish to place on record their appreciation to the Department of Telecommunications (DoT), the Central Government, the State Governments in India, Government of Bangladesh, Government of Sri Lanka and Governments in the 17 countries in Africa, Company's bankers and business associates, for the assistance, co-operation and encouragement they extended to the Company.

The Directors also extend their appreciation to the employees for their continuing support and unstinting efforts in ensuring an excellent all-round operational performance. The Directors would like to thank various partners, viz., Bharti Telecom Limited, Singapore Telecommunications Ltd. and other shareholders for their support and contribution. We look forward to their continued support in future.

For and on behalf of the Board

Place: Gurgaon
Date: April 27, 2016

Sunil Bharti Mittal
Chairman

Information Regarding Employees Stock Schemes (As on March 31, 2016)

Annexure A

Sl. No.	Particulars	ESOP Scheme 2001	ESOP Scheme 2005
1	Date of shareholders' approval	February 27, 2001	September 06, 2005
2	Total number of options approved under the scheme	31,680,000	18,734,552
3	Vesting requirements	1-5 years	1-5 years
4	Exercise price / Pricing formula	29,015,686@11.25 1,760,000@0.45 4,380,000@35.00 142,530@0.00 5,541,862@5.00 40,000@60.00 25,000@110.50	Exercise Price not less than the par value of the Equity Share and not more than the price prescribed under Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 on Grant Date
5	Maximum term of options granted	7 years from the grant date	7 years from the grant date
6	Source of shares	Primary	Secondary
7	Variation in terms of ESOPs	NIL	NIL
8	Difference between the employees compensation cost based on intrinsic value of the stock and the fair value for the year and its impact on profits and on EPS of the Company.	NIL	NIL
9	Options movement during the year:		
	Number of options outstanding at the beginning of the period	390,000	3,329,093
	Number of options granted during the year	NIL	1,575,618
	Number of options forfeited / lapsed during the year	10,365	1,424,741
	Number of options vested during the year	39,635	210,580
	Number of options exercised during the year	75,000	953,684
	Number of shares arising as a result of exercise of options	N.A.	N.A.
	Money realised by exercise of options (₹) if scheme is implemented directly by the Company*	NIL	NIL
	Loan repaid by the Trust during the year from exercise price received	₹ 103,945,436	
	Number of options outstanding at the end of the year	304,635	2,526,286
	Number of options exercisable at the end of the year	29,635	1,025,283
10	a) Weighted average exercise price	₹ 11.25; ₹ 0.45; ₹ 35; ₹ 0; ₹ 5; ₹ 60; ₹ 110.5	₹ 200.37
	b) Weighted average fair value	NA; NA; NA; NA; ₹ 268.20; ₹ 84.43; ₹ 357.63	₹ 196.93
11	Name of the employee and designation to whom options was granted at exercise price ₹ 5 per option	No of options granted	No of options granted
	i) Mr. Gopal Vittal (MD & CEO - India & South Asia)	NIL	131,480
	ii) Mr. Sundar Rajan R (Group General Counsel)	NIL	35,858
	iii) Mr. Arvind Chopra (Group Director - Internal Assurance)	NIL	35,858
	iv) Mr. Deven Khanna (Director - CMD's Office)	NIL	31,077
	v) Mr. Srikanth Balachandran (Global CHRO)	NIL	30,599
	vi) Mr. Harjeet Kohli (Group Treasurer)	NIL	26,894
	vii) Mr. Ajai Puri (Director - Market Operations)	NIL	28,816
	viii) Mr. Raghunath Mandava (Director - Customer Experience)	NIL	26,254
	ix) Mr. Nilanjan Roy (Global CFO)	NIL	25,746

Sl. No.	Particulars		ESOP Scheme 2001	ESOP Scheme 2005
	x)	Ms. Harmeen Mehta (Global CIO)	NIL	23,906
	xi)	Mr. Srini Gopalan (Director - Consumer Business)	NIL	23,667
	xii)	Mr. Moti Gyamlani (Director - Supply Chain)	NIL	21,813
	xiii)	Mr. Sarang Kanade (Director - Customer Experience)	NIL	18,753
	xiv)	Mr. Shashi Arora (Director - DTH)	NIL	14,986
	xv)	Mr. Ajay Chitkara (Director - Global Voice & Data Business)	NIL	14,615
	xvi)	Mr. Abhay Savargaonkar (Director Networks & CTO)	NIL	14,344
	xvii)	Mr. Ravi Parkash Gandhi (Chief Regulatory Officer)	NIL	12,825
	xviii)	Mr. Manish Prakash (Director - Enterprise & Government)	NIL	10,041
	xix)	Mr. Sameer Chugh (Director - Legal)	NIL	8,606
	xx)	Mr. Raza Khan (Head - Corporate Communications)	NIL	3,927
	xxi)	Ms. Sucheta Mahapatra (Head - Business Strategy & Support)	NIL	3,921
12	Method and significant assumptions used to estimate the fair values of options including the following information:		Black Scholes / Lattice Valuation Model / Monte Carlo Simulation	
	a)	i) the weighted-average values of share price ii) the weighted-average exercise price iii) expected volatility iv) expected option life v) expected dividends vi) the risk-free interest rate and any other inputs to the model	₹ 411.7 ₹ 5 27.45% 48 to 60 months 44% (Dividend yield of 0.54%) 7.79% p.a to 7.83% p.a (The Government securities curve yields are considered as on valuation date).	
	b)	the method used and the assumptions made to incorporate the effects of expected early exercise;	N.A.	
	c)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The volatility of the options is based on the historical volatility of the share price since the respective entity's equity shares became publicly traded.	
	d)	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	The expected life of the share option is based on historical data and current expectation and not necessarily indicative of exercise pattern that may occur.	
13	Diluted earning per share (EPS) as per Accounting Standard 20		N.A.	N.A.

* Since ESOP Scheme is implemented through trust, the same is N.A.

- Both the ESOP schemes viz. ESOP Scheme 2001 and ESOP Scheme 2005 are in complinace with the SEBI (ESOP Regulations).
- Disclosure in notes to accounts is as prescribed under Guidance Note issued by ICAI.
- To calculate the employee compensation cost, the Company has used the Fair Market Value for the valuation of ESOPs.
- The options granted to the senior managerial personnel under both the schemes are subject to adjustments as per the terms of respective ESOPs Scheme / Plan.
- Other than the employee stated in point no. II (i), no other employee was granted stock options exceeding 5% of the total options granted during the year.
- No employee was granted stock options exceeding 1% of the issued capital during the year.

Preamble

The Board of Directors (the "Board") on the recommendation of the HR & Remuneration Committee (the "Committee") has approved and adopted this Nomination, Remuneration and Board Diversity Policy (the "Policy") in compliance with the provisions of Section 178 of the Companies Act, 2013 and rules made thereunder, and Clause 49 of the Listing Agreements with the Stock Exchanges.

Objectives

The main objectives of this Policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive including Independent Directors), Key Managerial Personnel ("KMP") and persons who may be appointed in Senior Management positions.
- To lay down criteria for determining the Company's approach to ensure adequate diversity in its Board.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage for the Company.
- To determine remuneration of Directors, KMPs and other senior management personnel's, keeping in view all relevant factors including industry trends and practices.
- To provide for rewards linked directly to their effort, performance, dedication and achievement of the Company's target.

A. Attributes, Qualifications and Diversity

Directors and Key Managerial Personnel

The Committee shall be responsible for identifying a suitable candidate for appointment as Director or as KMP of the Company.

The Board shall consist of such number of Directors as is necessary to effectively manage the Company of the size and nature as of Bharti Airtel, subject to a minimum of 3 and maximum of 15, including woman Directors. The Board shall have an appropriate combination of Executive, Non-Executive and Independent Directors. The Board shall appoint a Chairman and a Managing Director or CEO and the roles of Chairman and Managing Director or CEO shall not be exercised by the same individual.

While evaluating a person for appointment / re-appointment as Director or as KMP, the Committee shall consider and evaluate number of factors including but not limited to background, knowledge, skills, abilities (ability to exercise sound judgement), professional experience & functional expertise, educational and professional background, personal accomplishment, age, experience, understanding of the telecommunication sector / industry, marketing, technology, finance and other disciplines relevant to the business etc. and such other factors that the Committee might consider relevant and applicable from time to time towards achieving a diverse Board.

The Committee shall ensure that the proposed Director satisfies the following additional criteria:

- Eligible for appointment as a Director on the Board of the Company and is not disqualified in terms of Section 164 and other applicable provisions of the Companies Act, 2013, and the Listing Agreements.
- Has attained minimum age of 25 years and is not older than 70 years.
- Does not hold directorship in more than 20 companies (including private and public limited companies) or 10 public limited companies incorporated in India.
- Will be able to devote sufficient time and efforts in discharge of duties and responsibilities effectively.

While evaluating a person for appointment / re-appointment as an Independent Director, the Committee shall ensure that the proposed appointee satisfies the following additional criteria:

- Meet the baseline definition and criteria of "independence" as set out in Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreements and other applicable laws.
- Should not hold the position of Independent Director in more than six Indian listed companies and if serving as Whole-time Director in any Indian listed company then in not more than three Indian listed companies.
- Should not hold any Board / employment position with a competitor in the geographies where the Company is operating. However, the Board may in special circumstances waive this requirement.

The re-appointment / extension of term of any Board members shall be on the basis of their performance evaluation report.

Senior Management

While evaluating a person for appointment / re-appointment in a senior management position, the management shall considers various factors including individual's background, competency, skills, abilities (viz. leadership, ability to exercise sound judgement), educational and professional background, personal accomplishment, age, relevant experience and understanding of related field viz. marketing technology, finance or such other discipline relevant to present and prospective operations of the Company.

Senior Management means personnel of the Company who are members of its core management team excluding Board of Directors and shall comprise of all members of management one level below the Executive Directors, including all functional heads.

B. Remuneration Policy

Board Members

The overall limits of remuneration of the Board members including Executive Board members (i.e. Managing Director, Whole-time Director, Executive Directors etc.) are governed by the provisions of Section 197 of the Companies Act, 2013, rules made thereunder and shall be approved by the shareholders of the Company and shall be subject to availability of profits of the Company.

Within the overall limit approved by the shareholders, on the recommendation of the Committee, the Board shall determine the remuneration. The Board can determine different remuneration for different Directors on the basis of their role, responsibilities, duties, time involvement etc.

Non-Executive Directors including Independent Directors

Pursuant to the provisions of Section 197 of the Companies Act, 2013, rules made thereunder and the shareholders' approval, the Board has approved the following remuneration for Non-Executive Directors (including Independent Directors):

i. **Profit-linked Commission** (Payable annually after approval of the financial results for the year)

- Non-Executive Directors who are nominees of shareholders:
  - USD 60,000/- per annum for Directors not residing in India.
  - ₹ 3,000,000/- per annum for Directors residing in India.
- Independent Non-Executive Directors:
  - USD 100,000/- per annum for Directors not residing in India.
  - ₹ 5,000,000/- per annum for those residing in India.
- Chairman – Audit & Risk Management Committee, and HR and Nomination Committee:
  - not residing in India – additional USD 100,000/- per annum.
  - residing in India – additional ₹ 3,000,000/- per annum.
- Chairman – Technology Committee: additional USD 150,000/- per annum.
- Committee Membership Fee (per committee):
  - not residing in India – additional USD 10,000/- per annum.
  - residing in India – additional ₹ 500,000/- per annum.
- Travel fee if not residing in India: USD 10,000 per meeting.

ii. **Sitting Fees**

In addition to the profit linked commission, the Independent Directors will also be entitled to sitting fee of ₹ 100,000/- for all Board meetings and all Committee meetings held in a single day. For avoidance of doubt, in case an Independent Director attends more than one Board and / or Committee meeting in a day, he will be paid consolidated sitting fee of ₹ 100,000/- for all such meetings. If the Board appoint any person as an alternate Director to an Independent Director, such person will be entitled to sitting fee for the relevant meeting.

Executive Board Members (Managing Director, Whole-time Director, Executive Directors etc.)

The remuneration (including revision in the remuneration) of Executive Board members shall be approved by the Board on the basis of the recommendation of the HR and Nomination Committee.

The remuneration payable to Executive Board members shall consist of (a) Fixed Pay, which is payable monthly, and shall include basic pay, contributions to retirement benefits, house rent allowance or company-leased accommodation and other allowances as per the Company's policy (b) Variable Pay (paid at the end of Financial Year) directly linked to the performance of the individual employee (i.e. achievement against pre-determined KRAs), his / her respective Business Unit and the overall Company's performance (c) Long term incentive / ESOPs as may be decided by the HR & Nomination Committee from time to time.

Remuneration to Key Managerial Personnel (other than Managing Director and Whole-time Director), Senior Management and other employees

The remuneration of Key Managerial Personnel (other than Managing Director and Whole-time Director), shall be as per the compensation and appraisal policy of the Company.

The remuneration payable to key managerial personnel (other than Managing Director and Whole-time Director), senior management and other employees shall consist of (a) Fixed Pay, which is payable monthly and include basic pay, contributions to retirement benefits, house rent allowance or company-leased accommodation and other allowances as per the Company's policy (b) Variable Pay (paid at the end of Financial Year) directly linked to the performance of the individual employee (i.e. achievement against pre-determined KRAs), his / her respective business unit and the overall Company performance (c) Long term incentive / ESOPs as may be decided by the Committee from time to time.

Disclosures by the Company

This Policy shall be disclosed in the Company's Annual Report.

General

The Group Director – HR and the Company Secretary are jointly authorised to amend the Policy to give effect to any changes / amendments notified by Ministry of Corporate Affairs or Security Exchange Board of India w.r.t. Directors' any matter covered by this policy. The amended policy shall be placed before the Board for noting and ratification. Any questions and clarifications relating to this Policy should be addressed to the Company Secretary at compliance.officer@bharti.in.

Secretarial Audit Report (Financial Year ended March 31, 2016)

Annexure C

The Members
Bharti Airtel Limited
Bharti Crescent, 1, Nelson Mandela Road,
Vasant Kunj, Phase-II,
New Delhi – 110070

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bharti Airtel Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and Not Applicable
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. Not Applicable

(vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their Sectors / Businesses are:

- a) The Indian Telegraph Act, 1885
- b) The Telecom Regulatory Authority of India Act, 1997 and Rules and Regulations made thereunder
- c) The Indian Wireless Telegraphy Act, 1933

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India, being effective from 01.07.2015.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 being effective from 01.12.2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Board has approved the merger of Augere Wireless Broadband Private Limited with the Company and the said event may be deemed to have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Dr. S. Chandrasekaran
Senior Partner

Chandrasekaran Associates
Company Secretaries

Place: New Delhi
Date: April 22, 2016

Membership No. FCS No.: 1644
Certificate of Practice No.: 715

Note: This report is to be read with our letter of even date which is annexed as Annexure A to this report and form an integral part of this report.

Annexure A to the Secretarial Audit Report

The Members
Bharti Airtel Limited
Bharti Crescent, 1, Nelson Mandela Road,
Vasant Kunj, Phase-II,
New Delhi – 110070

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Dr. S. Chandrasekaran
Senior Partner

Chandrasekaran Associates
Company Secretaries

Place: New Delhi
Date: April 22, 2016

Membership No. FCS No.: 1644
Certificate of Practice No.: 715

The Annual Report on Corporate Social Responsibility (CSR) Activities

Annexure D

1. Brief Outline of Company's CSR Policy

At Bharti Airtel, business success is not just about profits and shareholder returns. We believe in pursuing wider socio-economic and cultural objectives and have always endeavoured to not just live up to it, but to try and exceed the expectations of the communities in which we operate.

The Board of Directors adopted the CSR policy of the Company on April 29, 2014 which is available on the website of the Company. The Company's CSR and welfare activities centers around promoting education with special emphasis on girl child, livelihood enhancement education programmes, eradicating hunger, promoting preventive healthcare and sanitation and providing legal assistance to underprivileged under-trials. Bharti Airtel's CSR and welfare activities are committed to create and support programmes that bring about sustainable changes through education.

The detailed CSR Policy of the Company is available on Company's website at: http://www.airtel.in/wps/wcm/connect/fd7b3172-02e5-4e25-af7e-51d64cc17534/CSR+Policy.pdf?MOD=AJPERES&ContentCache=NONE.

The overview of various CSR projects and programmes undertaken by the Company has been provided in the Corporate Social Responsibility & Sustainability Report section of the Annual Report.

2. Composition of CSR Committee

Name	Designation
Mr. Rakesh Bharti Mittal, Chairman	Non-Executive Director
Mr. D. K. Mittal	Independent Director
Mr. Gopal Vittal	Managing Director & CEO (India & South Asia)

(₹ Millions)

3.	**Average net profit before tax of the Company for last three financial years**	94,502
4.	**Prescribed CSR Expenditure (2% of the amount as above)**	1,890
5.	**Details of CSR spent during the year**	
a)	Total amount to be spent for the financial year	1,890
b)	Amount Unspent	1355.31

c) Manner in which amount spent during the financial year:

(₹ Millions)

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes was undertaken	Amount outlay (budget) project or programmes wise	Amount spent on the projects or programmes Sub-heads: (1) Direct expenditure on projects or programmes (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
Eligible CSR Programmes / Projects:							
1.	Satya Bharti School Program (Operating Expenditure)	Promotion of education	Specified below*	224.79	196.59	196.59	Bharti Foundation
2.	Satya Bharti School Program (Capital Expenditure)	Promotion of education	Specified below*	90	90	90	Bharti Foundation
3.	Satya Bharti Abhiyan	Sanitation	Ludhiana, Punjab	210	102.6	102.6	Bharti Foundation

(₹ Millions)

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes was undertaken	Amount outlay (budget) project or programmes wise	Amount spent on the projects or programmes Sub-heads: (1) Direct expenditure on projects or programmes (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
4.	Footwear Design and Development skill to youth	Employment enhancing vocation skills	Chhindwara, Madhya Pradesh	6.90	6.90	6.90	Centum Foundation
5.	Education to underprivileged Girl Child	Promotion of education	Dehradun, Uttarakhand	1	1	1	Direct
6.	Anubandh - Old Age Home	Maintenance of old age homes	Jodhpur, Rajasthan	2	2	2	Direct
		Total		**534.69**	**394.3**	**394.3**	
Other Contributions:							
1.	Carnegie India	Public Policy and Research	New Delhi	16.93	16.93	16.93	Direct
2.	Miscellaneous	Miscellaneous	Miscellaneous	23.38	23.38	23.38	Direct
		Total		**40.31**	**40.31**	**40.31**	
		Grand Total		**575**	**434.61**	**434.61**	

* District wise / State wise details of Satya Bharti School Program - Kaithal, Kurukshetra, Jhajjar, Mahendergarh, Rewari in Haryana; Amritsar, Ludhiana, Sangrur in Punjab; Amer, Neemrana, Jodhpur in Rajasthan; Sivaganga in Tamil Nadu; Farrukhabad, PPES, Shahjahanpur in Uttar Pradesh and Mushirdabad in West Bengal. District wise / State wise details of Satya Bharti Learning Program – Barmer, Sawaimadhopur, Jodhpur in Rajasthan; Barwani, Jhabau in Madhya Pardesh and Deoghar, Dumka, Godda, Pakur Sahibganj in Jharkhand. District wise / State wise details of Quality Support Model – Rewari, Mahendergarh, Kurukshetra in Haryana; Balesar, Shergarh, Mandore, Phalodi, Baori in Rajasthan; Nangla, Chandigarh in Punjab and Mundka in Delhi.

6. Reason for not spending the prescribed 2% amount

The Company had increased its CSR spending by approx. 30% over the previous financial year i.e. from ₹ 411 Mn in FY 2014-15 to ₹ 534.69 Mn in FY 2015-16. Additionally, the Company has also contributed ₹ 40.31 Mn towards various other charitable causes (disclosed as 'other contributions' in the above mentioned table) which do not fall under the ambit of CSR spending under the provisions of Section 135 of the Companies Act, 2013. The overall CSR spending of the Company for FY 2015-16, if added up, would have been ₹ 575 Mn. Being in the initial years of implementation, the Company is persistently exploring new opportunities to increase its CSR expenditure to the prescribed level. As a socially responsible company, it is committed to play a larger role in India's sustainable development by embedding wider economic, social and ecological objectives.

7. Responsibility statement of the CSR Committee

The Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

Gopal Vittal
Managing Director & CEO (India & South Asia)

Rakesh Bharti Mittal
Chairman, CSR Committee

Extract of Annual Return **Annexure E**

Form No. MGT - 9
as on the financial year ended on March 31, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details

CIN	L74899DL1995PLC070609
Registration Date	July 07, 1995
Name of the Company	Bharti Airtel Limited
Category of the Company	Limited by shares
Sub-Category of the Company	Indian Non-Government Company
Address of the Registered office and contact details	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi – 110 070. Phone : +91 11 4666 6100
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agents	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot number 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032, India. Phone : +91 040 6716 2222

II. Principal Business Activities of the Company

Businesses contributing 10% or more of the total turnover of the Company are given below:

Sl. No.	Name and Description of main products / services	NIC Code of the product / service*	% to total turnover of the Company
1	Wireless telecommunications activities	612	86.16%
2	Wired telecommunications activities	611	11.38%

* As per National Industrial Classification – Ministry of Statistics and Programme Implementation.

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name of the Company	Address	CIN / Registration No.	% of shares held
Subsidiary Companies u/s 2(87)(ii) of the Companies Act, 2013				
1	Bharti Airtel Services Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U64201DL1997PLC091001	100
2	Bharti Hexacom Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U74899DL1995PLC067527	70
3	Bharti Infratel Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	L64201DL2006PLC156038	71.7
4	Bharti Infratel Services Limited (under process of striking off)	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U64200DL2013PLC253495	71.7
5	SmarTx Services Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U64202DL2015PLC285515	71.7
6	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U32204DL2008PLC183976	95
7	Bharti Telemedia Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U92200DL2006PLC156075	95
8	Airtel M Commerce Services Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U64200DL2010PLC201058	100
9	Telesonic Networks Limited	4th Floor, 'C' Wing, Airtel Centre, Plot No. 16, Phase - IV, Udyog Vihar, Gurgaon - 122 015, Haryana, India.	U64200HR2009PLC039237	100

Sl. No.	Name of the Company	Address	CIN / Registration No.	% of shares held
10	Nxtra Data Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U72200DL2013PLC254747	100
11	Wynk Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U74140DL2015PLC275325	100
12	Augere Wireless Broadband India Private Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U64200DL2010PTC207522	100
13	Airtel Bangladesh Limited (under amalgamation)	House # 34, Road # 19/A, Banani, Dhaka - 1213, Bangladesh	C - 55081(1766)/04	100
14	Bangladesh Infratel Networks Limited (under liquidation)	House # 34, Road # 19/A, Banani, Dhaka - 1213, Bangladesh	C - 93753/11	100
15	Bharti Airtel (France) SAS	88, Ter Avenue Général Leclerc – 92100 Boulogne, Billancourt	RCS Nanterre 523 035 426	100
16	Bharti Airtel (Hongkong) Limited	12/F, No. 3, Lockhart Road, Wanchai, Hongkong	1080074	100
17	Bharti Airtel (Japan) Kabushiki Kaisha	Shinjuku Park Tower 30th Floor, 7-1, Nishi Shinjuku 3-Chome, Shinjuku-ku, Tokyo	0111-01-055989	100
18	Bharti Airtel (UK) Limited	26, Red Lion Square, London, WC1R 4AG, United Kingdom	5917314	100
19	Bharti Airtel (USA) Limited	335, Madison Avenue 12th floor, New York 10017	F-060912000-217	100
20	Bharti Airtel Holdings (Singapore) Pte Ltd	150, Orchard Road, #08-01, Orchard Plaza, Singapore	2007-18118-G	100
21	Bharti Airtel International (Mauritius) Limited	Cim Corporate Services Ltd, Les Cascade Building, Edith Cavell Street, Port Louis, Mauritius	094380 CI/GBL	100
22	Bharti Airtel International (Netherlands) B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34387410	100
23	Bharti Airtel Lanka (Private) Limited	Level 11, West Tower, World Trade Centre, Echelon Square Colombo 1, Sri Lanka	PV10652	100
24	Bharti Infratel Lanka (Private) Limited (under process of striking off)	Level 11, West Tower, world Trade Centre, Echelon Square Colombo 1, Sri Lanka	63290	100
25	Bharti International (Singapore) Pte Ltd	150, Orchard Road, #08-01, Orchard Plaza, Singapore	2010-05788-R	100
26	Network i2i Limited	Cim Corporate Services Ltd, Les Cascade Building, Edith Cavell Street, Port Louis, Mauritius	25951/6339	100
27	Africa Towers N.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	50979965	100
28	Africa Towers Services Limited	Parkside Towers, Mombasa Road, Plot Nr. LR 209-11880,PB 73146-00200, Nairobi, Kenya	CPR/2011/56039	100
29	Airtel (Ghana) Limited	2nd-4th Floors GNAT Heights, No. 30 Independence Avenue, North Ridge, Accra, Ghana	C-71,259	75
30	Airtel (Seychelles) Limited	P.O. Box 1358, Emerald House, Providence, East Coast, Victoria, Mahe, Seychelles	841930-1	100
31	Airtel (SL) Limited	25, Regent Road, Hill Station, Freetown, Sierra Leone	C/F/179/1998	100
32	Airtel Burkina Faso S.A.	771, Avenue du Prés. Aboubacar Sangoulé, Lamizana, 01 Boite Postale 6622, Ouagadougou, 01, Burkina Faso	BFOUA 2000-B-522	100
33	Airtel Congo S.A.	2ème étage, Immeuble SCI MONTE CRISTO, Rond-point de la Gare, Croisement du Boulevard Denis SASSOU NGUESSO et de l'avenue Orsy, B.P : 1038, Brazzaville - République du Congo	CG/BZV/07 B299	90
34	Airtel DTH Services (SL) Limited (under liquidation)	C/o Airtel (SL) Limited, 42, Motor Road, Wilberforce, Freetown, Sierra Leone	55/2011	100
35	Airtel DTH Services Nigeria Limited (under liquidation)	Plot L2, Banana Island, Foreshore Estate, Ikoyi, Lagos, Nigeria	932607	100
36	Airtel Gabon S.A.	Rue Pecqueur, Immeuble Libreville Business Square, B.P. 9259, Libreville, Gabon	2001/B01 000 (7344/B)	90

Sl. No.	Name of the Company	Address	CIN / Registration No.	% of shares held
37	Airtel Madagascar S.A.	Immeuble Kube B, Zone Galaxy, Andraharo, 101 -Anantanarivo, Madagascar	1997B00392	100
38	Airtel Malawi Limited	Airtel Complex, City Centre, Off Convention Drive, P.O Box 57, Lilongwe, Malawi	5114	100
39	Airtel Mobile Commerce (SL) Limited	25, Regent Road, Hill Station, Freetown, Sierra Leone	C/F/689/2009	100
40	Airtel Mobile Commerce B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34375413	100
41	Airtel Mobile Commerce Burkina Faso S.A.	771 Avenue du Pres. Aboubacar Sangoule Lamizina, 01 Boite Postale 6622 Ouagadouugou	BFOUA2010B3275	100
42	Airtel Mobile Commerce Ghana Limited	30 Independence Avenue, North Ridge/ GNAT Heights, Accra, Ghana	CA 62, 772	75
43	Airtel Mobile Commerce Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34381129	100
44	Airtel Mobile Commerce Kenya Limited	Parkside Towers, Mombasa Road, P. O. Box 73146-00200, Narobi, Kenya	C 169576	100
45	Airtel Mobile Commerce Limited (Malawi)	Airtel Complex, City Centre, Off Convention Drive, P.O Box 57, Lilongwe, Malawi	9831	100
46	Airtel Mobile Commerce Madagascar S.A.	Immeuble Kube B, Zone Galaxy, Andraharo, 101 -Anantanarivo, Madagascar	2011B00235	100
47	Airtel Mobile Commerce Rwanda Limited	Gasabo District, Remera, Nyabisindu, Kigali, Rwanda	102933620	100
48	Airtel Mobile Commerce (Seychelles) Limited	Emerald House, Providence, Victoria, P.O. Box 1358, Mahe, Seychelles	841930-1	100
49	Airtel Mobile Commerce Tanzania Limited	Airtel House, Block 41 Kinondoni, Corner of A.H. Mwinyi Road/Kawawa Road, Kinondoni, Dar es Salaam, Tanzania	79802	100
50	Airtel Mobile Commerce Tchad S.A.R.L.	Avenue Charles De Gaulle, BP: 5665, N'Djamena, Tchad	TC/NDJ/10B 183	100
51	Airtel Mobile Commerce Uganda Limited	Airtel House, Plot 16A, Clement Hill Road, Nakasero, Kampala, P. O. Box 6771, Kampala - Uganda	123833	100
52	Airtel Mobile Commerce Zambia Limited	Airtel House, Stand 2375, Addis Ababa Drive, P.O. Box 320001, Lusaka, Zambia	80052	100
53	Airtel Money RDC S.A.	127, Avenue de Plateau, Gombe, Kinhasa, Republique Democratique du Congo, Congo DRC	CD/KIN/RCCM/14-B-6552	100
54	Airtel Money Niger S.A.	2054 Route de l'aéroport, B.P. 11922 Niamey, Niger	NI-NIA 2009-B-1848	90
55	Airtel Money S.A. (Gabon)	Avenue de Colonet Parrant, BP 23 899 Libreville, Gabon	RG LBV 2101 B 09955	100
56	Airtel Networks Kenya Limited	Parkside Towers, Mombasa Road, P. O. Box 73146-00200, Narobi, Kenya	140223	100
57	Airtel Networks Limited	Plot L2, Banana Island, Foreshore Estate/ Ikoyi Lagos, Nigeria	398557	79.06
58	Airtel Networks Zambia Plc	Plot 2375, Airtel House, Corner Addis Ababa Drive and Great East Road, Lusaka, Zambia	38136	96.36
59	Airtel Rwanda Limited	Airtel Building Gasabo District, Remera, Nyabisindu, P.O. Box 4164, Kigali, Rwanda	102437818	100
60	Airtel Tanzania Limited	Airtel House, Block 41 Kinondoni, Corner of A.H. Mwinyi Road/Kawawa Road, Kinondoni, Dar es Salaam, Tanzania	41291	60
61	Airtel Tchad S.A.	Avenue Charles De Gaulle, BP: 5665, N'Djamena, Tchad	TC/NDJ/10B127 (TC.NDJ 063B99)	100
62	Airtel Towers (Ghana) Limited	4th Floor, GNAT Heights, 30 Independence Avenue, North Ridge, Accra, Ghana	CA 82,071	75
63	Airtel Towers (S.L.) Company Limited	25, Regent Road, Hill Station, Freetown, Sierra Leone	CF/106/2011	100
64	Airtel Uganda Limited	Airtel Towers, Plot 16A Clement Hill Road, Nakasero, P.O.Box 6771, Kampala-Uganda	V-232-36	100
65	Bharti Airtel Africa B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	8076497	100

Sl. No.	Name of the Company	Address	CIN / Registration No.	% of shares held
66	Bharti Airtel Burkina Faso Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08077622	100
67	Bharti Airtel Chad Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34125184	100
68	Bharti Airtel Congo Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08077621	100
69	Bharti Airtel Developers Forum Limited	Plot 2375, Airtel House, Corner Addis Ababa Drive and Great East Road, Lusaka, Zambia	82795	96.36
70	Bharti Airtel DTH Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	50921266	100
71	Bharti Airtel Gabon Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08078528	100
72	Bharti Airtel Ghana Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34204633	100
73	Bharti Airtel Kenya B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	38023926	100
74	Bharti Airtel Kenya Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34164357	100
75	Bharti Airtel Madagascar Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34204848	100
76	Bharti Airtel Malawi Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	8077659	100
77	Bharti Airtel Mali Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34164359	100
78	Bharti Airtel Niger Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34143743	100
79	Bharti Airtel Nigeria B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34164360	100
80	Bharti Airtel Nigeria Holdings B.V. (under liquidation)	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08076499	100
81	Bharti Airtel Nigeria Holdings II B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	8077623	100
82	Bharti Airtel RDC Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34125193	100
83	Bharti Airtel Services B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	8077657	100
84	Bharti Airtel Sierra Leone Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	8078533	100
85	Bharti Airtel Tanzania B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	8078747	100
86	Bharti Airtel Uganda Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	8078530	100
87	Bharti Airtel Zambia Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	8076501	100
88	Celtel (Mauritius) Holdings Limited	C/o Abax Corporate Services Ltd, 6th floor, Tower A, 1 Cybercity, Ebene, Mauritius	18259/3238	100
89	Airtel Congo (RDC) S.A.	278, Avenue de'l Equateur, Kinshasa,Gombe, Democratic Republic of Congo	CD/KIN/RCCM/13-B-01054	98.5
90	Celtel Niger S.A.	2054 Route de l'aéroport, BP 11 922, Niamey, Niger	NI-NIM-2007-B 1848	90
91	Channel Sea Management Co Mauritius Limited	C/o Abax Corporate Services Ltd, 6th floor, Tower A, 1 Cybercity, Ebene, Mauritius	18258/3237	100
92	Congo RDC Towers S.A.	Croisement des Avenues du Tchad et du Bas Congo, Commune de la Gombe, Republique Democratique du Congo	CD/KIN/RCCM/14-B-4040	100
93	Congo Towers S.A. (under dissolution)	Avenue Amilcar cabral, B.P. 1038, Brazzaville, Republique du Congo	CG/BZV/11 B 2566	90
94	Gabon Towers S.A. (under dissolution)	124 Avenue Bouet/ BP 9259, Libreville, Gabon	2013B11106	90
95	Indian Ocean Telecom Limited	Minerva Trust & Corporate Services Limited, 43/45, La Motte Street, St. Helier, Jersey, JE4 8SD, Channel Islands	70138	100

Sl. No.	Name of the Company	Address	CIN / Registration No.	% of shares held
96	Madagascar Towers S.A.	Immeuble Kube B, Zone Galaxy Andraharo, 101- Antananarivo, Madagascar	2011 B 00184	100
97	Malawi Towers Limited	Airtel Complex, City Centre, Off Convention Drive, P.O Box 57, Lilongwe, Malawi	10995	100
98	Mobile Commerce Congo S.A.	1er et 2ème étages, Immeuble SCI Monte Cristo, Rond Point de la Gare, Croisement du Boulevard Denis Sassou Gnuesso & de l'avenue Orsy, Centre Ville, BP 1038, Brazzaville, République du Congo	09B 1796	100
99	Montana International	Abax Corporate Services Ltd, 6th floor, Tower A, 1 Cybercity, Ebene, Mauritius	6/97/2593	100
100	MSI-Celtel Nigeria Limited (under liquidation)	7, Walter Carrington Crescent, Victoria Island, Lagos	372966	100
101	Partnership Investments S.A.R.L.	68/A Croisement des avenues du Commerce et Marais, 2ieme niveau, Gombe, Kinshasa, DRC	51554	100
102	Société Malgache de Telephonie Cellulaire S.A.	Abax Corporate Services Ltd, 6th floor, Tower A, 1 Cybercity, Ebene, Mauritius	19022/3479	100
103	Tanzania Towers Limited	Airtel House, Block 41 Kinondoni, Corner of A.H. Mwinyi Road/Kawawa Road, Kinondoni, Dar es Salaam, Tanzania	84005	60
104	Tchad Towers S.A.	Avenue Charles De Gaulle, BP: 5665, N'Djamena, Tchad	TC/NDJ 11 B 69	100
105	Towers Support Nigeria Limited (under liquidation)	Plot L2, Foreshore Estate, Banana Island, Ikoyi, Lagos, Nigeria	940514	79.06
106	Warid Telecom Uganda Limited (under amalgamation)	Airtel House, Plot 16A, Clement Hill Road, Nakasero, Kampala, P. O. Box 6771, Kampala - Uganda	82317	100
107	Zap Trust Company Nigeria Limited (under liquidation)	Plot L2, Banana Island, Foreshore Estate/ Ikoyi Lagos, Nigeria	889384	100
108	Bharti Airtel Rwanda Holdings Limited (formerly known as Zebrano (Mauritius) Limited)	Abax Corporate Services Ltd, 6th floor, Tower A, 1 Cybercity, Ebene, Mauritius	C083311	100
109	Airtel Money Transfer Limited	Parkside Towers, Mombasa Road, L.R. Nr. 209/11880, P.O. Box 73146-00200 Nairobi, Kenya	CPR/2015/199517	100
Associates u/s 2(6) of the Companies Act, 2013				
1	Tanzania Telecommunications Company Limited	12th Floor, Exelcoms House, Dar es Salaam, Tanzania	24490	35
2	Seychelles Cable Systems Company Limited	Third Floor, Caravelle House, Victoria, Mahe, Seychelles	846498-1	26
Joint Venture Companies u/s 2(6) of the Companies Act, 2013				
1	Indus Towers Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U92100DL2007PLC170574	30.19
2	Bridge Mobile Pte Limited	750 Chai Chee Road, Technopark@ ChaiChee, The Oasis, #03-02/0, Singapore 469000	200413856E	10
3	FireFly Networks Limited	A-19, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi - 110044	U74999DL2014PLC264417	50

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding:

Category of Shareholders	No. of shares held at the beginning of the year i.e. April 01, 2015				No. of shares held at the end of the year i.e. March 31, 2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
Indian									
Individual / HUF	-	-	-	-	-	-	-	-	-
Central Government	-	-	-	-	-	-	-	-	-
State Government	-	-	-	-	-	-	-	-	-
Bodies Corporate	1,747,545,460	-	1,747,545,460	43.72	1,802,318,492	-	1,802,318,492	45.09	1.39
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	**1,747,545,460**	**-**	**1,747,545,460**	**43.72**	**1,802,318,492**	**-**	**1,802,318,492**	**45.09**	**1.39**
Foreign									
NRIs - Individuals	-	-	-	-	-	-	-	-	-
Others - Individuals	-	-	-	-	-	-	-	-	-
Bodies Corporate	857,180,286	-	857,180,286	21.44	865,673,286	-	865,673,286	21.66	-
Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
Any other (Foreign Institutional Investor)	8,493,000	-	8,493,000	0.21	-	-	-	-	-
Sub-Total A(2)	**865,673,286**	**-**	**865,673,286**	**21.66**	**865,673,286**	**-**	**865,673,286**	**21.66**	**-**
Total A=A(1)+A(2)	**2,613,218,746**		**2,613,218,746**	**65.37**	**2,667,991,778**		**2,667,991,778**	**66.74**	**1.39**
B. Public Shareholding									
Institutions									
Mutual Funds / UTI	108,033,416	-	108,033,416	2.70	99,168,397	-	99,168,397	2.48	(0.23)
Banks / FI	932,054	-	932,054	0.02	1,291,949	-	1,291,949	0.03	0.01
Central Government	-	-	-	-	-	-	-	-	-
State Government	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	190,892,726	-	190,892,726	4.78	297,836,594	0	297,836,594	7.45	2.67
FIIs (including foreign portfolio investors)	716,795,355	-	716,795,355	17.93	670,962,174	0	670,962,174	16.78	(1.15)
Foreign Venture	-	-	-	-	-	-	-	-	-
Capital Funds	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub-Total B(1)	**1,016,653,551**	**-**	**1,016,653,551**	**25.43**	**1,069,259,114**	**-**	**1,069,259,114**	**26.75**	**1.30**
Non Institutions									
Bodies Corporate									
i) Indian	110,752,708	5,444,270	116,196,978	2.91	4,079,321	5,444,270	9,523,591	0.24	(2.67)
ii) Overseas	-	-	-	-	-	-	-	-	-
Individual shareholders holding nominal share capital upto ₹ 1 lakh	29,099,563	8,418	29,107,981	0.73	27,145,695	8,852	27,154,547	0.68	(0.05)
Individual shareholders holding nominal share capital in excess of ₹1 lakh	6,595,400	-	6,595,400	0.16	4,749,760	-	4,749,760	0.12	(0.04)
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Foreign National	-	-	-	-	-	-	-	-	-
Foreign Companies	204,952,716	-	204,952,716	5.13	204,127,716	-	204,127,716	5.11	(0.02)
Non-resident Indians	2,159,619	-	2,159,619	0.05	2,174,198	-	2,174,198	0.05	0.00
Trusts	5,670,563	-	5,670,563	0.14	7,773,082		7,773,082	0.19	0.05
Clearing Members	2,844,548	-	2,844,548	0.07	4,416,431	-	4,416,431	0.11	0.04
Sub-Total B(2)	**362,075,117**	**5,452,688**	**367,527,805**	**9.19**	**346,554,232**	**5,453,122**	**352,007,354**	**8.81**	**(2.69)**
Total Public shareholding (B) = B(1)+B(2)	**1,378,728,668**	**5,452,688**	**1,384,181,356**	**34.63**	**1,323,955,202**	**5,453,122**	**1,329,408,324**	**33.26**	**(1.39)**
C. Shares held by Custodians for GDR's & ADR's	-	-	-	-	-	-	-	-	-
Total (A) + (B) + (C)	**3,991,947,414**	**5,452,688**	**3,997,400,102**	**100**	**3,991,946,980**	**5,453,122**	**3,997,400,102**	**100**	**-**

(ii) Shareholding of Promoters:

Sl. No.	Shareholder Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	Bharti Telecom Limited	1,747,545,460	43.72%	-	1,802,318,492	45.09%	-	1.37%
2	Pastel Limited	591,319,300	14.79%	-	591,319,300	14.79%	-	0.00%
3	Indian Continent Investment Limited	265,860,986	6.65%	-	265,860,986	6.65%	-	0.00%
4	Viridian Limited	8,493,000	0.21%	-	8,493,000	0.21%	-	0.00%
	Total	**2,613,218,746**	**65.37%**	**-**	**2,667,991,778**	**66.74%**	**-**	**1.37%**

(iii) Change in Promoter Shareholding:

Sl. No.	Name of the Promoter	Shareholding at the beginning of the year		Date	Increase/ decrease during the year	Reasons	Cumulative Shareholding during the year / shareholding at the end of the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Bharti Telecom Limited	1,747,545,460	43.72%	April 01, 2015				
				May 08, 2015	3,068,055	Market Purchase through Stock Exchanges	1,750,613,515	43.79%
				December 18, 2015	669,575		1,751,283,090	43.81%
				December 25, 2015	2,430,138		1,753,713,228	43.87%
				December 31, 2015	3,662,000		1,757,375,228	43.96%
				February 05, 2016	3,767,315		1,761,142,543	44.06%
				February 12, 2016	5,780,636		1,766,923,179	44.20%
				February 19, 2016	2,799,693		1,769,722,872	44.27%
				February 26, 2016	7,781,064		1,777,503,936	44.47%
				March 04, 2016	11,155,145		1,788,659,081	44.75%
				March 11, 2016	3,243,942		1,791,903,023	44.83%
				March 18, 2016	5,665,469		1,797,568,492	44.97%
				March 25, 2016	4,750,000		1,802,318,492	45.09%
				March 31, 2016	-		1,802,318,492	45.09%

Note: There was no change in shareholding of other promoters during the year.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Shareholder	Shareholding		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	**Life Insurance Corporation of India**				
	At the beginning of the year	188,528,106	4.72	188,528,106	4.72
	Bought during the year	54,318,505	1.36	242,846,611	6.08
	Sold during the year	38,967,755	0.97	203,878,856	5.10
	At the end of the year	203,878,856	5.10	203,878,856	5.10

Sl. No.	Name of the Shareholder	Shareholding		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
2	**Dodge and Cox International Stock Fund**				
	At the beginning of the year	57,768,204	1.45	57,768,204	1.45
	Bought during the year	-	-	57,768,204	1.45
	Sold during the year	4,706,700	0.12	53,061,504	1.33
	At the end of the year	53,061,504	1.33	53,061,504	1.33
3	**Goldman Sachs (Singapore) Pte. Limited**				
	At the beginning of the year	56,471,438	1.41	56,471,438	1.41
	Bought during the year	4,381,881	0.11	60,853,319	1.52
	Sold during the year	60,794,806	1.52	58,513	0.00
	At the end of the year	58,513	0.00	58,513	0.00
4	**ICICI Prudential Life Insurance Company Limited**				
	At the beginning of the year	52,927,757	1.32	52,927,757	1.32
	Bought during the year	17,555,443	0.44	70,483,200	1.76
	Sold during the year	6,291,115	0.16	64,192,085	1.61
	At the end of the year	64,192,085	1.61	64,192,085	1.61
5	**HDFC Trustee Company Limited**				
	At the beginning of the year	37,898,454	0.95	37,898,454	0.95
	Bought during the year	3,941,951	0.10	41,840,405	1.05
	Sold during the year	18,359,840	0.46	23,480,565	0.59
	At the end of the year	23,480,565	0.59	23480565	0.59
6	**Skagen Kon-Tiki Verdipapirfond**				
	At the beginning of the year	29,648,206	0.74	29,648,206	0.74
	Bought during the year	-	-	29,648,206	0.74
	Sold during the year	5,511,908	0.14	24,136,298	0.60
	At the end of the year	24,136,298	0.60	24,136,298	0.60
7	**Capital World Growth and Income Fund**				
	At the beginning of the year	12,360,000	0.31	12,360,000	0.31
	Bought during the year	11,759,712	0.29	24,119,712	0.60
	Sold during the year	-	-	24,119,712	0.60
	At the end of the year	24,119,712	0.60	24,119,712	0.60
8	**Vanguard Emerging Markets Stock Index Fund**				
	At the beginning of the year	23,035,760	0.58	23,035,760	0.58
	Bought during the year	372,872	0.01	23,408,632	0.59
	Sold during the year	3,764,979	0.09	19,643,653	0.49
	At the end of the year	19,643,653	0.49	19,643,653	0.49
9	**Parvest Equity India**				
	At the beginning of the year	16,815,799	0.42	16,815,799	0.42
	Bought during the year	9,594,201	0.24	26,410,000	0.66
	Sold during the year	4,700,000	0.12	21,710,000	0.54
	At the end of the year	21,710,000	0.54	21,710,000	0.54
10	**Franklin Templeton Mutual Fund**				
	At the beginning of the year	21,411,657	0.54	21,411,657	0.54
	Bought during the year	8,289,355	0.21	29,701,012	0.74
	Sold during the year	3,619,873	0.09	26,081,139	0.65
	At the end of the year	26,081,139	0.65	26,081139	0.65
11	**ICICI Prudential Mutual Funds**				
	At the beginning of the year	15,740,500	0.39	15,740,500	0.39
	Bought during the year	28,459,974	0.71	44,200,474	1.11
	Sold during the year	23,548,042	0.59	20,652,432	0.52
	At the end of the year	20,652,432	0.52	20,652,432	0.52

Sl. No.	Name of the Shareholder	Shareholding		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
12	**Abu Dhabi Investment Authority**				
	At the beginning of the year	20,121,580	0.50	20,121,580	0.50
	Bought during the year	21,558,223	0.54	41,679,803	1.04
	Sold during the year	14,149,740	0.35	27,530,063	0.69
	At the end of the year	27,530,063	0.69	27,530,063	0.69
13	**Government Pension Fund Global**				
	At the beginning of the year	17,509,170	0.44	17,509,170	0.44
	Bought during the year	3,826,196	0.10	21,335,366	0.53
	Sold during the year	10,913,849	0.27	10,421,517	0.26
	At the end of the year	10,421,517	0.26	10,421,517	0.26

Note: The details of shareholding are maintained by respective Depositories and it is not feasible to provide daily change in the shareholding of top ten shareholders. Therefore, consolidated changes during the year 2015-16 have been provided.

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Director or KMP	Shareholding at the beginning of the year		Date	Increase/ decrease during the year	Reasons	Cumulative Shareholding during the year / shareholding at the end of the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
	Key Managerial Personnel							
1	Mr. Gopal Vittal Managing Director & CEO (India & South Asia)	114,885	0.00%	April 01, 2015			114,885	0.00%
				May 01, 2015	10,000	Shares allotted under ESOP	124,885	0.00%
				August 14, 2015	20,000	Shares allotted under ESOP	144,885	0.00%
				September 18, 2015	65,000	Shares allotted under ESOP	209,885	0.00%
				December 18, 2015	20,000	Shares allotted under ESOP	229,885	0.00%
				March 31, 2016			229,885	0.00%
2	Mr. Srikanth Balachandran*	4,913	0.00%	April 01, 2015			4,913	0.00%
				March 25, 2016	(4,000)	Market Sale	913	0.00%
				March 31, 2016			913	0.00%
3	Mr. Nilanjan Roy#	1,673	0.00%	April 01, 2015			1,673	0.00%
				May 08, 2015	(1,673)	Market Sale	0	0.00%
				June 05, 2015	2,750	Shares allotted under ESOP	2,750	0.00%
				December 18, 2015	5,867	Shares allotted under ESOP	8,617	0.00%
				December 25, 2015	(2,750)	Market Sale	5,867	0.00%
				March 31, 2016			5,867	0.00%

No other Director or KMP held any shares of the Company during the financial year 2015-16.

* Role changed to Global Chief HR Officer w.e.f. August 05, 2015.

\# Appointed as Global CFO w.e.f. August 05, 2015.

V. Indebtedness

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ Millions)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebteness
Indebtedness at the beginning of the financial year				
i) Principal Amount	19	215,678	-	215,697
ii) Interest due but not paid	-	-	-	-
iii) Interest accured but not due	-	267	-	267
Total (i+ii+iii)	**19**	**215,945**	**-**	**215,964**
Change in indebtedness during the financial year				
Addition	17	306,576	-	306,593
Reduction	16	64,839	-	64,855
Net Change	1	241,737	-	241,738
Indebtedness at the end of the financial year				
i) Principal Amount	20	457,415	-	457,435
ii) Interest due but not paid	-	-	-	-
iii) Interest accured but not due	-	1,218		1,218
Total (i+ii+iii)	**20**	**458,633**	**-**	**458,653**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

(₹ Millions)

Sl. No.	Particulars of Remuneration	Name of Managing Director / Whole-time Director / Manager		Total Amount
		Mr. Sunil Bharti Mittal Chairman	Mr. Gopal Vittal Managing Director & CEO (India & South Asia)	
1	Gross salary			
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	246.22	59.02	305.24
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	11.78	0.05*	11.83
(c)	Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	41.78*	41.78
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	-as % of profit	-	-	-
	-others, specify...	-	-	-
5	Others – PF Contribution	20.55	3.04	23.59
	Total (A)	**278.55**	**103.89**	**382.44**
	Ceiling as per the Act	₹ 9,667.46 Mn (being 10% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013).		

* Value of perquisites u/s 17 (2) Income Tax Act, 1961 does not include perquisite value of ₹ 41.78 Mn towards stock options exercised by Mr. Gopal Vittal during FY 2015-16. The same has been shown separately in point no. (2).

B. Remuneration to Non-Executive Directors including Independent Directors:

(₹ Millions)

Independent Directors	Fee for attending board / committee meetings	Commission	Total
Mr. Ben Verwaayen	0.50	16.68	17.18
Mr. Craig Ehrlich	0.50	9.95	10.45
Mr. D. K. Mittal	1.00	7.00	8.00
Mr. Manish Kejriwal	0.40	6.50	6.90
Ms. Obiageli Ezekwesili[1]	-	3.55	3.55
Mr. Shishir Priyadarshi	0.50	9.95	10.45
Mr. V. K. Viswanathan	0.50	8.00	8.50
Total B1	**3.40**	**61.63**	**65.03**

Other Non-Executive Directors	Fee for attending board / committee meetings	Commission	Total
Mr. Rakesh Bharti Mittal[2]	-	0.70	0.70
Ms. Chua Sock Koong	-	3.98	3.98
Mr. Rajan Bharti Mittal[3]	-	2.30	2.30
Ms. Tan Yong Choo	-	3.98	3.98
Sheikh Faisal Thani Al-Thani	-	3.98	3.98
Total B2	**-**	**14.94**	**14.94**
Total B = (B1+B2)	**3.40**	**76.57**	**79.97**
Ceiling as per the Act	₹ 966.75 Mn (being 1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013).		
Total Managerial Remuneration (A+B)	₹ 462.41 Mn		
Total ceiling as per the act (11%)	₹ 10,634.21 Mn (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013).		

(1) Term of Ms. Obiageli Ezekwesili ended on September 25, 2015.
(2) Appointed w.e.f. January 07, 2016.
(3) Ceased to be Director of the Company w.e.f. January 07, 2016.

C. Remuneration to Key Managerial Personnel other than Managing Director / Whole-time Director / Manager:

(₹ Millions)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Nilanjan Roy Global CFO#	Mr. Rajendra Chopra Company Secretary#	
1	Gross Salary			
(a)	Salary as per Sec 17(1) of Income Tax Act, 1961	31	6.97	37.97
(b)	Value of perks as per Sec 17(2) of Income Tax Act, 1961	0.09*	0.04	0.13
(c)	Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Options	2.15*	-	2.15
3	Sweat Equity	-	-	0
4	Commission	-	-	0
	- as % of profit	-	-	0
	- others, specify...	-	-	0
5	Others - PF Contribution	1.14	0.32	1.46
	Total	**34.38**	**7.33**	**41.71**

* Value of perquisites u/s 17 (2) Income Tax Act, 1961 does not include perquisite value of ₹ 2.15 Mn towards stock options exercised by Mr. Nilanjan Roy during FY 2015-16. The same has been shown separately in point no. (2).
# Mr. Nilanjan Roy was appointed as Global CFO w.e.f. August 05, 2015 and Mr. Rajendra Chopra was appointed as Company Secretary w.e.f. April 28, 2015. However, the remuneration provided above for Global CFO and Company Secretary is for the FY 2015-16.

VII. Penalties / Punishment / Compounding of Offences

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any during the year.

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

A. Conservation of Energy

1. The Company undertook various initiatives to reduce and conserve energy:

a. On Network side:

- Maximising outdoor – New sites have been deployed as outdoor sites with reduced need of air-conditioners and diesel.
- Sites on sharer basis – Deployed new sites on shared basis, which results in reduction of their energy consumption by 30% as compared to standalone sites.
- Incremental sites have been deployed outdoor by utilising technology like low power consuming BTS, Free Cooling Unit (FCU), Natural Cooling Unit (NCU), Micro Cooling Unit (MCU), Power Management Units (PMUs).
- Installed advance VRLA battery banks, Li-ion Battery solutions and other operational measures.
- Introduced air-conditioning rationalisation, reducing the consumption by 10%.
- Deployed energy efficient retrofits in BTS sites such as integrated power management systems, efficient DC to AC convertors, efficient aircons.
- Installed energy efficient air-conditioning and LED lighting in core locations.
- Introduced innovative design modifications at sites:
  - Trail conducted on solar natural cooling solutions.
  - Designed and installed outdoor small cell sites with ground based mast with Li-ion batteries reducing the energy consumption by 30-40%.
  - Installed sites with auto-TRX shutdown feature, which reduces the energy requirement at non-peak hours.
  - Piloted TRX shutdown feature for cell, sector and cluster level.
  - Installed shelters with optimal cooling, power and thermal management systems etc.
  - Reduced the indoor placement of BTS, which reduced the air-conditioning load.

b. Energy efficiency across Data Centres:

The Company puts emphasis on optimising the data centre facilities, operations for energy conservation, improved space utilisation and enhanced performance. Some of the initiatives undertaken are as follows:

- Use of cold aisle containment as a physical barrier to reduce the mixing of cold supply air and hot exhaust air in Data Centre aisles. This delivers lower energy consumption and more efficient cooling.
- Installed Variable Frequency Drives (VFDs) in for the HVAC systems, which helps to automatically reduce the motor's speed and power driven.
- Performed identification and rectification of hot spots and optimised lighting and aircon usage.
- Maintained an average Power Utilisation Efficiency to improve efficiency across all Data Centres.

c. Energy efficiency in Airtel facilities:

- Use of Variable Frequency Drive for HVAC system.
- Retrofitted the various buildings with energy efficient air-conditioning and LED lights.
- Introduced UPS optimisation at its technology centres.
- Installed Automatic Power Factor Controller, (APFC) at office across Pan India.

2. Utilisation of green energy:

- Rooftop Solar at Main Switching Centres (MSCs): The Company has installed solar power plants at total 14 MSC locations by the end of FY 2015-16, expanding the total installed capacity to 0.81MWp.
- Green Power Wheeling for MSC and Data Centres: To enhance the energy efficiency, the Company implemented the renewable sources of energy at its core locations. Green Power Wheeling agreements were made for procuring green energy for 4 locations and is planning to extend the same for nine more sites.
- Solar and battery hybrid solution: The Company, with help of its network infrastructure partners, converted over 350 additional sites to green sites by utilising solar and battery hybrid solution in FY 2015-16.
- Reduction by using battery back-ups: In FY 2015-16, over 4,530 sites were installed with advance VRLA batteries and Li-ion battery solutions to reduce the running of DG set. Few sites were also installed with Li-ion battery banks by utilising ground based mast designs with Li-ion battery solution.
- Installation of solar plates for facilities and office premises.

3. The capital investment on energy conservation equipment is shown below:

Sl. No.	Location	Capex (in ₹ Millions)
1	Own sites (Hexacom & Core)	47
2	TOCO (Indus Towers & Bharti Infratel) & SP (Ericsson /NSN)	487
TOTAL		**534**

B. Technology Absorption

1. The efforts made towards technology absorption:

Indian mobile broadband demand has been growing exponentially at more than 70% CAGR. India now has the second largest internet user base with more than 400 Mn internet users, out of which more than 80% of the users are using internet service on mobile network. There are 1 Bn wireless subscribers as opposed to a mere 26 Mn wireline subscribers.

With an objective to provide best in class mobile broadband experience to our customers and improvement in spectrum efficiency, Airtel envisaged deployment of 75,000 sites last year. This was a challenging task as this had to be deployed across India in partnership with multiple vendors. Every tower installation required proper wireless planning, MW planning, transport planning, availability of material, permission, alignment of material with ASP team, MW team, provisioning team. All the deployment was happening on live sites, which made this deployment exercise even more critical.

Deployment of these sites was essential to launch 3G sites in 6 gap markets and a pan India 4G launch. We also planned to re-farm 900MHz spectrum to 3G for improved indoor coverage for mobile broadband network, increasing capacity of 3G networks and increasing efficiency of the scarce spectrum resources.

To manage the existing network better, Airtel has embraced Self Optimisation Network & Geo-analytical tools real time, customer experience based optimisation of its mobile broadband network. These platforms have enabled automatic optimisation of multi-layered networks, thereby reducing drop calls, network blocking, and increasing data throughputs for setting new benchmarks in end user experience.

In our continuous endeavour to be pioneers in new technology, we launched carrier aggregation, dual band 3G, 3G dual carrier last year.

2. The benefits derived from technology absorption:

Through meticulous and effective planning and project management, we managed to deploy more than 88,000 towers in our network and additional 20,000 Km of fibre across India. Through this, we doubled our mobile broadband footprint. We now connect more than 350,000 towns and villages through high speed broadband. Last year we launched 4G in all 14 licensed circles and 3G in 6 gap circles. In this journey we also launched India's first dual band 3G in Mumbai. 900 MHz was re-farmed in 5 circles this year – AP, KK, NESA, Punjab, Mumbai.

Airtel became the first company in India to launch carrier aggregation, LTE TD and FD, on a commercial device reaching a speed of 135 Mbps. Airtel also pioneered India's first dual carrier in Tamil Nadu for 3G in 2100 MHz reaching a peak speed on 42 Mbps. This technology adoption and innovation helped us to manage the spectrum efficiently and provide a great broadband experience to our customers.

Airtel is the first telecom company to implement Self Optimising Network (SON), enabling automation of network optimisation of its complex multi-technology, multi-vendor networks. It has enabled dynamic configuration of the network for seamless handovers in 3G & 2G network, thus reducing the drop calls. Real time balancing of network load across congested and non-congested sites have reduced overloading, thus improving user throughput and blocking in the network. Real time optimisation has improved network utilisation thus improving efficiency of the available spectrum and network capacity. Airtel has pioneered customer demand centric network planning & densification by getting visibility of the network consumption on granular 50m x 50m grid. It has helped in ensuring deployment of new sites, small cells in corridors of high consumption, thus improving efficiency of the new deployments.

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a. **The details of technology imported:**
   The Company has not imported any technology in the given period, only telecom equipment were imported.

b. **Year of import:**
   N.A.

c. **Whether the technology been fully absorbed:**
   N.A.

d. **If not fully absorbed, areas where absorption has not taken place, and the reasons thereof:**
   N.A.

3. The expenditure incurred on Research and Development:

NIL

The efforts made towards creating a digital Airtel:

With the growth of smartphones and the consumers becoming more and more digitally savvy, there is a huge focus towards creating a digital Airtel. There is a massive programme running with focus on digitising experience for the customers as well as internally for employees. Digitisation is helping us seamlessly manage the ever changing organisational complexities that come with the scale of 250 Mn subscribers, 500 Mn monthly transactions and 1.5 Mn retailers.

Market Digitisation: The entire sales and distribution chain of the organisation from retailers to distributors as well as our entire salesforce are fully empowered with a digital suite of apps that gives them ready access to qualitative information on their mobile with full transparency in market planning, target setting, KPI scorecard measurements and earnings. This app suite gets over 6 Mn hits per month and has helped enhance revenue and drive key value propositions in the market.

Customer Acquisition: The customer acquisition flow has been digitised for postpaid and Telemedia, where customers can check feasibility, services and plans and purchase new connections or make changes to existing ones all online through www.airtel.in. Airtel stores also provide a world class digital and transparent experience for acquisitions through eCAF, an in-house solution enabling on-the-spot postpaid activations with self-selected mobile number and a personalised flexible plan.

Customer Service: myAirtel app offers full flexibility and control to consumers to view their usage, make payments, self-service any plan changes, recharge their prepaid or DTH connections etc. Millions of consumers around the country are using myAirtel app on a daily basis.

Workforce Management: Various field forces of Airtel for service, installation and fault repair etc., have also been digitised through a workforce management solution called "Airtel Konnect" which automatically assigns tasks, manages schedules, allows appointment, booking and provides maximum efficiency in the entire process. This allows us to service our consumers and B2B clients more efficiently and effectively.

Due to all these advanced developments, Airtel has won the prestigious Global TM forum digital award for 'Outstanding Contribution to Improved Business Agility Award – Communications Industry'.

C. Foreign Exchange Earnings and Outgo

Activities relating to initiatives taken to increase exports; development of new export markets for products and services, and export plans.

Total foreign exchange used and earned for the year:

(a) Total Foreign Exchange Earnings ₹ 41,867 Mn.

(b) Total Foreign Exchange Outgo ₹ 112,627 Mn.

Annexure G

Statement of Disclosure of Remuneration under Section 197(12) of Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during FY 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2015-16 and comparison of the remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of the Director	Remuneration of Director / KMP for FY 2015-16 (in ₹)	Percentage increase in remuneration in FY 2015-16[5]	Ratio of remuneration of each Director to median remuneration of the employees of the Company[5,6]	Comparison of remuneration of KMP against the performance of the Company
	Executive Directors				
1.	Mr. Sunil Bharti Mittal, Chairman	278,546,235	2.49[4]	347.49	The Company's revenue has increased by 11.7% on year to year basis and revenue from operations has increased by 8.66% year to year basis.
2.	Mr. Gopal Vittal, Managing Director & CEO (India & South Asia)	62,105,442*	16.23[4]	77.48	
	Non-Executive Directors				
3.	Mr. Rakesh Bharti Mittal[1]	696,721	N.A.	3.74	
4.	Ms. Chua Sock Koong	3,979,974	6.38	4.97	
5.	Mr. Rajan Bharti Mittal[2]	2,303,279	(0.35)	3.73	
6.	Ms. Tan Yong Choo	3,979,974	6.38	4.97	
7.	Sheikh Faisal Thani Al-Thani	3,979,974	5.16	4.97	
	Independent Directors				
8.	Mr. Ben Verwaayen	17,183,179	(30.95)	21.44	
9.	Mr. Craig Ehrlich	10,449,935	15.76	13.04	
10.	Mr. D. K. Mittal	8,000,000	33.33	9.98	
11.	Mr. Manish Kejriwal	6,900,000	-	8.61	
12.	Ms. Obiageli Ezekwesili[3]	3,548,456	(12.14)	9.10	
13.	Mr. Shishir Priyadarshi	10,449,935	(10.04)	13.04	
14.	Mr. V. K. Viswanathan	8,500,000	3.64	10.60	

Sl. No.	Name of the Director	Remuneration of Director / KMP for FY 2015-16 (in ₹)	Percentage increase in remuneration in FY 2015-16[5]	Ratio of remuneration of each Director to median remuneration of the employees of the Company[5,6]	Comparison of remuneration of KMP against the performance of the Company
	Key Managerial Personnel other than Executive Directors				
15.	Mr. Nilanjan Roy[7] Global Chief Financial Officer	22,410,832#	11.55[4]	-	The Company's revenue has increased by 11.7% on year to year basis and revenue from operations has increased by 8.66 % year to year basis.
16.	Mr. Rajendra Chopra[8] Company Secretary	7,002,382^	58.76[4]	-	

1. From January 07, 2016 to March 31, 2016.
2. From April 01, 2015 to January 07, 2016. Mr. Rajan Bharti Mittal ceased to be Director of the Company.
3. Term of Ms. Obiageli Ezekwesili ended on September 25, 2015.
4. The value of performance linked incentive (PLI) in remuneration of Key Managerial Personnels (KMPs) represents incentive which will accrue at 100% performance level. For effective comparison, the PLI component of their remuneration for FY 2014-15 has also been considered at 100% performance level.
5. Based on Annualised Remuneration.
6. Remuneration of Employees and KMPs does not include perquisite value of stock options exercised during the financial year 2015-16.
7. From August 05, 2015 to March 31, 2016.
8. From April 28, 2015 to March 31, 2016.
9. There has been no change in remuneration policy for Non-Executive Directors. Change in remuneration of Non-Executive Directors vis-à-vis previous year is due to change in their Committee membership and change in foreign exchange rates.

* The remuneration of Mr. Gopal Vittal excludes perquisite value of stock options of ₹ 41,780,450 exercised during the current financial year.

The remuneration of Mr. Nilanjan Roy excludes perquisite value of stock options of ₹ 2,151,034 exercised during the current financial year and cash payout of ₹ 9,813,969 under performance-based long-term incentive plan of the Company.

^ The remuneration of Mr. Rajendra Chopra excludes cash payout of ₹ 327,367 under performance-based long-term incentive plan of the Company.

ii. **The percentage increase in the median remuneration of the employees in the financial year:** There has been a decrease of 4.5% in median remuneration of employees in FY 2015-16 as compared to FY 2014-15.

iii. **The number of permanent employees on the roll of the Company:** There were 9,596 employees on the rolls of the Company as on March 31, 2016.

iv. **The explanation on the relationship between average increase in remuneration and Company performance:** The revenue growth during FY 2015-16 over FY 2014-15 was 11.7% and revenue from operations increased was 8.66%. The average increase in the remuneration of employees excluding Key Managerial Personnel during FY 2015-16 was 9%.

v. a) **Variation in the market capitalisation:** The market capitalisation is based on closing share price quoted on NSE, ₹ 1,572,177.46 Mn at March 31, 2015 and ₹ 1,402,287.96 Mn at March 31, 2016 i.e. decrease of 10.80%.

b) **Price earnings ratio:** The price earning ratio was 18.58 at March 31, 2016 as compared to 11.91 at March 31, 2015 i.e. an increase of 56.01%.

c) **Percentage increase in the market quotation of shares of the Company as compared to the rate of last public offer:** The closing price of Company's equity shares of face value of ₹ 5/- each on NSE and BSE as of March 31, 2016 was ₹ 350.80 and ₹ 350.90 respectively, representing 1,459% increase over IPO price of ₹ 45/- per equity share of face value of ₹ 10/- each.

vi. **Average percentage increase already made in the salaries of employees other than the managerial personnel in FY 2015-16 and its comparison with the percentage increase in the managerial remuneration and justification thereof:** The average increase in the remuneration of employees excluding KMPs during FY 2015-16 was 9% and the average increase in the remuneration of KMPs was 22.26%. The increase of 22.26% is due to substantial increase in salary of Chief Financial Officer and Company Secretary of the Company which was based on external benchmarking, internal parity, Company's performance and individual performance level.

vii. **The key parameters for any variable component of remuneration availed by the Directors:** In terms of Company's remuneration Policy, the key parameters for the variable component of remuneration availed by the Executive Directors are directly linked to performance of the individual (i.e. achievement against pre-determined KRAs), his / her respective Business Unit and the overall Company's performance. No other Director receives any variable pay.

viii. **The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:** During the year 2016, no employee received remuneration in excess of highest paid Director.

ix. **Affirmation that the remuneration is as per the remuneration policy of the Company:** The remuneration of Directors was as per the Remuneration Policy of the Company.

Auditors' Certificate regarding Compliance of Conditions of Corporate Governance

Annexure H

To

The Members of Bharti Airtel Limited,

We have examined the compliance of conditions of corporate governance by Bharti Airtel Limited ("the Company"), for the year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement ("Listing Agreement") of the Company with the Stock Exchanges for the period April 01, 2015 to November 30, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulations, for the period December 01, 2015 to March 31, 2016.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W

per **Nilangshu Katriar**
Partner
Membership Number: 58814

Place: Gurgaon
Date: April 27, 2016

Annexure I

Statement of particulars under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2016

(A) Employed Throughout the Financial Year

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment / Designation
1	A Ganesh	Sr. VP - Distribution Head	PGDBM / B. Tech	39	01-Feb-2013	15	Sales	13,242,012	Hindustan Unilever Limited / General Manager
2	Abhay Savargaonkar	Director Networks & CTO	B.E. / B. Tech	51	05-Aug-2006	26	Operations	23,500,210	Bharti Infotel Ltd / Chief Technology Officer
3	Aditya Kohli	Head HR - Enabling Functions	PG Diploma	40	13-Oct-2014	18	HR	12,435,284	Standard Chartered Bank / Head P&R
4	Ajai Puri	Director - Market Operations	Post Graduation	55	15-May-2004	35	Business Head	41,274,542	Cargill Foods India / Business Head-India Foods
5	Ajay Jain	Circle CTO	M.E	44	27-Jul-2001	23	Network	7,731,306	ENIL (TOI Group) / Head Projects
6	Ajay Chitkara	Director - Global Voice & Data Business	PGDBM	44	01-May-2001	22	Business Head	23,009,593	Comsat Max Limited / Area Sales Manager
7	Akhil R Garg	Head FR - India	MBA / CA	39	23-Jan-2014	14	Finance	6,623,041	Pepsico / Sr. GM
8	Amit Anchal	Sr. Vice President - Business Development	MBA	39	10-Jun-2002	17	Business Development	9,404,799	Kucheri & Associates, Mumbai / Audit Assistant
9	Anant Arora	CEO - EGB South	B.E / B.Tech	49	11-Apr-2003	26	Business Head	17,156,116	Reliance Infocomm Ltd / Head - Sales Operations
10	Anil Bahl	Head India Indirect Tax	CA-Inter	47	01-Apr-2008	21	Finance	6,381,946	S.R. Batliboi & Co / Manager-Indirect Tax
11	Anjani Rathor	Head - IT Governance & PMO	PGDBM	43	10-Dec-2007	19	IT	14,253,914	Delhi Accenture Boeing / Director, Strategy and Business Development
12	Anupam Arora	S & M Head - Telemedia Homes	MBA	42	02-Jan-1998	18	Sales	6,412,694	Bharti Telemedia Limited / GM
13	Aravind V Gunari	Circle CTO	B.E	45	08-Aug-2005	20	Network	8,932,351	BPL Mobile Cellular Ltd / Head NSS
14	Archana Aggarwal	Head Media Planning & Buying	MBA	44	09-Dec-2013	15	Brand	9,427,128	Procter & Gamble / Country Media Manager
15	Argha Basu	Sr. Vice President - Prod Dev & TSG	MBA	48	25-Feb-2008	25	Prod Dev & TSG	10,759,715	VSNL / Business Head-Mpls
16	Aruna Pidikiti	Hub CTO	M.Tech.	46	21-Dec-2000	25	Network	11,741,579	STPI / Dy. Director (TECH)
17	Ashish Arora	CEO - Corporate Business	MBA	46	03-Apr-2007	21	Business Head	12,949,419	Sify Ltd / National Sales Head
18	Ashish Jain	Vice President - Finance	MBA	42	07-Aug-2014	20	Finance	6,476,515	Centum Learning / Chief Financial Officer and Head - IT
19	Ashish Mehra	Vice President - Sales - EGB N&E	Commerce	47	02-Aug-2010	27	Sales	8,006,101	Manpower Professional / Associate Manager
20	Ashok Ganapathy	CEO - Market Operations-Maharashtra	PGDBM	50	03-May-2013	27	Business Head	19,384,793	Reliance Mediaworks / CEO
21	Asit Tandon	Sr. VP - Network	B.E	46	02-Apr-2007	23	Network	9,476,305	Siemens / General Manager
22	Atul Sachdeva	Head Wireless Planning	PGDBM	43	29-Aug-2006	21	Network	11,191,037	Tata Teleservices Ltd / Head- BSS, Transmission and Core Planning
23	Atul Sohoni	Chief Operating Officer - Market Operations - Kerala	MBA	42	19-Jul-2010	19	Business Head	8,546,484	AMD India Pvt Ltd / Marketing Head
24	Avinash Deepak	Regional Business Head	B.E	45	28-Aug-2006	22	Sales	8,373,494	BT Infonet / National Head (Strategic Accounts)
25	Ayan Sarkar	Head Marketing	PG Diploma	38	30-Jan-2006	13	Marketing	6,312,091	Idea Cellular Ltd. / Manager - Marketing
26	Balakrishnan Janardhanan	Vice President - Sales	MBA	47	26-Apr-2004	26	Sales	6,783,094	BPL Cellular Ltd / Branch Manager & Zonal Sales Manager
27	Biswaranjan Dash	Head Cons Biz IT	B.Sc / BCA	49	21-May-2001	26	IT	7,022,605	Koshika Telecom Ltd / Manager
28	C Surendran	CEO-Market Operations KK	B.E & MBA	50	04-Nov-2003	28	Business Head	16,691,538	Modi Xerox / Head-Outsourcing
29	Campbell Mcclean	Chief Architect	Graduated from the Royal Military Academy Sandhurst	52	07-Jul-2014	33	IT	53,471,402	Telefonica / Global Chief Architect
30	Chamakura Venkata Narasimha Varaprasad	Head Data & Circuit Core & IN A&E	B.E	46	29-Apr-2010	23	Network	9,989,317	Etisalat / AVP
31	Chandrakant Tripathi	Circle CTO	B.Tech	44	29-Dec-2000	22	Network	6,922,018	Reliance Telecom Ltd / Deputy Manager Core O&M
32	Chandrasekar Ramamoorthy	Head - Network Experience	MBA	34	03-Feb-2014	11	Network	10,287,791	Booz & Company / Senior Associate
33	Deepak Sanghi	Head Transport & IP Planning	B.E	42	29-Mar-2004	21	Network	9,430,938	Nortel Networks / Technical Consultant
34	Deven Khanna	Director - CMD's Office	B.Com, CA	56	01-Sep-2004	26	Finance	37,342,589	Triveni Engineering Industries Ltd. / VP-Corp Finance & Planning
35	Dharmender Khajuria	Chief Operating Officer -Market Operations-UP West	MBA	47	21-Nov-2001	24	Business Head	11,934,893	National Panasonic / Sr. Sales Officer
36	Dhruv Bhagat	CEO-Market Operations UP East	PGDBM	46	01-Sep-2006	20	Business Head	18,834,037	Hutchison Essar Ltd. / Business Head

Statement of particulars under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2016

(A) Employed Throughout the Financial Year

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment / Designation
37	Dushyant Kumar	Head Central Operations Group	B.E / B.Tech	50	02-Nov-1998	24	Network	12,519,532	Bharti BT Internet Ltd / Manager
38	Gaurav Khandelwal	Commercial Controller - Consumer Business	CA	38	03-Nov-2014	15	Finance	10,271,427	Hindustan Unilever Limited / Director - Financial Controls
39	Gautam Anand	Head HR S&D CS DTH	MBA	39	30-Jul-2009	17	HR	13,432,412	Citibank / Portfolio Management
40	George Mathen	CEO - Market Operations Tamil Nadu	Post Graduation	47	17-Nov-2006	25	Business Head	15,243,730	Coca Cola India / Head - Sales
41	Gopal Vittal	MD & CEO - India & South Asia	MBA	50	03-Apr-2012	25	Business Head	62,105,442	Hindustan Uniliver Limited / Executive Director
42	Gurpreet Singh	S & M Head - Telemedia Homes	PGDM	42	12-Nov-2002	20	Sales	7,837,546	ISERV India Solutions Ltd. / Dy. Manager
43	Harjeet Kohli	Group Treasurer	MBA	42	19-Jan-2009	18	Finance	21,305,479	Citigroup India / Director
44	Harjinder Singh Kohli	Head - Government Vertical	B Com	49	22-Sep-2011	29	Sales	8,897,286	Sify Technologies Limited / Sr. Vice President & Head Government Business
45	Harmeen Mehta	Global CIO	BE (computer Sc & Engg)	42	24-Oct-2013	17	Information Technology	61,381,456	BBVA / CIO Global Markets
46	Harsh Dhillon	Head - Channel & Inside Sales	B.A	44	20-May-2013	19	Sales	6,726,644	Tulip Telecom / Head - Carrier Business
47	Hemanth Kumar Guruswamy	CEO Homes	PGDBM	45	27-Jan-2014	21	Marketing	9,560,251	Matrimony.com / Sr. VP Retail
48	Indeevar Krishna	Head Market Ops	PGDBM	47	01-Nov-2010	22	Customer Experience	15,350,411	CITIBANK / Head - Branch Operations and Service, North
49	Inder Walia	Group Director - Human Resources	PGDBM	58	06-Aug-2007	32	Human Resources	58,631,316	Arcelor Mittal / Executive Vice President, HR
50	Jijo John	Head USD & CTO EGB	B.Tech	43	02-Jul-2001	21	Network	6,288,710	Satyam Infotway Ltd. Bengaluru / Account Manager - Internet Commerce
51	Kamal Dua	FR India Segment Head	B.Com	37	08-Mar-2007	15	Finance	8,378,810	Idea / AM
52	Kanwardeep Singh Ahluwalia	Head Middleware Integration	PGDBM	40	20-Jul-2009	19	IT	7,117,224	Wipro Technologies / Engineer
53	Kartik Sheth	Chief Innovation Officer & CEO Wynk	MBA	38	06-May-2013	14	Marketing	17,054,977	Lakme Lever Private Limited / Chief Operating Officer
54	Kishor Asrani	CEO - EGB N&E	PGDBM	46	15-Feb-2005	25	Business Head	11,070,358	HCL Infinet Limited / Zonal Head - North & East
55	Mahesh Halankar	Circle CTO	MBA	47	10-Jan-2011	20	Network	9,511,501	Aircel Ltd / Head of Network
56	Manikandan R	Vice President - Customer Experience	B.Sc	49	12-May-2004	29	Customer Experience	6,840,574	Cholamandalam Investment / Senior Manager
57	Manish Agarwal	Global Head Taxation	CA / CS	42	11-Dec-2008	18	Finance	14,879,354	HCL TEchnologies, Noida / Deputy General Manager
58	Manish Prakash	Director - Enterprise & Government	MBA	42	02-Jan-2014	20	Business Head	23,755,323	Accenture Australia Limited / Managing director
59	Manoj Murali	CEO - Market Operations Hexacom Rajasthan	MBA	45	01-Oct-2001	21	Business Head	15,439,820	Crompton Greaves / Area Sales Manager
60	Manpreet Singh Khurana	Head - Global Infrastructure & Ops	MBA	40	03-Jul-2014	13	IT	10,482,315	HCL Technologies / Vice President - Global IT
61	Manu Sood	CEO - Market Operations Punjab	MBA	43	13-Jan-2012	15	Business Head	17,538,178	Hindustan Lever Limited / General Manager - North India
62	Mohan Shukla	Head - External Affairs	BA	62	02-Sep-2013	32	Corporate Regulatory	10,239,068	Carrefour WC&C Indian Pvt Limited / Director - Corporate Affairs
63	Monika Gupta	Vice president - IT	B.E	42	02-Jan-2015	13	IT	7,111,135	Ericsson / Director
64	Moti Gyamlani	Director - Supply Chain	Masters in International Business Administration	42	17-Dec-2012	20	Supply Chain Management	46,505,666	GE Energy / Group Vice President - Global supply Chain
65	Mukesh Singla	Finance Controller-NSG	CA	44	19-Nov-2001	20	Finance	8,806,027	Spice Communication Limited / Deputy Manager
66	Murthy Chaganti	CEO-Market Operations Gujarat	MBA	46	10-Apr-2014	28	Business Head	14,345,362	Aircel / Circle Business Head
67	Naveen Aldangady	Vertical head - DTH Supply Chain	B.E	49	01-Feb-2007	26	SCM	7,224,123	RCL / Head - Source
68	Naveen Sanghi	Head - Legal & Compliance	LLM	43	03-Aug-2004	19	Legal	7,094,503	Spice Communication Limited / Dy Manager Legal
69	Navin Shenoy	Head Advertising	PGDBM	38	15-Jul-2013	14	Brand	6,915,042	Hindustan Unilever Limited / Sr. Brand Manager
70	Nikhil Gilani	Head - 4G LTE	MBA	37	09-May-2007	15	Marketing	8,224,370	VSNL / Manager - Retail business
71	Nikhil Kumar	Head - Cust Experience & Billing Systems	PGDCA	54	17-Jul-2001	21	IT	9,306,925	BPL Mobile Ltd / Manager
72	Nilanjan Roy	Global CFO	CA	50	01-Mar-2006	26	Finance	22,410,832	Unilever Nv / Plc, Usa / Finance Director
73	Pandian M	Head CSD	MBA	46	19-Oct-2001	25	Customer Experience	6,655,687	BPL Cellular Limited / Asst. Manager
74	Pankaj Chopra	Head Planning	B.Tech	41	16-Jul-2012	21	Network	6,325,587	Ruckus Wireless / Sr. Technical Account Manager
75	Pankaj Sarna	India Tax Lead	CA	55	16-Jan-1999	31	Finance	8,334,473	Modi Xerox Ltd. / Controller - Indirect Channels
76	Prasad Routray	Regional Business Head	PG Diploma	42	11-Feb-1998	21	Sales	7,432,694	Koshika Telecom Ltd / Executive-Sales

Statement of particulars under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2016

(A) Employed Throughout the Financial Year

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment / Designation
77	Pravin Surana	Head Direct Tax	CA	37	23-Jan-2006	16	Finance	6,558,226	Reliance Energy Generation Ltd. / Senior Officer
78	Purumedh Gupta	Regional Business Head	B.Tech	40	09-Apr-2007	18	Sales	7,071,505	Tata Autocomp Systems Ltd. / Incharge Business Development, Marketing & Sales
79	Raghunath Mandava	Director - Customer Experience	BE & MBA	49	29-Sep-2003	26	Business Head	43,775,855	Hindustan Lever Ltd. / Operations & Marketing Manager
80	Rahul Sethi	Head Sales	MBA	41	01-Jun-2006	18	Sales	6,826,650	BPL Mobile Cellular Ltd / Area Sales Manager
81	Rajat Dhawan	Regional Business Head	PG Diploma	43	03-Nov-2005	20	Sales	7,505,692	Reliance Infocomm Ltd. / Circle Lead (Strategic Accounts)
82	Rajendra Chopra	Sr. Vice President - Corp. Secretarial & Regulatory	CS / LLB	44	16-Mar-2005	23	Corp Secretarial & Regulatory	7,002,382	DLF Power Ltd / Company Secretary
83	Rajesh Gupta	Circle CTO	PG Diploma	45	19-Apr-2006	22	Network	6,800,177	ADIL Rajasthan / DGM
84	Rajesh Kumar	CSO - Global Business	PGDBA / Diploma in Didgital Electronics(PG)	46	14-Jun-2007	19	Customer Experience	8,085,731	Convergys India / Senior Manager Technology
85	Rajnish Verma	Vice President - Sales	PG Diploma	44	15-Mar-2005	22	Sales	6,523,191	Reliance Telecom Limited / Regional Sales Manager
86	Rakesh Kumar	Circle CTO	M Tech	48	01-Apr-2006	26	Network	9,810,730	BSNL / Joint Deputy Director General
87	Ram Kuppuswamy	Chief Global Sourcing Officer	MBA	40	05-Jan-2015	17	SCM	20,780,544	Microsoft Mobile (China) Investment Company Ltd. / Director Materials Management
88	Ranjan Sharma	Head - Network Capex Sourcing	B.Tech	41	09-Mar-2015	20	SCM	8,412,971	ZTE Telecom India Pvt Ltd / Director
89	Rashim Kapoor	Head Service Platform Operations	Engineering	43	31-Aug-2005	21	Network	8,754,671	Reliance Infocom / Team Leader
90	Ravi Parkash Gandhi	Chief Regulatory Policies	B.Tech	45	03-Mar-2008	24	Legal	13,436,683	Reliance Communication Limited Usha / Vice President
91	Ravindra Singh Negi	CEO - Market Operations-West Bengal	PGDBM	44	01-Aug-2000	21	Business Head	15,694,619	Koshika Telecom Ltd. / Product Manager - Prepaid
92	Raza Khan	Vice President - Corporate Communications	PG Diploma	44	05-May-2011	21	Corporate Communications	7,490,854	Viom Networks / GM - Corp Comm
93	Ritesh P. Sanghvi	Head Marketing	MBA	37	10-Jun-2002	15	Marketing	6,884,794	Bharti Airtel Ltd / GM
94	Rohin Vig	Vice President - SCM	CA	37	23-Jul-2007	15	SCM	10,968,143	Worldspace Inc / Revenue Assurance
95	Rohit Marwha	Head Pricing & Market Ops	PGDBM	40	16-Jul-2001	18	Marketing	10,555,872	Vijaya Prints & Packs / Director
96	Rohit Relan	Head Market Ops	CA	46	04-Apr-2005	21	Customer Experience	9,489,069	Tata Teleservices Ltd. / Sr. Manager
97	Rohit Malhotra	CEO - Retail	PGDM	48	15-Apr-2009	24	Business Head	21,769,873	Pantaloon Retail India Ltd / Head Operation - South Zone
98	S Balasubramanian	Group Financial Controller	CA	50	08-Aug-2005	25	Finance	13,298,712	Coke / General Chief Accountant
99	Sachin Deshpande	Head Small Cell Solution & Acq	PGDBM	49	26-Dec-2014	21	Network	9,088,542	Radius Synergies International P.Ltd. / COO
100	Sachin Verma	EA Core IT	B.Tech	40	09-Jul-2007	19	IT	6,715,513	COLT Technologies / Consultant
101	Sachin R Sarna	Vice President - Sales	MBA	42	13-Apr-2005	21	Sales	7,376,622	M/s BPL Cellular Ltd / Zonal Sales Manager
102	Saibal Roy	Regional Business Head	B.Tech	47	23-Aug-2012	28	Sales	8,956,837	Tulip Telecom Ltd. / COO- North and Head- International Business
103	Sameer Batra	Chief operating Officer - Market Operations - Maharashtra	PGDM / B.E	40	21-Feb-2006	16	Business Head	11,827,728	BPL Mobile Ltd / Product Manager
104	Sameer Chugh	Director - Legal	LLB, PGDBM	42	04-Aug-2014	21	Legal	20,867,381	Cummins India Limited / VP - Legal and Secretarial
105	Sameer Kirit Anjaria	CEO -Market Operations Assam	MMS / B.E	43	03-Dec-2012	19	Business Head	12,763,840	Nokia Corporation MEA / Head Care Channel Development, IMEA
106	Sandeep Gupta	Head Wireless A & E & LAB	B.Tech	46	30-Nov-2012	25	Network	12,320,490	Huawei Telecommunications India Pvt. Limited / Director - Wirelsss & PS Solution Sales
107	Sanjay Berry	Sr. Vice President - Finance	CA	47	29-May-2012	21	Finance	10,122,123	SCS India Pvt Ltd / Director - Tax
108	Sanjeev Kashyap	CTO - SNG	MBA	48	17-Oct-2007	25	Network	6,918,073	WWIL / CTO
109	Sanjiv Mishra	Vice President - Sales	MBA	46	01-Aug-2007	24	Sales	8,045,471	Becton Dickenson India / Regional Manager
110	Sarang Kanade	Director - Customer Experience	Post Graduation	45	02-Mar-2010	19	Business Head	23,306,234	Spencers Retail Ltd / VP Operation
111	Satyamoorti Sivasubramanian	Sr. Vice President - IT	PhD	58	02-Jun-2014	35	IT	20,525,855	SingTel-Optus / Director, Information Security
112	Sayali Phatak	Sr. Vice President - Legal	LLB	50	22-Dec-2010	20	Legal	9,748,405	Nokia siemens Network / Vice President
113	Senthil Kumar Balasubramaniam	Circle CTO	B.E	42	11-May-2005	18	Network	7,271,830	Shogi Communications / Director - Technical
114	Shailesh Gupta	Head SAE IP & Transport	PG Diploma	41	18-Dec-2000	15	Network	6,828,953	Siemens / Sr. Officer

Statement of particulars under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2016

(A) Employed Throughout the Financial Year

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment / Designation
115	Sharad Jaiswal	Head - Operations	PGDBM	41	03-Dec-2012	18	Marketing	7,573,531	VIP Industires / Head - Retail
116	Sharan Shetty	COO - Market Operations Karnataka	MMS / B. Tec	48	04-Jun-2007	21	Business Head	11,310,576	Levis / Business Head
117	Shefali Malhotra	Global Head Revenue Assurance	CA	43	01-Mar-2000	21	Finance	9,711,426	Airborne Express / Manager Accounts
118	Shyam P Mardikar	Head - Architecture and Planning	B.E / B.Tech	45	26-Jul-2012	23	Network	24,803,612	Leara / Chief Technical Officer
119	Siddharth Sharma	Head - Postpaid	MBA	40	02-Mar-2005	16	Marketing	8,606,435	BPL Mobile Ltd / DMA Manager
120	Srikanth Balachandran	Global CHRO	CA, B.Com	55	17-Nov-2008	35	Finance	48,700,990	Hindustan Unilever Limited / Programme Leader – Global Finance
121	Srini Gopalan	Director - Consumer Business	MBA, BA Hons (Economics)	46	02-Sep-2013	24	Business Head	60,635,636	Vodafone UK / Consumer Director
122	Srinivas S Vemuri	Head CS - PS Planning	MBA	47	11-Jul-1998	25	Network	7,484,213	Vizag Steel Plant / Lecturer
123	Subhransu Rout	Head Consumer Insights	PGDBM	47	23-Jun-2014	22	Marketing	8,263,464	Millwardbrown India Pvt Ltd / MD Delhi & Head Client Solutions
124	Sunil Singh	Head NLD & Domestic Data - W & S	B.E	47	01-Dec-2004	23	Sales	8,647,913	Unicom Infotel / Director-Sales
125	Sunil Bharti Mittal	Chairman	Graduate	57	01-Oct-2001	28	Genral Management	278,546,235	Bharti Cellular Limited. / CMD
126	Swati Kamat	Hub CTO	B.E	50	29-Aug-2014	29	Network	8,955,910	Tech M / Corperate Head Director
127	Venkatesh Vijay Raghavan	CEO - Market Operations AP	PGDBM	43	04-Jul-2003	21	Business Head	15,384,946	Reliance Infocom Ltd. / Product Manager-Marketing
128	Vidur Rattan	COO - Market Operations Maharashtra	PGDBM	38	16-Apr-2001	19	Business Head	10,022,993	Standard Chartered Bank / Management Trainee
129	Vikram Deshpande	Head IKSL	MBA	44	08-Aug-2005	23	Sales	6,467,214	Reliance Infocom / Cluster Head
130	Vinny Puri	Head - Mobile & Telemedia experience	Post Graduation	39	22-Jun-1998	18	Customer Experience	6,941,710	Bharti Airtel Ltd / GM
131	Vipin Gupta	Circle CTO	MBA	44	03-Oct-2001	15	Network	6,975,906	Hughes Telecom / AM
132	Vir Inder Nath	CEO - Market Operations-MP&CG	PGDBM	43	23-Apr-2007	19	Business Head	12,523,459	IDEA Cellular / DGM
133	Vivek Bharti	Global Head - Supply Chain COE	B.Tech	46	01-Aug-2013	23	SCM	7,734,406	JKT Consulting Limited / Vice President
134	Vivek Manglik	Head - Global Voice VAS & Roaming	PGDBM	45	06-Sep-2010	21	Sales	10,774,977	Tata Communications Limited / GM Sales

Statement of particulars under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2016

(B) Employed for Part of the Financial Year

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment / Designation
1	Amit Sobti	Vice President - Customer Experience	Post Graduation	41	15-Jul-2010	19	CSD	5,175,203	Passet Consulting Private Limited / Director
2	Anand Chandrasekaran	Chief Product Officer	M.Sc	38	08-Apr-2014	14	Marketing	19,187,093	Yahoo / Senior Director
3	Anand Khurana	CEO - Market Operations-Bihar	MBA	44	06-Jan-2014	19	Business Head	10,634,645	HUL / Business Head
4	Arvind Chopra	Group Director - Internal Assurance	B. Com (H), ACA	52	30-Sep-2015	25	Internal Assurance	14,954,014	Essar Services India Pvt Ltd / President - Group Assurance and Cost Control
5	Ashwani Rana	Chief Regulatory Operations	LLM	49	01-Nov-2004	27	Legal	9,439,369	Idea Cellular / Sr. Manager
6	Bharath Uppiliappan	CEO - Market Operations-Bihar	MBA	44	10-Aug-2015	20	Business Head	6,458,768	Bharti Retail / Sr. VP
7	Deepa Chadha	Vice President - HR	PG Diploma	44	09-Feb-2009	21	HR	5,428,071	Genpact / Vice president HR Shared Services
8	Deepak Kumar	Head - Real Estate & FM	M Tech	47	01-Sep-2014	16	SCM	6,159,139	Nokia / Head of Real Estate, India
9	Govindaranjan Parthasarathy	Chief Marketing Officer-B2C	MBA	42	01-May-2013	19	Business Head	25,174,108	Hindustan Unilever Limited / Vice President Skin Cleansing, South Asia
10	Gurpreet Singh	Head Service Ops	CA / LLB	44	28-Dec-2010	19	CSD	4,652,643	Etisalat DB Telecom P Limited / Associate VP - CS
11	Ishwinder Khurana	Sales & Marketing Head	MBA	40	23-Jul-2014	14	Sales	5,735,825	Bajaj Auto / Head of North and West India
12	Jatinder Pal Singhsehdev	Head Transport & IP Planning	PG Diploma	43	22-Mar-2012	29	Network	8,379,789	Huawei Telecommunications India Ltd / Director
13	Jayant Sood	Head - Contact Experience	CA	51	12-Aug-2009	31	CSD	4,337,393	American Express / Business Leader
14	Jonathan Rafael Abrahamson	Head Digital & VAS	B.Com	37	01-Sep-2015	15	Marketing	7,096,263	Singtel / Director, Prepaid and mFinance
15	Lal Bahadur Prasad	Chief Security Officer -Airtel Business	Post Graduation	49	01-Jul-2002	27	CSD	4,360,510	Wipro Infotech / Regional Manager
16	Mohit Beotra	Chief Brand Officer	MBA	48	22-Mar-2010	26	Brand	17,148,934	Lowe Lintas India Limited / Executive Director
17	N Arjun	Director - Projects	B.Com, MBA and P.G. Diploma in International Trade	59	17-Jan-1993	33	Business Head	73,054,745	Bharti Tele-Ventures Ltd / Chief Operating Officer
18	Natraj Akella	Head - Project Jaguar	MBA	46	10-May-2010	25	Marketing	4,850,219	IBM / Business Manager
19	Navin Sherman	Sr. Vice President - Finance	CA	46	07-May-2003	25	Finance	2,460,139	BPL Mobile Communications / Sr. Manager
20	Neeraj Jain	Head FR - India	CA	39	19-Jul-2004	17	Finance	6,550,816	C D Equisearch Pvt. Ltd. / Vice President - Finance
21	Papiya Banerjee	CLO and Global Head of Talent	MA	42	01-Feb-2016	18	HR	1,657,118	Edelweiss Tokio Life Insurance Co.Ltd / Sr. Vice President - HR
22	Paramjit Singh Nayyar	Head HR Enabling Functions	MBA	38	04-Nov-2003	17	HR	6,517,725	Triveni Engineering & Inds Ltd / Sr. Executive
23	R Mahalakshmi	CLO and Global Head of Talent	MBA	42	30-Oct-2008	19	HR	14,211,366	Ranbaxy Laboratories Ltd / GM - HR (L & D)
24	Rajiv Mathrani	Chief Brand Officer	MBA	41	01-Sep-2015	16	Brand	6,385,292	PepsiCo / Senior Marketing Director
25	Ramakrishna Lella	Chief Supply Chain Officer India	Post Graduation	51	11-Mar-2016	28	SCM	514,497	Reliance Jio / Sr. Vice President
26	Ramananda S G	S & M Head - Telemedia Homes	Graduation	50	18-Sep-2007	30	Sales	5,095,179	Raksha Group / CEO
27	Saji Pk	Chief Delivery Officer	MBA	47	29-Dec-2014	28	CSD	5,308,562	Tata Communications / Vice President
28	Salil Khanna	CEO - EGB West	MBA	48	11-Jul-2006	28	Business Head	5,067,669	Reliance Infocomm Ltd. / L2
29	Sanjay Sachdeva	Head Supply Chain Process & Systems	MBA	50	05-Feb-2007	28	SCM	7,312,171	Motorola / S. I. Procurment Manager
30	Sanjay Kumar Jain	Circle - Chief Technical Officer	B.E / B.Tech	48	03-Aug-2009	24	Network	2,466,139	Smart Digivision Pvt. Ltd. / CTO
31	Sanjeev Mahajan	Head Market & Demand Planning	BA / Diploma in Electronics	48	19-Sep-2005	26	Marketing	2,898,607	Idea Cellular Limited / DGM - National Accounts
32	Saurabh Goel	CEO - Market Operations Assam	Post Graduation	48	27-Jun-2003	20	Business Head	14,707,133	Hughes Escorts Comm. Ltd. / Team Lead
33	Selvinson S J S	Circle CTO	B.E	43	07-Jun-2004	23	Network	1,853,907	Bobsai Networks / Technical Head
34	Sonal Kapasi	Sr. Vice President - MD's Office	CA	44	03-Jan-2000	24	MD Office	7,344,043	A F Ferguson & Co. / Assistant Consultant
35	Soumya Ranjan Jena	Head Network Quality	B.E / B.Tech	49	05-Apr-2007	21	Network	7,602,043	Ecnet (Celtel Nigeria Ltd) / Manager

Statement of particulars under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2016

(B) Employed for Part of the Financial Year

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment / Designation
36	Srikanth Karra	Director - Human Resources	Masters in Personal Management & Industrial Relations, Bachelor of General Law	53	15-May-2014	26	Human Resources	5,807,632	Soseeo Solutions Private Limited / Founder & Director
37	Sucheta Mahapatra	Head Business Strategy & Support	MBA	35	25-May-2015	14	Business Head	5,620,256	Bain and Company / Sr. Manager
38	Sundar Rajan R	Group General Counsel	CS, LLB	51	03-Sep-2015	26	Legal	14,834,808	GMR Corporate Affairs Pvt Ltd / Group General Counsel & President - Legal & Secretarial
39	Tejinder Pal Singh	Circle CTO	B.Tech	49	09-Feb-2012	28	Network	6,225,480	Reliance / CTO (UN)
40	Venkatesh Rangachari	COO - Mobility	MBA	43	29-Nov-2011	17	Business Head	7,311,067	Aircel / Circle Business Head
41	Vijai Prakash Tripathi	Head UNOC	Post Graduation	53	15-Dec-1997	28	Network	9,268,477	Optel Telecom Ltd. / Project Lead

Note:

1. Gross remuneration comprises of Salary, Allowances, Company's contribution to Provident Fund and taxable value of perquisites.
2. The employee would qualify for being included in Category (A) or (B) on the following basis:
   For (A) if the aggregate remuneration drawn by him during the year was not less than ₹ 60,00,000 p.a.
   For (B) if the aggregate remuneration drawn by him during the part of the year was not less than ₹ 5,00,000 p.m.
3. None of the employees mentioned above is a relative of any Directors of the Company except Mr. Sunil Bharti Mittal, Mr. Rakesh Bharti Mittal and Mr. Rajan Bharti Mittal, who are brothers.
4. None of the employees mentioned above hold 2% or more share capital of the Company.
5. The designation - 'Director' wherever prefixed describing the area of responsibility occurring in the above Statement is not a Board position except that of Mr. Sunil Bharti Mittal and Mr. Gopal Vittal.
6. There are no specific terms and conditions for employment.
7. Nature of employment for all the employees is permanent except for Mr. Sunil Bharti Mittal and Mr. Goptal Vittal which is contractual.
8. Remuneration of Mr. Gopal Vittal does not include perquisite value of ₹ 41.78 Mn towards the value of stock options exercised during the year.
9. Remuneration of Mr. Rajendra Chopra excludes cash payout of ₹ 0.33 Mn under performance-based long-term incentive plan of the Company during the current financial year..
10. The remuneration of Mr. Nilanjan Roy excludes perquisite value of stock options of ₹ 2.15 Mn exercised during the current financial year and cash payout of ₹ 9.81 Mn under performance-based long-term incentive plan of the Company.

Management Discussion and Analysis

At Bharti Airtel, we are transforming at a rapid pace; and catering to the aspirations of millions of people in South Asia and Africa as a leading global telecommunications company. Our life-enrichment network transcends geographic barriers, cultural differences and linguistic diversities to emerge as a unifier on a global scale. With over 300 Mn customers across 20 countries of the world, the Airtel family is growing stronger each day, touching almost every aspect of life. We emerged as the world's third largest operator during FY 2016 in terms of customer base. This landmark was achieved in only two decades of operations, underlining the strength of our business model and global scale.

We continue to be committed towards our customers and maintain our leadership position across geographies. We are happy to be leading in an industry (Telecom), which is itself transforming and creating plenty of opportunities for us. Data has seen a significant uptake in the past year with 4G launches across India. Our entry into Mobile banking in India with the grant of a Payments Bank license gives us the opportunity to enter into a complementary category. We launched many industry-first initiatives and entered into strategic partnerships. We will continue to enhance our investments in Africa and reap benefits of the exponential opportunities the continent offers. We are well positioned to derive advantages from low mobile broadband penetration in India and Africa, significant growth in smartphone shipments, favourable demographics and industry consolidation.

We are focusing on deleveraging in Africa through strategic stake sale in subsidiaries, tower sales and other asset monetisation. Our investment grade ratings (awarded and reaffirmed by international credit rating agencies) validate the fact that we have built a robust, scalable and sustainable business model. Our focus is to maintain the optimum capital structure at all times and enhance our financial strength. We stay committed to creating value for our stakeholders, while ensuring highest standards of corporate governance.

Economic Overview

Global Review

Global economic activity in 2015 remained largely subdued. Global growth is projected at 3.4% in 2016 and 3.6% in 2017. Gradual slowdown and rebalancing of economic activity in China, lower prices for energy and other commodities, and gradual tightening of monetary policy in United States influenced the global outlook. Growth in emerging and developing economies contributed to 70% of global growth in 2015.

Economic adjustments on the back of global slowdown will have material impact on economic recovery. While deflation and revitalisation of European Union and Japan has led to central banks undergoing quantitative easing programmes, United States is looking at rate hikes this year on the back of strengthening economy and wage escalations. Some improved data releases like firming of oil prices, support by major central banks, and lower capital outflows from China are resulting in improved investor sentiments.

GDP Growth Trend (%)

	Actual		Projections	
	2014	2015	2016	2017
World Output	3.4	3.1	3.2	3.5
Advanced Economies	1.8	1.9	1.9	2.0
Emerging and Developing Economies	4.6	4.0	4.1	4.6
China	7.3	6.9	6.5	6.2
India	7.2	7.3	7.5	7.5
Bangladesh	6.3	6.4	6.6	6.9
Sri-Lanka	4.5	5.2	5.0	5.0
Sub-Saharan Africa	5.1	3.4	3.0	4.0

(Source – IMF)

Key Snapshot

1. The US economy grew by 2.4% in CY 2015, just as it did in CY 2014. The challenges were weaker than expected domestic demand, lacklustre performance of the manufacturing sector, declining exports due to stronger dollar and adverse external trade environment.
2. The Euro Area as a whole grew by 1.6% in CY 2015, faster than CY 2014. The economy received robust support from three tailwinds: a) lower oil prices (bolstering consumer expenditure / domestic demand); b) expansionary fiscal policies; and c) an accommodative ECB. The challenges, however, were: sub-zero inflation, high non-performing loans and debt trajectories, low investment and eroding skills of the working population due to long-term high unemployment in the region.
3. Economic growth for China was 6.9% in CY 2015. The slowdown and rebalancing of the economy led to a decline in investment in real estate, manufacturing and allied industries.
4. The economic performance of many African economies was lower than expectations. Resource-rich countries in Africa suffered owing to a decline in commodity prices and also because their frontier markets were adversely affected by tighter global financing conditions.

Indian Economy

India's economic growth for 2015-16 was 7.6%, overtaking its formidable economic rival China (Source: CSO). The decline in oil price, while affecting large parts of the world, has helped the economy lower its huge import bill. The Government of India has also ushered in a series of reforms in agriculture, manufacturing, infrastructure and services sectors to bolster economic performance and make growth more inclusive. Declining fiscal deficit, moderating inflation and a comfortable interest rate trajectory were definite positives as well. India stands out as one of the rising stars in a world characterised by volatility and financial turbulence on account of its economic stability, favourable demographics, proactive Central Bank and a Government focused on consistent reforms.

Key Snapshot

1) The Union Budget 2016-17 focused on enhancing farm output and welfare of farmers.

2) Consistent fiscal consolidation has reduced Government's fiscal deficit to close to 4% of GDP (on a 12-month rolling basis), down from a peak of 7.6% in 2009.

3) The Government's Make in India initiative has been a resounding success. It has encouraged domestic entrepreneurship and even attracted FDI to the country significantly. In the period of 17 months (October 2014 to February 2016) after the launch of Make in India, FDI inflows increased by 37% (Source: Ministry of Commerce and Industry).

4) Digital India will have a transformational impact on Indian society. It represents a connected society, where every citizen will be connected to the internet. This will help enhance education, employment, efficiencies, governance and controls.

5) Internet penetration is around 30% in India; and is projected to touch around 35% next year (Source: IAMAI).

6) The Government's Smart Cities Mission is a revolutionary concept in terms of overall infrastructure, sustainable real estate, communications and market viability. There are many technological platforms involved, including but not limited to automated sensor networks and data centres.

African Economy

Africa's economy as a whole remained more resilient to global volatilities, compared to many other emerging and developing regions. The continent's growth enablers comprise: the vastly improved macroeconomic environment, benefiting businesses; reduction of external debt and social conflicts; improved political and economic governance; growing domestic demand; buoyant services sector; financial services growth in line with an upswing in information and communications technology; and rapid internet penetration.

Poverty in the continent is also seeing a declining trend. Africa's young and aspirational population is acting as an agent of change in largely conservative societies. The continent's youth bulge will drive the next era of growth and transformation.

Key Snapshot

1) A large African middle-class is emerging, over 350 Mn people, driving the culture of innovation and policymaking.

2) Africa is the world's second fastest growing FDI destination, just behind Asia Pacific.

3) Sustainable policies for urbanisation, manufacturing growth, agricultural output, along with education and empowerment can act as key catalysts.

4) Less focus on oil exports and other commodities will augur well for the economy, going forward.

South Asian Economies

Bangladesh shows significant potential in South Asia. It has a stable democracy with focus on empowerment from grassroots. The economy's key growth enablers comprise: growing manufacturing and construction sector, robust service sector and higher private consumption bolstered by remittances. These pivots have resulted in sustainable economic growth for the nation.

Sri Lanka is also a stable, democratic society with focus on inclusive growth. The island nation's economic potential is considerable. The country has a strong base of human capital and reliable infrastructure. It also occupies a strategic position in Asia, the fastest growing region in the world; and investments over the last decade (especially in ports and other transport-related facilities) can take advantage of this opportunity.

Key Snapshot

1) Bangladesh's GDP grew by 6.6% in 2015 vis-à-vis 6.1% in 2014.

2) Growth is expected to further inch up to 6.7% in 2016, led by strong garments exports and rising private consumption as government employees get wage increase.

3) Real GDP growth for Sri Lanka was 4.8% in 2015 (broadly unchanged from 2014), driven by robust growth in services and agriculture, as well as a positive contribution from manufacturing.

4) Sri Lanka's economy is expected to grow by 5.3% and 5.8% in 2016 and 2017, respectively on back of strong domestic demand, and higher private and public investments.

Megatrends that drive the Company's business

1. Internet users in India have risen from 50 Mn in 2007 to 100 Mn in 2010; and more than 300 Mn in 2015. Of the 306 Mn internet users as on December 2015, 219 Mn users are from urban India. The urban user base grew by 71% year-on-year. On the other hand, the rural user base went up by 93% from December 2014 to reach 87 Mn at the end of December 2015.

2. India is a lucrative market for global and domestic smartphone manufacturers. Smartphone shipments increased by 55% between 2014 and 2015 (Source – IDC). The country has an established base of 184 Mn users. Enhanced focus on manufacturing affordable handsets with indigenous technology will further spur mobile telephony.

3. With rise in affordable smartphones and more users preferring 3G / 4G, data usage is likely to grow by 12 times from 2015 to 2020. Mobile data traffic increased by 89% between 2014 and 2015; and mobile data traffic grew by 2.4 times faster than India's fixed IP traffic (Source: Cisco VNI forecasts). Network migration from

2G to 3G / 4G is driving a change in data consumption from low bandwidth to high-bandwidth applications, along with more availability of relevant content.

4. India is in a sweet spot to leverage market opportunities emerging through Internet of Things (IoT). A strong ecosystem of IT organisations, renewed focus on manufacturing, significant opportunities in education, healthcare and agriculture; and enormous growth in mobile internet usage will act as key catalysts in supporting investments in IoT. The Government of India's initiative of smart cities requires seamless digital and physical infrastructure to be shared efficiently across devices and applications; IoT will play a critical role in fulfilling this vision.
5. Convergence is a global trend for the telecom business of the future. It enables a user to have a uniform experience, both at home and on the move. Combination of conveniences, freedom of movement, and personalised services, along with high quality and speed of fixed communications will enable a seamless network experience for the end user.
6. India is on the cusp of a huge digital revolution. Digital Literacy Mission will touch 60 Mn rural households as per the Union Budget of India 2016. The Government of India also plans to connect 550 farmer markets in the country through the use of technology. The Digital India drive will bring along a transformative impact on every citizen through the medium of internet.
7. The proposed policy environment through M&A rules, spectrum sharing guidelines and 20-year spectrum positions for telecom operators not only enhances business certainty, but also encourages industry consolidation and healthy growth. The gains in network efficiency that sharing can provide will benefit operators and customers alike. Upcoming auctions will further help in building stronger networks.
8. Mobile banking is on a rise in India and Africa. India's largest wallet company has around 120 Mn wallets with other companies estimated to have 30 Mn+. This is significantly more than the number of credit cards in India. Additionally, mobile phone banking technology is bringing more people in Sub-Saharan Africa into the formal financial sector and the economy more broadly.
9. Africa, with a median population of less than 20 years, is on the cusp of a mobile data revolution as 3G and 4G deployments gather scale with more affordable handsets available. Mobile data is helping people elevate their lives with a large proportion of the population relying on the internet for education, financial transactions, healthcare, and so on.
10. E-commerce is at the epicentre of Africa's thriving economy. The continent's digital evolution is a promising prospect with the e-commerce market expected to be worth approximately USD 50 Bn by 2018. India has an exciting ecommerce story as well, with online retail growing 4.5x in the last three years. India's e-commerce industry is likely to be worth USD 38 Bn by 2016, a 67% surge over the USD 23 Bn revenues for 2015 (Source: Deloitte).

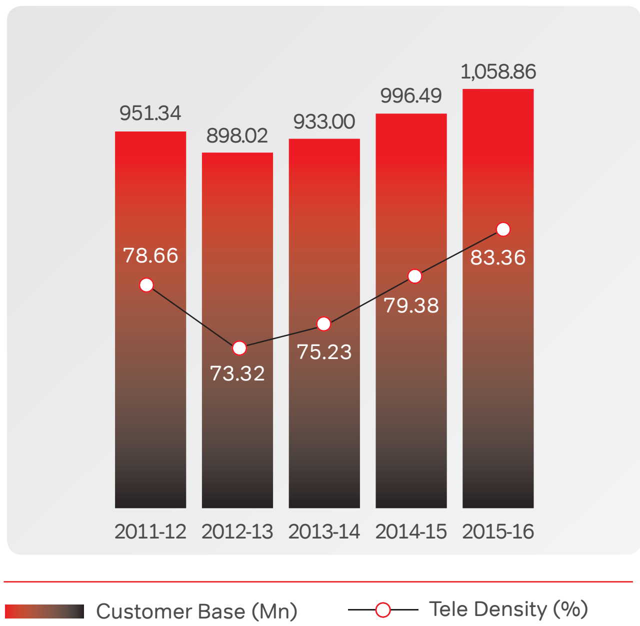
Industry Overview

Indian Telecom Sector

India's total customer base stood at 1058.86 Mn with a tele-density of 83.36%, as on March 31, 2016, having grown from a base of 996.49 Mn and tele-density of 79.38% last year. The urban tele-density stood at 154.01%, whereas the rural tele-density stood at 51.37%, as on March 31, 2016. India's telecom market is witnessing a strong growth of internet users; and now has the world's second highest number of internet users. The wire-line customer base is 25.22 Mn at the end of March 31, 2016 vis-à-vis 26.59 Mn at the end of March 31, 2015.

Among the service areas excluding metros, Himachal Pradesh has the highest tele-density (127.41%) followed by Tamil Nadu (118.12%), Punjab (106.09%), Kerala (102.27%), Karnataka (101.88%), Gujarat (100.05%) and Maharashtra (98.98%). Among the three metros, Delhi tops with 236.30% tele-density. On the other hand, the service areas, such as Bihar (54.31%), Assam (57.55%), Madhya Pradesh (64.18%), Uttar Pradesh (65.83%) and Odisha (69.09%) have comparatively low tele-density.

Tele Density: India (%)



(Source: Telecom Regulatory Authority of India)

Rural penetration (low at nearly 50%) represents huge headroom for growth. With urban tele-density crossing 150%, internet penetration and experience will be the key drivers of growth in urban areas. With the government's favourable regulation and policies and the developing 4G ecosystem, India's telecommunication sector is expected to witness an explosive data growth in the next few years.

During the year, the Company introduced a comprehensive network transformation programme - Project Leap aimed at delivering a world class network. This programme will see an investment of ₹ 600,000 Mn in the next three years. The programme will help Airtel build a smart and dynamic network that will significantly improve the quality of both voice and data services across India. The programme aims to deliver a truly differentiated customer experience and reinforce its commitment to build a future-ready network.

Airtel has acquired rights to use 2x5 MHz spectrum in the 1800 MHz Band from Videocon Telecommunications Limited (VTL) which was allotted to VTL by the Department of Telecommunication (DoT) on April 05, 2013 for six circles, namely, Bihar, Haryana, Madhya Pradesh, UP (East), UP (West) and Gujarat at an aggregate consideration of ₹ 44,280 Mn.

Bharti Airtel Limited and its subsidiary, Bharti Hexacom Limited entered into definitive agreements with Aircel Limited and its subsidiaries Dishnet Wireless Limited and Aircel Cellular Limited to acquire rights to use 20 MHz 2300 Band 4G TD spectrum for eight circles namely, Tamil Nadu (including Chennai), Bihar, Jammu & Kashmir, West Bengal, Assam, North East, Andhra Pradesh; and Odisha at an aggregate consideration of ₹ 35,000 Mn. The closing of the said transaction is subject to certain customary regulatory approvals and other closing conditions.

During the year, the Company had launched 3G services in its gap circles and the high-speed 4G services were also commercially launched across India.

With the proposed spectrum acquisitions from Videocon and Aircel, the Company is set to become a pan-India 4G operator.

African Telecom Sector

Africa is among the fastest growing regions, but had faced significant headwinds in the last year as a result of global trends and region specific issues. The global commodity super-cycle has come to an end, sharply lowering the price of oil, gas, metals and minerals. As a net commodities exporter, Africa is deeply affected by falling commodity prices, putting pressure on the current account and fiscal balances.

The revenue-weighted currency depreciation vis-à-vis the US Dollar across 17 countries in Africa over the last 12 months (exit March 31 rates) has been 5.7%, primarily caused by depreciation in Malawi Kwacha by 54.9%, Zambian Kwacha by 45.1% and Tanzanian Shilling by 17.3%. In terms of the 12-month average rates, the revenue-weighted Y-o-Y currency depreciation has been 18.3%, mainly caused by depreciation in Zambian Kwacha by 51.8%, Malawi Kwacha by 32.1%, Ugandan Shilling by 25.1%, Nigerian Naira by 18.0% and CFA by 14.2%.

However, Africa's market with a billion-plus population promises considerable opportunities for African telecom sector. Data and mobile money have a significant potential for sustained growth; and with increasing adoption of smartphones this trend is set to continue.

Development in Regulations

The year saw several regulatory changes and developments. The significant regulatory changes were:

India

- **Sharing of Active Infrastructure:** In February 2016, the Department of Telecommunications issued Guidelines for Sharing of Active Infrastructure among service providers, based on mutual agreements. As per the guidelines, active infrastructure sharing will be limited to antenna, feeder cable, Node B, Radio Access Network (RAN) and transmission system only.
- **Valuation and Reserve Price of Spectrum:** In January 2016, TRAI issued its recommendation on Valuation and Reserve price of Spectrum in 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz and 2500 MHz Bands. As per the recommendation, auction in all the bands should be conducted simultaneously. DoT should carry out carrier re-assignment exercise in the 800 MHz band at the earliest; and ensure that the entire spectrum that is available for commercial use is put to auction and it should be in contiguous blocks. Spectrum in 700 MHz band should be offered in the block size of 5 MHz (paired). In case a TSP is able to win more than one block of spectrum in the upcoming auctions, it should be allocated spectrum in contiguous blocks.
- **Liberalisation of Spectrum:** On November 05, 2015, the Department of Telecommunications issued the Guidelines on Liberalisation of Administratively allotted spectrum in 800 MHz and 1800 MHz band in a service area for the balance validity period of right to use of spectrum, after payment of auction determined price, prorated for the balance validity period. The entry fee paid will be pro-rated for the balance validity period of the right to use spectrum; and will be deducted from the total amount to be paid by the TSP for liberalising the spectrum. In case the spectrum gets liberalised, the One Time Spectrum Charges (OTSC) will be charged and the same has to be paid by the licensee.
- **DoT guidelines on Spectrum Trading:** In October 2015, the DoT issued the guidelines on Spectrum Trading. Spectrum Trading shall be allowed between two access service providers, holding Cellular Mobile Telephone Service (CMTS) / Unified Access Service License (UASL) / Unified License (Access Services) (UL(AS)) / Unified License (UL) with authorisation of Access service in a licensed service area. All access spectrum bands earmarked for Access Services by the Licensor will be treated as tradable spectrum bands. Only that spectrum can be traded that has been assigned through an auction in 2010 or afterwards, or on which TSP has already paid the prescribed market price.
- **TRAI releases Telecom Consumers Protection (Ninth Amendment) Regulations, 2015 on Call Drop:** On October 16, 2015 TRAI releases Telecom Consumers Protection (Ninth Amendment) Regulations, 2015 on Call Drop, which mandates the originating service provider providing Cellular Mobile Telephone Service, for each call drop within its own network compensate the consumer by crediting the account of the calling consumer by 1 rupee subject to a maximum of 3 dropped calls in a day; and inform the consumer within four hours of the occurrence of a call drop. The Supreme Court ruled in favour of Telco's where it struck down TRAI's directive.
- **Spectrum Sharing:** On September 24, 2015 the Department of Telecommunications issued the guidelines on Spectrum Sharing. Spectrum sharing will be allowed only for the access service providers holding

CMTS license, UASL, UL (AS) and UL with authorisation of Access Service in a Licensed Service Area (LSA), where both the licensees are having spectrum in the same band. Both the licensees shall ensure that they fulfill the specified roll-out obligations and specified Quality of Service norms.

- **TRAI's recommendations on 'Introducing Virtual Network Operators in Telecom Sector':** In May 2015, TRAI made its recommendations on Introducing Virtual Network Operators in telecom sector to DoT. Virtual Network Operators (VNO) to be introduced through a proper licensing framework. The terms and conditions of sharing of infrastructure between the Network Services Operator (NSO) and VNO should be left to the market i.e. on the basis of mutually accepted terms and conditions between the NSO and the VNO. An NSO shall allocate a numbering range to their VNO(s) from the numbering range allocated to it by the licensor. VNOs shall also utilise the LRN and network codes of the parent NSO for the purpose of routing of calls.

Africa

- **Zambia, Tanzania, Malawi and Other SADC Countries:** The Governments within the SADC region have commenced bilateral arrangements to implement the Roam Like at Home tariffs imposed by the SADC governments.
- **Burkina Faso and Congo B:** The Regulator has performed a cost study to determine the interconnect rates that will be applicable in 2016. Basis that, the Regulator has kept the rates unchanged.
- **Rwanda:** The interconnect rates glide path, which had been set by the Regulator has come to the end of the term. Operators are now awaiting new rates from the Regulator.
- **Uganda:** The Regulator has indicated that it will review the interconnect rates; and is in the process of recruiting a consultant to handle the process.
- **Burkina Faso:** The Regulator is proposing the introduction of a tax on incoming international traffic. The industry is in discussion with the Regulator on this matter. So far no decision has been taken for its implementation.
- **Tanzania:** The Government of Tanzania in October 2015 had passed a new regulation that requires Telco's to list on the Dar es Salaam Stock Exchange within 12 months, failing which they have to make a contribution of 0.6% of its annual gross revenues to the ICT development fund.
- **Uganda, Kenya and Rwanda:** The Governments in these three countries are pushing forward the agenda of the One Area Network. In the last quarter these Governments have proposed to expand the scope of services under the regulated tariff to SMS and Data.
- **Nigeria:** Nigerian Communications Commission (NCC) has released the Information Memorandum for 2.6 GHz spectrum auction for LTE and has also shared the consultation paper on Procedures and Guidelines for the provision of Value Added Services in Nigeria.
- **Ghana:** The Regulator has proposed to license frequency in the 800 MHz band. This comes with an obligation for local shareholding of up to 40%. Consultations between the industry and the Regulator have taken place and the final decision is awaited.
- **Zambia:** The Regulator is proposing to introduce a unified licensing regime. If this proposal is adopted, it will affect the existing rights and obligations under the current licensing. It will also affect our spectrum holding and introduce new acquisition costs.
- **Kenya:** The Regulator has agreed to make available to Airtel at least 10 MHz of the available 800 MHz spectrum for LTE. The price for the same is under discussion with the Regulator.
- **Niger:** The Government has put in place a new law proposing the introduction of an exclusive international gateway, which is in violation of the mobile operators' license.
- **DRC:** There is a proposed new law that will if passed; affect the terms and conditions of the license. Some of the proposals include restrictions on license ownership, nationalisation of infrastructure and tariff control. Industry is in discussion with the Regulator to review the proposed law.
- **Malawi:** There is a requirement in the license that the Company should have a minimum of 20% local shareholding. Airtel has received a written extension of the 20% local shareholding obligation for another 1.5 years from February 2016.

SCOT Analysis

Strengths

1. **Spectrum:** Strong and expanding network – Pan India 4G spectrum and 3G spectrum in 21 circles. Wide spectrum presence with 21.1% spectrum market share (post deals with Videocon and Aircel); 4G and 3G carrier aggregation available in 12 and 8 circles, respectively.
2. **Presence:** #1 telecom player in India and #3 worldwide. The Company is present in 20 countries across South Asia and Africa.
3. **Scale:** The Company's revenue market share is the highest in the industry. It also has the highest subscriber market share with the largest net additions this year.
4. **Diversified Portfolio:** Vast product line, which includes telecom services like DTH, Telemedia, Airtel Business and Tower Infrastructure. The portfolio also includes other bundled services like Wynk music, movies, and mobile wallet.

Challenges

1. **Operations:** Geographically varied presence, integrating operations across India, South Asia and Africa leveraging common platform.
2. **Customer Needs:** Understanding changing customer expectations and perceptions in a fast evolving multi-cultural, multi-lingual, and multi-technological environment.
3. **Technological:** Harmonisation of multi-band sub 5MHz of spectrum.

Opportunities

1. **Data Usage:** Data explosion is at its cusp with the proliferation of affordable smartphones. Data uptake has also increased with usage moving from low to high bandwidth content.
2. **Convergence:** Newer and converged needs across technologies and services targeted to specific customer segments.
3. **Internet Space:** Significant opportunities thrown up by the internet across payment mechanisms, e-commerce, m-commerce and IoT.
4. **Investments:** Large residual opportunity with bulk investments in place. Best pan-India spectrum assets with prime spectrum to yield data uptake, largest optical fibre network amongst private players.

Threats

1. **Competition:** Competitor launches and its impact on the overall industry structure and profitability, especially data rates across 4G + 3G.
2. **OTT:** Cannibalisation of traditional voice and messaging – further aggravated by OTT applications gaining scale.
3. **Regulatory:** Political and economic uncertainties in Africa and India due to changes in policies.
4. **Currency Exposures:** Volatility in currencies due to global macro-economic uncertainties.

Financial Review

Consolidated Figures

Particulars	FY 2015-16		FY 2014-15	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenue	965,321	14,742	920,394	15,064
EBITDA before exceptional items	341,902	5,222	314,517	5,148
Interest, Depreciation & Others before exceptional items	235,702	3,600	198,855	3,255
Profit before exceptional items and Tax	106,200	1,622	115,662	1,893
Profit before tax	120,705	1,843	107,130	1,753
Tax expense	59,368	907	54,047	885
Profit for the year	54,842	838	51,835	848
Earnings per share (In ₹ / USD)	13.72	0.21	12.97	0.21

* 1 USD = ₹ 65.48 Exchange Rate for financial year ended March 31, 2016 (1 USD = ₹ 61.10 Exchange Rate for financial year ended March 31, 2015).

Standalone Figures

Particulars	FY 2015-16		FY 2014-15	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenue	603,002	9,209	554,964	9,083
EBITDA before exceptional items	238,218	3,638	246,241	4,030
Interest, Depreciation & Others	131,021	2,001	89,688	1,468
Profit before exceptional items and Tax	107,197	1,637	156,553	2,562
Profit before tax	100,398	1,533	156,553	2,562
Tax expense	24,933	381	24,548	402
Profit for the year	75,465	1,153	132,005	2,160
Earnings per share (In ₹ / USD)	18.88	0.29	33.02	0.54

* 1 USD = ₹ 65.48 Exchange Rate for financial year ended March 31, 2016 (1 USD = ₹ 61.10 Exchange Rate for financial year ended March 31, 2015).

The Company's consolidated revenues grew by 4.9% to ₹ 965,321 Mn for the year ended March 31, 2016 (growth of 6.9% after normalising for impact of IUC in India and impact of divestment of tower assets in Africa). The revenues for India and South Asia (₹ 723,881 Mn for the year ended March 31, 2016) represented a growth of 9.6% compared to that of previous year (growth of 12.2% after normalising for impact of IUC in India). The revenues for Africa, in constant currency terms, grew by 3.1% (growth of 4.2% adjusting for the impact of divestment of tower assets).

The Company incurred operating expenditure (excluding access charges, cost of goods sold, license fees and CSR costs) of ₹ 413,886 Mn representing an increase of 2.9% over the previous year. Consolidated EBITDA at ₹ 341,902 Mn grew by 8.7% over the previous year. The Company's EBITDA margin for the full year touched 35.4% vis-à-vis 34.2% in the previous year, primarily due to tighter opex controls (after adjusting for the impact in reduction of termination rates, EBITDA margin for the previous year was 34.6%). Depreciation and amortisation costs for the year were higher by 12.4% to ₹ 174,498 Mn primarily on account of spectrum related amortisation cost in India. Consequently, EBIT at ₹ 166,434 Mn increased by 5.0%, resulting in a flat margin of 17.2% vis-à-vis the previous year. The cash profits from operations (before derivative and exchange fluctuations) for the year ended March 31, 2016 stood at ₹ 289,152 Mn vis-à-vis ₹ 285,280 Mn in the previous year.

Net finance costs at ₹ 68,866 Mn were significantly higher by ₹ 20,403 Mn, compared to that of previous year, primarily on account of higher interest on borrowings due to spectrum borrowing cost, higher interest on finance lease obligation and lower investment income. The Forex and derivative losses were lower at ₹ 18,108 Mn (PY: ₹ 21,530 Mn).

Consequently, the consolidated profit before taxes and exceptional items at ₹ 106,200 Mn has declined by 8.2% over the previous year.

The consolidated income tax expense (before the impact on exceptional items) for the full year ending March 31, 2016 was almost flat at ₹ 53,180 Mn, compared to ₹ 52,928 Mn for the previous year. The effective tax rate in India for the full year came in at 30.2% (28.8% excluding dividend distribution tax) compared to 26.5% (25.5% excluding the impact of dividend distribution tax) for the full year ended March 31, 2015. The increase in the underlying effective tax rate in India is primarily on account of expiry / reduction of tax holiday benefits in select units. The tax charge in Africa for the full year at USD 189 Mn (PY: USD 203 Mn) has been lower, primarily due to change in profit mix of the countries.

Exceptional items during the year accounted for net gains of ₹ 7,097 Mn. These included impact of gains / losses on divestment of telecom towers, settlement of various disputes, few restructuring and integration activities and revisiting certain accounting positions. After accounting for exceptional items, the resultant consolidated net income for the year ended March 31, 2016 touched ₹ 54,842 Mn, a 5.8% escalation over the previous year. Net income before exceptional items for the full year touched ₹ 47,745 Mn, a 21.5% decline over the previous year.

The capital expenditure for the full year was ₹ 205,919 Mn (USD 3.1 Bn), an increase of 10.3%, vis-à-vis the previous year. Consolidated operating free cash flow for the year reflected an increase of 6.4% to ₹ 135,982 Mn.

During the year, the Group has designated the USD denominated finance lease obligations ('FLO') resulting from the sale and lease back of telecom tower assets in Africa, as a hedge against the net investments in subsidiaries with USD functional currency. The effective portion of the foreign exchange movements on the hedging instrument has been recognised in other comprehensive income, so as to offset the foreign exchange movement on the net investments being hedged. Accordingly, during the year, foreign exchange loss of ₹ 708 Mn (net of tax and non-controlling interests) has been recognised in other comprehensive income.

Liquidity and Funding

During the year, the Company undertook several initiatives to meet and manage its long term funding. Primarily in Q1, the Company raised USD 1,000 Mn through the issuance of 4.375%, Guaranteed Senior Notes due 2025 at an issue price of 99.304%.

As on March 31, 2016, the Company was rated 'Investment Grade' with a 'Stable' outlook by all three international credit rating agencies namely Fitch, Moody's and S&P. It had cash and cash equivalents of ₹ 37,087 Mn and short-term investments of ₹ 30,059 Mn. During the year ended March 31, 2016, the Company generated operating free cash flow of ₹ 135,981 Mn. The Company's consolidated net debt as on March 31, 2016 increased by USD 1,982 Mn to USD 12,661 Mn as compared to USD 10,679 Mn last year, mainly on account of deferred payment liabilities to the DoT being included in debt. The Net Debt excluding the DoT obligations stood at USD 7,508 Mn as on March 31, 2016 i.e. it decreased by USD 884 Mn over the previous year (USD 8,392 Mn as at March 31, 2015). The Net Debt - EBITDA ratio (USD terms LTM) as on March 31, 2016 deteriorated to 2.47 times as compared to 2.08 times in the previous year, mainly on account of increase in debt during the year. The Net Debt-Equity ratio increased to 1.28 times as on March 31, 2016, compared to 1.08 times in the previous year.

Awards and Recognition

- Airtel is No. 1 Telecom Company in the 'Best Telecom companies to Work for in India' survey conducted by Business Today and No. 8 across all sectors.
- Airtel has won the 'Golden Peacock Award for Sustainability' for 2015. It is indeed an honour to receive this award as it recognises Airtel's efforts in embedding sustainability in the services we provide; and the way we conduct our business. This award brings Airtel a step closer to achieving our vision of becoming the most loved brand.
- Airtel wins Innovation Award 2016 for excellence in Internal Auditing by the Institute of Internal Auditors (IIA).
- Airtel has been honoured as the Firm of the year - Telecommunication at the CNBC TV18 India Risk Management Awards.
- Airtel Global Revenue Assurance & Fraud Management team wins the Operator Excellence award in the category of Business Innovation in Risk Management at Subex user conference organised at Prague, Czech Republic.
- Airtel wins Annual Cybermedia ICT Business Awards for being 'India's Top Mobile Services Operator', Top Internet Services Operator" & "Top Broadband Wireless Access Operator" award for the year 2015.

Segment-wise Performance

B2C services

Mobile Services: India

Overview

The last year saw significant business and regulatory developments, which also include the release of spectrum sharing and trading guidelines by the Department of Telecommunications. The Company launched 3G services in its gap circles and was the first operator to launch high speed 4G services across India. With the spectrum acquisitions from Videocon and the proposed spectrum acquisition from Aircel, the Company is set to become a pan-India 4G operator. It also widened its content portfolio by launching Wynk Movies and Wynk Games mobile application.

As on March 31, 2016, the Company had 251.2 Mn mobile customers. The churn has increased to 3.4% for the current year, compared to 2.7% during the previous year, primarily on account of enhanced market intervention and competitive pressure; however, it still remains the lowest in the industry. Data revenues, as a percentage of total revenues, significantly increased from 15.2% to 21.8% in the current year. Of its total number of mobile subscribers, the Company had 58.2 Mn data customers at the end of March 31, 2016, of which 35.4 Mn were mobile broadband customers.

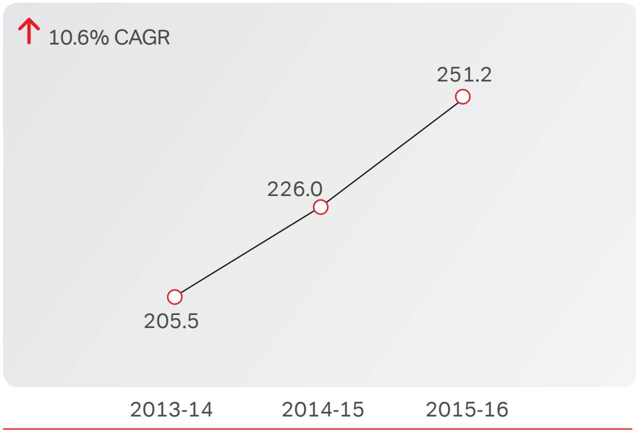
The segment witnessed significant improvement in the EBITDA margin to 39.0% during the year, compared to 37.6% in the last year. Improvement in margin is primarily due to the sustained top line growth and tighter control over operating expenses. EBIT margin for the year declined to 22.8%, compared to 24.0% in the last year, primarily on account of incremental amortisation cost on new spectrum acquired, which has an impact on EBIT margin of 2.3%.

During the year, the Company accelerated its spends on capex, which were largely directed towards building data capacities, increasing 3G / 4G coverage and improving the all-round customer experience. During the year, the Company rolled out over 63 K mobile broadband (MBB) base stations in India. This is one of the largest global rollouts of MBB base stations in a single year. The Company had 154,097 network towers, compared to 146,539 network towers in the last year. Mobile broadband (MBB) base stations were 118,197 at the end of the year, compared to 54,381 at the end of last year.

Particulars	FY 2015-16	FY 2014-15	Y-o-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	560,818	519,636	8%
EBIT	127,734	124,695	2%

Note: Normalising for impact of IUC, Y-o-Y revenue growth is 11.7%.

Wireless Subscribers: India (Million)



Key Initiatives

- Airtel has introduced its new range of 'Infinity Plans' and an industry first technology platform – Flexpage. While the Infinity Plans represent an industry first plan to offer unlimited voice calls on mobile, along with bundled movies and music, the Flexpage is an automated platform that allows customers to track their data usage and get real-time usage alerts.
- Airtel launched 'Wynk Movies' – it's an all new carrier agnostic mobile application offering customers thousands of movies and other video content. Launched

following the success of Wynk Music, the app is India's first curated video marketplace that offers an exhaustive library of popular movies, TV shows and other entertainment videos across genres. It also has a comprehensive library of 5,000+ movies and 25,000+ videos.

- Airtel mobile moves all its prepaid mobile customers to per second billing. Rolled out under the new Pay for What You Use initiative as part of the Company's Customer First commitment, this will help ensure that customers pay only for the time they use the Airtel network.
- Airtel revolutionised the smartphone experience for every customer by offering irresistible data benefits and surprises ranging from 50% daily Data 'Cashback' offer, sharing of 3G / 4G packs in Family as well as Smartphone Surprise offers; a pioneering initiative in India. With this, Airtel has further established itself as an undisputed preferred partner for data experience on any smartphone.
- Airtel launched India's first unrestricted-validity data plan for its prepaid mobile customers. The Company reinforced its commitment of Customers First by enabling its prepaid users to enjoy unrestricted validity towards consuming their data quota.
- Airtel expanded its content portfolio by launching beta phase of 'Wynk Games' mobile application – the Company's latest OTT addition to the Wynk portfolio. The app offers a library of over 2,000 global and local games from across genres. 'Wynk Games' subscription is free for Airtel users and at a promotional price of ₹ 29 for other customers in the current beta phase of the app.
- Airtel invited customers in its network modernisation drive by, launching a microsite www.airtel.in/leap. It allows the customers to know everything they want to know about project leap; and get a transparent view of the coverage of voice and high speed broadband services, along with other details in their respective localities. This is an industry first initiative.
- Airtel network transformation programme Project Leap is now focusing on a series of fresh initiatives towards creating a greener environment and building a sustainable network for the future. The Company announced the migration of 40,000 of its network sites across India to green technology, while committing to bring down its carbon emission footprint by 70% by 2018.
- Airtel became the first mobile operator in India to commercially deploy LTE-Advanced (4G+) technology on a live 4G network in Kerala. LTE-Advanced carrier aggregation technology combines TD LTE (2300 MHz) with FD LTE (1800 MHz) bandwidths to deliver mobile data speeds up to 135 Mbps. This is also an industry first initiative.
- Airtel announced the launch of its Platinum 3G network for customers in the North East. Airtel's Platinum 3G will deliver faster internet speeds, enhance voice clarity and offer a superior network experience for customers in the circle.

Key Highlights

- RBI approved Payments Bank License to Airtel Payments Bank Limited (APBL) (formerly known as Airtel Commerce Services Limited (AMSL)). The Reserve Bank of India had decided to grant an 'in-principle' approval to APBL to set up a Payments Bank in India. APBL already offers Airtel's flagship semi-closed wallet under the brand name 'Airtel Money'.
- Airtel has acquired rights to use 2x5 MHz spectrum in the 1800 MHz Band allotted to Videocon Telecommunications Limited (VTL) by the Department of Telecommunication (DoT) on April 05, 2013 for six circles, namely, Bihar, Haryana, Madhya Pradesh, UP (East), UP (West) and Gujarat at an aggregate consideration of ₹ 44,280 Mn.
- Bharti Airtel Limited and its subsidiary, Bharti Hexacom Limited entered into a definitive agreement with Aircel Limited and its subsidiaries Dishnet Wireless Limited and Aircel Cellular Limited to acquire rights to use 20 MHz 2300 Band 4G TD spectrum for eight circles namely, Tamil Nadu (including Chennai), Bihar, Jammu & Kashmir, West Bengal, Assam, North East, Andhra Pradesh and Odisha at an aggregate consideration of ₹ 35,000 Mn. The closing of the said transaction is subject to certain customary regulatory approvals and other closing conditions.
- Airtel signed an agreement to acquire 100% equity stake in Augere Wireless Broadband India, which holds 20 MHz of BWA spectrum in the telecom circle of Madhya Pradesh and Chhattisgarh.
- Kotak Mahindra Bank Limited (KMBL) and Airtel Payments Bank Limited signed the Share Subscription and Shareholders Agreement, wherein, KMBL agreed to acquire 19.90% of the paid-up capital of APBL.

Telemedia Services

Overview

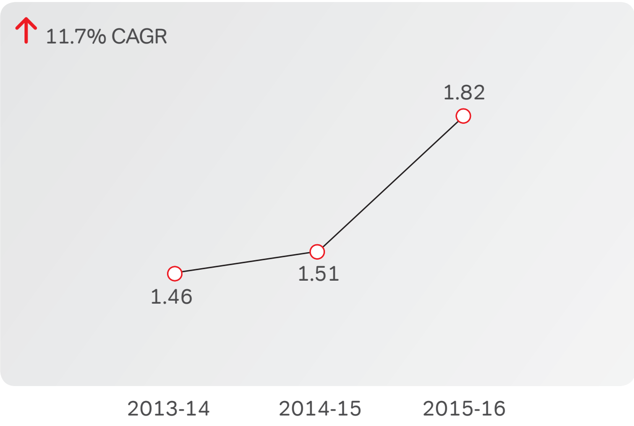
The Company provides fixed-line telephone and broadband (DSL) services for homes, as well as offices in 87 cities across India. The Telemedia business witnessed a record high DSL net addition of 309 k, seven times compared to previous year, primarily driven by launch of innovative pricing plans and an aggressive Go-to-Market strategy. As on March 31, 2016, Airtel had 3.7 Mn customers. Of these, 1.8 Mn customers subscribed to its broadband / internet services, representing 49.6% compared to 44.2% last year. The higher number of broadband customers also resulted in a significant increase in ARPU to ₹ 1,063 during the year, compared to ₹ 1,026 in the previous year. Consequently, non-voice revenue as a percentage of total Telemedia revenues now represents 68.2% as compared to 64.9% in the last year.

In the Homes segment, the offerings include high-speed broadband on copper and fibre, up to the speeds of 100 Mbps. Besides, the product portfolio also includes local, national and international long-distance voice connectivity, IPTV and other VAS services. Majority of the DSL Net additions as referred above has come in the Homes Segment.

In the Corporate Business segment, Airtel is a trusted ICT solution provider for fixed-line voice (PRIs, SIP trunking), data solutions (ILP, MPLS, NLD) and other connectivity solutions like Enterprise Mobility (Resource Tracking, IOT / M2M). Additionally, the Company offers solutions to businesses to improve employee productivity through collaborative solutions (Audio, Video and Web Conferencing). Cloud portfolio is also an integral part of its business solutions suite, which offers storage, compute & Microsoft Office 365 on a pay-as-you-go model.

Particulars	FY 2015-16	FY 2014-15	Y-o-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	47,609	44,325	7%
EBIT	12,429	8,699	43%

Broadband Users (Million)



Key Initiatives

- On the Homes front, significant progress was made in the endeavour to pioneer high-speed broadband through FTTH and VDSL rollouts in the top markets. Another key intervention was improvement in the quality of acquisition through focused interventions and plan / price rationalisation, resulting in lower churn. Focus on high-speed internet during both - acquisition and base migration, resulted in high-speed base (defined as greater than or equal to 4 Mbps) moving to 59% at the end of the year as against 46% last year.
- On the Corporate Business front, significant progress was made in ICT solutions both in terms of increasing geographic coverage - making all sites RF ready & faster implementation with defined timelines. On product front, layered internet offerings created for servicing customer needs of all segments.
- Airtel rolled out irresistible offers on its home broadband plans for existing as well as new customers, called as "Airtel Surprises". It enables the existing customers to upgrade to higher speeds or additional data benefits on their existing plans completely free of cost and enables its new customers to avail the best possible internet speed at their home at no extra cost.

Digital TV Services

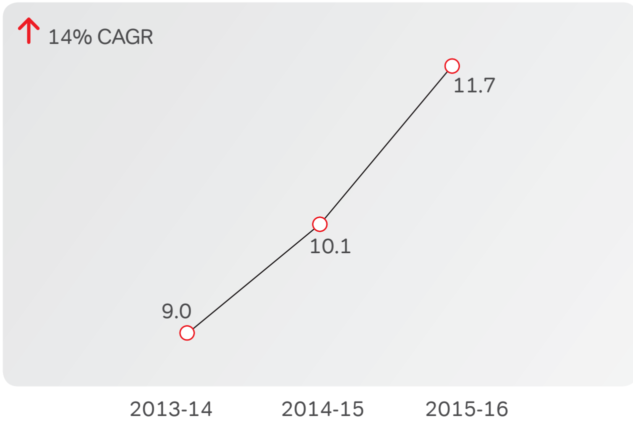
Overview

The Company served a customer base of 11.7 Mn on its Direct-to-Home platform (Airtel digital TV), as on March 31, 2016, adding 1.7 Mn customers during the year. During the year, the Company launched its first indigenously manufactured set-top-boxes.

The Company currently offers both standard and high definition (HD) digital TV services with 3D capabilities and Dolby surround sound. The Company currently offer a total of 504 channels including 42 HD channels, 4 international channels and 5 interactive services. Affordability of HD set-top boxes, demand for HD channels and upselling efforts led to ARPU increasing by ₹ 19 to ₹ 226 as compared to previous year on an underlying basis. Consequently, DTH business turned EBIT positive on full year basis at ₹ 1,843 Mn compared to EBIT losses of ₹ 1,581 Mn in the previous year.

Particulars	FY 2015-16	FY 2014-15	Y-o-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	29,178	24,759	18%
EBIT	1,843	(1,581)	217%

DTH Subscriber Base (Million)



Key Initiatives

- Airtel Digital TV launched its first 4K-Ultra HD (UHD) channel. With the launch of UHD channel, Airtel enables its customers to experience the 4 times superior picture quality as compared to HD channels.
- Airtel Digital TV announced the launch of its first indigenously manufactured set-top-boxes. The Made in India set-top-boxes will be available in HD to begin with; and soon all of Airtel Digital TV's set-top-boxes will be manufactured in India. With this, Airtel Digital TV has become the latest corporate to join the Government's Make in India initiative, contributing to its growing proliferation across sectors.

B2B Services

Airtel Business

Overview

Airtel Business is India's leading and most trusted ICT services provider. Its diverse portfolio of services includes voice, data, video, network integration, data centre, managed services, enterprise mobility applications and digital media. Airtel Business consistently delivers cutting-edge integrated solutions, superior customer service and unmatched depth / reach to global markets, to enterprises, governments, carriers, and small and medium businesses.

Revenues in this segment include those from: a) Enterprise & Government Business (EGB), which is predominantly Data, and b) Global Business which includes wholesale voice and data. The EGB revenues (included in Airtel Business) together with the Corporate Mobile revenues (included in India Mobile) and Corporate Fixed Line revenues (included in Telemedia) is ₹ 92,327 Mn in this year; this is now 13.0% of the total India revenues, and has grown by 18.8% over the last year.

Global Business, the international arm of Airtel Business, offers an integrated suite of global and local connectivity solutions, spanning voice and data to the carriers, Telcos, OTTs, large multinationals and content owners globally.

Airtel's international infrastructure includes the ownership of i2i submarine cable system, connecting Chennai to Singapore and consortium ownership of SMEWE4 submarine cable system, which connects Chennai and Mumbai to Singapore and Europe. It also includes cable system investments like Asia America Gateway (AAG), India, the Middle East and Western Europe (IMEWE), Unity, Europe India Gateway (EIG) and East Africa Submarine System (EASSy). Along with these seven owned subsea cables, Airtel Business has a capacity on 20 other cables across various geographies.

Its global network runs across 225,000 Rkms with over 1,000 customers, covering 50 countries and five continents. This is further interconnected to its domestic network and direct terrestrial cables to SAARC countries and China, helping accelerate India's emergence as a preferred transit hub. Global business now serves more than 60% of the SAARC internet requirement.

Leveraging the direct presence of Airtel in 20 countries across Asia and Africa, Global Business also offers mobile solutions (ITFS, signalling hubs, messaging), along with managed services and SatCom solutions.

Particulars	FY 2015-16	FY 2014-15	Y-o-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	78,033	67,130	16%
EBIT	12,167	7,713	58%

Key Initiatives

- Airtel has launched Smart MPLS services, wherein customers would be provided access to application performance management in addition to network performance management.
- Global Business has launched Direct Internet Access (DIA) product in partnership with various global carriers. The DIA product would enable global telecom organisations to deal multiple providers, multiple billings and different SLA when procuring local Internet for their customers across multiple countries.
- Airtel launched a unique, one-of-a-kind gamut of corporate applications known as EAS- Enterprise Application store, which will empower an enterprise by providing the one stop shop experience to achieve its mobility objectives, provide completely online / touch free consumption and self-care for enterprise application user.
- Airtel launched the digital engagement solutions with long-term contracts in the government space. Main pillars of the solutions, include IVR, USSD, Bulk SMS and toll-free internet.
- Airtel continued its drive to localise the content, which improves user experience, along with lowering the cost of accessing content. Airtel now serves more than 50% internet requirements from India and have partnered with various global OTTs for content delivery service.
- Airtel has expanded its cloud service portfolio with the launch of Connexion, which will ensure a more secure, scalable and seamless private connection between enterprises, cloud service providers, and data centre partners. This will help customers seamlessly and more securely connect to Microsoft Azure, by bringing down their network cost substantially and improving performance.
- Airtel has strategic tie-ups with various global operators for satellite business. The objective is to reach destinations, where we have limited or unreliable connectivity. Airtel is focusing primarily on satellite communication, media and broadcast solutions, along with managed solutions and consulting projects.
- Airtel is adding new capacity in new and existing cables assets in the Pacific and Atlantic routes to further expand its footprint globally.
- Airtel has launched two new POP in Kenya and South Africa for IP Transit and MPLS services.

Key Highlights

- Innovations like 'Call me free' and 'Share credit with friends' in Airtel Talk helped in winning 'Innovations Award' in the Consumer Services category at the Global Telecom Awards 2016, London.
- Airtel Talk also won the Gold Stevie Award in the 'Utility and Services app' category at the 12th annual International Business Awards, 2015. Stevie's is one of the world's most prestigious awards and celebrates distinguished accomplishments of companies worldwide.
- Airtel Corporate Business won Frost & Sullivan ICT Award for the second year in a row.
- Airtel Business has won the coveted Aegis Graham Bell Award for its mHealth solution. mHealth solution aims to improve the delivery of primary health services, specifically for expecting mothers in rural India, by leveraging technology. The application successfully works in tandem with the National Rural Health Mission's (NRHM) initiatives to improve local health indices and quality of life.

Passive Infrastructure Services

Overview

Bharti Infratel Limited, a subsidiary of Bharti Airtel, provides passive infrastructure services on a non-discriminatory basis to all telecom operators in India. Bharti Infratel deploys, owns and manages telecom towers and communication structures in 11 circles of India. It also holds 42% share in Indus Towers (a joint venture between Bharti Infratel, Vodafone and Idea

Cellular). Indus Towers operates in 15 circles (four common circles with Bharti Infratel, 11 circles on an exclusive basis). Hence, the Company has a nationwide presence with operations in India's all the 22 telecommunications circles.

As on March 31, 2016, Bharti Infratel owned and operated 38,458 towers, while Indus Towers operated 119,881 towers. Bharti Infratel's towers, including its 42% interest in Indus Towers, comprised an economic interest in the equivalent of 88,808 towers in India, as on March 31, 2016. Bharti Infratel is listed on the Indian Stock Exchanges, NSE and BSE.

Particulars	FY 2015-16	FY 2014-15	Y-o-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	56,173	54,282	3%
EBIT	15,106	14,462	4%

Africa

Overview

The revenue-weighted currency depreciation versus the US Dollar across 17 countries in Africa over the last 12 months (exit March 31 rates) has been 5.7%, primarily caused by the depreciation in Malawi Kwacha, Zambian Kwacha and Tanzanian Shilling. In terms of the 12-month average rates, the revenue-weighted Y-o-Y currency depreciation has been 18.3%, primarily caused by the depreciation in Zambian Kwacha, Nigerian Naira, CFA, Malawi Kwacha and Ugandan Shilling. To enable comparison on an underlying basis, all financials up to PBT and all operating metrics mentioned below are in constant currency rates as on March 05, 2015 for all the periods. (PBT as mentioned below excludes any realised / unrealised derivatives and exchange gain or loss for the period).

During the year, sale and lease back of 8,740 towers in seven countries was completed for a total consideration of USD 1.8 Bn.

As on March 31, 2016, the Company had 80.6 Mn customers in Africa across 17 countries, compared to 76.3 Mn customers in the previous year, an increase of 5.6%. The total minutes on the network during the year increased by 14.7% to 136.0 Bn, compared to 118.6 Bn in the previous year. At the end of the year, 15.8 Mn data customers accounted for 19.6% of the total customer base, compared to 16.1% in the previous year (on the basis of revised definition of 'data customer' as one who uses at least 1 MB in last 30 days). Data traffic had been more than doubled to 74.0 Bn MBs from 35.3 Bn MBs in the previous year with usage per customer increasing from 277 MBs to 435 MBs. Voice realisation per minute, however, declined from 2.53 cents to 2.14 cents for the full year, due to competitive pressures. Consequently, the overall ARPU in Africa declined from USD 4.6 to USD 4.2. Total sites in Africa as on March 31, 2016 were 20,196 (PY: 18,819), of which 13,128 (PY: 10,011) were 3G sites, representing 65% of the total sites, compared to 53% for the previous year.

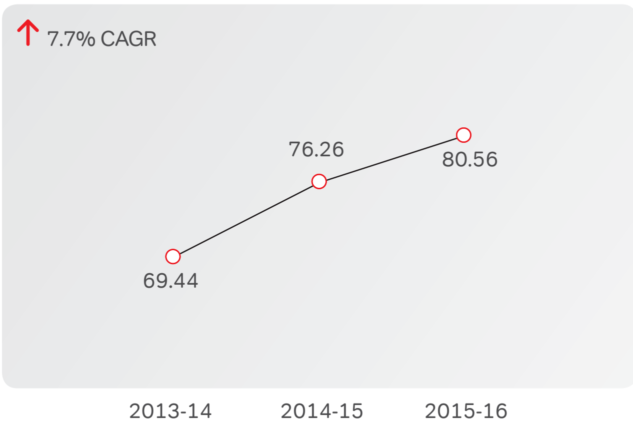
The revenues of Airtel Africa grew by 3.1% to USD 4,059 Mn, compared to USD 3,935 Mn in the last year (growth of 4.2% adjusting for the impact of divestment of tower assets). Underlying EBITDA at USD 906 Mn (PY: USD 869 Mn) reflected a similar margin of 22.1%, compared to the previous year. EBIT at USD 79 Mn was lower in comparison to USD 155 Mn in the previous year, primarily due to lower EBITDA. After accounting for the full year capex of USD 771 Mn (PY: USD 1,066 Mn), operating free cash flow was USD 81 Mn, compared to cash burn of USD 197 Mn in the previous year.

Particulars	FY 2015-16	FY 2014-15	Y-o-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	251,332	269,070	(7%)
EBIT	4,909	11,781	(58%)

Particulars	FY 2015-16	FY 2014-15	Y-o-Y Growth
	USD (CC) Millions	USD (CC) Millions	%
Gross Revenues	4,059	3,965	3%
EBIT	79	155	(49%)

Note: Normalising for impact of divestment of Tower assets, Y-o-Y revenue growth is 4.2%.

Wireless Subscriber: Africa (Million)



Key Initiatives

- Airtel Kenya launched a new plan, which offers flat rate for roaming across Africa. One Airtel provides flexible and simple tariff within the Airtel Network footprint. The customers of Airtel Kenya roaming in 16 Airtel Africa's countries will be treated as local customers on the visited network in terms of pricing, including receiving calls free of charge, while retaining their home SIM card.
- Airtel Ghana launched the first ever tap-and-pay mobile money payment service in Ghana. The OpCo has added another first to its credits, as it has rolled out an innovative service through its Airtel Money that allows a tap-and-pay, contactless payment, based on the Near Field Communications (NFC) technology.
- Airtel signed a three-year global agreement with the World Food Programme for cash and value voucher distribution services in Madagascar, Malawi, Tanzania, DRC, Congo B and Zambia.

- Airtel DRC and Korongo Airlines have signed an agreement for air tickets purchase through Airtel M-Falanga - Airtel Money.
- Airtel Africa partners with customer engagement software provider IMImobile, to launch Airtel Artist Management System. The Airtel Artist Management System is a new service innovation, enabling upcoming music artists to upload and make available their music to potential audiences out of its 83 Mn subscribers.
- Airtel DRC & UBA officially launch 'LIBIKI', the new microloan service through mobile phones. LIBIKI is the new Airtel Money services, which offer small amount of loans to the entrepreneurs or craftsmen, who have no access to the bank credit system.
- Airtel and I&M Bank Ltd have announced a partnership that enables I&M Bank customer's access to their accounts via Airtel Money free of charge. The Bank account holders will now be able to pull money from their bank accounts into their Airtel Money wallets or push money from their Airtel Money wallets to their I&M Bank accounts.
- The year has continued to see Airtel's involvement in the community across Africa, such as:
  - Airtel Kenya participated in the First Lady's half marathon aimed at eradicating maternal deaths by providing better healthcare systems for pregnant mothers.
  - Airtel Chad together with UNICEF launched and executed a nationwide campaign to fight Malaria, Ebola and Cancer.
  - Airtel led a breast cancer awareness campaign in partnership with the Think Pink Foundation.
  - Airtel Zambia donated various items for the Malnutrition ward as well as food stuff for the cancer ward.
  - Airtel Kenya reached 43 schools with free internet connectivity.
  - Airtel Ghana helped millions of flood victims by giving them an opportunity to communicate with their loved ones and friends for free through an emergency offer, 'Airtel Too Much Relief' Pack.

Key Highlights

- Airtel and Liquid Telecom signed pan-African agreement to provide fibre connectivity to towers. Airtel's mobile broadband subscribers in Africa will soon enjoy faster Internet access speeds on its 3G and 4G networks. The framework agreement enables Airtel operations to leverage Liquid Telecom's existing 20,000 km-long fibre network across East, Central and Southern Africa, as well as enjoy new purpose-built fibre infrastructure, to connect Airtel's mobile base stations and enterprise customers with fibre.
- During the year, sale and lease back of 8,740 towers in seven countries (Ghana, Uganda, Kenya, Burkina Faso, Zambia, Nigeria and Congo B) was completed for a total consideration of USD 1.8 Bn (sale and lease back to Eaton tower – 2,681 towers for USD 0.54 Bn, IHS towers - 949 towers for USD 0.15 Bn, Helios towers - 393 towers for USD 0.05 Bn and ATC – 4,717 towers for USD 1.06 Bn).
- Airtel has signed a definitive agreement with Orange to sell its operations in Burkina Faso and Sierra Leone. The companies had signed an initial agreement in July 2015 for the acquisition of Airtel's operations in Burkina Faso, Sierra Leone, Chad and Congo B. The agreement over the latter two countries has lapsed.
- The Company's subsidiary in Tanzania and American Towers Corporation and its subsidiaries have entered into an agreement for the sale of over 1,300 telecom towers in Tanzania.
- Airtel Rwanda in a drive to extend affordable telecommunications products and services to Rwandans, has partnered with ITEL to introduce a new trendy and affordable data enabled phone dubbed KEZA. It now stands as one of the most affordable data enabled phones in the Rwandan market.

Awards & Recognition

- Airtel Rwanda received the award of best 4G Mobile Network Operator for 2015 for exceptional performance in 4G LTE.
- Airtel Money Malawi was commended for being the mobile financial services leader in Malawi at 62.2% market share by Malawi Communications Regulatory Authority in conjunction with the National Statistical Office.
- Airtel Money Seychelles won the best innovative product in the Seychelles chambers of commerce award (SCCI) in November 2015.
- Airtel Tanzania has lifted awards in a recent Tanzania Leadership Awards 2015. Airtel emerged winners in two categories, the best use of social media in marketing and brand excellence within the telecom sector in the country.
- Airtel Sierra Leone has received an award in recognition of the role the Company played in the fight to contain and eradicate the Ebola Virus Disease (EVD) from the Office of the President.
- Airtel Ghana was bestowed with four awards at the 2015 Ghana Telecom Awards. The Company has won these awards for five consecutive years. Airtel Ghana swept awards in the following categories - Telecom Brand of the Year; Marketing Campaign of the Year - Talk Chaw; Innovative Enterprise Product of the Year - One Network and Special Recognition to the Telecom Industry Award - Lucy Quist.
- Airtel Nigeria emerges Telecom Company of the Year for its laudable contributions to the growth of the telecoms industry in Nigeria. Airtel Nigeria has been named Africa's Telecommunications Company of the Year at the 6th African Business Leadership Forum & Awards 2015.
- Airtel Uganda won two awards at the Digital Impact Awards Africa for its innovations in the Finance and Entertainment sector. Airtel Uganda's mobile money transaction service was recognised and awarded in the

category of Best Financial Inclusion Impact. The talent search music competition, Airtel Trace Music Star, was recognised in the category of the Best Digital Marketing Campaign.

- Airtel Money Tanzania was recognised for the Best Mobile Money Product Innovation at Kalahari mobile money awards.

South Asia

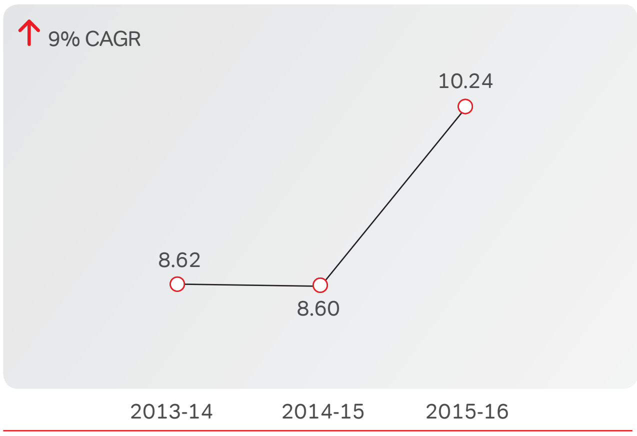
Overview

As on March 31, 2016, South Asia had 10.2 Mn mobile customers on the Company's network. Data customers represented 28.7% of the total customer base as on March 2016, compared to 25.5% in the last year (on the basis of revised definition of 'data customer' as one who uses at least 1 MB in last 30 days). As on March 2016, the Company had 7,083 sites on network, compared to 6,867 sites in the last year. Of the total number, 3G sites were 4,115 (PY: 3,050) in number, representing 58.1% of the total sites, compared to 44.4% for the previous year.

The Company's full year revenues of South Asia increased by 4.4% to ₹ 16,454 Mn, compared to ₹ 15,759 Mn in the previous year. EBITDA loss for the year was at ₹ 801 Mn, compared to a loss of ₹ 196 Mn in the previous year. EBIT losses for the year reported at ₹ 6,394 Mn, compared to a loss of ₹ 6,138 Mn in the previous year. Capex for the year was ₹ 3,321 Mn, compared to ₹ 3,233 Mn in the previous year.

Particulars	FY 2015-16	FY 2014-15	Y-o-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	16,454	15,759	4%
EBIT	(6,394)	(6,138)	(4%)

Wireless Subscriber: South Asia (Million)



Key Initiatives

- Airtel Sri Lanka commenced 2016 by being the Principal Sponsor of the Battle of the North (annual cricketing tournament) for the third consecutive year.
- Airtel Sri Lanka launched Smart Byte facility in order to facilitate customers to enjoy data usage at discounted rates.
- Airtel Sri Lanka won a Gold Award for the Best Multinational Corporations in Sri Lanka and silver award for Medium Sized Enterprise Category. Airtel Lanka is the youngest organisation in terms of market existence in Sri Lanka to receive these prestigious accolades; and the only telecommunication operator to be listed on the GPTW (Sri Lanka) Hall of Fame.
- Axiata Group Berhad and Bharti Airtel Limited signed a Definitive Agreement to merge their respective telecommunication subsidiaries in Bangladesh, namely, Robi Axiata Limited (Robi) and Airtel Bangladesh Limited (Airtel). The agreement followed the September 09, 2015 announcement of both parties entering into an exclusive discussion to explore the possibility of combining the business operations in Bangladesh.
- Airtel Bangladesh has won the prestigious Asia Communication Award 2015 in the Category of 'Customer Experience Initiative' for 'Online Airtel Experience Centre'.

Risks and Concerns

At Bharti Airtel (the Company), we have thrived globally by building a culture of innovation and high performance. We explore new markets and business models across the world; evolve new ways of customer and stakeholder engagement; enter into new strategic partnerships; adopt new technologies; and build exponential efficiencies in existing systems. While these initiatives unveil a universe of possibilities, potential risks and uncertainties arise in a volatile business environment. The distress signals need to be addressed with urgency for smooth operations. Therefore, we have created a robust risk management framework in our operating landscape. We have a sound practice to identify key risks across the Group and prioritise relevant action plans for mitigation.

At the Board Governance level, the Risk Management Framework is reviewed bi-annually by the Company's Risk Management Committee. The Board of Directors performs an annual review. These apex reviews include: discussing the management submissions on risks, prioritising key risks and approving action plans to mitigate such risks. The Internal Audit function is responsible to assist the Risk Management Committee on an independent basis with a full status of risk assessments and management. Every quarter, the Risk Management Committee also obtains periodic updates on certain identified risks, depending upon the nature, quantum and likely impact on the business.

At the Management level, the respective CEOs for the Management Boards (AMB and Africa Exco) are accountable for managing risks across their respective businesses, viz., India and South Asia, and Africa. The strategic risk registers capture the risks identified by the operating teams (Circles or Operating Companies) as well as the functional leadership teams at the national level. The AMB / Africa Exco ensure that the environment – both external and internal – is scanned for all possible risks. Internal Audit reports are also considered for identification of key risks.

The two CEOs, for India & South Asia and Africa, are responsible for the implementation of the agreed risk framework, including the detailed processes of:

At the operating level, the Executive Committees (EC) of Circles in India and Operating Companies in the international operations are entrusted with responsibilities of managing the risks at the ground level. Every EC has local representation from all functions, including many centrally driven functions like IT, Legal & Regulatory, Finance and SCM, besides customer-facing functions, such as Customer Service, Sales & Distribution and Networks. It is the responsibility of the Circle CEO or Country MD to pull together various functions and partners to manage the risks. They are also responsible for identification of risks, and escalating it to the Centre for agreeing mitigation plans. Operating level risk assessments (RACM) have been concluded at Function / OpCo risk assessment and mitigation plans agreed and kicked off.

Internal Audit Plans are being drawn up to ensure scope and coverage of these critical risks during the course of next year.

The key risks that may impact the Company and the mitigating actions undertaken by the Company comprise:

1. Regulatory and Political Uncertainties (Legal & Compliance)

Risk Statement

The Company operates in India, Bangladesh, Sri Lanka and 17 African countries. Some of these countries (or regions within countries) are affected by political instability, civil unrest and other social tensions. The political systems in a few countries are also fragile, resulting in regime uncertainties; hence, the risk of arbitrary action. Such conditions tend to affect the overall business scenario. In addition regulatory uncertainties, like escalating spectrum prices, call drops / EMF penalties, among others are potential risks facing the business.

Mitigation

- As a responsible corporate citizen, we engage proactively with key stakeholders in the countries in which we operate; and continuously assess the impact of the changing political scenario. We contribute to the socio-economic growth of the countries in which we operate through high-quality services to our customers, improved connectivity, providing direct and indirect employment, and contributions to the exchequer. Our annual Sustainability Report is a document, which highlights to the larger external environment the role we are playing in the countries we are operating in. We maintain cordial relationships with governments and other stakeholders in every country where we operate. The Country MDs and Circle CEOs carry direct accountability for maintaining neutral Government relations. Through our CSR initiatives (Bharti Foundation etc.), we contribute to the social and economic development, especially in the field of education.
- We actively work with industry bodies like COAI, CII, and FICCI on espousing industry issues e.g. penalties, right of way, tower sealing, and so on.

2. Economic Uncertainties (Operational)

Risk Statement

The Company's strategy is to focus on growth opportunities in the emerging and developing markets. These markets are characterised by low to medium mobile penetration, low internet penetration and relatively lower per capita incomes, thus offering more growth potential. However, these countries are also more prone to economic uncertainties, such as capital controls, inflation, interest rates and currency fluctuations. Since the Company has borrowed in foreign currencies, and many loans are carrying floating interest terms, we are exposed to market risks, which impact our earnings, cash flow and balance sheet. These countries are also affected by economic downturns, primarily due to commodity price fluctuations, reduced aid, capital inflows and remittances. Slowing down of economic growth tends to affect consumer spending, including telecom.

Mitigation

- As a global player with presence across 20 countries, we have diversified our risks and opportunities across markets.
- Through a variety of services including voice, data, Airtel Money and value added services, we have also spread our portfolio.
- To mitigate currency risks, we follow a prudent risk management policy, including hedging mechanisms to protect our cash flow. No speculative positions are created; all foreign currency hedges are taken on the back of operational exposures. A prudent cash management policy ensures that surplus cash is up-streamed regularly to minimise the risks of blockages at times of capital controls. We have specifically renegotiated many operating expenditure / capex Fx contracts in Africa and converted them to local currency, thereby reducing Fx exposure.
- To mitigate interest rate risks, the Company is further spreading its debt profile across local and overseas sources of funds and to create natural hedges.
- Finally, the Company adopts a pricing strategy that is based on twin principles of mark to market, profitability and affordability, which ensures that we protect margins at times of inflation, and market shares at times of market contraction.

3. Poor Quality of Networks and Information Technology Including Redundancies and Disaster Recoveries (Operational)

Risk Statement

The Company's operations and assets are spread across wide geographies. Our telecom networks are subject to risks of technical failures, partner failures, human errors, or wilful acts or natural disasters. Equipment delays and failures, spare shortages, energy or fuel shortages, software errors, fibre cuts, lack of redundancy paths, weak disaster recovery fall-back, and partner staff absenteeism, among others are few examples of how network failures happen. Repeated outages and / or poor quality of networks cause disruption of services, resulting in revenue losses, customer attrition, market share losses and damage to brand image and Company reputation. Regulators are now also levying stiff monetary penalties for poor quality of services.

The Company's IT systems are critical to run the customer-facing and market-facing operations, besides running internal systems. In many geographies or states, the quality of IT connectivity is sometimes erratic or unreliable, which affect the delivery of services e.g. recharges, customer query, distributor servicing, customer activation, billing, etc. In several developing countries, the quality of IT staff is rudimentary, leading to instances of failures of IT systems and / or delays in recoveries. The systems landscape is ever changing due to newer versions, upgrades and 'patches' for innovations, price changes, among others; the dependence on IT staff for turnaround of such projects and changes is huge. Unauthorised access to network and IT systems can result in wrong configurations, poor quality of service, frauds and regulatory non-compliances.

Mitigation

- Network Planning is increasingly being done in-house, to ensure that intellectual control on architecture is retained within the Company. The recently announced ₹ 600,000 Mn Leap Programme in India continuously seeks to address issues (congestion, indoor coverage, call drops, modernisation and upgrade of data speeds, among others) to ensure better quality of network. Recent efforts also include transformation of the microwave transmission, fibre networks, secondary rings / links and submarine cable networks. The Company consistently eliminates systemic congestion in the network, and removes causes of technical failures through a quality improvement programme, as well as embedding redundancies. Tighter SLAs are reinforced upon network partners for their delivery. The Company's Network Team performance is measured, based on network stability, customer experience and competitor benchmarking. The Revenue Assurance team constantly monitors revenue leakages due to failure of systems or configuration errors. The Company follows a conservative insurance cover policy that provides a value cover, equal to the replacement values of assets against risks, such as fire, floods, and other natural disasters.
- In Africa, a sustained concentrated investment programme started in FY 2015-16 based on market revenue mapping will ensure that our network quality in these areas are comparable if not better than competition.
- The Company's philosophy is to share infrastructure with other operators, and enter into SLA-based outsourcing arrangements. We have been proactively seeking sharing relationships on towers, fibre, VSAT, data centres and other infrastructure. The disposal of towers in Africa to independent and well-established tower companies and long-term lease arrangements with them will ensure high quality of assets and maintenance on the passive infrastructure. We have also put in place redundancy plans for power outages, fibre cuts, VSAT breakdowns, and so on, through appropriate backups such as generators, secondary links, among others. Similar approaches are deployed for IT hardware and software capacities; and internal IT architecture teams continuously reassess the effectiveness of IT systems.
- Information Security is managed by dedicated IT professionals, given the huge dependence on automated systems, as well as to ensure that customer privacy is protected.

4. Inadequate Quality of Customer Lifecycle Management from Acquisition to Churn (Operational)

Risk Statement

In a market dominated by prepaid customers, several inefficient processes have crept in over the years across the industry, in respect of customer acquisitions. Such practices are resulting in high rotational churn, high acquisition costs, low lifetime value of new customers, diversion of focus of sales force on acquisitions, rather than revenue generation, trade frauds, among others.

Customer mind-sets and habits are shifting rapidly, reflected in their ever-rising expectations in terms of quality, variety, features and pricing. The competitive landscape is also changing dramatically, as operators vie with one another to capture customer and revenue market shares. Failure to keep pace with customer expectations would result in customer churn, leading to erosion of revenues, profits and cash flows; and market share losses.

Mitigation

- Improved customer acquisition process like monitoring new customer acquisition churn, high acquisition recharge denominations, direct distribution, trade margins structures and so on have been introduced.
- The Company constantly refreshes its ways of working, especially in customer service, innovation, marketing and distribution. These are now captured in the Company's integrated Customer Lifecycle Management approach, which ensures that every customer's behaviour is studied, classified and segmented, followed by segmented service and price offerings. Organisational effectiveness is enhanced through appropriate design and creation of leaner and multi-functional teams. Technologies and tools (business intelligence, scientific pricing models) are deployed in managing the customer lifecycle.

5. Non-compliance with Subscriber Verification and KYC Regulations (Operational)

Risk Statement

Regulators are introducing more stringent subscriber verification and KYC guidelines, including verification processes capturing biometrics, such as retina scan, fingerprints, among others. The quality of KYC documents is also being stringently scrutinised. Non-compliance with these guidelines entail severe penalties, which is reflected by instances of such actions by regulators on other operators.

Mitigation

- The Company is investing significantly in KYC tools, including biometric scanners to improve the quality of subscriber activation and documentation processes as per required legislation. Self-compliance and reinforcing of 'tone at the top' to ensure compliance is the bedrock of our control. Focus on quality of partners and IT systems, staff training, proactive maker-checker controls and internal audits, as well as robust internal MIS help achieve adherence to compliances. Internal MIS on compliance scores, activation time taken, etc. has been standardised to achieve greater focus on compliances. Staff involved in such processes have been revamped to reflect clear responsibilities for compliance to verification and KYC guidelines. Severe management action is taken in case of any non-compliance.

6. Increase in Cost Structure (Capex / Operating Expenditure) Ahead of Revenues (Operational)

Risk Statement

Across markets, costs structures have been increasing both from volumes (new sites rollouts, capacity) or / and rate increases (inflation, Fx impacts, wage hikes and so on). These costs may not be naturally compensated through revenue increases, which are linked to telecom mark to market issues e.g. market tariffs, competitive positions, and idle capacities. Consequently, Company margins / cash flows can come under pressure, putting the financial health of a Company at risk.

Mitigation

- The Company has institutionalised the War on Waste (WOW) Programme, an enterprise-wide cost-reduction programme. This has been rolled out across all functions and countries. All functions / countries are targeting cost reductions and cost efficiencies. Capex Committees have been introduced, ensuring stringent monitoring of capex proposals. The proposals now systemically need to cover issues like revenue generating capex ratio, capex trigger, risks, alternates, competitors, among others.
- Reduction in capex spends and improvement in capex productivity has happened with significant programmes like ICR, fibre sharing IRU, fibre co-build and Africa tower disposal.
- The Company has introduced more science into the decision-making criteria for investments in new sites.

7. Entry of New Competition with Disruptive Business Models (Strategic)

Risk Statement

Entry of any new operators, including MVNOs into an already crowded telecom market is a potential risk. Entry of new operators into the market will create surplus capacities, leading to pricing pressures in the industry; and at the same time accelerate customer migration from legacy 2G / 3G networks. This may put pressure on margins / cash for the Company, in the short term before industry consolidates and / or the surplus capacity is absorbed.

Mitigation

- Airtel has prided itself on being the # 1 network operator across the country. Its long term spectrum strategy, based on future technologies and consumer needs have been ahead of the market. The Company in Q3'15, was the first 4G operator to launch 4G across India in 296 cities, firming its positions as the only 4G operator in the country. The Company has become the only company with 3G spectrum across 21 of the 22 circles in India. A record breaking 63,816 broadband data sites were rolled out across India this fiscal, which is well ahead of all the operators. Airtel has also been the preferred network for high value customers; and has the highest ARPU in the industry. The Company has strategic programmes for driving down churn through an integrated and end-to-end experience through sharp propositions for high-value customers.

8. Issues Arising out of Emerging Businesses and New Technologies (Strategic)

Risk Statement

Evolving technologies result in change in customer value propositions. The quality of internet experience, especially in a seamless manner and indoor environment has emerged as a key competitive parameter. Digital content and apps have now become the favourites for mobile customers. Digital Mobile money technologies, innovative mobile apps, Cloud, M2M, SaaS and other technology-based VAS products are also evolving. Such rapid technology evolution may impact the functionality of existing assets and accelerate obsolescence. Keeping pace with changing customer expectations is a big agenda for the telecom sector.

There is also a serious risk of unavailability of right skills to grow these emerging businesses and / or deploy the new technologies. Talent availability in emerging economies is also limited, since the overall demand for good talent far outstrips the supply, specifically for IT and Networks, affecting the performance of our partners also. In addition, there is a need for constantly upgrading skills and competencies of the existing work force. Skill mismatch leads to failed launches, ill-planned projects, sub-optimal cost structures, faulty asset configurations, among others, which in turn leads to financial losses.

Mitigation

- Airtel's strong strategic vendor relationships – especially in the areas of network technologies, IT, mobile money and a few other key VAS technologies help us keep pace with technology shifts and retain market leadership. The Company's own digital innovations such as Wynk under which OTT apps like Music, Movies and Gaming have been launched, My Airtel App, etc. are few examples of its keeping pace with the changing landscape.
- The potential risks of asset obsolescence are managed through leaner order pipelines, demand-based capacity sourcing and formal swap arrangements with vendors. In several countries, the Company is proactively leading the development of 3G, 4G, digital content partnerships, mobile money, among others ahead of the curve to leverage big opportunities. The Company has also entered the digital payments space with the receipt of a Payments Bank license, which will enable it to become a key player in this rapidly evolving ecosystem.

9. Adverse Regulatory Taxation or Fiscal Taxation Developments including Risks Related to Tax Positions (Legal & Compliance)

Risk Statement

Regulatory developments in India, South Asia and Africa can pose several challenges to the telecom sector. The telecom sector is highly taxed with high revenue share-based license fees and significant spectrum acquisition costs in auctions, multiple levies, such as service taxes, excise duties, Sim tax, VAT, and so on. The corporate tax rates on profits, combined with withholding taxes on remittances have made the overall tax structure extremely heavy. In several countries, tax litigations are getting prolonged due to ambiguous interpretations and / or lack of judicial precedents. In some countries, which are undergoing economic challenges, unfortunately, the telecom industry is being seen as a 'cash cow'. The stringent regulatory requirements in respect of rollout / coverage and quality of services accompanied by unreasonable demands also pose another threat. Such adverse regulatory or taxation developments have affected the telecom sector, including the Company.

Mitigation

The Company has always stood for a fair, transparent and non – discriminatory government policy on telecom regulation. It has insisted governments of all countries that sustainable regulatory regimes will lead to a healthy growth of the sector, leading to higher investments and modernisation, which in turn benefits the industry and society. The Company stands for a regime that promotes healthy, competitive pricing keeping two objectives in mind – customer interests and health of the sector. As an industry participant the Company provides adequate facts and figures to prove how healthy telecom growth strengthens a country's economic growth. The Company has been at the forefront of industry cooperation to share infrastructure, minimise impact on the environment, lower operational cost and make services more affordable. As a responsible operator, the Company participates in government consultation and industry association events, to foster collaboration and knowledge sharing for best industry policies and practices.

10. Gaps in Internal Controls (Financial and Non-financial) – (Operational)

Risk Statement

The Company serves over 357 Mn customers globally with a daily average of 4,037 Mn minutes of voice and 1,887 terra bytes of data carried on wireless networks located at more than 181,000 sites. Gaps in internal controls and / or process compliances not only lead to wastages, frauds and losses, but can also adversely impact the Airtel brand.

Mitigation

- Airtel's business philosophy is to ensure compliance with all accounting, legal and regulatory requirements proactively. Compliance is monitored meticulously at all stages of operation. Substantial investments in IT systems and automated workflow processes help minimise human errors.
- Besides internal audits, we also have a process of self-validation of several checklists and compliances as well as a 'maker-checker' division of duties to identify and rectify deviations early enough. The Company has also implemented GRC systems (Governance, Risk and Compliance) to embed systemic controls.

  The Company has introduced Internal Financial Controls and the Corporate Audit Group has tested such controls. The Audit Group has asserted that the Company has in place adequate tools, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records; and timely preparation of reliable financial information.

Internal Controls

The Company's philosophy towards internal controls is based on the principle of healthy growth with a proactive approach to risk management.

The Circle and Country Finance Heads are held accountable for financial controls, measured by objective metrics on accounting hygiene and audit scores. They are fully responsible for accuracy of books of accounts, preparation of financial statements and reporting the same as per the Company's accounting policies. Regulatory and legal requirements, accounting standards, and other pronouncements are assessed regularly as to whether and to what extent they are relevant and their related impact on financial reporting. The relevant requirements are defined in the Group Accounting Manuals, which are communicated to relevant units and, together with the financial reporting calendar evidencing the tasks and timelines that are binding throughout the Group, forms the basis of the financial reporting process.

The Company deploys robust system of internal controls that facilitates fair presentation of our financial results in a manner that is complete, reliable and understandable, ensure adherence to regulatory and statutory compliances, and safeguards investor interest by ensuring the highest level of governance and periodic communication with investors. M/s. S.R. Batliboi & Associates LLP, our Statutory Auditors, have done an independent evaluation of key controls over financial reporting (ICOFR) and expressed an unqualified opinion stating that the Company has, in all material respects, adequate internal financial control system over financial reporting; and such internal financial controls over financial reporting were operating effectively as on March 31, 2016. Independent validation was also led by Corporate Audit Group for assessing the effectiveness of Internal Financial Controls (IFC) and no reportable material weaknesses in the design or operation were observed.

The Company has in place an Internal Assurance Group (IAG) headed by Group Director - Internal Assurance. M/s. KPMG and M/s. ANB & Co (ANB) are the Internal Auditors of the Company which conducts financial, compliance and process improvement audits each year. Our Audit Committee oversees the scope and evaluates the overall results of these audits, and members of that Committee regularly attend meetings of Board of Directors. The Audit Committee also reviews the effectiveness of the internal control system, and invites functional Directors and senior management personnel to provide updates on operating effectiveness and controls, from time to time. A CEO and CFO Certificate from all operating entities, forming part of the Corporate Governance Report, confirms the existence and effectiveness of internal controls and reiterates their responsibilities to report deficiencies to the Audit Committee and rectify the same. The Company's code of conduct requires compliance with law and Company policies, and also covers matters such as financial integrity, avoiding conflicts of interest, workplace behaviour, dealings with external parties and responsibilities to the community.

Audits are categorised into defined assurance tracks with M/s. KPMG responsible to audit Finance and Technology track and ANB responsible to audit Customer and L&R track. M/s. KPMG is also engaged to perform forensics work. Bottom-up risk assessment and directional inputs from the Audit & Risk Management Committee formed the basis of audit priorities. The Company was awarded for 'Innovation in Internal Audit 2016' by the Institute of Internal Auditors, India. The award recognises entities for innovation in the use of technology, controls, business process and internal auditing in an innovative manner for business impact.

The Airtel Centre of Excellence ('ACE') based in Gurgaon and Bengaluru, is the captive shared service for Financial Accountage, Revenue Assurance, SCM and HR processes. It continues to expand its footprint across 20 countries thereby ensuring standardisation of all these processes across the organisation with inbuilt embedded controls. Digitisation of ACE is being aimed as a part of the transformation agenda and includes initiatives like system based reconciliation, reporting processes with vividly defined segregation of duties. ERP integration in Africa into an Oracle Single Instance has been accomplished across all African countries, ensuring uniformity and standardisation in ERP configurations, chart of accounts, finance and SCM processes across countries. Quality of financial reporting and controls continues to show improvement. We continuously examine our governance practices to enhance investor trust and improve the Board's overall effectiveness. Initiatives undertaken in the previous year's such as virtual desktop interface for ultimate data security, self-validation checks, desktop reviews and regular physical verification are producing measurable outcomes through substantial improvement in control scores across both India and Africa.

Oracle Governance Risk & Compliance (GRC) module has been implemented for India and Africa to strengthen existing controls pertaining to access rights for various ERPs, ensuring segregation of duties and preventing possibilities of access conflicts.

Material Developments in Human Resources

At Bharti Airtel, talent has always been key to our sustainable growth. From the roll-out of 4G technology to the latest digital apps, brilliant customer experience and new service propositions, our people are involved in both design and execution. We realise that our ability to continue and sustain our growth and extraordinary success strongly depends on our ability to grow and nurture this talent. Through our 10-point **Talent First** agenda, the people pillar of the Airtel GPS, our endeavour is to provide an enabling environment that empowers our employees to learn, grow and succeed.

In 2015-16, we encouraged a culture of performance excellence by providing employees complete clarity on their goals. Employees were expected to set only four KRAs, three operational and one strategic. Mid-year and year-end performance assessments and dialogues provided a view of the employee's performance to his / her reporting manager, who in turn provided feedback to the person concerned. Employees' performance and potential were then discussed in Talent Councils to enable '**One View of Talent**' across the Company; and ensure that leaders are made accountable for talent development. The Company's **leadership development** strategy is focused on nurturing in-house talent through need-based interventions. With an **internal succession rate of over 70%** and over **16% of employees with cross-functional** experience, the Company has been able to provide accelerated career and development opportunities to its young talent.

At the senior leadership level, succession planning was conducted for critical roles to ensure a ready pipeline. A **360-degree feedback** survey was administered for over 370 senior leaders across India and Africa to enhance leadership effectiveness. The year saw the launch of Airtel's new Learning Management System, **iLearn**, with interactive features like social learning, virtual connect sessions, e-libraries and so on. There was a continued focus on **role-based academies** for critical talent like the Zonal Business Manager Academy. The Company's high impact **functional learning** programmes in Sales, Marketing, Network, Finance, SCM and IT and prestigious external **leadership development programmes**, also enabled enriching learning experiences. We also launched an **induction module** giving an overview of Bharti Group, Airtel and its business verticals.

As a part of our commitment to build a diverse workforce, we increased our Maternity leave policy from the existing 12 weeks to 22 weeks, along with the Company's pledge to provide the same or an equivalent role to the woman employee on return.

The Company has also launched the **Mood-o-Meter** app, which gives employees an option to provide feedback throughout the year. With thousands of employees working in the market, field and stores, this unique feature of feedback-on-the-go is useful to regularly feel the organisational pulse.

The past year also saw multiple initiatives to brand Airtel as an **Employer of Choice**. Some of them are: Airtel Stories (highlighting the career journey of employees); launching a refurbished Airtel careers website; and enhanced presence on LinkedIn (over 238,790 followers) and Facebook.

Airtel was ranked No 1 in **Business Today's Best Companies to Work For** survey in the telecom sector, and No 8 overall. In Africa, Airtel was awarded the **Best Organisation in the L&D category** in the Café Africa 2015 eLearning International Conference. In another prestigious recognition, an Airtel employee in Seychelles, Ms. Erna Hoarau, was bestowed with the **National Employee** of the Year award for the ICT Industry by the Ministry of Labour & HRD.

Outlook

India's telecommunications sector continues to be an integral part of the country's engine of growth, innovation and disruption. With a subscriber base of nearly 1,058.86 Mn at the end of March 2016, India has the world's second largest telecom network. Mobile based Internet is a key component of the country's internet usage, with seven out of eight users accessing internet from their mobile phones. The availability of affordable smartphones is driving industry growth. Smartphones will likely account for over 80% of annual phone shipments by 2018. Thanks to e-commerce, mobile banking and high quality content viewing (anytime anywhere), India is set to witness an exponential data growth, while voice growth is largely stabilising.

Africa's telecom sector has seen exponential growth in mobile phone usage since the early 2000s. Over the past year, digital innovation continues to transform the continent's economic and business landscape. There are substantial growth opportunities in the data market in Africa, both in terms of data connectivity and data based services. Africa bypassed fixed lines to develop mobile networks. Additionally, mobile money has significantly enhanced financial inclusion in Africa. Africa's mobile Money Market is expected to grow nearly sevenfold by 2020.

Telecom operators continue to invest heavily on networks to tap the increased demand from the sector. Bharti Airtel's pan-India 4G footprint, payments bank license, South Asian presence, diversified product portfolio, and network rollouts in Africa will act as a major stimulus to the Company's growth.

Report on Corporate Governance

Corporate Governance is more than set of processes and compliances at Bharti Airtel Limited. It underlines the role that we see for ourselves for today, tomorrow and beyond.

In accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and some of the best practices followed internationally on Corporate Governance, the following report on governance lays down the ethos of Bharti Airtel Limited (Bharti Airtel / Airtel / the Company) and its commitment to conduct business in accordance with sound Corporate Governance practices.

Governance Philosophy

At Bharti Airtel, the philosophy of Corporate Governance focuses on creating and sustaining a deep relationship of trust and transparency with all stakeholders. We follow ethical business standards in all our operations globally. We consider stakeholders as partners in our journey forward and we are committed to ensure their wellbeing, despite business challenges and economic volatilities.

The norms and processes of Corporate Governance reflect our commitment to disclose timely and accurate information regarding our financial and operational performance, as well as the Company's leadership and governance structure. Over the years, our stakeholder commitment has enhanced the respect and recall of our brand nationally and internationally. Our global stature has enabled us to attract best industry talent and financial resources to translate our short-term and long-term strategies into a viable business blueprint.

Our Board of Directors ('Board') shapes the long-term vision and policy approach to steadily elevate the quality of governance in our organisation. We follow a defined guideline and an established framework of corporate governance. The objective is to emerge as a market leader in our industry, nationally and internationally with focus on creating greater value for all those who have a stake in our progress directly or indirectly. At the same time, the Board puts a lot of emphasis on creating a global talent pool and helping protect the environment by following green practices and technologies.

Our enlightened Board represents a confluence of experience and expertise across diverse areas, ranging from global finance, telecommunication, general management, administrative services and consulting. There is a clear demarcation of duties and responsibilities among the Chairman and Managing Directors & CEOs to ensure best corporate performance and socio-economic value creation.

Our governance conforms to global standards through continuous evaluation and benchmarking. It is based on the following broad tenets whereby the Company:

- Adopts transparent procedures and practices and arrives at decisions based on adequate information.
- Ensures compliance with regulatory and fiduciary requirements in letter and spirit.
- Offers high levels of disclosures to disseminate corporate, financial and operational information to all stakeholders.
- Adopts policies on tenure of Directors, rotation of Auditors and a Code of Conduct for Directors and Senior Management.
- Creates various Committees for Audit & Risk Management, HR and Nomination, Corporate Social Responsibility, Employee Stock Option Plans and Stakeholders' Relationship.
- Ensures complete and timely disclosure of relevant financial and operational information to enable the Board to play an effective role in guiding strategies.
- Organises meetings of Independent Directors without the presence of any Non-Independent / Executive Directors and members from the management to identify areas, where they need more clarity or information and putting the same before the Board or management.
- Offers a formal induction schedule and provide familiarisation programme for new Board members that enable them to meet individually with the top management team, customers etc.
- Reviews regularly and establishes effective meeting practices that encourage active participation and contribution from all members.
- Ensures independence of Directors in reviewing and approving corporate strategy, major business plans and activities.
- Keeps in place a well-defined corporate structure that establishes checks, balances and delegates decision making to appropriate levels in the organisation, though the Board always remains in effective control of affairs.

Corporate Governance Rating

CRISIL assigned its Governance and Value Creation (GVC) rating, viz. CRISIL GVC Level 1 on the Corporate Governance practices adopted by Airtel. The rating indicates that Bharti Airtel's capability, with respect to Corporate Governance and value creation for all its stakeholders, is the highest. The Company acknowledges that standards are a constantly upwardly moving target. It aims to benchmark itself with the best of companies in India and globally and to maintain the highest ratings for its practices.

Governance Structure

Sustaining a culture of integrity along with high performance orientation in today's complex business environment needs a robust governance structure. The Corporate Governance structure of the Company is multi-tiered, comprising governing / management Boards at various levels, each of which is interlinked in the following manner:

- At the apex level is the Board of Directors and various committees, which collectively direct the highest standards of Corporate Governance and transparency in the Company's functioning. The Board exercises independent judgement in overseeing management performance on behalf of the share owners and other stakeholders, and hence, plays a vital role in the oversight and management of the Company. The

Board is chaired by the Chairman, who is responsible for the overall strategy development, alliances, leadership development, international opportunities, strengthening governance practices and enhancing brand value and Airtel's global image and reputation.

- At one level below the Board, strategic co-ordination and direction is provided by the Airtel Corporate Council (ACC). The ACC is headed by the Chairman and comprises the Managing Directors & CEOs and selected senior management personnel as its members. The key role and responsibilities of the ACC are provided later in this report.
- The Managing Director & CEO (India & South Asia) is responsible for strategy deployment and overall business performance of Indian and South Asia. He is supported by the Airtel Management Board (AMB). The Company's business in India is structured into four business units (BUs) i.e. Mobile Services, Telemedia Services, Airtel Business and Digital TV Services, each headed by a Business President / CEO.
- The Passive Infrastructure business is deployed, owned and managed by Bharti Infratel Limited (Infratel), a listed subsidiary company. Infratel's operations are managed by its Managing Director & CEO under the supervision of an Independent Board. The business transactions between the Company and Infratel are undertaken on an arms' length basis, since it provides services to other telecom operators as well, on a non-discriminatory basis.
- The Company's operations in Africa are guided by the Managing Director & CEO (Africa) of Bharti Airtel International (Netherlands) B.V., a subsidiary company. He is responsible for strategy deployment and overall business performance. He is supported by the Africa Executive (AEX).
- The AMB in India and South Asia, and AEX in Africa provide support relating to the Company's business strategy and also derive operational synergies across business units. They own and drive company-wide processes, systems, policies, and also function as role models for leadership development and as catalysts for imbibing customer centricity and meritocracy in the Company.
- Airtel's governance structure thus helps in clearly determining the responsibilities and entrusted powers of each of the business entities, enabling them to fulfill those responsibilities in the most effective manner. It also allows the Company to retain the organisational DNA, while enabling effective delegation of authority and empowerment at all levels.

Board of Directors

Composition of the Board

The Company's Board is an optimum mix of Executive, Non-Executive and Independent Directors, and conforms with the provisions of the Companies Act, 2013, the Listing Regulations, FDI guidelines, terms of the requirements of the shareholders' agreement and other statutory provisions. The Board comprises of twelve members which includes a Chairman, a Managing Director & CEO (India & South Asia) four Non-Executive Directors and six Independent Directors.

Detailed profile of each of the Directors is available on the Company's website at www.airtel.com in the Investor Relations section.

The Company's Board members are from diverse backgrounds with skills and experience in critical areas like technology, global finance, telecommunication, entrepreneurship, administrative services, consulting and general management. Many of them have worked extensively in senior management positions in global corporations, and others are industrialists of repute with a deep understanding of the global business environment. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory, as well as business requirements.

As per the Company's Policy on Nomination, Remuneration and Board Diversity, selection of a new board member(s) is the responsibility of the HR and Nomination Committee, which is subsequently approved by the Board. All the appointments are made with unanimous approval. The appointment of such Director is subsequently approved by the shareholders at the Annual General Meeting (AGM). While the shareholders' representative Directors are proposed by the respective shareholders, Independent Directors are selected from diverse academic, professional or technical background depending upon business needs.

Independent Directors

The Company has a policy on Independent Directors, their roles, responsibilities and duties, are consistent with the Listing Regulations and Section 149 of the Companies Act, 2013. It sets out the criteria of independence, age limits, recommended tenure, committee memberships, remuneration and other related terms of appointment. The policy emphasises importance of independence. As per the policy:

a) The Independent Director must meet the baseline definition and criteria on 'independence' as set out in Listing Regulations (erstwhile Listing Agreement) and Section 149 of the Companies Act, 2013 and other regulations.

b) The Independent Director must not be disqualified from being appointed as Director in terms of Section 164 and other applicable provisions of the Companies Act, 2013.

c) The minimum age is 25 years and the maximum is 70 years.

d) The Independent Directors are not to be on the Board of more than six listed companies. However, pursuant to the Listing Regulations if the Independent Director is serving as a Whole-time Director in any listed company then he shall not serve as an Independent Director in more than three listed companies.

e) The maximum tenure is two terms of five years each. However, the second term is subject to approval by shareholders by way of special resolution.

The Company has issued letter of appointment to all the Independent Directors. This letter inter-alia sets out the roles, functions, duties and responsibilities, details regarding remuneration, training and development and performance evaluation process. The detailed terms and conditions of the appointment of Independent Directors are available on the Company's website i.e. http://www.airtel.in/wps/wcm/connect/2ffaf2d2-d542-44e2-a42a-50225c9245f5/Terms-and-Conditions-of-Appointment-of-Independent-Director.pdf?MOD=AJPERES.

At the time of appointment and thereafter at the beginning of each financial year, the Independent Directors submit a self-declaration, confirming their independence and compliance with various eligibility criteria laid down by the Company, among other disclosures and the Company also ensures that its Directors meet the above eligibility criteria. All such declarations are placed before the Board for information.

Lead Independent Director

The Company has for a long time followed the practice of appointing a Lead Independent Director. Mr. Craig Ehrlich is currently designated as the Lead Independent Director and his role and responsibilities, inter alia, are to:

- Preside over all deliberation sessions of the Independent Directors.
- Provide objective feedback of the Independent Directors as a group to the Board on various matters, including agenda and other matters relating to the Company.
- Undertake such other assignments, as may be requested by the Board from time to time.

Meeting of Independent Directors

The Independent Directors meet separately at least once in a quarter, prior to the commencement of Board meeting, without the presence of any Non-Independent Directors or representatives of management. They meet to discuss and form an independent opinion on the agenda items, various other Board-related matters, identify areas where they need for clarity or information from management and to annually review the performance of Non-Independent Directors, the Board as a whole and the Chairman. The Lead Independent Director updates the Board about the proceedings of the meeting.

In these meetings, the Independent Directors also meet the Statutory Auditors, as well as Internal Auditors at least once a year by rotation, to discuss internal audit effectiveness, control environment and their general feedback. The Lead Independent Director updates the Audit & Risk Management Committee / the Board about the outcome of the meetings and action, if any, required to be taken by the Company.

During FY 2015-16, the Independent Directors met four times i.e. April 28, 2015, August 04, 2015, October 25, 2015 and January 28, 2016.

Familiarisation programme for Board members

The Company has adopted a well structured two-day induction programme for orientation and training of Directors at the time of their joining so as to provide them with an opportunity to familiarise themselves with the Company, its management, its operations and the industry in which the Company operates.

The induction programme includes one-to-one interactive sessions with the top management team, business and functional heads, among others, and also includes visit to networks centre to understand the operations and technology. Apart from the induction programme, the Company periodically presents updates at the Board / Committee meetings to familiarise the Directors with the Company's strategy, business performance, operations, product offerings, finance, risk management framework, human resources and other related matters. The Board members are also given an opportunity to visit Airtel outlets and meet customers / other stakeholders periodically for gaining first-hand experience about the products and services of the Company.

The Board also has an active communication channel with the executive management, which enable Directors to raise queries, seek clarifications for enabling a good understanding of the Company and its various operations. Quarterly updates, press releases and mid-quarter updates are regularly circulated to the Directors to keep them abreast on significant developments in the Company.

Detailed familiarisation programme for Directors is available on the Company's website at http://www.airtel.in/wps/wcm/connect/ea0152dc-a649-40ae-89d9-b3cec142d249/Familiarisation+Programme+for+Board+Members.pdf?MOD=AJPERES&ContentCache=NONE.

Board Evaluation

In compliance with the provisions of the Companies Act, 2013 and the Listing Regulations, the HR and Nomination Committee has approved the process, format, attributes and criteria for the performance evaluation of the Board, Board Committees and Individual Directors including the Chairman and Managing Director & CEO (India and South Asia). The process provides that the performance evaluation shall be carried out on an annual basis. During the year, the Directors had completed the evaluation process, which included evaluation of the Board as a whole, the Board Committees and individual Directors including the Chairman and the MD & CEO (India and South Asia). The evaluation process was facilitated by an independent consulting firm.

Performance of the Board and Board Committees were evaluated on various parameters such as structure, composition, quality, diversity, experience, competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness.

Performance of individual Directors was evaluated on parameters, such as meeting attendance, participation and contribution, responsibility towards stakeholders and independent judgement.

The Chairman and the MD & CEO were evaluated on certain additional parameters, such as performance of the Company, leadership, relationships, communication, recognition and awards received by the Company.

Some of the performance indicators based on which the Independent Directors were evaluated include:

- Devotion of sufficient time and attention towards professional obligations for independent decision making and for acting in the best interest of the Company.
- Providing strategic guidance to the Company and help determine important policies with a view to ensure long-term viability and strength.
- Bringing external expertise and independent judgement that contributes objectivity in the Board's deliberation, particularly on issues of strategy, performance and conflict management.

All Directors participated in the evaluation survey and review was carried out through peer-evaluation excluding the Director being evaluated. The result of evaluation was discussed in the Independent Director's meeting, respective Committee meetings and in the Board Meeting held on April 27, 2016. The Board members noted the suggestions/ inputs of Independent Directors, HR and Nomination Committee and respective committee Chairman and also discussed various initiatives to further strengthen Board effectiveness.

Board Meeting Schedules and Agenda

The calendar for the Board and Committee meetings, in which the financial results would be considered in the ensuing year, as well as major items of the agenda are fixed in advance for the whole year. The Board Calendar for the financial year 2016-17 has been disclosed later in the report and has also been uploaded on the Company's website. The Board meetings are held within 45 days from the end of the quarter in the manner that it coincides with the announcement of quarterly results. Time gap between two consecutive meetings does not exceed 120 days. In case of an urgent necessity, additional Board meetings are called.

The Audit & Risk Management Committee and the HR and Nomination Committee meetings are generally held on the same dates as Board meetings. To ensure an immediate update to the Board, the Chairman of the respective committee briefs the Board about the proceedings of the respective committee meetings.

The Company Secretary, in consultation with the Chairman, prepares the Board and the Committee meeting's agenda. The detailed agenda, along with explanatory notes and annexures, as applicable are sent to the Board and Committee members well in advance, at least a week before the meetings. In special and exceptional circumstances, additional or supplementary item(s) are permitted to be taken up as 'any other item'. Sensitive subject matters are discussed at the meeting, without written material being circulated in advance.

As a process prior to each Board meeting, proposals are invited from Independent Directors for discussion / deliberation at the meeting(s) and these are included in the meeting's agenda.

Group CFO and other Senior Management members are invited to the Board meetings to present reports on the items being discussed at the meeting. In addition, the functional heads of various business segments / functions are also invited at regular intervals to present updates on their core areas.

Information available to the Board

The Board has complete access to all the relevant information within the Company and to all the employees of the Company. The information shared on a regular basis with the Board specifically includes:

- Annual operating plans, capital budgets and updates therein.
- Quarterly and annual consolidated and standalone results and financial statements of the Company and its operating divisions or business segments.
- Minutes of meetings of the Board and Board Committees, resolutions passed by circulations, and Board minutes of the unlisted subsidiary companies.
- Information on recruitment / remuneration of senior officers just below Board level.
- Material important show cause, demand, prosecution notices and penalty notices, if any.
- Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems, if any.
- Any material default in financial obligations to and by the Company or substantial non-payment for services provided by the Company.
- Any issue which involves possible public or product liability claims of substantial nature, if any.
- Details of any acquisition, joint venture or collaboration agreement.
- Transactions involving substantial payment towards goodwill, brand equity or intellectual property.
- Human resource updates and strategies.
- Sale of material nature, investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly treasury reports.
- Quarterly compliance certificates with the 'Exceptions Reports', which includes non-compliance of any regulatory, statutory nature or listing requirements and shareholders' service.
- Disclosures received from Directors.
- Proposals requiring strategic guidance and approval of the Board.
- Related party transactions.
- Regular business updates.
- Update on Corporate Social Responsibility activities.
- Significant transactions and arrangements by subsidiary companies.
- Report on action taken on last Board meeting decisions.

Number of Board Meetings

During FY 2015-16, the Board met four times i.e. on April 28, 2015, August 04, 2015, October 26-27, 2015 and January 28, 2016. Requisite information, according to the requirements of Regulation 34 of the Listing Regulations is provided below:

Name of Director	Director Identification Number	Category	Number of other directorships[1] and committee[2] memberships and chairmanships			No. of board meetings attended (total held during tenure)	Whether attended last AGM
			Directorships	Committees			
				Chairman	Member		
Mr. Sunil Bharti Mittal	00042491	Chairman	9	Nil	Nil	4 (4)	Yes
Mr. Gopal Vittal	02291778	Executive Director	2	Nil	Nil	4 (4)	Yes
Ms. Chua Sock Koong[3]	00047851	Non-Executive Director	1	Nil	Nil	2 (4)	No
Mr. Rajan Bharti Mittal[4]	00028016	Non-Executive Director	N.A.	N.A.	N.A.	3 (3)	No
Mr. Rakesh Bharti Mittal[5]	00042494	Non-Executive Director	14	Nil	1	1 (1)	N.A.
Sheikh Faisal Thani Al-Thani	06675785	Non-Executive Director	Nil	Nil	Nil	1 (4)	No
Ms. Tan Yong Choo	02910529	Non-Executive Director	1	Nil	Nil	4 (4)	No
Mr. Ben Verwaayen	06735687	Independent Director	Nil	Nil	Nil	4 (4)	No
Mr. Craig Ehrlich	02612082	Independent Director	Nil	Nil	Nil	4 (4)	No
Mr. D. K. Mittal	00040000	Independent Director	11	Nil	4	4 (4)	Yes
Ms. Obiageli Ezekwesili[6]	06385532	Independent Director	N.A.	N.A.	N.A.	0 (2)	No
Mr. Manish Kejriwal	00040055	Independent Director	3	Nil	2	3 (4)	No
Mr. Shishir Priyadarshi[9]	03459204	Independent Director	1	Nil	Nil	4 (4)	No
Mr. V. K. Viswanathan	01782934	Independent Director	7	3	2	4 (4)	Yes

1. The directorships, held by Directors, as mentioned above, do not include the directorships held in foreign body corporates and Bharti Airtel Limited.
2. Committees considered for the purpose are those prescribed under Regulation 26 of the Listing Regulations viz. the Audit and Risk Management Committee and the Stakeholders' Relationship Committee of Indian Public Limited companies other than Bharti Airtel Limited. Committee memberships details provided do not include chairmanship of committees as it has been provided separately.
3. Two meetings were attended by Mr. Mark Chong Chin Kok, alternate Director.
4. Mr. Rajan Bharti Mittal ceased to be a Director w.e.f. January 07, 2016.
5. Mr. Rakesh Bharti Mittal was appointed as an additional Director w.e.f. January 07, 2016.
6. The term of Ms. Obiageli Ezekwesili ended on September 25, 2015.
7. Except Mr. Sunil Bharti Mittal and Mr. Rakesh Bharti Mittal, who are brothers, none of the Directors are relatives of any other Director.
8. As on March 31, 2016, apart from Mr. Gopal Vittal, Managing Director & CEO (India & South Asia) who holds 2,29,885 equity shares, no other Director of the Company holds shares in the Company.
9. Board meeting for the quarter ended September 30, 2015 was held for two days i.e. October 26, 2015 and October 27, 2015. Mr. Shishir Priyadarshi was granted leave of absence for October 27, 2015.

Nomination, Remuneration & Board Diversity

In terms of the Listing Regulations and Companies Act, 2013, the Board has approved a Policy on Nomination, Remuneration and Board Diversity for Directors, KMPs and other Senior Management Personnel.

The Company's remuneration policy is directed towards rewarding performance based on a periodice review of the achievements periodically.

The detailed Nomination, Remuneration and Board Diversity Policy is annexed as Annexure B to the Directors' Report. The Company affirms that the remuneration paid to the Directors is as per terms laid out in the Nomination, Remuneration and Board Diversity Policy.

Directors' Remuneration

The details of the remuneration of Directors during FY 2015-16 are given below:

(Amount in ₹)

Name of Director	Sitting Fees	Salary and allowances	Performance linked incentive	Perquisites	Commission	Total
Executive Directors						
Mr. Sunil Bharti Mittal	--	191,764,391	75,000,000	11,781,844	--	278,546,235
Mr. Gopal Vittal	--	42,559,119	19,500,000	46,323	--	62,105,442
Non-Executive Directors						
Mr. Rakesh Bharti Mittal	--	--	--	--	696,721	696,721
Mr. Ben Verwaayen	500,000	--	--	--	16,683,179	17,183,179
Ms. Chua Sock Koong	--	--	--	--	3,979,974	3,979,974
Mr. Craig Ehrlich	500,000	--	--	--	9,949,935	10,449,935
Mr. D. K. Mittal	1,000,000	--	--	--	7,000,000	8,000,000
Mr. Manish Kejriwal	400,000	--	--	--	6,500,000	6,900,000
Ms. Obiageli Ezekwesili	-	--	--	--	3,548,611	3,548,611
Mr. Rajan Bharti Mittal	--	--	--	--	2,303,279	2,303,279
Ms. Tan Yong Choo	--	--	--	--	3,979,974	3,979,974
Sheikh Faisal Thani Al-Thani	--	--	--	--	3,979,974	3,979,974
Mr. Shishir Priyadarshi	500,000	--	--	--	9,949,935	10,449,935
Mr. V. K. Viswanathan	500,000	--	--	--	8,000,000	8,500,000
Total	**3,400,000**	**234,323,510**	**94,500,000**	**11,828,167**	**76,571,582**	**420,623,259**

- The salary and allowance includes the Company's contribution to the Provident Fund. Liability for gratuity and leave encashment is provided on actuarial basis for the Company as a whole, the amount pertaining to the Directors is not ascertainable and, therefore, not included.
- The value of the perquisites is calculated as per the provisions of the Income Tax Act, 1961.
- Value of Performance Linked Incentive (PLI) considered above represents incentive which will accrue at 100% performance level for FY 2015-16 and will get paid basis actual performance parameters in the next year. At 100% performance level, the gross remuneration of Mr. Sunil Bharti Mittal was ₹ 278,546,235 for FY 2015-16 and ₹ 271,773,463 for FY 2014-15 and that of Mr. Gopal Vittal was ₹ 62,105,442 for FY 2015-16 and ₹ 53,432,196 for FY 2014-15. During the year, Mr. Sunil Bharti Mittal and Mr. Gopal Vittal were paid ₹ 99,000,000 and ₹ 21,124,110 respectively as PLI for previous year 2014-15, which is not included above.
- During the year, Mr. Gopal Vittal was granted 131,480 stock options on August 08, 2015 under the ESOP Scheme 2005 at an exercise price of ₹ 5 per option, with vesting period spread over 3 years. The above remuneration of Mr. Gopal Vittal does not include perquisite value of ₹ 41,780,450 towards the value of stock options exercised during the year.

  The options can be converted into equity shares either in full or in tranches at any time upto seven years from the grant date. The unexercised vested options can be carried forward throughout the exercise period. The options which are not exercised will lapse after the expiry of the exercise period.

  No other Director has been granted any stock option during the year.
- The Company has entered into contracts with the Executive Directors i.e. Mr. Sunil Bharti Mittal dated October 01, 2011 and with Mr. Gopal Vittal dated February 01, 2013. These are based on the approval of the shareholders. There are no other contracts with any other Director.
- No notice period or severance fee is payable to any Director.
- There were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company.

Board Committees

In compliance with the statutory requirements, the Board has constituted various committees with specific terms of reference and scope. The objective is to focus effectively on the issues and ensure expedient resolution of the diverse matters. The committees operate as the Board's empowered agents according to their charter / terms of reference. The Constitution and charter of the Board Committees are available on the Company's website, www.airtel.com and are also stated herein.

Audit & Risk Management Committee

Audit & Risk Management Committee comprises four Directors, three of whom are independent. The Chairman of the Committee, Mr. V. K. Viswanathan, Independent Director is a Chartered Accountant and has sound financial knowledge, as well as many years of experience in general management. All members of the Audit & Risk Management Committee, including the Chairman, have accounting and financial management expertise. The composition of the Audit & Risk Management Committee meets the requirements of Section 177 of the Companies Act, 2013 and the Listing Regulations.

The Company Secretary is the Secretary to the Committee. The Managing Director & CEO (India & South Asia), the Managing Director & CEO (Africa), the Global CFO, the Group Director – Internal Assurance, the Statutory Auditors and the Internal Auditors are permanent invitees.

The Chairman of the Committee was present at the last AGM held on August 21, 2015.

Key Responsibilities of the Audit & Risk Management Committee

- Oversee the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statements are correct, sufficient and credible.
- Consider and recommend to the Board, the appointment (including filling of a casual vacancy), resignation or dismissal, remuneration and terms of appointment (including qualification and experience) of the Statutory Auditor, Internal Auditors / Chief Internal Auditor, Cost Auditor and Secretarial Auditor.
- Prior approval of non-audit services that can be provided by the Statutory Auditors and approval of payment of such non-audit services.
- Prior approval of all transactions with related party(ies), subsequent modifications of transactions with related parties and review of the statement of significant related party transactions with specific details of the transactions.
- Discussion with the Statutory Auditor before the commencement of audit about the nature and scope of the audit to be conducted and post-audit discussion to ascertain any areas of concern.
- To call for comments of the Auditors about internal control system, including the observation of the Auditors, review financial statement before their submission to the Board and discussion on any related issues with the Internal and Statutory Auditors and the management of the Company.
- Review, with the Management, the quarterly financial statements before submission to the Board for approval.
- Review, with the Management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' responsibility statement, included in the Board's Report in terms of Clause (c) of Sub-section 3 of Section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgement by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statement.
  - Disclosure of all related party transactions.
  - Modified opinion(s) in the draft Audit Report.
- Review the following information:
  - Management Discussion and Analysis of financial condition and results of operations.
  - Management letter / letters of internal control weaknesses issued by the Statutory Auditors.
  - Internal Audit Reports relating to internal control weaknesses.
  - The financial statements, in particular the investments, if any, made by unlisted subsidiary companies.
  - Quarterly compliance certificates confirming compliance with laws and regulations, including any exceptions to these compliances.
- Oversee the functioning of the Vigil Mechanism / Whistle Blower Mechanism.
- Establish the systems for storage, retrieval and display of books of accounts and other financial records in electronic format.
- Review the findings of any internal investigation by the Internal Auditors into matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Review the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.
- Approve the appointment, re-appointment and removal of Company's Chief Financial Officer after assessing

the qualifications, experience and background, among others, of the candidate.

- Review the Company's financial and risk management policies, implementation of treasury policies, strategies and status of investor relation activities.
- Ensure that the internal audit function is effective, adequately resourced, and to review coordination between Internal and Statutory Auditors and (where relevant) the risk management department.
- Review the state and adequacy of internal controls with key members of the Management, Statutory Auditors and Internal Auditors.
- Discuss with the Internal Auditor the coverage, functioning, frequency and methodology of internal audits as per the annual audit plan and discuss significant findings and follow up thereon.
- Review & monitor the Statutory and Internal Auditor's independence, performance & effectiveness of audit process.
- Review and scrutinize the inter-corporate loans and investments.
- Monitor and review with the Management, the statement of uses / application of funds raised through an issue (public issue, right issue and preferential issue, among others), the statement of funds utilised for purposes, other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Valuation of undertakings or assets of the Company, wherever necessary.
- Appointment of a registered valuer of the Company and fixation of their terms and conditions.
- Evaluation of internal financial controls and risk management systems.
- Formulate and review risk management policy.
- Implement, monitor and review the risk management framework, risk management plan and related matters.
- Delegate above said functions to Sub-Committees, whenever required.
- The Audit & Risk Management Committee shall also undertake such other functions, as may be assigned by the Board of Directors from time to time, or as may be stipulated under any law, rule or regulation including the Listing Agreement and the Companies Act, 2013.

Powers of the Audit & Risk Management Committee

- Investigate any activity within its terms of reference.
- Seek any information that it requires from any employee of the Company, and all employees are directed to cooperate with any request made by the Committee.
- Obtain outside legal or independent professional advice.
- Secure attendance of outsiders with relevant expertise.
- Access sufficient resources to carry out its duties.

Meetings, Attendance and Composition of the Audit & Risk Management Committee

During FY 2015-16, the Committee met four times i.e. on April 28, 2015; August 04, 2015; October 25, 2015 and January 28, 2016.

Beside the Committee meetings as above, the Committee also holds a conference call before every regular Committee meeting to discuss routine internal audit issues. This provides an opportunity to the Committee to devote more time on other significant matters in the regular Committee meeting. During FY 2015-16, the Committee had met four times through the conference call i.e. April 24, 2015, July 28, 2015, October 21, 2015 and January 21, 2016.

All recommendations made by the Audit & Risk Management Committee were accepted by the Board.

The composition and the attendance of members at the meetings held during FY 2015-16, are given below:

Name	Category	Number of meetings attended (total held during tenure)	Number of conference calls attended (total conducted during tenure)
Mr. V. K. Viswanathan (Chairman)	Independent Director	4 (4)	4 (4)
Mr. Craig Ehrlich	Independent Director	4 (4)	1 (4)
Mr. Shishir Priyadarshi	Independent Director	4 (4)	4 (4)
Ms. Tan Yong Choo	Non-Executive Director	4 (4)	4 (4)
Ms. Obiageli Ezekwesili[1]	Independent Director	0 (2)	1 (2)

1. Term ended on September 25, 2015.

Audit and Risk Management Committee Report for the year ended March 31, 2016

To the Shareholders of Bharti Airtel Limited

The Audit & Risk Management Committee ("Audit Committee" or "Committee") is pleased to present its report for the year ended March 31, 2016:

1. The Committee presently comprises of four members of whom three-fourths, including the Chairman are Independent Directors, as against the requirement of two-thirds prescribed under Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

2. The responsibility for the Company's internal controls and financial reporting processes lies with the Management. The Statutory Auditors have the responsibility of performing an independent audit of the Company's financial statements in accordance with the India's Generally Accepted Accounting Principles (IGAAP) and International Financial Reporting Standards (IFRS) and issuing a report thereon. The Ombudsperson is responsible for the Company's Whistle Blower Mechanism.

3. The Company has in place an Internal Assurance Group (IAG) headed by Group Director – Internal Assurance. The Company has also appointed M/s. KPMG, New Delhi and M/s. ANB & Co., Chartered Accountants, Mumbai as Internal Auditors in accordance with Section 138 of the Companies Act, 2013. The audit conducted by the Internal Auditors is based on an internal audit plan, which is reviewed each year in consultation with the IAG and the Audit Committee. These audits are based on risk based methodology and interalia involve the review of internal controls and governance processes, adherence to management policies and review of statutory compliances. The Internal Auditors share their findings on an ongoing basis during the year for corrective action.

4. The Audit Committee oversees the work of Statutory Auditors, Internal Auditors, IAG and the Ombudsperson. It is also responsible for overseeing the processes related to the financial reporting and information dissemination.

5. **In this regard, the Audit Committee Reports as follows:**

   I. The Committee has discussed with the Company's Internal Auditors and Statutory Auditors the overall scope and plan for their respective audits. The Committee has also discussed the results and effectiveness of the audit, evaluation of the Company's internal controls and the overall quality of financial reporting.

   II. The Management has presented the Company's financial statements to the Committee and affirmed that the Company's financial statements have been drawn in accordance with the Indian GAAP and IFRS. Based on its review and the discussions conducted with the Management and the Statutory Auditors, the Audit Committee believes that the Company's financial statements are fairly presented in conformity with applicable accounting standards in all material aspects. The Committee also considers that the financial statements are true and fair, provide sufficient information. The Committee believes the Company has followed adequate processes to prepare these financial statements.

   III. The Committee has reviewed both abridged and unabridged versions of the standalone and consolidated financial statements for the year ended March 31, 2016. It has recommended the same for the Board's approval.

   IV. The Committee has reviewed the internal controls for ensuring that the Company's accounts are properly maintained and that the accounting transactions are in accordance with prevailing laws and regulations. In conducting such reviews, the Committee found no material deficiency or weakness in the Company's internal control systems.

   V. The Committee reviewed the Company's internal financial controls and risk management systems from time to time.

   VI. The Committee reviewed the Ombudsperson's report on the functioning of the Whistle Blower Mechanism for reporting concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's Code of Conduct or ethics policy. The Committee believes that the Company has an effective Whistle Blower Mechanism and nobody has been denied access to this mechanism.

   VII. The Committee reviewed with the Management, the independence and performance of Statutory Auditors. It has recommended to the Board, ratification of re-appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Gurgaon, as the Company's Statutory Auditors for next term, at the ensuing AGM.

   VIII. The Committee, along with the Management, reviewed the performance of the Internal Auditors and recommended to the Board the re-appointment of M/s. KPMG, New Delhi and M/s. ANB & Co., Chartered Accountants, Mumbai, as the Company's Internal Auditors for the succeeding tenure.

   IX. The Committee has been vested with the adequate powers to seek support and other resources from the Company. The Committee has access to the information and records as well. It also has the authority to obtain professional advice from external sources, if required.

   X. The Audit & Risk Management Committee monitored and approved all related party transactions, including any modification / amendment in any such transactions.

In conclusion, the Audit Committee is sufficiently satisfied that it has complied with the responsibilities as outlined in the Audit & Risk Management Committee's Charter.

V. K. Viswanathan

Place: Gurgaon
Date: April 27, 2016

Chairman, Audit & Risk
Management Committee

HR and Nomination Committee

The Committee comprises five Non-Executive Directors, of whom three members, including, the Chairman of the Committee are Independent Directors. The composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The Company Secretary acts as the Secretary of the Committee. The Global Chief HR Officer is a permanent invitee to the Committee meetings. Other Senior Management members are also invited to the meeting to present reports relating to items being discussed at the meeting.

Key Responsibilities of the HR and Nomination Committee

HR Related

- Formulation and recommendation to the Board, a policy relating to remuneration of Directors, Key Managerial Personnel* and other employees.
- Determine the compensation (including salaries and salary adjustments, incentives / benefits, bonuses) and performance targets of the Chairman and of the Managing Directors & CEO's.
- In the event of no profit or inadequate profit, to approve the remuneration payable to managerial persons, taking into account the Company's financial position, industry trend, appointee's qualification, experience, past performance, past remuneration while bringing objectivity in determining the remuneration package, while striking a balance between the Company's interest and shareholders.
- Attraction and retention strategies for employees.
- Review employee development strategies.
- Assess the learning and development needs of the Directors and recommend learning opportunities, which can be used by Directors to meet their needs for development.
- Review all human resource related issues, including succession plan of key personnel.
- The Committee shall also consider any other key issues / matters as may be referred by the Board, or as may be necessary in view of Regulation 19 of the Listing Regulations or any other statutory provisions.

ESOP Related

- Formulation of ESOP plans and decide on future grants.
- Formulation of terms and conditions on following under the present ESOP Schemes of the Company with respect to:
    - Quantum of options to be granted under ESOP Scheme(s) per employee and in the aggregate under a plan.
    - Performance conditions attached to any ESOP Plan.
    - Conditions under which options vested in employees may lapse in case of termination of employment for misconduct.
    - Exercise period within which the employee should exercise the option, and that option would lapse on failure to exercise the option within the exercise period.
    - Specified time period within which the employee must exercise the vested options in the event of termination or resignation of an employee.
    - Right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period.
    - Procedure for making a fair and reasonable adjustment to the number of options and to the exercise price, in case of rights issues, bonus issues and other corporate actions.
    - Grant, vest and exercise of option in case of employees, who are on long leave, and the procedure for cashless exercise of options.
    - Any other matter which may be relevant for administration of ESOP schemes from time to time.
- To frame suitable policies and processes to ensure that there is no violation of SEBI (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.
- Other key issues as may be referred by the Board.

Nomination Related

- Formulate the criteria / policy for appointment of Directors, Senior Management**, which shall, inter-alia, include qualifications, positive attributes, diversity and independence of a Director.
- Review and recommend the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and Board Committees.
- Evaluate the balance of skills, knowledge, experience and diversity on the Board for description of the role and capabilities, required for a particular appointment.
- Identify and recommend to the Board, persons who are qualified to become Directors and who may be appointed in Senior Management, including Key Managerial Personnel, in accordance with the criteria laid down and their removal thereof.
- Recommend the appointment of any Director to executive or other employment / place of profit in the Company.
- Identify and nominate for the approval of the Board, candidates to fill Board vacancies, as and when they arise.
- Review succession planning for Executive and Non-Executive Directors and other Senior Executives, particularly the Chairman, Managing Directors & CEOs.
- Recommend suitable candidate for the role of Lead Independent Director.

- Formulation of criteria for evaluation of Independent Directors and the Board.
- Conduct an annual evaluation of the overall effectiveness of the Board, the Committees of the Board and the performance of each Director.
- Review the Terms of Reference of all committees of the Board, including itself on an annual basis, and recommend any changes to the Board.

* 'Key Managerial Personnel' means: i) the Chief Executive Officer or the Managing Director or the Manager; ii) the Company Secretary; iii) the Whole-time Director; iv) the Chief Financial Officer.

** 'Senior Management' means personnel of the Company who are members of its core management team excluding Board of Directors, comprising all members of the Management one level below the Executive Directors, including the functional heads.

Meetings, Attendance and Composition of HR and Nomination Committee

During FY 2015-16, the Committee met four times i.e. April 28, 2015, August 04, 2015, October 25, 2015 and January 28, 2016.

The composition and the attendance of members at the meetings held during FY 2015-16, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Ben Verwaayen, Chairman	Independent Director	4 (4)
Ms. Chua Sock Koong[1]	Non-Executive Director	2 (4)
Mr. D.K. Mittal	Independent Director	4 (4)
Mr. Manish Kejriwal	Independent Director	3 (4)
Mr. Rajan Bharti Mittal[2]	Non-Executive Director	3 (3)
Mr. Rakesh Bharti Mittal[3]	Non-Executive Director	1 (1)

1. Two meetings attended by Mark Chong Chin Kok, alternate Director.
2. Ceased to be member of the Committee w.e.f. January 07, 2016.
3. Appointed as a member of the Committee w.e.f. January 07, 2016.

The details relating to remuneration of Directors, as required under Listing Regulations have been given under a separate section, viz. 'Directors' Remuneration' in this report.

Stakeholders' Relationship Committee

In compliance with the Regulation 20 of the Listing Regulations, requirements and provisions of Section 178 of the Companies Act, 2013, the Company has a Stakeholders' Relationship Committee. The Committee comprises four members including two Independent Directors. Mr. Rakesh Bharti Mittal, Non-Executive Director is the Chairman of the Committee. The Company Secretary acts as a Secretary to the Committee.

Key Responsibilities of the Stakeholders' Relationship Committee

The key responsibilities of the Stakeholders' Relationship Committee include the following:

- Formulation of procedures, in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time.
- Consider and resolve the complaints / grievances of security holders of the Company, including complaints related to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend.
- Dematerialise or re-materialise the share certificates.
- Approve the transmission of shares or other securities arising as a result of death of the sole / any of joint shareholder.
- Sub-divide, consolidate and / or replace any share or other securities certificate(s) of the Company.
- Issue duplicate share / other security (ies) certificate(s) in lieu of the original share / security (ies) certificate(s) of the Company.
- Approve, register and refuse to register transfer / transmission of shares and other securities.
- To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).
- Oversee & review, all matters connected with the transfer of securities of the Company.
- Oversee the performance of the Company's Registrar and Share Transfer Agent.
- Recommend methods to upgrade the standard of services to the investors.
- To deal with the Company's unclaimed / undelivered shares, as prescribed in the relevant Regulation of the Listing Regulations.
- To do all such acts, deeds and things as may be necessary in this regard.

The meetings of the Committee are generally held as and when deemed necessary, to review and ensure that all investor requests / grievances are redressed within stipulated time period.

Meetings, Attendance and Composition of Stakeholders' Relationship Committee

During FY 2015-16, the Committee met six times i.e. on April 28, 2015, June 22, 2015, August 04, 2015, October 25, 2015, January 11, 2016 and March 02, 2016. The composition and the attendance of members at the meetings held during FY 2015-16, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Rakesh Bharti Mittal, Chairman[1]	Non-Executive Director	1 (2)
Mr. D. K. Mittal	Independent Director	6 (6)
Mr. Gopal Vittal	Executive Director	6 (6)
Mr. Manish Kejriwal	Independent Director	2 (6)
Mr. Rajan Bharti Mittal, Chairman[2]	Non-Executive Director	3 (4)

1. Appointed as member and Chairman of the Committee w.e.f. January 07, 2016.
2. Ceased to be member and Chairman of the Committee w.e.f. January 07, 2016.

Compliance Officer

Mr. Rajendra Chopra, Sr. Vice President & Company Secretary acts as the Compliance Officer of the Company for complying with the requirements of the Listing Regulations and requirements of securities laws, including SEBI (Prohibition of Insider Trading) Regulations, 2015.

Nature of Complaints and Redressal Status

During FY 2015-16, the complaints and queries received by the Company were general in nature, which include issues relating to non-receipt of dividend warrants, shares, annual reports and others, which were resolved to the satisfaction of the shareholders.

Details of the investors' complaints received during FY 2015-2016 are as follows:

Type of complaint	Number	Redressed	Pending as on March 31, 2016
Non-receipt of securities	0	0	0
Non-receipt of Annual Report	0	0	0
Non–receipt of dividend / dividend warrants	1	1	Nil
Miscellaneous	1	1	Nil
Total	**2**	**2**	**Nil**

Committee of Directors

To cater to various day-to-day requirements and to facilitate seamless operations, the Company has formed a functional Committee known as the Committee of Directors. The Committee meets as and when deem necessary to cater to the day to day requirements of the Company.

The Committee comprises four members including two Independent Directors. Mr. Rakesh Bharti Mittal, Non-Executive Director is the Chairman of the Committee. The Company Secretary acts as a Secretary to the Committee.

Meetings, Attendance and Composition of Committee of Directors

During FY 2015-16, the Committee met five times i.e. on April 28, 2015, August 04, 2015, October 27, 2015, December 11, 2015 and January 28, 2016. The composition and the attendance of members at the meetings held during FY 2015 -16, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Rakesh Bharti Mittal, Chairman[1]	Non-Executive Director	1 (1)
Mr. D. K. Mittal	Independent Director	5 (5)
Mr. Gopal Vittal	Executive Director	5 (5)
Mr. Manish Kejriwal	Independent Director	3 (5)
Mr. Rajan Bharti Mittal, Chairman[2]	Non-Executive Director	4 (4)

1. Appointed as member and Chairman of the Committee w.e.f. January 07, 2016.
2. Ceased to be member and Chairman of the Committee w.e.f. January 07, 2016.

Key Responsibilities of the Committee of Directors (within the limit approved by the Board)

Investment Related

- To grant loans to any body corporate / entity.
- To give guarantee(s) in connection with loan made to any body corporate / entity.
- To negotiate, finalise, amend, modify, approve and accept the terms and conditions with respect to aforesaid loans and / or guarantee(s) from time to time.
- To purchase, sell, acquire, subscribe, transfer or otherwise deal in the shares / securities of any Company, body corporate or other entities.

Treasury Related

- To borrow such sum of money, as may be required by the Company from time to time provided that the money already borrowed, together with the money to be borrowed by the Company does not exceed the limits provided under Section 180 of the Companies Act, 2013 i.e. upto the paid up capital and free reserve of the Company.
- To create security / charge(s) on all or any of the assets of the Company for the purpose of securing credit facility (ies) of the Company.
- To deal in government securities, units of mutual funds, fixed income and money market instruments, fixed deposits and certificate of deposit programme of banks and other instruments / securities / treasury products of banks & financial institutions as per treasury policy of the Company.
- To deal in foreign exchange and financial derivatives linked to foreign exchange and interest rates including but not limited to foreign exchange spot, forwards, options, currency swaps and interest rate swaps.

- To open, operate, close, change in authorisation for any Bank Account, Subsidiary General Ledger (SGL) Account, Dematerialisation / Depository Account.
- To approve, finalise and authorise the execution of any deed, document, letter or writing in connection with the aforesaid activities, including borrowing / credit facilities, creation of charge.

Allotment of Shares

- Issue and allot shares of the Company in one or more tranches as per the terms of the ESOP Schemes for the time being in force or upon conversion of Foreign Currency Convertible Bonds issued by the Company.
- To seek listing of shares issued as above on one or more Stock Exchanges in India and all such shares being pari-passu with the existing equity shares of the Company in all respects.
- To do all such acts, deeds and things, as may be necessary and incidental to allotment and listing of shares.

General Authorisations

- To open, shift, merge, close any branch office, circle office.
- To approve for participation into any tender, bid, auction by the Company.
- To register the Company with any Central / State Government authorities, Semi-Government authorities, local authorities, tax authorities including sales tax, service tax, value added tax authorities, labour law authorities, administrative authorities, business associations and other bodies.
- To purchase, sell, take on lease / license, transfer or otherwise deal with any property.
- To apply for and surrender any electricity, power or water connection.
- To appoint any Merchant Banker, Chartered Accountant, Advocate, Company Secretary, Engineer, Technician, Consultants and / or Professionals for undertaking any assignment for and on behalf of the Company.
- To constitute, reconstitute, modify, dissolve any trust or association with regard to the administrative matters or employee related matters and to appoint, reappoint, remove, replace the trustees or representatives.
- To authorise one or more employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s) jointly or severally to:
  - represent the Company before Central Government, State Governments, Judicial, Quasi-judicial and other statutory / administrative authorities or any other entity.
  - negotiate, finalise, execute, modify, sign, accept, and withdraw all deed, agreements, undertakings, certificates, applications, confirmations, affidavits, indemnity bonds, surety bonds, and all other documents and papers.
  - affix common seal of the Company.
  - enter into, sign, execute and deliver all contracts for and on behalf of the Company.
- To do all such acts, deeds and things as may be required for the smooth conduct of the operations of the Company and which does not require the specific approval of the Board of the Company or which has specifically been delegated by the Board to any other Committee of the Board or any officer, employee or agent of the Company.
- To perform such other functions as may be authorised / delegated by the Board or as might have been authorised / delegated to the erstwhile Borrowing Committee, Investment Committee, Committee of Director or the Allotment Committee.
- To authorise / delegate any or all of its power to any person, officer, representative.

Corporate Social Responsibility (CSR) Committee

In compliance with the requirements of the Companies Act, 2013, the Company has constituted the Corporate Social Responsibility Committee.

The Committee comprises three members including one Independent Director. Mr. Rakesh Bharti Mittal, Non-Executive Director, is the Chairman of the Committee. The Company Secretary acts as a Secretary to the Committee.

Key Responsibilities of the CSR Committee

- Formulate, monitor and recommend to the Board CSR Policy and the activities to be undertaken by the Company.
- Recommend the amount of expenditure to be incurred on the activities undertaken.
- Review the Company's performance in the area of CSR.
- Evaluate social impact of the Company's CSR activities.
- Review the Company's disclosure of CSR matters including any annual Social Responsibility Report.
- Review the following, with the Management, before submission to the Board for approval.
  - The Business Responsibility (BR) Report.
  - CSR Report.
  - Annual Sustainability Report.
- Formulate and implement the BR policies in consultation with the respective stakeholders.
- Establish a monitoring mechanism to ensure that the funds contributed by the Company are spent by Bharti Foundation, or any other charitable organisation to which the Company makes contribution, for the intended purpose only.
- Approve the appointment or re-appointment of Directors responsible for Business Responsibility.
- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the Listing Regulations, Corporate Social Responsibility Voluntary Guidelines, 2009 and the Companies Act, 2013.

On the recommendation of the CSR Committee, the Board had approved the Corporate Social Responsibility (CSR Policy) of the Company. The CSR Policy intends to strive for economic development that positively impacts the society at large with minimal resource footprints. The Policy is available on the Company's website at www.airtel.com.

Meetings, Attendance and Composition of CSR Committee

During FY 2015-16, the Committee met three times i.e. on April 28, 2015, October 26, 2015 and January 25, 2016. The composition and the attendance of members at the meetings held during the FY 2015 - 16, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Rakesh Bharti Mittal, Chairman[1]	Non-Executive Director	1 (1)
Mr. D. K. Mittal	Independent Director	3 (3)
Mr. Gopal Vittal	Executive Director	2 (3)
Mr. Rajan Bharti Mittal, Chairman[2]	Non-Executive Director	2 (2)

1. Appointed as member and Chairman of the Committee w.e.f. January 07, 2016.
2. Ceased to be member and Chairman of the Committee w.e.f. January 07, 2016.

Corporate Social Responsibility Report for the year ended March 31, 2016

The CSR Report for the year ended March 31, 2016 is annexed as Annexure D to the Board's Report.

Airtel Corporate Council (ACC)

Airtel Corporate Council is a non-statutory committee, constituted by the Board for strategic management and supervision of the Company's operations within the approved framework.

The Committee comprises six members. Mr. Sunil Bharti Mittal, is the Chairman of the Committee. The Company Secretary acts as a Secretary to the Committee.

Key Responsibilities of the ACC Committee

- Strategic Management and supervision of Company's business.
- Formulation of Company's business plan including objectives and strategies, capex, and investments.
- Formulation of organisation policies, systems and processes, concerning the Company's operations.
- Review and monitor implementation of plans / strategies.
- Review the business-wise performance against approved plans of revenue, costs, profits, balance sheet, borrowings and investments, including strategy implementation.
- Appointment, remuneration, promotion, termination, career and succession planning and all employment related matters of the AMB and AIMB members (other than Chairman, MD & JMD).
- Approval of the variation in the Approved Annual Operation Plan up to 5% negative deviation.
- Approval of overall rewards strategy for the Company and its funding cost.
- Approval of performance target for the purpose of performance bonus and long term incentive plans in respect of regions, segments and concerned business units.
- Review and approval of all strategic consulting assignment.
- Review and recommend for approval of all items / proposals relating to restructuring, new line of business, investments, financial restructuring, General Reserved Matters (as referred in Article 125 (ii) of Articles of Association of the Company) and other matters, which require the Board's approval.
- Acquisition, disposal, transfer of any immovable property of value exceeding any amount in excess of the duly approved respective DoA's.
- Review with the Auditors the Internal Audit Reports and Special Audit Reports.
- Formation, modification, withdrawal, implementation of systems, policies, control manuals and other policy frameworks for operational efficiency and risk management.
- Approval of major legal initiatives including commencement of legal action against Government / Quasi Government authorities.
- Write off advances, receivables, claims and any other amounts in excess of the duly authorised respective DoA's.
- Entry or exit into new sub line of business / product line / major activity in any manner whatsoever.
- Change of the Company's brand name, logo, trade mark.
- Approval for charitable donations within the overall limit set by the Board.
- Approval for contribution to any political party / political trust within the overall limit set by the Board.
- Nomination of Director / representative on the subsidiaries and joint ventures.
- Reviewing all major pending legal cases and related matters.

Powers of ACC in respect of the Subsidiaries and their step down Subsidiaries (Other than listed subsidiaries)

- Formulation of business plan, including any strategic initiative, investments, capex, borrowing including refinancing and extension, among others.
- Nomination of the respective subsidiaries nominee on Board of other companies.
- Entry into / exit from business / major business activities, in any manner whatsoever, including purchase, sale, lease, franchise, among others.

With respect to overseas subsidiaries and their step down subsidiaries, the power of ACC is confined to performing key shareholder functions.

General Body Meetings

The details of last three Annual General Meetings (AGMs) are as follows:

Financial Year	Location	Date	Time	Special Resolution passed
2014-2015	Air Force Auditorium, Subroto Park, New Delhi - 110 010	August 21, 2015	1530 Hrs. (IST)	No special resolution was passed in the last three AGMs
2013-2014		September 01, 2014	1530 Hrs. (IST)	
2012-2013		September 05, 2013	1530 Hrs. (IST)	

Postal Ballot

The Company had passed the following Special Resolutions through postal ballot / e-voting on Tuesday, April 14, 2015:

- Implementation of the ESOP Scheme 2005 through ESOP Trust and related amendment in the ESOP Scheme 2005; and
- Authorisation to the ESOP trust for secondary acquisition of shares and provision of money for acquisition of such shares.

Details of postal ballot w.r.t. above resolutions were provided in the Report on Corporate Governance forming part of Annual Report for the financial year ended March 31, 2015.

There is no immediate proposal for passing any special resolution through Postal Ballot on or before ensuing Annual General Meeting.

Code of Conduct

In compliance with Regulation 17 of the Listing Regulations and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct for all Directors and Senior Management Personnel. The Code is available on the Company's website www.airtel.com. The Code is applicable to all Board members and Senior Management Personnel who directly report to the Chairman, the Managing Director & CEO (India & South Asia). The Code is circulated to all Board members and Senior Management Personnel and its compliance is affirmed by them annually.

Besides, the Company also procures a quarterly confirmation of material financial and commercial transactions entered into by Senior Management personnel with the Company that may have a potential conflict of interest.

A declaration signed by the Managing Director & CEO (India & South Asia), regarding affirmation of compliance with the Code of Conduct by Board Members and Senior Management for the financial year ended March 31, 2016, is annexed as Annexure A to this report.

Along with the Code of Conduct for the Board members and Senior Management, the Company has also laid down a Code of Conduct for its employees. As a process, an annual confirmation is also sought from all the employees. All employees are expected to confirm compliance to the Code annually. Regular training programme / self certifications are conducted across locations to explain and reiterate the importance of adherence to the code.

Disclosures and Policies

Disclosure on Materially Significant Related Party Transactions that may have potential conflict with the interest of Company at large

All transactions entered into with related parties as defined under the Companies Act, 2013 and the Listing Regulations during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

None of the transactions with any of the related parties were in conflict with the interest of the Company rather, they synchronise and synergise with the Company's operations. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note no. 47 of the Standalone Financial Statements, forming part of the Annual Report.

The required statements / disclosures, with respect to the related party transactions, are placed before the Audit & Risk Management Committee as well as to the Board of Directors, on quarterly basis in terms of Regulation 23(3) of the Listing Regulations and other applicable laws for approval / information. Prior omnibus approval is obtained for Related Party Transactions which are of repetitive in nature.

The Company's major related party transactions are generally with its subsidiaries and associates. These transactions are entered into based on consideration of various business exigencies, such as synergy in operations, sectoral specialisation, liquidity and capital resource of subsidiary and associates and all such transactions are on arm's length basis.

The Board of Directors has formulated a Policy on dealing with Related Party Transactions pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations. The

Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties. The Policy is posted on the website of the Company at http://www.airtel.in/wps/wcm/connect/36a5305d-f0ba-490c-9eff-152ef6811917/BAL-Policy-on-Related-Party-Transactions.pdf?MOD=AJPERES.

Disclosure on Risk Management

The Company has established an enterprise-wide risk management (ERM) framework to optimally identify and manage risks, as well as to address operational, strategic and regulatory risks. In line with the Company's commitment to deliver sustainable value, this framework aims to provide an integrated and organised approach to evaluate and manage risks. Risk assessment monitoring is included in the Company's annual Internal Audit programme and reviewed by the Audit & Risk Management Committee at regular intervals. In compliance with Regulation 17 and 21 of the Listing Regulations, the Board of Directors has formulated a Risk Management Policy for framing, implementing and monitoring the risk management plan for the Company.

The Board is periodically updated on the key risks, steps and processes initiated for reducing and, if feasible, eliminating various risks. Business risk evaluation and management is an ongoing process within the Company.

Detailed update on risk management framework has been covered under the risk section, forming a part of the Management Discussion and Analysis.

Details of Non-compliance with regard to Capital Markets during the last three years

There have been no instances of non-compliances by the Company and no penalties and / or strictures have been imposed by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

Insider Trading

In compliance with the SEBI regulation on prevention of insider trading, the Company has established systems and procedures to prohibit insider trading activity and has formulated a code on insider trading for designated persons, who may have access to the Company's price sensitive information. The Code lays down procedures to be followed and disclosures to be made, while trading in the Company's shares.

The Company follows highest standards of transparency and fairness in dealing with all stakeholders and ensures that no insider shall use his or her position with or without knowledge of the Company to gain personal benefit or to provide benefit to any third party.

Ombudsperson Policy / Whistle Blower Policy

Bharti Airtel has adopted an Ombudsperson Policy (includes Whistle Blower Policy). It outlines the method and process for stakeholders to voice genuine concerns about unethical conduct that may be in breach with the employees' Code of Conduct. The policy aims to ensure that genuine complainants are able to raise their concerns in full confidence, without any fear of retaliation or victimisation. The Ombudsperson administers a formal process to review and investigate any concern raised. It also undertakes all appropriate actions required to resolve the reported matter. Instances of serious misconduct dealt with by the Ombudsperson are reported to the Audit & Risk Management Committee. All employees of the Company as well as vendors / partners and any person that has a grievance (excluding standard customer complaints) has full access to the Ombudsperson through phones, emails or even meetings in person. During the year under review, no employee was denied access to the Audit & Risk Management Committee.

Auditors' Certificate on Corporate Governance

As required under Regulation 34 of the Listing Regulations, the auditors' certificate on Corporate Governance is annexed as Annexure H to the Board's Report.

CEO and CFO Certification

The certificate required under Regulation 17(8) of the Listing Regulations, duly signed by the CEO and CFO was placed before the Board. The same is provided as Annexure B to this report.

Subsidiary Companies

The Company monitors performance of subsidiary Companies, inter-alia, by the following means:

- Financial Statements, in particular investments made by unlisted subsidiary companies, are reviewed quarterly by the Audit & Risk Management Committee.
- Minutes of the Board Meetings of unlisted subsidiary companies are regularly placed before the Board.
- A statement containing significant transactions and arrangements entered into by unlisted subsidiary companies is placed before the Company's Board.

Bharti Infratel Limited, the Company's material Indian subsidiary, is listed on Stock Exchanges and therefore, the Company is not required to nominate a Director on the Board of Bharti Infratel Limited.

The Board of Directors have formulated a Policy for determining material subsidiaries pursuant to the provisions of the Listing Regulations. The same is posted on the Company's website at http://www.airtel.in/wps/wcm/connect/7e99add6-9401-4ab3-899a-07572390a956/BAL-Policy-for-determining-Material-Subsidiaries.pdf?MOD=AJPERES.

Compliance with the Mandatory Requirements of the Listing Regulations

The Board of Directors periodically review the compliance of all applicable laws. The Company has complied with all the mandatory requirements of the Code of Corporate Governance as specified in Regulation 17 to 27 and Clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations. It has obtained a certificate affirming the compliances from M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, Gurgaon, the Company's Statutory Auditors and the same is attached to the Board's Report.

Details of Compliances with the Non-mandatory Requirements of Regulation 27 of the Listing Regulations

In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements Regulation 27(1) of the Listing Regulations:

(i) Shareholders' Rights

The Company has a policy of announcement of the audited quarterly results. The results, as approved by the Board of Directors (or Committee thereof) are first submitted to Stock Exchanges within 15 / 30 minutes (under Clause 49 of the Listing Agreement / Clause 30 of the Listing Regulations) of the approval of the results. Once taken on record by the Stock Exchanges, the same were disseminated in the media through press release. The quarterly financial results are published in newspapers and uploaded on Company's website www.airtel.com.

On the next day of the announcement of the quarterly results, an earnings call is organised, where the management responds to the queries of the investors / analysts. These calls are webcast live and transcripts posted on the website. In addition, discussion with the management team is webcast and also aired on the electronic media.

(ii) Audit Qualifications

Company's financial statements are unqualified.

(iii) Separate posts of Chairman and CEO

The positions of the Chairman of the Board and the Managing Director & Chief Executive Officer of the Company are held by separate individuals.

(iv) Reporting of Internal Auditor

The Internal Auditors directly reports to the Audit & Risk Management Committee.

(v) Compliance with the ICSI Secretarial Standards

The relevant Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) has been complied by the Company.

(vi) IFRS Financial Statements

In addition to the Consolidated Financial Statements prepared under IGAAP, the Company has also voluntarily prepared the Consolidated Financial Statements as per IFRS for its investors and other stakeholders.

Green Initiatives by MCA

In compliance with the provisions of Section 20 of the Companies Act, 2013 and as a continuing endeavour towards the 'Go Green' initiative, the Company sends all correspondence / communications through email to those shareholders who have registered their email id with their depository participant's / Company's registrar and share transfer agent. In case the shareholders desire to receive a printed copy of such communications, they send a requisition to the Company. The Company forthwith sends a printed copy of the communication to the shareholder.

Status of Dividend Declared

The Company declared its maiden dividend in August 2009 for the FY 2008-09. Status of the dividend declared by the Company for the last seven years is as under.

Amount in ₹ Millions

Financial Year	Rate of Dividend per equity share of ₹ 5 each	Total Pay-out	Amount Paid to the shareholders	Amount un-paid to the shareholders
2014-15	₹ 2.22	8,874.23	8,873.32 (99.99%)	0.90 (0.01%)
2014-15 (Interim Dividend)	₹ 1.63	6,515.76	6,505.85 (99.85%)	9.91 (0.15%)
2013-14	₹ 1.80	7,195.32	7,184.26 (99.85%)	11.06 (0.15%)
2012-13	₹ 1	3,797.53	3,791.06 (99.83%)	6.47 (0.17%)
2011-12	₹ 1	3,797.53	3,790.79 (99.82%)	6.74 (0.18%)
2010-11	₹ 1	3,797.53	3,791.14 (99.83%)	6.39 (0.17%)
2009-10	₹ 1	3,797.53	3,790.09 (99.80%)	7.44 (0.20%)
2008-09	₹ 1	3,796.84	3,790.75 (99.84%)	6.09 (0.16%)

The Company constantly endeavours to reduce the unpaid dividend amount. The shareholders, who have not claimed their dividend for the above financial years are requested to contact the Company or its Share Transfer Agent.

Equity Shares in the Suspense Account

In terms of Regulation 34 of the Listing Regulations, the details of the equity shares lying in the suspense accounts, which were issued in physical form, are as follows:

Particulars	Number of Shareholders	Number of equity shares
Number of shareholders and aggregate number of shares as transferred to the Unclaimed Suspense Account outstanding as on April 01, 2015	8	21
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	Nil	Nil
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2016	8	21

The voting rights on the shares in the suspense accounts as on March 31, 2016 shall remain frozen till the rightful owners of such shares claim the shares.

Means of Communication

Quarterly Results: The Company's Quarterly Audited Results are published in prominent daily newspapers, viz. Mint (English daily) and Hindustan (vernacular newspaper) and are also uploaded on the Company's website www.airtel.com.

News releases, presentations: Official news releases and official media releases are sent to Stock Exchanges and uploaded on the Company's website www.airtel.com.

Earning Calls & Presentations to Institutional Investors / Analysts: The Company organises an earnings call with analysts and investors on the next day of announcement of results, which is also broadcast live on the Company's website. The transcript of the earnings call is posted on the website soon after. Any specific presentation made to the analysts / others is also uploaded on the website www.airtel.com.

NSE Electronic Application Processing System (NEAPS) / BSE Corporate Compliance & Listing Centre: The NEAPS/ BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance fillings, like shareholding pattern, Corporate Governance Report, media releases and other material information is also filed electronically on the designated portals.

Website: Up-to-date financial results, annual reports, shareholding patterns, official news releases, financial analysis reports, latest presentation made to the institutional investors and other general information about the Company are available on the website www.airtel.com.

Since the time of listing of shares, Bharti Airtel adopted a practise of releasing a quarterly report, which contains financial and operating highlights, key industry and Company developments, results of operations, stock market highlights, non-GAAP information, ratio analysis, summarised financial statements and so on. The quarterly reports are posted on the Company's website and are also submitted to the Stock Exchanges, where the Company's shares are listed.

Disclosure of commodity price risks and commodity hedging activities

The Company follows prudent Board approved risk management policies. A detailed note on commodity price risks and commodity hedging activities is given in Management Discussion and Analysis forming part of this Annual Report.

General Shareholders' Information

21st Annual General Meeting

Date	August 19, 2016
Day	Friday
Time	3.30 p.m.
Venue	Air Force Auditorium, Subroto Park, New Delhi – 110 010

Financial Calendar

(Tentative Schedule, subject to change)

Financial year	April 01 to March 31
Results for the quarter ending:	
June 30, 2016	July 27, 2016 (Wednesday)
September 30, 2016	October 25, 2016 (Tuesday)
December 31, 2016	January 24, 2017 (Tuesday)
March 31, 2017	April 25, 2017 (Tuesday)

Book Closure

Saturday, August 13, 2016 to Friday, August 19, 2016 (both days inclusive).

Dividend

₹ 1.36 per equity share of ₹ 5/- each (i.e. 27.20% on the face value of the shares)

Dividend Pay-out Date

On or after August 19, 2016 (within the statutory time limit of 30 days i.e. up to September 18, 2016), subject to the approval of the shareholders.

Equity Shares Listing, Stock Code and Listing Fee Payment

Name and address of the Stock Exchange	Scrip code	Status of fee paid for FY 2016-17
National Stock Exchange of India Limited Exchange Plaza, C-1 Block G Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	BHARTIARTL	Paid
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	532454	Paid

The Company de-listed its shares from the Delhi Stock Exchange Association Limited (Regional) during the financial year 2003-04.

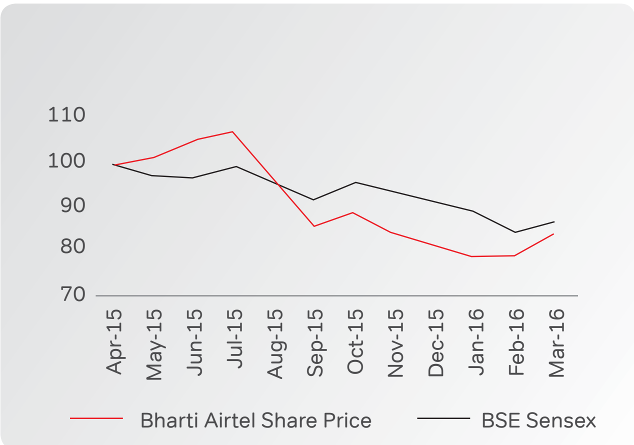
During the year, the Company had issued USD 1,000 Mn 4.375% Senior Unsecured Notes. These Notes are listed on Singapore Stock Exchange.

Stock Market Data for the Period April 01, 2015 to March 31, 2016

Month	BSE			NSE		
	High	Low	Volume (Nos.)	High	Low	Volume (Nos.)
April 2015	425.70	371.85	6,345,103	427.00	371.80	109,472,835
May 2015	434.70	374.05	7,076,146	435.00	373.60	171,876,253
June 2015	437.20	403.50	6,044,738	437.30	402.85	80,413,818
July 2015	452.45	404.30	4,817,950	452.45	404.10	69,210,577
August 2015	427.60	332.60	4,918,622	427.70	332.50	98,617,633
September 2015	366.00	315.65	5,794,823	365.70	315.60	86,118,960
October 2015	374.35	335.80	4,109,165	374.70	335.60	78,058,324
November 2015	354.10	317.90	3,608,897	353.80	317.10	50,606,564
December 2015	341.20	304.65	4,840,420	341.75	304.15	76,546,265
January 2016	343.90	282.30	5,078,987	344.00	282.30	72,258,491
February 2016	334.80	291.00	9,328,164	334.90	291.20	90,335,726
March 2016	361.20	310.20	6,921,492	361.40	310.25	70,171,917

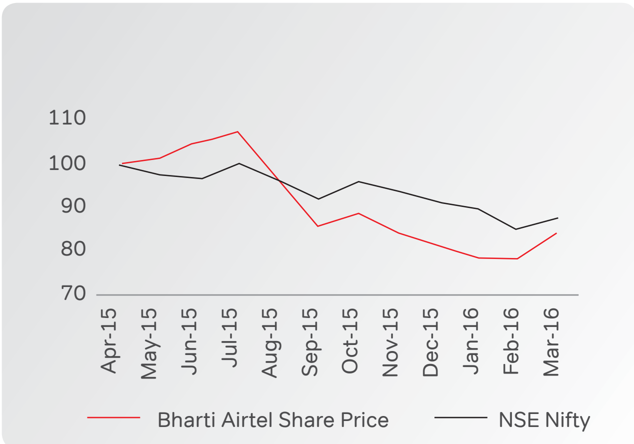
Source: www.bseindia.com
Source: www.nseindia.com

Bharti Airtel Share Price Vs. BSE Sensex



Note: Base 100 = April 01, 2015

Bharti Airtel Share Price Vs. NSE Nifty



Registrar and Transfer Agent

All the work related to share registry, both in physical and electronic form, is handled by the Company's Registrar and Transfer Agent at the address mentioned in the communication addresses section.

Share Transfer System

As much as 99.86% of the Company's equity shares are in electronic format. These shares can be transferred through the depositories without the Company's involvement.

Transfer of shares in physical form is processed within 15 days from the date of receipt, provided the documents are complete in all respects. All transfers are first processed by the Transfer Agent and are submitted thereafter to the Company, for approval. The Transfer Agent has been authorised to transfer minor shareholding up to 50 shares without the Company's involvement.

Pursuant to Regulation 40(9) of the Listing Regulations, the Company obtains certificates from a practicing Company Secretary on a half-yearly basis to the effect that all the transfers are completed within the statutory stipulated period. A copy of the certificates so received is submitted to both Stock Exchanges, where the shares of the Company are listed.

Distribution of Shareholding

By number of shares held as on March 31, 2016

Sl. no.	Category (by no. of shares)	No. of shareholders	% to holders	No. of shares	% of shares
1	1 – 5000	220,735	97.81	18,586,204	0.47%
2	5001 – 10000	2,177	0.96	3,302,274	0.08%
3	10001 – 20000	977	0.43	2,847,428	0.07%
4	20001 – 30000	360	0.16	1,799,949	0.05%
5	30001 – 40000	169	0.08	1,192,924	0.03%
6	40001 – 50000	135	0.06	1,246,131	0.03%
7	50001 – 100000	226	0.10	3,273,971	0.08%
8	100001 – above	906	0.40	3,965,151,221	99.19%
	Total	**2,25,685**	**100 %**	**3,997,400,102**	**100 %**

By category of holders as on March 31, 2016

S. no.	Category	No. of shares	%age of holding
I	**Promoter and Promoter Group**		
	(i) Indian promoters	1,802,318,492	45.09
	(ii) Foreign promoters	865,673,286	21.66
	Total Promoters shareholding	**2,667,991,778**	**66.75**
II	**Public Shareholding**		
	(A) Institutional Investors		
	(i) Mutual Funds and Unit Trust of India	99,168,397	2.48
	(ii) Financial institutions and Banks	1,291,949	0.03
	(iii) Insurance companies	297,836,594	7.45
	(iv) Foreign Institutional Investors	417,947,942	10.46
	(v) Others - Foreign Portfolio Investors	253,014,232	6.33
	(B) Others		
	(i) Bodies Corporate (Indian)	9,523,591	0.24
	(ii) Bodies Corporate (Foreign)	204,127,716	5.11
	(iii) Trusts	7,773,082	0.19
	(iv) NRIs / OCBs / Foreign Nationals / QFI	2,174,198	0.05
	(v) Indian Public & Others	36,523,623	0.91
	Total Public Shareholding	**1,329,408,324**	**33.25**
	Total Shareholding	**3,997,400,102**	**100.00**

Dematerialisation of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialised form and are available for trading with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders can hold the Company's shares with any of the depository participants, registered with these depositories. ISIN for the Company's shares is INE397D01024.

The Company's equity shares are frequently traded at the BSE Limited and the National Stock Exchange of India Limited.

Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments as on date.

Plant Locations

Being a service provider company, Bharti Airtel has no plant locations. The Company's Circle Office addresses are provided at the end of the Annual Report.

Communication Addresses

	Contact	Email	Address
For Corporate Governance and other Secretarial related matters	**Mr. Rajendra Chopra** Company Secretary	compliance.officer@bharti.in	Bharti Airtel Limited Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110 070 Telephone no.: +91 11 46666100 Fax no.: +91 11 46666137 Website: www.airtel.com
For queries relating to Financial Statements	**Mr. Harjeet Kohli** Corporate Head - Treasury & Investor Relations	ir@bharti.in	
For Corporate Communication related matters	**Mr. Raza Khan** Head – Group Corporate Communications	corporate.communications@bharti.in	
Registrar & Transfer Agent	**Karvy Computershare Pvt. Ltd.**	einward.ris@karvy.com	Karvy Selenium Tower B, Plot number 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 Ph No.: 040-67162222 Fax No.: 040-23001153 Website: www.karvy.com

Annexure A

Declaration

I hereby confirm that the Company has received from all the members of the Board and Senior Management, for the financial year ended March 31, 2016, a confirmation that they are in compliance with the Company's Code of Conduct.

For **Bharti Airtel Limited**

Place: Gurgaon
Date: April 27, 2016

Gopal Vittal
Managing Director & CEO (India & South Asia)

Annexure B

Chief Executive Officer (CEO) / Chief Financial Officer (CFO) Certification

We, Gopal Vittal, Managing Director & CEO (India & South Asia) and Nilanjan Roy, Global Chief Financial Officer of Bharti Airtel Limited, to the best of our knowledge and belief hereby certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2016 and that to the best of our knowledge and belief:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee:

   (i) significant changes in internal control over financial reporting during the year;

   (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Gurgaon
Date: April 27, 2016

Nilanjan Roy
Global Chief Financial Officer

Gopal Vittal
Managing Director & CEO (India & South Asia)

Standalone Financial Statements (IGAAP)

For Other Notes 28, 38, 42, 51, 53 to 55 - Refer Pages 162, 166, 170, 187 and 188 respectively.

Independent Auditor's Report

To the Members of Bharti Airtel Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Bharti Airtel Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 26 (ii) (g) (vi) to the standalone financial statements which, describes the uncertainties related to the legal outcome of Department of Telecommunications' demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report 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 purpose of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 of the Company and the operating effectiveness of such controls, refer to our separate Report dated April 27, 2016 in Annexure 2 to this report;

Independent Auditor's Report

(g) 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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 52(b) to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 50 to the standalone financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W

per Nilangshu Katriar
Partner
Membership Number: 58814

Place: Gurgaon
Date: April 27, 2016

Annexure 1

Annexure referred to in paragraph 1 of 'Report on other Legal and Regulatory Requirements'

Re: [BHARTI AIRTEL LIMITED] ('the Company')

(i) (a) The Company has maintained proper records showing full particulars with respect to most of its fixed assets, and is in the process of updating quantitative and situation details with respect to certain fixed assets in the records maintained by the Company.

(b) The capitalised fixed assets are physically verified by the management according to a regular programme designed to cover all the items over a period of three years. Pursuant to the planned programme during the year, a substantial portion of fixed assets and capital work in progress has been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noted on such verification.

(c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The management has conducted physical verification of inventory (other than inventory with third parties) at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provision of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to service of telecommunication and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of records with a view to determine whether they are accurate or complete.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, value added tax, cess and other material statutory dues applicable to it. The provisions relating to duty of excise are not applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, value added tax, cess and other material undisputed statutory dues were outstanding, as at the year end, for a period of more than six months from the date they became payable.

Independent Auditor's Report

(b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of customs, value added tax and cess on account of any dispute, are as follows:

Name of Statutes	Nature of the Dues	Amount Disputed (in ₹ Mn)	Period to which it relates	Forum where the dispute is pending
Andhra Pradesh VAT Act	Sales Tax	41	2005-10	Tribunal
Andhra Pradesh VAT Act	Sales Tax	46	2010-13	Deputy Commissioner, Commercial Taxes, Punjagutta
Bihar Value Added Sales Tax Act	Sales Tax	0	2007-08	Assistant Commissioner, Appeal
Bihar Value Added Sales Tax Act	Sales Tax	69	2006-13	Joint Commissioner, Appeal
Bihar Value Added Sales Tax Act	Sales Tax	42	2005-08	Tribunal
Chhattisgarh VAT Act	Sales Tax	0	2005-07	Assistant Commissioner
Gujarat Sales Tax Act	Sales Tax	1	2006-07	Assistant Commissioner
J&K General Sales Tax	Sales Tax	34	2004-07	High Court, Jammu & Kashmir
Karnataka Sales Tax Act	Sales Tax	291	2005-06	Assistant Commissioner
Kerala Sales Tax Act	Sales Tax	1	2011-12	Commercial tax Officer
Kerala Sales Tax Act	Sales Tax	1	2005-13	Commercial tax Officer
Kerala Sales Tax Act	Sales Tax	11	2005-06	Deputy Commissioner, Appeal
Kerala Sales Tax Act	Sales Tax	0	2009-13	Intelligence Officer Squad
Kerala Sales Tax Act	Sales Tax	2	2002-05	Tribunal
Kerala Value Added Tax Act	Sales Tax	5	2005-06	Deputy Commissioner, Appeal
Kerala Value Added Tax Act	Sales Tax	71	2006-07	High Court of Kerala
Kerala Value Added Tax Act	Sales Tax	44	2007-09	Asst. Commissioner, Spl Circle III, Ernakulam
Kerala Value Added Tax Act	Sales Tax	0	2015-16	Intelligence Inspector, Squad No. I, Tellichery
Kerala Value Added Tax Act	Sales Tax	0	2015-16	Intelligence Inspector, Squad No. 3, Ernakulam
Kerala Value Added Tax Act	Sales Tax	1	2009-10	Asst. Commissioner
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	23	2007-11	Appellate authority
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	2	2005-07	High Court
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	1	2004-08	Tribunal
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	0	2004-08	Commercial tax Officer
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	1	2008-13	Deputy Commissioner
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	22	1997-04	Deputy Commissioner, Appeal
Maharashtra Sales Tax Act	Sales Tax	0	2003-04	Joint Commissioner, Appeal
Punjab Sales Tax Act	Sales Tax	1	2009-16	Deputy Excise and Taxation Commissioner
Punjab Sales Tax Act	Sales Tax	30	2003-04	High Court
Punjab Sales Tax Act	Sales Tax	1	2002-03	Jt. Director (Enforcement)
Punjab Sales Tax Act	Sales Tax	1	2008-10	Tribunal
UP VAT Act	Sales Tax	20	2005-16	Assessing Officer
UP VAT Act	Sales Tax	21	2002-05	Assistant Commissioner
UP VAT Act	Sales Tax	1	2005-08	Commercial tax Officer
UP VAT Act	Sales Tax	6	2008-11	High Court
UP VAT Act	Sales Tax	3	2003-16	Joint Commissioner, Appeal
UP VAT Act	Sales Tax	7	2005-06	Tribunal
UP VAT Act	Sales Tax	7	2009-10	Additional Commissioner
UP VAT Act	Sales Tax	6	2003-16	Deputy Commissioner
Uttaranchal VAT Act	Sales Tax	0	2013-14	AO
West Bengal Sales Tax Act	Sales Tax	0	1996-97	The Deputy Commisssoner of Commercial Taxes
West Bengal Sales Tax Act	Sales Tax	0	1995-96	Commercial tax Officer
West Bengal Sales Tax Act	Sales Tax	9	2005-06	Revision Board
West Bengal Sales Tax Act	Sales Tax	3	1997-12	Tribunal
Sub Total (A)		**826**		
Finance Act, 1994 (Service tax provisions)	Service Tax	307	1995-08	Supreme Court
Finance Act, 1994 (Service tax provisions)	Service Tax	7	2000-07	Commissioner Adjudication
Finance Act, 1994 (Service tax provisions)	Service Tax	16	2003-07	Commissioner Appeal
Finance Act, 1994 (Service tax provisions)	Service Tax	7	2002-07	High court
Finance Act, 1994 (Service tax provisions)	Service Tax	10,015	1995-12	Tribunal
Finance Act, 1994 (Service tax provisions)	Service Tax	3	2010-11	Add. Commissioner-Delhi WHO
Finance Act, 1994 (Service tax provisions)	Service Tax	238	2009-12	Commissioner of Service Tax Gurgaon
Finance Act, 1994 (Service tax provisions)	Service Tax	8	2009-10	Commissioner of Service Tax
Sub Total (B)		**10,601**		

Independent Auditor's Report

Name of Statutes	Nature of the Dues	Amount Disputed (in ₹ Mn)	Period to which it relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	128	2001-03, 2004-08, 1996-97	Supreme Court, High Court
Income Tax Act, 1961	Income Tax	11,578	2003-10, 2003-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	18,899	2013-14, 1995-2003	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	17,919	2004-13, 1994-95, 1996-98	Assessing Officer
Income Tax Act, 1961	Income Tax	75	2004-16	
Sub Total (C)		**48,599**		
Custom Act, 1962	Custom Act	4,128	2001-06	Supreme Court
Custom Act, 1962	Custom Act	0	2009-10	Tribunal
Custom Act, 1962	Custom Act	126	2006-10	Tribunal
Sub Total (D)		**4,254**		

The above mentioned figures represent the total disputed cases without any assessment of Probable, Possible and Remote, as done in case of contingent liabilities of the above cases, total amount deposited in respect of sales tax is ₹ 292 Mn, Service tax is ₹ 463 Mn, Income tax is ₹ 11,056 Mn and Custom Duty is ₹ 2,138 Mn.

(viii) Based on our audit procedures for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank, debenture holders or government.

(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management and on an overall examination of the balance sheet, we report that, monies raised by the Company by way of debt instruments / term loans were applied for the purpose for which the loans were obtained, though idle/surplus funds which were not required for immediate utilisation have been gainfully invested in liquid investments payable on demand. The maximum amount of idle/ surplus funds invested during the year was ₹ 63,215 Mn, of which no amount was outstanding at the end of the year.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officer and employees of the Company has been noticed or reported during the year.

(xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W

per Nilangshu Katriar
Partner
Membership Number: 58814

Place: Gurgaon
Date: April 27, 2016

Independent Auditor's Report

ANNEXURE 2

Annexure referred to in paragraph 2 of 'Report on other Legal and Regulatory Requirements'

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

To the Members of Bharti Airtel Limited

We have audited the internal financial controls over financial reporting of Bharti Airtel Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company 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. 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 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 Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

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, the Company has, 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, 2016, based on the internal control over financial reporting criteria established by the Company 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.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W

per Nilangshu Katriar
Partner
Membership Number: 58814

Place: Gurgaon
Date: April 27, 2016

Balance Sheet

(₹ Millions)

Particulars	Notes	As of March 31, 2016	As of March 31, 2015
Equity and Liabilities			
Shareholders' Funds			
Share capital	5	19,987	19,987
Reserves and surplus	6	824,481	762,742
Non-Current Liabilities			
Long-term borrowings	7	417,002	196,267
Deferred tax liabilities (Net)	8	32,784	10,721
Other long-term liabilities	9	43,954	42,036
Long-term provisions	10	2,262	1,969
Current Liabilities			
Short-term borrowings	11	6,999	6,259
Trade payables	12		
- total outstanding dues of micro enterprises and small enterprises		26	10
- total outstanding dues of creditors other than micro enterprises and small enterprises		70,562	71,222
Other current liabilities	13	193,604	140,675
Short-term provisions	14	7,727	12,349
Total		**1,619,388**	**1,264,237**
Assets			
Non-current Assets			
Fixed Assets			
Tangible assets	15	311,563	256,552
Intangible assets	16	606,582	277,892
Capital work-in-progress		28,251	26,561
Intangible assets under development	16	9,715	64,108
Non-current investments	17	430,261	383,958
Long-term loans and advances	18	93,470	88,381
Other non-current assets	19	25,489	19,221
Current Assets			
Current investments	20	8	47,211
Inventories	21	53	94
Trade receivables	22	37,930	33,110
Cash and bank balances	23	521	3,887
Short-term loans and advances	24	68,429	53,942
Other current assets	25	7,116	9,320
Total		**1,619,388**	**1,264,237**

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 27, 2016

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

Sunil Bharti Mittal
Chairman

Gopal Vittal
Managing Director
& CEO (India & South Asia)

Rajendra Chopra
Company Secretary

Nilanjan Roy
Global Chief Financial Officer

Statement of Profit and Loss

(₹ Millions, except per share data and as stated otherwise)

Particulars	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
Income			
Revenue from operations	29	603,002	554,964
Other income	30	14,856	51,930
Total Income		**617,858**	**606,894**
Expenses			
Access charges		80,236	79,601
License fee and spectrum charges (revenue share)		70,654	67,062
Cost of goods sold	31	373	76
Employee benefits expenses	32	18,693	16,915
Power and fuel	33	40,387	41,151
Rent	33	65,413	59,790
Charity and donation	33	575	292
Other expenses	33	103,309	95,766
Total Expenses		**379,640**	**360,653**
Profit before finance costs, depreciation, amortisation, exceptional items and tax		238,218	246,241
Finance costs	34	35,590	14,091
Depreciation and amortisation expense	35	95,431	75,597
Profit before exceptional items and tax		**107,197**	**156,553**
Exceptional items	36	6,799	-
Profit before Tax		**100,398**	**156,553**
Tax Expense (including exceptional items)			
Current tax		20,501	31,092
MAT credit		(17,631)	(7,790)
Deferred tax		22,063	1,246
Profit for the year		**75,465**	**132,005**
Earnings per share (equity shares of par value ₹ 5 each)	39		
Basic and Diluted (In ₹)		18.88	33.02

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 27, 2016

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

Sunil Bharti Mittal
Chairman

Gopal Vittal
Managing Director
& CEO (India & South Asia)

Rajendra Chopra
Company Secretary

Nilanjan Roy
Global Chief Financial Officer

Cash Flow Statement

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
A. Cash flows from operating activities:		
Profit before tax	100,398	156,553
Adjustments for:		
Depreciation and amortisation expense	95,431	75,597
Exceptional Items (refer Note 36)	2,925	-
Interest income	(2,815)	(1,396)
(Profit)/ loss on sale of investments	(173)	(34,698)
Finance costs	35,590	14,091
Unrealised foreign exchange (gain) / loss	248	(853)
Expenses on employee stock option plan	204	(6)
(Profit)/ loss on sale of assets (net)	716	550
Dividend income	(9,470)	(13,700)
Operating cash flow before changes in assets and liabilities	**223,054**	**196,138**
Adjustments for changes in assets and liabilities :		
- (Increase)/decrease in trade receivables	(4,972)	(11,455)
- (Increase)/decrease in other receivables	(11,565)	(4,074)
- (Increase)/decrease in inventories	68	(83)
- Increase/(decrease) in trade and other payables	15,701	27,260
- Increase/(decrease) in provisions	93	148
Cash generated from operations	**222,379**	**207,934**
CSR expenses Paid (refer Note 33)	-	(411)
Income taxes paid	(21,797)	(28,125)
Net cash flow from / (used in) operating activities	**200,582**	**179,398**
B Cash flows from investing activities:		
Purchase of tangible assets	(117,411)	(70,142)
Purchase of intangible assets	(69,907)	(6,900)
Proceeds from sale of tangible assets	4,852	501
Sale/(Purchase) of investments (net)	47,376	(40,392)
Proceeds from sale/redemption/reduction of shares in subsidiaries/ associates/ joint ventures (net of expenses)	-	40,499
Acquisition/ subscription/investment in subsidiaries/ associates/ joint ventures (refer Note 37)	(111,384)	(40,292)
Advances given to subsidiaries/ associate / joint venture	(15,338)	(34,861)
Repayment of advances given to subsidiaries/ associate / joint venture	26,749	8,513
Purchase of bank deposits (with maturity more than three months)	(46,717)	(705)
Proceeds from maturity of bank deposits (with maturity more than three months)	46,658	671
Interest received	2,819	1,396
Dividend received from subsidiary companies	9,470	13,700
Net cash flow from / (used in) investing activities	**(222,833)**	**(128,012)**
C Cash flows from financing activities:		
Proceeds from borrowings	74,520	23,192
Repayments of borrowings	(37,648)	(58,138)
Short-term borrowings (net)	(105)	3,094
Dividend paid	(8,875)	(13,711)
Tax on dividend paid	-	(2)
Interest and other finance charges paid	(9,007)	(6,392)
Net cash flow from / (used in) financing activities	**18,885**	**(51,957)**
Net increase / (decrease) in cash and cash equivalents during the year	**(3,366)**	**(571)**
Add: Balance as at the beginning of the year	3,887	4,458
Balance as at the end of the year (refer note 23)	**521**	**3,887**

Notes :

1 Figures in brackets indicate cash out flow.

2 The above cash flow statement has been prepared under the indirect method setout in AS-3 'Cash Flow Statements' notified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs.

3 Cash and cash equivalents also includes ₹ 55 Mn in unpaid dividend bank account (March 31, 2015- ₹ 35 Mn) (refer note 23)

4 Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 27, 2016

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

Sunil Bharti Mittal
Chairman

Gopal Vittal
Managing Director
& CEO (India & South Asia)

Rajendra Chopra
Company Secretary

Nilanjan Roy
Global Chief Financial Officer

Notes to financial statements

1. Corporate Information

Bharti Airtel Limited ('the Company') incorporated in India on July 7, 1995, is a company promoted by Bharti Telecom Limited ('BTL'), a company incorporated under the laws of India. The Company's shares are publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE'), India. The Registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company is a leading telecommunication service provider in India providing telecommunication systems and services.

2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs. The financial statements have been prepared under the historical cost convention and on an accrual basis except in case of assets for which revaluation is carried out and certain derivative financial instruments (refer note 3.13).

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except expenditure incurred on Corporate Social Responsibility ('CSR'), which was accounted as appropriation to statement of profit and loss during previous year (in accordance with the guidance issued by ICAI, 'FAQ on the provision of CSR under section 135 of the Companies Act 2013 and Rules thereon'). During current year, Company has aligned accounting treatment of CSR with Guidance Note on 'Accounting for Expenditure on Corporate Social Responsibility Activities' issued by the Institute of Chartered Accountants of India in May 2015. Accordingly, expenditure pertaining to CSR activities is charged as an expense in the statement of profit and loss (refer note 3.21).

These financial statements are presented in Indian Rupees ('Rupees' or '₹') and all amount are rounded to the nearest million ('Mn'), except as stated otherwise.

3. Summary of Significant Accounting Policies

3.1. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires management to make judgement, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

3.2. Tangible Assets

Tangible Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes purchase price, the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects, if the recognition criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. When significant parts of tangible assets are required to be replaced in intervals, the Company recognises such parts as separate component of assets with specific useful lives and provides depreciation over their useful life. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. Capital work in progress is valued at cost.

Where assets are installed on the premises of customers (commonly called Customer premise equipment –"CPE"), such assets continue to be treated as tangible assets as the associated risks and rewards remain with the Company and management is confident of exercising control over them.

Gains and losses arising from retirement or disposal of the tangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in statement of profit and loss on the date of retirement or disposal.

Assets are depreciated to the residual values on a straight-line basis over the useful lives of respective assets as estimated by the management. The depreciation period and the depreciation method for a tangible asset are reviewed at least at each financial year end. Changes in the expected useful life is accounted for as changes in accounting estimates and accounted prospectively over the remaining useful life. Changes in the expected pattern of consumption of future economic benefits embodied in the asset is accounted for as change in the depreciation method and accounted retrospectively, thus, depreciation is recalculated in accordance with the new method from the date of the asset coming into use and any excess or deficit on such re-computation is accounted in the the statement of profit and loss when such change is effected. Freehold Land is not depreciated.

Notes to financial statements

Estimated useful lives of the assets are as follows:

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

The 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.

3.3. Intangible Assets

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

At initial recognition, the separately acquired intangible assets are recognised at cost. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Gains and losses arising from retirement or disposal of the intangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in statement of profit and loss on the date of retirement or disposal.

Amortisation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each financial year end. Changes in the expected useful life is accounted for as changes in accounting estimates and accounted prospectively over the remaining useful life. Changes in the expected pattern of consumption of future economic benefits embodied in the asset is accounted for as change in the amortisation method and accounted retrospectively, thus, amortisation is recalculated in accordance with the new method from the date of the asset coming into use and any excess or deficit on such re-computation is accounted in the statement of profit and loss when such change is effected.

(i) Software

Software is capitalised at the amounts paid to acquire the respective license for use and is amortised over the period of license, generally not exceeding three years. Software up to Rupees five hundred thousand, which has an independent use, is amortised over a period of one year from the date of place in service.

(ii) Licenses and Spectrum

Acquired licenses and spectrum are initially recognised at cost. Subsequently, they are measured at cost less accumulated amortisation and accumulated impairment loss, if any. Amortisation is recognised in the statement of profit and loss on a straight-line basis over the unexpired period of the license/spectrum commencing from the date when the related network is available for intended use in the respective jurisdiction. The amortisation period related to licenses/spectrum acquired in a amalgamation is determined primarily by reference to their unexpired period.

(iii) Bandwidth

Payment for bandwidth capacities are classified as pre-payments in service arrangements or under certain conditions as an acquisition of a right. In the latter case it is accounted for as intangible assets and the cost is amortised over the period of the agreements, which may not exceed a period of 15 years depending on the tenor of the agreement.

(iv) Other Acquired Intangible Assets

Payment for the rights acquired for unlimited license access to various applications are recognised as other acquired intangibles. They are amortised on a straight - line basis over the period of the agreements.

3.4. Leases

(i) Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and rewards incidental to ownership of the leased item, are classified as operating leases. Lease rentals with respect to assets taken on 'Operating Lease' are charged to the statement of profit and loss on a straight-line basis over the lease term.

Leases which effectively transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item are classified as finance lease. These are capitalised at the commencement of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

Leased assets are depreciated on straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated on straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

(ii) Where the Company is the Lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Lease income in respect of 'Operating Lease' is recognised in the statement of profit and loss on a straight-line basis over the lease term. Assets subject to operating leases are included in fixed assets. Initial

Notes to financial statements

direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases in which the Company transfer substantially all the risks and rewards incidental to ownership of the asset are classified as finance leases.

Assets leased to others under finance lease are recognised as receivables at an amount equal to the net investment in the leased assets. Finance Income is recognised based on a pattern reflecting a constant periodic rate of return on the net investment of the lessor outstanding in respect of the finance lease. Initial direct costs are accounted over the lease term.

(iii) Indefasible right to use ('IRU')

As a part of operations, the Company enters into agreement for leasing assets under "Indefasible right to use" with third parties. Under the arrangement the assets are given on lease over the substantial part of the asset life. However, the title to the assets and significant risk associated with the operation and maintenance of these assets remain with the lessor. Hence, such arrangements are recognised as operating lease.

The contracted price is received in advance and is recognised as revenue during the tenure of the agreement. Unearned IRU revenue net of the amount recognisable within one year is disclosed as deferred revenue in other long term liabilities and the amount recognisable within one year is disclosed as deferred revenue in other current liabilities.

3.5. Borrowing Cost

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur.

3.6. Impairment of Assets

The carrying amounts of assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or when annual impairment testing for an asset is required. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Fair value less costs to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Impairment losses, if any, are recognised in the statement of profit and loss as a component of depreciation and amortisation expense.

After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life. An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

3.7. Asset Retirement Obligations (ARO)

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Company has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs are added to or deducted from the cost of the asset and depreciated prospectively over the remaining useful life.

3.8. Investment

Investment, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current Investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are valued at cost. Provision is made for diminution in value to recognise a decline, if any, other than that of temporary nature.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

3.9. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank, cash on hand and cheques on hand, call deposits, and other short term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3.10. Inventory

Inventory is valued at the lower of cost and net realisable value. Cost is determined on First in First out basis. Inventory costs include purchase price, freight inward and transit insurance charges. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The Company provides for obsolete and slow-moving inventory based on management estimates of the usability of inventory.

Notes to financial statements

3.11. Revenue Recognition and Receivables

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the consideration received/receivable net off discounts, process waivers, and value added tax ('VAT'), service tax or duty. The Company assesses its revenue arrangements against specific criteria, i.e., whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent.

(i) Service Revenues

Service revenues include amounts invoiced for usage charges, fixed monthly subscription charges and very small aperture terminal ('VSAT') service usage charges, bandwidth services, roaming charges, activation fees, processing fees and fees for value added services ('VAS'). Service revenues also include revenues associated with access and interconnection for usage of the telephone network of other operators for local, domestic long distance and international calls and data messaging services.

Service revenues are recognised as the services are rendered and are stated net of discounts, process waivers and taxes. Revenues from pre-paid customers are recognised based on actual usage. Processing fees on recharge coupons is recognised over the estimated customer relationship period or coupon validity period, whichever is lower. Activation revenue and related activation costs, not exceeding the activation revenue, are deferred and amortised over the estimated customer relationship period. The excess of activation costs over activation revenue, if any, are expensed as incurred. Billings in excess of revenue recognised is treated as unearned and reported as deferred revenue in the balance sheet.

Service revenues from the internet and VSAT business comprise revenues from registration, installation and provision of internet and VSAT services. Registration fee and installation charges are deferred and amortised over the period of agreement with customer. Service revenue is recognised from the date of satisfactory installation of equipment and software at the customer site and provisioning of internet and VSAT services.

Revenues from national and international long distance operations comprise revenue from provision of voice services which are recognised on provision of services while revenue from provision of bandwidth services (including installation) is recognised over the period of arrangement.

(ii) Equipment Sales

Equipment sales consist primarily of revenues from sale of telecommunication equipment and related accessories. Revenue from equipment sales transactions are recognised when the significant risks and rewards of ownership are transferred to the buyer and when no significant uncertainty exists regarding realisation of consideration. Installation charges are recognised as revenue on satisfactory completion of installation.

(iii) Investing and Other Activities

Income on account of interest and other activities are recognised on an accrual basis.

(iv) Dividend Income

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

(v) Provision for Doubtful Debts

The Company provides for amounts outstanding for more than 90 days from the date of billing, in case of active subscribers, roaming receivables, receivables for data services and for entire outstanding from deactivated customers net off security deposits or in specific cases where the management is of the view that the amounts from certain customers are not recoverable.

For receivables due from the other operators on account of their National Long Distance (NLD) and International Long Distance (ILD) traffic for voice and Interconnect Usage charges (IUC), the Company provides for amounts outstanding for more than 120 days from the date of billing, net of any amounts payable to the operators or in specific cases where the management is of the view that the amounts from these operators are not recoverable.

(vi) Unbilled Revenue

Unbilled revenue represent revenue recognised from last bill cycle date to the end of the reporting period. These are billed in subsequent periods based on the terms of the billing plans / contractual arrangements.

3.12. License fees – revenue share

The revenue-share fee on license and spectrum is computed as per the licensing agreement at the prescribed rate and is expensed as incurred.

3.13. Foreign Currency Translation, Accounting For Forward Contracts and Derivatives

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are translated using exchange rates prevailing at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are translated using the exchange rates at the date when the values were determined.

Notes to financial statements

Exchange Differences

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Forward Exchange Contracts covered under AS 11, 'The Effects of Changes in Foreign Exchange Rates'

Exchange differences on forward exchange contracts and plain vanilla currency options for establishing the amount of reporting currency and not intended for trading & speculation purposes, are recognised in the statement of profit and loss in the year in the which the exchange rate changes. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognised as income or expense for the year.

Exchange difference on forward contracts which are taken to establish the amount other than the reporting currency, arising due to the difference between forward rate available at the reporting date for the remaining maturity period and the contracted forward rate (or the forward rate last used to measure a gain or loss on the contract for an earlier period) are recognised in the statement of profit and loss for the year.

Other Derivative Instruments, not in the nature of AS 11, 'The Effects of Changes in Foreign Exchange Rates'

The Company enters into various foreign currency option contracts and interest rate swap contracts that are not in the nature of forward contracts designated under AS 11 as such and contracts that are not entered to establish the amount of the reporting currency required or available at the settlement date of a transaction; to hedge its risks with respect to foreign currency fluctuations and interest rate exposure arising out of foreign currency loan. In accordance with the ICAI announcement, at every year end, all outstanding derivative contracts are fair valued on a mark-to-market basis and any loss on valuation is recognised in the statement of profit and loss, on each contract basis. Any gain on mark-to-market valuation on respective contracts is not recognised by the Company, keeping in view the principle of prudence as enunciated in AS 1, 'Disclosure of Accounting Policies'. Any reduction in fair values and any reversals of such reductions are included in statement of profit and loss for the year.

Embedded Derivative Instruments

The Company occasionally enters into contracts, that do not in their entirety meet the definition of a derivative instrument, that may contain "embedded" derivative instruments – implicit or explicit terms that affect some or all of the cash flow or the value of other exchanges required by the contract in a manner similar to a derivative instrument. The Company assesses whether the economic characteristics and risks of the embedded derivative are clearly and closely related to the economic characteristics and risks of the remaining component of the host contract and whether a separate, non-embedded instrument with the same terms as the embedded instrument would meet the definition of a derivative instrument. When it is determined that (1) the embedded derivative possesses economic characteristics and risks that are not clearly and closely related to the economic characteristics and risks of the host contract and (2) a separate, stand-alone instrument with the same terms would qualify as a derivative instrument, the embedded derivative is separated from the host contract, carried at fair value as a trading or non-hedging derivative instrument. At every year end, all outstanding embedded derivative instruments are fair valued on mark-to-market basis and any loss on valuation is recognised in the statement of profit and loss for the year. Any reduction in mark-to-market valuations and reversals of such reductions are included in statement of profit and loss for the year.

Translation of Integral and Non-Integral Foreign Operation

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself.

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary are translated at the closing rate; income and expense items are translated at average exchange rates prevailing during the year; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

3.14. Employee Benefits

The Company's post employment benefits include defined benefit plan and defined contribution plans. The Company also provides other benefits in the form of other long-term employee benefits.

Under the defined benefit retirement plan, the Company provides retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to eligible employees at retirement or termination of employment based on respective employee salary and years of experience with the Company.

For defined benefit retirement plans, the difference between the fair value of the plan assets and the present value of the plan liabilities is recognised as an asset or liability in the balance sheet. Scheme liabilities are calculated using the projected unit credit method and applying the principal actuarial assumptions as at the date of balance sheet. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies.

All expenses in respect of defined benefit plans, including actuarial gains and losses, are recognised in the statement of profit and loss as incurred.

The Company's contributions to defined contribution plans are recognised in statement of profit and loss when the employee renders the related services. The Company has no further obligations under these plans beyond its periodic contributions.

The distinction between short-term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits.

The employees of the Company are entitled to compensated absences based on the unavailed leave balance as well as other long term benefits. The Company records liability based on actuarial valuation computed under projected unit credit method. The Company presents the liability for compensated absences as a current liability in the balance sheet as it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

3.15. Share Based Compensation

The Company issues equity-settled and cash-settled share-based options to certain employees. These are measured at fair value on the date of grant.

The fair value determined on the grant date of the equity settled share based options is expensed over the vesting period, based on the Company's estimate of the shares that will eventually vest.

The fair value determined on the grant date of the cash settled share based options is expensed over the vesting period, based on the Company's estimates of the shares that will eventually vest. At each reporting date, until the liability is settled, and at the date of settlement, liability is re-measured at fair value, with any changes in fair value pertaining to the vesting period till the reporting date is recognised immediately in profit and loss.

Fair value is measured using Lattice-based option valuation model, Black-Scholes and Monte Carlo Simulation framework and is recognised as an expense, together with a corresponding increase in equity/ liability, as appropriate, over the period in which the options vest using the graded vesting method. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations. The expected volatility and forfeiture assumptions are based on historical information.

Where the terms of a share-based compensation are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it is vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

3.16. Taxes

(i) Current Income tax

Current Income tax is measured at the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date.

(ii) Deferred Tax

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations, where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situations where the Company is entitled to a tax holiday under the Indian Income-tax Act, 1961, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer reasonably certain or virtual certain, as the case may be, that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be realised.

At each balance sheet date, unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably or virtually certain, as the case may be, that future taxable income will be available against which such deferred tax assets can be realised.

Notes to financial statements

(iii) MAT Credit

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note on Accounting for credit available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of a credit to the statement of profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

3.17. Segment Reporting

(i) Primary Segment

The Company operates in three primary business segments viz. Mobile Services, Telemedia Services and Airtel Business.

(ii) Secondary Segment

The Company has operations serving customers within India as well as in other countries located outside India. The operations in India constitute the major part, which is the only reportable segment, the remaining portion being attributable to others.

3.18. Earnings Per Share

The earnings considered in ascertaining the Company's Earnings per Share ('EPS') comprise the net profit after tax attributable to equity shareholders. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares). The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares, if any.

3.19. Provisions and Contingencies

Provisions are recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

3.20. Multiple Element Contracts With Vendors

The Company enters into multiple element contracts with vendors for supply of goods and rendering of services. The consideration paid is independent of the value of supplies received and services availed. Accordingly, the supplies and services are accounted for based on their relative fair values to the overall consideration. The supplies with finite life under such contracts are accounted as Tangible assets or as Intangible assets in view of the substance of these contracts and existence of economic ownership in these assets.

3.21. Expenditure incurred on Corporate Social Responsibility ("CSR")

In accordance with the guidance note issued by Institute of Chartered Accountants of India (ICAI) on May 15, 2015, 'Accounting for Expenditure on Corporate Social Responsibility Activities', the amount of expenditure incurred on CSR is accounted as charge to the statement of profit and loss.

3.22. Exceptional Items

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

3.23. Amalgamation Accounting

The Company has treated the amalgamation in the nature of merger under pooling of interest method as there is continuity of business of the amalgamated Company and all the assets, liabilities and ownership is transferred to the Company.

4. Information about Business Segments - Primary

Segment Definitions:

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Notes to financial statements

Mobile Services - These services cover voice and data telecom services provided through wireless technology in India (2G/3G/4G). 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.

Telemedia Services - These services cover voice and data telecommunication services provided through fixed line network and broadband technology.

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.

Unallocated - Unallocated includes other income, profits/ (losses), assets (including non-current investments) and liabilities of the Company which are not allocated to the business segments and is primarily related to the corporate headquarter of the Company. These also include current tax (net of provisions of tax), deferred tax (net), MAT credit and borrowings not allocated to the primary business segments.

Summary of the Segmental Information for the year ended and as of March 31, 2016

(₹ Millions)

Particulars	Mobile Services	Telemedia Services	Airtel Business	Unallocated	Eliminations	Total
Revenue						
Revenue from operations - external	500,080	43,908	59,014	-	-	603,002
Inter Segment Revenue	18,226	514	9,176	-	(27,916)	-
Total Revenue	**518,306**	**44,422**	**68,190**	**-**	**(27,916)**	**603,002**
Results						
Segment Result- Profit / (Loss)*	110,955	11,910	7,598	(134)	-	130,329
Finance costs (Income)*						23,132
Exceptional items #						6,799
Profit before tax						**100,398**
Tax expense						
-Current tax (including MAT Credit)						2,870
- Deferred tax charge						22,063
Profit for the period						**75,465**
Other Information						
Capital expenditure	425,954	11,807	8,025	932	(11,042)	435,676
Depreciation and amortisation expense	85,970	9,127	5,976	14	(5,656)	95,431
As of March 31, 2016						
Segment Assets	987,398	29,187	33,336	512,359	-	1,562,280
Inter Segment Assets	389,702	144,841	125,634	358	(660,535)	-
Advance tax (Net of provision for tax)				829		829
MAT Credit				56,279		56,279
Total Assets	**1,377,100**	**174,028**	**158,970**	**569,825**	**(660,535)**	**1,619,388**
Segment Liabilities**	564,869	11,238	32,220	133,809	-	742,136
Inter Segment Liabilities	54,374	98,544	70,105	437,512	(660,535)	-
Deferred Tax Liability (net)	-	-	-	32,784	-	32,784
Total Liabilities	**619,243**	**109,782**	**102,325**	**604,105**	**(660,535)**	**774,920**

* Segment results exclude finance income of ₹ 12,458 Mn is netted off from finance costs for the purpose of segment reporting.

** Unallocated liabilities includes amount borrowed for the acquisition of 3G and BWA Licenses (including spectrum) of ₹ Nil.

Exceptional items represents regulatory fee provisions arising out of re-assessment of certain positions and operating cost on network refarming and up-gradation program.

Notes to financial statements

Summary of the Segmental Information for the year ended and as of March 31, 2015

(₹ Millions)

Particulars	Mobile Services	Telemedia Services	Airtel Business	Unallocated	Eliminations	Total
Revenue						
Revenue from operations external	464,426	40,195	50,343	-	-	554,964
Inter Segment Revenue	18,508	849	8,955	-	(28,312)	-
Total Revenue	**482,934**	**41,044**	**59,298**	**-**	**(28,312)**	**554,964**
Results						
Segment Result- Profit / (Loss)*	112,562	8,506	3,786	(4,004)	-	120,850
Finance costs (Income)*						(35,703)
Profit before tax						**156,553**
Tax expense						
-Current Tax (including MAT Credit)						23,302
- Deferred Tax Charge						1,246
Profit for the year						**132,005**
Other Information						
Capital expenditure	228,213	7,598	6,356	452	(6,772)	235,847
Depreciation and amortisation	66,079	9,040	5,483	11	(5,016)	75,597
As of March 31, 2015						
Segment Assets	632,821	29,103	32,356	531,308	-	1,225,588
Inter Segment Assets	435,337	76,880	90,661	-	(602,878)	-
MAT Credit	-	-	-	38,649	-	38,649
Total Assets	**1,068,158**	**105,983**	**123,017**	**569,957**	**(602,878)**	**1,264,237**
Segment Liabilities**	337,154	8,774	29,484	94,877	-	470,289
Inter Segment Liabilities	48,602	42,556	41,464	470,256	(602,878)	-
Provision for Tax (Net of Advance Tax)	-	-	-	498	-	498
Deferred Tax Liability (net)	-	-	-	10,721	-	10,721
Total Liabilities	**385,756**	**51,330**	**70,948**	**576,352**	**(602,878)**	**481,508**

* Segment result excludes finance income of ₹ 49,794 Mn, which is netted off from finance costs for the purpose of segment reporting

** Unallocated liabilities includes amount borrowed for the acquisition of 3G and BWA Licenses (including spectrum) of ₹ 8,153 Mn

Notes:

1. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.
2. Segment results represent profit/(loss) before finance costs (net of finance income), exceptional items and tax.
3. Capital expenditure represents gross additions to fixed assets and capital advance given for acquiring tangible and intangible assets during the year.
4. Inter segment assets / liabilities represent the inter segment account balances.
5. Inter segment revenue is accounted for on terms established by the management on arm's length basis. These transactions have been eliminated at the Company level.

Notes to financial statements

Information about Geographical Segment – Secondary

The Company has operations serving customers within India as well as located in other countries. The information relating to the geographical segments in respect of customers being served and assets within India, which is the only reportable segment, the remaining portion being attributable to others, is presented below :

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Segment Revenue from external customers based on geographical location of customers		
Within India	562,696	518,924
Others	40,306	36,040
	603,002	**554,964**
Carrying amount of Segment Assets by geographical location of assets		
Within India	1,211,299	978,816
Others	408,089	285,421
	1,619,388	**1,264,237**
Cost incurred during the year to acquire Segment Assets by geographical location of assets		
Within India	434,656	234,197
Others	1,020	1,650
	435,676	**235,847**

Notes:

1. Segment assets include tangible, intangible, current and other non-current assets.
2. Cost incurred during the year to acquire segment assets represents gross additions to fixed assets and capital advance given for acquiring tangible and intangible assets during the year.

5. Share Capital

(₹ Millions)

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

Note:

21,474,527 Equity shares of ₹ 10 each were alloted as fully paid-up shares upon the conversion of Foreign Currency Convertible Bonds (FCCBs) during the financial years from 2007-08 to 2009-10 (42,949,054 equity shares post share split of one equity share of ₹ 10 each into 2 equity shares of ₹ 5 each)

Notes to financial statements

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the year

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
	No.	₹ Mn	No.	₹ Mn
At the beginning of the year	3,997,400,102	19,987	3,997,400,102	19,987
Issued during the year	-	-	-	-
Outstanding at the end of the year	**3,997,400,102**	**19,987**	**3,997,400,102**	**19,987**

b. 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 one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

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

Particulars	As of March 31, 2016		As of March 31, 2015	
	No.	% holding	No.	% holding
Equity shares of ₹ 5 each fully paid up				
Bharti Telecom Limited	1,802,318,492	45.09%	1,747,545,460	43.72%
Pastel Limited	591,319,300	14.79%	591,319,300	14.79%
Indian Continent Investment Limited	265,860,986	6.65%	265,860,986	6.65%
LIC of India Child Fortune Plus Balanced Fund	203,878,856	5.10%	-	-
Three Pillar Pte Limited	199,870,006	5.00%	199,870,006	5.00%

6. Reserves and Surplus

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Capital Reserve		
Opening balance	51	51
Acquired under the scheme of amalgamation*	8,700	-
Closing balance	**8,751**	**51**
Securities Premium Reserve		
Opening balance	107,967	107,936
Additions during the year	274	31
Closing balance	**108,241**	**107,967**
Revaluation Reserve	**21**	**21**
Employee Stock Options Outstanding		
Opening balance	756	2,365
Add : Addition during the year	520	80
Less : Forfeiture/Exercise	768	1,689
Closing balance	**508**	**756**
Reserve for Business Restructuring		
Opening balance	24,912	24,912
Less : Adjustment due to amalgamation*	8,599	-
Closing balance	**16,313**	**24,912**

Notes to financial statements

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
General Reserve		
Opening balance	28,452	27,043
Add : Adjustment on account of forfeiture of employee stock option	-	1,327
Add : Adjustment on account of exercise of stock options (shares transferred to employees from shares purchased by Trust through open market)	308	82
Closing balance	**28,760**	**28,452**
Surplus in the Statement of Profit and Loss		
Opening balance	600,583	484,965
Add : Profit for the year	75,465	132,005
Less : Acquired under the Scheme of amalgamation*	9,425	-
Amount available for appropriation	666,623	616,970
Appropriations :		
CSR expenses (refer note 33)	-	(411)
Dividend paid/ proposed (refer note 51)	(5,436)	(15,390)
Tax on dividend paid/ proposed^	700	(586)
Net surplus in the statement of profit and loss	**661,887**	**600,583**
Total	**824,481**	**762,742**

* (refer note 37(i))
^ Tax on dividend paid / proposed is net of credit of ₹ 1,807 Mn (March 31, 2015 - ₹ 1,221 Mn) on account of dividend distribution tax on dividend from subsidiary companies.

7. Long-term Borrowings

(₹ Millions)

Particulars	As of March 31, 2016		As of March 31, 2015	
Secured				
From Banks		12		18
From Others		8		1
Total secured		**20**		**19**
Unsecured				
Non-Convertible Bonds*		66,255		-
Term Loans				
From Banks		1,573		19,265
From Others		39,213		46,843
Total		**107,041**		**66,108**
Deferred payment liabilities towards spectrum		341,424		143,167
Finance lease obligations		1,951		144
Total unsecured		**450,416**		**209,419**
Less: Current maturities (refer note 13)				
From Banks	669		5,822	
From Others	6,677	7,346	7,306	13,128
Deferred payment liabilities towards spectrum		25,428		-
Finance lease obligations		660		43
		417,002		**196,267**

* USD 1,000 Mn 4.375% senior notes due on 2025 listed on Singapore exchange (refer note 37(iii)).

Notes to financial statements

a. Secured borrowings represent vehicle loans which are secured by hypothecation of vehicles of the Company.

b. Details relating to maturity profile, interest rate and currency of long term borrowings

(₹ Millions)

Currency of borrowings	Rate of Interest (Weighted average)	As of March 31, 2016	Maturity Profile			
			Within one year	Between one and two years	Between two and five years	Over five years
INR	10.00%	342,833	25,883	25,284	85,781	205,885
USD	3.34%	107,603	7,551	6,391	14,039	79,622
Total		**450,436**	**33,434**	**31,675**	**99,820**	**285,507**

(₹ Millions)

Currency of borrowings	Rate of Interest (Weighted average)	As of March 31, 2015	Maturity Profile			
			Within one year	Between one and two years	Between two and five years	Over five years
INR	10.08%	163,483	5,240	18,245	27,751	112,247
USD	1.25%	45,955	7,931	6,874	14,618	16,532
Total		**209,438**	**13,171**	**25,119**	**42,369**	**128,779**

c. The borrowings of ₹ 40,806 Mn outstanding as of March 31, 2016, comprising various loans, are repayable in total 730 half yearly installments, borrowings of ₹ 66,255 Mn is payable in 1 bullet installment, ₹ 341,424 Mn repayable in total 20 yearly installments and finance lease obligation for ₹ 1,951 repayable in total 84 yearly, quarterly and monthly installments (borrowings of ₹ 209,438 Mn outstanding as of March 31, 2015, comprising various loans, are repayable in total 15 quaterly installments, 840 half yearly installments and 15 yearly installments).

8. Taxes

i) Deferred tax liabilities (Net)

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Deferred Tax Liabilities arising on account of:		
Depreciation and amortisation	53,668	29,839
	53,668	**29,839**
Less:		
Deferred Tax Assets arising on account of:		
Provision for doubtful debts/advances	7,977	7,178
Lease rent equalisation	6,187	5,676
Foreign exchange fluctuation and mark to market	5,009	4,384
Other	1,711	1,880
	20,884	**19,118**
Deferred Tax Liabilities (Net)	**32,784**	**10,721**

Notes to financial statements

ii) Tax expense

(a) MAT credit includes income of ₹ 752 Mn (March 31, 2015 – income of ₹ 364 Mn), current tax includes income of ₹ 543 Mn (March 31, 2015 - ₹ Nil) and deferred tax includes income of ₹ 333 Mn (March 31, 2015 – income of ₹ 82 Mn) relating to earlier years.

(b) During the year ended March 31, 2015, the Company had recognised additional tax charge of ₹ 188 Mn on account of change in tax rate from 33.99% to 34.61% as proposed in the Finance Bill, 2015.

9. Other Long Term Liabilities

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Security deposit received#	2,602	2,722
Equipment supply payable	-	452
Deferred revenue	16,628	15,535
Lease rent equalisation	19,793	18,378
Others*	4,931	4,949
	43,954	**42,036**

Security deposit received represents refundable security deposits received from subscribers on activation of connections granted thereto and are repayable on disconnection, net of outstanding, if any and security deposits received from channel partners. Trade receivables are secured to the extent of the amount outstanding against individual subscribers by way of security deposit received from them.(refer note 22)

*Others as of March 31, 2016 includes ₹ 4,104 Mn (March 31, 2015 ₹ 4,104 Mn) payable to Qualcomm Asia Pacific Pte. Limited towards purchase of balance equity shares upon satisfaction of certain conditions as per the share purchase agreement for acquisition of erstwhile Airtel Broadband Services Private Limited (formerly know as Wireless Business Services Private Limited). (refer note 37(i))

10. Long Term Provisions

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Provision for employee benefits (refer note 39)		
Provision for gratuity	1,213	1,137
Provision for long term service award	89	86
	1,302	**1,223**
Other provisions		
Provision for asset retirement obligation	960	746
	2,262	**1,969**

The Company takes various premises on lease to install its telecom equipments. A provision is recognised for the costs to be incurred for restoration of these premises at the end of the lease period. It is expected that this provision will be utilised at the end of the lease period of the respective sites as per the respective lease agreements. The movement of provision is given below:

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2016
Opening balance	746	721
Addition (net)	214	25
Closing balance	**960**	**746**

11. Short-term Borrowings

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
(Unsecured unless stated otherwise)		
Loans		
From banks	3,975	6,259
Loans repayable on demand		
Cash Credit	3,024	-
	6,999	**6,259**

Notes to financial statements

a. Details relating to interest rate and currency of short term borrowings

(₹ Millions)

Currency of Borrowings	As of March 31, 2016		As of March 31, 2015	
	Rate of Interest (Weighted average)	Amount outstanding	Rate of Interest (Weighted average)	Amount outstanding
INR	9.00%	3,024	-	-
USD	0.20%	3,975	0.43%	6,259
Total	**-**	**6,999**	**0.43%**	**6,259**

b. The borrowings of ₹ 3,024 Mn as of March 31, 2016, comprising cash credit facilities from banks which are repayable on demand (March 31, 2015 ₹ Nil). Borrowing of ₹ 3,975 Mn outstanding as of March 31, 2016 are repayable in 2 half yearly installments (March 31, 2015 ₹ 6,259 Mn are repayable in 2 half yearly installments)

12. Trade Payables

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Dues to Micro Enterprises and Small Enterprises *	26	10
Trade payables other than dues to Micro Enterprises and Small Enterprises **	70,562	71,222
	70,588	**71,232**

* refer note 46 for details of dues to Micro Enterprises and Small Enterprises
** amount payable to related parties ₹ 14,648 Mn (March 31, 2015 ₹ 13,912 Mn) (refer note 47)

13. Other Current Liabilities

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Deferred revenue	29,972	29,246
Equipment supply payables	65,807	53,664
Payable to others*	52,909	37,149
Advance received from customers	1,294	1,445
Current maturities of long term debt (refer note 7)	7,346	13,128
Current maturities of deferred payment liabilities towards spectrum (refer note 7)	25,428	-
Current maturities of finance lease obligations (refer note 7)	660	43
Interest accrued but not due on borrowings	1,218	267
Other taxes payable*	7,844	4,686
Unpaid dividends	55	35
Other liabilities	1,071	1,012
	193,604	**140,675**

* Payable to others and Other taxes payable include provision of ₹ 40,610 Mn as of March 31, 2016 and ₹ 27,843 Mn as of March 31, 2015 towards sub judice matters. (refer note 52)

Notes to financial statements

14. Short Term Provisions

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Provision for employee benefits (refer note 39)		
Provision for gratuity	454	450
Provision for leave encashment	730	720
Total	**1,184**	**1,170**
Others		
Provision for income tax (net of advance tax of ₹ Nil (March 31, 2015 ₹139,277 Mn) and includes ₹ Nil TDS receivable provided for (March 31, 2015 ₹ 583 Mn) #	-	498
Proposed dividend (refer note 51)	5,436	8,874
Tax on dividend	1,107	1,807
Total	**6,543**	**11,179**
	7,727	**12,349**

Reversal of MAT credit utilisation of ₹ Nil (March 31, 2015 utilisation of ₹ 222 Mn) adjusted with Provision for tax.

15. Tangible Assets

(₹ Millions)

Particulars	Leasehold Land	Freehold Land	Building	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer *	Leasehold improvements	Total
Cost										
As of April 1, 2014	411	1,312	6,056	536,679	1,413	253	3,022	27,994	4,252	581,392
Additions	-	38	416	73,923	189	53	666	1,062	208	76,555
Disposals / adjustment	-	-	-	(5,501)	(2)	(25)	(27)	(36)	(44)	(5,635)
Reclassification	-	-	(5)	17	-	-	1	(1)	-	12
As of March 31, 2015	**411**	**1,350**	**6,467**	**605,118**	**1,600**	**281**	**3,662**	**29,019**	**4,416**	**652,324**
Additions	-	-	46	123,848	127	21	661	1,879	119	126,701
Disposals / adjustment	-	-	(51)	(8,762)	(14)	(9)	(72)	(8,102)	(4)	(17,014)
Reclassification	-	(42)	(171)	69	4	-	-	(3)	143	-
As of March 31, 2016	**411**	**1,308**	**6,291**	**720,273**	**1,717**	**293**	**4,251**	**22,793**	**4,674**	**762,011**
Accumulated Depreciation										
As of April 1, 2014	35	-	1,894	307,472	1,217	217	2,092	25,042	2,741	340,710
Charge for the year #	5	-	326	56,793	116	17	409	1,756	473	59,895
Disposals / adjustment	-	-	-	(4,708)	(2)	(19)	(24)	(35)	(44)	(4,832)
Reclassification	-	-	3	(7)	2	1	(1)	3	(2)	(1)
As of March 31, 2015	**40**	**-**	**2,223**	**359,550**	**1,333**	**216**	**2,476**	**26,766**	**3,168**	**395,772**
Charge for the year #	4	-	330	66,093	115	18	485	1,838	397	69,280
Disposals / adjustment	-	-	(51)	(6,433)	(14)	(3)	(64)	(8,072)	33	(14,604)
Reclassification	-	-	(52)	1	-	-	3	8	40	-
As of March 31, 2016	**44**	**-**	**2,450**	**419,211**	**1,434**	**231**	**2,900**	**20,540**	**3,638**	**450,448**
Net Carrying Amount										
As of April 1, 2014	376	1,312	4,162	229,207	196	36	930	2,952	1,511	240,682
As of March 31, 2015	371	1,350	4,244	245,568	267	65	1,186	2,253	1,248	256,552
As of March 31, 2016	**367**	**1,308**	**3,841**	**301,062**	**283**	**62**	**1,351**	**2,253**	**1,036**	**311,563**

* With respect to assets where the Company has economic ownership, refer note 3.20.
# Includes exceptional items of ₹ 2,925 Mn (March 31, 2015 ₹ Nil) with respect to Plant and Equipment (refer note 36)

Notes to financial statements

a. Building includes building on leashold land:

(₹ Millions)

Particulars	Gross Block					Depreciation					Net Block
	As of April 1, 2015	Additions	Disposals / adjustment	Reclassification	As of March 31, 2016	As of April 1, 2015	Charge for the year	Disposals / adjustment	Reclassification	As of March 31, 2016	As of March 31, 2016
Building on leasehold land	2,676	29	-	-	2,705	813	149	-	-	962	1,743

(₹ Millions)

Particulars	Gross Block					Depreciation					Net Block
	As of April 1, 2014	Additions	Disposals / adjustment	Reclassification	As of March 31, 2015	As of April 1, 2014	Charge for the year	Disposals / adjustment	Reclassification	As of March 31, 2015	As of March 31, 2015
Building on leasehold land	2,676	-	-	-	2,676	667	146	-	-	813	1,863

b. Reclassification includes reclass of assets between category of assets. ₹ Nil and ₹ Nil gross block and accumulated depreciation respectively, has been reclassified from intangible assets to tangible assets during the year ended March 31, 2016 (March 31, 2015 ₹ 12 Mn and ₹ (1) Mn).

c. Capital work in progress includes goods in transit ₹ 3,047 Mn (March 31, 2015 ₹ 6,017 Mn).

d. Refer note 10, 41 and 48 for ARO, jointly owned assets and assets given on operating lease.

Notes to financial statements

16. i) Intangible Assets

(₹ Millions)

Particulars	Software*	Bandwith	Licenses (including Spectrum)	Other acquired intangible	Total
Cost					
As of April 1, 2014	**13,725**	**20,713**	**179,913**	**-**	**214,351**
Additions	1,239	3,485	128,618	2,165	135,507
Disposals / adjustment**	-	-	(1,300)	-	(1,300)
Reclassification	-	(12)	-	-	(12)
As of March 31, 2015	**14,964**	**24,186**	**307,231**	**2,165**	**348,546**
Additions	3,086	1,665	353,015	-	357,766
Disposals / adjustment**	(4,249)	-	(9,403)	-	(13,652)
Reclassification	-	-	-	-	-
As of March 31, 2016	**13,801**	**25,851**	**650,843**	**2,165**	**692,660**
Accumulated Amortisation					
As of April 1, 2014	9,671	7,520	39,060	-	56,251
Charge for the year	2,301	1,506	11,462	433	15,702
Disposals / adjustment **	-	-	(1,300)	-	(1,300)
Reclassification	-	1	-	-	1
As of March 31, 2015	**11,972**	**9,027**	**49,222**	**433**	**70,654**
Charge for the year	2,408	1,640	24,594	434	29,076
Disposals / adjustment**	(4,249)	-	(9,403)	-	(13,652)
Reclassification	-	-	-	-	-
As of March 31, 2016	**10,131**	**10,667**	**64,413**	**867**	**86,078**
Net Carrying Amount					
As of April 1, 2014	**4,054**	**13,193**	**140,853**	**-**	**158,100**
As of March 31, 2015	**2,992**	**15,159**	**258,009**	**1,732**	**277,892**
As of March 31, 2016	**3,670**	**15,184**	**586,430**	**1,298**	**606,582**

* With respect to assets where the Company has economic ownership, refer note 3.20.

** Gross block and amortisation of licenses (including spectrum) and software have been off set upon being fully amortised.

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

b. Borrowing cost capitalised during the year ended March 31, 2016 was ₹ 1,937 Mn (March 31, 2015 ₹ 1,083 Mn). The Company capitalises borrowing cost in the Intangible assets under development.

c. Reclassification includes reclass of assets between category of assets. ₹ Nil and ₹ Nil gross block and accumulated depreciation respectively, has been reclassified from intangible assets to tangible assets during the year ended March 31, 2016 (March 31, 2015 ₹ 12 Mn and ₹ (1) Mn).

ii) Intangible Assets Under Development

Intangible assets under development includes the amount of spectrum allotted to the Company and related costs (including borrowing costs capitalised under AS 16 – 'Borrowing Costs'), if any, for which services are yet to be rolled out.

Notes to financial statements

17. Non-current Investments

Trade Investments (at cost)

Investment in Equity Instruments (unquoted unless otherwise stated)

(₹ Millions)

Number of Shares March 31, 2016	Number of Shares March 31, 2015	Particulars	As of March 31, 2016	As of March 31, 2015
		Investment in Subsidiaries		
175,000,000	175,000,000	Bharti Hexacom Limited: Equity Shares of ₹ 10 each	5,718	5,718
100,000	100,000	Bharti Airtel Services Limited: Equity Shares of ₹ 10 each	1	1
300	300	Bharti Airtel (USA) Limited: Equity Shares of USD .0001 each	509	509
123,663	123,663	Bharti Airtel (UK) Limited: Equity Shares of GBP 1 each	101	101
4,959,480	4,959,480	Bharti Airtel (Hongkong) Limited: Equity Shares of HKD 1 each	26	26
-	75,100	Bharti Airtel (Canada) Limited: Equity Shares of CAD 1 each (dissolved during the year)	-	3
52,227,896	52,227,896	Network i2i Limited: Equity Shares of USD 1 each	7,925	7,925
1,360,000,000	1,360,000,000	Bharti Infratel Limited: Equity Shares of ₹ 10 each (Quoted)	74,511	74,511
9,690,000	9,690,000	Bharti Telemedia Limited: Equity Shares of ₹ 10 each	115	115
27,146,471,771	26,126,080,053	Bharti Airtel Lanka (Private) Limited: Equity Shares of SLR 10 each (refer note 37 (vii))	13,567	13,096
1	1	Bharti Airtel Holdings (Singapore) Pte Limited: Equity Shares of SGD 1 each	15,475	15,475
338,642,771	338,642,771	Bharti Airtel Holdings (Singapore) Pte Limited: Equity Shares of USD 1 each		
3,384,970,000	1,699,970,000	Bharti Airtel International (Mauritius) Limited: Equity Shares of USD 1 each (refer note 37 (iv))	207,725	97,570
396,000,000	290,000,000	Airtel M Commerce Services Limited: Equity Shares of ₹ 10 each (refer note 37 (v))	3,960	2,900
593,739,000	593,739,000	Bharti International (Singapore) Pte. Limited: Equity Shares of USD 1 each	33,035	33,035
908,443,919	908,443,919	Bharti Airtel International (Netherlands) B.V.: Equity Shares of EURO 1 each	67,354	67,354
89,230,796	89,230,796	Telesonic Networks Limited: Equity Shares of ₹ 10 each	91	91
5,050,000	5,050,000	Nxtra Data Limited: Equity Shares of ₹ 10 each	51	51
-	-	Airtel Broadband Services Private Limited: Equity Shares of ₹ 10 each (merged during the year with the Company) (refer note 37 (i))	-	65,270
21,850,000	-	Indo Teleports Limited (formerly known as Bharti Teleports Limited) Equity Shares of ₹ 10 each (refer note 37(vii))	285	-

Notes to financial statements

(₹ Millions)

Number of Shares March 31, 2016	Number of Shares March 31, 2015	Particulars	As of March 31, 2016	As of March 31, 2015
50,000	50,000	Wynk Limited: Equity Shares of ₹ 10 each	1	1
		Investment in Joint Ventures		
800,000	800,000	Bridge Mobile PTE Limited: Equity Shares of USD 1 each	34	34
1,000,000	1,000,000	FireFly Networks Limited: Equity Shares of ₹ 10 each	10	10
		Investment in Associates		
-	11,270,000	Indo Teleports Limited (formerly known as Bharti Teleports Limited) Equity Shares of ₹ 10 each (refer note 37(vii))	-	113
		Investment in other equity instrument		
100,000	100,000	IFFCO Kissan Sanchar Limited: Equity Shares of ₹ 10 each	50	50
			430,544	**383,959**
		Other investments (at cost)		
		Investment in Government Securities - National Savings Certificate	2	2
		Less: Provision for diminution in value of investments*	285	3
			430,261	**383,958**
		Aggregate value of Unquoted Investments	356,035	309,450
		Aggregate value of Quoted Investments	74,511	74,511
		Aggregate Market value of Quoted Investments	519,452	523,600
		Aggregate provision for diminution in value of investments	285	3

* During the year ended March 31, 2016, the Company has made a provision of ₹285 Mn due to decline other than temporary in the value of investment in Indo Teleports Limited (formerly Known as Bharti Teleports Limited).

Notes to financial statements

18. Long-term Loans and Advances

(₹ Millions)

Particulars	As of March 31, 2016		As of March 31, 2015	
Unsecured, considered good unless stated otherwise				
Capital Advances				
Considered good*	3,989		77	
Considered doubtful	144		184	
Less: Provision for doubtful advances	(144)	3,989	(184)	77
Security Deposit				
Considered good**	10,691		10,015	
Considered doubtful	810		525	
Less: Provision for doubtful deposit	(810)	10,691	(525)	10,015
Loans and advances to related parties (refer note 48)		22,511		39,640
MAT Credit Entitlement#		56,279		38,649
		93,470		**88,381**

* Includes advance payment of ₹ 3,657 Mn (March 31, 2015 – ₹ Nil) towards spectrum.
** Includes security deposit/advance with/to related parties ₹ 7,106 Mn (March 31, 2015 – ₹ 6,950 Mn) (refer note 48).
# MAT credit utilisation of ₹Nil (March 31, 2015 reversal of MAT credit utilisation of ₹ 222 Mn) adjusted with Provision for tax.

19. Other Non-current Assets

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Unsecured, considered good unless stated otherwise		
Bank deposits and margin money (refer note 23)	588	529
Advances*	22,669	16,959
Unamortised upfront fees and deferred premium	1,972	1,627
Trade receivable non-current	260	106
	25,489	**19,221**

* Advances represent payments made to various Government authorities under protest and are disclosed net of provision of ₹ 34,586 Mn (March 31, 2015 ₹ 27,362 Mn) [refer note 52]

20. Current Investments

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Current investments (at lower of cost and fair market value)		
Investment in Mutual Funds	-	47,194
Investment in Deposits and Bonds	8	17
	8	**47,211**
Aggregate value of Unquoted Investments	8	17
Aggregate value of Quoted Investments	-	47,194
Aggregate Market Value of Quoted Investments	-	47,550
Aggregate provision for diminution in value of investments	-	-

Notes to financial statements

Details of investments are provided below:

(₹ Millions, except as stated otherwise)

Particulars	As of March 31, 2016		As of March 31, 2015	
	(No. of Units)	Amount	(No. of Units)	Amount
Investment in Mutual Funds (Quoted)				
Axis Liquid Fund - Growth	-	-	650,426	1,000
L&T Liquid Fund - Growth	-	-	1,104,487	2,105
HDFC Liquid Fund - Premium Plan - Growth	-	-	31,886,747	872
HDFC Cash management Fund saving Plan Growth	-	-	82,662,081	2,400
ICICI Prudential Institutional Liquid Plan - Super Institutional Growth	-	-	14,605,888	3,000
IDFC Cash Fund - Growth-(Regular Plan)	-	-	2,647,900	4,453
JM High Liquidity Fund - Growth Option	-	-	117,989,703	4,466
JP Morgan India Liquid Fund Super Institutional Growth	-	-	69,186,380	1,250
Kotak Floater Short Term - Growth	-	-	1,812,276	4,120
Kotak Liquid Scheme Plan A - Growth	-	-	343,026	966
Pramerica Liquid Fund - Growth	-	-	412,450	609
Reliance Liquidity Fund - Growth Option	-	-	242,935	508
Reliance Liquid Cash Plan Growth Option Fund	-	-	293,865	1,000
Religare Liquid Fund - Super Institutional Growth	-	-	943,091	1,800
Tata Liquid Fund Plan A - Growth	-	-	1,016,663	2,600
Tata Money Market Fund Plan A - Growth	-	-	1,742,473	3,801
SBI Premier Liquid Fund - Direct Plan - Growth	-	-	454,995	1,000
SBI Magnum Insta Cash Fund	-	-	573,778	1,770
Principal Cash Management - Regular Plan - Growth	-	-	1,717,915	2,311
Sundram Money Fund	-	-	56,132,271	1,650
Taurus Mutual Fund	-	-	1,903,627	2,835
Franklin India Treasury Management Account	-	-	400,595	828
LIC NOMURA MF Liquid Fund - Growth Plan	-	-	733,879	1,850
Total	**-**	**-**	**389,457,451**	**47,194**
Investment in Deposits and Bonds (Unquoted)				
India Innovation Fund	76	8	70	7
7.30% REC Secured Bonds 2015	-	-	10	10
Total	**76**	**8**	**80**	**17**

21. Inventories (valued at lower of cost and net realisable value)

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Stock-In-Trade*	53	94
Total	**53**	**94**

* Net of provision for diminution in value ₹ 659 Mn (March 31, 2015 ₹ 483 Mn)

Notes to financial statements

22. Trade Receivables

(₹ Millions)

Particulars	As of March 31, 2016		As of March 31, 2015	
Unsecured, unless stated otherwise				
Receivables outstanding for a period exceeding six months from the date they are due for payment				
Considered good	518		2,522	
Considered doubtful	14,271		6,244	
Less: Provision for doubtful receivables	(14,271)	518	(6,244)	2,522
Other				
Considered good	37,277		30,549	
Considered doubtful	3,910		9,985	
Less: Provision for doubtful receivables	(3,910)	37,277	(9,985)	30,549
Lease receivable finance lease		135		39
		37,930		**33,110**

Refer note 9 on security deposit.
Includes amount receivable from related party ₹ 1,110 Mn (March 31, 2015 ₹ 2,224 Mn) (refer note 47)

23. Cash and Bank Balances

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Cash and cash equivalents		
Balances with banks		
- On current accounts	240	878
- Bank deposits with original maturity of 3 months or less	-	2,700
- On unpaid dividend account	55	35
Cheques on hand	166	222
Cash on hand	60	52
	521	**3,887**
Other bank balances		
Bank deposits with remaining maturity of less than 12 months	-	-
Bank deposits with remaining maturity of more than 12 months	7	6
Margin money deposit	581	523
	588	**529**
Less: Amount disclosed under non-current assets (refer note 19)	588	529
Total	**521**	**3,887**

Notes to financial statements

24. Short-term Loans and Advances

(₹ Millions)

Particulars	As of March 31, 2016		As of March 31, 2015	
Unsecured, considered good unless stated otherwise				
Loans and advances to related parties (refer note 48)		43,376		40,552
Advances recoverable in cash or kind				
Considered good	15,045		6,863	
Considered doubtful	1,347		2,233	
Less: Provision for doubtful advances	(1,347)	15,045	(2,233)	6,863
Balances with customs, excise and other authorities		9,179		6,527
Advance Tax [net of provision for tax of ₹ 160,596 Mn (March 31, 2015 ₹ Nil) and net of ₹ 732 Mn TDS receivable provided for (March 31,2015 ₹ Nil)]		829		
		68,429		**53,942**

25. Other Current Assets

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Unsecured, considered good unless stated otherwise		
Unbilled revenue	5,079	7,490
Interest accured on loan given to related parties (refer note 48)	1,407	1,154
Unamortised upfront fees and deferred premium	604	650
Others	26	26
	7,116	**9,320**

26. Guarantees and Contingent Liabilities

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

Corporate Guarantees outstanding as of March 31, 2016 amounting to ₹ 798,800 Mn (March 31, 2015 - ₹ 857,497 Mn) have been given to banks, financial institutions and third parties on behalf of Group Companies at no cost to the latter.

(ii) Claims against the Company not acknowledged as debt (excluding cases where the possibility of any outflow in settlement is remote):

Notes to financial statements

a) Claims against the Company not acknowledged as debt:

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
(i) Taxes, Duties and Other demands (under adjudication / appeal / dispute)		
-Sales Tax and Service Tax	11,259	11,120
-Income Tax	16,282	16,335
-Customs Duty	4,254	4,254
-Entry Tax	5,061	4,221
-Stamp Duty	404	411
-Municipal Taxes	122	122
-DoT demands *	4,809	4,766
-Other miscellaneous demands	818	59
(ii) Claims under legal cases including arbitration matters		
-Access Charges / Port Charges	8,196	6,952
-Others	610	562
Total	**51,815**	**48,802**

* in addition, refer note (g) (v), (g) (vi), (g) (vii) and (g) (viii) below for DoT matters.

Unless otherwise stated below, the management based on legal advice, believes that, the outcome of these contingencies will be favorable and that a loss is not probable.

b) Sales tax / VAT and Service tax

- **Sales tax / VAT**

Claims for sales tax / VAT as of March 31, 2016 comprise cases relating to:

i. the appropriateness of the declarations made by the Company under the relevant sales tax / VAT legislations which was primarily procedural in nature;

ii. the applicable sales tax / VAT on disposals of certain property and equipment items;

iii. lease circuit / broadband connectivity services;

iv. the applicability of sales tax / VAT on sale of SIM cards, SIM replacements, VAS, Handsets and Modem rentals;

v. In the State of Jammu & Kashmir, the Company has disputed the levy of General Sales Tax / VAT on its telecom services and towards which the Company has received a stay from the Hon'ble Jammu & Kashmir High Court. The demands received to date have been disclosed under contingent liabilities.

- **Service Tax**

Service tax demands as of March 31, 2016 relate to:

i. cenvat claimed on tower and related material;

ii. levy of service tax on SIM cards;

iii. cenvat credit disallowed for procedural lapses and inadmissibility of credit;

iv. disallowance of cenvat credit used in excess of 20% limit; and

v. employee talk time.

c) Income Tax

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

d) Custom 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 Company is that such imports should not be subject to any custom duty as it would be an operating software exempt from any custom duty. In response to the application filed by the Company, the Hon'ble CESTAT has passed an order in favour of the custom authorities. The Company has filed an appeal with Hon'ble Supreme Court against the CESTAT order.

e) Entry Tax

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

Notes to financial statements

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

(i) Interconnect charges are based on the Interconnect Usage Charges (IUC) agreements between the operators although the IUC rates are governed by the IUC guidelines issued by Telecom Regulatory Authority of India (TRAI). BSNL has raised a demand requiring the Company to pay the interconnect charges at the rates contrary to the regulations issued by TRAI. The Company filed a petition against that demand with the Telecom Disputes Settlement and Appellate Tribunal ('TDSAT') which passed a status quo order, stating that only the admitted amounts based on the regulations would need to be paid by the Company. The final order was also passed in our favour. BSNL has challenged the same in Hon'ble Supreme Court. However, no stay has been granted.

(ii) In another proceeding with respect to Distance Based Carriage Charges, the Hon'ble TDSAT in its order dated May 21, 2010, allowed BSNL appeal praying to recover distance based carriage charges. On filing of appeal by the telecom operators, Hon'ble Supreme Court asked the telecom operators to furnish details of distance-based carriage charges owed by them to BSNL. Further, in a subsequent hearing held on August 30, 2010 Hon'ble Supreme Court sought the quantum of amount in dispute from all the operators as well as BSNL and directed both BSNL and private telecom operators to furnish Call Data Records (CDRs) to TRAI. The CDRs have been furnished to TRAI.

(iii) In another issue with respect to Port Charges, in 2001, TRAI had prescribed slab based rate of port charges payable by private operators which were subsequently reduced in the year 2007 by TRAI. On BSNL's appeal, TDSAT passed it's judgement in favour of BSNL, and held that the pre-2007 rates shall be applicable prospectively from May 29, 2010. The rates were further revised downwards by TRAI in 2012. On BSNL's appeal, TDSAT declined to stay the revised regulation.

Further, the Hon'ble Supreme Court vide its judgement dated December 6, 2013, passed in another matter, held that TRAI is empowered to issue regulations on any matter under Section 11(1)(b) of TRAI Act and the same cannot be challenged before TDSAT. Accordingly, all matters raised before TDSAT, wherein TDSAT had interfered in Appeal and passed judgements, do not have any significance. However, parties can file Writ Petitions before High Court challenging such regulations.

The Company believes that the above said judgement has further strengthened the position of the Company on many issues with respect to regulations which had been in its favour and impugned before TDSAT.

g) Department of Telecommunications ('DoT') demands

i) DoT demands include demands raised for contentious matters relating to computation of license fees and spectrum charges.

ii) DoT demands include alleged short payment of license fee for financial year 2006-07 and 2007-08 due to difference of interpretation of Adjusted Gross Revenue (AGR) between Company and DoT and interest thereon, which the Company has obtained stay from appropriate Hon'ble High Courts and TDSAT. TDSAT has pronounced its judgement on April 23, 2015 thereby setting aside the impugned demands raised by DoT and directed to rework the license fees payable in light of the judgement and to issue fresh demands. Pursuant thereto Union of India (UOI) and the Company (on limited heads of revenue) along with various other operators have filed appeals/ cross appeals before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court of India issued notice in the appeals and has declined to grant any interim relief to UOI. The appeals tagged together came up for hearing on February 29, 2016 and the Supreme Court allowed DoT to raise demands as per its understanding with the condition that the demands raised will not be enforced till the final decision of the Supreme Court. The matter is likely to be listed for hearing after 8 weeks. DoT further had issued LF demand cum show cause notice for financial year 2009-10 dated June 26, 2015 which has been challenged before TDSAT. TDSAT vide an interim order dated August 17, 2015 had directed DoT not to invoke any bank guarantees for realisation of impugned demand amounting to ₹ 12,316 Mn and vide its order dated November 6, 2015, TDSAT has disposed of the matter after recording the statement made by UOI that the demand notice should be construed as an advance notice, which the DoT does not intend to enforce until the appeals against Tribunal's AGR judgement pending before the Hon'ble Supreme Court is finally disposed of.

iii) DoT demands also include the contentious matters in respect of subscriber verification norms and regulations including validity of certain documents allowed as Proof of Address / Identity in certain mobility circles.

iv) DoT demands also include penalty for alleged failure to meet the procedural requirement for submission of EMF radiation self-certification.

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

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

v) Post the Hon'ble Supreme Court Judgement on October 11, 2011 on components of Adjusted Gross Revenue for computation of license fee, based on the legal advice, the Company believes that the realised and unrealised foreign exchange gain should not be included in Adjusted Gross Revenue (AGR) for computation of license fee thereon. Accordingly, the license fee on such foreign exchange gain has not been provided in the financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences', the license fee impact on such exchange differences is not quantifiable and has not been included in the table above. Further, as per the Order dated June 18, 2012 Hon'ble High Court of Kerala, stay has been obtained, wherein the licensee can continue making the payment

Notes to financial statements

as was being done throughout the period of license on telecom activities. Further as stated in point (iii) above, TDSAT has pronounced its judgement on April 23, 2015, wherein it has stated that any gain or loss due to foreign exchange fluctuation does not have any bearing on the license fees and directing DoT to rework and issue fresh demands to the operators. The next date of hearing is fixed for June 28, 2016 at Kerala High Court.

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

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

vii) DoT had issued notices to the Company as well as various other Telecom Service Providers to stop provision of services under 3G Intra Circle Roaming (ICR) arrangements in the service areas where such service providers had not been allocated 3G Spectrum. DoT also levied a financial penalty of ₹ 3,500 Mn. Company contested the notices and upon various rounds of litigations, ultimately, the TDSAT, vide its judgement dated April 29, 2014, held 3G ICR arrangements to be competent and compliant with the licensing conditions and quashed the notice imposing penalty. The DoT has challenged the order of TDSAT in an appeal filed before the Hon'ble Supreme Court, which has been admitted. However, Hon'ble Supreme Court has refused to grant any interim order during the pendency of the appeal. The case is yet to be listed for hearing in the Hon'ble Supreme Court.

viii) The Company has not been able to meet its roll out obligations fully due to certain non-controllable factors like Telecommunication Engineering Center testing, Standing Advisory Committee of Radio Frequency Allocations clearance, non availability of spectrum, etc. The Company has received show cause notices from DoT for 14 of its circles for non-fulfillment of its roll out obligations and these have been replied to. DoT has reviewed and revised the criteria and there has been no further development on this matter since then.

h) Others

Others mainly include disputed demands for consumption tax, disputes before consumer forum and with respect to labour cases and a potential claim for liquidated damages.

i) Bharti Mobinet Limited ('BMNL') Litigation

The Company is in litigation in various proceedings at various stages and in various forums with DSS Enterprises Private Limited (DSS) (which had 0.34 per cent equity interest in erstwhile Bharti Cellular Limited (BCL)) on claims of specific performance in respect of alleged agreements to sell the equity interest of DSS in erstwhile BMNL to the Company. In respect of one of the transactions with respect to purchase of 10.5% share of DSS in Skycell by the Company, Crystal Technologies Private Limited ('Crystal'), an intermediary, initiated arbitration proceedings against the Company demanding ₹ 195 Mn regarding termination of its appointment as a consultant to negotiate with DSS for the sale of DSS stake in erstwhile BMNL to the Company. The Ld. Arbitrator partly allowed the award for a sum of ₹ 31 Mn, 9% interest from period October 3, 2001 till date of award (i.e May 28, 2009) and a further 18% interest from date of award to date of payment. The Company appealed in Hon'ble High Court against the award. The Single Judge while dismissing the appeal reduced the rate of interest from 18% to 12%. The matter was appealed thereafter to Division Bench and finally to Hon'ble Supreme Court wherein the matter has been admitted on the condition that the amount as per Single Judge Order shall be secured in Hon'ble Supreme Court, which has been done. The matter will now come up in due course.

DSS has also filed a suit against a previous shareholder of BMNL and the Company challenging the transfer of shares by that shareholder to the Company. The matter is to be reheard.

DSS has also initiated arbitration proceedings seeking direction for restoration of the cellular license and the entire business associated with it including all assets of BCL/BMNL to DSS or alternatively, an award for damages. An interim stay was granted by the Hon'ble Delhi High Court with respect to the commencement of arbitration proceedings. The stay was made absolute.

DSS Enterprises has preferred an SLP challenging the order dated May 12, 2005 passed by the Hon'ble Delhi High Court in Company Appeal No.30 of 2004. The Company Appeal was dismissed by Hon'ble Delhi High Court on the grounds of non-disclosure of material facts before the Hon'ble High Court. This appeal has been admitted by the Hon'ble Supreme Court and our Counter Affidavit has been filed, matter is to be now listed for hearing in due course.

The liability, if any, of the Company arising out of above litigation cannot be currently estimated. Since the amalgamation of BCL and erstwhile Bharti Infotel Limited (BIL) with the Company, DSS, a minority shareholder in BCL, had been issued 2,722,125 equity shares of ₹ 10 each (5,444,250 equity shares of ₹ 5 each post split) bringing the share of DSS in the Company down to 0.136% as of March 31, 2016.

Notes to financial statements

27. Capital and Other Commitments

Estimated amount of contracts to be executed on capital account and not provided for (net of advances) ₹ 45,115 Mn as of March 31, 2016 (March 31, 2015 - ₹ 274,832 Mn) (including ₹ 10,970 Mn (March 31, 2015 – ₹ 244,040 Mn) towards spectrum (refer note 37(ii)).

28. The Company has undertaken to provide financial support, to its subsidiaries, namely, Bharti Airtel Services Limited, Bharti Telemedia Limited, Airtel M Commerce Services Limited, Bharti Teleports Limited, Nxtra Data Limited, Bharti Airtel (USA) Limited, Bharti Airtel (Hongkong) Limited, Bharti Airtel (Japan) Limited, Bharti Airtel Lanka (Private) Limited, Bharti Airtel Holdings (Singapore) Pte Limited including its subsidiaries and Bharti Airtel International (Netherlands) B.V. including its subsidiaries.

29. Revenue from Operations

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Service Revenue		
- Voice & data revenue	439,691	428,264
- Others*	162,926	126,604
Sale of products	385	96
	603,002	**554,964**

* Others include revenue from VAS services, fixed monthly subscription, Bandwidth services and VSAT etc

30. Other Income

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest income on bank deposits	2,083	867
Interest income on loan given to related parties	732	529
Dividend income from subsidiaries	9,470	13,700
Net gain on sale of investments*	173	34,698
Net foreign exchange gain	587	278
Other non-operating income		
Lease rentals	236	236
Liabilities/provision written back	145	338
Miscellaneous income	1,430	1,284
	14,856	**51,930**

* includes ₹ Nil (March 31, 2015 ₹ 32,741 Mn) towards sales of shares of Bharti Infratel Limited

31. Cost of Goods Sold

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
(Increase)/ Decrease in inventories	(143)	(638)
Purchase of Stock-in-Trade	516	714
	373	**76**

32. Employee Benefit Expenses

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries and wages	16,334	14,578
Contribution to provident and other funds (refer note 40)	652	657
Expenses on employee stock option plan (refer note 50)	564	549
Staff welfare expenses	682	631
Others	461	500
	18,693	**16,915**

Notes to financial statements

33. Power and Fuel, Rent, Charity and Donation and Other expenses

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Power and fuel		
Network	39,930	40,668
Others	457	483
	40,387	**41,151**
Rent		
Network	63,196	58,331
Others	2,217	1,459
	65,413	**59,790**
Charity and donation		
Political contribution$	-	250
Corporate social responsibility#	535	-
Others	40	42
	575	**292**
Other expenses		
Interconnect and port charges	126	124
Insurance		
Network	332	283
Others	4	3
Installation	70	53
Repairs and maintenance		
Plant and machinery	26,165	24,499
Building	166	175
Others - network	678	716
Others - administrative	896	959
Leased line and gateway charges	621	1,060
Internet access and bandwidth charges	4,832	4,300
Advertisement and marketing	7,485	7,022
Sales commission & discount, customer verification and content cost	19,900	17,604
Indirect selling and distribution	3,836	2,844
Sim card utilisation	1,426	783
Legal and professional	2,258	2,451
Rates and taxes	568	2,359
IT and call center outsourcing	9,554	9,649
Travelling and conveyance	1,261	1,168
Bad debts written off	4,391	2,915
Provision for doubtful debts and advances (refer note 53)	1,500	3,103
Provision for diminution in stock/ capital work in progress	1,303	451
Collection and recovery expenses	3,625	3,133
Loss on sale of fixed assets (net)	434	550
Printing and stationery	572	613
Miscellaneous expenses		
Network	1,632	1,488
Sales and marketing*	6,817	4,906
Administrative	2,857	2,555
	103,309	**95,766**

As per the requirements of section 135 of the Companies Act, 2013, the Company was required to spend an amount of ₹ 1,890 Mn (March 31, 2015 ₹ 1,400 Mn) on Corporate Social Responsibility expenditure for the year ended March 31, 2016. During the year ended March 31, 2016, the Company has spent in cash an amount of ₹ 535 Mn (March 31, 2015 ₹ 411 Mn) towards education and sanitation. In the previous year, the Company had accounted expenditure incurred on Corporate Social Responsibility ('CSR') as appropriation to statement of profit and loss. (refer note 6)

* Includes goodwill waivers which are other than trade discount of ₹ 603 Mn (March 31, 2015 ₹ 984 Mn).

$ Paid to Satya Electoral Trust for political purpose.

Notes to financial statements

34. Finance Costs

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest expense	29,048	10,700
Other borrowing cost	1,023	1,033
Loss from swap arrangements (net)	751	625
Net loss on foreign currency borrowings	4,768	1,733
	35,590	**14,091**

35. Depreciation and Amortisation Expense

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Depreciation (refer note 15)	66,355	59,895
Amortisation (refer note 16)	29,076	15,702
	95,431	**75,597**

36. Exceptional Items

Exceptional items comprise of the following :

a. Charge for regulatory fee provisions of ₹ 2,659 Mn (March 31, 2015 ₹ Nil) arising out of re-assessment of certain positions for the year ended March 31, 2016.

b. Charge of ₹ 4,140 Mn (March 31, 2015 ₹ Nil) towards operating costs on network refarming and up-gradation program for the year ended March 31, 2016.

Tax expense includes tax benefit of ₹ 2,243 Mn for the year ended March 31, 2016 (March 31, 2015 ₹ Nil) on above exceptional items.

37. Acquisitions / Additional Investments / New Developments

(i) The Scheme of Arrangements ('Scheme') under sections 391 to 394 of the Companies Act, 1956 with respect to amalgamation of Airtel Broadband Services Private Limited ('ABSPL'), a wholly owned subsidiary of the Company, with the Company, as approved by the Hon'ble High Court of Bombay on April 11, 2014, has been filed by the Company with the Registrar of Companies ('ROC') on April 9, 2015, being the effective and appointed date of the scheme whereby ABSPL shall cease to exist. The Company has accounted amalgamation in the nature of merger under the pooling of interest method. Accordingly, the assets, liabilities and reserves in the books of ABSPL have been recognised by the Company as at the date of the amalgamation at the same carrying values. The difference of ₹ 8,599 Mn between the share capital of ABSPL and the carrying value of investment in the equity shares of ABSPL in the books of the Company has been adjusted with the reserves of the Company. The carrying values of assets, liabilities and reserves in the books of ABSPL acquired pursuant to the scheme is as follows:

(₹ Millions)

Particulars	As of April 09, 2015
Assets	
Non-current assets	64,246
Current assets	591
Total	**64,837**
Equity And Liabilities	
Equity	
Share Capital	56,671
Reserve and surplus	(724)
	55,947
Liabilities	
Non-current liabilities	5,396
Current liabilities	3,494
	8,890
Total	**64,837**

However, DoT vide its letter dated February 2, 2015, has given its approval for taking on record the merger of ABSPL with the Company, subject to certain conditions as stipulated in the letter. One of the conditions of merger requires payment of ₹ 4,361 Mn, equal to the difference between the entry fee for Unified Access Service License and entry fees paid for Internet Service Provider license. The Hon'ble Telecom Disputes Settlement and Appellate Tribunal ('TDSAT') vide its interim order dated February 9, 2015 has allowed the Company to operationalise the spectrum subject to filing an undertaking that in case the petition fails, it shall pay the sum of ₹ 4,361 Mn along with interest as may be determined by the Tribunal within eight weeks

Notes to financial statements

from the date of judgement. The Company has filed an undertaking before TDSAT for the same.

On February 24, 2012, the TDSAT ordered the Company to pay certain dues (including interest and penalties) allegedly owed by one of then existing Company's Indian non-controlling shareholders, Tulip Telecom Limited (Tulip), to the DoT without prejudice to the right of Tulip to contest the claim and provided that any sum ultimately found not to be due (or paid by Tulip) would be refunded by the Department of Telecommunication (DoT), without interest, within four weeks of the date of completion of the assessment of Tulip in respect of assessment years in question. Accordingly, as per the terms and conditions of the TDSAT order dated February 24, 2012, the Company had deposited ₹ 4,104 Mn.

Further as per the agreement dated February 13, 2012 entered between the Companies, Qualcomm Asia Pacific Pte. Limited and Tulip, upon the final determination date being reached, that Tulip is liable to pay the Company an amount equal to the relevant amount determined to be owed by Tulip that is not paid by Tulip and retained by the DoT from the Company's deposit as described in above paragraph (the "Indemnity Amount") in the bank account specified by the Company within 15 days from the final determination date or the date of the payment notice when final determination date has already occurred prior to the payment notice, without any demur or protest and notwithstanding any dispute regarding the same or any portion thereof. The balance amount will be recovered by the Company from DoT as per the above TDSAT order.

Accordingly, based on the TDSAT order and agreements referred herein, the amount deposited with DoT has been considered good and recoverable in these special purpose financial statements.

(ii) During the year ended March 31, 2015, the Company had won the auction for 95.20 MHz spectrum in 15 service areas for an amount of ₹ 244,040 Mn in the auction conducted by the Government of India ('GOI'). The Company has opted for deferred payment option and accordingly, during the year ended March 31, 2016, paid an advance of ₹ 66,496 Mn with the balance amount of ₹ 177,544 Mn payable in 10 equal installments after a moratorium period of two years.

During the year ended March 31, 2016, Government of India issued Letters of Intent for earmarking the spectrum in all the 15 service areas. During the year ended March 31, 2016, the GOI has allotted 91.80 MHz of spectrum to the Company. Accordingly, the Company has recognised deferred payment liability of ₹ 166,574 Mn with respect to these spectrum.

The balance amount of ₹ 10,970 Mn (March 31, 2015 ₹ 244,040 Mn) attributable towards the spectrum not yet allotted to the Company, has been disclosed as part of capital commitments as of March 31, 2016.

(iii) During the year ended March 31, 2016, the Company has issued 4.375% Senior Unsecured USD 1,000 Mn (₹ 63,973 Mn approximately) Notes at the price of 99.304% that are due for repayment in March 2025. The said notes are listed on the Singapore Exchange.

(iv) During the year ended March 31, 2016, the Company has made an additional equity investment of ₹ 110,155 Mn (USD 1,685 Mn) in Bharti Airtel International (Mauritius) Limited.

(v) During the year ended March 31, 2016, the Company has made an additional equity investment of ₹ 1,060 Mn in Airtel M Commerce Services Limited.

(vi) During the year ended March 31, 2016, the Company has made an additional equity investment of ₹ 471 Mn in Bharti Airtel Lanka (Private) Limited by way of conversion of accrued interest on loan into equity.

(vii) During the year ended March 31, 2016, the Company has increased its equity investment in Indo Teleports Limited ("Teleports") formerly known as Bharti Teleports Limited from 49% to 95% for a consideration of ₹ 172 Mn, thereby acquiring control over Teleport.

(viii) During the year ended March 31, 2016, the Company has purchased 100% stake in Augere Wireless Broadband Private Limited. The consummation of the said transaction is subject to the approval from statutory authorities.

(ix) During the year ended March 31, 2016, the Company has entered into a definitive agreement with Videocon Telecommunications Limited (VTL) to acquire rights to use spectrum in the 1800 Mhz band for six circles (viz. Bihar, Haryana, Madhya Pradesh, UP (East), UP (West) and Gujarat). The closing of the said transaction is subject to certain customary regulatory approvals and other closing conditions.

(x) Subsequent to the balance sheet date, the Company has entered into a definitive agreement with Aircel Limited and its subsidiaries Dishnet Wireless Limited and Aircel cellular Limited, to acquire rights to use spectrum in the 2300 Mhz band for eight circles (viz. Tamil Nadu, Bihar, Jammu & Kashmir, West Bengal, Assam, North East, Andhra Pradesh and Odisha). The closing of the transaction is subject to certain customary regulatory approvals and other closing conditions.

Notes to financial statements

38. As of March 31, 2016, Bharti Airtel Employee's Welfare Trust ('the Trust') holds 1,881,958 equity shares (of face value of ₹ 5 each) (March 31, 2015 1,410,642 equity shares) of the Company.

Particulars	As of March 31, 2016	As of March 31, 2015	As of March 31, 2016	As of March 31, 2015
	Number of shares		(₹ Millions)	
Opening Balance	1,410,642	2,374,698	114	342
Purchased during the year	1,500,000	-	514	-
Issued during the year	(1,028,684)	(964,056)	(103)	(228)
Closing Balance	**1,881,958**	**1,410,642**	**525**	**114**

39. Earnings per Share

(₹ Millions, except per share data and as stated otherwise)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Basic and Diluted Earnings per Share :		
Nominal value of equity shares (₹)	5	5
Profit attributable to equity shareholders (A)	75,465	132,005
Weighted average number of equity shares outstanding during the year (Nos. in Mn) (B)	3,997	3,997
Basic / Diluted earnings per Share (₹) (A/B)	18.88	33.02

40. Employee Benefits

a) During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:

i. **Defined Contribution Plans**

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Employer's Contribution to Provident Fund@	646	650
Employer's Contribution to ESI and other Funds	6	7

@ Includes contribution to Defined Contribution Plan for Key Managerial Personnel.

ii. **Defined Benefit Plans and Leave Encashment**

For the year ended March 31, 2016:

(₹ Millions)

Particulars	Gratuity #	Leave Encashment #
Current service cost	247	145
Interest cost	135	61
Net actuarial (gain) / loss	46	(57)
Total *	**428**	**149**
Actual return on plan assets	-	-

Notes to financial statements

For the year ended March 31, 2015:

(₹ Millions)

Particulars	Gratuity #	Leave Encashment #
Current service cost	240	142
Interest cost	127	64
Expected return on plan assets	(6)	-
Net actuarial (gain) / loss	(84)	(133)
Total *	**277**	**73**
Actual return on plan assets	(76)	-

Included in salaries and wages (Refer Note 32)

* Includes charges towards gratuity and leave encashment for Key Managerial Personnel as these are provided on an actuarial basis for the Company as a whole.

b) The assumptions used to determine the obligations are as follows :

For the year ended March 31, 2016:

(₹ Millions)

Particulars	Gratuity	Leave Encashment
Discount rate	8.00%	8.00%
Expected rate of increase in compensation levels	10.00%	10.00%
Expected rate of return on plan assets	N.A.	N.A.
Expected average remaining working lives of employees (years)	24.63	24.63

For the year ended March 31, 2015:

(₹ Millions)

Particulars	Gratuity	Leave Encashment
Discount rate	8.50%	8.50%
Expected rate of increase in compensation levels	10.00%	10.00%
Expected rate of return on plan assets	8.00%	N.A.
Expected average remaining working lives of employees (years)	24.38	24.38

c) Reconciliation of opening and closing balances of obligations and plan assets is as follows:

For the year ended March 31, 2016

(₹ Millions)

Particulars	Gratuity	Leave Encashment
Change in Obligation		
Present value of obligation at beginning of year	1,587	720
Current service cost	247	145
Interest cost	135	61
Benefits paid	(340)	(145)
Acquisitions / transfer in / transfer out	(7)	6
Actuarial (gain) / loss	46	(57)
Present value of obligation at year end	**1,668**	**730**
Change in plan assets :		
Fair value of plan assets at beginning of year	-	-
Expected return on plan assets	-	-
Actuarial gain / (loss)	-	-
Amount received on redemption of plan assets	-	-
Fair value of plan assets at year end	-	-
Net funded status of the plan	**1,668**	**730**
Current Liabilities	**454**	**730**
Non-Current Liabilities	**1,213**	**-**

Notes to financial statements

For the year ended March 31, 2015:

(₹ Millions)

Particulars	Gratuity	Leave Encashment
Change in Obligation		
Present value of obligation at beginning of year	1,586	794
Current service cost	240	142
Interest cost	127	64
Benefits paid	(305)	(133)
Acquisitions/ transfer in/ transfer out	(47)	(14)
Actuarial (gain) / loss	(14)	(133)
Present value of obligation at year end	**1,587**	**720**
Change in plan assets :		
Fair value of plan assets at beginning of year	76	-
Expected return on plan assets	6	-
Actuarial gain / (loss)	70	-
Amount received on redemption of plan assets	(152)	-
Fair value of plan assets at year end	-	-
Net funded status of the plan	**1,587**	**720**
Current Liabilities	**450**	**720**
Non-Current Liabilities	**1,137**	**-**

d) The expected rate of return on plan assets was based on the average long-term rate of return expected to prevail over the next 15 to 20 years on the investments made by LIC. This was based on the historical returns suitably adjusted for movements in long-term government bond interest rates. The discount rate is based on the average yield on government bonds of 20 years.

e) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

f) History of experience adjustment is as follows:

(₹ Millions)

Particulars	Gratuity				
	As of March 31, 2016	**As of March 31, 2015**	**As of March 31, 2014**	**As of March 31, 2013**	**As of March 31, 2012**
Present value of obligation	1,668	1,587	1,586	1,382	1,119
Plan assets	-	-	76	76	76
Surplus / (deficit)	(1,668)	(1,587)	(1,510)	(1,306)	(1,043)
Experience adjustments on plan liabilities- gain/(loss)	(6)	(69)	(28)	(31)	(57)
Experience adjustments on plan assets- gain/(loss)	-	70	(6)	(6)	(6)

(₹ Millions)

Particulars	Leave Encashment				
	As of March 31, 2016	**As of March 31, 2015**	**As of March 31, 2014**	**As of March 31, 2013**	**As of March 31, 2012**
Present value of obligation	730	720	794	744	652
Plan assets	-	-	-	-	-
Surplus / (deficit)	(730)	(720)	(794)	(744)	(652)
Experience adjustments on obligation- gain/(loss)	74	134	98	79	51

Notes to financial statements

g) Movement in other long term employee benefits :

The provision for long term service award provided by the Company as of March 31, 2016 is ₹ 89 Mn (March 31, 2015 ₹ 86 Mn).

41. Investment in Joint Ventures/Jointly Owned Assets

a) Jointly owned assets

The Company has participated in various consortiums towards supply, construction, maintenance and providing long term technical support with regards to following Cable Systems. The details of the same are as follows:

As of March 31, 2016

(₹ Millions except % share)

Cable Project	Total Contribution	Capital Work In Progress	Net block	% Share
SMW-4	3,317	-	1,315	8.20%
EIG - Project	2,657	20	1,817	7.22%
IMEWE- Project	3,063	-	2,007	12.84%

As of March 31, 2015

(₹ Millions except % share)

Cable Project	Total Contribution	Capital Work In Progress	Net block	% Share
SMW-4	3,317	-	1,637	8.27%
EIG - Project	2,677	205	1,805	7.22%
IMEWE- Project	3,063	-	2,206	12.84%

b) Jointly Ventures Entity

i) The Company has a Joint Venture with 9 other overseas mobile operators to form a regional alliance called the Bridge Mobile Alliance, incorporated in Singapore as Bridge Mobile Pte Limited. The principal activity of the venture is creating and developing regional mobile services and managing the Bridge Mobile Alliance Programme. As of March 31, 2016, the Company's investment in Bridge Mobile Pte Limited is USD 800,000, amounting to ₹ 34 Mn in 800,000 ordinary shares of USD 1 each which is equivalent to an ownership interest of 10.00% (March 31, 2015: Investment of USD 800,000 Mn, amounting to ₹ 34 Mn, 800,000 Mn ordinary shares, ownership interest 10.00%)

ii) Firefly Networks Limited is a 50:50 joint venture of the Company and Vodafone West Limited. The principle activity of the venture is site acquisition, installation, operation and maintenance of the infrastructure at the hotspot to enable telecommunication and internet, to offer customer Wi-fi access across the territory. As of March 31, 2016, the Company's investment in Firefly Networks Limited is ₹ 10 Mn in 1,000,000 ordinary shares of ₹ 10 each which is equivalent to an ownership interest of 50% (March 31, 2015: Investment of ₹ 10 Mn, 100,000 ordinary shares, ownership interest 50%).

The following represents the Company's share of assets and liabilities, and income and results of the joint ventures:

(₹ Millions)

Particulars	As of March 31, 2016 (Unaudited)	As of March 31, 2015 (Unaudited)
Balance Sheet		
Current assets	69	47
Non-current assets	5	4
Current liabilities	31	21
Non-current liabilities	5	-
Equity	**38**	**30**

Notes to financial statements

(₹ Millions)

Particulars	For the year ended March 31, 2016 (Unaudited)	For the year ended March 31, 2015 (Unaudited)
Statement of Profit and Loss		
Revenue	69	38
Employee benefit expenses	26	22
Other expenses	30	7
Depreciation	2	1
Profit/ (loss) before tax	10	8
Tax Expense	0	-
Loss for the year	**11**	**8**

42. Loans and advances in the nature of loans along with maximum amount outstanding during the year as per Para A of Schedule V of Securities and Exchange Board of India (Listing obligations and disclosure requirements) Regulations, 2015 are as follows:

(a) Loan and advance in the nature of loan given to Bharti Telemedia Limited at nil interest rate is ₹ 32,289 Mn (March 31, 2015 ₹ 33,395 Mn at nil interest rate).

(b) Loan and advance in the nature of loan given to Bharti Airtel Lanka (Private) Limited at nil interest rate is ₹ Nil (March 31, 2015 ₹ 11,047 Mn (LKR 25,916 Mn) at nil interest rate)

(c) Loan and advance in the nature of loan given to Bharti Airtel International (Netherlands) B.V at LIBOR + 1.25% interest rate is ₹ 34,820 Mn (USD 506 Mn) (March 31, 2015 ₹ 32,047 Mn (USD 506 Mn) at LIBOR + 1.25% interest rate).

(d) Loan and advance in the nature of loan given to Telesonic Networks Limited at SBI base rate is ₹ 220 Mn (March 31, 2015 ₹ 90 Mn at SBI base rate).

(e) Loan and advance in the nature of loan given to Bharti Teleports Limited at SBI base rate +1% interest rate is ₹ 488 Mn (March 31, 2015 ₹ 466 Mn at SBI base rate +1% interest rate).

(f) Loan and advance in the nature of loan given to Bharti International (Singapore) Pte Limited at LIBOR + 1.25% interest rate is ₹ 9,656 Mn (USD 140 Mn) (March 31, 2015 ₹ 8,887 Mn (USD 140 Mn) at LIBOR + 1.25% interest rate).

(g) Loan and advance in the nature of loan given to Nxtra Data Limited at nil interest rate is ₹ 2,480 Mn (March 31, 2015 ₹ 2,000 Mn at nil interest rate).

(h) Loan and advance in the nature of loan given to Bharti Airtel Services Limited at nil interest rate is ₹ 320 Mn (March 31, 2015 ₹ 635 Mn at nil interest rate).

(i) Loan and advance in the nature of loan given to Airtel Broadband Services Private Limited at nil interest rate is ₹ Nil (March 31, 2015 ₹ 5,390 Mn at nil interest rate).

(j) Loan and advance in the nature of loan given to Wynk Limited at nil interest rate is ₹ 40 Mn (March 31, 2015 ₹ Nil at nil interest rate).

(k) Loan and advance in the nature of loan given to Augere Wireless Broadband India Private Limited at 12% interest rate is ₹ 49 Mn (March 31, 2015 ₹ Nil at nil interest rate).

(l) Loan and advance in the nature of loan given to Firefly Networks Limited at 9.8% interest rate is ₹ 5 Mn (March 31, 2015 ₹ Nil at nil interest rate).

(m) Loans and advance in the nature of loan given to Bharti Airtel Employees Welfare Trust at nil interest rate is ₹ 516 Mn (March 31, 2015 ₹ 326 Mn at nil interest rate).

Refer note 47 for outstanding balance at the end of the year for the above entities.

Notes to financial statements

43. Expenditure / Earnings in Foreign Currency (on accrual basis)

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Expenditure		
On account of :		
Interest	3,153	496
Bank charges	137	447
Professional & consultation fees	38	90
Travelling (net of reimbursement)	75	39
Roaming charges (including commission)	1,238	1,330
Membership & subscription	82	56
Staff training & others	3	28
Network services	1,041	464
Annual maintenance	1,840	1,905
Bandwidth charges	1,996	2,644
Access charges	25,308	21,288
Repairs & maintenance	15	13
Marketing	124	150
Content charges	799	1,016
Directors commission and sitting fees	54	59
Income tax	-	147
Total	**35,903**	**30,172**
Earnings		
Service revenue	40,306	36,040
Interest income	675	469
Management charges	887	765
Total	**41,868**	**37,274**

44. CIF Value of Imports

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Capital goods	73,702	37,221
Total	**73,702**	**37,221**

45. Auditors' Remuneration

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
- Audit fee*	78	68
- Reimbursement of expenses*	6	5
- As advisor for taxation matters*	-	-
- Other services*	18	8
Total	**102**	**81**

* Excluding Service Tax

Notes to financial statements

46. Details of dues to micro enterprises and small enterprises as defined under the MSMED Act, 2006

Based on the information available with the Company and the confirmation obtained from the creditors, amounts due to micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is given below:

(₹ Millions)

Sr No	Particulars	March 31, 2016	March 31, 2015
1	The principal amount and the interest due thereon [₹ Nil (March 31, 2015 – ₹ Nil)] remaining unpaid to any supplier as at the end of each accounting year	32	10
2	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

47. Related Party Disclosures

In accordance with the requirements of Accounting Standard (AS) -18 on Related Party Disclosures, the names of the related parties where control exists and/ or with whom transactions have taken place during the year and description of relationships are:

Name of the related party and related party relationship :

(i) Key Management Personnel

Sunil Bharti Mittal
Gopal Vittal

(ii) Other Related Parties

(a) Entities where control exist – Subsidiary/Subsidiaries of subsidiary

Bharti Hexacom Limited

Bharti Airtel Services Limited

Bharti Telemedia Limited

Bharti Airtel (USA) Limited

Bharti Airtel Lanka (Private) Limited

Bharti Airtel (UK) Limited (subsidiary of Bharti Airtel Holdings (Singapore) Pte Ltd)

Bharti Airtel (Canada) Limited (dissolved on December 31, 2015)

Bharti Airtel (Hongkong) Limited

Bharti Infratel Limited (“BIL”)

Bharti Infratel Services Limited (subsidiary of Bharti Infratel Limited) (under process of striking off)

Network i2i Limited

Bharti Airtel Holdings (Singapore) Pte Ltd

Bharti Infratel Lanka (Private) Limited (subsidiary of Bharti Airtel Lanka (Private) Limited) (under process of striking off)

Airtel M Commerce Services Limited

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

Nxtra Data Limited

Bharti Airtel (Japan) Kabushiki Kaisha (subsidiary of Bharti Airtel Holdings (Singapore) Pte Ltd)

Bharti Airtel (France) SAS (subsidiary of Bharti Airtel Holdings (Singapore) Pte Ltd)

Bharti Airtel International (Mauritius) Limited

Bharti International (Singapore) Pte Ltd

Airtel Bangladesh Limited (subsidiary of Bharti Airtel Holdings (Singapore) Pte Ltd) (Under Amalgamation)

Bharti Airtel International (Netherlands) B.V.

Bangladesh Infratel Networks Limited (subsidiary of Airtel Bangladesh Limited) (Under liquidation)

Telesonic Networks Limited

Wynk Limited

Indo Teleports Limited (formely know as Bharti Teleports Limited) (w.e.f. August 27, 2015)

Smartx Service Limited (subsidiary of Bharti Infratel Limited)

Other subsidiaries of Bharti Airtel International (Netherlands) B.V. :

Africa Towers N.V.

Notes to financial statements

Africa Towers Services Limited
Airtel (Ghana) Limited
Airtel (Seychelles) Limited
Airtel (SL) Limited
Airtel Burkina Faso S.A.
Airtel Congo S.A
Airtel DTH Services (SL) Limited (under liquidation)
Airtel DTH Services Congo (DRC) SARL. (Dissolved w.e.f March 2, 2016)
Airtel DTH Services Nigeria Limited (under liquidation)
Airtel Gabon S.A.
Airtel Madagascar S.A.
Airtel Malawi Limited #
Airtel Mobile Commerce (SL) Limited
Airtel Mobile Commerce B.V
Airtel Mobile Commerce Burkina Faso S.A.
Airtel Mobile Commerce (Ghana) Limited
Airtel Mobile Commerce Holdings B.V
Airtel Mobile Commerce Kenya Limited
Airtel Mobile Commerce Limited (Malawi)
Airtel Mobile Commerce Madagascar S.A.
Airtel Mobile Commerce Rwanda Limited
Airtel Mobile Commerce (Seychelles) Limited
Airtel Mobile Commerce (Tanzania) Limited
Airtel Mobile Commerce Tchad SARL
Airtel Mobile Commerce Uganda Limited
Airtel Mobile Commerce Zambia Limited
Airtel Money (RDC) S.A.
Airtel Money Niger S.A.
Airtel Money S.A. (Gabon)
Airtel Networks Kenya Limited
Airtel Networks Limited
Airtel Networks Zambia Plc
Airtel Rwanda Limited
Airtel Tanzania Limited
Airtel Tchad S.A.
Airtel Towers (Ghana) Limited
Airtel Towers (S.L.) Company Limited
Airtel Uganda Limited
Bharti Airtel Africa B.V.
Bharti Airtel Burkina Faso Holdings B.V.
Bharti Airtel Chad Holdings B.V.
Bharti Airtel Congo Holdings B.V.
Bharti Airtel Developers Forum Limited
Bharti Airtel DTH Holdings B.V.
Bharti Airtel Gabon Holdings B.V.
Bharti Airtel Ghana Holdings B.V.
Bharti Airtel Kenya B.V.
Bharti Airtel Kenya Holdings B.V.
Bharti Airtel Madagascar Holdings B.V.
Bharti Airtel Malawi Holdings B.V.
Bharti Airtel Mali Holdings B.V.
Bharti Airtel Niger Holdings B.V.
Bharti Airtel Nigeria B.V.
Bharti Airtel Nigeria Holdings B.V. (under liquidation)
Bharti Airtel Nigeria Holdings II B.V.
Bharti Airtel RDC Holdings B.V.
Bharti Airtel Services B.V.
Bharti Airtel Sierra Leone Holdings B.V.
Bharti Airtel Tanzania B.V.
Bharti Airtel Uganda Holdings B.V.
Bharti Airtel Zambia Holdings B.V.
Burkina Faso Towers S.A. (dissolved w.e.f February 24, 2016)
Celtel (Mauritius) Holdings Limited
Airtel Congo (RDC) S.A (formerly know as Celtel Congo (RDC) S.a.r.l.)
Celtel Niger S.A.
Channel Sea Management Company Mauritius Limited
Congo RDC Towers S.A.
Congo Towers S.A. (under dissolution)
Gabon Towers S.A. (under dissolution)
Indian Ocean Telecom Limited
Kenya Towers Limited (sold on September 23, 2015)
Madagascar Towers S.A.
Malawi Towers Limited
Mobile Commerce Congo S.A.
Montana International
MSI-Celtel Nigeria Limited (under liquidation)
Niger Towers S.A.(dissolved w.e.f. March 17, 2016)
Partnership Investments S.A.R.L.
Société Malgache de Telephonie Cellulaire SA
Tanzania Towers Limited
Tchad Towers S.A.
Towers Support Nigeria Limited (under liquidation)
Uganda Towers Limited (sold on June 1, 2015)
Warid Congo S.A.(Merged with Airtel Congo SA on October 16, 2015, dissolved on November 5, 2015)
Warid Telecom Uganda Limited (under amalgamation)
Zambian Towers Limited (sold on August 31, 2015)
Zap Trust Company Nigeria Limited (under liquidation)
Bharti Airtel Rwanda Holdings Ltd (formerly known as Zebrano (Mauritius) Limited)
Airtel Money Transfer Limited (Incorporated on July 20, July 2015)

Notes to financial statements

(b) Associates / Associate of subsidiary

Tanzania Telecommunications Company Limited (Associate of Bharti Airtel Tanzania B.V.)

Seychelles Cable Systems Company Limited (Associate of Airtel (Seychelles) Limited)

Indo Teleports Limited (formerly known as Bharti Teleports Limited) (uptill August 27, 2015

(c) Joint Ventures /Joint Venture of Subsidiary

Forum I Aviation Limited (Joint Venture of Bharti Airtel Services Limited) (Ceased to be related party w.e.f January 7, 2016)

Indus Towers Limited (Joint Venture of Bharti Infratel Limited)

Bridge Mobile Pte Limited

FireFly Networks Limited

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

Bharti Foundation

Bharti Airtel Employees Welfare Trust

Hike Limited

Mobinteco Limited (Merged with Hike Limited w.e.f December 22, 2015)

Cedar Support Services Limited

(e) Entities having significant influence over the Company

Singapore Telecommunications Limited

Pastel Limited

Bharti Telecom Limited

(f) Group Companies **

Beetel Teletech Limited

Bharti Axa General Insurance Company Limited

Bharti Axa Life Insurance Company Limited

Bharti Realty Holdings Limited

Bharti Realty Limited

Bharti Retail Limited

Ignite World Private Limited (formerly known as BSB Portal Limited)

Hike Messenger Limited (formerly known as BSB Innovation India Limited)

Centum Learning Limited

Fieldfresh Foods Private Limited

Indian Continent Investment Limited

Jersey Airtel Limited

Mehrauli Realty and Consultants Limited

Nile Tech Limited

Y2CF Digital Media Limited

Bharti Enterprises Limited

Atrium Restaurants India Private Limited

Bharti Land Limited

Centrum Work skills India Limited

Augere Wireless Broadband India Private Limited (w.e.f. December 31, 2015)

** Group Companies" though not 'Related Parties' as per the definition under AS 18, have been included by way of a voluntary disclosure, following the best corporate governance practices.

^ Refer note 37 above for details of new operations during the year.

Notes to financial statements

The details of amounts due to or due from the related parties as of March 31, 2016 and March 31, 2015 are as follows:

(₹ Millions)

Sr No	Particulars	As of March 31, 2016	As of March 31, 2015
1	**Subsidiaries**		
	Trade Receivables:	1,301	1,954
	Loans & Advances (including accrued interest, wherever applicable)	66,730	80,783
	Security Deposit/Advances	2,580	2,537
	Trade Payables	(6,010)	(5,720)
	Total	**64,601**	**79,554**
2	**Associate:**		
	Trade Receivables:	-	114
	Loans & Advances (including accrued interest, wherever applicable)	-	466
	Trade Payables	-	-
	Total	-	**580**
3	**Group Companies:**		
	Trade Receivables:	178	96
	Loans & Advances (including accrued interest, wherever applicable)	51	-
	Security Deposit/Advances	894	901
	Trade Payables	(403)	(420)
	Total	**720**	**577**
4	**Joint Venture/ Joint Venture of Subsidiary:**		
	Loans & Advances (including accrued interest, wherever applicable)	5	-
	Security Deposit/Advances	3,631	3,513
	Trade Payables	(8,115)	(7,740)
	Total	**(4,479)**	**(4,227)**
5	**Entity having significant influence over the Company:**		
	Security Deposit/Advances	-	-
	Trade Payables	(120)	(32)
	Total	**(120)**	**(32)**
6	**Entities where key management personnel & their relatives exercise significant influence:**		
	Trade Receivables:	34	61
	Loans & Advances (including accrued interest, wherever applicable)	508	98
	Total	**542**	**159**

Notes to financial statements

The details of related party transactions entered into by the Company, for the years ended March 31, 2016 and March 31, 2015 are as follows:

(₹ Millions)

Sr No	Particulars	As of March 31, 2016	As of March 31, 2015
1	**Subsidiaries**		
	Purchase of fixed assets/ bandwidth*	3,729	5,163
	Sale of fixed assets/ IRU given*	1,026	1,256
	Purchase of Investments/Subscription to share capital	111,858	51,328
	Sale of Investments	3	-
	Rendering of Services*	20,957	17,448
	Receiving of services*	46,759	40,722
	Fund transferred/Expenses incurred on behalf of others	2,351	2,677
	Fund received/Expenses incurred on behalf of the Company	88	257
	Employee related expenses incurred on behalf of others	203	269
	Employee related expenses incurred on behalf of the Company	81	102
	Security deposit given/Advances paid	50	34
	Advance received/Refund of Security deposit given	7	3
	Loans given	14,755	34,699
	Repayment of Loans given	26,503	8,493
	Interest charged by others	6	2
	Interest charged by the Company	707	482
	Dividend Income	9,470	13,700
	Reimbursement of energy expenses	12,456	13,972
	Guarantees and collaterals given on behalf of others (Including Performance guarantees)	799,179	858,157
	Total	**1,050,188**	**1,048,765**
2	**Associate:**		
	Rendering of Services*	4	14
	Fund transferred/Expenses incurred on behalf of others	5	23
	Security deposit given/Advances paid	-	0
	Loans given	14	154
	Repayment of Loans given	14	-
	Interest charged by the Company	21	47
	Guarantees and collaterals given on behalf of others (Including Performance guarantees)	-	1
	Total	**58**	**239**
3	**Group Companies:**		
	Purchase of fixed assets/ bandwidth*	2,390	1,215
	Rendering of Services*	146	174
	Receiving of services*	2,738	2,349
	Fund transferred/Expenses incurred on behalf of others	-	2
	Fund received/Expenses incurred on behalf of the Company	23	711
	Employee related expenses incurred on behalf of others	42	-
	Employee related expenses incurred on behalf of the Company	97	130
	Security deposit given/Advances paid	23	6
	Advance received/Refund of Security deposit given	28	5
	Loans given	40	-
	Interest charged by the Company	2	-
	Dividend Paid	590	912
	Total	**6,119**	**5,504**

Notes to financial statements

(₹ Millions)

Sr No	Particulars	As of March 31, 2016	As of March 31, 2015
4	**Joint Venture/ Joint Venture of Subsidiary:**		
	Purchase of Investments/Subscription to share capital	-	10
	Sale of Investments	-	87
	Rendering of Services*	36	39
	Receiving of services*	36,815	33,374
	Fund transferred/Expenses incurred on behalf of others	-	1
	Fund received/Expenses incurred on behalf of the Company	25	48
	Employee related expenses incurred on behalf of others	14	-
	Security deposit given/Advances paid	117	68
	Advance received/Refund of Security deposit given	-	368
	Loans given	5	-
	Interest charged by the Company	-	-
	Reimbursement of energy expenses	21,988	21,958
	Total	**59,000**	**55,953**
5	**Entity having significant influence over the Company:**		
	Rendering of Services*	1,266	1,374
	Receiving of services*	210	314
	Security deposit given/Advances paid	-	1
	Advance received/Refund of Security deposit given	-	1
	Dividend Paid	5,199	8,022
	Total	**6,675**	**9,712**
6	**Subsidiaries:**		
	Interim Dividend for FY 2014-15	-	6,750
	Final Dividend for FY 2014-15	9,470	-
	Final Dividend for FY 2013-14	-	6,950
	Total	**9,470**	**13,700**
7	**Key Management Personnel:**		
	Dividend Paid	0	0
	Remuneration^		
	Salaries and allowances	234	221
	Performance linked incentive ('PLI')#	94	99
	Perquisites	12	5
	Total	**340**	**325**
8	**Entities where key management personnel & their relatives exercise significant influence:**		
	Rendering of Services*	194	117
	Loans given	514	-
	Repayment of Loans given	104	228
	Dividend Paid	1	7
	Donation	524	411
	Total	**1,337**	**763**

* Inclusive of all applicable taxes

Notes to financial statements

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year

(₹ Millions)

S. No	Particulars	As of March 31, 2016	As of March 31, 2015
1	**Subsidiaries**		
	Trade Receivables		
	Bharti Hexacom Ltd.	184	406
	Airtel Broadband Services Pvt. Ltd.	-	684
	Bharti Airtel International (Netherlands) B.V.	362	132
	Loans & Advances (including accrued interest, wherever applicable)		
	Bharti Telemedia Ltd.	19,206	31,694
	Bharti International (Singapore) Pte Ltd.	9,621	8,949
	Bharti Airtel International (Netherlands) B.V.	34,607	32,189
	Security Deposit/Advances		
	Bharti Airtel (Services) Limited	729	729
	Bharti Infratel Ltd.	1,851	1,808
	Trade Payables		
	Bharti Infratel Ltd.	(2,873)	(2,803)
2	**Joint Venture/ Joint Venture of Subsidiary:**		
	Security Deposit/Advances		
	Indus Towers Limited	3,630	3,513
	Trade Payables		
	Indus Towers Limited	(8,087)	(7,733)

The details of related party transactions entered into by the Company, for the year ended March 31, 2016 and March 31, 2015 are as follows:

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
1	**Subsidiaries**		
	Purchase of fixed assets/ bandwidth		
	Telesonic Networks Limited	3,536	3,483
	Sale of fixed assets/ IRU given		
	Bharti Hexacom Ltd.	650	1,119
	Network i2i Limited	180	24
	Wynk Limited	162	-
	Purchase of Investments/Subscription to share capital *		
	Bharti Airtel Lanka Pvt. Ltd.	471	11,047
	Bharti Airtel International (Mauritius) Ltd.	110,155	39,931
	Sale of Investments		
	Bharti Airtel (Canada) Limited	3	-
	Rendering of Services		
	Bharti Hexacom Ltd.	8,244	9,092
	Bharti Airtel (UK) Ltd.	8,787	3,374
	Receiving of services		
	Bharti Infratel Ltd.	19,426	17,924

Notes to financial statements

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	Fund transferred/Expenses incurred on behalf of others		
	Bharti Hexacom Ltd.	1,347	1,129
	Airtel Broadband Services Pvt. Ltd.*	-	524
	Bharti Telemedia Ltd.	569	583
	Fund received/Expenses incurred on behalf of the Company		
	Bharti Telemedia Ltd.	15	22
	Airtel M Commerce Services Limited	68	132
	Employee related expenses incurred on behalf of others		
	Bharti Hexacom Ltd.	15	37
	Bharti Airtel (Services) Limited	121	104
	Bharti Telemedia Ltd.	17	40
	Airtel M Commerce Services Limited	48	86
	Employee related expenses incurred on behalf of the Company		
	Bharti Hexacom Ltd.	6	25
	Bharti Airtel (Services) Limited	14	40
	Bharti Telemedia Ltd.	9	33
	Airtel M Commerce Services Limited	47	4
	Security deposit given/Advances paid		
	Bharti Infratel Ltd.	50	34
	Advance received/Refund of Security deposit given		
	Bharti Infratel Ltd.	6	3
	Loans given		
	Bharti Telemedia Ltd.	13,592	5,820
	Bharti International (Singapore) Pte Ltd.	-	5,902
	Bharti Airtel International (Netherlands) B.V.	-	21,174
	Repayment of Loans given		
	Bharti Telemedia Ltd.	26,079	7,352
	Interest charged by others		
	Bharti Hexacom Ltd.	6	3
	Interest charged by the Company		
	Bharti International (Singapore) Pte Ltd.	146	119
	Bharti Airtel International (Netherlands) B.V.	528	351
	Dividend Income		
	Bharti Infratel Ltd.	8,840	13,350
	Reimbursement of energy expenses		
	Bharti Infratel Ltd.	12,456	13,972
	Guarantees and collaterals given on behalf of others (Including Performance guarantees)		
	Bharti Airtel International (Netherlands) B.V	780,802	814,413
2	**Group Companies:**		
	Purchase of fixed assets/ bandwidth		
	Beetel Teletech Limited	2,390	1,162

Notes to financial statements

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	Fund received/Expenses incurred on behalf of the Company		
	Bharti Enterprises Limited	17	710
	Employee related expenses incurred on behalf of others		
	Bharti Enterprises Limited	40	-
	Employee related expenses incurred on behalf of the Company		
	Bharti Enterprises Limited	97	127
	Security deposit given/Advances paid		
	Nile Tech Ltd.	22	0
	Advance received/Refund of Security deposit given		
	Bharti Realty Limited	28	0
	Dividend Paid		
	Indian Continent Investment Ltd.	590	912
3	**Joint Venture/ Joint Venture of Subsidiary:**		
	Sale of Investments		
	Bridge Mobile Pte Limited	-	87
	Receiving of services		
	Indus Towers Limited	36,765	33,348
	Fund received/Expenses incurred on behalf of the Company		
	Forum 1 Aviation Ltd	25	48
	Security deposit given/Advances paid		
	Indus Towers Limited	117	68
	Advance received/Refund of Security deposit given		
	Indus Towers Limited	-	368
	Reimbursement of energy expenses		
	Indus Towers Limited	21,988	21,958
4	**Entity where key management personnel & their relatives exercise significant influence:**		
	Donation		
	Bharti Foundation	524	411
5	**Entity having significant influence over the Company:**		
	Dividend Paid		
	Pastel Ltd.	1,313	2,028
	Bharti Telecom Ltd.	3,886	5,994
6	**Key Management Personnel:**		
	Remuneration #	340	325

^ Excludes an amount of 57 Mn (March 31, 2015, ₹ 35 Mn) towards expenses recognised in statement of profit and loss during the year ended March 31, 2016 with respect to stock options granted.

Value of PLI considered above represents incentive at 100% performance level. However, same will be paid on the basis of actual performance parameters in next year.

* Inclusive of all applicable taxes

Notes to financial statements

48. Lease

a) Operating lease - As a lessee

The lease rentals charged during the year for cancellable/non-cancellable leases relating to rent of building premises and cell sites as per the agreements and maximum obligation on long-term non-cancellable operating leases are as follows:

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Lease rentals [excluding lease equalisation reserve - ₹ 1,473 Mn (March 31, 2015 ₹ 2,339 Mn)]	63,941	57,451
Obligations on non cancellable leases :		
Not later than one year	68,645	60,478
Later than one year but not later than five years	215,297	218,622
Later than five years	102,969	111,760
Total	**386,911**	**390,860**

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

Operating Lease – As a Lessor

i) The Company has entered into non–cancellable lease arrangements to provide dark fiber on indefeasible right of use (IRU) basis and certain premises on lease. Due to the nature of the transaction, it is not possible to compute gross carrying amount, depreciation for the year and accumulated depreciation of the asset given on operating lease as of March 31, 2016 and accordingly, disclosures required by AS 19 are not provided.

ii) The future minimum lease payments receivable are:

(₹ Millions)

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

b) Finance Lease – As a Lessee

i) Finance Lease obligation of the Company as lessee as of March 31, 2016 is as follow:-

(₹ Millions)

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

Notes to financial statements

Finance Lease obligation of the Company as lessee as of March 31, 2015 is as follow:-

(₹ Millions)

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

ii) Finance Lease – As a Lessor

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

(₹ Millions)

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

The future minimum lease payments receivable of the Company as of March 31, 2015 is as follows:

(₹ Millions)

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

49. Employee Stock Compensation

(i) Pursuant to the shareholders' resolutions dated February 27, 2001 and September 25, 2001, the Company introduced the "Bharti Tele-Ventures Employees' Stock Option Plan" (hereinafter called "the Old Scheme") under which the Company decided to grant, from time to time, options to the employees of the Company and its subsidiaries. The grant of options to the employees under the Old Scheme is on the basis of their performance and other eligibility criteria.

(ii) On August 31, 2001 and September 28, 2001, the Company issued a total of 1,440,000 (face value ₹ 10 each) equity shares at a price of ₹ 565 per equity share (2,880,000 equity shares post split of one equity share of ₹ 10 each into 2 equity shares of ₹ 5 each) to the Trust. The Company issued bonus shares in the ratio of 10 equity shares for every one equity share held as at September 30, 2001, as a result of which the total number of shares allotted to the trust increased to 15,840,000 (face value ₹ 10 each) equity shares (31,680,000 equity shares post share split of one equity share of ₹ 10 each into 2 equity shares of ₹ 5 each).

(iii) Pursuant to the shareholders' resolution dated September 6, 2005, the Company announced a new Employee Stock Option Scheme (hereinafter called "the New Scheme") under which the maximum quantum of options was determined at 9,367,276 (face value ₹ 10 each) options to be granted to the employees from time to time on the basis of their performance and other eligibility criteria. (18,734,552 equity shares post share split of one equity share of ₹ 10 each into 2 equity shares of ₹ 5 each)

Notes to financial statements

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

Scheme	Plan	Year of issuance of plan	Vesting period (years)	Contractual term (years)	As of March 31, 2016		As of March 31, 2015	
					Share options granted (thousands)	Weighted average exercise price	Share options granted (thousands)	Weighted average exercise price
Equity settled Plans								
Scheme I	2001 Plan *	2002	1 - 4	7	30,893	21.25	30,893	21.25
Scheme I	2004 Plan *	2004	1 - 4	7	4,380	35.00	4,380	35.00
Scheme I	Superpot *	2004	1 - 3	7	143	-	143	-
Scheme I	2006 Plan	2006	1 - 5	7	5,489	5.48	5,489	5.48
Scheme 2005	2005 Plan *	2005	1 - 4	7	11,260	237.06	11,260	237.06
Scheme 2005	2008 Plan & Annual Grant Plan (AGP)	2008	1 - 3	7	8,817	352.13	8,817	352.13
Scheme 2005	Performance Share Plan (PSP) 2009 Plan	2009	3 - 4	7	1,691	5.00	1,691	5.00
Scheme 2005	Special ESOP & Restricted Share Units (RSU) Plan	2010	1 - 5	7	3,615	5.00	3,615	5.00
Scheme 2005	Long Term Incentive (LTI) Plan	2011	1 - 3	7	433	5.00	433	5.00
Scheme 2005	LTI Plan	2012	1 - 3	7	1,649	5.00	1,649	5.00
Scheme 2005	LTI Plan	2015	1 - 3	7	1,576	5.00	-	-
Cash settled Plans								
Performance Unit Plan (PUP) 2013	Performance Unit Plan (PUP) 2013	2013	1 - 3	3	2,283	-	2,283	-
Performance Unit Plan (PUP) 2014	Performance Unit Plan (PUP) 2014	2014	1 - 5	3-5	4,017	-	4,006	-
Performance Unit Plan (PUP) 2015	Performance Unit Plan (PUP) 2015	2015	1 - 3	3	7	-	-	-

* Contractual term has expired

(v) The following table exhibits the net compensation expenses arising from share based payment transaction:

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Expenses arising from equity-settled share-based payment transactions	204	(6)
Expenses arising from Cash-settled share-based payment transactions	360	555
	564	**549**

(vi) The total carrying value of cash settled share based compensation liability is ₹697 Mn and ₹ 658 as of March 31, 2016 and March 31, 2015, respectively.

Notes to financial statements

(vii) The information concerning stock options granted, exercised, forfeited and outstanding at the year-end is as follows:

Particulars	As of March 31, 2016		As of March 31, 2015	
	Number of share options (thousands)	Weighted average exercise price (₹)	Number of share options (thousands)	Weighted average exercise price (₹)
Equity Settled Plans				
Scheme I - 2006 Plan				
Outstanding at beginning of year	390	5.00	539	6.74
Granted	-	-	225	5.00
Exercised	(75)	5.00	(98)	14.38
Forfeited / Expired	(10)	5.00	(276)	5.00
Outstanding at end of year	305	5.00	390	5.00
Exercisable at end of year	30	5.00	65	5.00
Scheme 2005 - 2005 Plan				
Outstanding at beginning of year	-	-	1,008	436.06
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited / Expired	-	-	(1,008)	436.06
Outstanding at end of year	-	-	-	-
Exercisable at end of year	-	-	-	-
Scheme 2005 - 2008 Plan & AGP				
Outstanding at beginning of year	2,534	355.45	3,439	354.54
Granted	-	-	-	-
Exercised	(686)	334.89	(173)	327.20
Forfeited / Expired	(1,209)	342.24	(732)	357.85
Outstanding at end of year	639	402.50	2,534	355.45
Exercisable at end of year	639	402.50	2,534	355.45
Scheme 2005 - PSP 2009 Plan				
Outstanding at beginning of year	83	5.00	242	5.00
Granted	-	-	-	-
Exercised	(22)	5.00	(159)	5.00
Forfeited / Expired	(8)	5.00	-	5.00
Outstanding at end of year	53	5.00	83	5.00
Exercisable at end of year	53	5.00	83	5.00
Scheme 2005 - Special ESOP & RSU Plan				
Outstanding at beginning of year	189	5.00	408	5.00
Granted	-	-	-	-
Exercised	(44)	5.00	(178)	5.00
Forfeited / Expired	(19)	5.00	(41)	5.00
Outstanding at end of year	126	5.00	189	5.00
Exercisable at end of year	126	5.00	189	5.00
Scheme 2005 - LTI Plan (2011, 2012 & 2015)				
Outstanding at beginning of year	523	5.00	1,072	5.00
Granted	1,576	5.00	67	5.00
Exercised	(201)	5.00	(356)	5.00
Forfeited / Expired	(189)	5.00	(260)	5.00
Outstanding at end of year	1,709	5.00	523	5.00
Exercisable at end of year	208	5.00	230	5.00

Notes to financial statements

Particulars	As of March 31, 2016		As of March 31, 2015	
	Number of share options (thousands)	Weighted average exercise price (₹)	Number of share options (thousands)	Weighted average exercise price (₹)
Cash Settled Plan				
PUP 2013				
Outstanding at beginning of year	962	-	1,978	-
Granted	-	-	116	-
Exercised	(381)	-	(589)	-
Forfeited / Expired	(208)	-	(542)	-
Outstanding at end of year	373	-	962	-
Exercisable at end of year	-	-	-	-
PUP 2014				
Number of shares under option:				
Outstanding at beginning of year	3,839	-	-	-
Granted	11	-	4,006	-
Exercised	(441)	-	-	-
Forfeited / Expired	(671)	-	(167)	-
Outstanding at end of year	2,738	-	3,839	-
Exercisable at end of year	-	-	-	-
PUP 2015				
Number of shares under option:				
Outstanding at beginning of year	-	-	-	-
Granted	7	-	-	-
Exercised	-	-	-	-
Forfeited / Expired	-	-	-	-
Outstanding at end of year	7	-	-	-
Exercisable at end of year	-	-	-	-

(viii) The following table summarises information about options exercised and granted during the year and about options outstanding and their remaining contractual life:

March 2016

Plan	Options Outstanding as of March 31, 2016			Options Granted during the year ended March 31, 2016		Options Excercised during the year ended March 31, 2016	
	Options (thousands)	Exercise price	Weighted average remaining contractual life (years)	Options (thousands)	Wtd Avg Fair Value	Options (thousands)	Weighted average share price
Equity settled Plans							
2006 Plan	305	5.00	5.00	-	-	75	350.45
2008 Plan & AGP	639	402.50	0.25	-	-	686	397.45
PSP 2009 Plan	53	5.00	0.69	-	-	22	367.51
Special ESOP & RSU Plan	126	5.00	1.20	-	-	44	319.66
LTI Plan (2011, 2012 & 2015)	1,709	5.00	5.98	1,576	398.32	201	348.28
Cash settled Plans							
PUP 2013	373	-	0.37	-	-	381	417.90
PUP 2014	2,738	-	2.05	11	373.40	441	423.32
PUP 2015	7	-	2.35	7	342.44	-	-

Notes to financial statements

March 2015

Plan	Options Outstanding as of March 31, 2015			Options Granted during the year ended March 31, 2015		Options Excercised during the year ended March 31, 2015	
	Options (thousands)	Exercise price	Weighted average remaining contractual life (years)	Options (thousands)	Wtd Avg Fair Value	Options (thousands)	Weighted average share price
Equity settled Plans							
2006 Plan	390	5.00 to 110.50	5.86	225	361.19	98	371.70
2008 Plan & AGP	2,534	295.00 to 402.50	0.63	-	-	173	383.30
PSP 2009 Plan	83	5.00	1.87	-	-	159	352.26
Special ESOP & RSU Plan	189	5.00	2.26	-	-	178	350.09
LTI Plan (2011 & 2012)	523	5.00	4.27	67	291.63	356	368.36
Cash settled Plans							
PUP 2013	962		1.37	116	378.92	589	354.24
PUP 2014	3,839	-	2.89	4,006	389.59	-	-

(ix) The fair value of the options granted was estimated on the date of grant using the Black- Scholes / Monte Carlo Lattice valuation model with the following assumptions:

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Risk free interest rates	6.86% to 7.83%	7.64% to 8.65%
Expected life	4 to 60 months	11 to 72 months
Volatility	26.63% to 27.45%	27.36% to 30.73%
Dividend yield	0.54% to 0.63%	0.46% to 0.48%
Wtd average share price on measurement date	350.9 to 411.7	373.7 to 393.9
Wtd average exercise price on measurement date	0 to 5	0 to 5

The volatility of the options is based on the historical volatility of the share price since the Company's equity shares became publicly traded.

(x) Bharti Infratel Limited (BIL) has given stock options to certain employees of the Company and the corresponding compensation cost is borne by BIL.

Notes to financial statements

50. Forward Contracts & Derivative Instruments and Unhedged Foreign Currency Exposure

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Company uses derivative financial instruments such as foreign exchange contracts, option contracts and interest rate swaps to manage its exposures to foreign exchange fluctuations and changes in interest rate.

The following table details the status of the Company's exposure:

(₹ Millions)

Sr. No	Particulars	Notional Value (March 31, 2016)	Notional Value (March 31, 2015)
A	**For Loan related exposures ***		
	a) Forwards	1,655	7,023
	b) Options	20,802	19,115
	Total	**22,457**	**26,138**
B	**For Trade related exposures ***		
	a) Forwards	15,537	9,326
	b) Options	13,317	3,818
	c) Interest Rate Swaps	-	-
	Total	**28,854**	**13,144**
C	**Unhedged foreign currency borrowing**	88,560	26,075
D	**Unhedged foreign currency payables**	17,055	33,468
E	**Unhedged foreign currency receivables**	45,742	43,104

* All derivatives are taken for hedging purposes only and trade related exposure includes hedges taken for forecasted receivables.

The Company has accounted for derivatives, which are covered under the Announcement issued by the ICAI, on mark-to-market basis and has recorded reversal of loss ₹ 133 Mn (including reversal of loss of ₹ 125 Mn towards embedded derivatives) for the year ended March 31, 2016 [recorded reversal of loss of ₹ 258 Mn (including reversal of loss of ₹ 196 Mn towards embedded derivatives) for the year ended March 31, 2015].

51. a) The Board of Directors, in its meeting held on April 28, 2015, proposed a final dividend of ₹ 2.22 per equity share of ₹ 5.00 each (44.4% of face value) for financial year 2014-15 which was duly approved by the shareholders of the Company in the Annual General Meeting held on August 21, 2015.

b) During the year ended March 31, 2015, on August 13, 2014, the Board of Directors declared an interim dividend for ₹ 1.63 per equity share of ₹ 5.00 each (32.6% of face value)

c) Net dividend remitted in foreign exchange:

(₹ Millions)

Particulars	During the year ended March 31, 2016	During the year ended March 31, 2015
Number of non-resident shareholders	3	4
Number of equity shares held on which dividend was due (Nos. in Million)	861	862
Amount remitted (₹ in Millions)	1,912	2,958
Amount remitted (USD in Millions)	29	49

d) Dividend of ₹ 1.36 per share (Face value per share ₹ 5) proposed for the financial year 2015-16.

Notes to financial statements

52. Movement in Provision

a) Doubtful Debts/Advances

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Balance at the beginning of the year#	19,569	16,466
Addition- Provision for the year	5,891	6,018
Application- Write off of bad debts (net of recovery)	(4,391)	(2,915)
Balance at the end of the year#	**21,069**	**19,569**

includes provision for doubtful TDS receivable of ₹ 732 Mn (March 31, 2015 ₹ 582 Mn) grouped under Advance tax

b) Subjudice Matters

The Company is involved in various litigations, the outcomes of which are considered probable, and in respect of which the Company has made aggregate provisions of ₹ 75,196 Mn as at March 31, 2016 (March 31, 2015 ₹ 55,205 Mn).

The movement of provision towards subjudice matters disclosed under other non-current assets (refer note 19) and other current liabilities (refer note 13)

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Opening Balance	55,205	42,296
Additions (net)	19,991	12,909
Closing Balance	**75,196**	**55,205**

53. Details of debt covenant w.r.t. the Company's 3G/BWA borrowings:

The loan agreements with respect to 3G/BWA borrowings contains a negative pledge covenant that prevents the Company to create or allow to exit any security interest on any of its assets without prior written consent of the lenders except in certain agreed circumstances. (refer note 4)

54. The Company (M/s J T Mobiles Limited subsequently merged with the Company) was awarded license by DoT to operate cellular services in the state of Punjab in December 1995. On April 18, 1996, the Company obtained the permission from DoT to operate the Punjab license through its wholly owned subsidiary, Evergrowth Telecom Limited (ETL). In December 1996, DoT raised argument that the permission dated April 18, 1996 has not become effective and cancelled the permission to operate, which was subsequently reinstated on March 10, 1998 (the period from April 18, 1996 to March 10, 1998 has been hereinafter referred to as 'blackout period'). On July 15, 1999, license was terminated due to alleged non-payment of license fees, liquidated damages and related penal interest relating to blackout period.

In September 2001, in response to the demand raised by DoT, the Company had paid ₹ 4,856 Mn to DoT under protest subject to resolution of the dispute through arbitration. Consequently, the license was restored and an arbitrator was appointed for settlement of the dispute. Arbitrator awarded an unfavourable order, which was challenged by the Company before Hon'ble Delhi High Court.

On September 14, 2012, Hon'ble Delhi High court passed an order setting aside the award passed by the arbitrator. DoT in the meanwhile has preferred an Appeal, including condonation of delay in filing of appeal, which is presently pending before the Division Bench of the Delhi High Court. The Appeal of DoT on the issue of condonation of delay was allowed on July 16, 2013. However, the Company on October 30, 2013 has filed the writ Petition for recovery of License fee in Delhi High Court, notice issued by HC and listed for hearing on May 12, 2015.

55. Previous year figures have been regrouped / reclassified where necessary to conform to current year's classification.

Consolidated Financial Statements (IGAAP)

For Other Notes 39, 48, 49 and 51 – Refer Pages 240, 258, 259 and 263 respectively.

Independent Auditor's Report

To the Members of Bharti Airtel Limited

Report on the Consolidated IGAAP Financial Statements

We have audited the accompanying consolidated IGAAP financial statements of Bharti Airtel Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (together referred to as "the Group") its associates and joint controlled entities, comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory notes ('the consolidated IGAAP financial statements').

Management's Responsibility for the Consolidated IGAAP Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated IGAAP financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 . The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated IGAAP 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 IGAAP financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated IGAAP financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated IGAAP financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated IGAAP financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated IGAAP financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated IGAAP financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated IGAAP financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated IGAAP financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated IGAAP financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2016, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 27(ii)(f)(vi) to the consolidated IGAAP financial statements which, describes the uncertainties related to the legal outcome of Department of Telecommunications' demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

(a) We / the other auditors whose report we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated IGAAP financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated

Independent Auditor's Report

Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid consolidated IGAAP financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group's companies, its associates and jointly controlled companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India, refer to our separate report in "Annexure 1" to this report;

(g) 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, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated IGAAP financial statements disclose the impact of pending litigations on consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note 45(b) to the consolidated IGAAP financial statements;

ii. Provision has been made in the consolidated IGAAP financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 44 to the consolidated IGAAP financial statements in respect of such items as it relates to the Group, its associates and jointly controlled entities and (b) the Group's share of net profit in respect of its associates;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and jointly controlled companies incorporated in India.

Other Matter

(a) The accompanying consolidated IGAAP financial statements include total assets of ₹ 108,386 Mn as at March 31, 2016, and total revenues and net cash outflows of ₹ 68,016 and ₹ 92 Mn for the year ended on that date before elimination of inter-company transactions between the Group and the jointly controlled entity on consolidation, which has been audited by other auditors, whose financial statements, other financial information and auditor's report has been furnished to us by the management. Our opinion on the consolidated IGAAP financial statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entity and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entity is based solely on the report of such other auditor.

Our opinion on the consolidated IGAAP financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W

per Nilangshu Katriar
Partner
Membership Number: 58814

Place: Gurgaon
Date: April 27, 2016

Independent Auditor's Report

Annexure 1 To The Independent Auditor's Report of Even Date on The Consolidated Financial Statements of Bharti Airtel Limited

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

To the Members of Bharti Airtel Limited

In conjunction with our audit of the consolidated IGAAP financial statements of Bharti Airtel Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of the Company and its subsidiary companies, its associate companies and jointly controlled 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 Holding Company, its subsidiary companies, its associate companies and jointly controlled 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 Holding Company 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. 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 company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be 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 in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

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.

Independent Auditor's Report

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, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, maintained 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, 2016, based on the internal control over financial reporting criteria established by the Holding Company 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 Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company, insofar as it relates to the jointly controlled company which is a company incorporated in India, is based on the corresponding report of the auditors of such jointly controlled company incorporated in India.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W

per Nilangshu Katriar
Partner
Membership Number: 58814

Place: Gurgaon
Date: April 27, 2016

Consolidated Balance Sheet

(₹ Millions)

Particulars	Notes	As of March 31, 2016	As of March 31, 2015
Equity and Liabilities			
Shareholders' Funds			
Share capital	6	19,987	19,987
Reserves and surplus	7	402,989	377,783
Minority Interest		74,465	68,906
Non-current Liabilities			
Long-term borrowings	8	897,745	611,161
Deferred tax liabilities (Net)	9	46,028	25,598
Other long-term liabilities	10	45,340	43,919
Long-term provisions	11	18,598	17,970
Current Liabilities			
Short-term borrowings	12	57,238	88,138
Trade payables	13		
- total outstanding due of micro enterprises and small enterprises		34	72
- total outstanding due of creditors other than micro enterprises and small enterprises		174,683	160,702
Other current liabilities	14	349,766	389,752
Short-term provisions	15	12,565	20,360
Total		**2,099,438**	**1,824,348**
Assets			
Non-current Assets			
Fixed Assets			
Tangible assets	16	732,172	690,512
Intangible assets	17	887,780	552,274
Capital work-in-progress		48,522	49,553
Intangible assets under development	17	9,725	124,595
Non-current investments	18	24,325	27,434
Deferred tax assets (Net)	9	7,643	4,958
Long-term loans and advances	19	109,745	99,262
Other non-current assets	20	71,461	56,616
Current Assets			
Current investments	21	14,851	80,086
Inventories	22	1,691	1,339
Trade receivables	23	58,681	52,072
Cash and bank balances	24	51,388	20,831
Short-term loans and advances	25	65,485	44,535
Other current assets	26	15,969	20,281
Total		**2,099,438**	**1,824,348**

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

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 27, 2016

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

Sunil Bharti Mittal
Chairman

Gopal Vittal
Managing Director
& CEO (India & South Asia)

Rajendra Chopra
Company Secretary

Nilanjan Roy
Global Chief Financial Officer

Consolidated Statement of Profit and Loss

(₹ Millions, except per share data and as stated otherwise)

Particulars	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
Income			
Revenue from operations	28	1,009,373	961,007
Other income	29	11,098	20,958
Total Income		**1,020,471**	**981,965**
Expenses			
Access charges		109,423	112,759
License fee and spectrum charges (revenue share)		95,952	89,060
Cost of goods sold	30	6,291	2,796
Employee benefit expenses	31	51,003	48,570
Power and fuel	32	82,474	84,398
Rent	32	65,899	55,409
Charity and donation	32	1,390	1,422
Other expenses	32	229,906	230,573
Total Expenses		**642,338**	**624,987**
Profit before finance costs, depreciation, amortisation, exceptional items and taxation		378,133	356,978
Finance costs	33	87,018	44,465
Depreciation and amortisation	34	213,674	198,583
Profit before exceptional items and tax		**77,441**	**113,930**
Exceptional items	35	(29,236)	8,532
Profit before tax		**106,677**	**105,398**
Tax Expense (including tax on exceptional items)			
Current tax		50,908	59,488
MAT credit		(17,641)	(7,790)
Deferred tax		19,105	3,169
Profit after tax		**54,305**	**50,531**
Share of loss of associates		-	(53)
Profit attributable to minority interest		9,739	4,270
Profit attributable to equity shareholders		**44,566**	**46,208**
Earnings per share (equity shares of par value ₹ 5 each)	37		
Basic and Diluted (In ₹)		11.15	11.56

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

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 27, 2016

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

Sunil Bharti Mittal
Chairman

Gopal Vittal
Managing Director
& CEO (India & South Asia)

Rajendra Chopra
Company Secretary

Nilanjan Roy
Global Chief Financial Officer

Consolidated Cash Flow Statement

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
A. Cash flows from operating activities:		
Profit before tax	106,677	105,398
Adjustments for:		
Depreciation and amortisation	213,675	198,583
Exceptional items	(38,815)	1,941
Finance income	(8,756)	(12,240)
Finance costs and foreign exchange loss / (gain)	87,020	39,008
Expenses on employee stock option plan	248	(4)
(Profit) / loss on sale of assets (net)	(671)	(964)
Operating cash flows before changes in assets and liabilities	**359,378**	**331,722**
Adjustments for changes in assets and liabilities :		
- Increase in trade receivables	(3,681)	(9,338)
- Increase in other receivables	(3,816)	(8,701)
- Increase in inventories	(872)	(2)
- Increase in trade and other payables	3,830	14,935
- (Decrease) / increase in provisions	(106)	1,071
Cash generated from operations	**354,733**	**329,687**
Income taxes paid	(52,549)	(49,097)
Net cash flows from operating activities	**302,184**	**280,590**
B. Cash flows from investing activities:		
Purchase of tangible assets	(204,228)	(156,539)
Purchase of intangible assets	(81,452)	(65,970)
Proceeds from sale of tangible assets	4,543	3,592
Sale / (purchase) of investments (net)	67,743	(565)
Purchase of non-current investments	(3,218)	(3,078)
Sale of non-current investments	7,642	5,618
Acquisition of subsidiary, net of cash acquired	(135)	(358)
Sale of tower assets	56,821	1,021
Proceeds from sale of interest in joint venture	55	-
Loan given to associate	-	(154)
Net purchase of bank deposits	(5,625)	(8,468)
Interest received	3,772	1,367
Dividend received	118	480
Net cash flows used in investing activities	**(153,964)**	**(223,054)**
C. Cash flows from financing activities:		
Proceeds from borrowings	197,669	349,834
Repayments of borrowings	(328,815)	(433,175)
Net proceeds from short-term borrowings	10,803	6,262
Proceeds from sale and finance lease back of towers	48,120	-
Repayment of finance lease liabilities	(2,593)	-
Proceeds from exercise of share options	569	552
Dividend paid (including tax)	(16,146)	(23,472)
Interest and other finance charges paid	(35,290)	(36,513)
Sale of stake in a subsidiary to minority interest	984	40,412
Acquisition of minority interest	-	(624)
Net cash flows used in financing activities	**(124,699)**	**(96,724)**
Net increase / (decrease) in cash and cash equivalents during the year	**23,521**	**(39,188)**
Effect of exchange rate changes on cash and cash equivalents	1,342	43
Add : Cash and cash equivalents at the beginning of the year	11,975	51,120
Cash and cash equivalents at the end of the year	**36,838**	**11,975**
Cash and cash equivalents comprise:		
Cash and cheques on hand	992	1,356
Balances with bank	15,054	7,769
Deposits with original maturity of three months or less	20,792	2,850
Total cash and cash equivalents	**36,838**	**11,975**

Notes :
1. Figures in brackets indicate cash out flow.
2. The above cash flow statement has been prepared under the indirect method setout in AS-3 'Cash Flow Statements' notified under Section 133 of the Companies Act 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 issued by Ministry of Corporate Affairs.
3. Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

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

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 27, 2016

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

Sunil Bharti Mittal
Chairman

Gopal Vittal
Managing Director
& CEO (India & South Asia)

Rajendra Chopra
Company Secretary

Nilanjan Roy
Global Chief Financial Officer

Notes to consolidated financial statements

1. Corporate Information

Bharti Airtel Limited ("Bharti Airtel" or "the Company" or "the Parent") is domiciled and incorporated in India and its shares are publicly traded on the National Stock Exchange ("NSE") and the Bombay Stock Exchange ("BSE"), India. The Registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

Bharti Airtel together with its subsidiaries is hereinafter referred to as "the Group". The Group is a leading telecommunication service provider in India and also has strong presence in Africa and South Asia. The services provided by the Group are further detailed in Note 5 under segment reporting.

The principal activities of the Group, its joint ventures and associates consist of provision of telecommunication systems and services, tower infrastructure services and direct to home digital TV services. The principal activities of the subsidiaries, joint ventures and associates are disclosed in Note 3.

2. Basis of Preparation

The consolidated financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India ("Indian GAAP"). The consolidated financial statements have been prepared to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs. The said consolidated financial statements have been prepared under the historical cost convention and on an accrual basis of accounting. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

These financial statements are presented in Indian Rupees ('Rupees' or '₹') and all amount are rounded to the nearest million ('Mn'), except as stated otherwise.

3. Principles of Consolidation

I. The consolidated financial statements have been prepared on the following basis:

a. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealised profits. Unrealised losses resulting from intra-group transactions are eliminated unless cost cannot be recovered.

b. The net assets and net income attributable to minority interest are shown separately in the Balance Sheet and Statement of profit and loss respectively. The losses applicable to the minority in excess of the minority interest in the net assets of a subsidiary are adjusted against the majority interest. If such subsidiary subsequently reports profit, all such profits are allocated to the majority interest until the minority share of losses previously absorbed by the majority has been recovered.

c. Gain / Loss arising on acquisition or dilution of equity in a subsidiary company is accounted in 'General Reserve', a component of 'Reserves and Surplus'.

d. The financial statements of Joint Ventures have been combined by applying proportionate consolidation method on a line-by-line basis on items of assets, liabilities, income and expenses after eliminating proportionate share of unrealised profit or losses.

e. The Group's interests in Associates are accounted for using equity method, whereby the share of profit / loss of the associate company (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investment.

Notes to consolidated financial statements

II. The subsidiaries, joint ventures and associates considered in the consolidated financial statement of the group are as under:

A. Details of Subsidiaries:

S. No.	Name of entity	Country of Incorporation	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group	
			As of March 31, 2016 %	As of March 31, 2015 %
1	Airtel Bangladesh Limited (refer note 36(d))	Bangladesh	100	100
2	Airtel M Commerce Services Limited	India	80.10	100
3	Bangladesh Infratel Networks Limited#	Bangladesh	100	100
4	Bharti Airtel (Canada) Limited##	Canada	-	100
5	Bharti Airtel (France) SAS	France	100	100
6	Bharti Airtel (Hongkong) Limited	Hongkong	100	100
7	Bharti Airtel (Japan) Kabushiki Kaisha	Japan	100	100
8	Bharti Airtel Services Limited	India	100	100
9	Bharti Airtel (UK) Limited	United Kingdom	100	100
10	Bharti Airtel (USA) Limited	United States of America	100	100
11	Bharti Airtel Holdings (Singapore) Pte Ltd	Singapore	100	100
12	Bharti Airtel International (Mauritius) Limited	Mauritius	100	100
13	Bharti Airtel International (Netherlands) B.V.	Netherlands	100	100
14	Bharti Airtel Lanka (Private) Limited	Sri Lanka	100	100
15	Bharti Hexacom Limited	India	70	70
16	Indo Teleports Limited (formerly known as Bharti Teleports Limited)@	India	95	-
17	Bharti Infratel Lanka (Private) Limited#	Sri Lanka	100	100
18	Bharti Infratel Limited	India	71.76	71.88
19	Bharti Infratel Services Limited**	India	71.76	71.88
20	Smartx Services Limited (subsidiary w.e.f. September 21, 2015)*	India	71.76	-
21	Bharti International (Singapore) Pte Ltd.	Singapore	100	100
22	Bharti Telemedia Limited	India	95	95
23	Network i2i Limited	Mauritius	100	100
24	Telesonic Networks Limited	India	100	100
25	Airtel Broadband Services Private Limited (merged with Bharti Airtel Limited w.e.f. April 9, 2015)	India	-	100
26	Nxtra Data Limited	India	100	100
27	Wynk Limited	India	100	100
28	Africa Towers N.V.	Netherlands	100	100
29	Africa Towers Services Limited	Kenya	100	100
30	Airtel Ghana Limited^	Ghana	75	75
31	Airtel (Seychelles) Limited	Seychelles	100	100
32	Airtel (SL) Limited	Sierra Leone	100	100
33	Airtel Burkina Faso S.A.	Burkina Faso	100	100
34	Airtel Congo S.A.	Congo Brazzavile	90	90

Notes to consolidated financial statements

S. No.	Name of entity	Country of Incorporation	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group	
			As of March 31, 2016 %	As of March 31, 2015 %
35	Airtel DTH Services (SL) Limited^^	Sierra Leone	100	100
36	Airtel DTH Services Congo (RDC) S.p.r.l.##	Democratic Republic of Congo	-	100
37	Airtel DTH Services Nigeria Limited#	Nigeria	100	100
38	Airtel Gabon S.A.	Gabon	90	90
39	Airtel Madagascar S.A.	Madagascar	100	100
40	Airtel Malawi Limited	Malawi	100	100
41	Airtel Mobile Commerce (SL) Limited	Sierra Leone	100	100
42	Airtel Mobile Commerce B.V.	Netherlands	100	100
43	Airtel Mobile Commerce Burkina Faso S.A.	Burkina Faso	100	100
44	Airtel Mobile Commerce (Ghana) Limited	Ghana	75	100
45	Airtel Mobile Commerce Holdings B.V.	Netherlands	100	100
46	Airtel Mobile Commerce (Kenya) Limited	Kenya	100	100
47	Airtel Mobile Commerce Limited	Malawi	100	100
48	Airtel Mobile Commerce Madagascar S.A.	Madagascar	100	100
49	Airtel Mobile Commerce Rwanda Limited	Rwanda	100	100
50	Airtel Mobile Commerce (Seychelles) Limited	Seychelles	100	100
51	Airtel Mobile Commerce (Tanzania) Limited	Tanzania	100	100
52	Airtel Mobile Commerce Tchad S.a.r.l.	Chad	100	100
53	Airtel Mobile Commerce Uganda Limited	Uganda	100	100
54	Airtel Mobile Commerce Zambia Limited	Zambia	100	100
55	Airtel Money (RDC) S.A.	Democratic Republic of Congo	100	100
56	Airtel Money Niger S.A.	Niger	90	100
57	Airtel Money S.A. (Gabon)	Gabon	100	100
58	Airtel Networks Kenya Limited^	Kenya	100	100
59	Airtel Networks Limited	Nigeria	79.059	79.059
60	Airtel Networks Zambia Plc	Zambia	96.36	96.36
61	Airtel Rwanda Limited	Rwanda	100	100
62	Airtel Tanzania Limited	Tanzania	60	60
63	Airtel Tchad S.A.	Chad	100	100
64	Airtel Towers (Ghana) Limited	Ghana	75	75
65	Airtel Towers (SL) Company Limited	Sierra Leone	100	100
66	Airtel Uganda Limited^	Uganda	100	100
67	Bharti Airtel Africa B.V.	Netherlands	100	100
68	Bharti Airtel Burkina Faso Holdings B.V.	Netherlands	100	100
69	Bharti Airtel Chad Holdings B.V.	Netherlands	100	100
70	Bharti Airtel Congo Holdings B.V.	Netherlands	100	100
71	Bharti Airtel Developers Forum Limited	Zambia	96.36	100
72	Bharti Airtel DTH Holdings B.V.	Netherlands	100	100
73	Bharti Airtel Gabon Holdings B.V.	Netherlands	100	100
74	Bharti Airtel Ghana Holdings B.V.	Netherlands	100	100
75	Bharti Airtel Kenya B.V.	Netherlands	100	100

Notes to consolidated financial statements

S. No.	Name of entity	Country of Incorporation	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group	
			As of March 31, 2016 %	As of March 31, 2015 %
76	Bharti Airtel Kenya Holdings B.V.	Netherlands	100	100
77	Bharti Airtel Madagascar Holdings B.V.	Netherlands	100	100
78	Bharti Airtel Malawi Holdings B.V.	Netherlands	100	100
79	Bharti Airtel Mali Holdings B.V.	Netherlands	100	100
80	Bharti Airtel Niger Holdings B.V.	Netherlands	100	100
81	Bharti Airtel Nigeria B.V.	Netherlands	100	100
82	Bharti Airtel Nigeria Holdings B.V.#	Netherlands	100	100
83	Bharti Airtel Nigeria Holdings II B.V.	Netherlands	100	100
84	Bharti Airtel RDC Holdings B.V.	Netherlands	100	100
85	Bharti Airtel Services B.V.	Netherlands	100	100
86	Bharti Airtel Sierra Leone Holdings B.V.	Netherlands	100	100
87	Bharti Airtel Tanzania B.V.	Netherlands	100	100
88	Bharti Airtel Uganda Holdings B.V.	Netherlands	100	100
89	Bharti Airtel Zambia Holdings B.V.	Netherlands	100	100
90	Burkina Faso Towers S.A.##	Burkina Faso	-	100
91	Celtel (Mauritius) Holdings Limited	Mauritius	100	100
92	Airtel Congo (RDC) S.A. (formerly known as Celtel Congo (RDC) S.a.r.l.)	Democratic Republic of Congo	98.5	98.5
93	Celtel Niger S.A.	Niger	90	90
94	Channel Sea Management Company (Mauritius) Limited	Mauritius	100	100
95	Congo RDC Towers S.A.	Democratic Republic of Congo	100	100
96	Congo Towers S.A.^^	Congo Brazzavile	90	90
97	Gabon Towers S.A.#	Gabon	90	90
98	Indian Ocean Telecom Limited	Jersey	100	100
99	Kenya Towers Limited (refer note 16)	Kenya	-	100
100	Madagascar Towers S.A.	Madagascar	100	100
101	Malawi Towers Limited	Malawi	100	100
102	Mobile Commerce Congo S.A.	Congo Brazzavile	100	100
103	Montana International	Mauritius	100	100
104	MSI-Celtel Nigeria Limited#	Nigeria	100	100
105	Niger Towers S.A.##	Niger	-	90
106	Partnership Investments S.a.r.l.	Democratic Republic of Congo	100	100
107	Société Malgache de Téléphone Cellulaire S.A.	Mauritius	100	100
108	Tanzania Towers Limited	Tanzania	60	60
109	Tchad Towers S.A.	Chad	100	100
110	Towers Support Nigeria Limited#	Nigeria	79.059	79.059
111	Uganda Towers Limited (refer note 16)	Uganda	-	100

Notes to consolidated financial statements

S. No.	Name of entity	Country of Incorporation	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group	
			As of March 31, 2016 %	As of March 31, 2015 %
112	Warid Telecom Uganda Limited (in process of Amalgamation with Airtel Uganda Limited)	Uganda	100	100
113	Warid Congo S.A. (Merged with Airtel Congo S.A. w.e.f. November 9, 2015)	Congo Brazzavile	-	90
114	Zambian Towers Limited (refer note 16)	Zambia	-	96.36
115	Zap Trust Company Nigeria Limited#	Nigeria	100	100
116	Airtel Money Transfer Limited (subsidiary w.e.f. July 20, 2015)	Kenya	100	-
117	Bharti Airtel Rwanda Holdings Limited (formerly known as Zebrano (Mauritius) Limited)	Mauritius	100	100

@ The Group has acquired additional 46% stake in the company and therefore became subsidiary w.e.f. from August 27, 2015.
^ The Group also holds 100% preference shareholding in these companies. The preference shares does not carry any voting rights.
^^ Dissolved subsequent to the balance sheet date on April 1, 2016.
# Under Liquidation.
Dissolved during the year ended March 31, 2016.
Note : Augere Wireless Broadband Private Limited has not been considered as a subsidiary. (refer note 36(e))

B. Details of Joint ventures:

S.no	Name of entity	Country of Incorporation	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group	
			As of March 31, 2016 %	As of March 31, 2015 %
1	Indus Towers Limited *	India	30.14	30.19
2	Bridge Mobile Pte Limited	Singapore	10	10
3	Forum I Aviation Ltd	India	-	16.67
4	FireFly Networks Limited	India	50	50

* Bharti Infratel Limited ("BIL"), in which the Group has 71.76% equity interest (71.88% as of March 31, 2015), owns 100% of Bharti Infratel Services Limited, 100% of Smartx Services Limited and 42% of Indus Towers Limited (100% of Bharti Infratel Services Limited and 42% of Indus Towers Limited as of March 31, 2015).

C. Details of Associates:

S.no	Name of entity	Country of Incorporation	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group	
			As of March 31, 2016 %	As of March 31, 2015 %
1	Indo Teleports Limited (formerly known as Bharti Teleports Limited)@	India	-	49
2	Tanzania Telecommunications Company Limited	Tanzania	35	35
3	Seychelles Cable Systems Company Limited	Seychelles	26	26

@ The Group has acquired additional 46% stake in the company and therefore became subsidiary w.e.f. from August 27, 2015.

Notes to consolidated financial statements

4. Summary of Significant Accounting Policies

4.1. Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires management to make judgement, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

4.2. Tangible Assets

Tangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects, if the recognition criteria are met. When significant parts of tangible assets are required to be replaced in intervals, the Group recognises such parts as separate component of assets with specific useful lives and provides depreciation over their useful life. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. Capital work in progress is valued at cost.

Where assets are installed on the premises of customers (commonly called Customer premise equipment –"CPE"), such assets continue to be treated as tangible assets as the associated risks and rewards remain with the Group and management is confident of exercising control over them.

The group also enters in to multiple element contracts whereby the vendors supply plant and equipments and IT related services. These are recorded on the basis of relative fair values.

Certain assets are considered to be held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. Such assets are stated at the lower of book value and net realisable value.

Gains and losses arising from retirement or disposal of the tangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in statement of profit and loss on the date of retirement or disposal.

Assets are depreciated to the residual values on a straight-line basis over the useful lives of respective assets as estimated by the management. The depreciation period and the depreciation method for a tangible asset are reviewed at least at each financial year end. Changes in the expected useful life is accounted for as changes in accounting estimates and accounted prospectively over the remaining useful life. Changes in the expected pattern of consumption of future economic benefits embodied in the asset is accounted for as change in the depreciation method and accounted retrospectively, thus, depreciation is recalculated in accordance with the new method from the date of the asset coming into use and any excess or deficit on such re-computation is accounted in the statement of profit and loss when such change is effected. Freehold Land is not depreciated.

Estimated useful lives of the assets are as follows:

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

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.

4.3. Intangible Assets

Identifiable 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 reliably measured. Intangible assets under development is valued at cost.

At initial recognition, the separately acquired intangible assets are recognised at cost. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Amortisation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each financial year end. Changes in the expected pattern of consumption of future economic benefits embodied in the asset is accounted for as change in the amortisation method, and accounted retrospectively, thus, amortisation is recalculated in accordance with the new method from the date of the asset coming into

Notes to consolidated financial statements

use and any excess or deficit on such re-computation is accounted in the statement of profit and loss when such change is effected.

Gains and losses arising from retirement or disposal of the intangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in statement of profit and loss on the date of retirement or disposal.

(i) Goodwill

Goodwill represents the excess of purchase consideration over net asset value of acquired subsidiaries and joint ventures on the date of such acquisition.Goodwill is carried at cost less accumulated amortisation and impairment, if any and is amortised on a straight-line basis over the period of 15 years from the date of acquisition.

(ii) Software

Software is capitalised at the amounts paid to acquire the respective license for use and is amortised over the period of license, generally not exceeding three years. Software up to Rupees five hundred thousand, which has an independent use, is amortised over a period of one year from the date of place in service.

(iii) Licenses and spectrum

Acquired licenses and spectrum are initially recognised at cost. Subsequently, they are measured at cost less accumulated amortisation and accumulated impairment loss, if any. Amortisation is recognised in the statement of profit and loss on a straight-line basis over the unexpired period of the license / spectrum commencing from the date when the related network is available for intended use in the respective jurisdiction. The amortisation period related to licenses / spectrum acquired in an amalgamation is determined primarily by reference to their unexpired period. The useful lives of licenses/ spectrum ranges from two years to twenty five years.

The revenue-share fee on licenses and spectrum is computed as per the licensing agreement and is expensed as incurred.

(iv) Bandwidth

Payment for bandwidth capacities are classified as pre-payments in service arrangements or under certain conditions as an acquisition of a right. In the latter case it is accounted for as intangible assets and the cost is amortised over a period of fifteen years to eighteen years, depending on the period of the specific agreement.

(v) Other acquired intangible assets

Rights acquired for unlimited license access to various applications and Brand are recognised as other acquired intangibles.

Rights acquired for unlimited license access are capitalised at the amounts paid and amortised on a straight-line basis over the period of the agreements.

Brands amotised over the period of their expected benefits, not exceeding the life of the licenses and are written off in their entirety when no longer in use.

4.4. Leases

(i) Group as a lessee

Leases where the lessor effectively retains substantially all the risks and rewards incidental to ownership of the leased item, are classified as operating leases. Lease rentals with respect to assets taken on 'Operating Lease' are charged to the statement of profit and loss on a straight-line basis over the lease term.

Leases which effectively transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item are classified as finance lease. These are capitalised at the commencement of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit or loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

Leased assets are depreciated on straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated on straight-line basis over the shorter of the estimated useful life of the asset or the lease term. Operating lease payments are recognised as an expense on a straight-line basis over the lease term

Contingent rents are recognised as expense in the period in which they are incurred.

(ii) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Lease income in respect of 'Operating Lease' is recognised in the statement of profit and loss on a straight-line basis over the lease term. Assets subject to operating leases are included in fixed assets. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases in which the Group transfer substantially all the risks and rewards incidental to ownership of the asset are classified as finance leases.

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

Notes to consolidated financial statements

Initial direct costs are accounted over the lease term.

Lease rentals under operating leases are recognised as income on a straight-line basis over the lease term.

Contingent rents are recognised as income in the period in which they are earned.

(iii) Indefeasible right to use ('IRU')

As a part of operations, the Group enters into agreement for leasing assets under "Indefeasible right to use" with third parties. Under the arrangement the assets are given on lease over the substantial part of the asset life. However, the title to the assets and significant risk associated with the operation and maintenance of these assets remain with the lessor. Hence, such arrangements are recognised as operating lease.

The contracted price is received in advance and is recognised as revenue during the tenure of the agreement. Unearned IRU revenue net of the amount recognisable within one year is disclosed as deferred revenue in other long term liabilities and the amount recognisable within one year is disclosed as deferred revenue in other current liabilities.

(iv) Sale and leaseback transactions

Sale and leaseback transaction involves the sale of an asset and the leasing back of the same asset.

If a sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount is not immediately recognised as income, instead, the asset leased back is retained at its carrying value and the amount received towards the leased back portion is recorded as a finance lease obligation.

If a sale and leaseback transaction results in an operating lease, and transaction is established at fair value, any profit or loss shall be recognised immediately.

4.5. Borrowing Cost

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur.

4.6. Impairment of Assets

The carrying amounts of assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or when annual impairment testing for an asset is required. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Fair value less costs to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Impairment losses, if any, are recognised in the statement of profit and loss as a component of depreciation and amortisation expense.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

4.7. Asset Retirement Obligations (ARO)

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Group has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs are added to or deducted from the cost of the asset and depreciated prospectively over the remaining useful life.

4.8. Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current Investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are valued at cost. Provision is made for diminution in value to recognise a decline, if any, other than that of temporary nature.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

4.9. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank, cash on hand cheques on hand, call deposits, and other short term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Notes to consolidated financial statements

4.10. Inventory

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a First in First out ('FIFO') basis. Inventory costs include purchase price, freight inwards and transit insurance charges. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The Group provides for obsolete and slow-moving inventory based on management estimates of the usability of inventory.

4.11. Revenue Recognition and Receivables

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the consideration received/receivable net off discounts, process waivers, and value added tax ('VAT'), service tax or duty. The Group assesses its revenue arrangements against specific criteria, i.e., whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent.

(i) Service revenues

Service revenues include amounts invoiced for usage charges, fixed monthly subscription charges and very small aperture terminal ('VSAT') / internet usage charges, bandwidth services, roaming charges, activation fees, processing fees and fees for value added services ('VAS'). Service revenues also include revenues associated with access and interconnection for usage of the telephone network of other operators for local, domestic long distance and international calls and data messaging services

Service revenues are recognised as the services are rendered and are stated net of discounts, process waivers and taxes. Revenues from pre-paid customers are recognised based on actual usage. Processing fees on recharge coupons is recognised over the estimated customer relationship period or coupon validity period, whichever is lower. Activation revenue and related activation costs, not exceeding the activation revenue, are deferred and amortised over the estimated customer relationship period. The excess of activation costs over activation revenue, if any, are expensed as incurred. Billings in excess of revenue recognised is treated as unearned and reported as deferred revenue in the balance sheet.

Service revenues from the internet and VSAT business comprise revenues from registration, installation and provision of internet and VSAT services. Registration fee and installation charges are deferred and amortised over the period of agreement with customer. Service revenue is recognised from the date of satisfactory installation of equipment and software at the customer site and provisioning of internet and VSAT services.

Revenues from national and international long distance operations comprise revenue from provision of voice services which are recognised on provision of services while revenue from provision of bandwidth services (including installation) is recognised over the period of arrangement.

Unbilled revenue represent revenues recognised from last bill cycle date to the end of reporting period. These are billed in subsequent periods based on the terms of the billing plans / contractual arrangements.

(ii) Equipment sales

Equipment sales consist primarily of revenues from sale of telecommunication equipment and related accessories. Revenue from equipment sales which does not have value to the customer on standalone basis, forming part of multiple-element revenue arrangements are deferred and recognised over the customer relationship period. Revenue from other equipment sales transactions are recognised when the significant risks and rewards of ownership are transferred to the buyer and when no significant uncertainity exists regarding realisation of consideration. Installation charges are recognised as revenue on satisfactory completion of installation.

(iii) Capacity swaps

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

(iv) Multiple element arrangement

The Group has entered into certain multiple element revenue arrangements. These arrangements involve the delivery or performance of multiple products, services or rights to use assets including VSAT and internet equipment, internet and VSAT services, set top boxes and subscription fees on DTH, indefeasible right to use and hardware and equipment maintenance. The Group evaluates all deliverables in an arrangement to determine whether they represent separately identifiable components at the inception of the arrangement. The evaluation is done based on the criteria as to whether the deliverables in the arrangement have value to the customer on a standalone basis.

Total consideration related to the multiple element arrangements is allocated among the different components based on their relative fair values (i.e., ratio of the fair value of each element to the aggregated fair value of the bundled deliverables). In case the relative fair value of different components cannot be determined on a reasonable basis, the total consideration is allocated to the different components on a residual value method.

(v) Investing and other activities

Income on account of interest and other activities are recognised on an accrual basis.

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(vi) Dividend Income

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

(vii) Provision for doubtful debts

The Group provides for amounts outstanding for more than 90 days from the date of billing, in case of active subscribers, roaming receivables, receivables for data services and for entire outstanding from deactivated customers net off security deposits or in specific cases where the management is of the view that the amounts from certain customers are not recoverable.

For receivables due from the other operators on account of their National Long Distance (NLD) and International Long Distance (ILD) traffic for voice and Interconnect Usage charges (IUC), the Group provides for amounts outstanding for more than 120 days from the date of billing, net of any amounts payable to the operators or in specific cases where the management is of the view that the amounts from these operators are not recoverable.

(viii) Unbilled Revenue

Unbilled revenue represent revenue recognised from last bill cycle date to the end of the reporting period. These are billed in subsequent periods based on the terms on the billing plans / contractual arrangements.

4.12. License Fees – Revenue Share

The revenue-share fee on license and spectrum is computed as per the licensing agreement at the prescribed rate and is expensed as incurred.

4.13. Foreign currency translation, accounting for forward contracts and derivatives

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are translated using exchange rates prevailing at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are translated using the exchange rates at the date when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on restatement of the Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Forward Exchange Contracts covered under AS 11, *'The Effects of Changes in Foreign Exchange Rates'*

Exchange differences on forward exchange contracts and plain vanilla currency options for establishing the amount of reporting currency and not intended for trading & speculation purposes, are recognised in the statement of profit and loss in the year in which the exchange rate changes. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognised as income or expense for the year.

Exchange difference on forward contracts which are taken to establish the amount other than the reporting currency, arising due to the difference between forward rate available at the reporting date for the remaining maturity period and the contracted forward rate (or the forward rate last used to measure a gain or loss on the contract for an earlier period) are recognised in the statement of profit and loss for the year.

Other Derivative Instruments, not in the nature of AS 11, *'The Effects of Changes in Foreign Exchange Rates'*

The Group enters into various foreign currency option contracts and interest rate swap contracts that are not in the nature of forward contracts designated under AS 11 as such and contracts that are not entered to establish the amount of the reporting currency required or available at the settlement date of a transaction; to hedge its risks with respect to foreign currency fluctuations and interest rate exposure arising out of foreign currency loan. In accordance with the ICAI announcement, at every year end, all outstanding derivative contracts are fair valued on a mark-to-market basis and any loss on valuation is recognised in the statement of profit and loss, on each contract basis. Any gain on mark-to-market valuation on respective contracts is not recognised by the Group, keeping in view the principle of prudence as enunciated in AS 1, 'Disclosure of Accounting Policies'. Any reduction in fair values and any reversals of such reductions are included in statement of profit and loss for the year.

Embedded Derivative Instruments

The Group occasionally enters into contracts, that do not in their entirety meet the definition of a derivative instrument, that may contain "embedded" derivative instruments – implicit or explicit terms that affect some or all of the cash flow or the value of other exchanges required by the contract in a manner similar to a derivative instrument. The Group assesses whether the economic characteristics and risks of the embedded derivative are clearly and closely related to the economic characteristics and risks of the remaining component of the host contract and whether a separate, non-embedded instrument with the same terms as the embedded instrument would meet the definition of a derivative instrument. When it is determined that

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(1) the embedded derivative possesses economic characteristics and risks that are not clearly and closely related to the economic characteristics and risks of the host contract and (2) a separate, stand-alone instrument with the same terms would qualify as a derivative instrument, the embedded derivative is separated from the host contract, carried at fair value as a trading or non-hedging derivative instrument. At every year end, all outstanding embedded derivative instruments are fair valued on mark-to-market basis and any loss on valuation is recognised in the statement of profit and loss for the year. Any reduction in mark-to-market valuations and reversals of such reductions are included in statement of profit and loss for the year.

Translation of Integral and Non-Integral Foreign Operation

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Group itself.

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary are translated at the closing rate; income and expense items are translated at average exchange rates prevailing during the year; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

4.14. Employee Benefits

The Group's post employment benefits include defined benefit plan and defined contribution plans. The Group also provides other benefits in the form of other long-term employee benefits.

Under the defined benefit retirement plan, the Group provides retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to eligible employees at retirement or termination of employment based on respective employee salary and years of experience with the Group.

For defined benefit retirement plans, the difference between the fair value of the plan assets and the present value of the plan liabilities is recognised as an asset or liability in the balance sheet. Scheme liabilities are calculated using the projected unit credit method and applying the principal actuarial assumptions as at the date of balance sheet. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies.

All expenses in respect of defined benefit plans, including actuarial gains and losses, are recognised in the statement of profit and loss as incurred.

The Group's contributions to defined contribution plans are recognised in statement of profit and loss when the employee renders the related services. The Group has no further obligations under these plans beyond its periodic contributions.

The distinction between short-term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits.

The employees of the Group are entitled to compensated absences based on the unavailed leave balance as well as other long term benefits. The Group records liability based on actuarial valuation computed under projected unit credit method. The Group presents the liability for compensated absences as a current liability in the balance sheet as it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

4.15. Share Based Compensation

The Group issues equity-settled and cash-settled share-based options to certain employees. These are measured at fair value on the date of grant.

The fair value determined on the grant date of the equity settled share based options is expensed over the vesting period, based on the Group's estimate of the options that will eventually vest.

The fair value determined on the grant date of the cash settled share based options is expensed over the vesting period, based on the Group's estimates of the options that will eventually vest. At the end of the each reporting date, until the liability is settled, and at the date of settlement, liability is re-measured at fair value, with any changes in fair value pertaining to the vesting period till the reporting date is recognised immediately in profit and loss.

Fair value is measured using Lattice-based option valuation model, Black-Scholes and Monte Carlo Simulation framework and is recognised as an expense, together with a corresponding increase in equity / liability, as appropriate, over the period in which the options vest using the graded vesting method. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations. The expected volatility and forfeiture assumptions are based on historical information.

Where the terms of a share-based compensation are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it is vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the

Notes to consolidated financial statements

cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

4.16. Taxes

(i) Current Income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity. The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations, where the Group has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situations where the Group is entitled to a tax holiday under the tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer reasonably certain or virtual certain, as the case may be, that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be realised.

At each reporting date, unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably or virtually certain, as the case may be, that future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) MAT credit

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset, if there is convincing evidence that individual entities in the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the entities in the Group.

4.17. Segment Reporting

(i) Primary Segment

Primary business segments in which group operates are Mobile Services (India, South Asia and Africa), Telemedia Services, Digital TV Services, Airtel Business and Tower Infrastructure Services.

(ii) Secondary Segment

The Group has operations serving customers in India, Africa and in other countries located outside India. The operations in India and Africa constitute the major part. Therefore classified as reportable segment, the remaining portion being attributable to others.

4.18. Earnings per Share

The earnings considered in ascertaining the Group's Earnings per Share ('EPS') comprise the net profit after tax attributable to equity shareholders. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares). The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares.

4.19. Provisions and Contingencies

Provisions are recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Notes to consolidated financial statements

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

4.20. Multiple Element Contracts with Vendors

The Group enters into multiple element contracts with vendors for supply of goods and rendering of services. The consideration paid is / may be determined independent of the value of supplies received and services availed. Accordingly, the supplies and services are accounted for based on their relative fair values to the overall consideration. The supplies with finite life under such contracts are accounted as Tangible assets or as Intangible assets in view of the substance of these contracts and existence of economic ownership in these assets.

4.21. Expenditure Incurred on Corporate Social Responsibility ("CSR")

In accordance with the guidance note issued by ICAI on May 15, 2015, 'Accounting for Expenditure on Corporate Social Responsibility Activities' the amount of expenditure incurred on Corporate Social Responsibility is recognised as an expense in the statement of profit and loss.

4.22. 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.

5. Information about Business Segments - Primary

Segment Definitions:

The Group's businesses are organised and managed separately according to the nature of products and services provided and geographies in which services are provided, with each segment representing a strategic business unit that offers different products and serves different markets. 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 and Mobile commerce services.

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

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 continent. This also includes corporate headquarter costs of the Group's Africa operations.

Telemedia Services: These services cover voice and data communications based on fixed network and broadband technology.

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

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.

Others: These include administrative and support services provided to other segments.

Unallocated: Unallocated includes other income, profits / (losses), assets and liabilities (including inter-segment assets and liabilities) of corporate headquarters of the Group and other activities not allocated to the primary business segments. These also include current tax (net of provisions of tax), deferred tax assets / liabilities, MAT credit and borrowings not allocated to the primary business segments.

Notes to consolidated financial statements

Summary of the Segmental Information for the year ended and as of March 31, 2016

(₹ Millions)

Particulars	Mobile Services India	Mobile Services South Asia	Mobile Services Africa	Telemedia Services	Airtel Business	Digital TV Services	Tower Infrastructure Services	Others	Unallocated	Eliminations	Consolidated
Revenue from external customers	542,274	15,866	245,774	44,420	62,625	29,119	69,295	-	-	-	1,009,373
Inter segment revenue	18,605	588	5,558	3,217	15,530	59	53,789	3,038	-	(100,384)	-
Total revenues	**560,879**	**16,454**	**251,332**	**47,637**	**78,155**	**29,178**	**123,084**	**3,038**	**-**	**(100,384)**	**1,009,373**
Segment result	127,241	(6,677)	(21,133)	12,464	11,912	1,840	32,981	(27)	(2,588)	(310)	155,703
Finance costs (Income)*											78,262
Exceptional items#											(29,236)
Profit before tax											**106,677**
Provision for Tax											
- Current Tax (including MAT Credit)											33,267
- Deferred Tax (Credit)/ Charge											19,105
Net Profit / (Loss) after tax											**54,305**
Other segment items											
Period capital expenditure	(372,418)	(3,465)	(57,729)	(11,862)	(10,550)	(11,067)	(22,102)	-	(932)	11,144	(478,981)
Depreciation and amortisation	(91,543)	(5,876)	(73,900)	(9,313)	(7,478)	(8,137)	(22,693)	-	0	5,266	(213,674)
As of March 31, 2016											
Segment assets	1,576,483	38,787	559,602	208,873	249,317	22,748	264,147	1,037	301,403	(1,122,959)	2,099,438
Segment liabilities**	714,837	31,220	230,427	144,179	159,191	46,975	56,077	1,220	1,347,579	(1,129,708)	1,601,997

* Segment result excludes finance income of ₹ 8,756 Mn, which is netted off from finance costs for the purpose of segment reporting

'Exceptional items' shown separately relates to gain on account of divestment of telecom towers in Africa, regulatory fee provisions, amendment of tenure and in various terms of the related long-term contract, expenses on restructuring activities in a few countries, operating costs on network refarming and up-gradation program and on account of disputed receivables / expired claims

Notes to consolidated financial statements

Summary of the Segmental Information for the year ended and as of March 31, 2015

(₹ Millions)

Particulars	Mobile Services India	Mobile Services South Asia	Mobile Services Africa	Telemedia Services	Airtel Business	Digital TV Services	Tower Infrastructure Services	Others	Unallocated	Eliminations	Consolidated
Revenue from external customers	500,770	15,379	264,128	40,550	52,722	24,699	62,759	-	-	-	961,007
Inter segment revenue	19,023	380	4,942	3,775	14,701	60	53,924	2,910	-	(99,715)	-
Total revenues	**519,793**	**15,759**	**269,070**	**44,325**	**67,423**	**24,759**	**116,683**	**2,910**	**-**	**(99,715)**	**961,007**
Segment result	124,243	(6,652)	(12,265)	8,827	7,632	(1,576)	30,977	30	(6,498)	1,438	146,156
Finance costs (Income)*											32,226
Exceptional items#											8,532
Profit before tax											**105,398**
Provision for Tax											
- Current Tax (including MAT Credit)											51,698
- Deferred Tax (Credit)/ Charge											3,169
Net Profit / (Loss) after tax											**50,531**
Other segment items											
Period capital expenditure	(285,644)	(3,353)	(81,486)	(7,786)	(6,409)	(7,912)	(20,830)	-	(950)	7,110	(407,260)
Depreciation and amortisation	(70,752)	(6,207)	(80,239)	(9,222)	(6,645)	(8,338)	(21,847)	(6)	0	4,673	(198,583)
As of March 31, 2015											
Segment assets	1,336,227	40,087	553,868	138,498	198,047	19,102	266,507	797	335,256	(1,064,041)	1,824,348
Segment liabilities**	524,010	28,815	207,330	83,747	119,037	54,646	62,692	1,136	1,352,711	(1,076,452)	1,357,672

* Segment result excludes finance income of ₹ 12,239 Mn, which is netted off from finance costs for the purpose of segment reporting

'Exceptional items' shown separately comprises of one time translation impact of certain foreign currency liabilities in Nigeria, costs relating to post-acquisition integration activities, other costs attributable to restructuring activities, income due to premature termination of an agreement by a telecom operator, income on account of divestment of telecom towers in one of the countries in Africa and charges on account of settlement of various disputes.

** Unallocated liabilities includes Borrowings include amount borrowed for the acquisition of 3G and BWA Licenses (including spectrum) ₹ 8,907 Mn and ₹ 45,153 Mn and for funding the acquisition of Africa operations and other borrowings of Africa operations ₹ 442,204 Mn and ₹ 554,776 Mn as of March 31, 2016 and March 31, 2015, respectively.

Notes:

1. The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.
2. Segment results represent profit/(loss) before finance costs (net of finance income), exceptional items and tax.
3. Capital expenditure represents gross additions, capital work-in-progress and capital advance given for acquiring tangible and intangible assets during the year.
4. Inter segment revenue is accounted for on terms established by the management on arm's length basis. These transactions have been eliminated at the Group level.

Notes to consolidated financial statements

Geographical Segment – Secondary

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

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Revenue from External customers		
India	729,746	666,893
Africa	245,774	264,128
Rest of the World	33,853	29,986
Total	**1,009,373**	**961,007**
Total Assets		
India	1,361,789	1,107,305
Africa	558,905	553,385
Rest of the World	178,744	163,658
Total	**2,099,438**	**1,824,348**
Capex		
India	417,358	322,226
Africa	57,738	81,226
Rest of the World	3,885	3,808
Total	**478,981**	**407,260**

6. Share Capital

(₹ Millions)

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

Note: 21,474,527 Equity shares of ₹ 10 each were alloted as fully paid-up shares upon the conversion of Foreign Currency Convertible Bonds (FCCBs) during the financial years from 2007-08 to 2009-10 (42,949,054 equity shares post share split of one equity share of ₹ 10 each into 2 equity shares of ₹ 5 each)

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 one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

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

Particulars	As of March 31, 2016		As of March 31, 2015	
	No.	% holding	No.	% holding
Bharti Telecom Limited	1,802,318,492	45.09%	1,747,545,460	43.72%
Pastel Limited	591,319,300	14.79%	591,319,300	14.79%
Indian Continent Investment Limited	265,860,986	6.65%	265,860,986	6.65%
LIC of India Child Fortune Plus Balanced Fund	203,878,856	5.10%	-	-
Three Pillar Pte Limited	199,870,006	5.00%	199,870,006	5.00%

Notes to consolidated financial statements

7. Reserves and Surplus

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Capital Reserve	1,513	1,513
Securities Premium Reserve		
Opening balance	107,967	107,936
Additions during the year	274	31
Closing balance	**108,241**	**107,967**
Revaluation Reserve	21	21
Employee Stock Options Outstanding		
Opening balance	1,343	3,501
Add : Addition during the year	551	80
Less : Forfeiture/Excercise	1,130	2,238
Closing balance	**764**	**1,343**
General Reserve		
Opening balance	82,176	56,114
Scheme of Indus & Arrangement	(1,053)	(1,406)
Dilution of equity in subsidiaries	825	26,059
Forfeiture of employee stock option	-	1,327
Excercise of stock options	298	82
Closing balance	**82,246**	**82,176**
Reserve For Business Restructuring		
Opening balance	19,728	20,203
Less : Utilisation	415	475
Closing balance	**19,313**	**19,728**
Foreign Currency Translation Reserve		
Opening balance	(86,554)	(38,368)
Additions during the year	(12,167)	(48,186)
Closing balance	**(98,721)**	**(86,554)**
Surplus in the Statement of Profit and Loss		
Opening balance	251,589	226,007
Add : Profit for the year	44,566	46,208
Amount available for appropriation	**296,155**	**272,215**
Appropriations:		
Dividend proposed	(5,436)	(15,390)
Tax on dividend proposed	(1,107)	(5,236)
Net surplus in the statement of profit and loss	**289,612**	**251,589**
Total	**402,989**	**377,783**

Notes to consolidated financial statements

8. Long Term Borrowings

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Secured		
From Banks	43,299	79,944
From Others*	8	13,625
Total	**43,307**	**93,569**
Unsecured		
Term Loans		
From Banks#	80,681	155,448
From Others	47,974	56,774
Total	**128,655**	**212,222**
Deferred payment liabilities towards spectrum	341,424	143,167
Non-convertible notes	387,859	296,297
Finance lease obligations	57,871	758
Total	**915,809**	**652,444**
Less: Current maturities (refer note 14)		
From Banks	24,520	124,549
From Others *	6,677	9,646
Deferred payment liabilities towards spectrum	25,428	-
Finance lease obligations	4,746	657
Total	**897,745**	**611,161**

* During the year ended March 31, 2016 the financial institution from which loan amounting to ₹ 11,284 Mn was outstanding has been converted to Bank.
# Includes re-borrowable term loans of ₹ 2,887 Mn and ₹ Nil as of March 31, 2016 and March 31, 2015, respectively which have daily prepayment flexibility.
a. Refer Note 36 (a) for Deferred payment liabilities towards spectrum..
b. Refer note 46 for security details on the borrowings.
c. Details relating to currency, interest rate and maturity profile of long term borrowings:

March 2016:

(₹ Millions)

Currency of borrowings	Rate of Interest (Weighted average)	As of March 31, 2016	Maturity Profile			
			Within one year	Between one and two years	Between two and five years	More than five years
INR	9.94%	378,814	33,622	31,139	104,652	209,401
USD	4.91%	402,853	22,431	25,900	77,331	277,191
EURO	3.68%	136,357	943	943	78,247	56,224
Others	3% - 25.70%	41,092	4,375	2,950	33,767	-
Total		**959,116**	**61,371**	**60,932**	**293,997**	**542,816**

March 2015:

(₹ Millions)

Currency of borrowings	Rate of Interest (Weighted average)	As of March 31, 2015	Maturity Profile			
			Within one year	between one and two years	Between two and five years	More than five years
INR	10.07%	193,837	15,131	23,410	40,610	114,686
USD	3.59%	349,110	76,996	19,113	72,310	180,691
EURO	3.58%	135,796	16,982	-	68,791	50,023
Others	3% - 26.90%	67,270	25,743	5,580	35,947	-
Total		**746,013**	**134,852**	**48,103**	**217,658**	**345,400**

Notes to consolidated financial statements

d. The borrowings of ₹ 959,116 Mn outstanding as of March 31, 2016, comprising various loans, are repayable in total 907 monthly installments, 211 quarterly installments, 888 half yearly installments, 40 yearly installments and 6 bulllet payments (borrowings of ₹ 7,46,013 Mn outstanding as of March 31, 2015, comprising various loans, are repayable in total 118 monthly installments, 173 quaterly installments, 1106 half yearly installments and 38 yearly installments and 6 bulllets payments).

e. The Company issued senior unsecured notes (Non-convertible bonds or Notes) during the year ended March 31, 2016 and Bharti Airtel International (Netherlands) BV, a subsidiary of the Company, issued senior unsecured guaranteed notes (Non-convertible bonds or Notes) during the year ended March 31, 2015. The Notes issued by Bharti Airtel International (Netherlands) BV are guaranteed by the Company.

During the year ended March 31, 2016:

	Issue price	Due in	Listed on stock exchange
4.375% USD 1,000 Mn (₹ 63,973 Mn)	99.304%	2025	Singapore

During the year ended March 31, 2015:

	Issue price	Due in	Listed on stock exchange
5.35% USD 1,000 Mn (₹ 58,746 Mn)	99.916%	2024	Singapore / Frankfurt
3.375% Euro 750 Mn (₹ 60,395 Mn)	99.248%	2021	Singapore / Frankfurt

f. Considering the utilisation plan of the expected sale consideration receivable from the highly probable forecasted transaction relating to the sale of telecom towers (Refer Note 16), the Group had reclassified ₹ 80,190 Mn, from "Long-term borrowings" to "Short-term borrowings and current portion of long-term borrowings" during the year ended March 31, 2015.

9. Taxes

i) Deferred tax

The component-wise breakup of deferred tax is given below:

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Deferred tax liabilities (net)		
a) Deferred tax liability due to		
Depreciation and amortisation	63,034	39,987
Revenue / rent equalisation	1,207	1,731
b) Deferred tax asset arising out of		
Provision for doubtful debts / advances	(10,203)	(8,409)
Foreign exchange difference and mark to market losses	(5,143)	(4,693)
Brought forward losses / expenses carried forward	(695)	(400)
Others	(2,172)	(2,618)
	46,028	**25,598**

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Deferred tax assets (net)		
a) Deferred tax liability due to		
Depreciation and amortisation	(1,815)	(2,380)
Others	(137)	(146)
b) Deferred tax asset arising out of		
Depreciation and amortisation	2,781	1,120
Revenue / rent equalisation	537	496
Provision for doubtful debts / advances	1,871	2,241
Foreign exchange difference and mark to market losses	2,513	2,413
Brought forward losses / expenses carried forward	1,157	638
Others	736	576
	7,643	**4,958**

Notes to consolidated financial statements

ii) Tax expense

(a) MAT credit includes credit of ₹ 762 Mn (March 31, 2015 – ₹ 364 Mn), current tax includes expense of ₹ 881 Mn (March 31, 2015- expense of ₹ 446 Mn) and deferred tax includes expenses of ₹ 10,507 Mn (March 31, 2015 – expenses of ₹ 3,475 Mn) relating to earlier years.

(b) During the year ended March 31, 2015, the Group had recognised additional tax charge of ₹ 599 Mn on account of change in tax rates.

10. Other Long Term Liabilities

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Security deposit	8,947	8,434
Deferred revenue	17,735	17,926
Lease rent equalisation	13,039	11,514
Equipment supply payable	264	939
Others *	5,355	5,106
	45,340	**43,919**

* Others as of March 31, 2016 includes ₹ 4,104 Mn (March 31, 2015 ₹ 4,104 Mn) payable to Qualcomm Asia Pacific Pte. Limited towards purchase of balance equity shares upon satisfaction of certain conditions as per the share purchase agreement for acquisition of erstwhile Airtel Broadband Services Private Limited (formerly know as Wireless Business Services Private Limited).

11. Long Term Provisions

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Provision for employee benefits (refer note 38)		
Provision for gratuity	2,108	1,880
Provision for long-term service award	206	194
	2,314	**2,074**
Other provisions		
Provision for asset retirement obligation	16,284	15,896
	18,598	**17,970**

The Group uses various premises on lease to install its equipments. A provision is recognised for the costs to be incurred for restoration of these premises at the end of the lease period. It is expected that this provision will be utilised at the end of the lease period of the respective sites as per the respective lease agreements. The movement of provision is given below:

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Opening balance	15,896	19,438
Addition (net)	388	(3,542)
Closing balance	**16,284**	**15,896**

12. Short Term Borrowings

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Secured		
Loans repayable on demand		
Cash Credit	513	987
Other loans & advances		
From others	17,165	10,396
Unsecured		
Loans repayable on demand		
Cash Credit	18,938	13,676
Other loans & advances		
From banks	14,882	45,484
From others	5,740	17,595
	57,238	**88,138**

Notes to consolidated financial statements

a. Details relating to interest rate and currency of short term borrowings:

(₹ Millions)

Currency of Borrowings	As of March 31, 2016		As of March 31, 2015	
	Rate of Interest (Weighted average)	Amount outstanding	Rate of Interest (Weighted average)	Amount outstanding
INR	9.03%	3,459	9.75%	10,521
USD	2.39%	23,114	2.19%	55,152
Others	6.10% -15.24%	30,665	6.78% - 27%	22,465
Total		**57,238**		**88,138**

b. The borrowings of ₹ 19,451 Mn as of March 31, 2016, comprising cash credit facilities from banks which are repayable on demand (March 31, 2015 ₹ 14,663 Mn). Borrowing of ₹ 37,787 Mn outstanding as of March 31, 2016 are repayable in total 2 quarterly installments, 3 yearly installments and 306 bulllets payments (March 31, 2015 ₹ 73,475 Mn are repayable in total 3 quarterly installments, 1 half yearly installments, 6 yearly installments and 166 bulllets payments).

c. Refer Note 46 for security details of the borrowings.

13. Trade Payables

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Total outstanding due of micro enterprises and small enterprises *	34	72
Total outstanding due of creditors other than micro enterprises and small enterprises **	174,683	160,702
	174,717	**160,774**

* Refer note 40 for details of dues to Micro and Small Enterprises.
** Amount payable to related parties ₹ 6,935 Mn (March 31, 2015 ₹ 6,522 Mn) - refer note 41.

14. Other Current Liabilities

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Equipment supply payables	106,990	105,208
Deferred revenue	51,988	50,608
Payable to others *	94,419	67,408
Current maturities of long-term debt (refer note 8)	31,197	134,195
Current maturities of deferred payment liabilities towards spectrum(refer note 8)	25,428	-
Current maturities of finance lease obligations (refer note 8)	4,746	657
Interest accrued but not due on borrowings	6,654	6,835
Advance received from customers	2,057	1,946
Other taxes payable *	21,618	15,783
Liability held for sale	1,039	5,445
Unpaid dividends	55	35
Other liabilities#	3,575	1,632
	349,766	**389,752**

* Payable to others and Other taxes payable include provision of ₹ 71,340 Mn as of March 31, 2016 and ₹ 52,107 Mn as of March 31, 2015 towards sub judice matters.
# Includes liability recognised relating to derivative financial instruments.

Notes to consolidated financial statements

15. Short Term Provisions

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Provision for employee benefits (refer note 38)		
Provision for Gratuity	576	516
Provision for Leave Encashment	1,235	1,159
Total	**1,811**	**1,675**
Others		
Provision for Income Tax [net of advance tax of ₹ 6,779 Mn (March 31, 2015 ₹ 158,414 Mn) and TDS receivable of ₹ Nil provided for (March 31, 2015 ₹ 693 Mn)]	3,654	6,838
Proposed Dividend	5,436	8,874
Tax on Dividend	1,107	2,591
Others	557	382
	10,754	**18,685**
Total	**12,565**	**20,360**

16. Tangible Assets

Particulars	Land & Buildings	Plant & Equipment	Operating, Office & Other Equipment#	Total
Cost				
As of April 1, 2014	**21,703**	**1,203,060**	**68,831**	**1,293,594**
Additions	1,819	156,357	8,885	167,061
Disposals / adjustments	(319)	(20,706)	(2,596)	(23,621)
Currency translation	(1,958)	(79,117)	(10,540)	(91,615)
Reclassification@	(12)	(2,600)	1,238	(1,374)
As of March 31, 2015	**21,233**	**1,256,994**	**65,818**	**1,344,045**
Additions	1,027	203,030	14,759	218,816
Acquisitions@@	-	161	1	162
Disposals / adjustments	(793)	(89,893)	(9,293)	(99,979)
Currency translation	8	3,650	36	3,694
Reclassification@	(551)	745	500	694
As of March 31, 2016	**20,924**	**1,374,687**	**71,821**	**1,467,432**
Accumulated depreciation				
As of April 1, 2014	**4,259**	**524,154**	**50,069**	**578,482**
Charge ^	1,034	141,082	12,619	154,735
Disposals / adjustments	(56)	(19,090)	(2,391)	(21,537)
Currency translation	(898)	(47,606)	(9,361)	(57,865)
Reclassification@	(36)	(1,108)	862	282
As of March 31, 2015	**4,303**	**597,432**	**51,798**	**653,533**
Charge ^	1,488	147,614	10,689	159,791
Disposals / adjustments	(240)	(69,830)	(9,157)	(79,227)
Currency translation	(49)	551	(8)	494
Reclassification@	(14)	17	666	669
As of March 31, 2016	**5,488**	**675,784**	**53,988**	**735,260**
Net carrying amount				
As of April 1, 2014	**17,444**	**678,906**	**18,762**	**715,112**
As of March 31, 2015	**16,930**	**659,562**	**14,020**	**690,512**
As of March 31, 2016	**15,436**	**698,903**	**17,833**	**732,172**

Includes furniture and fixtures, vehicles and other equipment.

^ Includes exceptional items of ₹ 3,041 Mn (March 31, 2015 ₹ Nil) with respect to Plant and Equipment (refer note 35) and ₹ 2,065 Mn (March 31, 2015 ₹ 2,567 Mn) on account of arrangement schemes of Bharti Infratel Limited.

@@ Major acquisitions explained in Note 36

@ Reclassification includes reclass between tangible and intangible assets.

Refer note 11 and 42 for ARO and assets given on operating lease, respectively.

Notes to consolidated financial statements

Following table summarises the detail of assets taken on finance lease:

(₹ Millions)

Particulars	Period	Plant and Equipment	Other Equipment, Operating and office equipment
Gross Block	As of March 31, 2016	38,188	1,097
	As of March 31, 2015	435	831
Accumulated Depreciation	As of March 31, 2016	17,521	835
	As of March 31, 2015	7	431
Net block	As of March 31, 2016	20,667	262
	As of March 31, 2015	428	400

Asset held for Sale

The Group decided to sell and lease back a dedicated portion of towers under long term lease contracts, considered as finance lease, in Nigeria, Zambia, Rwanda, Burkina Faso, Ghana, Kenya, Niger, Uganda, Congo Brazzavile and Tanzania. Accordingly, on the basis of approval by the respective Board of Directors, the Group has classified the assets and associated liabilities (collectively referred to as "disposal group") that are part of the sale and will not be leased back as held for sale. The completion of the transactions is subject to certain customary closing conditions and is expected to be completed within a period of one year from the date of classification as held for sale.

"Plant and machinery" includes gross block of asset held for sale ₹ 11,460 Mn and ₹ 63,904 Mn as of March 31, 2016 and March 31, 2015 respectively and the corresponding accumulated depreciation for the respective years ₹ 6,969 Mn and ₹ 40,263 Mn.

"Land and Buildings" includes gross block of asset held for sale ₹ Nil and ₹ 231 Mn as of March 31, 2016 and March 31, 2015 respectively.

During the year ended March 31, 2016 and March 31, 2015, sale and lease back of 8,740 towers in Congo, Ghana, Uganda, Nigeria, Zambia, Kenya and Burkina Faso and 200 towers in Rwanda was completed for a consideration of ₹ 116,229 Mn and ₹ 1,153 Mn, respectively. The portion leased back, classified as finance lease, representing the technical capacities of the dedicated part of the towers on which Company's equipment are located, has been retained at the carrying value of ₹ 15,639 Mn and ₹ 431 Mn, respectively, during the year ended March 31, 2016 and March 31, 2015 and the finance lease obligation has been recorded at ₹ 51,141 Mn and ₹ 609 Mn, respectively, during the year ended March 31, 2016 and March 31, 2015, being the fair value of the leased back portion. Accordingly, the gain on the portion sold and not leased back amounting to ₹ 44,088 Mn and ₹ 142 Mn, respectively, during the year ended March 31, 2016 and March 31, 2015, has been recognised in the statement of profit and loss and disclosed as an exceptional item.

Notes to consolidated financial statements

17. i) Intangible Assets

(₹ Millions)

Particulars	Software	Bandwidth	Goodwill	Licenses (including Spectrum)	Other acquired intangibles	Total
Cost						
As of April 1, 2014	**15,201**	**11,964**	**421,643**	**209,205**	**70**	**658,083**
Additions	1,703	3,207	-	137,198	3,217	145,325
Disposals / adjustments *	(22)	-	-	(4,293)	-	(4,315)
Currency translation	(121)	18	(53,531)	(7,386)	(389)	(61,409)
Reclassification@@	(33)	1,382	-	(3)	28	1,374
As of March 31, 2015	**16,728**	**16,571**	**368,112**	**334,721**	**2,926**	**739,058**
Additions	3,439	3,244	-	377,654	70	384,407
Acquisitions@	-	-	330	-	128	458
Disposals / adjustments*	(4,295)	-	-	(15,130)	(143)	(19,568)
Currency translation	103	72	12,880	3,532	(82)	16,505
Reclassification@@	(706)	12	-	-	-	(694)
As of March 31, 2016	**15,269**	**19,899**	**381,322**	**700,777**	**2,899**	**1,120,166**
Accumulated Amortisation						
As of April 1, 2014	**11,575**	**2,790**	**109,676**	**41,557**	**22**	**165,620**
Charge	2,773	908	26,772	15,452	509	46,414
Disposals / adjustments*	-	-	-	(4,140)	7	(4,133)
Currency translation	(97)	87	(16,115)	(4,878)	(396)	(21,399)
Reclassification @@	50	122	-	(5)	115	282
As of March 31, 2015	**14,301**	**3,907**	**120,333**	**47,986**	**257**	**186,784**
Charge	2,841	1,207	25,042	29,023	876	58,989
Disposals / adjustments*	(4,295)	-	-	(15,130)	(119)	(19,544)
Currency translation	103	164	4,582	2,064	(87)	6,826
Reclassification@@	(681)	12	-	-	-	(669)
As of March 31, 2016	**12,269**	**5,290**	**149,957**	**63,943**	**927**	**232,386**
Net Carrying Amount						
As of April 1, 2014	**3,626**	**9,174**	**311,967**	**167,648**	**48**	**492,463**
As of March 31, 2015	**2,427**	**12,664**	**247,779**	**286,735**	**2,669**	**552,274**
As of March 31, 2016	**3,000**	**14,609**	**231,365**	**636,834**	**1,972**	**887,780**

* Gross block and accumulated amortisation of licenses (incl. spectrum) and Software have been off set upon being fully amortised.
@ Major acquisitions explained in Note 36.
@@ Reclassification includes reclass between intangible and tangible assets.

Borrowing cost capitalised during the year ended March 31, 2016 was ₹ 2,265 Mn (March 31, 2015 ₹ 2,808 Mn).

(ii) Intangible Assets Under Development

Intangible assets under development includes the amount of spectrum allotted to the Group and related costs (including borrowing costs capitalised), if any, for which services are yet to be rolled out.

Notes to consolidated financial statements

18. Non-current Investments

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Trade investments (Un-quoted)		
Investment in equity instruments		
IFFCO Kissan Sanchar Limited : 100,000 Equity Shares of ₹ 10 each fully paid up	50	50
Investment in preference share		
Tube INC (Data Mi) : 4,947,871 (March 31,2015- Nil) non cumulative convertible preference shares 4,947,871 @ 0.9208 Euro each	302	-
Investment in Associates		
Indo Teleports Limited (formerly known as Bharti Teleports Limited) Nil (March 31, 2015 - 11,270,000 Equity shares of ₹ 10 each fully paid up)		
Original Cost	-	113
Accumulated loss	-	(113)
Tanzania Telecommunications Company Limited - 102,852,615 Equity shares of Tanzanian shilling 1,000 each fully paid up		
Original Cost	1,972	1,972
Accumulated loss	(1,972)	(1,972)
Seychelles Cable Systems Company Limited 260 Equity shares of Seychelles Rupee 100 each fully paid up		
Original Cost	220	220
Accumulated loss	(220)	(220)
Other investments		
Investment in equity instruments (Un-quoted)		
Greenenergy Wind Corporation Pvt Ltd : 41,535 (March 31, 2015- Nil) ordinary shares ₹ 10 each fully paid up	4	-
Investment in mutual funds (Quoted)	20,753	27,382
Investment in bonds (Quoted)	3,214	-
Investment in Government Securities (Un-quoted)		
National Savings Certificate : 18 units	2	2
	24,325	**27,434**
Aggregate value of Unquoted Investments - Cost	357	52
Aggregate value of Quoted Investments - Cost	23,967	27,382
Aggregate Market value of Quoted Investments	28,094	31,260
Aggregate provision for diminution in value of investments	-	-

Notes to consolidated financial statements

Details of Investments in mutual funds are provided below:

(₹ Millions, except as stated otherwise)

Particulars	As of March 31, 2016		As of March 31, 2015	
	No. of Units	Amount	No. of Units	Amount
Birla Sun Life Income Plus - Growth Regular Plan	81,531,569	4,488	81,531,569	4,488
Birla Sun Life Short Term Opportunities Fund - Growth-Regular Plan	-	-	86,393,736	1,730
DSP Black Rock Strategic Bond Fund-Institutional Plan-Growth	1,082,504	1,499	1,745,815	2,500
HDFC Income Fund Growth	104,051,219	2,897	104,051,219	2,897
Franklin India Income Opportunities Fund	50,660,486	800	-	-
ICICI Prudential Income -Regular Plan - Growth	45,694,326	1,753	45,694,326	1,753
BOI AXA Corporate Credit Spectrum Fund - Regular Plan	25,000,000	250	-	-
IDFC Super Saver Income Fund-Investment Plan-Growth-(Regular Plan)	85,232,890	2,497	85,232,890	2,497
JPMorgan India Active Bond Fund Retail Plan Growth Option	-	-	47,044,600	623
Kotak Bond Scheme Plan A-Growth - Regular Plan	36,212,982	1,278	36,212,982	1,278
Reliance Income Fund Growth Plan - Growth Option	65,982,324	2,648	65,982,324	2,648
Templeton India Income Builder Account Plan A - Growth	-	-	48,224,495	1,999
UTI Bond Fund - Growth	41,865,468	1,536	74,936,438	2,749
BOI AXA Corporate Credit Spectrum Fund - Regular Plan	-	-	25,000,000	250
Reliance Regular Savings Fund - Debt Plan - Growth Plan - Growth Option	-	-	66,227,040	1,170
Franklin India Income Builder Account - Plan A	26,698,497	1,107	50,660,486	800
	564,012,265	**20,753**	**818,937,920**	**27,382**

Details of investments in bonds are provided below:

(₹ Millions, except as stated otherwise)

Particulars	As of March 31, 2016	
	No. of Units	Amount
Power Finance Corporation Ltd 4.5 Year bond @ 8.38% - 2020	350	351
Rural Electrification Corporation Ltd 6.5 Year bond @ 8.27	150	151
HDFC Bond (Taxable)	70	699
NHAI Tax Free Bond	500	500
NTPC 10 Year bond @ 7.15% - 2025	300	300
HUDCO 15 Year bond @ 8.20% - 2027	200,000	213
IRFC Tax Free Bond	1,000	1,000
	202,370	**3,214**

Notes to consolidated financial statements

19. Long-term Loans and Advances

(₹ Millions)

Particulars	As of March 31, 2016		As of March 31, 2015	
Unsecured				
Capital Advances				
Considered good*	40,908		48,833	
Considered doubtful	553		491	
Less: Provision for doubtful advances	(553)	40,908	(491)	48,833
Security Deposit				
Considered good**	12,548		11,310	
Considered doubtful	1,123		620	
Less: Provision for doubtful deposit	(1,123)	12,548	(620)	11,310
Loans and advances to related parties (refer note 40)		-		466
MAT credit entitlement#		56,289		38,653
		109,745		**99,262**

* Includes advance payments of ₹ 39,089 (March 31, 2015 – ₹ 47,251 Mn) towards spectrum.

** Includes security deposit / advance with / to related parties ₹ 3,218 Mn (March 31, 2015: ₹ 3,110 Mn) - refer note 41.

\# MAT credit utilisation of ₹ Nil (March 31, 2015 reversal of MAT credit utilisation of ₹ 222 Mn) adjusted with provision for tax.

20. Other Non-current Assets

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Deposits (refer note 24)	15,643	11,358
Advances *	29,365	27,001
Revenue equalisation	10,252	10,986
Unamortised upfront fees and Deferred Premium	3,865	4,287
Receivable in respect of tower sale	10,658	-
Others	1,678	2,985
	71,461	**56,616**

* Advances represent payments made to various Government authorities under protest and are disclosed net of provision of ₹ 42,097 Mn (March 31, 2015 ₹ 34,424 Mn).

21. Current Investments

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Current investments (at lower of cost and fair market value)		
Investment in Mutual Funds (Quoted)	10,863	80,069
Investment in Mutual Funds (Un-quoted)	1,134	-
Investment in Deposits and Bonds (Un-quoted)	2,854	17
	14,851	**80,086**
Aggregate value of Unquoted Investments	3,988	17
Aggregate value of Quoted Investments	10,863	80,069
Aggregate Market Value of Quoted Investments	16,149	83,996

Notes to consolidated financial statements

Details of investments are provided below:

(₹ Millions, except as stated otherwise)

Particulars	As of March 31, 2016		As of March 31, 2015	
	(No. of Units)	Amount	(No. of Units)	Amount
Investment in Mutual Funds (Quoted)				
Axis Liquid Fund - Growth	-	-	650,426	1,000
L&T Liquid Fund - Growth	-	-	1,104,487	2,105
HDFC Liquid Fund - Premium Plan - Growth	-	-	31,886,747	872
HDFC Cash management Fund saving Plan Growth	-	-	82,662,081	2,400
ICICI Prudential Institutional Liquid Plan - Super Institutional Growth	-	-	14,605,888	3,000
IDFC Cash Fund - Growth-(Regular Plan)	-	-	2,647,900	4,453
JM High Liquidity Fund - Growth Option	-	-	117,989,703	4,466
JP Morgan India Liquid Fund Super Institutional Growth	-	-	69,186,380	1,250
Kotak Floater Short Term - Growth	-	-	1,812,276	4,120
Kotak Liquid Scheme Plan A - Growth	-	-	343,026	966
Pramerica Liquid Fund - Growth	-	-	412,450	609
Reliance Liquidity Fund-Growth Option	-	-	242,935	508
Reliance Liquid Cash Plan Growth Option Fund	-	-	293,865	1,000
Religare Liquid Fund - Super Institutional Growth	-	-	943,091	1,800
Tata Liquid Fund Plan A - Growth	-	-	1,016,663	2,600
Tata Money Market Fund Plan A - Growth	-	-	1,742,473	3,801
SBI Premier Liquid Fund - Direct Plan - Growth	-	-	454,995	1,000
SBI Megnum Insta Cash Fund	-	-	573,778	1,770
Principal Cash Management - Regular Plan - Growth	-	-	1,717,915	2,311
Sundram Money Fund	-	-	56,132,271	1,650
Taurus Mutual Fund	-	-	1,903,627	2,835
Franklin India Treasury Management Account	-	-	400,595	828
LIC NOMURA MF Liquid Fund - Growth Plan	-	-	733,879	1,850
JM Liquid Fund	-	-	210,444	8
Kotak Floater ST Plan	-	-	56,057	128
TATA Money Market Fund Plan A	-	-	52,954	116
TATA Liquid Fund Plan A	-	-	27,675	71
Religare Invesco Liquid Fund- Growth Plan	-	-	27,668	50
JM High Liquidity Fund- Growth option	-	-	3,030,950	108
ICICI Prudential Savings Fund- Regular Plan -Growth	-	-	1,031,452	210
ICICI Prudential Liquid - Regular Plan - Growth	-	-	26,874	5
DWS Ultra Short Term Fund- Growth	-	-	30,821,770	500
Birla Sun Life Cash Manager - Growth - Regular Plan	-	-	607,642	200
Birla Sun Life Floating Rate Fund Short Term Plan- Growth - Regular Plan	-	-	216,825	40

Notes to consolidated financial statements

(₹ Millions, except as stated otherwise)

Particulars	As of March 31, 2016		As of March 31, 2015	
	(No. of Units)	Amount	(No. of Units)	Amount
Birla Sun Life Income Plus- Growth Regular Plan	23,775,009	1,260	58,818,759	3,117
HDFC Income Fund Growth	46,967,635	1,265	68,876,846	1,856
HDFC Short Term Plan-Dividend	-	-	18,306,435	500
Birla Sun Life Treasury Optimizer Plan - Growth Regular Plan	-	-	2,909,807	500
HDFC HIF STP - Growth	-	-	43,115,259	1,070
UTI Short Term Income Fund Institutional Option - Growth	-	-	30,042,480	500
ICICI Prudential Short Term - Regular Plan - Growth	96,811,536	3,587	17,618,475	500
Religare Invesco Short Term Fund - Growth	-	-	631,432	1,070
Religare Invesco Ultra Short Term Fund - Growth	-	-	263,235	500
SBI Magnum Income Fund - Regular Plan - Growth	-	-	32,485,568	1,000
Sundaram Ultra Short Term Fund Regular Growth	-	-	10,541,073	200
ICICI Prudential Money Market Fund - Direct Plan - Growth	-	-	2,068,170	400
ICICI Prudential Liquid - Direct Plan - Growth	-	-	5,315,317	1,100
IDFC Dynamic Bond Fund - Growth Regular Plan	-	-	29,627,698	500
IDFC Dynamic Bond Fund - Growth Regular Plan	-	-	52,199,311	865
IDFC Super Saver Income Fund-Investment Plan-Growth - Regular Plan	34,149,368	1,002	34,149,368	1,001
Kotak Liquid Scheme Plan A - Direct Plan - Growth	-	-	387,765	1,100
Reliance Liquid Fund - Cash Plan - Growth Option - Growth Plan	-	-	181,226	400
Reliance Liquid Fund - Treasury Plan - Direct Plan - Growth Plan - Growth Option	-	-	308,049	1,050
Reliance Money Manager Fund - Growth Plan Growth Option	-	-	265,208	500
ICICI Prudential Flexible Income - Regular Plan - Growth	-	-	1,534,000	400
Birla Sun Life Floating Rate Fund Short Term Plan - Growth Direct Plan.	-	-	5,909,931	1,100
AXIS Banking Debt Fund - Growth (BD-GP)	-	-	197,482	250
Kotak Bond Scheme Plan A-Growth - Regular Plan	82,688,429	2,799	118,736,484	4,019
SBI Dynamic Bond Fund- Regular Growth	-	-	137,780,607	2,021
Franklin India Income Opportunities Fund	-	-	50,465,370	666
ICICI Prudential Income Regular Plan-Growth	-	-	115,575,705	4,282
ICICI Prudential Short Term - Regular Plan - Growth	-	-	30,176,155	849
JM High Liquidity Fund - Growth Option	-	-	1,582,314	59
Principal Cash Management Fund - Regular Plan Growth	-	-	47,708	64
ICICI Prudential Money Market Fund - Growth	4,546,492	950	-	-
Total	**288,938,469**	**10,863**	**1,295,684,999**	**80,069**

Notes to consolidated financial statements

(₹ Millions, except as stated otherwise)

Particulars	As of March 31, 2016	
	No. of Units	Amount
Investments in Mutual Funds (Unquoted)		
Birla Sun life Cash Plus – Growth – Direct Plan	863,916	210
ICICI Prudential Liquid - Direct Plan – Growth mutual fund	187,423	42
Reliance Liquid Fund-Treasury Plan – Direct Plan - Growth Plan-Growth Option-LFAG	73,952	273
Kotak Liquid Scheme Plan A – Direct Plan - Growth	82,064	252
SBI Premier Liquid Fund – Direct Plan - Growth	35,326	84
HDFC – Cash Management Fund – Saving Plan – Growth	91,376	273
Total	**1,334,057**	**1,134**

(₹ Millions, except as stated otherwise)

Particulars	As of March 31, 2016		As of March 31, 2015	
	No. of Units	Amount	No. of Units	Amount
Investment in Deposits and Bonds (Unquoted)				
HDFC Bank Limited	18,500	1,847	-	-
AXIS Bank Limited	10,000	999	-	-
India Innovation Fund	76	8	70	7
7.30% REC Secured Bonds 2015	-	-	10	10
Total	**28,576**	**2,854**	**80**	**17**

22. Inventories (valued at lower of cost and net realisable value)

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Stock-In-Trade*	1,691	1,339
Total	**1,691**	**1,339**

* Net of provision for diminution in value ₹ 2,712 Mn (March 31, 2015 ₹ 2,415 Mn)

23. Trade Receivables

(₹ Millions)

Particulars	As of March 31, 2016		As of March 31, 2015	
Unsecured, unless stated otherwise				
Receivables outstanding for a period exceeding six months				
Considered good	5,843		6,127	
Considered doubtful	26,613		17,173	
Less: Provision for doubtful receivables	(26,613)	5,843	(17,173)	6,127
Others				
Considered good	52,838		45,945	
Considered doubtful	8,719		13,009	
Less: Provision for doubtful receivables	(8,719)	52,838	(13,009)	45,945
		58,681		**52,072**

Trade receivable Include amount receivable from related party ₹ 623 Mn (March 31, 2015 ₹ 855 Mn) - refer note 41.

Notes to consolidated financial statements

24. Cash and Bank Balances

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Cash and cash equivalents		
Balances with banks		
- On current accounts	14,999	7,734
- Deposits with original maturity of three months or less	20,792	2,850
- On unpaid dividend account	55	35
Cheques on hand	184	425
Cash on hand	808	931
	36,838	**11,975**
Other bank balances		
Bank deposits with remaining maturity of less than twelve months	14,550	8,856
Bank deposits with more than twelve months	7	6
Margin money deposit	15,636	11,352
	30,193	**20,214**
Less: Amount disclosed under non-current assets (refer note 20)	15,643	11,358
	51,388	**20,831**

25. Short-term Loans and Advances

(₹ Millions)

Particulars	As of March 31, 2016		As of March 31, 2015	
Unsecured, considered good unless stated otherwise				
Advances recoverable in cash or kind				
Considered good	39,418		24,416	
Considered doubtful	2,785		3,658	
Less: Provision for doubtful advances	(2,785)	39,418	(3,658)	24,416
Balances with customs, excise and other authorities		16,517		13,409
Loans and advances to related parties - refer note 41		1,117		722
Advance Tax [net of provision for tax of ₹ 213,139 Mn (March 31, 2015, ₹ 25,454 Mn) and tds receivable of ₹ 1,050 Mn Provided for (March 31, 2015, ₹ 46 Mn)]		8,433		5,988
		65,485		**44,535**

26. Other Current Assets

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Unsecured, considered good, unless stated otherwise		
Unbilled revenue	8,828	12,583
Unamortised upfront fees and deferred premium	4,999	831
Revenue equalisation	1,780	1,099
Others	362	5,768
	15,969	**20,281**

Notes to consolidated financial statements

27. Commitments and Contingent Liabilities

(i) Commitments

a. Capital commitments

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Contracts placed for future capital expenditure not provided for in the financial statements (refer note 36 (a))	74,061	343,859

The above includes ₹ 2,671 Mn as of March 31, 2016 (₹ 38,083 Mn as of March 31, 2015), pertaining to certain outsourcing agreements, under which the vendor supplies assets as well as services to the Group. The amount represents total minimum commitment over the unexpired period of the contracts (upto five years from the reporting date), since it is not possible for the Group to determine allocation between assets and services to be provided over the unexpired period of the contract. However, the actual charges / payments may exceed the above mentioned minimum commitment based on the terms of the agreements.

In addition to the above, the Group's share of joint ventures and associates capital commitments is ₹ 1,624 Mn and ₹ 1,214 Mn as of March 31, 2016 and March 31, 2015, respectively.

b. Guarantees

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Financial bank guarantees*	106,255	109,395
Guarantees to third parties	-	3,130

* The Company has issued corporate guarantees of ₹ 4,152 Mn and ₹ 3,365 Mn as of March 31, 2016 and March 31, 2015 respectively, to banks and financial institutions for issuing bank guarantees on behalf of the Group companies at no cost to the latter.

Also, it includes certain financial bank guarantees which have been given for sub-judice matters and in compliance with licensing conditions, the amount with respect to these have been disclosed under capital commitments, contingencies and financial liabilities, as applicable, in compliance with the applicable accounting standards.

(ii) Contingencies

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
(i) Taxes, Duties and Other demands (under adjudication / appeal / dispute)		
-Sales tax and Service Tax	40,214	38,225
-Income Tax	19,746	20,130
-Customs Duty	6,601	6,136
-Entry Tax	8,201	6,957
-Stamp Duty	596	603
-Municipal Taxes	1,114	863
-DoT demands *	5,273	5,020
-Other miscellaneous demands	7,105	2,133
(ii) Claims under legal cases including arbitration matters		
-Access Charges / Port Charges	8,761	7,443
-Others	4,370	5,703
Total	**101,981**	**93,213**

* in addition, refer Note f(v), f(vi), f(vii) and f(viii) below for other DoT matters.

Notes to consolidated financial statements

In addition to the above, the Group's share of joint ventures contingent liabilities is ₹12,032 Mn and ₹ 9,083 Mn as of March 31, 2016 and March 31, 2015, respectively.

The contingent liabilities mentioned in the table above represent disputes with various government authorities in the respective jurisdiction where the operations are based and it is not possible for the Group to predict the timing of final outcome of these contingent liabilities.

Based on the Company's evaluation, it believes that it is not probable that the claim will materialise for the cases discussed below and therefore, no provision has been recognised.

a) Sales tax and Service Tax

The claims for sales tax as of March 31, 2016 and as of March 31, 2015 comprised of cases relating to the appropriateness of declarations made by the Company under relevant sales tax legislation which was primarily procedural in nature and the applicable sales tax on disposals of certain property and equipment items. Pending final decisions, the Company has deposited amounts with statutory authorities for certain cases.

Further, in the State of J&K, the Company has disputed the levy of General Sales Tax on its telecom services and towards which the Company has received a stay from the Hon'ble J&K High Court. The demands received to date have been disclosed under contingent liabilities.

The service tax demands as of March 31, 2016 and March 31, 2015 relate to cenvat claimed on tower and related material, levy of service tax on SIM cards, cenvat credit disallowed for procedural lapses and inadmissibility of credit, disallowance of cenvat credit used in excess of 20% limit and service tax demand on employee talk time.

b) Income Tax demand

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

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

Interconnect charges are based on the Interconnect Usage Charges (IUC) agreements between the operators although the IUC rates are governed by the IUC guidelines issued by TRAI. BSNL has raised a demand requiring the Company to pay the interconnect charges at the rates contrary to the regulations issued by TRAI. The Company filed a petition against that demand with the Telecom Disputes Settlement and Appellate Tribunal (TDSAT) which passed a status quo order, stating that only the admitted amounts based on the regulations would need to be paid by the Company. The final order was also passed in our favour. BSNL has challenged the same in Hon'ble Supreme Court. However, no stay has been granted.

In another proceeding with respect to Distance Based Carriage Charges, the Hon'ble TDSAT in its order dated May 21, 2010, allowed BSNL appeal praying to recover distance based carriage charges. On filing of appeal by the Telecom Operators, Hon'ble Supreme Court asked the Telecom Operators to furnish details of distance-based carriage charges owed by them to BSNL. Further, in a subsequent hearing held on August 30, 2010, Hon'ble Supreme Court sought the quantum of amount in dispute from all the operators as well as BSNL and directed both BSNL and Private telecom operators to furnish Call Data Records (CDRs) to TRAI. The CDRs have been furnished to TRAI.

In another issue with respect to Port Charges, in 2001, TRAI had prescribed slab based rate of port charges payable by private operators which were subsequently reduced in the year 2007 by TRAI. On BSNL's appeal, TDSAT passed its judgement in favour of BSNL, and held that the pre-2007 rates shall be applicable prospectively from May 29, 2010. The rates were further revised downwards by TRAI in 2012. On BSNL's appeal, TDSAT declined to stay the revised Regulation.

Further, the Hon'ble Supreme Court vide its judgement dated December 6, 2013, passed in another matter, held that TRAI is empowered to issue regulations on any matter under Section 11(1)(b) of TRAI Act and the same cannot be challenged before TDSAT. Accordingly, all matters raised before TDSAT, wherein TDSAT had interfered in Appeal and passed judgements, do not have any significance. However, parties can file Writ Petitions before High Court challenging such regulations.

The Company believes that the above said judgement has further strengthened the position of the Company on many issues with respect to Regulations which had been in its favour and impugned before TDSAT.

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 along with which the same has been imported. The view of the Company is that such imports should not be subject to any custom duty as it would be operating software exempt from any custom duty. In response to the application filed by the Company, the Hon'ble CESTAT has passed an order in favour of the custom authorities. The Company has filed an appeal with Hon'ble Supreme Court against the CESTAT order.

Notes to consolidated financial statements

e) Entry Tax

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

f) Department of Telecommunications ("DoT") Demands

i. DoT demands include demands raised for contentious matters relating to computation of license fees and spectrum charges.

ii. DoT demands include alleged short payment of license fee for FY06-07 and FY07-08 due to difference of interpretation of Adjusted Gross Revenue (AGR) between Group and DoT and interest thereon, which the Group has obtained stay from appropriate Hon'ble High Courts and TDSAT. TDSAT has pronounced its judgement on April 23, 2015 thereby setting aside the impugned demands raised by DoT and directed to rework the license fees payable in light of the judgement and to issue fresh demands. Pursuant thereto Union of India (UOI) and the Group (on limited heads of revenue) along with various other operators have filed appeals/cross appeals before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court of India issued notice in the appeals and has declined to grant any interim relief to UOI. The appeals tagged together came up for hearing on February 29, 2016 and the Supreme Court allowed DoT to raise demands as per its understanding with the condition that the demands raised will not be enforced till the final decision of the Supreme Court. The matter is likely to be listed for hearing after 8 weeks. In the meanwhile, DoT further had issued LF demand cum show cause notice for FY 2009-10 dated June 26, 2015 which has been challenged before TDSAT. TDSAT vide an interim order dated August 17, 2015 had directed DoT not to invoke any bank guarantees for realisation of impugned demand amounting to ₹ 12,316 Mn and vide its order dated November 6, 2015, TDSAT has disposed of the matter after recording the statement made by UOI that the demand notice should be construed as an advance notice, which the DoT does not intend to enforce until the appeals against Tribunal's AGR judgement pending before the Hon'ble Supreme Court is finally disposed of.

iii. DoT demands also include the contentious matters in respect of subscriber verification norms and regulations including validity of certain documents allowed as Proof of Address / Identity in mobility circles.

iv. DoT demands also include penalty for alleged failure to meet the procedural requirement for submission of EMF radiation self-certification.

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

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

v. Post the Hon'ble Supreme Court Judgement on October 11, 2011 on components of Adjusted Gross Revenue for computation of license fee, based on the legal advice, the Company believes that the realised and unrealised foreign exchange gain should not be included in Adjusted Gross Revenue (AGR) for computation of license fee thereon. Accordingly, the license fee on such foreign exchange gain has not been provided in these financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences', the license fee impact on such exchange differences is not quantifiable and has not been included in the table above. Further, as per the Order dated June 18, 2012 of the Hon'ble Kerala High Court, stay has been obtained, wherein the licensee can continue making the payment as was being done throughout the period of license on telecom activities. Further as stated in point (iii) above, TDSAT has pronounced its judgement on April 23, 2015, wherein it has stated that any gain or loss due to foreign exchange fluctuation does not have any bearing on the license fees and directing DoT to rework and issue fresh demands to the operators. The next date of hearing is fixed for June 28, 2016 at Kerala High Court.

vi. On January 8, 2013, DoT issued a demand on the Company and one of its subsidiaries for ₹ 52,013 Mn towards levy of one time spectrum charge. The demand includes a retrospective charge of ₹ 9,090 Mn for holding GSM Spectrum beyond 6.2 Mhz for the period from July 1, 2008 to December 31, 2012 and also a prospective charge of ₹ 42,923 Mn for GSM spectrum held beyond 4.4 Mhz for the period from January 1, 2013, till the expiry of the initial terms of the respective licenses.

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

Notes to consolidated financial statements

vii. The Department of Telecommunications (DoT) had issued notices to the Company as well as various other Telecom Service Providers to stop provision of services under 3G Intra Circle Roaming (ICR) arrangements in the service areas where such service providers had not been allocated 3G Spectrum. DoT also levied a financial penalty of ₹ 3,500 Mn. The Company contested the notices and upon various rounds of litigations, ultimately, the TDSAT, vide its judgement dated April 29, 2014, held 3G ICR arrangements to be competent and compliant with the licensing conditions and quashed the notice imposing penalty. The DoT has challenged the order of TDSAT in an appeal filed before the Hon'ble Supreme Court, which has been admitted. However, Hon'ble Supreme Court has refused to grant any interim order during the pendency of the appeal. The case is yet to be listed for hearing in the Hon'ble Supreme Court.

viii. The Company has not been able to meet its roll out obligations fully due to certain non-controllable factors like Telecommunication Engineering Center testing, Standing Advisory Committee of Radio Frequency Allocations clearance, non availability of spectrum, etc. The Company has received show cause notices from DoT for 14 of its circles for non-fulfillment of its roll out obligations and these have been replied to. DoT has reviewed and revised the criteria and there has been no further development on this matter since then.

g) Airtel Networks Limited – Ownership

Airtel Networks Limited ("Airtel Networks") (formerly known as Celtel Nigeria Limited) was incorporated on December 21, 2000 as Econet Wireless Nigeria Limited and is a subsidiary of Bharti Airtel Nigeria BV (BANBV) (formerly, Celtel Nigeria BV), which in turn, is an indirect subsidiary of Bharti Airtel International (Netherlands) BV, a subsidiary of Bharti Airtel Limited.

Airtel Networks and / or BANBV are defendants in cases filed by Econet Wireless Limited (EWL) where EWL is claiming, amongst others, a breach of its alleged pre-emption rights against erstwhile and current shareholders.

Under the transaction to acquire 65% controlling stake in Airtel Networks Limited in 2006, the erstwhile selling shareholders were obliged under the pre-emption right provision contained in the shareholders' agreement dated April 30, 2002 (the "Shareholders Agreement") to first offer the shares to each other before offering the shares to a third party. The sellers waived the pre-emption rights amongst themselves and the shares were offered to EWL despite the fact that EWL's status as a shareholder itself was in dispute. However, the offer to EWL lapsed since EWL did not meet its payment obligations to pay for the shares within the 30 days deadline as specified in the shareholders' agreement and the shares were acquired by Celtel Nigeria BV (now, Bharti Airtel Nigeria BV) in 2006. EWL has inter alia commenced arbitral proceedings in Nigeria contesting the acquisition. BANBV, which is the current owner of approximately 79.059% (increased from 65.7% to 79.059% in March, 2013) of the equity in Airtel Networks Limited has been defending these cases and the arbitration since it was commenced.

On December 22, 2011, the Tribunal in the Arbitration commenced by EWL issued a Partial Final Award stating, amongst others, that the Shareholders Agreement had been breached by the erstwhile shareholders and, accordingly, the acquisition was null and void. However, the Tribunal has rejected EWL's claim for reversal of the 2006 transaction. Instead, the Tribunal ordered a damages hearing.

On February 3, 2012, BANBV filed an application before the Lagos State High Court to set aside the Partial Final Award. In addition, BANBV filed an application for an injunction to restrain the parties to the Arbitration from further convening the arbitration for the purposes of considering the quantum of damages that could be awarded to EWL until the conclusion of the matter to set aside the Partial Final Award. The application to set aside the Partial Final Award was heard by the Lagos State High Court on June 4, 2012 and by a Judgement delivered on October 4, 2012, the Lagos State High Court dismissed BANBV's application to set aside the Partial Final Award against which, BANBV lodged an appeal at the Court of Appeal in Lagos, Nigeria. The appeal was dismissed by the Court of Appeal on February 14, 2014. BANBV not satisfied with the judgement of the Court of Appeal, Lagos, on March 27, 2014 has filed its appeal with the Supreme Court of Nigeria.

Without prejudice to the application by BANBV before the Nigerian courts to set aside the Partial Final Award, the Tribunal has taken steps in relation to the damages hearing in the Arbitration. The damages claim was heard by the Tribunal during October 2013 and the parties submitted their closing arguments on December 20, 2013.

The Tribunal issued its Final Award on damages dated June 30, 2014 on July 4, 2014. The Tribunal found that EWL has suffered losses as a result of breaches of the Shareholders' Agreement and calculated the losses against BANBV to be an amount of USD 132.8 Mn and costs of USD 10.9 Mn, totaling USD 143.7 Mn.

The Company has filed an application for setting aside of the Final Award before the High Court in Nigeria. On the other hand, EWL has filed applications before the High Court in Nigeria to seek to enforce both the Final Award and the Partial Final Award. The Company is contesting these enforcement applications. These matters are currently adjourned to May 12, 2016.

Notes to consolidated financial statements

In addition, EWL has filed conservatory attachment proceedings and proceedings for enforcement of the Final Award, inter alia, against BANBV in the Netherlands. On January 22, 2015 the Amsterdam District Court granted a stay in the proceedings related to the enforcement of the final award and denied EWL's request that BANBV provide security as a condition of the stay. EWL has appealed the latter decision and the Amsterdam Court of Appeal's decision is awaited. Meanwhile the Amsterdam District Court held that the proceedings before it stand suspended pending the outcome of EWL's appeal before the Amsterdam Court of Appeal.

In the Haarlem District Court, where EWL is pursuing its claim for compensation against (BANBV's parent-Bharti Airtel Nigeria Holdings II BV) and Grandparent Bharti Airtel Africa BV together, the Bharti Defendants) claiming that these entities acted unlawfully and induced breach of contract by the "Selling Shareholders" of the VNL shares with the intent of impending EWL in the exercise of its rights in order to finalise its own share sale transaction with the Selling Shareholders, the pleadings are complete.

Based on Company's assessment and indemnities under the Share Sale Agreement with Zain Group, this Award is not likely to have any material adverse effect on the Company's consolidated financial position as of March 31, 2016.

In addition, Airtel Networks Limited is a defendant in an action where EWL is claiming entitlement to 5% of the issued share capital of Airtel Networks Limited. This case was commenced by EWL in 2004 (prior to the Vee Networks Limited acquisition in 2006). The Court at first instance on January 24, 2012 held that EWL should be reinstated as a 5% shareholder in Airtel Networks Limited. Despite the fact that the 5% shares claimed by EWL had been set aside in escrow since 2006 and therefore will not impact the present ownership of BANBV on a fully diluted basis in Airtel Networks Limited, the company believed that there were good grounds to appeal the first instance judgement and accordingly, filed a Notice of Appeal and made applications before the Federal High Court for a stay of execution of judgement pending appeal and a motion for injunction. These applications were heard on March 13, 2012 and on May 7, 2012, the High Court held that the company had failed to make out a case for the Court to exercise its discretion in its favour of granting the application and accordingly refused it.

Immediately, a similar application for injunction and stay of execution were filed at the Court of Appeal, Kaduna on May 7, 2012. After several adjournments, the substantive appeal was heard on October 3, 2013 and on November 1, 2013 the Court of Appeal dismissed the appeal.

On June 20, 2014, the Company filed its appeal to the Supreme Court of Nigeria together with an application for injunction and stay of execution of the judgement of the Court of Appeal. The Appeal and the Applications are pending before the Supreme Court. The date for the hearing has not yet been fixed.

Notes to consolidated financial statements

28. Revenue from Operations

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Service Revenue		
- Voice and data revenue	721,251	723,699
- Revenue from tower infrastructure services	69,052	62,667
- Others *	213,300	170,390
Sale of products	5,770	4,251
	1,009,373	**961,007**

* Others mainly include revenue from VAS services, fixed monthly subscription, bandwidth services and VSAT etc.

29. Other Income

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest income on bank deposits	5,401	1,428
Interest income on loan given to related parties	24	47
Dividend income	-	479
Net gain on sale of investments	3,331	7,329
Net gain on derivatives	-	2,956
Net foreign exchange gain	-	5,458
Profit on sale of fixed assets	671	964
Other non-operating income		
- Lease rentals	28	109
- Liabilities/Provision written back	831	1,406
- Miscellaneous income	812	782
	11,098	**20,958**

30. Cost of Goods Sold

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Increase in inventories	(4,996)	(4,948)
Purchase of Stock-in-Trade	11,287	7,744
	6,291	**2,796**

31. Employee Benefit Expenses

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries, wages and bonus	43,854	42,522
Contribution to provident and other funds (refer note 38)	2,231	1,805
Expenses on employee stock option plan (refer note 43)	1,028	773
Staff welfare expenses	2,623	2,150
Others	1,267	1,320
	51,003	**48,570**

Notes to consolidated financial statements

32. Power and Fuel, Rent, Charity and Donation and Other Expenses

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Power and fuel		
Network	81,906	83,808
Others	568	590
	82,474	**84,398**
Rent		
Network	62,214	52,416
Others	3,685	2,993
	65,899	**55,409**
Charity and donation		
Political Contribution$	-	310
Corporate Social Responsibility#	996	766
Others	394	346
	1,390	**1,422**
Other expenses		
Interconnect and Port charges	135	133
Insurance		
Network	467	424
Others	12	6
Installation	234	486
Repairs and Maintenance		
Plant and Machinery	54,455	53,712
Building	590	717
Others - Network	4,708	5,260
Others - Administrative	2,977	2,808
Leased line and gateway charges	1,383	1,491
Internet access and bandwidth charges	5,750	5,797
Advertisement and marketing	20,726	20,888
Sales commission, customer verification and content cost	43,234	41,021
Other selling and distribution expenses	16,927	16,172
Sim card utilisation	4,367	4,004
Legal and professional fees	5,666	6,100
Rates and taxes	2,145	5,243
IT and call center outsourcing	19,655	21,775
Travelling and conveyance	3,824	4,051
Bad debts written off	6,867	4,247
Provision for doubtful debts and advances (refer note 45)	2,506	5,154
Provision for diminution in stock / capital work in progress	1,849	966
Collection and recovery expenses	3,864	3,482
Printing and stationery	817	902
Miscellaneous expenses		
Network	12,359	11,354
Sales and Marketing*	10,031	8,787
Administrative	4,358	5,593
	229,906	**230,573**

$ Paid to Satya Electoral Trust for political purpose.

As per the requirements of section 135 of the Companies Act, 2013, the Group was required to spend an amount of ₹ 2,557 Mn (March 31, 2015 ₹ 1,886 Mn) on Corporate Social Responsibility expenditure for the year ended March 31, 2016. During the year ended March 31, 2016, the Company has spent in cash an amount of ₹ 1,001 Mn (March 31, 2015 ₹ 766 Mn) towards education and sanitation.

* Includes goodwill waivers which are other than trade discount of ₹ 644 Mn (March 31, 2015 ₹ 1,003 Mn).

Notes to consolidated financial statements

33. Finance Costs

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest expense	57,496	40,280
Other finance cost	4,148	4,185
Net loss on derivatives	504	-
Net foreign exchange loss	24,870	-
	87,018	**44,465**

34. Depreciation and Amortisation Expense

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Depreciation (refer note 16)	154,685	152,169
Amortisation (refer note 17)	58,989	46,414
	213,674	**198,583**

35. Exceptional Items

Exceptional items comprise of the following :

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

a. Net gain of ₹ 44,088 Mn pertaining to the divestment of telecom tower assets in Burkina Faso, Kenya, Zambia, Uganda, Ghana, Congo Brazzaville and Nigeria.

b. Charge for regulatory fee provisions of ₹ 2,711 Mn arising out of re-assessment of certain positions.

c. Charge of ₹ 1,124 Mn arising from amendment of tenure and in various terms of the related long-term contract.

d. Charge for provision against certain disputed receivables / expired claims amounting to ₹ 2,829 Mn.

e. Charge of ₹ 3,898 Mn towards restructuring activities in a few countries.

f. Charge of ₹ 4,290 Mn towards operating costs (including accelerated depreciation) on network refarming and up-gradation program.

(ii) For the year ended March 31, 2015 :

a. Charge of ₹ 2,082 Mn on account of one time translation impact of certain foreign currency liabilities in Nigeria from the Central bank administered rates to the open market exchange rates, consequent to a notification dated November 6, 2014.

b. Charge of ₹ 2,598 Mn on account of settlement of various disputes.

c. Charge of ₹ 4,397 Mn related to restructuring activities in a few countries.

d. Gain of ₹ 403 Mn on account of premature termination of an agreement by a telecom operator.

e. Gain of ₹ 142 Mn on account of gain recognised on divestment of telecom towers in one of the countries in Africa.

Tax expense includes:

i) Charge of ₹ 2,468 Mn and benefit of ₹ 97 Mn during the year ended March 31, 2016 and March 31, 2015, respectively, on the above exceptional items, and

ii) Charge of Nil and ₹ 1,218 Mn during the year ended March 31, 2016 and March 31, 2015, respectively, on account of settlement of various disputes / uncertain tax positions.

Profit / (loss) attributable to minority interest includes expense of ₹ 4,760 Mn and benefit of ₹ 658 Mn during the year ended March 31, 2016 and March 31, 2015, respectively, relating to the above exceptional items

36. New Developments / Major transactions

a. During the year ended March 31, 2015 and 2014, the Group had won the auction for spectrum aggregating to 226.60 Mhz. The Group has opted for deferred payment in certain circles for a specified portion of the auction price, whereby it is payable in 10 equal installments (including the related interest) after an initial moratorium period of two years. As of March 31, 2016, the Government of India has allotted 218.2 MHz spectrum to the Group (March 31, 2015: 115.0 MHz), accordingly, the Group has recognised deferred payment liability (including accrued interest thereto) towards the same for of ₹ 341,424 Mn (March 31, 2015: ₹ 143,167). Further, pending the allocation of balance spectrum by GOI, an amount of ₹ 10,970 Mn (March 31, 2015: 244,040 Mn) has been disclosed under capital commitment in the notes to the consolidated financial statements.

Notes to consolidated financial statements

b. The Scheme of Arrangements ('Scheme') under sections 391 to 394 of the Companies Act, 1956 with respect to amalgamation of Airtel Broadband Services Private Limited ('ABSPL'), a wholly owned subsidiary of the Company, with the Company, as approved by the Hon'ble High Court of Bombay on April 11, 2014, has been filed by the Company with the Registrar of Companies ('ROC') on April 9, 2015, being the effective and appointed date of the scheme whereby ABSPL shall cease to exist. The Company has accounted amalgamation in the nature of merger under the pooling of interest method. Accordingly,the assets, liabilities and reserves in the books of ABSPL have been recognised by the Company as at the date of the amalgamation at the same carrying values. The difference of ₹ 8,599 Mn between the share capital of ABSPL and the carrying value of investment in the equity shares of ABSPL in the books of the Company has been adjusted with the reserves of the Company. The carrying values of assets, liabilities and reserves in the books of ABSPL acquired pursuant to the scheme is as follows:

(₹ Millions)

Particulars	As of April 09, 2015
Assets	
Non-current assets	64,246
Current assets	591
Total	**64,837**
Equity And Liabilities	
Equity	
Share Capital	56,671
Reserve and surplus	(724)
	55,947
Liabilities	
Non-current liabilities	5,396
Current liabilities	3,494
	8,890
Total	**64,837**

However, DoT vide its letter dated February 2, 2015, has given its approval for taking on record the merger of ABSPL with the Company, subject to certain conditions as stipulated in the letter. One of the conditions of merger requires payment of ₹ 4,361 Mn, equal to the difference between the entry fee for Unified Access Service License and entry fees paid for Internet Service Provider license. The Hon'ble Telecom Disputes Settlement and Appellate Tribunal ('TDSAT') vide its interim order dated February 9, 2015 has allowed the Company to operationalise the spectrum subject to filing an undertaking that in case the petition fails, it shall pay the sum of ₹ 4,361 Mn along with interest as may be determined by the Tribunal within eight weeks from the date of judgement. The Company has filed an undertaking before TDSAT for the same.

On February 24, 2012, the TDSAT ordered the Company to pay certain dues (including interest and penalties) allegedly owed by one of then existing Company's Indian non-controlling shareholders, Tulip Telecom Limited (Tulip), to the DoT without prejudice to the right of Tulip to contest the claim and provided that any sum ultimately found not to be due (or paid by Tulip) would be refunded by the Department of Telecommunication (DoT), without interest, within four weeks of the date of completion of the assessment of Tulip in respect of assessment years in question. Accordingly, as per the terms and conditions of the TDSAT order dated February 24, 2012, the Company had deposited ₹ 4,104 Mn.

Further as per the agreement dated February 13, 2012 entered between the Companies, Qualcomm Asia Pacific Pte. Limited and Tulip, upon the final determination date being reached, that Tulip is liable to pay the Company an amount equal to the relevant amount determined to be owed by Tulip that is not paid by Tulip and retained by the DoT from the Company's deposit as described in above paragraph (the "Indemnity Amount") in the bank account specified by the Company within 15 days from the final determination date or the date of the payment notice when final determination date has already occurred prior to the payment notice, without any demur or protest and notwithstanding any dispute regarding the same or any portion thereof. The balance amount will be recovered by the Company from DoT as per the above TDSAT order.

Accordingly, based on the TDSAT order and agreements referred herein, the amount deposited with DoT has been considered good and recoverable in these special purpose financial statements.

c. During the year ended March 31, 2016, Bharti Airtel International Netherlands B.V. (a subsidiary of the Company), has entered into non-binding but exclusive agreement with Orange to explore the possible acquisition of Group's subsidiaries in Burkina Faso, Chad, Congo Brazzaville and Sierra Leone. On January 12, 2016, the Group has entered into definitive agreement to sell group's operations in Burkina Faso and Sierra Leone and the exclusive agreement for the remaining two countries have lapsed. The transaction is subject to certain customary regulatory approvals and other closing conditions.

d. During the year ended March 31, 2016, the Group has entered into an exclusive discussion with Axiata Group Berhad to explore the possibility of combining the business operations of their telecommunication subsidiaries in Bangladesh. On January 28, 2016, the Group has entered into definitive agreement which is subject to certain customary regulatory approvals and other closing conditions.

e. During the year ended March 31, 2016, the Group has purchased 100% stake in Augere Wireless Broadband Private Limited (AWBPL). The consummation of the said transaction is subject to the approval from statutory authorities.

f. During the year ended March 31, 2016, the Group has entered into a definitive agreement with Videocon

Notes to consolidated financial statements

Telecommunications Limited (VTL) to acquire rights to use spectrum in the 1800 Mhz band for six circles. The closing of the said transaction is subject to certain customary regulatory approvals and other closing conditions.

g. Subsequent to the reporting date, the Group has entered into a definitive agreement with Aircel Limited and its subsidiaries Dishnet Wireless Limited and Aircel cellular Limited, to acquire rights to use spectrum in the 2300 Mhz band for eight circles. The closing of the transaction is subject to certain customary regulatory approvals and other closing conditions.

h. On February 26, 2016, AMSL, a subsidiary of the Group Kotak Mahindra Bank Limited (KMBL) and the Company have entered into a Share Subscription and Shareholders' agreement to allot 19.90% of the post issue share capital of AMSL to KMBL. Accordingly, the shareholding of the Company in AMSL stands reduced to 80.10% and the corresponding minority interest has been recognised. Excess of proceeds over minority interest recognised, amounting to ₹ 498 Mn has been recognised directly in General Reserve.

i. On August 27, 2015, the Group acquired additional 46% of the share capital of Indo Teleport Limited (formerly knoen as Bharti Teleport Limited increasing its ownership to 95% and accordingly goodwill of ₹ 328 Mn has been recognised in the transaction.

j. On August 7, 2014, in order to comply with the requirement to maintain minimum public shareholding of 25% in terms of rule 19(2)(b)/ 19A of Securities Contracts (Regulation) Rules, 1957, as amended, and clause 40A of the equity listing agreement, the Company sold 85 Mn shares in Bharti Infratel Limited (BIL) for ₹ 21,434 Mn, representing 4.5% shareholding in BIL. Subsequent to the transaction, the shareholding of the Company in BIL has reduced to 74.86%.

Further on February 26, 2015, the Company sold 55 Mn shares for ₹ 19,255 Mn, representing 2.91% shareholding in BIL. Subsequent to the transaction, the shareholding of the Company in BIL has reduced to 71.90%.

The carrying amount of minority interest has been adjusted to reflect the change of relative interest in BIL. Excess of proceeds over the change in minority interest net of associated transaction costs, taxes and regulatory levies, amounting to ₹ 25,272 Mn has been recognised directly in general reserve.

37. Earnings per Share

(₹ Millions, except per share data and as stated otherwise)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit attributable to equity shareholders (A)	44,566	46,208
Weighted average number of equity shares outstanding during the year (Nos. in Mn) (B)	3,997	3,997
Basic/ Diluted earnings per Share (₹) (A/B)	11.15	11.56
Nominal value of equity shares (₹)	5	5

38. Employee Benefits

a) During the year, the Group has recognised the following amounts in the Statement of Profit and Loss:

i. Defined Contribution Plans

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Provident Fund@	2,203	1,775
ESI and other Funds	28	31

* Refer Note 31

@ Includes contribution to Defined Contribution Plan for Key Managerial Personnel.

Notes to consolidated financial statements

ii. Defined Benefit Plans and Leave Encashment

For the year ended March 31, 2016:

(₹ Millions)

Particulars	Gratuity#	Leave Encashment#
Current service cost	435	261
Net interest cost / (income)	206	99
Net actuarial (gain) / loss	141	(39)
Total *	**782**	**321**
Actual return on plan assets	(1)	-

For the year ended March 31, 2015:

(₹ Millions)

Particulars	Gratuity#	Leave Encashment#
Current service cost	371	244
Net interest cost / (income)	179	96
Net actuarial (gain) / loss	(68)	(162)
Total *	**482**	**178**
Actual return on plan assets	(88)	-

Included in Salaries, Wages and Bonus (Refer Note 31)

* Includes charges towards gratuity and leave encashment for Key Managerial Personnel as these are provided on an actuarial basis for the Group as a whole.

b.) The assumptions used to determine obligations are as follows:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Discount rate	8.00%	8.50%
Expected rate of increase in compensation levels	10.00%	10.00%
Expected rate of return on plan assets	9.00%	8.00%
Expected average remaining working lives of employees (years)	25.06	24.95

c) Reconciliation of opening and closing balances of obligations and plan assets is as follows:

For the year ended March 31, 2016

(₹ Millions)

Particulars	Gratuity	Leave Encashment
Change in Obligation :		
Present value of obligation at beginning of year	2,500	1,160
Current service cost	435	261
Interest cost	214	98
Benefits paid	(510)	(246)
Acquisitions / transfer in / out	(21)	1
Actuarial (gain) / loss	132	(39)
Present value of obligation at year end	**2,750**	**1,235**
Change in plan assets :		
Fair value of plan assets at beginning of year	104	-
Expected return on plan assets	9	-
Actuarial gain / (loss)	(9)	-
Benefits paid	(38)	-
Fair value of plan assets at year end	**66**	**-**
Net funded status of the plan	**(2,684)**	**(1,235)**
Current Liabilities	**576**	**1,235**
Non-Current Liabilities	**2,108**	

Notes to consolidated financial statements

For the year ended March 31, 2015:

(₹ Millions)

Particulars	Gratuity	Leave Encashment
Change in Obligation		
Present value of obligation at beginning of year	2,390	1,195
Current service cost	370	243
Interest cost	192	96
Benefits paid	(415)	(210)
Acquisitions / transfer in / out	(44)	(3)
Actuarial (gain) / loss	7	(162)
Present value of obligation at year end	**2,500**	**1,159**
Change in plan assets :		
Fair value of plan assets at beginning of year	179	-
Expected return on plan assets	13	-
Actuarial gain / (loss)	75	-
Amount received on redemption of plan assets	(161)	-
Benefits paid	(2)	-
Fair value of plan assets at year end	104	-
Net funded status of the plan	**(2,396)**	**(1,159)**
Current Liabilities	**516**	**1,159**
Non-Current Liabilities	**1,880**	

d) The expected rate of return on plan assets was based on the average long-term rate of return expected to prevail over the next 15 to 20 years on the investments made by LIC. This was based on the historical returns suitably adjusted for movements in long-term government bond interest rates. The discount rate is based on the average yield on government bonds of 20 years.

e) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

f) History of experience adjustment is as follows:

(₹ Millions)

Particulars	Gratuity				
	As of March 31, 2016	As of March 31, 2015	As of March 31, 2014	As of March 31, 2013	As of March 31, 2012
Present value of obligation	2,750	2,500	2,334	1,979	1,500
Plan assets	66	104	179	183	81
Surplus / (deficit)	(2,684)	(2,396)	(2,155)	(1,796)	(1,419)
Experience adjustments on obligation- gain/(loss)	(2)	(138)	(26)	(29)	(28)
Experience adjustments on plan assets- gain/(loss)	(1)	74	(6)	-	-

(₹ Millions)

Particulars	Leave Encashment				
	As of March 31, 2016	As of March 31, 2015	As of March 31, 2014	As of March 31, 2013	As of March 31, 2012
Present value of obligation	1,235	1,159	1,123	1,128	902
Experience adjustments on obligation- gain/(loss)	79	104	93	-	-

Notes to consolidated financial statements

g) Movement in other long term employee benefits :

The provision for long term service award provided by the Group as of March 31, 2016 is ₹ 206 Mn (March 31, 2015 ₹ 194 Mn).

39. Loans and advances in the nature of loans along with maximum amount outstanding during the year as per Schedule V of the Listing Agreement are as follows:

(a) Loan and advance in the nature of loan given to Bharti Airtel Employees Welfare Trust is ₹ 516 Mn (March 31, 2015 ₹ 326 Mn) at nil interest rate.

(b) Loan and advance in the nature of loan given to Bharti Infratel Employees Welfare Trust is ₹ 624 Mn (March 31, 2015 ₹ 624 Mn) at nil interest rate.

(c) Loan and advance in the nature of loan given to Firefly Network Limited at 9.8% interest rate is ₹ 5 Mn (March 31, 2015 ₹ Nil)

Refer note 41 for outstanding balance at the end of the year for the above entities

40. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The dues to Micro, Small and Medium Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Group is given below.

(₹ Millions)

Sl. No.	Particulars	As of March 31, 2016	As of March 31, 2015
a	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting year included in trade payable	34	72
b	The amount of interest paid by the buyer in terms of section 16 of the Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	289	189
c	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	1
d	The amount of interest accrued and remaining unpaid at the end of financial year	22	20
e	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act	-	1

41. Related Party Disclosures

Related parties where control exists and / or with whom transactions have taken place during the year and description of relationships are:

Name of the related party and related party relationship :

(i) Key Management Personnel

Sunil Bharti Mittal
Gopal Vittal
Christan de Faria

(ii) Other Related Parties

(a) Associates

Tanzania Telecommunications Company Limited (Associate of Bharti Airtel Tanzania B.V.)

Seychelles Cable Systems Company Limited (Associate of Airtel (Seychelles) Limited)

Indo Teleports Limited (formerly known as Bharti Teleports Limited) (up till August 26, 2015) (refer note 36(i))

(b) Joint Ventures

Forum I Aviation Limited (Joint Venture of Bharti Airtel Services Limited) (Ceased to be related party w.e.f January 7, 2016)

Indus Towers Limited (Joint Venture of Bharti Infratel Limited)

Bridge Mobile Pte Limited

FireFly Networks Limited

(c) Entities where Key Management Personnel and their relatives are able to exercise significant influence

Bharti Foundation

Bharti Airtel Employees Welfare Trust

Hike Limited

Mobinteco Limited (Merged with Hike Limited w.e.f December 22, 2015)

Cedar Support Services Limited

Notes to consolidated financial statements

(d) Entities having significant influence over the Company

Singapore Telecommunications Limited
Pastel Limited
Bharti Telecom Limited

(e) Group Companies **

Beetel Teletech Limited
Bharti Axa General Insurance Company Limited
Bharti Axa Life Insurance Company Limited
Bharti Realty Holdings Limited
Bharti Realty Limited
Bharti Retail Limited
Ignite World Private Limited (formerly known as BSB Portal Limited)
Hike Messenger Limited (formerly known as BSB Innovation India Limited)
Centum Learning Limited
Fieldfresh Foods Private Limited
Indian Continent Investment Limited
Jersey Airtel Limited
Mehrauli Realty and Consultants Limited
Nile Tech Limited
Y2CF Digital Media Limited
Bharti Enterprises Limited
Atrium Restaurants India Private Limited
Bharti Land Limited
Centrum Work skills India Limited
Augere Wireless Broadband India Private Limited (w.e.f. December 31, 2015)

** **Group Companies**: though not 'Related Parties' as per the IGAAP definition, have been included by way of a voluntary disclosure, following the best corporate governance practices.

The details of amounts due to or due from the related parties as of March 31, 2016 and March 31, 2015 are as follows:

(₹ Millions)

S. No	Particulars	As of March 31, 2016	As of March 31, 2015
1	**Loans & Advances (including any accrued interest)**		
	Entities where Key Management Personnel and their relatives exercise significant Influence		
	Bharti Airtel Employees Welfare Trust	508	98
	Bharti Infratel Employees Welfare Trust	555	624
	Associate		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	-	466
	Group Companies		
	Augere Wireless Broadband India Pvt. Ltd.	51	-
	Joint Venture		
	Firefly Network limited	3	-
		1,117	**1,188**
2	**Security Deposit/Advances given**		
	Group Companies		
	Bharti Realty Limited	419	419
	Bharti Realty Holdings Limited	103	99
	Centum learning Limited	60	60
	Nile Tech Limited	428	396
	Joint Venture		
	Indus Towers Limited	2,208	2,136
	Firefly Network limited	0	-
		3,218	**3,110**
3	**Trade Receivables**		
	Associate		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	-	125
	Joint Venture of Subsidiary		
	Indus Towers Limited	14	139

Notes to consolidated financial statements

(₹ Millions)

S. No	Particulars	As of March 31, 2016	As of March 31, 2015
	Group Companies		
	Bharti Retail Limited	72	69
	Bharti AXA Life Insurance Company Limited	7	5
	Bharti Realty Limited	43	32
	Bharti Realty Holdings Limited	8	4
	Bharti AXA General Insurance Co Ltd	9	7
	Fieldfresh Foods Private Limited	2	1
	Jersey Airtel Limited	7	6
	Bharti Enterprises Limited	0	-
	Beetel Teletech Limited	12	10
	Nile Tech Limited	2	-
	Ignite World Private Limited (formerly known as BSB Portal Limited)	29	35
	Hike Messenger Limited (formerly Known as BSB Innovation India Limited)	1	2
	Centum learning Limited	82	13
	Bharti Land Limited	1	-
	Augere Wireless Broadband India Pvt. Ltd.	65	-
	Entities where Key Management Personnel and their relatives exercise significant Influence		
	Hike Limited	36	65
	Entity having significant influence over the Company		
	Singapore Telecommunications Ltd.	233	342
		623	**855**
4	**Trade Payables**		
	Associate		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	-	1
	Tanzania Telecommunications Company Limited	613	145
	Joint Ventures		
	Indus Towers Limited	5,049	5,175
	Bridge Mobile Pte. Limited	4	5
	Firefly Network limited	12	-
	Group Companies		
	Beetel Teletech Limited	515	243
	Bharti Realty Limited	-	10
	Bharti Retail Limited	2	3
	Bharti Realty Holdings Limited	14	15
	Bharti Enterprises Limited	18	45
	Bharti AXA General Insurance Co Ltd	2	127
	Nile Tech Limited	1	0
	Ignite World Private Limited (formerly known as BSB Portal Limited)	78	201
	Centum learning Limited	94	114
	Y2CF Digital Media Pvt. Ltd.	-	2
	Entity having significant influence over the Company		
	Singapore Telecommunications Limited	533	436
		6,935	**6,522**

Notes to consolidated financial statements

The details of the related party transaction entered into by the Group for the year ended March 31, 2016 and March 31, 2015 are as follows :

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
1	**Purchase of fixed assets/ bandwidth**		
	Group Companies		
	Ignite World Private Limited (formerly known as BSB Portal Limited)	-	92
	Beetel Teletech Limited	2,475	1,204
	Associate of Subsidiary		
	Seychelles Cable Systems Company Limited	-	111
		2,475	**1,407**
2	**Rendering of Services**		
	Associate /Associate of Subsidiary		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	13	29
	Tanzania Telecommunications Company Limited	115	106
	Group Companies		
	Fieldfresh Foods Private Limited	10	3
	Bharti AXA Life Insurance Company Limited	23	21
	Jersey Airtel Limited	15	23
	Bharti Realty Limited	13	-
	Bharti Retail Limited	46	69
	Gourmet Investments Private Limited	-	-
	Atrium Restaurants India Private Limited	0	-
	Bharti Land Limited	1	-
	Ignite World Private Limited (formerly known as BSB Portal Limited)	28	19
	Beetel Teletech Limited	7	3
	Bharti Realty Holdings Limited	6	1
	Bharti AXA General Insurance Co Ltd	33	12
	Hike Messenger Limited (Formerly Known as BSB Innovation India Limited)	1	2
	Bharti Enterprises Limited	3	0
	Centum learning Limited	7	6
	Joint Venture of Subsidiary		
	Indus Towers Limited	21	-
	Entities where key management personnel & their relatives exercise significant influence		
	Hike Limited	190	116
	Mobinreco Limited (Merged with Hike Limited wef December 22,2015)	-	-
	Bharti Foundation	3	0
	Entity having significant influence over the Company		
	Singapore Telecommunications Ltd.	1,313	1,444
		1,848	**1,854**
3	**Receiving of services**		
	Associate of Subsidiary		
	Tanzania Telecommunications Company Limited	928	305
	Joint Ventures		
	Indus Towers Limited	22,379	20,341
	Bridge Mobile Pte Limited	23	23
	FireFly Networks Limited	12	-
	Group Companies		
	Beetel Teletech Limited	1,457	730
	Bharti Realty Limited	9	5

Notes to consolidated financial statements

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	Bharti Retail Limited	1	-
	Ignite World Private Limited (formerly known as BSB Portal Limited)	707	755
	Y2CF Digital Media Pvt. Ltd.	2	4
	Bharti Realty Holdings Limited	227	192
	Bharti AXA Life Insurance Company Limited	0	71
	Bharti AXA General Insurance Company Limited	34	52
	Jersey Airtel Limited	1	1
	Centum learning Limited	610	797
	Bharti Retail Ltd.	-	3
	Entity having significant influence over the Company		
	Singapore Telecommunications Ltd.	629	614
		27,019	**23,893**
4	**Fund transferred/Expenses incurred on behalf of others**		
	Associate		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	-	23
	Group Companies		
	Bharti Retail Ltd.	-	2
		-	**25**
5	**Fund received/Expenses incurred on behalf of the Company**		
	Joint Venture		
	Forum 1 Aviation Ltd	21	40
	Indus Towers Limited	51	38
	Group Companies		
	Bharti Retail Ltd.	0	1
	Bharti Realty Limited	6	-
	Bharti Realty Holdings Limited	16	-
	Bharti Enterprises Limited	234	926
		328	**1,005**
6	**Employee related expenses incurred on behalf of the Company**		
	Group Companies		
	Bharti Enterprises Limited	97	127
	Bharti Retail Ltd.	-	1
	Bharti Realty Limited	0	-
	Bharti Realty Holdings Limited	0	-
	Centum learning Limited	0	1
	Beetel Teletech Limited	0	0
		97	**129**
7	**Donation**		
	Entities where Key Management Personnel and their relatives exercise significant Influence		
	Bharti Foundation	830	804
		830	**804**
8	**Security deposit given/Advances paid**		
	Joint Venture		
	Indus Towers Limited	73	42
	FireFly Networks Limited	0	-
	Associate		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	-	0
	Group Companies		
	Bharti Realty Limited	35	0
	Nile Tech Limited	33	0

Notes to consolidated financial statements

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	Bharti Realty Holdings Limited	4	-
	Entity having significant influence over the Company		
	Bharti Telecom Ltd.	0	1
		145	**43**
9	**Loans given**		
	Entities where Key Management Personnel and their relatives exercise significant Influence		
	Bharti Airtel Employees Welfare Trust	514	-
	Bharti Infratel Employees Welfare Trust	-	624
	Joint Venture		
	FireFly Networks Limited	3	-
	Group Companies		
	Augere Wireless Broadband India Pvt. Ltd.	40	-
	Associate		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	14	154
		571	**778**
10	**Repayment of Loans given**		
	Joint Venture of Subsidiary		
	Indus Tower Limited	-	5,320
	Associate		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	14	-
	Entities where Key Management Personnel and their relatives exercise significant Influence		
	Bharti Airtel Employees Welfare Trust	104	228
	Bharti Infratel Employees Welfare Trust	69	-
		187	**5,548**
11	**Dividend Paid**		
	Entities having significant influence over the Company		
	Pastel Ltd.	1,313	2,028
	Bharti Telecom Ltd.	3,886	5,994
	Group Companies		
	Indian Continent Investment Ltd.	590	912
	Key Management Personnel		
	Gopal Vittal	0	0
	Entities Where Key Management Personnal and their relative exercise significant Influence		
	Bharti Airtel Employees Welfare Trust	1	7
	Bharti Infratel Employees Welfare Trust	11	-
		5,801	**8,941**
12	**Reimbursement of energy expenses**		
	Joint Venture of Subsidiary		
	Indus Towers Limited	13,467	13,514
	Group Companies		
	Bharti Realty Holdings Limited	4	3
		13,471	**13,517**
13	**Remuneration**		
	Key Management Personnel		
	Short-Term Employee Benefits	274	250
	Defined Contribution Plan	24	22
	Performance Linked Incentive ('PLI')#	153	153
		451	**425**

Notes to consolidated financial statements

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
14	**Rent Expense**		
	Group Companies		
	Beetel Teletech Limited	4	13
	Bharti Realty Limited	1,116	655
	Bharti Axa Life Insurance Company Limited	0	1
	Nile Tech Limited	667	553
		1,787	**1,222**
15	**Rent Income**		
	Associate		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	2	4
		2	**4**
16	**Interest Income**		
	Associate		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	22	47
	Group Companies		
	Augere Wireless Broadband India Pvt. Ltd.	2	-
	Joint Venture		
	FireFly Networks Limited	**0**	**-**
		24	**47**
17	**Refund of security deposit**		
	Group Companies		
	Bharti Realty Limited	32	-
	Joint Venture		
	Forum 1 Aviation Ltd	3	-
	Entity having significant influence over the Company		
	Bharti Telecom Limited	-	1
		35	**1**
18	**Claim received**		
	Group Companies		
	Bharti Axa General Insurance Company Limited	72	46
		72	**46**
19	**Purchase of investment**		
	Joint Venture		
	Firefly Network limited	-	5
		-	**5**
20	**Reduction of share capital**		
	Joint Venture		
	Bridge Mobile Pte Limited	-	78
		-	**78**
21	**Employee related expenses incurred on behalf of the Others**		
	Joint Venture		-
	Firefly Network limited	7	-
	Group Companies		
	Bharti Enterprises Limited	40	-
	Centum learning Limited	2	-
		49	**-**

Value of PLI considered above represents incentive at 100% performance level. However, same will be paid on the basis of actual performance parameters in next year. Additional provision of ₹ 29 Mn and ₹ 23 Mn has been recorded in the books towards PLI for the year ended March 31, 2016 and March 31, 2015, respectively. During the year ended March 31, 2016, PLI of ₹ 143 Mn (March 31, 2015: ₹ 250 Mn) pertaining to previous year has been paid.

Notes to consolidated financial statements

42. Lease

a) Operating lease - As a lessee

The lease rentals charged during the year for cancellable / non-cancellable leases relating to rent of building premises and cell sites as per the agreements and maximum obligation on long-term non-cancellable operating leases are as follows:

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Lease rentals [excluding lease equalisation reserve - ₹ 1,340 Mn (March 31, 2015 ₹ 1,580 Mn)]	64,559	53,829
Obligations on non-cancellable leases :		
Not later than one year	49,241	42,232
Later than one year but not later than five years	152,459	143,424
Later than five years	101,436	93,393
Total	**303,135**	**279,049**

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

b) Operating Lease – As a Lessor

i) The Company has entered into non–cancellable lease arrangements to provide dark fiber on indefeasible right of use (IRU) basis and certain premises on lease. Due to the nature of the transaction, it is not possible to compute gross carrying amount, depreciation for the year and accumulated depreciation of the asset given on operating lease as of March 31, 2016 and accordingly, disclosures required by AS 19 - Leases are not provided.

ii) The future minimum lease payments receivable are:

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Not later than one year	49,821	43,492
Later than one year but not later than five years	157,129	160,167
Later than five years	62,948	57,148
Total	**269,898**	**260,807**

c) Finance Lease – As a Lessee

i) Finance Lease obligation of the Group as lessee as of March 31, 2016 is as follow:-

(₹ Millions)

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	10,160	5,414	4,746
Later than one year but not later than five years	38,263	16,973	21,290
Later than five years	39,381	7,545	31,835
Total	**87,804**	**29,932**	**57,871**

Notes to consolidated financial statements

ii) Finance Lease obligation of the Group as lessee as of March 31, 2015 is as follow:

(₹ Millions)

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	721	164	557
Later than one year but not later than five years	1,083	421	662
Later than five years	575	166	409
Total	**2,379**	**751**	**1,628**

d) Finance Lease – As a Lessor

i) The future minimum lease payments receivable of the Group as of March 31, 2016 is as follows:

(₹ Millions)

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	126	33	93
Later than one year but not later than five years	297	37	260
Total	**423**	**70**	**353**

ii) The future minimum lease payments receivable of the Group as of March 31, 2015 is as follows:

(₹ Millions)

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

Notes to consolidated financial statements

43. Employee Stock Compensation

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

Entity	Scheme	Plan	Year of issuance of plan	Vesting period (years)	Contractual term (years)	As of March 31, 2016		As of March 31, 2015	
						Share options granted (thousands)	Weighted average exercise price (₹)	Share options granted (thousands)	Weighted average exercise price (₹)
Equity settled Plans									
Bharti Airtel	Scheme I	2001 Plan *	2002	1 - 4	7	30,893	21.25	30,893	21.25
Bharti Airtel	Scheme I	2004 Plan *	2004	1 - 4	7	4,380	35.00	4,380	35.00
Bharti Airtel	Scheme I	Superpot *	2004	1 - 3	7	143	-	143	-
Bharti Airtel	Scheme I	2006 Plan	2006	1 - 5	7	5,489	5.48	5,489	5.48
Bharti Airtel	Scheme 2005	2005 Plan *	2005	1 - 4	7	11,260	237.06	11,260	237.06
Bharti Airtel	Scheme 2005	2008 Plan & Annual Grant Plan (AGP)	2008	1 - 3	7	8,817	352.13	8,817	352.13
Bharti Airtel	Scheme 2005	Performance Share Plan (PSP) 2009 Plan	2009	3 - 4	7	1,691	5.00	1,691	5.00
Bharti Airtel	Scheme 2005	Special ESOP & Restricted Share Units (RSU) Plan	2010	1 - 5	7	3,615	5.00	3,615	5.00
Bharti Airtel	Scheme 2005	Long Term Incentive (LTI) Plan	2011	1 - 3	7	433	5.00	433	5.00
Bharti Airtel	Scheme 2005	LTI Plan	2012	1 - 3	7	1,649	5.00	1,649	5.00
Bharti Airtel	Scheme 2005	LTI Plan	2015	1 - 3	7	1,576	5.00	-	-
Bharti Infratel	Infratel plan	2008 Plan	2008	1 - 5	7	9,913	109.67	9,913	109.67
Bharti Infratel	Infratel plan	LTI Plan (Part of 2008 plan)	2012	1 - 3	7	34	10.00	34	10.00
Bharti Infratel	Infratel plan	2015 Plan	2015	1 - 3	7	90	10.00	-	-
Cash settled Plans									
Bharti Airtel	Scheme 2005	LTI Plan Africa *	2011	1 - 3	3	560	5.00	560	5.00
Bharti Airtel	Performance Unit Plan (PUP) 2013	Performance Unit Plan (PUP) 2013	2013	1 - 3	3	3,435	-	3,435	-
Bharti Airtel	Performance Unit Plan (PUP) 2014	Performance Unit Plan (PUP) 2014	2014	1 - 5	3-5	5,920	-	5,909	-
Bharti Airtel	Performance Unit Plan (PUP) 2015	Performance Unit Plan (PUP) 2015	2015	1 - 3	7	1,045	-	-	-
Bharti Infratel	Infratel plan	PUP	2013 & 2014	1 - 3	7	309	-	309	-
Indus	Indus Plan	SAR Plan - 1	2013	**	7	1	-	1	-
Indus	Indus Plan	SAR Plan - 2	2013	1 - 3	7	0	-	0	-

* Contractual term has expired

** The vesting schedule of SAR Plan1 stipulates vesting as applicable under the Scheme or as determined by the Human Resource and Remuneration Committee and communicated through the award letters.

Notes to consolidated financial statements

The following table exhibits the net compensation expenses arising from shares based payment transaction::

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Equity-settled share-based payment transactions	248	(4)
Cash-settled share-based payment transactions	780	777
	1,028	**773**

The information concerning share options issued is presented below:

Particulars	As of March 31, 2016		As of March 31, 2015	
	Number of share options (In '000)	Weighted average exercise price (₹)	Number of share options (In '000)	Weighted average exercise price (₹)
Equity Settled Plans				
Scheme I - 2006 Plan				
Outstanding at beginning of year	390	5.00	539	6.74
Granted	-	-	225	5.00
Exercised	(75)	5.00	(98)	14.38
Forfeited / Expired	(10)	5.00	(276)	5.00
Outstanding at end of year	305	5.00	390	5.00
Exercisable at end of year	30	5.00	65	5.00
Scheme 2005 - 2005 Plan				
Outstanding at beginning of year	-	-	1,008	436.06
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited / Expired	-	-	(1,008)	436.06
Outstanding at end of year	-	-	-	-
Exercisable at end of year	-	-	-	-
Scheme 2005 - 2008 Plan & AGP				
Outstanding at beginning of year	2,534	355.45	3,439	354.54
Granted	-	-	-	-
Exercised	(686)	334.89	(173)	327.20
Forfeited / Expired	(1,209)	342.24	(732)	357.85
Outstanding at end of year	639	402.50	2,534	355.45
Exercisable at end of year	639	402.50	2,534	355.45
Scheme 2005 - PSP 2009 Plan				
Outstanding at beginning of year	83	5.00	242	5.00
Granted	-	-	-	-
Exercised	(22)	5.00	(159)	5.00
Forfeited / Expired	(8)	5.00	-	5.00
Outstanding at end of year	53	5.00	83	5.00
Exercisable at end of year	53	5.00	83	5.00
Scheme 2005 - Special ESOP & RSU Plan				
Outstanding at beginning of year	189	5.00	408	5.00
Granted	-	-	-	-
Exercised	(44)	5.00	(178)	5.00
Forfeited / Expired	(19)	5.00	(41)	5.00
Outstanding at end of year	126	5.00	189	5.00
Exercisable at end of year	126	5.00	189	5.00

Notes to consolidated financial statements

Particulars	As of March 31, 2016		As of March 31, 2015	
	Number of share options (In '000)	Weighted average exercise price (₹)	Number of share options (In '000)	Weighted average exercise price (₹)
Scheme 2005 - LTI Plan (2011, 2012 & 2015)				
Outstanding at beginning of year	523	5.00	1,072	5.00
Granted	1,576	5.00	67	5.00
Exercised	(201)	5.00	(356)	5.00
Forfeited / Expired	(189)	5.00	(260)	5.00
Outstanding at end of year	1,709	5.00	523	5.00
Exercisable at end of year	208	5.00	230	5.00
Bharti Infratel : 2008 Plan				
Outstanding at beginning of year	3,834	109.67	8,554	109.67
Granted	-	-	-	-
Exercised	(3,078)	109.67	(4,463)	109.67
Forfeited / Expired	(24)	109.67	(257)	109.67
Outstanding at end of year	732	109.67	3,834	109.67
Exercisable at end of year	732	109.67	3,607	109.67
Bharti Infratel : LTI Plan (Part of 2008 Plan)				
Number of shares under option:				
Outstanding at beginning of year	6	10.00	16	10.00
Granted	-	-	-	-
Exercised	(2)	10.00	(5)	10.00
Forfeited / Expired	-	10.00	(5)	10.00
Outstanding at end of year	4	10.00	6	10.00
Exercisable at end of year	4	10.00	3	10.00
Bharti Infratel : LTI Plan (2015 Plan)				
Number of shares under option:				
Outstanding at beginning of year	-	-	-	-
Granted	90	10.00	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Forfeited / Expired	-	-	-	-
Outstanding at end of year	90	10.00	-	-
Exercisable at end of year	-	-	-	-
Cash Settled Plan				
Scheme 2005 - LTI Plan Africa				
Outstanding at beginning of year	-	-	107	5.00
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited	-	-	(107)	5.00
Outstanding at end of year	-	-	-	-
Exercisable at end of year	-	-	-	-
PUP 2013				
Outstanding at beginning of year	1,435	-	3,004	-
Granted	-	-	140	-
Exercised	(381)	-	(589)	-
Forfeited	(555)	-	(1,120)	-
Outstanding at end of year	499	-	1,435	-
Exercisable at end of year	-	-	-	-

Notes to consolidated financial statements

Particulars	As of March 31, 2016		As of March 31, 2015	
	Number of share options (In '000)	Weighted average exercise price (₹)	Number of share options (In '000)	Weighted average exercise price (₹)
PUP 2014				
Number of shares under option:				
Outstanding at beginning of year	5,548	-	-	-
Granted	11	-	5,909	-
Exercised	(441)	-	-	-
Forfeited / Expired	(1,477)	-	(361)	-
Outstanding at end of year	3,641	-	5,548	-
Exercisable at end of year	-	-	-	-
PUP 2015				
Number of shares under option:				
Outstanding at beginning of year	-	-	-	-
Granted	1,045	-	-	-
Exercised	-	-	-	-
Forfeited / Expired	(138)	-	-	-
Outstanding at end of year	907	-	-	-
Exercisable at end of year	-	-	-	-
Bharti Infratel : Performance Unit Plan				
Number of shares under option:				
Outstanding at beginning of year	238	-	171	-
Granted	-	-	138	-
Exercised	(51)	-	(46)	-
Forfeited / Expired	(4)	-	(25)	-
Outstanding at end of year	183	-	238	-
Exercisable at end of year	37	-	2	-
Indus : SAR Plan 1 *				
Number of shares under option:				
Outstanding at beginning of year	0.0546	-	0.1483	-
Exercised	(0.0511)	-	(0.0745)	-
Forfeited / Expired	-	-	(0.0192)	-
Outstanding at end of year	0.0036	-	0.0546	-
Exercisable at end of year	0.0036	-	0.0368	-
Indus : SAR Plan 2 *				
Number of shares under option:				
Outstanding at beginning of year	0.1135	-	0.0655	-
Granted	0.0270	-	0.0639	-
Exercised	(0.0563)	-	(0.0112)	-
Forfeited / Expired	(0.0072)	-	(0.0047)	-
Outstanding at end of year	0.0770	-	0.1135	-
Exercisable at end of year	0.0099	-	0.0226	-

* Represents the Company's share of 42% in the joint venture.

Notes to consolidated financial statements

The following table summarises information about options exercised and granted during the year and about options outstanding and their remaining contractual life:

March 31, 2016

Entity	Plan	Options Outstanding as of March 31, 2016			Options Granted during the year ended March 31, 2016		Options Excercised during the year ended March 31, 2016	
		Options (thousands)	Exercise price (₹)	Weighted average remaining contractual life (years)	Options (thousands)	Weighted average Fair Value (₹)	Options (thousands)	Weighted average share price (₹)
Equity settled Plans								
Bharti Airtel	2006 Plan	305	5.00	5.00	-	-	75	350.45
Bharti Airtel	2008 Plan & AGP	639	402.50	0.25	-	-	686	397.45
Bharti Airtel	PSP 2009 Plan	53	5.00	0.69	-	-	22	367.51
Bharti Airtel	Special ESOP & RSU Plan	126	5.00	1.20	-	-	44	319.66
Bharti Airtel	LTI Plan (2011, 2012 & 2015)	1,709	5.00	5.98	1,576	398.32	201	348.28
Bharti Infratel	2008 Plan	732	109.67	1.05	-	-	3,078	394.02
Bharti Infratel	LTI Plan (Part of 2008 Plan)	4	10.00	3.42	-	-	2	394.02
Bharti Infratel	2015 Plan	90	10.00	6.33	90	414.41	-	-
Cash settled Plans								
Bharti Airtel	PUP 2013	499	-	0.37	-	-	381	417.90
Bharti Airtel	PUP 2014	3,641	-	1.97	11	373.40	441	423.32
Bharti Airtel	PUP 2015	907	-	2.35	1,045	342.44	-	-
Bharti Infratel	Performance Unit Plan	183	-	4.34	-	-	51	439.11
Indus	SAR Plan 1	0.00	-	3.84	-	-	(0.05)	404,438.00
Indus	SAR Plan 2	0.08	-	4.34 to 6.34	0.03	679,000.00	(0.06)	657,738.00

March 31, 2015

Entity	Plan	Options Outstanding as of March 31, 2015			Options Granted during the year ended March 31, 2015		Options Excercised during the year ended March 31, 2015	
		Options (thousands)	Exercise price (₹)	Weighted average remaining contractual life (years)	Options (thousands)	Weighted average Fair Value (₹)	Options (thousands)	Weighted average share price (₹)
Equity settled Plans								
Bharti Airtel	2006 Plan	390	5.00 to 110.50	5.86	225	361.19	98	371.70
Bharti Airtel	2008 Plan & AGP	2,534	295.00 to 402.50	0.63	-	-	173	383.30
Bharti Airtel	PSP 2009 Plan	83	5.00	1.87	-	-	159	352.26
Bharti Airtel	Special ESOP & RSU Plan	189	5.00	2.26	-	-	178	350.09
Bharti Airtel	LTI Plan (2011 & 2012)	523	5.00	4.27	67	291.63	356	368.36
Bharti Infratel	2008 Plan	3,834	109.67	1.95	-	-	4,463	262.40
Bharti Infratel	LTI Plan (Part of 2008 Plan)	6	10.00	4.42	-	-	5	262.40
Cash settled Plans								
Bharti Airtel	PUP 2013	1,435	-	1.37	140	378.92	589	354.24
Bharti Airtel	PUP 2014	5,548	-	2.81	5,909	383.98	-	-
Bharti Infratel	Performance Unit Plan	238	-	5.34	138	336.29	46	262.40
Indus	SAR Plan 1	0.05	-	4.84	-	-	(0.07)	144,807.00
Indus	SAR Plan 2	0.11	-	4.84 to 6.34	0.06	658,000.00	(0.01)	344,180.00

Notes to consolidated financial statements

The total carrying value of cash-settled share based compensation liability is ₹ 1,262 Mn and ₹ 857 Mn as of March 31, 2016 and March 31, 2015, respectively.

The fair value of options granted was estimated on the date of grant and at each reporting date (for cash-settled share based options) using the Black-Scholes / Lattice / Monte Carlo Simulation valuation model with the following assumptions:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Risk free interest rates	6.86% to 7.87%	7.64% to 8.65%
Expected life	4 to 60 months	10 to 72 months
Volatility	26.63% to 38.01%	27.36% to 32.59%
Dividend yield excluding Indus	0.54% to 1.44%	0.46% to 0.6%
Dividend yield - Indus	3.20% to 4.98%	3.65% to 4.98%
Wtd average share price on measurement date exluding Infratel (₹)	350.9 to 411.7	373.7 to 393.9
Wtd average exercise price on measurement date exluding Infratel (₹)	0 to 5	0 to 5
Wtd average share price on measurement date - Infratel (₹)	497.00	378.00
Wtd average exercise price on measurement date - Infratel (₹)	10.00	-

The expected life of the share option is based on historical data and current expectation and not necessarily indicative of exercise pattern that may occur. The volatility of the options is based on the historical volatility of the share price since the respective entity's equity shares became publicly traded.

Bharti Infratel Limited (the subsidiary of the Company) has issued fresh equity shares to its employees under the equity settled share based compensation plan and has received an amount of ₹ 338 Mn (March 31, 2015: ₹ 497 Mn), resulting in increase in the holding of minority shareholders by 0.19%.

44. Derivatives

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Group uses derivative financial instruments such as foreign exchange contracts, option contracts and interest rate swaps to manage its exposures to foreign exchange fluctuations and changes in interest rate..

The following table details the status of the Group's exposure:

(₹ Millions)

S. No.	Particulars	Notional Value (March 31, 2016)	Notional Value (March 31, 2015)
A	**For Loan related exposures***		
	a) Forwards	76,712	7,023
	b) Options	35,908	32,548
	c) Interest rate swaps	251,356	186,990
	Total	**363,976**	**226,561**
B	**For Trade related exposures***		
	a) Forwards	20,707	13,992
	b) Options	26,082	6,605
	c) Interest Rate Swaps	-	-
	Total	**46,789**	**20,597**
C	**Unhedged foreign currency borrowing**	340,036	370,962
D	**Unhedged foreign currency payables**	51,537	75,877
E	**Unhedged foreign currency receivables**	82,210	66,614

* Trade related exposure includes hedges taken for forecasted receivables.

The Group has accounted for derivatives, which are covered under the Announcement issued by the ICAI, on marked-to-market basis and has recorded a net loss ₹ 296 Mn (including net loss of ₹ 308 Mn towards embedded derivatives) for the year ended March 31, 2016 and recorded reversal of loss of ₹ 635 Mn (including reversal of loss of ₹ 490 Mn towards embedded derivatives) for the year ended March 31, 2015.

Notes to consolidated financial statements

45. Movement in Provision

a) Doubtful Debts/Advances

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Balance at the beginning of the year#	35,199	31,585
Provision for the year	9,373	9,401
Write-off of bad debts (net of recovery)	(6,867)	(4,247)
Currency translation	2,573	(1,540)
Balance at the end of the year#	**40,278**	**35,199**

includes provision for doubtful TDS receivable of ₹ 1,050 Mn (March 31, 2015 ₹ 739 Mn) grouped under Advance tax.

b) Subjudice Matters

The Group is involved in various litigations, the outcome of which are considered probable, and in respect of which the Group has made aggregate provisions of ₹ 113,437 Mn as at March 31, 2016 (March 31, 2015 ₹ 86,531 Mn).

The movement of provision towards subjudice matters disclosed under other non-current assets (refer note 20) and other current liabilities (refer note 14)

Movement in Provision towards subjudice matters

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Opening Balance	86,531	74,674
Additions (net)	26,906	11,857
Closing Balance	**113,437**	**86,531**

Notes to consolidated financial statements

46. Security Details

The Group has taken borrowings in various countries towards funding of its acquisition and working capital requirements. The borrowings comprise of funding arrangements with various banks and financial institutions taken by the Parent and subsidiaries. The details of security provided by the Group in various countries,are as follows:

(₹Millions)

Entity	Relation	Outstanding loan amount		Security Detail
		As of March 31, 2016	As of March 31, 2015	
Bharti Airtel Ltd	Parent	20	19	Hypothecation of vehicles
Airtel Bangladesh Ltd	Subsidiary	26,351	21,744	(i) Deed of Hypothecation by way of fixed charge creating a first-ranking pari passu fixed charge over listed machinery and equipment of the company, favouring the Bank / FIIs investors and the Offshore Security Agent and filed with the Registrar of Joint Stock Companies. Third Modification to Deed of Hypothecation for EKN-1, EKN-2, SCB Mauritius & HDFC Loan facilities. (ii) Deed of Hypothecation by way of floating charge creating a first-ranking pari passu floating charge over plant, machinery and equipment, both present and future, excluding machinery and equipment covered under the foregoing Deed of Hypothecation by way of fixed charge and a first-ranking pari passu floating charge over all current assets of the company, both present and future, including but not limited to stock, book debts, receivables and accounts of the company, entered into or to be entered into by the company, favouring the Bank / FIIs Facility Investors and Offshore Security Agent and filed with the Registrar of Joint Stock Companies for EKN-1, EKN-2, SCB Mauritius & HDFC loan facility. (iii) Corporate Guarantee by BAHSPL (Bharti Airtel Holdings Pte. Ltd.) to Airtel Bangladesh Limited for EKN-1, EKN-2, HDFC & SCB Mauritius loan facility. Counter Guarantee to BAHSPL by BAL (Bharti Airtel Limited) for EKN-1, EKN-2, HDFC loan facility. (iv) Register Hypothecations of all present and future book debts, receivables, monies, and movable property of the Borrower consisting of raw materials, stocks, inventory work in progress, finished goods and insurance proceeds thereof, of Airtel Bangladesh on Pari Passu basis with other Lenders, under a Letter of Hypothecation dated February 8, 2012 and its subsequent modifications to the hypothecation executed in favor of the existing lenders and filed with the Registrar of Joint Stock Companies. (For Short Term Working Capital Lenders (STL & OD) except Citibank N.A).

Notes to consolidated financial statements

(₹Millions)

Entity	Relation	Outstanding loan amount As of March 31, 2016	Outstanding loan amount As of March 31, 2015	Security Detail
Bharti Airtel Africa BV and its subsidiaries	Subsidiary	18,062	59,349	(i) Pledge of all fixed and floating assets - Kenya, Nigeria, Tanzania, Uganda, DRC, Ghana (ii) Pledge on specific fixed assets - Chad
Indus Towers Limited (42% share)	Joint Venture	16,552	23,840	(i) a first charge by way of hypothecation of the JV Company's entire movable assets plant and machinery, including tower, related equipment and spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future; (ii) a charge on JV Company's cash flows, receivables, book debts, revenues of whatsoever nature and wherever arising, present and future subject only to prior charge in favour of working capital lenders with working capital facility limits not exceeding ₹ 10,000 Mn (amount in absolute figures) including funded facilities; and (iii) a first charge over the amount in the Debt Service Account opened and maintained by the JV Company in accordance with the terms of this Agreement and the Debt Service Account Agreement;
Total		**60,985**	**104,952**	

Africa operations acquisition related borrowing:

Loans outstanding as at the reporting date includes certain loans which have been taken to refinance the Africa operations acquisition related borrowing. These loan agreements contain a negative pledge covenant that prevents the Group (excluding Airtel Bangladesh Limited, Bharti Airtel Africa B.V, Bharti Infratel Limited, and their respective subsidiaries) to create or allow to exist any security interest on any of its assets without prior written consent of the majority lenders except in certain agreed circumstances.

The Euro Notes due in 2018 and USD Notes due in 2023 issued by BAIN contain certain covenants relating to limitation on Indebtedness and all notes carry a restriction on incurrence of any lien on its assets other than as permitted under the agreement, unless an effective provision is made to secure the Notes and guarantee equally and ratably with such Indebtedness for so long as such Indebtedness is so secured by such lien. The limitation on indebtedness covenant on Euro Notes due 2018 and USD Notes due 2023 gets suspended on Notes meeting certain agreed criteria. The debt covenants remained suspended as of the date of the authorisation of the financial statements. The other notes issued do not carry any restrictions on the limitation on indebtedness.

Notes to consolidated financial statements

47. Interest in Joint Venture

The Group's share of the assets, liabilities, income and expense of the joint venture, which has been proportionately consolidated in the consolidated financial statements, before elimination of transactions between the group and the joint venture are as follows:

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Balance Sheet		
Current assets	8,887	8,933
Non-current assets	99,572	101,440
Current liabilities	27,263	22,396
Non-current liabilities	32,343	36,693
Equity	**48,853**	**51,284**

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Statement of Profit and Loss		
Revenue	67,245	62,915
Other Income	1,095	1,676
Employee benefit expenses	1,766	1,583
Other expenses	37,001	35,207
Finance costs	2,193	2,968
Depreciation	10,994	10,632
Profit before tax	**16,386**	**14,201**
Tax Expense	5,777	5,109
Profit for the year	**10,609**	**9,092**

48. The Company (M/s J T Mobiles Limited subsequently merged with the Company) was awarded license by DoT to operate cellular services in the State of Punjab in December 1995. On April 18, 1996, the Company obtained the permission from DoT to operate the Punjab license through its wholly owned subsidiary, Evergrowth Telecom Limited (ETL). In December 1996, DoT raised argument that the permission dated April 18, 1996 has not become effective and cancelled the permission to operate, which was subsequently reinstated on March 10, 1998 (the period from April 18, 1996 to March 10, 1998 has been hereinafter referred to as 'blackout period'). On July 15, 1999, license was terminated due to alleged non-payment of license fees, liquidated damages and related penal interest relating to blackout period.

In September 2001, in response to the demand raised by DoT, the Company had paid ₹ 4,856 Mn to DoT under protest subject to resolution of the dispute through arbitration. Consequently, the license was restored and an arbitrator was appointed for settlement of the dispute. Arbitrator awarded an unfavourable order, which was challenged by the Company before Hon'ble Delhi High Court.

On September 14, 2012, Hon'ble Delhi High Court passed an order setting aside the award passed by the arbitrator. DoT in the meanwhile has preferred an Appeal, including condonation of delay in filing of appeal, which is presently pending before the Division Bench of the Hon'ble Delhi High Court. The Appeal of DoT on the issue of condonation of delay was allowed on July 16, 2013. The next date of hearing is May 12, 2016. However, the Company on October 30, 2013 has filed Writ Petition for recovery in Hon'ble Delhi High Court, notice issued by High Court. The matter was listed on November 6, 2015 and is reserved for judgement.

Notes to consolidated financial statements

49. Additional information, as required under Schedule III to the Companies Act, 2013 of enterprises consiolidated as Subsidiaries, Associates and Joint ventures.

(₹ Millions)

S. No.	Name of the entity	2016				2015			
		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
	Parent								
1	Bharti Airtel Limited	200%	844,468	169%	75,465	197%	782,729	286%	132,005
	Subsidiaries								
	Indian								
1	Airtel Broadband Services Private Limited (formerly known as Wireless Business Services Private Limited)	-	-	0%	(6)	14%	55,953	(1%)	(234)
2	Airtel M Commerce Services Limited	1%	2,369	(1%)	(346)	0%	671	0%	45
3	Bharti Airtel Services Limited	0%	(1,008)	0%	(65)	0%	(943)	0%	(88)
4	Bharti Hexacom Limited	15%	62,564	23%	10,277	13%	52,288	23%	10,793
5	Bharti Infratel Limited	32%	134,635	30%	13,233	30%	119,030	24%	10,978
6	Bharti Infratel Services Limited	-	-	0%	(0)	0%	0	0%	(0)
7	Bharti Telemedia Limited	(8%)	(34,116)	3%	1,278	(9%)	(35,393)	(4%)	(1,907)
8	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	0%	(359)	0%	(78)	-	-	-	-
9	Nxtra Data Limited	0%	(17)	0%	14	0%	(31)	0%	(78)
10	Smartx Services Limited	0%	30	0%	0	-	-	-	-
11	Telesonic Networks Limited	0%	116	1%	323	0%	(207)	0%	219
12	Wynk Limited	0%	16	0%	16	0%	1	0%	-
	Foreign								
1	Africa Towers N.V.	0%	(355)	(1%)	(284)	0%	(70)	0%	(69)
2	Africa Towers Services Limited	0%	(0)	0%	35	0%	(34)	0%	(43)
3	Airtel (Seychelles) Limited	0%	(799)	(1%)	(243)	0%	(529)	0%	(164)
4	Airtel (SL) Limited	(1%)	(4,618)	1%	240	(1%)	(4,233)	(1%)	(293)
5	Airtel Bangladesh Limited	(5%)	(21,090)	(16%)	(7,269)	(3%)	(12,979)	(14%)	(6,590)
6	Airtel Burkina Faso S.A.	(1%)	(2,739)	1%	245	0%	(1,598)	(1%)	(595)
7	Airtel Congo (RDC) S.A. (formerly Celtel Congo RDC S.a.r.l.)	(16%)	(69,368)	(36%)	(16,153)	(13%)	(50,573)	(36%)	(16,825)
8	Airtel Congo S.A.*	(6%)	(23,389)	(8%)	(3,701)	(4%)	(16,661)	(18%)	(8,228)
9	Airtel DTH Services (SL) Limited (in liquidation)	0%	-	0%	-	0%	-	0%	-
10	Airtel DTH Services Congo (RDC) S.p.r.l. (In liquidation)	0%	-	0%	-	0%	-	0%	-
11	Airtel DTH Services Nigeria Limited (In liquidation)	0%	-	0%	-	0%	-	0%	-
12	Airtel DTH Services Tanzania Limited (Liquidated on April 4, 2014)	0%	-	0%	-	0%	-	0%	-
13	Airtel Gabon S.A.	(4%)	(18,635)	(16%)	(6,999)	(3%)	(10,595)	(13%)	(6,083)
14	Airtel Ghana Limited	(7%)	(29,726)	1%	472	(7%)	(28,770)	(28%)	(12,775)
15	Airtel Madagascar S.A.	(2%)	(7,735)	(7%)	(3,206)	(1%)	(4,747)	(3%)	(1,295)
16	Airtel Malawi Limited	0%	(1,699)	(3%)	(1,266)	0%	(1,084)	2%	735
17	Airtel Mobile Commerce (Ghana) Limited	0%	1	0%	-	0%	1	0%	-
18	Airtel Mobile Commerce (Kenya) Limited	0%	0	0%	-	0%	0	0%	-
19	Airtel Mobile Commerce (Seychelles) Limited	0%	-	0%	-	0%	-	0%	-

Notes to consolidated financial statements

(₹ Millions)

S. No.	Name of the entity	2016				2015			
		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
20	Airtel Mobile Commerce (SL) Limited	0%	0	0%	-	0%	0	0%	-
21	Airtel Mobile Commerce (Tanzania) Limited	0%	0	0%	-	0%	0	0%	-
22	Airtel Mobile Commerce B.V.	0%	(25)	0%	(8)	0%	(16)	0%	(7)
23	Airtel Mobile Commerce Burkina Faso S.A.	0%	161	0%	177	0%	(138)	0%	(3)
24	Airtel Mobile Commerce Holdings B.V.	0%	1	0%	(0)	0%	1	0%	-
25	Airtel Mobile Commerce Limited	0%	(373)	0%	(132)	0%	(393)	0%	(181)
26	Airtel Mobile Commerce Madagascar S.A.	0%	(408)	0%	(113)	0%	(303)	0%	(118)
27	Airtel Mobile Commerce Rwanda Limited	0%	1	0%	-	0%	1	0%	-
28	Airtel Mobile Commerce Tchad S.a.r.l.	0%	0	0%	-	0%	0	0%	-
29	Airtel Mobile Commerce Uganda Limited	0%	0	0%	-	0%	0	0%	-
30	Airtel Mobile Commerce Zambia Limited (formerly ZMP Limited)	0%	(441)	0%	(133)	0%	(425)	0%	(138)
31	Airtel Money (RDC) S.p.r.l.	0%	(1,588)	(1%)	(486)	0%	(1,045)	(2%)	(880)
32	Airtel Money Niger S.A.	0%	-	0%	-	0%	1	0%	-
33	Airtel Money S.A. (Gabon)	0%	(363)	0%	(42)	0%	(284)	0%	(124)
34	Airtel Money Transfer Limited	0%	-	0%	-	0%	-	0%	-
35	Airtel Networks Kenya Limited	(6%)	(25,083)	7%	2,996	(7%)	(29,732)	(15%)	(7,005)
36	Airtel Networks Limited	(12%)	(52,282)	44%	19,504	(17%)	(65,774)	(37%)	(17,116)
37	Airtel Networks Zambia Plc	(1%)	(2,421)	2%	820	(1%)	(3,028)	(3%)	(1,334)
38	Airtel Rwanda Limited	(2%)	(9,575)	(7%)	(3,034)	(2%)	(6,786)	(5%)	(2,332)
39	Airtel Tanzania Limited	(7%)	(30,365)	(30%)	(13,497)	(6%)	(23,240)	(25%)	(11,541)
40	Airtel Tchad S.A.	(3%)	(11,992)	(7%)	(3,052)	(2%)	(7,895)	(7%)	(3,157)
41	Airtel Towers (Ghana) Limited	0%	(15)	0%	32	0%	(45)	0%	(8)
42	Airtel Towers (SL) Company Limited	0%	(16)	0%	27	0%	(36)	0%	10
43	Airtel Uganda Limited	(2%)	(8,534)	4%	1,727	(3%)	(10,413)	(7%)	(3,030)
44	Bangladesh Infratel Networks Limited	(0)	(0)	0	0	(0)	(0)	(0)	(0)
45	Bharit Airtel (Canada) Limited	0%	-	0%	28	0%	(27)	0%	(3)
46	Bharti Airtel (France) SAS	0%	254	0%	196	0%	47	0%	25
47	Bharti Airtel (Hongkong) Limited	0%	(181)	0%	138	0%	(301)	0%	(18)
48	Bharti Airtel (Japan) Kabushiki Kaisha	0%	(6)	0%	(17)	0%	11	0%	16
49	Bharti Airtel (UK) Limited	0%	545	0%	(111)	0%	634	1%	338
50	Bharti Airtel (USA) Limited	0%	406	1%	587	0%	(177)	0%	50
51	Bharti Airtel Acquisition Holdings B.V. (Liquidated on March 31, 2015)	0%	-	0%	-	0%	-	0%	-
52	Bharti Airtel Africa B.V.	18%	77,253	7%	3,061	18%	70,112	8%	3,546
53	Bharti Airtel Burkina Faso Holdings B.V.	2%	9,152	2%	1,077	2%	7,637	5%	2,453
54	Bharti Airtel Cameroon B.V. (Liquidated on March 31, 2015)	0%	-	0%	-	0%	-	0%	-

Notes to consolidated financial statements

(₹ Millions)

S. No.	Name of the entity	2016				2015			
		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
55	Bharti Airtel Chad Holdings B.V.	0%	361	0%	44	0%	300	0%	5
56	Bharti Airtel Congo Holdings B.V.	1%	6,078	1%	298	1%	5,463	0%	(44)
57	Bharti Airtel Developers Forum Limited	0%	-	0%	-	0%	-	0%	-
58	Bharti Airtel DTH Holdings B.V.	0%	1	0%	(0)	0%	1	0%	(1)
59	Bharti Airtel Gabon Holdings B.V.	2%	8,509	1%	250	2%	7,804	10%	4,400
60	Bharti Airtel Ghana Holdings B.V.	(1%)	(5,801)	(3%)	(1,251)	(1%)	(4,308)	(2%)	(1,060)
61	Bharti Airtel Holdings (Singapore) Pte Ltd	3%	14,547	0%	12	4%	14,831	(1%)	(396)
62	Bharti Airtel International (Mauritius) Limited	49%	207,752	0%	(2)	25%	97,600	0%	(2)
63	Bharti Airtel International (Netherlands) B.V	74%	313,972	(38%)	(16,918)	58%	229,206	131%	60,528
64	Bharti Airtel Kenya B.V.	(1%)	(5,278)	(3%)	(1,130)	(1%)	(3,928)	(2%)	(1,002)
65	Bharti Airtel Kenya Holdings B.V.	(1%)	(2,549)	0%	(106)	(1%)	(2,308)	0%	(58)
66	Bharti Airtel Lanka (Private) Limited	(1%)	(4,257)	(6%)	(2,746)	(1%)	(2,148)	(5%)	(2,106)
67	Bharti Airtel Madagascar Holdings B.V.	0%	(904)	0%	(197)	0%	(670)	0%	(174)
68	Bharti Airtel Malawi Holdings B.V.	0%	342	0%	(22)	0%	344	0%	66
69	Bharti Airtel Mali Holdings B.V.	0%	237	0%	-	0%	224	0%	-
70	Bharti Airtel Niger Holdings B.V.	2%	10,498	3%	1,387	2%	8,618	5%	2,120
71	Bharti Airtel Nigeria B.V.	(8%)	(33,021)	(7%)	(3,119)	(7%)	(28,272)	(9%)	(4,111)
72	Bharti Airtel Nigeria Holdings B.V. (In liquidation)	0%	-	0%	-	0%	-	0%	-
73	Bharti Airtel Nigeria Holdings II B.V.	0%	(118)	0%	-	0%	(112)	0%	-
74	Bharti Airtel RDC Holdings B.V.	1%	2,943	3%	1,277	0%	1,584	2%	897
75	Bharti Airtel Rwanda Holdings Limited (formerly Zebrano (Mauritius) Limited.)	0%	194	0%	(3)	0%	186	0%	(5)
76	Bharti Airtel Services BV	0%	(344)	0%	(59)	0%	(270)	0%	(46)
77	Bharti Airtel Sierra Leone Holdings BV	0%	199	0%	137	0%	60	0%	125
78	Bharti Airtel Tanzania B.V.	0%	(1,498)	1%	432	0%	(1,820)	0%	195
79	Bharti Airtel Uganda Holdings B.V.	(1%)	(5,750)	(1%)	(516)	(1%)	(4,949)	(1%)	(644)
80	Bharti Airtel Zambia Holdings B.V.	7%	29,063	2%	999	7%	26,519	12%	5,734
81	Bharti DTH Services Zambia Limited (Dissolved on November 21, 2014)	0%	-	0%	-	0%	-	0%	-
82	Bharti International (Singapore) Pte Ltd	20%	84,513	1%	450	13%	52,924	0%	27
83	Burkina Faso Towers S.A.	0%	-	0%	39	0%	(35)	0%	(0)
84	Celtel (Mauritius) Holdings Limited	1%	2,194	1%	342	0%	1,752	1%	270

Notes to consolidated financial statements

(₹ Millions)

S. No.	Name of the entity	2016 Net Assets, i.e., total assets minus total liabilities: As % of consolidated net assets	2016 Net Assets: Amount	2016 Share in profit or loss: As % of consolidated profit or loss	2016 Share in profit or loss: Amount	2015 Net Assets, i.e., total assets minus total liabilities: As % of consolidated net assets	2015 Net Assets: Amount	2015 Share in profit or loss: As % of consolidated profit or loss	2015 Share in profit or loss: Amount
85	Celtel Acquisition Holding BV (Liquidated on March 31, 2015)	-	-	-	-	0%	0%	0%	(0)
86	Celtel Niger S.A.	(1%)	(3,569)	(5%)	(2,205)	0%	(144)	-3%	(1,216)
87	Channel Sea Management Company Mauritius Limited	0%	38	0%	(2)	0%	39	0%	(2)
88	Congo RDC Towers S.p.r.l.	0%	(728)	0%	(159)	0%	(538)	0%	1
89	Congo Towers S.A.	0%	-	0%	45	0%	(41)	0%	(1)
90	Gabon Towers S.A.	0%	(2)	0%	35	0%	(33)	0%	3
91	Indian Ocean Telecom Limited	0%	968	0%	(2)	0%	917	0%	(0)
92	Kenya Towers Limited	0%	-	(2%)	(955)	0%	376	0%	(33)
93	Madagascar Towers S.A.	0%	324	(1%)	(298)	0%	627	0%	(73)
94	Malawi Towers Limited	0%	(1,495)	(4%)	(1,689)	0%	(226)	0%	(124)
95	Mobile Commerce Congo S.A.	0%	1	0%	-	0%	1	0%	-
96	Montana International	0%	(11)	0%	(1)	0%	(9)	0%	(1)
97	MSI-Celtel Nigeria Limited (In liquidation)	0%	-	0%	-	0%	-	0%	-
98	Network i2i Limited.	6%	24,326	9%	3,913	5%	19,245	8%	3,596
99	Niger Towers S.A.	0%	-	0%	37	0%	(34)	0%	1
100	Partnership Investment Sprl	0%	-	0%	-	0%	-	0%	-
101	Rwanda Towers Limited (Sold during March 2015)	0%	-	0%	-	0%	-	0%	154
102	Société Malgache de Téléphone Cellulaire S.A.	0%	153	0%	(2)	0%	146	0%	(2)
103	Tanzania Towers Limited	0%	(30)	0%	24	0%	(61)	0%	(16)
104	Tchad Towers S.A.	0%	(83)	0%	44	0%	(113)	0%	(41)
105	Towers Support Nigeria Limited	0%	(1)	0%	33	0%	(32)	0%	0
106	Uganda Towers Limited	0%	-	(1%)	(271)	0%	(838)	(2%)	(863)
107	Warid Congo S.A. (Subsidiary w.e.f. March 12, 2014)	0%	-	0%	-	0%	1,253	(1%)	(442)
108	Warid Telecom Uganda Limited	0%	-	0%	-	0%	-	0%	-
109	Zambian Towers Limited	0%	-	(6%)	(2,566)	0%	(224)	0%	(102)
110	Zap Trust Company Nigeria Limited	0%	-	0%	-	0%	-	0%	-
	Minority Interests in all subsidiaries	(18%)	(74,465)	(22%)	(9,739)	(17%)	(68,906)	(9%)	(4,270)
	Associates (Investment as per the equity method)								
	- Indian								
1	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	-	-	-	-	0%	-	0%	-
	- Foreign								
1	Tanzania Telecommunications Company Ltd (TTCL)	0%	-	0%	-	0%	-	0%	-
2	Seychelles Cable Systems Company Limited	0%	-	0%	-	0%	-	0%	(53)
	Joint Ventures (as per proportionate consolidation method)								
	- Indian								
1	Indus Towers Limited	12%	48,815	24%	10,586	13%	51,171	19%	8,946

Notes to consolidated financial statements

(₹ Millions)

S. No.	Name of the entity	2016				2015			
		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
2	FireFly Networks Limited	0%	(1)	0%	1	0%	(2)	0%	(12)
3	Forum I Aviation Limited	-	-	0%	12	0%	83	0%	6
	- Foreign								
3	Bridge Mobile Pte Limited	0%	43	0%	10	0%	30	0%	8
	Inter Company Elimination/ Adjustments on consolidation		(965,841)		(3,608)		(774,128)		(82,923)
	Net Assets - Consolidated	**100%**	**422,976**	**100%**	**44,566**	**100%**	**397,770**	**100%**	**46,208**

* Includes Airtel Congo B Warid which is merged during the year.

50. Effect of Acquisitions / Disposal of Subsidiaries

The effect of acquisition and disposal of subsidiaries during the year ended March 31, 2016 are given below:

(₹ in Millions)

Particulars	Acquisitions	Disposals	
	March 2016	March 2016	March 2015
Balance Sheet			
Equity	(359)	1,986	(680)
Non-current liabilities	440	1,151	1,105
Current liabilities	321	6,524	9,615
Total	**402**	**9,661**	**10,040**
ASSETS			
Non-current assets	157	8,982	9,286
Current assets	245	678	753
Total	**402**	**9,660**	**10,039**
Income			
Revenue from operations	285	2,222	6,097
Other income	1	-	-
	286	2,222	6,097
Expenses			
Employee benefits expenses	9	46	105
Other expenses	276	2,638	3,879
Finance costs	50	1,826	746
Depreciation & amortisation	29	738	2,307
	364	5,248	7,037
Profit before Tax	**(78)**	**(3,026)**	**(940)**

51. Previous year figures in the consolidated financial statements, including the notes thereto, have been reclassified wherever required to conform to the current year's presentation / classification.

Consolidated Financial Statements (IFRS)

Independent Auditor's Report

To the Board of Directors of Bharti Airtel Limited

We have audited the accompanying consolidated financial statements ('financial statements') of Bharti Airtel Limited ("the Company"), and its subsidiaries (together referred to as "the Group"), comprising of the consolidated statement of financial position as at March 31,2016 and the related consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the requirements of International Financial Reporting Standards. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement(s) of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on the financial statements of the joint venture of the Company as noted below, these financial statements present fairly, in all material aspects, the financial position of the Group, as at March 31, 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

We draw attention to Note 37(ii)(f)(vi) to the financial statements which describes the uncertainties related to the legal outcome of Department of Telecommunications' demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter.

Other Matters

We did not audit the financial statements of the joint venture, included herein with the Company's share of profit in joint venture of ₹ 9,640 Mn for the year ended March 31, 2016. These financial statements and other financial information have been audited by other auditors, whose report has been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such joint venture, is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W

per Nilangshu Katriar
Partner
Membership Number: 58814

Place: Gurgaon
Date: April 27, 2016

Consolidated Income Statement

(₹ Millions, except per share data)

Particulars	Notes	Year ended March 31, 2016	Year ended March 31, 2015
Revenue	6	965,321	920,394
Other operating income		871	957
Operating expenses	8	(625,259)	(607,468)
		340,933	**313,883**
Depreciation and amortisation	10	(174,498)	(155,311)
Profit from operating activities before exceptional items		**166,435**	**158,572**
Share of results of joint ventures and associates	17	9,654	7,223
Profit before finance income, finance costs, other expenses, exceptional items and tax		**176,089**	**165,795**
Finance income	11	16,177	24,788
Finance costs	11	(85,042)	(73,252)
Other expenses	9	(1,024)	(1,669)
Exceptional items, net	12	14,505	(8,532)
Profit before tax		**120,705**	**107,130**
Income tax expense (including exceptional items)	13	(59,368)	(54,047)
Profit for the year		**61,337**	**53,083**
Attributable to :			
Equity holders of the Parent		54,842	51,835
Non-controlling interests (including exceptional items)		6,495	1,248
Profit for the year		**61,337**	**53,083**
Earnings per share (In ₹)	38		
Basic, profit attributable to equity holders of the Parent		13.72	12.97
Diluted, profit attributable to equity holders of the Parent		13.72	12.97

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

Consolidated Statement of Comprehensive Income

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Profit for the year	**61,337**	**53,083**
Other comprehensive income :		
Items that may be reclassified subsequently to profit or loss :		
Exchange differences on translation of foreign operations	(5,032)	(69,186)
Income tax effect	-	-
Gains / (Losses) on hedge of net investments	(7,108)	32,925
Income tax effect	506	-
Gains / (Losses) on cash flow hedge	4,626	(5,350)
Income tax effect	-	-
Change in value of available-for-sale investments	9	-
Income tax effect	(3)	-
	(7,002)	**(41,611)**
Items that will not be reclassified to profit or loss :		
Re-measurement gains / (losses) on defined benefit plans	(129)	75
Income tax effect	23	(18)
	(106)	**57**
Other comprehensive loss for the year, net of tax	**(7,108)**	**(41,554)**
Total comprehensive income for the year, net of tax	**54,229**	**11,529**
Attributable to :		
Equity holders of the Parent	46,931	12,448
Non-controlling interests (including exceptional items)	7,298	(919)
Total comprehensive income	**54,229**	**11,529**

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

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 27, 2016

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

Sunil Bharti Mittal
Chairman

Gopal Vittal
Managing Director
& CEO (India & South Asia)

Rajendra Chopra
Company Secretary

Nilanjan Roy
Global Chief Financial Officer

Consolidated Statement of Financial Position

(₹ Millions)

Particulars	Notes	As of March 31, 2016	As of March 31, 2015
Assets			
Non-current assets			
Property, plant and equipment	14	654,813	579,157
Intangible assets	15	1,162,450	922,283
Investment in joint ventures and associates	17	55,817	46,257
Other investments	24	28,622	31,260
Derivative financial assets	18	13,999	7,303
Other financial assets	19	27,451	16,018
Other non-financial assets	20	30,043	28,383
Deferred tax assets	13	46,738	59,502
		2,019,933	**1,690,163**
Current assets			
Inventories	21	1,692	1,339
Trade and other receivables	22	73,106	67,252
Derivative financial assets	18	4,765	1,207
Prepayments and other assets	23	48,832	31,828
Income tax recoverable		11,570	5,750
Other investments	24	30,059	92,840
Other financial assets	19	14,626	10,075
Cash and cash equivalents	25	37,087	11,719
		221,737	**222,010**
Assets of disposal group classified as held for sale	43	7,002	45,645
		228,739	267,655
Total assets		**2,248,672**	**1,957,818**
Equity and liabilities			
Equity			
Issued capital	32	19,987	19,987
Treasury shares	32	(524)	(114)
Share premium		123,456	123,456
Retained earnings		517,082	473,025
Other reserves	32	(3,700)	3,210
Equity attributable to equity holders of the Parent		656,301	619,564
Non-controlling interests		51,984	48,525
Total equity		**708,285**	**668,089**
Non-current liabilities			
Borrowings	26	527,341	452,283
Deferred payment liability	27	315,996	143,167
Deferred revenue		17,787	17,917
Provisions	28	7,350	6,248
Derivative financial liabilities	18	8	164
Deferred tax liabilities	13	14,356	15,110
Other financial liabilities	29	73,700	18,939
Other non-financial liabilities	30	1,528	1,466
		958,066	**655,294**
Current liabilities			
Borrowings	26	81,665	211,389
Deferred payment liability	27	25,428	-
Deferred revenue		51,336	50,074
Provisions	28	2,326	2,061
Other non-financial liabilities	30	21,844	15,897
Derivative financial liabilities	18	1,931	628
Income tax liabilities		9,296	9,271
Trade & other payables	31	387,456	339,670
		581,282	**628,990**
Liabilities of disposal group classified as held for sale	43	1,039	5,445
		582,321	**634,435**
Total liabilities		**1,540,387**	**1,289,729**
Total equity and liabilities		**2,248,672**	**1,957,818**

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

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 27, 2016

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

Sunil Bharti Mittal
Chairman

Gopal Vittal
Managing Director
& CEO (India & South Asia)

Rajendra Chopra
Company Secretary

Nilanjan Roy
Global Chief Financial Officer

Consolidated Statement of Changes in Equity

(₹ Millions, except as stated otherwise)

Particulars	Attributable to equity holders of the Parent								
	No of shares (in '000) (Note 32)	Issued capital (Note 32)	Treasury shares (Note 32)	Share premium	Retained earnings	Other Reserves (Note 32)	Total	Non-controlling interests	Total equity
As of April 1, 2014	**3,997,400**	**19,987**	**(342)**	**123,456**	**437,167**	**17,292**	**597,560**	**42,102**	**639,662**
Profit for the year	-	-	-	-	51,835	-	51,835	1,248	53,083
Other comprehensive income / (loss)	-	-	-	-	57	(39,444)	(39,387)	(2,167)	(41,554)
Total comprehensive income / (loss)	**-**	**-**	**-**	**-**	**51,892**	**(39,444)**	**12,448**	**(919)**	**11,529**
Share based compensation	-	-	-	-	-	(7)	(7)	3	(4)
Receipt on exercise of share options (refer Note 8.2)	-	-	228	-	-	(173)	55	497	552
Transaction with non-controlling interests (refer Note 7)	-	-	-	-	-	25,542	25,542	12,207	37,749
Dividend paid (including tax) to Company's shareholders (refer note 32)	-	-	-	-	(16,034)	-	(16,034)	-	(16,034)
Dividend paid (including tax) to non-controlling Interests	-	-	-	-	-	-	-	(5,365)	(5,365)
As of March 31, 2015	**3,997,400**	**19,987**	**(114)**	**123,456**	**473,025**	**3,210**	**619,564**	**48,525**	**668,089**
Profit for the year	-	-	-	-	54,842	-	54,842	6,495	61,337
Other comprehensive income / (loss)	-	-	-	-	(106)	(7,805)	(7,911)	803	(7,108)
Total comprehensive income / (loss)	**-**	**-**	**-**	**-**	**54,736**	**(7,805)**	**46,931**	**7,298**	**54,229**
Share based compensation	-	-	-	-	-	237	237	11	248
Non-controlling interests arising on a business combination	-	-	-	-	-	-	-	(16)	(16)
Purchase of treasury shares from market			(514)	-	-	-	(514)	-	(514)
Receipt on exercise of share options	-	-	104	-	-	127	231	338	569
Transaction with non-controlling interests	-	-	-	-	-	531	531	453	984
Dividend paid (including tax) to Company's shareholders (refer Note 32)	-	-	-	-	(10,679)	-	(10,679)	-	(10,679)
Dividend paid (including tax) to non-controlling Interests	-	-	-	-	-	-	-	(4,625)	(4,625)
As of March 31, 2016	**3,997,400**	**19,987**	**(524)**	**123,456**	**517,082**	**(3,700)**	**656,301**	**51,984**	**708,285**

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

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 27, 2016

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

Sunil Bharti Mittal
Chairman

Gopal Vittal
Managing Director
& CEO (India & South Asia)

Rajendra Chopra
Company Secretary

Nilanjan Roy
Global Chief Financial Officer

Consolidated Statement of Cash Flows

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Cash flows from operating activities		
Profit before tax	**120,705**	**107,130**
Adjustments for		
Depreciation and amortisation	174,498	155,311
Finance income	(16,177)	(24,788)
Finance costs	85,042	73,252
Share of results of joint ventures and associates	(9,654)	(7,223)
Exceptional items (net)	(24,085)	1,941
Employee share-based payment expenses	248	(4)
Other non-cash items	(143)	(45)
Operating cash flow before changes in assets and liabilities	**330,434**	**305,574**
Trade & other receivables and prepayments	(4,714)	(11,144)
Inventories	(872)	(2)
Trade and other payables	4,635	14,203
Provisions	(273)	1,144
Other financial and non financial liabilities	1,811	(99)
Other financial and non financial assets	(4,759)	(5,741)
Cash generated from operations	**326,262**	**303,935**
Interest received	3,661	1,307
Dividend received from mutual funds	118	480
Dividend received	-	16,407
Income tax paid	(46,836)	(46,111)
Net cash inflow from operating activities	**283,205**	**276,018**
Cash flows from investing activities		
Purchase of property, plant and equipment	(193,313)	(146,411)
Proceeds from sale of property, plant and equipment	3,798	2,595
Purchase of intangible assets	(81,452)	(65,970)
Net movement in current investments	63,771	(13,821)
Purchase of non-current investments	(3,218)	(3,078)
Sale of non-current investments	7,642	5,618
Investment in subsidiary, net of cash acquired (refer Note 7)	(135)	(358)
Sale of tower assets (refer Note 43)	56,821	1,021
Investment in joint venture / associate	-	(10)
Proceeds from sale of interest / capital reduction in joint venture	55	87
Loan to joint venture / associate	(19)	(154)
Loan repayment received from joint venture / associate (refer Note 35)	14	-
Net cash outflow from investing activities	**(146,036)**	**(220,481)**
Cash flows from financing activities		
Proceeds from borrowings	187,265	344,586
Repayment of borrowings	(309,656)	(420,325)
Net proceeds from short term borrowings	4,558	3,288
Proceeds from sale and finance lease back of towers (refer Note 43)	48,120	-
Repayment of finance lease liabilities	(2,593)	-
Repayment of loan to joint venture	-	(9,173)
Purchase of treasury shares	(514)	-
Interest and other finance charges paid	(32,890)	(33,887)
Proceeds from exercise of share options	569	552
Dividend paid (including tax) (refer Note 32)	(15,304)	(21,399)
Proceeds from issuance of equity shares to non - controlling interests (refer Note 7)	984	-
Sale of interest in a subsidiary (refer Note 7)	-	40,412
Acquisition of non-controlling interests (refer Note 7)	-	(624)
Net cash outflow from financing activities	**(119,461)**	**(96,570)**
Net decrease in cash and cash equivalents during the year	**17,708**	**(41,033)**
Effect of exchange rate changes on cash and cash equivalents	1,342	43
Add : Balance as at the beginning of the year	(1,415)	39,575
Balance as at the end of the year (refer Note 25)	**17,635**	**(1,415)**

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

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 27, 2016

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

Sunil Bharti Mittal
Chairman

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Managing Director
& CEO (India & South Asia)

Rajendra Chopra
Company Secretary

Nilanjan Roy
Global Chief Financial Officer

Notes to consolidated financial statements

1. Corporate Information

Bharti Airtel Limited ("Bharti Airtel" or "the Company" or "the Parent") is domiciled and incorporated in India and its shares are publicly traded on the National Stock Exchange ("NSE") and the Bombay Stock Exchange ("BSE"), India. The Registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

Bharti Airtel together with its subsidiaries is hereinafter referred to as "the Group". The Group is a leading telecommunication service provider in India and also has strong presence in Africa and South Asia. The services provided by the Group are further detailed in Note 6 under segment reporting.

The principal activities of the Group, its joint ventures and associates consist of provision of telecommunication systems and services, tower infrastructure services and direct to home digital TV services. The principal activities of the subsidiaries, joint ventures and associates are disclosed in Note 41.

The Group's principal shareholders as of March 31, 2016 are Bharti Telecom Limited, Pastel Limited (part of Singapore Telecommunication International Pte. Limited Group), Indian Continent Investment Limited, Three Pillars Pte. Limited and Life Insurance Corporation of India.

2. Basis of Preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were authorised for issue in accordance with a resolution passed by the Board of Directors on April 27, 2016.

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years, if the revision affects both current and future years (refer Note 4 on significant accounting judgements, estimates and assumptions).

The significant accounting policies used in preparing the consolidated financial statements are set out in Note 3 of the notes to the consolidated financial statements.

3. Summary of Significant Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except for adoption of the following new Standards, interpretations and amendments effective from the current year

S. No.	Interpretation/ Amendments	Month of Issue	Effective date - annual periods beginning on or after
1	Amendments to IAS 19. "Defined Benefit Plans: Employee Contributions"	November, 2013	July 1, 2014
2	Annual Improvements 2011-13 Cycle	December, 2013	July 1, 2014
3	Annual Improvements 2010-12 Cycle	December, 2013	July 1, 2014

The adoption of the new interpretations / amendments to the Standards mentioned above does not have any significant impact on the financial position or performance of the Group.

The Group has not early adopted any Standards, interpretations or amendments that has been issued but is not yet effective. The Group plans to adopt these Standards, interpretations and amendments as and when they are effective.

3.1 Basis of Measurement

The consolidated financial statements are prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss or as available for sale and liability for cash settled share based options that have been measured at fair value. The carrying values of recognised liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The consolidated financial statements are presented in Indian Rupees ('Rupees' or '₹'), which is the Company's functional and Group's presentation currency and all amounts are rounded to the nearest million, except as stated otherwise.

3.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as disclosed in Note 41.

A subsidiary is an entity controlled by the Group.

Notes to consolidated financial statements

Control exists when the parent has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Subsidiaries are fully consolidated from the date on which Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies and accounting period in line with those used by the Group. All intra-group transactions, balances, income and expenses and cash flows are eliminated on consolidation.

Non-controlling interests is the equity in a subsidiary not attributable, directly or indirectly, to a parent. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the business combination and the non-controlling interests' share of changes in equity since that date.

Profit or loss and other comprehensive income or loss are attributed to the controlling and non-controlling interests in proportion to their ownership interests. Total comprehensive income is attributed to the controlling and non-controlling 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, such as profit-sharing agreement, the attribution specified by such arrangement is considered.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

When the Group ceases to have control over a subsidiary, it derecognises the carrying value of assets (including goodwill), liabilities, the attributable value of non-controlling interests, if any, and the cumulative currency translation differences previously recognised in other comprehensive income. The profit or loss on disposal is recognised in the income statement and is calculated as 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 and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed off. The fair value of any residual interest in the erstwhile subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, *"Financial Instruments: Recognition and Measurement"*, or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

3.3 Business Combinations

The acquisitions of businesses are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities recognised and contingent liabilities assumed.

In the case of bargain purchase, the resultant gain is recognised directly in the income statement.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders proportionate share of the acquiree's identifiable net assets.

Acquisition related costs, such as finder's fees, advisory, legal, accounting, valuation and other professional or consulting fees are expensed as incurred.

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 that is a financial instrument and within the scope of IAS 39 "Financial Instruments: Recognition and Measurement", is measured at fair value with changes in fair value recognised either in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

Where the Group increases its interest in an entity such that control is achieved, previously held equity interest in the acquired entity is revalued to fair value as at the date of acquisition, being the date at which the Group obtains control of the acquiree and a gain or loss is recognised in the income statement.

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

Notes to consolidated financial statements

with IAS 37, "Provisions, Contingent Liabilities and Contingent Assets", or amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with IAS 18 "Revenue".

3.4 Interest in 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.

The Group's investments in its joint ventures and associates are accounted for using the equity method. Under the equity method, investments in joint ventures and associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint ventures and associates, less any impairment in the value of the investments. Losses of a joint venture and an associate in excess of the Group's interest in that joint venture or associate are not recognised. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the joint venture or associate.

Joint ventures and associates are accounted for from the date on which Group obtains joint control over the joint venture/ starts exercising significant influence over the associate. Where necessary, adjustments are made to the financial statements of joint ventures and associates to bring their accounting policies and accounting period in line with those used by the Group.

Goodwill relating to the joint venture and associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the income statement.

3.5 Current versus Non-current Classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset is classified as current when it is:

a) expected to be realised or intended to sold or consumed in normal operating cycle,

b) held primarily for the purpose of trading,

c) expected to be realised within twelve months after the reporting period, or

d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

a) it is expected to be settled in normal operating cycle,

b) it is held primarily for the purpose of trading,

c) it is due to be settled within twelve months after the reporting period, or

d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.6 Intangible Assets

Identifiable 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 reliably measured.

At initial recognition, the separately acquired intangible assets are recognised at cost. The cost of intangible assets that are acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. The amortisation period and the amortisation method for an intangible asset (except goodwill) is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Notes to consolidated financial statements

a. Goodwill

Goodwill is initially recognised at cost and is subsequently measured at cost less any accumulated impairment losses. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss recognised in the income statement on disposal.

b. Softwares

Softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of license, generally not exceeding three years. Software costing Rupees five hundred thousand or less, which has an independent use, is amortised over a period of twelve months from the date placed in service.

c. Bandwidth

Payments for bandwidth capacities are classified as pre-payments in service arrangements or under certain conditions as an acquisition of a right. In the latter case it is accounted for as an intangible asset and the cost is amortised over the period of the agreement. Bandwidth capacity is amortised on straight-line basis over the period of the agreement subject to a maximum of 18 years i.e. estimated useful life of bandwidth.

d. Licenses (including spectrum)

Acquired licenses and spectrum are initially recognised at cost. Subsequently, licenses and spectrum are measured at cost less accumulated amortisation and accumulated impairment loss, if any. Amortisation is recognised in profit or loss on a straight-line basis over the unexpired period of the license/spectrum commencing from the date when the related network is available for intended use in the respective jurisdiction and is disclosed under 'depreciation and amortisation'. The amortisation period relating to licenses/spectrum acquired in a business combination is determined primarily by reference to their unexpired period. The useful lives of licenses/spectrum range from two years to twenty five years.

The revenue-share fee on licenses and spectrum is computed as per the licensing agreement and is expensed as incurred.

e. Other Acquired Intangible Assets

Other acquired intangible assets include right acquired for unlimited access to various applications. Other intangible assets also include assets acquired in business combinations, comprising, brands, customer relationships and distribution networks and are capitalised at fair values on the date of acquisition. Estimated useful life of other acquired intangibles is as follows:

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

Brand: Over the period of their expected benefits, not exceeding the life of the licenses.

Distribution network: Over estimated useful life of one year to two years

Customer base: Over the estimated life, of such relationships which ranges from one year to five years. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use.

3.7 Property, Plant and Equipment ('PPE')

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as separate component of assets with specific useful lives and provides depreciation over their useful life. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in profit or loss as incurred.

Where assets are installed on the premises of customers (commonly called Customer premise equipment -"CPE"), such assets continue to be treated as PPE as the associated risks and rewards remain with the Group and the management is confident of exercising control over them.

The Group also enters into multiple element contracts whereby the vendor supplies plant and equipment and IT related services. These are recorded on the basis of relative fair values.

Gains and losses arising from retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss on the date of retirement or disposal.

Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives. The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for review, and adjusted prospectively. Freehold land is not depreciated. Estimated useful lives of the assets are as follows:

Notes to consolidated financial statements

	Years
Buildings	20
Technical equipment and machinery	
- Network equipment	3 – 20
- Customer premise equipment	5-6
- Assets taken on finance lease	Period of lease or 10 years, as applicable, whichever is less
Other equipment, operating and office equipment	
- Computer equipment	3
- Office furniture and equipment	2 - 5
- Vehicles	3 - 5
Leasehold improvements	Period of lease or 10-20 years, as applicable, whichever is less

3.8 Impairment of Non-financial Assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation and amortisation are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or when annual impairment testing for an asset is required. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

Impairment test for goodwill is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs expected to benefit from 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.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Fair value less costs to sell is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, less the costs of disposal. Impairment losses, if any, are recognised in profit or loss as a component of depreciation and amortisation expense.

An impairment loss in respect of goodwill is not reversed. Other impairment losses are only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

3.9 Non-current Assets (or disposal groups) held for Sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the statement of financial position.

If the criteria stated by IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are no longer met, the disposal group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

3.10 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, call deposits and other short term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents include, outstanding bank overdrafts shown within the borrowings in current liabilities in the statement of financial position and which are considered an integral part of the Group's cash management.

3.11 Inventories

Inventories are valued at the lower of cost (determined on a first in first out ('FIFO') basis) and estimated net realisable value. Inventory costs include purchase price, freight inwards and transit insurance charges.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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3.12 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of an arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

a. Group as a Lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the profit or loss.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Contingent rents are recognised as expense in the period in which they are incurred.

b. Group as a Lessor

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

Leases where the Group does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating lease. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Lease rentals under operating leases are recognised as income on a straight-line basis over the lease term.

Contingent rents are recognised as income in the period in which they are earned.

c. Indefeasible Right to Use ('IRU')

As part of the operations, the Group enters into agreement for leasing assets under "Indefeasible right to use" with third parties. Under the arrangement the assets are given on lease over the substantial part of the asset life. However, the title to the assets and significant risk associated with the operation and maintenance of these assets remains with the lessor. Hence, such arrangements are recognised as operating lease.

The contracted price is received in advance and is recognised as revenue during the tenure of the agreement. Unearned IRU revenue net of the amount recognisable within one year is disclosed as deferred revenue in non-current liabilities and the amount recognisable within one year is disclosed as deferred revenue in current liabilities.

d. Sale and Leaseback Transactions

Sale and leaseback transaction involves the sale of an asset and the leasing back of the same asset. If a sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount shall not be immediately recognised as income, instead, the asset leased back is retained at its carrying value and the amount received towards the leased back portion is recorded as a finance lease obligation. If a sale and leaseback transaction results in an operating lease, and transaction is established at fair value, any profit or loss shall be recognised immediately.

3.13 Financial Instruments

A. Financial Instruments – Initial Recognition and Measurement

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The Group determines the classification of its financial assets and liabilities at initial recognition. All financial assets and liabilities are initially recognised at fair value plus directly attributable transaction costs in case of financial assets and liabilities not at fair value through profit or loss. Financial assets and liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

B. Financial Assets

1. Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

a. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose

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of selling in the near term. Derivatives, including separated embedded derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial assets are designated upon initial recognition at fair value through profit or loss when the same are managed by the Group on the basis of their fair value and their performance is evaluated on fair value basis in accordance with a documented risk management or investment strategy. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or finance costs in the income statement.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

b. Financial assets measured at amortised cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivables balance and historical experience. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

After initial measurement, financial assets measured at amortised cost are measured using the effective interest rate method (EIR), less impairment, if any. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement.

c. Available for sale financial assets

Available for sale (AFS) financial assets include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions. After initial measurement, AFS financial assets are subsequently measured at fair value with change in fair value recognised in OCI until the investment is derecognised or is determined to be impaired, when the cumulative gain/loss is reclassified from the AFS reserve to income statement in finance income or finance costs. Interest earned whilst holding AFS financial assets is reported as interest income using the EIR method.

The Group does not have any held-to-maturity investments.

2. Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

C. **Financial Liabilities**

1. Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

a. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. Derivatives, including separated embedded derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial liabilities at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or finance costs in the income statement.

b. Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method ('EIR') except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in fair values attributable to the risks that are being hedged in effective hedging relationships (refer Note 3.13 D).

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

2. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms

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of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

D. Hedge Accounting

1. Fair value hedge

The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to manage its exposures to foreign exchange fluctuations and interest rate movement. These are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

The Group applies fair value hedge accounting for hedging risk of change in fair value of the borrowings attributable to the hedged interest rate risk. The Group designates certain interest rate swaps to hedge the risk of changes in fair value of recognised borrowings. The Group documents at the time of designation the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at the inception of the hedge and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values of hedged items.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement within finance income / finance costs, together with any changes in the fair value of the hedged liability that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity.

2. Cash flow hedge

The Group applies cash flow hedges when hedging the exposure to variability in cash flows on account of exchange rate fluctuations that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction. Any foreign exchange gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income. The ineffective portion of the gain or loss on these hedges is immediately recognised in the income statement. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in equity is immediately transferred to the income statement.

3. Net investment hedge

The Group hedges certain net investment in foreign subsidiaries. Hedges of net investments in foreign operations are accounted for similar to cash flow hedges. Any foreign exchange gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income 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 income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed off or sold.

E. Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

F. Derivative Financial Instruments - Current versus Non-current Classification

Derivative instruments that are not designated as effective hedging instruments (economic hedge) and will be held for a period beyond twelve months after the reporting date, are classified as non-current (or separated into current and non-current portions) consistent with the classification of the underlying item. These are classified as current, when the remaining holding period is upto twelve months after the reporting date.

Embedded derivatives that are not closely related to the host contract are classified consistent with the cash flows of the host contract.

Full fair value of derivative instruments designated as effective hedging instruments are classified as non-current asset or liability when the remaining maturity of the hedged item is more than twelve months, and as current asset or liability when the remaining maturity of the hedged item is upto twelve months.

G. Fair Value Measurement

The Group measures certain financial instruments, such as, derivatives at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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.

3.14 Treasury Shares

Own equity instruments which are reacquired (treasury shares) through Bharti Airtel Employees' Welfare Trust are recognised at cost and deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognised in share based payment transaction reserve.

3.15 Share-based Compensation

The Group issues equity-settled and cash-settled share-based options to certain employees. These are measured at fair value on the date of grant.

The fair value determined on the grant date of the equity settled share based options is expensed over the vesting period, based on the Group's estimate of the shares that will eventually vest.

The fair value determined on the grant date of the cash settled share based options is expensed over the vesting period, based on the Group's estimates of the shares that will eventually vest. At the end of the each reporting period, until the liability is settled, and at the date of settlement, liability is re-measured at fair value, with any changes in fair value pertaining to the vesting period till the reporting date is recognised immediately in profit or loss.

At the vesting date, the Group's estimate of the shares expected to vest is revised to equal the number of equity shares that ultimately vest.

Fair value is measured using the Black-Scholes / Lattice / Monte Carlo Simulation valuation model and is recognised as an expense, together with a corresponding increase in equity/ liability, as appropriate, over the period in which the options vest using the graded vesting method. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations. The expected volatility and forfeiture assumptions are based on historical information.

Where the terms of a share-based compensation are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it is vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

3.16 Employee Benefits

The Group's post-employment benefits include defined benefit plan and defined contribution plans. The Group also provides other benefits in the form of deferred compensation and compensated absences.

Under the defined benefit retirement plan, the Group provides retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to eligible employees at retirement or termination of employment based on respective employee salary and years of experience with the Group.

For defined benefit retirement plans, the difference between the fair value of the plan assets and the present value of the plan liabilities is recognised as an asset or liability in the statement of financial position. Scheme liabilities are calculated using the projected unit credit method and applying the principal actuarial assumptions as at the date of statement of financial position. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies.

All expenses excluding remeasurements of the net defined benefit liability (asset), in respect of defined benefit plans are recognised in the profit or loss as incurred. Remeasurements, comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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The amount charged to the income statement in respect of these plans is included within operating costs.

The Group's 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.

The employees of the Group are entitled to compensated absences based on the unavailed leave balance as well as other long term benefits. The Group records liability based on actuarial valuation computed under projected unit credit method.

3.17 Foreign Currency Transactions

a. Functional and Presentation Currency

Consolidated financial statements have been presented in Indian Rupees ('₹'), which is the Company's functional currency and Group's presentation currency. Each entity in the Group determines its own functional currency (the currency of the primary economic environment in which the entity operates) and items included in the financial statements of each entity are measured using that functional currency.

b. Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange ruling at the reporting date with resulting exchange difference recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Exchange component of the gain or loss arising on fair valuation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to such exchange difference.

Exchange differences arising on a monetary item that forms part of a Group entity's net investment in a foreign operation is recognised in profit or loss in the separate financial statements of the Group entity or the individual financial statements of the foreign operation, as appropriate. In the consolidated financial statements, such exchange differences are recognised in other comprehensive income.

c. Translation of Foreign Operations' Financial Statements

The assets and liabilities of foreign operations are translated into Rupees at the rate of exchange prevailing at the reporting date and their income statements are translated at average exchange rates prevailing during the year. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation (that is, a disposal of the group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary, a disposal involving loss of joint control over a jointly controlled entity, or a disposal involving loss of significant influence over an associate), the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

d. Translation of Goodwill and Fair Value Adjustments

Goodwill and fair value adjustments arising on the acquisition of foreign entities are treated as assets and liabilities of the foreign entities and are recorded in the functional currencies of the foreign entities and translated at the exchange rates prevailing at the date of statement of financial position and the resultant change is recognised in statement of other comprehensive income.

3.18 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of discounts, process waivers, and VAT, service tax or duty. The Group assesses its revenue arrangements against specific criteria, i.e., whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent.

a. Service Revenues

Service revenues include amounts invoiced for usage charges, fixed monthly subscription charges and internet and VSAT services usage charges, bandwidth services, roaming charges, activation fees, processing fees and fees for value added services ('VAS'). Service revenues also include revenues associated with access and interconnection for usage of the telephone network of other operators for local, domestic long distance and international calls and data messaging services.

Service revenues are recognised as the services are rendered and are stated net of discounts, process waivers and taxes. Revenues from pre-paid customers are recognised based on actual usage. Processing fees on recharge coupons is recognised over the estimated customer relationship period or coupon validity period, whichever is lower. Activation revenue and related activation costs, not exceeding the activation revenue, are deferred and amortised over the estimated customer relationship period. The excess of activation costs over activation revenue, if any, are expensed as incurred. Billings in excess of revenue recognised is treated as

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unearned and reported as deferred revenue in the statement of financial position.

Service revenues from the internet and VSAT business comprise revenues from registration, installation and provision of internet and VSAT services. Registration fee and installation charges are deferred and amortised over the period of agreement with the customer. Service revenue is recognised from the date of satisfactory installation of equipment and software at the customer site and provisioning of internet and VSAT services.

Revenues from national and international long distance operations comprise revenue from provision of voice services which are recognised on provision of services while revenue from provision of bandwidth services (including installation) is recognised over the period of arrangement.

Unbilled revenue represent revenues recognised from last bill cycle date to the end of reporting period. These are billed in subsequent periods based on the terms of the billing plans/contractual arrangements.

b. Equipment Sales

Equipment sales consist primarily of revenues from sale of telecommunication equipment and related accessories. Revenue from equipment sales which does not have value to the customer on standalone basis, forming part of multiple-element revenue arrangements are deferred and recognised over the customer relationship period. Revenue from other equipment sales transactions are recognised when the significant risks and rewards of ownership are transferred to the buyer.

c. Capacity Swaps

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

d. Multiple Element Arrangements

The Group has entered into certain multiple-element revenue arrangements. These arrangements involve the delivery or performance of multiple products, services or rights to use assets including VSAT and internet equipment, internet and VSAT services, set top boxes and subscription fees on DTH, indefeasible right to use and hardware and equipment maintenance. The Group evaluates all deliverables in an arrangement to determine whether they represent separately identifiable components at the inception of the arrangement. The evaluation is done based on the criteria as to whether the deliverables in the arrangement have value to the customer on a standalone basis.

Total consideration related to the multiple element arrangements is allocated among the different components based on their relative fair values (i.e., ratio of the fair value of each element to the aggregated fair value of the bundled deliverables). In case the relative fair value of different components cannot be determined on a reasonable basis, the total consideration is allocated to the different components on a residual value method.

e. Interest Income

For all financial instruments measured at amortised cost and interest bearing financial assets, classified as financial assets at fair value through profit or loss or as available for sale, interest income is recognised using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in 'finance income' in the income statement.

f. Dividend Income

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

3.19 Taxes

a. Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity. The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b. Deferred Tax

Deferred tax liability is provided on temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit / (tax loss).
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the

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temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit / (tax loss).
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

In the situations where the Group is entitled to a tax holiday under the tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition on the date of acquisition, are recognised within the measurement period, if it results from new information about facts and circumstances that existed at the acquisition date with a corresponding reduction in goodwill. All other acquired tax benefits are recognised in profit or loss on satisfaction of the recognition criteria.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.20 Borrowing Costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur.

3.21 Exceptional Items

Exceptional items refer to items of income or expense within the income statement 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.

3.22 Dividends Paid

Dividends paid/ payable are recognised in the year in which the related dividends are approved by the shareholders or Board of Directors, as appropriate.

3.23 Earnings Per Share

The Group's Earnings per Share ('EPS') is determined based on the net profit attributable to the shareholders' of the Parent. Basic earnings per share is computed using the weighted average number of shares outstanding during the year excluding shares purchased by the group and held as treasury shares. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options (using the treasury stock method for options), except where the result would be anti-dilutive.

3.24 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 embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as

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a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b. Contingencies

Contingent liabilities are recognised at their fair value only, if they were assumed as part of a business combination. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset. Information on contingent liabilities is disclosed in the notes to the consolidated financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

c. Asset Retirement Obligation

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Group has a binding 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 using discounted cash flows and are recognised as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is recognised in the income statement as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

4. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities in future periods.

4.1 Significant Judgements in applying the Group's Accounting Policies

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

a) Arrangement Containing Lease

The Group applies IFRIC 4, "Determining Whether an Arrangement Contains a Lease", to contracts entered with telecom operators / passive infrastructure services providers to share tower infrastructure services. IFRIC 4 deals with the method of identifying and recognising service, purchase and sale contracts that do not take the legal form of a lease but convey a right to use an asset in return for a payment or series of payments.

The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that such contracts are in the nature of operating leases. However, in some arrangements, where the term of the agreement is for the major part of the estimated economic life of the leased asset, and therefore, risks and rewards have substantially been transferred to the Group, as a lessee, such arrangements are accounted for as finance lease.

b) 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 analysing whether it has primary obligation basis pricing latitude and exposure to credit / inventory risks associated with the sale of goods or the rendering of services. The Group has concluded that in certain geographies its revenue arrangements are on a principal to principal basis.

When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Group and its business partners are reviewed to determine each party's respective role in the transaction.

c) Multiple Element Contracts with Vendors

The Group has entered into multiple element contracts with vendors for supply of goods and rendering of services. The consideration paid is/may be determined independent of the value of supplies received and services availed. Accordingly, the supplies and services are accounted for based on their relative fair values to the overall consideration. The supplies with finite life under the contracts (as defined in the significant accounting policies) have been accounted under Property, Plant and Equipment and/or as Intangible assets, since the Group has economic ownership in these assets. The Group believes that the current treatment represents the substance of the arrangement.

d) Determination of Functional Currency

Each entity in the Group determines its own functional currency (the currency of the primary economic environment in which the entity operates) and items included in the financial statements of

Notes to consolidated financial statements

each entity are measured using that functional currency. IAS 21, "The Effects of Changes in Foreign Exchange Rates" prescribes the factors to be considered for the purpose of determination of functional currency. However, in respect of certain intermediary foreign operations of the Group, the determination of functional currency might not be very obvious due to mixed indicators like the currency that influences the sales prices for goods and services, currency that influences labour, material and other costs of providing goods and services, the currency in which the borrowings have been raised 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.

e) Taxes

The Group does not recognise deferred tax liability with respect to unremitted retained earnings and associated foreign currency translation reserve of Group subsidiaries and joint ventures wherever it controls the timing of the distribution of profits and it is probable that the subsidiaries and joint ventures will not distribute the profits in the foreseeable future. Also, the Group does not recognises deferred tax liability on the unremitted earnings of its subsidiaries wherever it believes that it would avail the tax credit for the dividend distribution tax payable by the subsidiaries on its dividend distribution.

4.2 Significant Accounting Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Actual results could differ from these estimates.

a) Impairment Reviews

An impairment exists when the carrying value of an asset or cash generating unit ('CGU') exceeds its recoverable amount. Recoverable amount is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. In calculating the value in use, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of growth in EBITDA, long term growth rates; and the selection of discount rates to reflect the risks involved. Also, judgement is involved in determining the CGU and grouping of CGUs for goodwill allocation and impairment testing.

The Group prepares and internally approves formal ten year plans, as applicable, for its businesses and uses these as the basis for its impairment reviews. 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. Since the value in use exceeds the carrying amount of CGU, the fair value less costs to sell is not determined.

The key assumptions used to determine the recoverable amount for the CGUs, including sensitivity analysis, are disclosed and further explained in Note 16.

The Group tests goodwill for impairment annually on December 31 and whenever there are indicators of impairment. If some or all of the goodwill, allocated to a CGU, is recognised in a business combination during the year, that unit is tested for impairment before the end of that year.

b) Allowance for Uncollectible Trade Receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible. The carrying amount of allowance for doubtful debts is ₹ 35,080 Mn and ₹ 27,795 Mn as of March 31, 2016 and March 31, 2015, respectively.

c) Asset Retirement Obligations (ARO)

In measuring the provision for ARO the Group uses technical estimates to determine the expected cost to dismantle and remove the infrastructure equipment from the site and the expected timing of these costs. Discount rates are determined based on the government bond rate of a similar period as the liability. The carrying amount of provision for ARO is ₹ 5,754 Mn and ₹ 4,722 Mn as of March 31, 2016 and March 31, 2015, respectively.

d) 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

Notes to consolidated financial statements

the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. 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.

Also refer Note 13 – Income taxes.

e) Assets, Liabilities and Contingent Liabilities acquired in a Business Combination

The amount of goodwill initially recognised as a result of a business combination is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management's judgement.

The Group has considered all pertinent factors and applied its judgement in determining whether information obtained during the measurement period should result in an adjustment to the provisional amounts recognised at acquisition date or its impact should be accounted as post-acquisition transaction.

Allocation of the purchase price affects the results of the Group as finite lived intangible assets are amortised, whereas indefinite lived intangible assets, including goodwill, are not amortised and could result in differing amortisation charges based on the allocation to indefinite lived and finite lived intangible assets.

Identifiable intangible assets acquired under business combination include license, customer base, distribution network and brands. The fair value of these assets is determined based on valuation techniques which require an estimate of future net cash flows, where no active market for the asset exists. The use of different assumptions for the expectations of future cash flows and the discount rate would change the valuation of the intangible assets. The relative size of the Group's intangible assets, excluding goodwill, makes the judgements surrounding the estimated useful lives critical to the Group's financial position and performance.

f) Intangible Assets

Refer Note 3.6 for the estimated useful life of intangible assets. The carrying value of intangible assets has been disclosed in Note 15.

g) Property, Plant and Equipment

Refer Note 3.7 for the estimated useful life of property, plant and equipment. The carrying value of property, plant and equipment has been disclosed in Note 14.

h) Activation and Installation Fees

The Group receives activation and installation fees from new customers. These fees together with directly attributable costs are amortised over the estimated duration of customer life. The customer life is reviewed periodically. The estimated customer life principally reflects management's view of the average economic life of the customer base and is assessed by reference to key performance indicators (KPIs) which are linked to establishment / ascertainment of customer life. A change in such KPIs may lead to a change in the estimated useful life and an increase/ decrease in the amortisation income/charge. The Group believes that the change in such KPIs will not have any material effect on the financial statements.

i) Contingencies

Refer Note 37 (ii) for details of contingencies.

5. Standards Issued but not yet effective up to the date of issuance of the Group's Financial Statements

The new standards, Interpretations and amendments to Standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these Standards, if applicable, when they become effective.

a) IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting.

The effective date of IFRS 9 is annual periods beginning on or after January 1, 2018, with early adoption permitted. Retrospective application is required, but comparative information is not compulsory. The Group is required to adopt the standard by the financial year commencing April 1, 2018. The Group is currently evaluating the requirements of IFRS 9, and has not yet determined the impact on the consolidated financial statements.

b) IFRS 14 Regulatory Deferral Accounts

In January 2014, IASB issued an interim standard, IFRS 14 Regulatory Deferral Accounts. The aim of this interim standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. IFRS does not provide any

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specific guidance for rate-regulated activities. The IASB has a project to consider the broad issue of rate regulation and plans to publish a Discussion Paper on this subject in 2014. Pending the outcome of this comprehensive Rate-regulated Activities project, the IASB decided to develop IFRS 14 as an interim measure.

The effective date of IFRS 14 is annual periods beginning on or after January 1, 2016, with early adoption permitted. The Group is required to adopt the standard by the financial year commencing April 1, 2016. The Group does not expect that the adoption of the amendments will have any significant impact on the consolidated financial statements.

c) Amendments to IFRS 11 : Accounting for Acquisitions of Interests

In May 2014, IASB issued amendments to IFRS 11 Joint Arrangements which requires that a joint operator, who is accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments are applicable to annual periods beginning on or after January 1, 2016, with early adoption permitted. The Group is required to adopt the amendments by the financial year commencing April 1, 2016. The Group does not expect that the adoption of the amendments will have any significant impact on the consolidated financial statements.

d) Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

In May 2014, IASB issued amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

This amendment is applicable to annual periods beginning on or after January 1, 2016, with early adoption permitted. The Group is required to adopt the amendments by the financial year commencing April 1, 2016. The Group does not expect that the adoption of the amendments will have any significant impact on the consolidated financial statements.

e) IFRS 15 Revenue from Contracts with Customers

In May 2014, IASB issued standard, IFRS 15 Revenue from Contract with Customers. The Standard establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS.

The effective date of IFRS 15 is annual periods beginning on or after January 1, 2018, with early adoption permitted. The Group is required to adopt the standard by the financial year commencing April 1, 2018. The Group is currently evaluating the requirements of IFRS 15, and has not yet determined the impact on the consolidated financial statements.

f) IFRS 16 Leases

In January 2016, IASB issued standard, IFRS 16 Leases. IFRS 16 supersedes IAS 17 Leases; IFRIC 4 Determining whether an Arrangement contains a Lease; SIC-15 Operating Leases—Incentives; and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The previous accounting model for leases required lessees and lessors to classify their leases as either finance leases or operating leases and account for those two types of leases differently. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The effective date of IFRS 16 is annual periods beginning on or after January 1, 2019. Earlier adoption of the Standard is permitted if IFRS 15 Revenue from Contracts with Customers is adopted at or before the date of initial application of IFRS 16. The Group is required to adopt the standard by the financial year commencing April 1, 2019. The Group is currently evaluating the requirements of IFRS 16, and has not yet determined the impact on the consolidated financial statements.

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g) **Amendments to IAS 1: Amendments Resulting from the Disclosure Initiative**

In December 2014, IASB issued Amendments to IAS 1 Presentation of Financial Statements with respect to disclosure requirements. The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial reports.

This amendment is applicable to annual periods beginning on or after January 1, 2016, with early adoption permitted. The Group is required to adopt the amendments by the financial year commencing April 1, 2016. The Group does not expect that the adoption of the amendments will have any significant impact on the consolidated financial statements.

h) The following other improvements and amendments to standards have been issued upto the date of issuance of the Group's financial statements, but not yet effective and have not yet been adopted by the Group. These are not expected to have any significant impact on the consolidated financial statements:

S. No.	Interpretation/ Amendments to Standards	Month of Issue	Effective date - annual periods beginning on or after
1	Amendments to IAS 16, "Property, Plant and Equipment" and IAS 41, "Agriculture" for bearer plants	June, 2014	January 1, 2016
2	Amendment to IAS 27, "Separate Financial Statements" with respect to equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements	August, 2014	January 1, 2016
3	Annual Improvements 2012-14 Cycle	September, 2014	January 1, 2016
4	Amendment to IFRS 10, "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" with respect to sale or contribution of assets between an investor and its associate or joint venture	September, 2014	Deferred indefinitely
5	Amendment to IFRS 10, "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 28 "Investments in Associates and Joint Ventures" with respect to application of the consolidation exception	December, 2014	January 1, 2016

6. 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).

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 and Mobile commerce services.

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

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 continent. This also includes corporate headquarter costs of the Group's Africa operations.

Telemedia Services: These services cover voice and data communications based on fixed network and broadband technology.

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

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.

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Others: These include administrative and support services provided to other segments.

The measurement principles for segment reporting are based on IFRSs adopted in the consolidated financial statements. Segment's performance is evaluated based on segment revenue and profit or loss from operating activities before exceptional items including share of result of joint ventures and associates i.e. segment results.

Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment. Finance income earned, finance expense incurred, other expense and exceptional items are not allocated to individual segment and the same has been reflected at the Group level for segment reporting. 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 the change occurs. Segment information prior to the change in terms is not restated.

Segment assets comprise assets directly managed by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances, inter-segment assets and exclude derivative financial assets, deferred tax assets and income tax recoverable.

Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities and derivative financial liabilities.

Segment capital expenditure comprises additions to property, plant and equipment and intangible assets (net of rebates, where applicable).

Unallocated expenses / results, assets and liabilities include expenses / results, assets and liabilities (including inter-segment assets and liabilities) of corporate headquarters of the Group and other activities not allocated to the operating segments. These also include current taxes, deferred taxes and certain financial assets and liabilities not allocated to the operating segments.

Inter-segment revenues are eliminated upon consolidation and reflected in the 'Eliminations' column.

Notes to consolidated financial statements

Summary of the Segmental Information as of and for the year ended March 31, 2016 is as follows:

(₹ Millions)

Particulars	Mobile Services India	Mobile Services South Asia	Mobile Services Africa	Telemedia Services	Airtel Business	Digital TV Services	Tower Infrastructure Services	Others	Unallocated	Eliminations	Consolidated
Revenue from external customers	542,271	15,866	245,775	44,392	62,503	29,119	25,395	-	-	-	965,321
Inter segment revenue	18,547	588	5,558	3,217	15,530	59	30,778	3,051	-	(77,328)	-
Total revenues	**560,818**	**16,454**	**251,333**	**47,609**	**78,033**	**29,178**	**56,173**	**3,051**	**-**	**(77,328)**	**965,321**
Share of results of joint ventures and associates	10	-	-	-	-	-	9,640	4	-	-	9,654
Segment result	127,744	(6,394)	4,909	12,429	12,167	1,843	24,746	(23)	(1,544)	212	176,089
Finance income											16,177
Finance costs											(85,042)
Other expenses											(1,024)
Exceptional items, net*											14,505
Profit before tax											**120,705**
Other segment items											
Capital expenditure	(372,267)	(3,465)	(58,955)	(11,862)	(10,550)	(11,067)	(9,900)	-	(932)	11,144	(467,854)
Depreciation and amortisation	(90,715)	(5,593)	(47,857)	(9,341)	(7,053)	(8,132)	(11,575)	-	0	5,768	(174,498)
As of March 31, 2016											
Segment assets	1,491,977	47,038	710,446	177,056	221,399	22,756	216,098	1,037	181,847	(820,982)	2,248,672
Segment liabilities	626,126	31,499	278,878	112,397	128,428	46,958	21,795	1,439	1,112,904	(820,037)	1,540,387

* 'Exceptional items, net' shown separately relates to gain on account of divestment of telecom towers in Africa, regulatory fee provisions, depreciation charge arising out of the termination of the tower sale agreement, charges towards de-recognition of embedded derivative assets, expenses on restructuring activities in a few countries, operating costs on network refarming and up-gradation program and on account of disputed receivables / expired claims (Refer Note 12).

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Summary of the Segmental Information as of and for the year ended March 31, 2015 is as follows:

(₹ Millions)

Particulars	Mobile Services India	Mobile Services South Asia	Mobile Services Africa	Telemedia Services	Airtel Business	Digital TV Services	Tower Infrastructure Services	Others	Unallocated	Eliminations	Consolidated
Revenue from external customers	500,673	15,379	264,128	40,550	52,429	24,699	22,530	6	-	-	920,394
Inter segment revenue	18,963	380	4,942	3,775	14,701	60	31,752	2,908	-	(77,481)	-
Total revenues	**519,636**	**15,759**	**269,070**	**44,325**	**67,130**	**24,759**	**54,282**	**2,914**	**-**	**(77,481)**	**920,394**
Share of results of joint ventures and associates	8	-	(53)	(10)	-	-	7,269	9	-	-	7,223
Segment result	124,703	(6,138)	11,727	8,689	7,713	(1,581)	21,731	16	(1,064)	(1)	165,795
Finance income											24,788
Finance costs											(73,252)
Other expenses											(1,669)
Exceptional items, net*											(8,532)
Profit before tax											**107,130**
Other segment items											
Capital expenditure	(285,667)	(3,353)	(82,873)	(7,786)	(6,409)	(7,912)	(10,133)	-	(950)	7,110	(397,973)
Depreciation and amortisation	(70,290)	(5,943)	(49,341)	(9,263)	(6,257)	(8,333)	(11,109)	-	-	5,225	(155,311)
As of March 31, 2015											
Segment assets	1,251,137	47,416	680,586	106,731	169,346	19,125	207,433	789	237,472	(762,217)	1,957,818
Segment liabilities	408,419	29,076	205,193	51,977	88,025	54,550	20,645	1,124	1,191,726	(761,006)	1,289,729

* 'Exceptional items, net' shown separately comprises of one time translation impact of certain foreign currency liabilities in Nigeria, costs relating to post-acquisition integration activities, other costs attributable to restructuring activities, income due to premature termination of an agreement by a telecom operator, income on account of divestment of telecom towers in one of the countries in Africa and charges on account of settlement of various disputes (Refer Note 12).

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(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Unallocated assets comprise of :		
Derivative financial assets	18,764	8,510
Deferred tax asset	46,738	59,502
Income tax recoverable	11,570	5,750
Inter-segment loans/ receivables	89,135	100,194
Other investments	8	47,567
Others	15,632	15,949
Total	**181,847**	**237,472**

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Unallocated liabilities comprise of :		
Borrowings	609,006	663,672
Derivative financial liabilities	1,939	792
Deferred tax liability	14,356	15,110
Income tax liabilities	9,296	9,271
Inter-segment loans/ payables	463,575	491,026
Others	14,732	11,855
Total	**1,112,904**	**1,191,726**

Borrowings include amount borrowed for the acquisition of 3G and BWA Licenses (including spectrum) ₹ 8,907 Mn and ₹ 45,153 Mn and for funding the acquisition of Africa operations and other borrowings of Africa operations ₹ 442,204 Mn and ₹ 554,776 Mn as of March 31, 2016 and March 31, 2015, respectively.

Geographical information:

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

(a) Revenue from external customers:

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
India	685,735	626,319
Africa	245,775	264,128
Rest of the World	33,811	29,947
Total	**965,321**	**920,394**

(b) Non-current assets(Property, plant and equipment and Intangible assets):

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
India	1,149,089	870,167
Africa	615,137	578,238
Rest of the World	53,037	53,035
Total	**1,817,263**	**1,501,440**

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7. Business Combination/ Disposal of subsidiary/ Other acquisitions/ Transaction with Non-controlling Interests

a) Dilution of Stake in Airtel M Commerce Services Limited (AMSL)

On February 26, 2016, AMSL, a subsidiary of the Group, Kotak Mahindra Bank Limited (KMBL) and the Company have entered into a Share Subscription and Shareholders' agreement to allot 19.90% of the post issue share capital of AMSL to KMBL. Accordingly, the shareholding of the Company in AMSL stands reduced to 80.10% and the corresponding non-controlling interests has been recognised. Excess of proceeds over net assets attributable to non-controlling interests, amounting to ₹ 498 Mn has been recognised directly in equity as attributable to the equity shareholders of the parent.

b) Acquisition of Additional Interest in Indo Teleports Limited (formerly known as Bharti Teleports Limited)

On August 27, 2015, the Group acquired additional 46% of the share capital of Indo Teleports Limited (formerly known as Bharti Teleports Limited) increasing its ownership to 95% and accordingly goodwill of ₹ 311 Mn has been recognised in the transaction.

c) Sale of Stake in Bharti Infratel Limited (BIL)

On August 7, 2014, in order to comply with the requirement to maintain minimum public shareholding of 25% in terms of rule 19(2)(b)/ 19A of Securities Contracts (Regulation) Rules, 1957, as amended, and clause 40A of the equity listing agreement, the Company sold 85 Mn shares in Bharti Infratel Limited (BIL) for ₹ 21,434 Mn, representing 4.5% shareholding in BIL. Subsequent to the transaction, the shareholding of the Company in BIL has reduced to 74.86%.

Further on February 26, 2015, the Company sold 55 Mn shares for ₹ 19,255 Mn, representing 2.91% shareholding in BIL. Subsequent to the transaction, the shareholding of the Company in BIL has reduced to 71.90%.

The carrying amount of non-controlling interests has been adjusted to reflect the change of relative interest in BIL. Excess of proceeds over the change in non-controlling interests net of associated transaction costs, taxes and regulatory levies, amounting to ₹ 25,816 Mn has been recognised directly in equity as attributable to the equity shareholders of the parent.

d) Purchase of Shares of BIL by Bharti Infratel Employees' Welfare Trust

During the year ended March 31, 2015, Bharti Infratel Employees' Welfare Trust acquired 1.65 Mn number of shares of Bharti Infratel Limited from non-controlling interests for a consideration of ₹ 624 Mn. The carrying amounts of non-controlling interests have been adjusted to reflect the changes in their relative interests in BIL. Excess of cost over the change in non-controlling interests, amounting to ₹ 468 Mn has been recognised directly in equity as attributable to the equity shareholders of the parent.

8. Operating Expenses

(₹ Millions)

Particulars	Notes	Year ended March 31, 2016	Year ended March 31, 2015
Access charges		109,423	112,759
Licence fees, revenue share and spectrum charges		94,927	87,391
Network operations cost		211,668	203,372
Employee costs	8.1	49,112	47,123
Selling, general and administrative expenses		158,896	155,533
Charity & donations *		1,233	1,290
Total		**625,259**	**607,468**

* including expenditure towards corporate social responsibility.

Selling, general and administrative expenses include the following:

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Trading inventory consumption	6,053	4,288
Dimunition in value of inventory	288	515
Provision for doubtful debts	9,101	8,405

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8.1 Employee Costs

(₹ Millions)

Particulars	Notes	Year ended March 31, 2016	Year ended March 31, 2015
Salaries, allowances & others		45,009	43,914
Defined contribution plan		2,179	1,757
Defined benefit plan/ other long term benefits		926	734
Share based compensation	8.2	998	718
Total		**49,112**	**47,123**

8.2 Share Based Compensation Plans

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

Entity	Scheme	Plan	Year of issuance of plan	Vesting period (years)	Contractual term (years)	As of March 31, 2016		As of March 31, 2015	
						Share options granted (thousands)	Weighted average exercise price (₹)	Share options granted (thousands)	Weighted average exercise price (₹)
Equity settled Plans									
Bharti Airtel	Scheme I	2001 Plan *	2002	1 - 4	7	30,893	21.25	30,893	21.25
Bharti Airtel	Scheme I	2004 Plan *	2004	1 - 4	7	4,380	35.00	4,380	35.00
Bharti Airtel	Scheme I	Superpot *	2004	1 - 3	7	143	-	143	-
Bharti Airtel	Scheme I	2006 Plan	2006	1 - 5	7	5,489	5.48	5,489	5.48
Bharti Airtel	Scheme 2005	2005 Plan *	2005	1 - 4	7	11,260	237.06	11,260	237.06
Bharti Airtel	Scheme 2005	2008 Plan & Annual Grant Plan (AGP)	2008	1 - 3	7	8,817	352.13	8,817	352.13
Bharti Airtel	Scheme 2005	Performance Share Plan (PSP) 2009 Plan	2009	3 - 4	7	1,691	5.00	1,691	5.00
Bharti Airtel	Scheme 2005	Special ESOP & Restricted Share Units (RSU) Plan	2010	1 - 5	7	3,615	5.00	3,615	5.00
Bharti Airtel	Scheme 2005	Long Term Incentive (LTI) Plan	2011	1 - 3	7	433	5.00	433	5.00
Bharti Airtel	Scheme 2005	LTI Plan	2012	1 - 3	7	1,649	5.00	1,649	5.00
Bharti Airtel	Scheme 2005	LTI Plan	2015	1 - 3	7	1,576	5.00	-	-
Bharti Infratel	Infratel plan	2008 Plan	2008	1 - 5	7	9,913	109.67	9,913	109.67
Bharti Infratel	Infratel plan	LTI Plan (Part of 2008 plan)	2012	1 - 3	7	34	10.00	34	10.00
Bharti Infratel	Infratel plan	2015 Plan	2015	1 - 3	7	90	10.00	-	-
Cash settled Plans									
Bharti Airtel	Scheme 2005	LTI Plan Africa *	2011	1 - 3	3	560	5.00	560	5.00
Bharti Airtel	Performance Unit Plan (PUP) 2013	Performance Unit Plan (PUP) 2013	2013	1 - 3	3	3,435	-	3,435	-
Bharti Airtel	Performance Unit Plan (PUP) 2014	Performance Unit Plan (PUP) 2014	2014	1 - 5	3-5	5,920	-	5,909	-
Bharti Airtel	Performance Unit Plan (PUP) 2015	Performance Unit Plan (PUP) 2015	2015	1 - 3	3	1,045	-	-	-
Bharti Infratel	Infratel plan	PUP	2013 & 2014	1 - 3	7	309	-	309	-

* Contractual term has expired

Notes to consolidated financial statements

The following table exhibits the net compensation expenses arising from share based payment transaction:

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Expenses arising from equity-settled share-based payment transactions	248	(4)
Expenses arising from Cash-settled share-based payment transactions	750	722
	998	718

Information concerning the share options issued is presented below:

(Share options in thousands)	As of March 31, 2016		As of March 31, 2015	
	Number of share options	Weighted average exercise price (₹)	Number of share options	Weighted average exercise price (₹)
Equity Settled Plans				
Scheme I - 2006 Plan				
Outstanding at beginning of year	390	5.00	539	6.74
Granted	-	-	225	5.00
Exercised	(75)	5.00	(98)	14.38
Forfeited / Expired	(10)	5.00	(276)	5.00
Outstanding at end of year	305	5.00	390	5.00
Exercisable at end of year	30	5.00	65	5.00
Scheme 2005 - 2005 Plan				
Outstanding at beginning of year	-	-	1,008	436.06
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited / Expired	-	-	(1,008)	436.06
Outstanding at end of year	-	-	-	-
Exercisable at end of year	-	-	-	-
Scheme 2005 - 2008 Plan & AGP				
Outstanding at beginning of year	2,534	355.45	3,439	354.54
Granted	-	-	-	-
Exercised	(686)	334.89	(173)	327.20
Forfeited / Expired	(1,209)	342.24	(732)	357.85
Outstanding at end of year	639	402.50	2,534	355.45
Exercisable at end of year	639	402.50	2,534	355.45
Scheme 2005 - PSP 2009 Plan				
Outstanding at beginning of year	83	5.00	242	5.00
Granted	-	-	-	-
Exercised	(22)	5.00	(159)	5.00
Forfeited / Expired	(8)	5.00	-	5.00
Outstanding at end of year	53	5.00	83	5.00
Exercisable at end of year	53	5.00	83	5.00

Notes to consolidated financial statements

(Share options in thousands)	As of March 31, 2016		As of March 31, 2015	
	Number of share options	Weighted average exercise price (₹)	Number of share options	Weighted average exercise price (₹)
Scheme 2005 - Special ESOP & RSU Plan				
Outstanding at beginning of year	189	5.00	408	5.00
Granted	-	-	-	-
Exercised	(44)	5.00	(178)	5.00
Forfeited / Expired	(19)	5.00	(41)	5.00
Outstanding at end of year	126	5.00	189	5.00
Exercisable at end of year	126	5.00	189	5.00
Scheme 2005 - LTI Plan (2011, 2012 & 2015)				
Outstanding at beginning of year	523	5.00	1,072	5.00
Granted	1,576	5.00	67	5.00
Exercised	(201)	5.00	(356)	5.00
Forfeited / Expired	(189)	5.00	(260)	5.00
Outstanding at end of year	1,709	5.00	523	5.00
Exercisable at end of year	208	5.00	230	5.00
Bharti Infratel : 2008 Plan				
Outstanding at beginning of year	3,834	109.67	8,554	109.67
Granted	-	-	-	-
Exercised	(3,078)	109.67	(4,463)	109.67
Forfeited / Expired	(24)	109.67	(257)	109.67
Outstanding at end of year	732	109.67	3,834	109.67
Exercisable at end of year	732	109.67	3,607	109.67
Bharti Infratel : LTI Plan (Part of 2008 Plan)				
Number of shares under option:				
Outstanding at beginning of year	6	10.00	16	10.00
Granted	-	-	-	-
Exercised	(2)	10.00	(5)	10.00
Forfeited / Expired	-	10.00	(5)	10.00
Outstanding at end of year	4	10.00	6	10.00
Exercisable at end of year	4	10.00	3	10.00
Bharti Infratel : LTI Plan (2015 Plan)				
Number of shares under option:				
Outstanding at beginning of year	-	-	-	-
Granted	90	10.00	-	-
Exercised	-	-	-	-
Forfeited / Expired	-	-	-	-
Outstanding at end of year	90	10.00	-	-
Exercisable at end of year	-	-	-	-

Notes to consolidated financial statements

(Share options in thousands)	As of March 31, 2016		As of March 31, 2015	
	Number of share options	Weighted average exercise price (₹)	Number of share options	Weighted average exercise price (₹)
Cash Settled Plan				
Scheme 2005 - LTI Plan Africa				
Outstanding at beginning of year	-	-	107	5.00
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited	-	-	(107)	5.00
Outstanding at end of year	-	-	-	-
Exercisable at end of year	-	-	-	-
PUP 2013				
Outstanding at beginning of year	1,435	-	3,004	-
Granted	-	-	140	-
Exercised	(381)	-	(589)	-
Forfeited / Expired	(555)	-	(1,120)	-
Outstanding at end of year	499	-	1,435	-
Exercisable at end of year	-	-	-	-
PUP 2014				
Number of shares under option:				
Outstanding at beginning of year	5,548	-	-	-
Granted	11	-	5,909	-
Exercised	(441)	-	-	-
Forfeited / Expired	(1,477)	-	(361)	-
Outstanding at end of year	3,641	-	5,548	-
Exercisable at end of year	-	-	-	-
PUP 2015				
Number of shares under option:				
Outstanding at beginning of year	-	-		-
Granted	1,045	-	-	-
Exercised	-	-	-	-
Forfeited / Expired	(138)	-	-	-
Outstanding at end of year	907	-	-	-
Exercisable at end of year	-	-	-	-
Bharti Infratel : Performance Unit Plan				
Number of shares under option:				
Outstanding at beginning of year	238	-	171	-
Granted	-	-	138	-
Exercised	(51)	-	(46)	-
Forfeited / Expired	(4)	-	(25)	-
Outstanding at end of year	183	-	238	-
Exercisable at end of year	37	-	2	-

Notes to consolidated financial statements

The following table summarises information about options exercised and granted during the year and about options outstanding and their remaining contractual life:

March 31, 2016

Entity	Plan	Options Outstanding as of March 31, 2016			Options Granted during the year ended March 31, 2016		Options Excercised during the year ended March 31, 2016	
		Options (thousands)	Exercise price (₹)	Weighted average remaining contractual life (years)	Options (thousands)	Wtd Avg Fair Value (₹)	Options (thousands)	Weighted average share price (₹)
Equity settled Plans								
Bharti Airtel	2006 Plan	305	5.00	5.00	-	-	75	350.45
Bharti Airtel	2008 Plan & AGP	639	402.50	0.25	-	-	686	397.45
Bharti Airtel	PSP 2009 Plan	53	5.00	0.69	-	-	22	367.51
Bharti Airtel	Special ESOP & RSU Plan	126	5.00	1.20	-	-	44	319.66
Bharti Airtel	LTI Plan (2011, 2012 & 2015)	1,709	5.00	5.98	1,576	398.32	201	348.28
Bharti Infratel	2008 Plan	732	109.67	1.05	-	-	3,078	394.02
Bharti Infratel	LTI Plan (Part of 2008 Plan)	4	10.00	3.42	-	-	2	394.02
Bharti Infratel	2015 Plan	90	10.00	6.33	90	414.41	-	-
Cash settled Plans								
Bharti Airtel	PUP 2013	499	-	0.37	-	-	381	417.90
Bharti Airtel	PUP 2014	3,641	-	1.97	11	373.40	441	423.32
Bharti Airtel	PUP 2015	907	-	2.35	1,045	342.44	-	-
Bharti Infratel	Performance Unit Plan	183	-	4.34	-	-	51	439.11

March 31, 2015

Entity	Plan	Options Outstanding as of March 31, 2015			Options Granted during the year ended March 31, 2015		Options Excercised during the year ended March 31, 2015	
		Options (thousands)	Exercise price (₹)	Weighted average remaining contractual life (years)	Options (thousands)	Wtd Avg Fair Value (₹)	Options (thousands)	Weighted average share price (₹)
Equity settled Plans								
Bharti Airtel	2006 Plan	390	5.00 to 110.50	5.86	225	361.19	98	371.70
Bharti Airtel	2008 Plan & AGP	2,534	295.00 to 402.50	0.63	-	-	173	383.30
Bharti Airtel	PSP 2009 Plan	83	5.00	1.87	-	-	159	352.26
Bharti Airtel	Special ESOP & RSU Plan	189	5.00	2.26	-	-	178	350.09
Bharti Airtel	LTI Plan (2011 & 2012)	523	5.00	4.27	67	291.63	356	368.36
Bharti Infratel	2008 Plan	3,834	109.67	1.95	-	-	4,463	262.40
Bharti Infratel	LTI Plan (Part of 2008 Plan)	6	10.00	4.42	-	-	5	262.40
Cash settled Plans								
Bharti Airtel	PUP 2013	1,435	-	1.37	140	378.92	589	354.24
Bharti Airtel	PUP 2014	5,548	-	2.81	5,909	383.98	-	-
Bharti Infratel	Performance Unit Plan	238	-	5.34	138	336.29	46	262.40

The total carrying value of cash settled share based compensation liability is ₹ 1,230 Mn and ₹ 799 Mn as of March 31, 2016 and March 31, 2015, respectively.

Notes to consolidated financial statements

The fair value of options granted was estimated on the date of grant and at each reporting date (for cash-settled share based options) using the Black-Scholes / Lattice / Monte Carlo Simulation valuation model with the following assumptions:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Risk free interest rates	6.86% to 7.87%	7.64% to 8.65%
Expected life	4 to 60 months	10 to 72 months
Volatility	26.63% to 37.23%	27.36% to 32.59%
Dividend yield	0.54% to 1.44%	0.46% to 0.6%
Wtd average share price on measurement date exluding Infratel (₹)	350.9 to 411.7	373.7 to 393.9
Wtd average exercise price on measurement date exluding Infratel (₹)	0 to 5	0 to 5
Wtd average share price on measurement date - Infratel (₹)	497.00	378.00
Wtd average exercise price on measurement date - Infratel (₹)	10.00	-

The expected life of the share option is based on historical data & current expectation and not necessarily indicative of exercise pattern that may occur. The volatility of the options is based on the historical volatility of the share price since the respective entity's equity shares became publicly traded.

Bharti Infratel Limited (the subsidiary of the Company) has issued fresh equity shares to its employees under the equity settled share based compensation plan and has received an amount of ₹ 338 Mn (March 31, 2015: ₹ 497 Mn), resulting in increase in the holding of non-controlling shareholders by 0.12%.

9. Other Expenses

Other expenses comprise regulatory levies applicable to finance income in some of the geographies.

10. Depreciation and Amortisation

(₹ Millions)

Particulars	Notes	Year ended March 31, 2016	Year ended March 31, 2015
Depreciation	14	135,280	128,932
Amortisation	15	39,218	26,379
Total		**174,498**	**155,311**

Notes to consolidated financial statements

11. Finance Income and Costs

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Finance income		
Dividend from mutual funds	118	480
Interest income on deposits	4,306	674
Interest income on loans to associates	28	47
Interest income on others	1,042	1,021
Net gain on securities held for trading	2,210	13,753
Net gain on derivative financial instruments *	8,473	8,813
Total	**16,177**	**24,788**
Finance costs		
Interest on borrowings and deferred payment liability	43,585	36,992
Interest on finance lease liabilities	3,887	-
Unwinding of discount on provisions	286	416
Net exchange loss	16,857	22,718
Net fair value loss on financial instruments - Fair value hedges	9,360	7,454
Other finance charges	11,067	5,672
Total	**85,042**	**73,252**

* Refer Note 34 for details of financial assets and liabilities categorised within level 3 of the fair value hierarchy and for details of interest rate swaps designated as hedging instruments. The gain of ₹ 8,526 Mn and ₹ 8,528 Mn has been recognised on the interest rate swaps during the year March 31, 2016 and March 31, 2015, respectively.

"Dividend from mutual funds" includes ₹ Nil and ₹ 14 Mn and "Net gain on securities held for trading" includes net gain of ₹ 294 Mn and ₹ 8 Mn relating to investments in mutual funds designated at fair value through profit or loss for the years ended March 31, 2016 and March 31, 2015, respectively.

"Interest income on others" includes ₹ 204 Mn and ₹ 365 Mn towards unwinding of discount on security deposits included in other financial assets for the years ended March 31, 2016 and March 31, 2015, respectively.

"Other finance charges" comprise bank charges, trade finance charges, charges relating to derivative instruments and interest charges towards sub judice matters and also includes ₹ 99 Mn and ₹ 63 Mn towards unwinding of discount on other financial liabilities for the years ended March 31, 2016 and March 31, 2015, respectively.

12. Exceptional Items

Exceptional items comprises of the following:

(i) For the year ended March 31, 2016 :-

a. Net gain of ₹ 33,078 Mn pertaining to the divestment of telecom tower assets in Burkina Faso, Kenya, Zambia, Uganda, Ghana, Congo Brazzaville and Nigeria (refer Note 43 (e)) net of cash flow hedge reserve amounting to ₹ 7,051 Mn reclassified to income statement (refer Note 32 (ii) (b)).

b. Charge for regulatory fee provisions of ₹ 2,712 Mn arising out of re-assessment of certain positions.

c. Depreciation charge of ₹ 1,809 Mn arising out of the termination of the tower sale agreement (refer Note 43 (d)).

d. Charge of ₹ 2,096 Mn towards de-recognition of embedded derivative assets and ₹ 1,124 Mn arising from amendment of tenure and in various terms of the related long-term contract.

e. Charge for provision against certain disputed receivables / expired claims amounting to ₹ 2,829 Mn.

f. Charge of ₹ 3,713 Mn towards restructuring activities in a few countries.

g. Charge of ₹ 4,290 Mn towards operating costs (including accelerated depreciation) on network refarming and up-gradation program.

(ii) For the year ended March 31, 2015 :-

a. Charge of ₹ 2,082 Mn on account of one time translation impact of certain foreign currency liabilities in Nigeria from the Central bank administered rates to the open market exchange rates, consequent to a notification dated November 6, 2014.

b. Charge of ₹ 2,598 Mn on account of settlement of various disputes.

Notes to consolidated financial statements

c. Charge of ₹ 4,397 Mn related to restructuring activities in a few countries.

d. Gain of ₹ 403 Mn on account of premature termination of an agreement by a telecom operator.

e. Gain of ₹ 142 Mn on account of gain recognised on divestment of telecom towers in one of the countries in Africa.

Tax expense includes:

i) Tax expense of ₹ 6,188 Mn and benefit of ₹ 97 Mn during the year ended March 31, 2016 and March 31, 2015, respectively, on above, and

ii) Tax expense of ₹ Nil and ₹ 1,218 Mn during the year ended March 31, 2016 and March 31, 2015, respectively, on account of settlement of various disputes /uncertain tax position.

Profit/(loss) attributable to non-controlling interests includes expense of ₹ 1,220 Mn and benefit of ₹ 658 Mn during the year ended March 31, 2016 and March 31, 2015, respectively, relating to the above exceptional items.

13. Income Taxes

The major components of the income tax expense are:

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Current income tax		
- India	32,157	45,533
- Overseas	11,594	11,903
	43,751	57,436
Deferred tax*		
- Relating to origination & reversal of temporary differences	5,163	(7,447)
- Relating to change in tax rate	-	537
Tax expense attributable to current year's profit	48,914	50,526
Adjustments in respect of income tax of previous year		
- Current income tax		
India	198	(217)
Overseas	742	658
	940	441
- Deferred tax*#	9,514	3,080
	10,454	3,521
Income tax expense recorded in the consolidated income statement	**59,368**	**54,047**

* Includes tax credit recoverable on account of minimum alternate tax (MAT) of ₹ 17,661 Mn and ₹ 8,012 Mn during years ended March 31, 2016 and March 31, 2015, respectively.

Includes reversal of deferred tax asset of ₹ 8,612 Mn and ₹ Nill during the year ended March 31, 2016 and March 31, 2015 respectively, in one of the subsidiary on account of surrender of depreciation with Tax authority

During the year ended March 31, 2015, the group had recognised additional tax charge of ₹ 537 Mn on account of changes in tax rates (including ₹ 336 Mn relating to India on account of change in tax rate from 33.99% to 34.61% as proposed in Finance Bill, 2015).

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The reconciliation between tax expense and product of net income before tax multiplied by enacted tax rates in India is summarised below:

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Net income before taxes	120,705	107,130
Enacted tax rates in India	34.61%	33.99%
Computed tax expense	41,774	36,414
Increase/(reduction) in taxes on account of:		
Share of (profits)/losses in associates and joint ventures	(3,344)	(2,455)
Net deduction claimed under tax holiday provisions of income tax act	(7,892)	(14,711)
Losses and deductible temporary differences reversed during the tax holiday period	643	1,532
Effect of changes in tax rate	-	537
Tax on undistributed retained earnings	1,667	1,712
Adjustment in respect to current income tax of previous years	940	441
Adjustment in respect to MAT credit of previous years	(753)	(364)
Adjustment in respect to deferred tax of previous years#	10,267	3,444
Additional Tax/Tax for which no credit is allowed	4,688	4,219
Effect of different tax rate	(1,451)	770
Losses and deductible temporary difference against which no deferred tax asset recognised	16,239	17,331
Net expenses not taxable/deductible	4,974	2,557
Net expense on account of settlement of various disputes/uncertain tax position*	480	2,100
Others	(872)	520
Lower tax rate on sale of passive assets	(7,992)	-
Income tax expense recorded in the consolidated income statement	**59,368**	**54,047**

* includes exceptional charge of ₹ Nil and ₹ 1,218 Mn during the year ended March 31, 2016 and March 31, 2015, respectively (refer note 12)

Includes reversal of deferred tax asset of ₹ 8,612 Mn and ₹ Nill during the year ended March 31, 2016 and March 31, 2015, respectively, in one of the subsidiary on account of surrender of depreciation with Tax authority.

The components that gave rise to deferred tax assets and liabilities are as follows:

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Deferred tax asset/(liabilities)		
Provision for impairment of debtors/advances and other provisions	12,811	11,510
Losses available for offset against future taxable income	2,727	3,733
Employee share options	298	281
Post employment benefits	902	787
Minimum tax credit	56,329	38,668
Lease rent equalisation - expense	7,540	6,944
Fair valuation of financial assets/derivative instruments/other investments and unrealised exchange fluctuation	(829)	(1,547)
Accelerated depreciation/amortisation for tax purposes	(40,337)	(10,804)
Fair valuation of intangibles/property plant & equipments on business combination	801	855
Lease rent equalisation - income	(5,234)	(5,032)
Unearned Income	472	628
Deferred tax liability on undistributed retained earnings	(3,153)	(1,454)
Others	55	(177)
Net deferred tax asset/(liabilities)	**32,382**	**44,392**

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(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Deferred tax (expense)/income		
Provision for impairment of debtors/advances and other provisions	1,423	2,639
Losses available for offset against future taxable income	(872)	(1,867)
Employee share options	17	(565)
Post employment benefits	117	131
Minimum tax credit	17,661	8,012
Lease rent equalisation - expense	597	929
Fair valuation of financial assets/derivative instruments/other investments and unrealised exchange fluctuation	492	(2,354)
Accelerated depreciation/amortisation for tax purposes	(32,076)	(4,940)
Fair valuation of intangibles/property plant & equipments on business combination	(119)	(376)
Lease rent equalisation - income	(202)	(514)
Unearned Income	(94)	(231)
Deferred tax liability on undistributed retained earnings	(1,667)	3,377
Others	46	(411)
Net deferred tax (expense)/income	**(14,677)**	**3,830**

Reflected in the statement of financial position as follows:

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Deferred tax asset	46,738	59,502
Deferred tax liabilities	(14,356)	(15,110)
Deferred tax asset (net)	**32,382**	**44,392**

The reconciliation of deferred tax assets (net) is as follows:

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Opening balance	44,392	45,777
Tax Income / (expense) during the year recognised in profit or loss	(14,677)	3,830
Deferred tax liability reversed upon sale of subsidiary	787	-
Translation adjustment and others	1,880	(5,215)
Closing balance	**32,382**	**44,392**

Notes to consolidated financial statements

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unabsorbed depreciation and unused tax losses can be utilised. Accordingly, the Group has not recognised deferred tax assets in respect of deductible temporary differences, carry forward of unabsorbed depreciation and unused tax losses of ₹ 259,086 Mn and ₹ 229,893 Mn as of March 31, 2016 and March 31, 2015, respectively as it is not probable that taxable profits will be available in future.

The tax rates applicable to these unused tax losses, unabsorbed depreciation and deductible temporary differences vary from 3% to 45% depending on the jurisdiction in which the respective Group entity operates. Of the above balance as of March 31, 2016 and March 31, 2015, tax losses, unabsorbed depreciation and deductible temporary differences to the extent of ₹ 158,802 Mn and ₹ 143,308 Mn, respectively have an indefinite carry forward period and the balance amount expires unutilised as follows:

(₹ Millions)

March 31,	As of March 31, 2016
2017	5,405
2018	6,527
2019	7,493
2020	3,356
2021	10,371
Thereafter	67,132
	100,284

(₹ Millions)

March 31,	As of March 31, 2015
2016	5,955
2017	5,597
2018	8,672
2019	8,924
2020	3,944
Thereafter	53,493
	86,585

The Group has not recognised deferred tax liability with respect to unremitted retained earnings and associated foreign currency translation reserve with respect to certain of its subsidiaries and joint ventures where the Group is in a position to control the timing of the distribution of profits and it is probable that the subsidiaries and joint ventures will not distribute the profits in the foreseeable future. Also, the Group does not recognises deferred tax liability on the unremitted retained earnings of its subsidiaries wherever it believes that it would avail the tax credit for the dividend distribution tax payable by the subsidiaries on its dividend distribution. The taxable temporary difference associated with respect to unremitted retained earnings and associated foreign currency translation reserve is ₹ 110,565 Mn and ₹ 96,364 Mn as of March 31, 2016 and March 31, 2015, respectively. The distribution of the same is expected to attract tax in the range of NIL to 20% depending on the tax rates applicable as of March 31, 2016 in the jurisdiction in which the respective Group entity operates.

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14. Property, Plant and Equipment

(₹ Millions)

Particulars	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Advance payments and construction in progress	Total
Cost					
As of April 1, 2014	**24,001**	**1,044,300**	**84,278**	**23,398**	**1,175,977**
Additions	1,774	-	8,651	184,227	194,652
Disposals / adjustment	(702)	(11,556)	(2,590)	-	(14,848)
Transferred to assets held for sale @	(231)	(77,723)	-	(2,065)	(80,019)
Currency translation	(1,957)	(62,950)	(10,546)	(9,813)	(85,266)
Reclassification *	(12)	143,172	1,404	(145,920)	(1,356)
As of March 31, 2015	**22,873**	**1,035,243**	**81,197**	**49,827**	**1,189,140**
Additions	961	-	14,277	190,171	205,409
Acquisition through Business Combinations @@	-	161	1	-	162
Disposals / adjustment	(532)	(24,532)	(9,275)	-	(34,339)
Transferred from / to assets held for sale #	-	14,201	-	1,070	15,271
Currency translation	9	1,279	39	428	1,755
Reclassification *	(550)	194,361	499	(193,616)	694
As of March 31, 2016	**22,761**	**1,220,713**	**86,738**	**47,880**	**1,378,092**
Accumulated Depreciation					
As of April 1, 2014	**6,092**	**506,248**	**67,208**	**-**	**579,548**
Charge	1,000	115,362	12,570	-	128,932
Disposals / adjustment	(85)	(10,431)	(2,427)	-	(12,943)
Transferred to assets held for sale @	-	(37,380)	-	-	(37,380)
Currency translation	(899)	(37,629)	(9,363)	-	(47,891)
Reclassification *	(36)	(1,106)	859	-	(283)
As of March 31, 2015	**6,072**	**535,064**	**68,847**	**-**	**609,983**
Charge^	1,462	128,064	10,604	-	140,130
Disposals / adjustment	(212)	(21,354)	(9,138)	-	(30,704)
Transferred from / to assets held for sale #	-	4,800	-	-	4,800
Currency translation	(36)	(1,537)	(5)	-	(1,578)
Reclassification*	(14)	18	644	-	648
As of March 31, 2016	**7,272**	**645,055**	**70,952**	**-**	**723,279**
Net Carrying Amount					
As of April 1, 2014	**17,909**	**538,052**	**17,070**	**23,398**	**596,429**
As of March 31, 2015	**16,801**	**500,179**	**12,350**	**49,827**	**579,157**
As of March 31, 2016	**15,489**	**575,658**	**15,786**	**47,880**	**654,813**

* ₹ 694 Mn and ₹ 648 Mn gross block and accumulated depreciation respectively, has been reclassified mainly from software to other equipment, operating and office equipment during the year ended March 31, 2016 and ₹ 1,356 Mn and ₹ 283 Mn gross block and accumulated depreciation respectively, has been reclassified mainly from technical equipment and machinery to bandwidth during the year ended March 31, 2015.

@ Refer Note 43

@@ Major business acquisitions explained in Note 7

Mainly includes assets re-classified from held for sale to Property, plant and equipment due to termination of agreement for sale of tower assets (refer Note 43).

^ Includes exceptional items of ₹ 4,850 Mn w.r.t. technical equipments and machinery (refer Note 12 (i) (c) & 12 (i) (g)).

Following table summarises the detail of assets taken on finance lease:

(₹ Millions)

Particulars	Period	Technical equipment and machinery	Other equipment, operating and office equipment
Gross Block	As of March 31, 2016	38,930	1,097
	As of March 31, 2015	435	831
Accumulated Depreciation	As of March 31, 2016	17,563	835
	As of March 31, 2015	7	431
Net Block	As of March 31, 2016	21,367	262
	As of March 31, 2015	428	400

The "advance payments and construction in progress" includes ₹ 46,767 Mn and ₹ 48,777 Mn towards technical equipment and machinery and ₹ 1,113 Mn and ₹ 1,050 Mn towards other assets as of March 31, 2016 and March 31, 2015 respectively.

The Group has taken borrowings from banks and financial institutions which carry charge over certain of the above assets (refer Note 26 for details towards security and pledge).

Notes to consolidated financial statements

15. Intangible Assets

(₹ Millions)

Particulars	Goodwill	Software	Bandwidth	Licenses (including spectrum)	Other acquired intangibles	Advance Payment and assets under development	Total
Cost							
As of April 1, 2014	**471,773**	**16,283**	**11,959**	**297,832**	**20,413**	**107,718**	**925,978**
Additions	-	1,579	3,236	7,895	3,284	187,327	203,321
Disposals / adjustment **	-	-	-	(4,278)	(18,688)	-	(22,966)
Transferred to assets held for sale @	-	-	-	(15)	-	-	(15)
Currency translation	(54,313)	(116)	17	(22,339)	(712)	-	(77,463)
Reclassification *	-	(33)	1,361	129,303	28	(129,303)	1,356
As of March 31, 2015	**417,460**	**17,713**	**16,573**	**408,398**	**4,325**	**165,742 #**	**1,030,211**
Additions	-	3,363	3,244	-	70	255,768	262,445
Acquisition through Business Combinations @@	314	-	-	-	128	-	442
Disposals / adjustment **	-	(4,255)	-	(15,130)	(143)	-	(19,528)
Currency translation	13,244	103	72	6,374	25	75	19,893
Reclassification *	-	(706)	12	371,555	-	(371,555)	(694)
As of March 31, 2016	**431,018**	**16,218**	**19,901**	**771,197**	**4,405**	**50,030 #**	**1,292,769**
Accumulated amortisation							
As of April 1, 2014	**-**	**11,520**	**2,845**	**79,557**	**19,703**	**-**	**113,625**
Charge	-	2,680	908	21,961	830	-	26,379
Disposals / adjustment **	-	-	-	(4,274)	(18,688)	-	(22,962)
Transferred to assets held for sale @	-	-	-	(3)	-	-	(3)
Currency translation	-	(134)	85	(11,355)	(627)	-	(12,031)
Reclassification *	-	50	123	(5)	115	-	283
As of March 31, 2015	**-**	**14,116**	**3,961**	**85,881**	**1,333**	**-**	**105,291**
Charge	-	2,723	1,207	34,204	1,084	-	39,218
Disposals / adjustment **	-	(4,255)	-	(15,130)	(119)	-	(19,504)
Currency translation	-	103	162	3,056	4	-	3,325
Reclassification *	-	(660)	12	-	-	-	(648)
As of March 31, 2016	**-**	**12,027**	**5,342**	**108,011**	**2,302**	**-**	**127,682**
Accumulated impairment							
As of April 1, 2014	**2,637**	**-**	**-**	**-**	**-**	**-**	**2,637**
As of March 31, 2015	**2,637**	**-**	**-**	**-**	**-**	**-**	**2,637**
As of March 31, 2016	**2,637**	**-**	**-**	**-**	**-**	**-**	**2,637**
Net Carrying Amount							
As of April 1, 2014	**469,136**	**4,763**	**9,114**	**218,275**	**710**	**107,718**	**809,716**
As of March 31, 2015	**414,823**	**3,597**	**12,612**	**322,517**	**2,992**	**165,742**	**922,283**
As of March 31, 2016	**428,381**	**4,191**	**14,559**	**663,186**	**2,103**	**50,030**	**1,162,450**

* ₹ 694 Mn and ₹ 648 Mn gross block and accumulated depreciation respectively, has been reclassified mainly from software to other equipment, operating and office equipment during the year ended March 31, 2016 and ₹ 1,356 Mn and ₹ 283 Mn gross block and accumulated depreciation respectively, has been reclassified mainly from technical equipment and machinery to bandwidth during the year ended March 31, 2015.

** Gross block and accumulated amortisation of licences (including spectrum) and software have been off set upon being fully amortised.

includes advance payment of ₹ 41,474 MN and ₹ 47,251 Mn towards spectrum as at March 31, 2016 and March 31, 2015, respectively.

@@ Major business acquisitions explained in Note 7

@ Refer Note 43

Notes to consolidated financial statements

During the years ended March 31, 2016 and March 31, 2015, the Group has capitalised borrowing cost of ₹ 2,265 Mn and 2,808 Mn, respectively.

The Group has taken borrowings from banks and financial institutions which carry charge over certain of the above assets (refer Note 26 for details towards security and pledge).

Weighted average remaining amortisation period of license as of March 31, 2016 and March 31, 2015 is 16.64 years and 15.69 years, respectively.

16. Impairment Reviews

The Group tests goodwill for impairment annually on December 31 and whenever there are indicators of impairment (refer Note 4). Impairment testing is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs expected to benefit from 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. The impairment assessment is based on value in use calculations except in case of Mobile Services – Bangladesh, where fair value less cost to sell is used in view of the impending merger of Airtel Bangladesh Limited with Robi Axiata Limited (refer Note 40(c)).

During the year, the testing did not result in any impairment in the carrying amount of goodwill.

The carrying amount of goodwill has been allocated to the following CGU/ Group of CGUs:

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Mobile Services - India	39,527	39,524
Mobile Services - Bangladesh	8,937	8,479
Airtel business	6,224	5,597
Mobile Services - Africa	373,349	360,879
Telemedia Services	344	344
Total	**428,381**	**414,823**

The measurement of the fair value less cost to sell in case of Mobile Services – Bangladesh has been determined based on the fair value of stake (basis 10 year plan) to be received by the Group in the merged entity (i.e. combined entity after merger of Robi Axiata Limited and Airtel Bangladesh Limited) in consideration of contribution to merged entity. The measurement of all other cash generating units' value in use is determined based on ten year financial plans (planning period) that have been approved by management and are also used for internal purposes. The planning horizon reflects the assumptions for short-to-mid term market developments. Cash flows beyond the planning period are extrapolated using appropriate terminal growth rates. The 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 forecasts included in industry reports.

Key assumptions used in value-in-use calculations

- Operating margins (Earnings before interest and taxes)
- Discount rate
- Growth rates
- Capital expenditures

Operating margins: Operating margins have been estimated based on past experience after considering incremental revenue arising out of adoption of valued added and data services from the existing and new customers, though these benefits are partially offset by decline in tariffs in a hyper competitive scenario. Margins will be positively impacted from the efficiencies and initiatives driven by the Company; at the same time, 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. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs. Pre-tax discount rate used ranged from 13.1% to 19.9% (higher rate used for CGU group 'Mobile Services – Africa') for the year ended March 31, 2016 and ranged from 14.3% to 21.3% (higher rate used for CGU group 'Mobile Services – Africa') for the year ended March 31, 2015.

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 forecasts included in the industry reports. The average growth rates used in extrapolating cash flows beyond the planning period ranged from 3.5% to 4.0% (higher rate used for CGU group 'Mobile Services – Africa' CGU) for the year ended March 31, 2016 and ranged from 3.5% to 5.6% (higher rate used for CGU group 'Mobile Services – Bangladesh' CGU) for the year ended March 31, 2015.

Capital expenditures: The cash flow forecasts of capital expenditure are based on past experience coupled with additional capital expenditure required for roll out of incremental coverage requirements and to provide enhanced voice and data services adjusted where applicable for the impact of proposed divestment of towers in Africa.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use for Mobile Services – India, Telemedia Services and Airtel Business, and fair value less cost to sell in Mobile Services – Bangladesh, no reasonably possible change in any of the above key assumptions would cause the carrying amount of these units to exceed their recoverable amount. For Mobile Services - Africa CGU group, the recoverable amount exceeds the carrying amount by approximately 10.0% as of December 31,

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2015 and approximately 8.7% as of December 31, 2014. An increase of 1.1% (December 31, 2014: 1.3%) in discount rate shall equate the recoverable amount with the carrying amount of the Mobile Services – Africa CGU group as of December 31, 2015. Further, for Mobile Services – Africa CGU group, no reasonably possible change in the terminal growth rate beyond the planning horizon would cause the carrying amount to exceed the recoverable amount.

17. Investment in Associates, Joint ventures and Subsidiaries

17.1 Investments accounted for using the equity method

The Group's interests in Joint Ventures and associates are accounted for using the equity method of accounting. The details (Principal place of operation/ country of incorporation, principal activities and percentage of ownership interest and voting power (direct / indirect) held by the Group) of Joint Ventures and Associates are set out in Note 41.

The amounts recognised in the consolidated statement of financial position are as follows:-

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Joint Ventures	55,817	46,257
Associates	-	-
Total	**55,817**	**46,257**

The amounts recognised in the consolidated income statement are as follows:-

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Joint Ventures	9,654	7,276
Associates	-	(53)
Total	**9,654**	**7,223**

17.1.1 Investments in Joint Ventures

17.1.1 (a) Investments in Indus Towers Limited

Summarised financial information of Indus Towers Limited based on its IFRS financial statements and reconciliation with the carrying amount of the investment in consolidated financial statements is as follows:-

Summarised Information on Statement of Financial Position

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Assets		
Non Current Assets	**241,432**	**243,926**
Current Assets		
Cash and cash Equivalents	753	533
Other Current Assets (Excluding cash and cash equivalents)	17,556	18,868
Total Current Assets	**18,309**	**19,401**
Liabilities		
Non Current Liabilities		
Non Current Financial Liabilities (Other than trade and other payables and provisions) - Loans and borrowings	25,586	37,206
Other Non Current Liabilities	28,946	26,052
Total Non Current Liabilities	**54,532**	**63,258**
Current Liabilities		
Current Financial Liabilities (Other than trade and other payables and provisions) - Loans and borrowings	14,999	24,186
Other Current Liabilities	23,226	29,467
Total Current Liabilities	**38,225**	**53,653**
Equity	166,984	146,416
Percentage of Group's ownership interest	42%	42%
Interest in Joint Venture	70,133	61,495
Fair valuation adjustment with regard to property, plant and equipment on consolidation (net of depreciation impact thereon ₹ 2,805 Mn (March 31, 2015: ₹ 1,804 Mn))	(6,983)	(7,985)
Other fair value adjustments on consolidation	(7,376)	(7,376)
Carrying amount of investment	55,774	46,134

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Summarised Information on Income Statement

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Revenue	163,879	153,522
Depreciation and amortisation	31,594	32,459
Finance income (including Interest income of ₹ 697 Mn (March 31, 2015 - ₹ 394 Mn))	772	802
Finance cost (including Interest expense of ₹ 6,244 Mn (March 31, 2015 - ₹ 7,861 Mn))	6,257	7,872
Income tax expense	15,107	13,280
Profit for the year	**20,568**	**14,927**
Percentage of Group's ownership interest	42%	42%
Group's share in Joint Venture's profit for the year	8,638	6,269
Consolidation adjustments	1,002	1,000
Group's share in Joint ventures' profit recognised	9,640	7,269
Dividend received from Joint venture	-	16,407

17.1.1 (b) Information of other joint ventures

Aggregate information of joint ventures that are not individually material is as follows:-

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Carrying amount of investment	43	123
Cumulative unrecognised losses	2	2

(₹ Millions)

Group's share in joint ventures	Year ended March 31, 2016	Year ended March 31, 2015
Net profit / (loss)	14	5
Other comprehensive income	2	4
Total comprehensive income	16	9
Unrecognised losses	-	2

Refer Note 37 for Group's share of joint ventures commitments and contingencies.

17.1.2 Investments in Associates

The Group does not have any individually material associate. Aggregate information of associates that are not individually material is as follows:

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Carrying amount of investment	-	-
Cumulative unrecognised losses	1,765	1,559

(₹ Millions)

Group's share in associates'	Year ended March 31, 2016	Year ended March 31, 2015
Net profit / (loss)	(206)	(284)
Other comprehensive income / (loss)	-	(34)
Total comprehensive income / (loss)	(206)	(318)
Unrecognised losses	206	231

Refer Note 37 for Group's share of associates commitments.

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17.2 Investments in Subsidiaries

The details (Principal place of operation/country of incorporation, principal activities and percentage of ownership interest and voting power (direct / indirect) held by the Group) of subsidiaries are set out in Note 41.

Summarised financial information of subsidiaries (including fair valuation adjustments made at the time of acquisition, if any) having material non-controlling interests is as follows:

(₹ Millions)

Particulars	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Networks Limited	
	As of March 31, 2016	As of March 31, 2015	As of March 31, 2016	As of March 31, 2015	As of March 31, 2016	As of March 31, 2015
Assets						
Non Current Assets	162,860	157,508	76,771	77,311	99,144	97,130
Current Assets	55,440	51,762	6,920	4,973	8,835	19,610
Liabilities						
Non Current Liabilities	18,705	17,030	10,703	16,636	45,831	37,249
Current Liabilities	14,166	13,797	10,536	12,385	50,294	85,573
Equity	185,429	178,443	62,452	53,263	11,854	(6,082)
Percentage of ownership interest held by non-controlling interests	28.24%	28.12%	30.00%	30.00%	20.94%	20.94%
Accumulated Non-controlling interests	52,364	50,183	18,738	15,977	2,482	(1,274)

(₹ Millions)

Particulars	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Networks Limited	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Revenue	56,167	54,081	51,962	47,105	83,491	87,751
Net Profit/(loss)	21,425	20,995	10,275	10,382	8,990	(7,289)
Other Comprehensive Income	6	(2)	(2)	(1)	8,946	(7,761)
Total Comprehensive Income	21,431	20,993	10,273	10,381	17,936	(15,051)
Profit / (loss) allocated to Non-controlling interests	6,047	5,012	3,086	3,118	1,883	(1,526)

(₹ Millions)

Particulars	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Networks Limited	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Net cash inflow/(outflow) from operating activities	21,887	34,266	15,010	10,859	17,677	20,411
Net cash inflow/(outflow) from investing activities	12,673	(5,695)	(7,724)	(25,429)	19,090	(11,214)
Net cash inflow/(outflow) from financing activities	(14,492)	(28,981)	(7,527)	14,324	(34,240)	(9,929)
Net cash inflow/(outflow)	20,068	(410)	(241)	(246)	2,527	(732)
Dividend paid to Non-controlling interests (including tax)	4,183	4,062	325	175	-	-

* Based on consolidated financial statements, also refer Note 7(c).

Notes to consolidated financial statements

18. Derivative Financial Instruments

The Group uses foreign exchange option contracts, swap contracts, forward contracts and interest rate swaps to manage some of its transaction exposures. These derivative instruments (except for certain interest rate swaps, refer below, 'Hedging instruments') are not designated as cash flow, fair value or net investment hedges and are entered into for periods consistent with currency and interest exposures.

The details of derivative financial instruments are as follows:-

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Assets		
Currency swaps, forward and option contracts	3,788	280
Interest rate swaps	14,545	5,598
Embedded derivatives	431	2,632
	18,764	**8,510**
Liabilities		
Currency swaps, forward and option contracts	1,096	381
Interest rate swaps	-	73
Embedded derivatives	843	338
	1,939	**792**
Bifurcation of above derivative instruments into current and non current		
Non-current derivative financial assets	13,999	7,303
Current derivative financial assets	4,765	1,207
Non-current derivative financial liabilities	(8)	(164)
Current derivative financial liabilities	(1,931)	(628)
	16,825	**7,718**

Embedded Derivative

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

19. Other Financial Assets

(a) Non-current

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Security deposits	9,948	7,937
Restricted cash	1,048	1,296
Rent equalisation	4,093	3,517
Claims recoverable	1,360	1,227
Receivable in respect of tower sale	10,658	-
Others	344	2,041
Total	**27,451**	**16,018**

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

The Group has taken borrowings from banks and financial institutions. Details towards security and pledge of the above assets are given under Note 26.

Restricted cash represents amount given as collateral for legal cases or/and bank guarantees for disputed matters issued in usual course of business.

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(b) Current

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Restricted Cash	14,626	10,075
Total	**14,626**	**10,075**

Restricted cash represents amount given as collateral for legal cases or/and bank guarantees for disputed matters issued in usual course of business and cash received from subscribers of Mobile Commerce Services.

20. Other Non-financial Assets, Non-current

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Fair valuation adjustments - financial assets	1,616	2,131
Advances	27,580	25,449
Others	847	803
Total	**30,043**	**28,383**

Fair valuation of financial assets represents unamortised portion of the difference between the fair value of the financial assets (security deposits) on initial recognition and the amount paid.

Advances represent payments made to various Government authorities under protest and are disclosed net of provision of ₹ 42,096 Mn and ₹ 34,424 Mn as of March 31, 2016 and March 31, 2015, respectively.

21. Inventories

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Transmission equipment	222	160
Handsets	1,324	949
Others	146	230
Total	**1,692**	**1,339**

The Group has taken borrowings from banks and financial institutions. Details towards security and pledge of the above assets are given under Note 26.

22. Trade and Other Receivables

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Trade receivable*	101,029	89,999
Less: Allowance for doubtful debts	(35,080)	(27,795)
Total Trade receivables	**65,949**	**62,204**
Other receivables		
Due from related party	291	224
Receivables from joint ventures	26	236
Interest accrued on investments	1,554	68
Claim receivables	5,151	4,481
Others	135	39
Total	**73,106**	**67,252**

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Movement in allowances for doubtful debts

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Balance, beginning of the year	27,795	25,868
Additions -		
Allowance for the year #	11,167	8,405
Currency translation adjustment	1,078	(2,232)
Application -		
Write off of bad debts (net of recovery)	(4,960)	(4,246)
Balance, end of the year	**35,080**	**27,795**

*Trade receivables include unbilled receivables.
#includes exceptional item of ₹ 2,066 Mn (refer note 12 (i) (e)) for the year ended March 31, 2016.

The Group has taken borrowings from banks and financial institutions which carry charge over certain of the above assets. Details towards security and pledge of the above assets are given under Note 26.

Refer Note 39 on credit risk of trade receivables.

23. Prepayments and Other Assets

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Prepaid expenses	15,590	10,212
Employee receivables	976	847
Advances to Suppliers	15,914	6,360
Taxes receivable	15,828	12,504
Others	524	1,905
Total	**48,832**	**31,828**

Employee receivables principally consist of advances given for business purposes.

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

Taxes receivables include customs duty, excise duty, service tax, sales tax and other recoverable.

24. Other Investments

(a) Non-current

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Held for trading securities - quoted *	20,792	23,970
Designated at fair value through profit or loss - quoted	4,251	7,290
Investment classified as Available for sale	3,579	-
Total	**28,622**	**31,260**

* Include investments reclassified from current investments to non-current investments basis the future utilisation plan of funds.

Notes to consolidated financial statements

(b) Current

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Held for trading securities - quoted	16,159	82,918
Designated at fair value through profit or loss - quoted	-	1,099
Loans and receivables - fixed deposits with banks	13,900	8,823
Total	**30,059**	**92,840**

The market values of quoted investments were assessed on the basis of the quoted prices as at the date of statement of financial position. Held for trading investments primarily comprises debt linked mutual funds and quoted liquid debt instruments in which the Group invests surplus funds to manage liquidity and working capital requirements. Investments designated at fair value through profit or loss comprises investments in debt linked mutual funds.

The Group has taken borrowings from banks and financial institutions which carry charge over certain of the above assets. Details towards security and pledge of the above assets are given under Note 26.

25. Cash and Cash Equivalents

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Cash and bank balances	15,942	8,869
Fixed deposits with banks	21,145	2,850
Total	**37,087**	**11,719**

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

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Cash and bank balances	15,942	8,869
Fixed deposits with banks	21,145	2,850
Add :- Included in the assets of the disposal group	-	73
Less :- Bank overdraft (refer Note 26.2)	(19,452)	(13,207)
Total	**17,635**	**(1,415)**

Notes to consolidated financial statements

26. Borrowings

26.1 Long Term Debts

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Secured		
Term loans	26,279	68,943
Others	20	19
Total	**26,299**	**68,962**
Less: Current portion (refer note 26.7)	(7,543)	(37,323)
Total secured loans, net of current portion	**18,756**	**31,639**
Unsecured		
Term loans #	126,402	209,366
Non-convertible bonds (refer note 26.6) @	399,067	298,664
Total	**525,469**	**508,030**
Less: Current portion (refer note 26.7)	(16,884)	(87,386)
Total unsecured loans, net of current portion	**508,585**	**420,644**
Total	**527,341**	**452,283**

@ Increased by ₹ 13,357 Mn and ₹ 3,977 Mn as of March 31, 2016 and March 31, 2015, respectively, for the impact of change in fair value with respect to the hedged risk.

Includes re-borrowable term loans of ₹ 2,887 Mn and ₹ Nil as of March 31, 2016 and March 31, 2015, respectively which have daily prepayment flexibility.

26.2 Short Term Debts and Current Portion of Long Term Debts

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Secured		
Term loans	17,165	10,396
Bank overdraft	513	987
Total	**17,678**	**11,383**
Add: Current portion of long term debts (refer note 26.7)	7,543	37,323
Total secured loans, including current portion	**25,221**	**48,706**
Unsecured		
Term Loans	20,621	63,077
Bank overdraft	18,939	12,220
Total	**39,560**	**75,297**
Add: Current portion of long term debts (refer note 26.7)	16,884	87,386
Total unsecured loans, including current portion	**56,444**	**162,683**
Total	**81,665**	**211,389**

26.3 The Group borrowed ₹ 187,265 Mn and ₹ 344,586 Mn during the year ended March 31, 2016 and March 31, 2015, respectively, (including amount received against non-convertible bonds during the year ended March 31, 2016 and March 31 2015, refer note 26.6 below). The Group repaid borrowings of ₹ 309,656 Mn and ₹ 420,325 Mn during the year ended March 31, 2016 and March 31, 2015, respectively. Other short term borrowings (net proceeds) (original maturity upto three months) amounted to ₹ 4,588 Mn and ₹ 3,288 Mn during the year ended March 31, 2016 and March 31, 2015, respectively.

Notes to consolidated financial statements

26.4 Analysis of Borrowings

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

26.4.1 Maturity of borrowings

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

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Within one year	82,135	212,184
Between one and two years	27,533	32,108
Between two and five years	186,240	187,904
Over five years	303,654	232,435
Total	**599,562**	**664,631**

26.4.2 Interest rate & currency of borrowings

The below details do not necessarily represents foreign currency or interest rate exposure to the income statement, since the Group has taken derivatives for offsetting the foreign currency & interest rate exposure. For foreign currency and interest rate sensitivity refer Note 39.

(₹ Millions)

Particulars	Total borrowings	Floating rate borrowings	Fixed rate borrowings
INR	22,397	22,377	20
USD	369,054	133,185	235,869
Euro	136,356	4,715	131,641
CHF	24,211	-	24,211
NGN	6,490	6,490	-
XAF	9,438	-	9,438
XOF	5,831	-	5,831
BDT	18,485	513	17,972
Others	7,300	5,798	1,502
March 31, 2016	**599,562**	**173,078**	**426,484**
INR	35,226	35,207	19
USD	403,878	243,833	160,045
Euro	135,796	18,639	117,157
CHF	22,544	-	22,544
NGN	31,864	31,423	441
XAF	11,077	-	11,077
XOF	7,710	-	7,710
BDT	10,297	242	10,055
Others	6,239	2,981	3,258
March 31, 2015	**664,631**	**332,325**	**332,306**

Notes to consolidated financial statements

26.5 Other Loans

Others include vehicle loans taken from banks which were secured by hypothecation of the vehicles ₹ 20 Mn and ₹ 19 Mn as of March 31, 2016 and March 31, 2015, respectively.

The amounts payable for these obligations, excluding interest expense is ₹ 10 Mn and ₹ 8 Mn for the years ending on March 31, 2017 and 2018, respectively.

26.6 The Company issued senior unsecured notes (Non-convertible bonds or Notes) during the year ended March 31, 2016 and Bharti Airtel International (Netherlands) B.V., a subsidiary of the Company, issued senior unsecured guaranteed notes (Non-convertible bonds or Notes) during the year ended March 31, 2015. The Notes issued by Bharti Airtel International (Netherlands) B.V. are guaranteed by the Company.

During the year ended March 31, 2016:

	Issue price	Due in	Listed on stock exchange
4.375% USD 1,000 Mn (₹ 63,973 Mn)	99.304%	2025	Singapore

During the year ended March 31, 2015:

	Issue price	Due in	Listed on stock exchange
5.35% USD 1,000 Mn (₹ 58,746 Mn)	99.916%	2024	Singapore / Frankfurt
3.375% Euro 750 Mn (₹ 60,395 Mn)	99.248%	2021	Singapore / Frankfurt

26.7 Considering the utilisation plan of the expected sale consideration receivable from the highly probable forecasted transaction relating to the sale of telecom towers (Refer Note 43), the Group had reclassified ₹ 80,190 Mn, from "Long term debts" to "Short term debts and current portion of long term debts" during the year ended March 31, 2015.

Notes to consolidated financial statements

26.8 Security Details

The Group has taken borrowings in various countries towards funding of its acquisition and working capital requirements. The borrowings comprise of funding arrangements with various banks and financial institutions taken by the Parent and subsidiaries. The details of security provided by the Group in various countries, to various banks on the assets of Parent and subsidiaries are as follows:

(₹ Millions)

Entity	Relation	Outstanding loan amount As of March 31, 2016	Outstanding loan amount As of March 31, 2015	Security Detail
Bharti Airtel Ltd	Parent	20	19	Hypothecation of vehicles
Airtel Bangladesh Ltd	Subsidiary	26,289	21,731	(i) Deed of Hypothecation by way of fixed charge creating a first-ranking pari passu fixed charge over listed machinery and equipment of the company, favouring the Bank / FIIs investors and the Offshore Security Agent and filed with the Registrar of Joint Stock Companies. Third Modification to Deed of Hypothecation for EKN-1, EKN-2, SCB Mauritius & HDFC Loan facilities. (ii) Deed of Hypothecation by way of floating charge creating a first-ranking pari passu floating charge over plant, machinery and equipment, both present and future, excluding machinery and equipment covered under the foregoing Deed of Hypothecation by way of fixed charge and a first-ranking pari passu floating charge over all current assets of the company, both present and future, including but not limited to stock, book debts, receivables and accounts of the company, entered into or to be entered into by the company, favouring the Bank / FIIs Facility Investors and Offshore Security Agent and filed with the Registrar of Joint Stock Companies for EKN-1, EKN-2, SCB Mauritius & HDFC loan facility. (iii) Corporate Guarantee by BAHSPL (Bharti Airtel Holdings Pte. Ltd.) to Airtel Bangladesh Limited for EKN-1, EKN-2, HDFC & SCB Mauritius loan facility. Counter Guarantee to BAHSPL by BAL (Bharti Airtel Limited) for EKN-1, EKN-2, HDFC loan facility. (iv) Register Hypothecations of all present and future book debts, receivables, monies, and movable property of the Borrower consisting of raw materials, stocks, inventory work in progress, finished goods and insurance proceeds thereof, of Airtel Bangladesh on Pari Passu basis with other Lenders, under a Letter of Hypothecation dated February 8, 2012 and its subsequent modifications to the hypothecation executed in favor of the existing lenders and filed with the Registrar of Joint Stock Companies. (For Short Term Working Capital Lenders (STL & OD) except Citibank N.A).
Bharti Airtel Africa BV and its subsidiaries	Subsidiary	18,062	59,349	(i) Pledge of all fixed and floating assets - Kenya, Nigeria, Tanzania, Uganda, DRC, Ghana (ii) Pledge on specific fixed assets - Chad
Total		**44,371**	**81,099**	

Notes to consolidated financial statements

Africa Operations Acquisition Related Borrowing:
Loans outstanding as at the balance sheet date includes certain loans which have been taken to refinance the Africa operations acquisition related borrowing. These loan agreements contain a negative pledge covenant that prevents the Group (excluding Airtel Bangladesh Limited, Bharti Airtel Africa B.V, Bharti Infratel Limited, and their respective subsidiaries) to create or allow to exist any security interest on any of its assets without prior written consent of the majority lenders except in certain agreed circumstances.

The Euro Notes due in 2018 and USD Notes due in 2023 issued by BAIN contain certain covenants relating to limitation on indebtedness and all notes carry a restriction on incurrence of any lien on its assets other than as permitted under the agreement, unless an effective provision is made to secure the Notes and guarantee equally and ratably with such indebtedness for so long as such indebtedness is so secured by such lien. The limitation on indebtedness covenant on Euro Notes due 2018 and USD Notes due 2023 gets suspended on Notes meeting certain agreed criteria. The debt covenants remained suspended as of the date of the authorisation of the financial statements. The other notes issued do not carry any restrictions on the limitation on indebtedness.

26.9 Unused Lines of Credit *

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Secured	19,909	20,253
Unsecured	156,999	160,722
Total Unused lines of credit	**176,908**	**180,975**

* Excluding non fund based facilities.

27. Deferred Payment Liability

During the year ended March 31, 2015 and 2014, the Group had won the auction for spectrum aggregating to 226.60 Mhz. The Group has opted for deferred payment in certain circles for a specified portion of the auction price, whereby it is payable in 10 equal installments (including the related interest) after an initial moratorium period of two years. As of March 31, 2016, the Government of India has allotted 218.2 MHz spectrum to the Group (March 31, 2015: 115.0 MHz), accordingly, the Group has recognised deferred payment liability (including accrued interest thereto) towards the same for of ₹ 341,424 Mn (March 31, 2015: ₹ 143,167). Further, pending the allocation of balance spectrum by GOI, an amount of ₹ 10,970 Mn (March 31, 2015: 244,040 Mn) has been disclosed under capital commitment in the notes to the consolidated financial statements.

28. Provisions

(₹ Millions)

Particulars	Employee benefits	Asset retirement obligation*	Total
As of March 31, 2014	**3,426**	**8,343**	**11,769**
Of which: current	1,725		1,725
Provision during the year	734	44	778
Remeasurement losses accounted for in OCI	(75)	-	(75)
Payment during the year	(498)	-	(498)
Interest charge	-	416	416
Derecognised due to sale (refer Note 43)	-	(20)	(20)
Classified as held for sale (refer Note 43)	-	(4,061)	(4,061)
As of March 31, 2015	**3,587**	**4,722**	**8,309**
Of which: current	2,061		2,061
Provision during the year	925	175	1,100
Remeasurement losses accounted for in OCI	129	-	129
Payment during the year	(719)	-	(719)
Interest charge	-	286	286

Notes to consolidated financial statements

(₹ Millions)

Particulars	Employee benefits	Asset retirement obligation*	Total
Classified from held for sale (refer Note 43)	-	571	571
As of March 31, 2016	**3,922**	**5,754**	**9,676**
Of which: current	2,326	-	2,326

"Provision during the year" for asset retirement obligation is after considering the impact of change in discount rate. Due to large number of lease arrangements of the Group, the range of expected period of outflows of provision for asset retirement obligation is significantly wide.

The movement of provision towards subjudice matters disclosed under other non-financial assets, non-current (refer Note 20), other non - financial liabilities, current (refer Note 30) and trade and other payables (refer Note 31) is as below:

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Opening Balance	86,531	74,674
Additions (Net)	26,905	11,857
Closing Balance	**113,436**	**86,531**

29. Other Financial Liabilities, Non-current

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Equipment Supply Payable - Non Current	264	939
Security deposits	5,504	5,152
Lease rent equalisation	12,671	11,107
Finance lease liabilities *	53,125	1,071
Others	2,136	670
Total	**73,700**	**18,939**

* includes finance lease liabilities arising on sale and lease back of tower assets (refer note 43 (e))

30. Other Non-financial Liabilities

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Non - current		
Fair valuation adjustments - financial liabilities*	692	630
Others	836	836
	1,528	1,466
Current		
Taxes payable	21,844	15,897
	21,844	15,897
Total	**23,372**	**17,363**

* represents unamortised portion of the difference between the fair value of the financial liability (security deposit) on initial recognition and the amount received.

Taxes payable include service tax, sales tax and other taxes payable and also include provision of ₹ 4,318 Mn and ₹ 3,529 Mn as of March 31, 2016 and March 31, 2015, respectively towards sub judice matters.

Notes to consolidated financial statements

31. Trade and Other Payables

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Trade creditors	137,409	103,291
Equipment supply payables	103,988	102,787
Dues to employees	6,509	4,212
Accrued expenses	118,590	112,719
Interest accrued but not due	6,599	6,802
Due to related parties	1,055	528
Finance Lease Liabilities *	4,746	557
Others	8,560	8,774
Total	**387,456**	**339,670**

* includes finance lease liabilities arising on sale and lease back of tower assets (refer note 43 (e))

"Others" include non-interest bearing advance received from customers and international operators.

Trade creditors, accrued expenses and equipment supply payable include provision of ₹ 67,022 Mn and ₹ 48,578 Mn as of March 31, 2016 and March 31, 2015, respectively towards sub judice matters.

32. Equity

(i) Shares

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Authorised shares		
5,000,000,000 (March 31, 2015 - 5,000,000,000)		
equity shares of ₹ 5 each	25,000	25,000
Issued, Subscribed and fully paid-up shares		
3,997,400,102 (March 31, 2015 - 3,997,400,102)		
equity shares of ₹ 5 each	19,987	19,987
Treasury shares		
1,881,958 (March 31, 2015- 1,410,642)		
equity shares of ₹ 5 each	(524)	(114)

a) Treasury Shares

Particulars	(Shares in Thousands) As of March 31, 2016	(Shares in Thousands) As of March 31, 2015	(₹ Millions) As of March 31, 2016	(₹ Millions) As of March 31, 2015
Opeining Balance	1,411	2,375	114	342
Purchased during the year	1,500	-	514	-
Issued during the year	(1,029)	(964)	(104)	(228)
Closing Balance	**1,882**	**1,411**	**524**	**114**

Notes to consolidated financial statements

(ii) Other Reserves

(₹ Millions)

Particulars	Foreign currency translation reserve	Cash flow Hedge reserve	Reserve arising on transactions with non-controlling interests	Available - for - sale financial investments reserves	Share-based payment transcations reserves	Total
As of April 1, 2014	**(16,777)**	**-**	**29,084**	**-**	**4,985**	**17,292**
Exchange differences on translation of foreign operations	(68,165)	-	-	-	-	(68,165)
Gain / (loss) on effective portion on hedge of net investment	32,925	-	-	-	-	32,925
Gain / (loss) on effective portion on cash flow hedge	-	(4,204)	-	-	-	(4,204)
Share based compensation	-	-	-	-	(7)	(7)
Receipt on exercise of share options (refer Note 8.2)	-	-	-	-	(173)	(173)
Transaction with non-controlling interests (refer Note 7)	-	-	25,542	-	-	25,542
As of March 31, 2015	**(52,017)**	**(4,204)**	**54,626**	**-**	**4,805**	**3,210**
Exchange differences on translation of foreign operations	(4,638)	-	-	-	-	(4,638)
Gain / (loss) on effective portion on hedge of net investment	(6,651)	-	-	-	-	(6,651)
Gain / (loss) on effective portion on cash flow hedge	-	3,480	-	-	-	3,480
Change in value of available-for-sale investments	-	-	-	4	-	4
Share based compensation	-	-	-	-	237	237
Receipt on exercise of share options (refer Note 8.2)	-	-	-	-	127	127
Transaction with non-controlling interests	-	-	531	-	-	531
As of March 31, 2016	**(63,306)**	**(724)**	**55,157**	**4**	**5,169**	**(3,700)**

Notes to consolidated financial statements

a) Foreign currency translation reserve

(i) Foreign currency translation reserve represents exchange differences arising on account of the translation of the financial statements of foreign subsidiaries including net investment hedges.

(ii) During the year ended March 31, 2016, the Group has formally designated, finance lease obligation (FLO), disclosed under other financial liabilities, arising out of sale and lease back of tower assets in Africa (denominated in USD currency) and bonds issued by the Company (denominated in USD currency) as a hedge against net investments in Airtel Congo (RDC) SA, Network i2i Limited and Bharti Airtel Africa B.V., respectively, whose functional currency is USD. Any foreign exchange gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income, net of income taxes and non-controlling interests, to offset the change in the value of the net investment being hedged. Net foreign exchange loss of ₹ 3,401 Mn (₹ 2,944 Mn, net of tax and non-controlling interests) and ₹ Nil during the year ended March 31, 2016 and March 31, 2015, respectively, has been recognised in other comprehensive income.

During the year ended March 31, 2015, the Group formally designated, for accounting purposes, certain Euro borrowings as a hedge against net investments in subsidiaries (in 5 Francophone countries where the local currency is pegged to the Euro). Foreign exchange loss of ₹ 3,707 Mn (₹ 3,707 Mn, net of tax and non-controlling interests) and foreign exchange gain of ₹ 32,925 Mn (₹ 32,925 Mn, net of tax and non-controlling interests) during the year ended March 31, 2016 and March 31, 2015, respectively, has been recognised in other comprehensive income. The ineffective portion of gain of ₹ Nil and ₹ 162 Mn has been recognised as gain in the consolidated income statement during the year ended March 31, 2016 and March 31, 2015, respectively.

b) Cash flow hedge reserve

During the year ended March 31, 2016, Bharti Airtel International Netherlands B.V., a subsidiary of the Company, entered into Euro / USD and CHF / USD forward exchange contract to hedge the cash flow risk on its foreign currency borrowings denominated in Euro and CHF to be repaid in December 2018 and March 2021, respectively. The Group has designated these forward contracts as a cash flow hedge of the foreign currency risk arising from the Euro borrowings. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income, net of income tax. Amounts that had been recognised in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss. Loss on derivative financial instruments (net of reclassification adjustment) of ₹ 724 Mn (₹ 724 Mn, net of tax and non-controlling interests) and ₹ Nil during the year ended March 31, 2016 and March 31, 2015, respectively, has been recognised in other comprehensive income.

The Group had designated certain of its foreign currency borrowings denominated in USD as a cash flow hedge of the foreign currency risk arising from the expected sale consideration receivable from the highly probable forecasted transaction relating to the sale of telecom towers (Refer Note 24). Foreign exchange loss of ₹ 1,701 Mn (₹ 1,084 Mn, net of tax and non-controlling interests) and ₹ 5,350 Mn (₹ 4,204 Mn, net of tax and non-controlling interests) during the year ended March 31, 2016 and March 31, 2015, respectively, has been recognised in other comprehensive income. Further, on occurrence of forecasted sale transaction during the year ended March 31, 2016, foreign exchange loss of ₹ 7,051 Mn (₹ 5,288 Mn, net of tax and non-controlling interests) during the year ended March 31, 2016, has been reclassified from other comprehensive income to income statement and disclosed as exceptional item.

c) Reserves arising on transactions with non-controlling interests

The transactions with non-controlling interests are accounted for as transactions with equity owners of the Group. Gains or losses on transactions with holders of non-controlling interests which does not result in the change of control are recorded in equity. Further liability for purchase of non-controlling interests is recognised against equity. Refer Note 7 for details.

d) Share-based payment transactions reserve

The share-based payment transactions reserve comprise the value of equity-settled share-based payment transactions provided to employees including key management personnel, as part of their remuneration.

Notes to consolidated financial statements

(iii) Dividends Paid and Proposed

(₹ Millions)

	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
A	**Declared and paid during the year:**		
	Interim dividend : ₹ 1.63 per share of ₹ 5 each	-	7,620
	Dividend on treasury shares	-	3
	(including dividend distribution tax of ₹ 1,107 Mn)		
	Final dividend for 2013-14 : ₹ 1.80 per share of ₹ 5 each	-	8,414
	Dividend on treasury shares	-	4
	(including dividend distribution tax of ₹ 1,223 Mn)		
	Final dividend for 2014-15 : ₹ 2.22 per share of ₹ 5 each	10,679	-
	Dividend on treasury shares	2	-
	(including dividend distribution tax of ₹ 1,807 Mn)		
		10,681	**16,041**
B.	**Proposed for approval at the annual general meeting (not recognised as a liability):**		
	Final dividend for 2015-16 : ₹ 1.36 per share (2014-15 : ₹ 2.22 per share) of ₹ 5 each	5,436	8,874
	Dividend distribution tax	1,107	1,807
		6,543	**10,681**

33. Employee Benefits

The following table sets forth the changes in the projected benefit obligation / long term employee benefit and plan assets and amounts recognised in the consolidated statement of financial position as of March 31, 2016 and March 31, 2015, being the respective measurement dates:

Movement in Obligation

(₹ Millions)

Particulars	Gratuity	Compensated absence
Obligation - April 1, 2014	2,334	1,123
Current service cost	354	220
Interest cost	187	90
Benefits paid	(405)	(184)
Acquisitions / Transfer in/ Transfer out	(44)	(3)
Remeasurements - actuarial loss/ (gain)	(0)	(175)
Obligation - March 31, 2015	**2,426**	**1,071**
Obligation - April 1, 2015	2,426	1,071
Current service cost	416	233
Interest cost	209	92
Benefits paid	(494)	(209)
Acquisitions / Transfer in/ Transfer out	(22)	1
Remeasurements - actuarial loss/ (gain)	121	(61)
Obligation - March 31, 2016	**2,656**	**1,127**

Notes to consolidated financial statements

Movement in Plan Assets - Gratuity

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Fair value of plan assets at beginning of year	104	179
Interest income	9	13
Benefits paid	(39)	(2)
Amount received on redemption of plan assets	-	(161)
Actuarial gain / (loss)	(8)	75
Fair value of plan assets at end of year	**66**	**104**
Net funded status of plan	**(2,590)**	**(2,322)**
Actual return on plan assets	**1**	**88**

The components of the gratuity & compensated absence cost were as follows:

Recognised in profit or loss

(₹ Millions)

Particulars	Gratuity	Compensated absence
Current service cost	416	233
Interest cost / (income) (net)	200	92
Remeasurements - actuarial loss/ (gain)	-	(61)
For the year ended March 31, 2016	**616**	**264**
Current service cost	354	220
Interest cost / (income) (net)	174	90
Remeasurements - actuarial loss/ (gain)	-	(175)
For the year ended March 31, 2015	**528**	**135**

Recognised in other comprehensive income

(₹ Millions)

Particulars	Gratuity	Compensated absence
Remeasurements - actuarial loss/ (gain)	129	-
For the year ended March 31, 2016	**129**	**-**
Remeasurements - actuarial loss/ (gain)	(75)	-
For the year ended March 31, 2015	**(75)**	**-**

The principal actuarial assumptions used for estimating the Group's defined benefit obligations are set out below:

(₹ Millions)

Weighted average actuarial assumptions	As of March 31, 2016	As of March 31, 2015
Discount Rate	8.00%	8.50%
Expected Rate of increase in Compensation levels	10.00%	10.00%
Expected Rate of Return on Plan Assets	9.00%	8.00%
Expected Average remaining working lives of employees (years)	25.06 years	24.95 years

Notes to consolidated financial statements

Sensitivity Analysis:

For the year ended March 31, 2016

Particulars	Change in assumption	Effect on Gratuity obligation	Effect on Compensated absence obligation
Discount Rate	+1%	(243)	(98)
	-1%	267	107
Salary Growth Rate	+1%	265	104
	-1%	(246)	(98)

For the year ended March 31, 2015

Particulars	Change in assumption	Effect on Gratuity obligation	Effect on Compensated absence obligation
Discount Rate	+1%	(237)	(103)
	-1%	277	123
Salary Growth Rate	+1%	294	131
	-1%	(253)	114

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the statement of financial position.

History of Experience Adjustments is as follows:

(₹ Millions)

Particulars	Gratuity	Compensated absence
For the year ended March 31, 2016		
Plan Liabilities - (loss)/gain	(8)	95
Plan Assets - (loss)/gain	(1)	-
For the year ended March 31, 2015		
Plan Liabilities - (loss)/gain	(139)	110
Plan Assets - (loss)/gain	75	-

Disclosure of other long term employee benefits:

Long term service award

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Estimated liability	205	194

Statement of employee benefit provision

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Gratuity	2,590	2,322
Compensated absences	1,127	1,071
Other employee benefits	205	194
Total	**3,922**	**3,587**

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34. Fair Value of Financial Assets and Liabilities

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are recognised in the financial statements.

(₹ Millions)

Particulars	Carrying Amount		Fair Value	
	As of March 31, 2016	As of March 31, 2015	As of March 31, 2016	As of March 31, 2015
Financial Assets				
Assets carried at fair value through profit or loss				
Derivatives - not designated as hedging instruments				
- Currency swaps, forward and option contracts	601	280	601	280
- Interest rate swaps	1,235	619	1,235	619
- Embedded derivatives	431	2,632	431	2,632
Derivatives - designated as hedging instruments				
- Currency swaps, forward and option contracts (in cash flow hedge)	3,187	-	3,187	-
- Interest rate swaps (in fair value hedge)	13,310	4,979	13,310	4,979
Held for trading securities - quoted	36,951	106,888	36,951	106,888
Investments designated at fair value through profit or loss - quoted	4,251	8,389	4,251	8,389
Available for sale investments	3,579	-	3,579	-
Assets carried at amortised cost				
Fixed deposits with banks	35,045	11,673	35,045	11,673
Cash and bank balances	15,942	8,869	15,942	8,869
Trade and other receivables	73,106	67,252	73,106	67,252
Other financial assets	42,077	26,093	42,113	26,070
	229,715	**237,674**	**229,751**	**237,651**
Financial Liabilities				
Liabilities carried at fair value through profit or loss				
Derivatives - not designated as hedging instruments				
- Currency swaps, forward and option contracts	1,096	381	1,096	381
- Interest rate swaps	-	49	-	49
- Embedded derivatives	843	338	843	338
Derivatives - designated as hedging instruments in fair value hedge				
- Interest rate swaps	-	24	-	24

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(₹ Millions)

Particulars	Carrying Amount		Fair Value	
	As of March 31, 2016	As of March 31, 2015	As of March 31, 2016	As of March 31, 2015
Liabilities carried at amortised cost				
Borrowings designated as hedging instruments - Fixed rate				
- In hedge of net investment	124,858	118,364	125,238	125,682
Borrowings designated as hedging instruments - Floating rate				
- In cash flow hedge	-	41,131	-	41,131
- In hedge of net investment	-	5,015	-	5,015
Other borrowings- fixed rate	304,637	216,311	321,682	229,144
Other borrowings- floating rate	179,511	282,851	179,511	282,851
Deferred payment liability	341,424	143,167	351,978	143,167
Trade & other payables	387,456	339,670	387,456	339,670
Other financial liabilities designated as hedging instruments *				
- In hedge of net investment	54,539	-	57,073	-
Other financial liabilities	19,161	18,939	19,270	18,879
	1,413,525	**1,166,240**	**1,444,147**	**1,186,331**

* Represents finance lease obligations arising from sale and lease back of towers in Africa. Refer Note 32 ii (a) (ii).

Fair Values

The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Group internally reviews valuation, including independent price validation for certain instruments. Further, in other instances, the Group retains independent pricing vendors to assist in corroborating the valuation of certain instruments.

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

i. Cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

ii. Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As of March 31, 2016, the carrying amounts of such receivables, net of allowances, are not materially different from their calculated fair values.

iii. Fair value of quoted mutual funds is based on price quotations at the reporting date. Fair value of quoted non – convertible bonds is based on the quoted market prices. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities

iv. The fair values of derivatives are estimated by using pricing models, where 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, and volatility. 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 from actively quoted market prices.

Market practice in pricing derivatives initially assumes all counterparties have the same credit quality. Credit valuation adjustments are necessary when the market parameter (for example, a benchmark curve) used to value derivatives is not indicative of the credit quality of the Group or its counterparties. The Group manages derivative counterparty credit risk by considering the current exposure, which is the replacement cost of contracts on the measurement date, as well as estimating the maximum potential value of the contracts over their remaining lives, considering such factors as maturity date and the volatility of the underlying or reference index. The Group mitigates

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derivative credit risk by transacting with highly rated counterparties. Management has evaluated the credit and non-performance risks associated with its derivative counterparties and believe them to be insignificant and not warranting a credit adjustment.

Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of Group's asset and liabilities, grouped into Level 1 to Level 3 as described below:

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair values that are not based on observable market data.

Derivative assets and liabilities included in Level 2 primarily represent interest rate swaps, cross-currency swaps, foreign currency forward and option contracts and embedded derivatives.

Assets / Liabilities Measured at Fair Value

(₹ Millions)

Particulars	As of March 31, 2016		
	Level 1	Level 2	Level 3
Financial assets			
Derivatives - not designated as hedging instruments			
- Currency swaps, forward and option contracts	-	601	-
- Interest rate swaps	-	1,235	-
- Embedded derivatives	-	380	51
Derivatives - designated as hedging instruments			
- Currency swaps, forward and option contracts (in cash flow hedge)	-	3,187	-
- Interest rate swaps (in fair value hedge)	-	13,310	-
Held for trading securities - quoted	36,951	-	-
Designated at fair value through profit or loss - quoted	4,251	-	-
Available for sale investments	3,579	-	-
Financial liabilities			
Derivatives - not designated as hedging instruments			
- Currency swaps, forward and option contracts	-	1,096	-
- Interest rate swaps	-	-	-
- Embedded derivatives	-	843	-
Derivatives - designated as hedging instruments			
- Interest rate swaps (in fair value hedge)	-	-	-

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(₹ Millions)

Particulars	As of March 31, 2015		
	Level 1	Level 2	Level 3
Financial assets			
Derivatives - not designated as hedging instruments			
- Currency swaps, forward and option contracts	-	280	-
- Interest rate swaps	-	619	-
- Embedded derivatives	-	147	2,485
Derivatives - designated as hedging instruments			
- Interest rate swaps (in fair value hedge)	-	4,979	-
Held for trading securities - quoted	106,888	-	-
Designated at fair value through profit or loss - quoted	8,389	-	-
Financial liabilities			
Derivatives - not designated as hedging instruments			
- Currency swaps, forward and option contracts	-	381	-
- Interest rate swaps	-	49	-
- Embedded derivatives	-	338	-
Derivatives - designated as hedging instruments			
- Interest rate swaps (in fair value hedge)	-	24	-

Assets / Liabilities for which fair value is disclosed

(₹ Millions)

Particulars	As of March 31, 2016		
	Level 1	Level 2	Level 3
Financial assets			
Other financial assets	-	42,113	-
Financial liabilities			
Borrowings designated as hedging instruments - Fixed rate			
- In hedge of net investment	-	125,238	-
Other borrowings- fixed rate		321,682	
Deferred payment liability		351,978	
Other financial liabilities designated as hedging instruments			
- In hedge of net investment		57,073	
Other financial liabilities	-	19,270	-

(₹ Millions)

Particulars	As of March 31, 2015		
	Level 1	Level 2	Level 3
Financial assets			
Other financial assets	-	26,070	-
Financial liabilities			
Borrowings designated as hedging instruments - Fixed rate			
- In hedge of net investment	-	125,682	-
Other borrowings- fixed rate	-	229,144	-
Deferred payment liability	-	143,167	-
Other financial liabilities	-	18,879	-

During the year ended March 31, 2016 and March 31, 2015, 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.

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Following table describes the valuation techniques used and key inputs to valuation within level 2 and 3, and quantitative information about significant unobservable inputs for fair value measurements within Level 3 of the fair value hierarchy as of March 31, 2016 and March 31, 2015, respectively:

a) Assets / Liabilities measured at fair value

Particulars	Fair value hierarchy	Valuation technique	Inputs used	Quantitative information about significant unobservable inputs
Financial assets				
Derivatives - not designated as hedging instruments				
- Currency swaps, forward and option contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, Interest rates to discount future cash flow	-
- Interest rate swaps	Level 2	Market valuation techniques	Prevailing/forward interest rates in market, Interest rates to discount future cash flow	-
- Embedded derivatives	Level 3	Discounted Cash Flow	Expected future payouts to vendor, Forward foreign currency exchange rates, Interest rates to discount future cash flow	Expected future payouts to vendor ranging from USD 13 Mn to USD 18 Mn and USD 31 Mn to USD 46 Mn per quarter as of March 31, 2016 and as of March 31, 2015, respectively
- Embedded derivatives (others)	Level 2	Discounted Cash Flow	Amount payable in future, Forward foreign currency exchange rates, Interest rates to discount future cash flow	-
Derivatives - designated as hedging instruments				
- Currency swaps, forward and option contracts (in cash flow hedge)	Level 2	Market valuation techniques	Forward foreign currency exchange rates, Interest rates to discount future cash flow	-
- Interest rate swaps (in fair value hedge)	Level 2	Market valuation techniques	Prevailing/forward interest rates in market, Interest rates to discount future cash flow	-
Financial liabilities				
Derivatives - not designated as hedging instruments				
- Currency swaps, forward and option contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, Interest rates to discount future cash flow	-
- Interest rate swaps	Level 2	Market valuation techniques	Prevailing/forward interest rates in market, Interest rates to discount future cash flow	-
- Embedded derivatives (others)	Level 2	Discounted Cash Flow	Amount payable in future, Forward foreign currency exchange rates, Interest rates to discount future cash flow	-
Derivatives - designated as hedging instruments				
- Interest rate swaps (in fair value hedge)	Level 2	Market valuation techniques	Prevailing/forward interest rates in market, Interest rates to discount future cash flow	-

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b) Assets / Liabilities for which fair value is disclosed

Particulars	Fair value hierarchy	Valuation technique	Inputs used
Financial assets			
Other financial assets	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows
Financial liabilities			
Borrowings designated as hedging instruments - fixed rate			
- In hedge of net investment	Level 2	Discounted Cash Flow	Prevailing interest rates in market, Future payouts
Other borrowings- fixed rate	Level 2	Discounted Cash Flow	Prevailing interest rates in market, Future payouts
Deferred payment liability	Level 2	Discounted Cash Flow	Prevailing interest rates in market, Future payouts
Other financial liabilities designated as hedging instruments			
- In hedge of net investment	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows
Other financial liabilities	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows

Reconciliation of fair value measurements categorised within level 3 of the fair value hierarchy – Financial assets / (liabilities) (net)

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Opening balance	2,485	2,997
Gain / (losses) recognised in consolidated income statement (including settlements)*		
- Recognised in finance income / (finance costs)	(352)	(181)
- Recognised in exceptional items (net) (refer note 12 (i) d)	(2,096)	-
Exchange difference on translation of foreign operation recognised in OCI	14	(331)
Closing balance	51	2,485

* Out of these gains / (losses), gain of ₹ 23 Mn and loss of ₹ 342 Mn relates to assets/liabilities held at the end of March 31, 2016 and March 31, 2015, respectively.

Valuation process used for fair value measurements categorised within level 3 of the fair value hierarchy

The Group has entered into technology outsourcing contract under which payouts are linked to revenue during the contract period. The portion of the payout payable at spot rate of foreign currency, results in an embedded derivative. The significant inputs to the valuation model of these embedded derivatives are future revenue projections and foreign exchange forward rates over the contract period. The revenue projections, being based on the rolling ten year financial plan approved by management, constitute 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 categorised within level 3. The value of embedded derivative is the differential of the present value of future payouts on the reporting date, over that determined based on the forward rates prevailing at the inception of the contract. The present value is calculated using a discounted cash flow model.

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

The fair value of embedded derivative is directly proportional to the expected future payouts to vendor (considered for the purpose of valuation of the embedded derivative). If future payouts to vendor were to increase/decrease by 5% with all the other variables held constant, the fair value of embedded derivative would increase/decrease by 5%.

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35. Related Party Transactions

Related party transactions represent transactions entered into by the Group with entities having significant influence over the Group ('significant influence entities'), associates, joint ventures and other related parties. The transactions with the related parties for the years ended March 31, 2016 and March 31, 2015, respectively, are described below:

a) Transactions for the period

(₹ Millions)

Relationship	Year ended March 31, 2016				Year ended March 31, 2015			
	Significant influence entities	Associates	Joint Ventures	Other related parties	Significant influence entities	Associates	Joint Ventures	Other related parties
Purchase of assets	-	-	-	(2,475)	-	(111)	-	(1,297)
Purchase of investment	-	-	-	-	-	-	(10)	-
Reduction of share capital	-	-	-	-	-	-	87	-
Sale / Rendering of services	1,313	125	36	385	1,444	140	-	274
Purchase of goods / Receiving of services	(629)	(928)	(38,633)	(4,831)	(614)	(305)	(35,096)	(3,769)
Reimbursement of energy expenses	-	-	(23,219)	(4)	-	-	(23,300)	(3)
Loans to related party	-	14	5	40	-	154	-	-
Loan repayment	-	(14)	-	-	-	-	(9,173)	-
Expenses incurred by the Group on behalf of related party	-	5	14	42	-	23	-	2
Expenses incurred by related party for the Group	-	-	(113)	(355)	-	-	(114)	(949)
Security deposit paid	-	-	125	73	1	0	73	0
Refund of security deposit	-	-	(4)	(32)	(1)	-	(384)	-
Interest income on loan	-	21	0	1	-	47	-	-
Claim received	-	-	-	72	-	-	-	46
Dividend paid	(5,199)	-	-	(590)	(8,022)	-	-	(912)
Dividend received	-	-	-	-	-	-	16,407	-

b) Closing Balances

(₹ Millions)

Relationship	Closing balance as of March 31, 2016				Closing balance as of March 31, 2015			
	Significant influence entities	Associates	Joint Ventures	Other related parties	Significant influence entities	Associates	Joint Ventures	Other related parties
Due From	233	-	3,836	1,433	342	591	3,925	1,223
Due To	(533)	(613)	(8,733)	(718)	(436)	(146)	(8,928)	(759)
	(300)	**(613)**	**(4,897)**	**715**	**(94)**	**445**	**(5,003)**	**464**

(1) "Other Related Parties" includes certain entities belonging to the overall Bharti group which, though not covered as 'Related Parties' as per the definition under IAS 24, have been included voluntarily for disclosure purpose.

(2) Outstanding balances at period end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is taken each year through examining the financial position of the related party and the market in which the related party operates.

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(3) In addition to the above, ₹ 830 Mn and ₹ 633 Mn donation has been given to Bharti Foundation during the year ended March 31, 2016 and March 31, 2015, respectively.

Purchase of assets – includes primarily purchase of bandwidth, computer software, telephone instruments and network equipments.

Expenses incurred by/for the Group – include expenses of general and administrative nature.

Sale of services – includes primarily billing for broadband, international long distance services, mobile, access and roaming services.

Purchase of services – includes primarily billing for broadband, international long distance services, billing for tower infrastructure services, maintenance charges towards network equipments and leasing of premises.

Remuneration to key management personnel were as follows:

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Short-term employee benefits	274	250
Performance linked incentive ('PLI')#	153	153
Post-Employment benefits		
Defined contribution plan	24	22
Defined benefit plan*	-	-
Other long-term benefits*	-	-
Share-based payment**	57	35
	508	**460**

Value of PLI considered above represents incentive at 100% performance level. However, same will be paid on the basis of actual performance parameters in next year. Additional provision of ₹ 29 Mn and ₹ 23 Mn has been recorded in the books towards PLI for the year ended March 31, 2016 and March 31, 2015, respectively. During the year ended March 31, 2016, PLI of ₹ 143 Mn (March 31, 2015: ₹ 250 Mn) pertaining to previous year has been paid.

*As the liabilities for defined benefit plan i.e. gratuity and other long term benefits i.e. compensated absences are provided on actuarial basis for the Company as a whole, the amounts pertaining to key management personnel are not included above.

**It represents expense recognised in the income statement for options granted.

In addition to above ₹ 322 thousand during the year ended March 31, 2016 and ₹ 167 thousand during the year ended March 31, 2015 has been paid as equity dividend to key management personnel.

36. Lease Disclosure

Operating Lease

As lessee, the Group's obligations arising from non-cancellable lease are mainly related to lease arrangements for passive infrastructure and real estate. These leases have various extension options and escalation clause. As per the agreements maximum obligation on long-term non-cancellable operating leases are as follows:

The future minimum lease payments obligations, **as lessee** are as follows:-

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Obligations on non-cancellable leases :		
Not later than one year	58,732	51,007
Later than one year but not later than five years	173,036	174,444
Later than five years	88,217	82,463
Total	**319,985**	**307,914**
Lease Rentals (Excluding lease equalisation adjustment of ₹ 1,445 Mn and ₹ 1,909 Mn for the year ended March 31, 2016 and March 31, 2015)	65,174	60,449

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The future minimum lease payments obligation disclosed above include the below future minimum lease payments obligations payable to joint ventures, which mainly pertain to amounts payable under the Master Services Agreement entered by the Parent and its subsidiaries, with Indus Towers Limited, a joint venture of the Group.

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Obligations to joint venture on non-cancellable leases :		
Not later than one year	38,053	35,511
Later than one year but not later than five years	97,262	117,671
Later than five years	25,779	24,640
Total	**161,094**	**177,822**

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

As lessor, the Group's receivables arising from non-cancellable lease are mainly related to lease arrangements for passive infrastructure.

The future minimum lease payments receivable, **as lessor** are as follows:-

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Receivables on non-cancellable leases :		
Not later than one year	19,835	16,761
Later than one year but not later than five years	70,185	64,870
Later than five years	32,648	29,777
Total	**122,668**	**111,408**

Finance Lease

(i) Finance lease obligation of the Group **as lessee** as of March 31, 2016 is as follows:-

(₹ Millions)

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	10,161	5,415	4,746
Later than one year but not later than five years	38,263	16,973	21,290
Later than five years	39,380	7,545	31,835
Total	**87,804**	**29,933**	**57,871**

Finance lease obligation of the Group **as lessee** as of March 31, 2015 is as follows:

(₹ Millions)

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	721	164	557
Later than one year but not later than five years	1,083	421	662
Later than five years	575	166	409
Total	**2,379**	**751**	**1,628**

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

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(ii) The future minimum lease payments receivable of the Group **as lessor** as of March 31, 2016 is as follows:-

(₹ Millions)

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	126	33	93
Later than one year but not later than five years	297	37	260
Later than five years	-	-	-
Total	**423**	**70**	**353**

The future minimum lease payments receivable of the Group **as lessor** as of March 31, 2015 is as follows:-

(₹ Millions)

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

37. Commitments and Contingencies

(i) Commitments

a. Capital commitments

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Contracts placed for future capital expenditure not provided for in the financial statements (refer Note 27)	74,061	343,859

The above includes ₹ 2,537 Mn as of March 31, 2016 (₹ 38,083 Mn as of March 31, 2015), pertaining to certain outsourcing agreements, under which the vendor supplies assets as well as services to the Group. The amount represents total minimum commitment over the unexpired period of the contracts (upto five years from the reporting date), since it is not possible for the Group to determine allocation between assets and services to be provided over the unexpired period of the contract. However, the actual charges/ payments may exceed the above mentioned minimum commitment based on the terms of the agreements.

In addition to the above, the Group's share of joint ventures and associates capital commitments is ₹ 1,624 Mn and ₹ 1,214 Mn as of March 31, 2016 and March 31, 2015, respectively.

b. Guarantees

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Financial bank guarantees*	106,255	109,395
Guarantees to third parties	-	3,130

* The Company has issued corporate guarantees of ₹ 4,152 Mn and ₹ 3,365 Mn as of March 31, 2016 and March 31, 2015 respectively, to banks and financial institutions for issuing bank guarantees on behalf of the Group companies at no cost to the latter.

It also includes certain financial bank guarantees which have been given for sub judice matters and in compliance with licensing conditions, the amount with respect to these have been disclosed under capital commitments, contingencies and financial liabilities, as applicable, in compliance with the applicable accounting standards.

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(ii) Contingencies

(₹ Millions)

	Particulars	As of March 31, 2016	As of March 31, 2015
(i)	Taxes, Duties and Other demands (under adjudication / appeal / dispute)		
	-Sales Tax and Service Tax	40,214	38,225
	-Income Tax	19,746	20,130
	-Customs Duty	6,601	6,136
	-Entry Tax	8,201	6,957
	-Stamp Duty	596	603
	-Municipal Taxes	1,114	863
	-DoT demands *	5,273	5,020
	-Other miscellaneous demands	7,105	2,133
(ii)	Claims under legal cases including arbitration matters		
	-Access Charges / Port Charges	8,761	7,443
	-Others	4,370	5,703
	Total	**101,981**	**93,213**

*in addition, refer Note f(v), f(vi), f(vii) and f(viii) below for other DoT matters.

In addition to the above, the Group's share of joint ventures contingent liabilities is ₹ 12,032 Mn and ₹ 9,083 Mn as of March 31, 2016 and March 31, 2015, respectively.

The contingent liabilities mentioned in the table above represent disputes with various government authorities in the respective jurisdiction where the operations are based and it is not possible for the Group to predict the timing of final outcome of these contingent liabilities. Currently, the Group has operations in India, South Asia region and Africa region.

Based on the Company's evaluation, it believes that it is not probable that the claim will materialise for the cases discussed below and therefore, no provision has been recognised.

a) Sales and Service Tax

The claims for sales tax as of March 31, 2016 and as of March 31, 2015 comprised of cases relating to the appropriateness of declarations made by the Company under relevant sales tax legislation which was primarily procedural in nature and the applicable sales tax on disposals of certain property and equipment items. Pending final decisions, the Company has deposited amounts with statutory authorities for certain cases.

Further, in the State of J&K, the Company has disputed the levy of General Sales Tax on its telecom services and towards which the Company has received a stay from the Hon'ble J&K High Court. The demands received to date have been disclosed under contingent liabilities.

The service tax demands as of March 31, 2016 and March 31, 2015 relate to cenvat claimed on tower and related material, levy of service tax on SIM cards, cenvat credit disallowed for procedural lapses and inadmissibility of credit, disallowance of cenvat credit used in excess of 20% limit and service tax demand on employee talk time.

b) Income Tax Demand

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

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

Interconnect charges are based on the Interconnect Usage Charges (IUC) agreements between the operators although the IUC rates are governed by the IUC guidelines issued by TRAI. BSNL has raised a demand requiring the Company to pay the interconnect charges at the rates contrary to the regulations issued by TRAI. The Company filed a petition against that demand with the Telecom Disputes Settlement and Appellate Tribunal (TDSAT) which passed a status quo order, stating that only the admitted amounts based on the regulations would need to be paid by the Company. The final order was also passed in our favour. BSNL has challenged the same in Hon'ble Supreme Court. However, no stay has been granted.

In another proceeding with respect to Distance Based Carriage Charges, the Hon'ble TDSAT in its order dated May 21, 2010, allowed BSNL appeal praying to recover distance based carriage charges. On filing of appeal by the Telecom Operators, Hon'ble Supreme Court asked the Telecom Operators to furnish details of distance-based carriage charges owed by them to BSNL. Further,

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in a subsequent hearing held on August 30, 2010, Hon'ble Supreme Court sought the quantum of amount in dispute from all the operators as well as BSNL and directed both BSNL and Private telecom operators to furnish Call Data Records (CDRs) to TRAI. The CDRs have been furnished to TRAI.

In another issue with respect to Port Charges, in 2001, TRAI had prescribed slab based rate of port charges payable by private operators which were subsequently reduced in the year 2007 by TRAI. On BSNL's appeal, TDSAT passed its judgement in favour of BSNL, and held that the pre-2007 rates shall be applicable prospectively from 29th May 2010. The rates were further revised downwards by TRAI in 2012. On BSNL's appeal, TDSAT declined to stay the revised Regulation.

Further, the Hon'ble Supreme Court vide its judgement dated December 6, 2013, passed in another matter, held that TRAI is empowered to issue regulations on any matter under Section 11(1)(b) of TRAI Act and the same cannot be challenged before TDSAT. Accordingly, all matters raised before TDSAT, wherein TDSAT had interfered in Appeal and passed judgements, do not have any significance. However, parties can file Writ Petitions before High Court challenging such regulations.

The Company believes that the above said judgement has further strengthened the position of the Company on many issues with respect to Regulations which had been in its favour and impugned before TDSAT.

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 along with which the same has been imported. The view of the Company is that such imports should not be subject to any custom duty as it would be operating software exempt from any custom duty. In response to the application filed by the Company, the Hon'ble CESTAT has passed an order in favour of the custom authorities. The Company has filed an appeal with Hon'ble Supreme Court against the CESTAT order.

e) Entry Tax

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

f) Department of Telecommunications ("DoT") Demands

i. DoT demands include demands raised for contentious matters relating to computation of license fees and spectrum charges.

ii. DoT demands include alleged short payment of license fee for FY 06-07 and FY 07-08 due to difference of interpretation of Adjusted Gross Revenue (AGR) between Group and DoT and interest thereon, which the Group has obtained stay from appropriate Hon'ble High Courts and TDSAT. TDSAT has pronounced its judgement on April 23, 2015 thereby setting aside the impugned demands raised by DoT and directed to rework the license fees payable in light of the judgement and to issue fresh demands. Pursuant thereto Union of India (UOI) and the Group (on limited heads of revenue) along with various other operators have filed appeals/cross appeals before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court of India issued notice in the appeals and has declined to grant any interim relief to UOI. The appeals tagged together came up for hearing on February 29, 2016 and the Supreme Court allowed DoT to raise demands as per its understanding with the condition that the demands raised will not be enforced till the final decision of the Supreme Court. The matter is likely to be listed for hearing after 8 weeks from the date of last hearing. In the meanwhile, DoT further had issued LF demand cum show cause notice for FY 2009-10 dated June 26, 2015 which has been challenged before TDSAT. TDSAT vide an interim order dated August 17, 2015 had directed DoT not to invoke any bank guarantees for realisation of impugned demand amounting to ₹ 12,316 Mn and vide its order dated November 6, 2015, TDSAT has disposed of the matter after recording the statement made by UOI that the demand notice should be construed as an advance notice, which the DoT does not intend to enforce until the appeals against Tribunal's AGR judgement pending before the Hon'ble Supreme Court is finally disposed off.

iii. DoT demands also include the contentious matters in respect of subscriber verification norms and regulations including validity of certain documents allowed as Proof of Address / Identity in mobility circles.

iv. DoT demands also include penalty for alleged failure to meet the procedural requirement for submission of EMF radiation self-certification.

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

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

v. Post the Hon'ble Supreme Court Judgement on October 11, 2011 on components of Adjusted Gross Revenue for computation of license fee, based on the legal advice, the Company believes that the realised and unrealised foreign exchange gain should not be included in Adjusted Gross Revenue (AGR) for computation of license fee

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thereon. Accordingly, the license fee on such foreign exchange gain has not been provided in these financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences', the license fee impact on such exchange differences is not quantifiable and has not been included in the table above. Further, as per the Order dated June 18, 2012 of the Hon'ble Kerala High Court, stay has been obtained, wherein the licensee can continue making the payment as was being done throughout the period of license on telecom activities. Further as stated in point (iii) above, TDSAT has pronounced its judgement on April 23, 2015, wherein it has stated that any gain or loss due to foreign exchange fluctuation does not have any bearing on the license fees and directing DoT to rework and issue fresh demands to the operators. The next date of hearing is fixed for June 28, 2016 at Kerala High Court.

vi. On January 8, 2013, DoT issued a demand on the Company and one of its subsidiaries for ₹ 52,013 Mn towards levy of one time spectrum charge. The demand includes a retrospective charge of ₹ 9,090 Mn for holding GSM Spectrum beyond 6.2 Mhz for the period from July 1, 2008 to December 31, 2012 and also a prospective charge of ₹ 42,923 Mn for GSM spectrum held beyond 4.4 Mhz for the period from January 1, 2013, till the expiry of the initial terms of the respective licenses.

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

vii. The Department of Telecommunications (DoT) had issued notices to the Company as well as various other Telecom Service Providers to stop provision of services under 3G Intra Circle Roaming (ICR) arrangements in the service areas where such service providers had not been allocated 3G Spectrum. DoT also levied a financial penalty of ₹ 3,500 Mn. The Company contested the notices and upon various rounds of litigations, ultimately, the TDSAT, vide its judgement dated April 29, 2014, held 3G ICR arrangements to be competent and compliant with the licensing conditions and quashed the notice imposing penalty. The DoT has challenged the order of TDSAT in an appeal filed before the Hon'ble Supreme Court, which has been admitted. However, Hon'ble Supreme Court has refused to grant any interim order during the pendency of the appeal. The case is yet to be listed for hearing in the Hon'ble Supreme Court.

viii. The Company has not been able to meet its roll out obligations fully due to certain non-controllable factors like Telecommunication Engineering Center testing, Standing Advisory Committee of Radio Frequency Allocations clearance, non availability of spectrum, etc. The Company has received show cause notices from DoT for 14 of its circles for non-fulfillment of its roll out obligations and these have been replied to. DoT has reviewed and revised the criteria and there has been no further development on this matter since then.

g) Airtel Networks Limited – Ownership

Airtel Networks Limited ("Airtel Networks") (formerly known as Celtel Nigeria Limited) was incorporated on December 21, 2000 as Econet Wireless Nigeria Limited and is a subsidiary of Bharti Airtel Nigeria B.V. (BANBV) (formerly, Celtel Nigeria B.V.), which in turn, is an indirect subsidiary of Bharti Airtel International (Netherlands) B.V., a subsidiary of Bharti Airtel Limited.

Airtel Networks and/or BANBV are defendants in cases filed by Econet Wireless Limited (EWL) where EWL is claiming, amongst others, a breach of its alleged pre-emption rights against erstwhile and current shareholders.

Under the transaction to acquire 65% controlling stake in Airtel Networks Limited in 2006, the erstwhile selling shareholders were obliged under the pre-emption right provision contained in the shareholders' agreement dated April 30, 2002 (the "Shareholders Agreement") to first offer the shares to each other before offering the shares to a third party. The sellers waived the pre-emption rights amongst themselves and the shares were offered to EWL despite the fact that EWL's status as a shareholder itself was in dispute. However, the offer to EWL lapsed since EWL did not meet its payment obligations to pay for the shares within the 30 days deadline as specified in the shareholders' agreement and the shares were acquired by Celtel Nigeria B.V. (now, Bharti Airtel Nigeria B.V.) in 2006. EWL has inter alia commenced arbitral proceedings in Nigeria contesting the acquisition. BANBV, which is the current owner of approximately 79.059% (increased from 65.7% to 79.059% in March, 2013) of the equity in Airtel Networks Limited has been defending these cases and the arbitration since it was commenced.

On December 22, 2011, the Tribunal in the Arbitration commenced by EWL issued a Partial Final Award stating, amongst others, that the Shareholders Agreement had been breached by the erstwhile shareholders and, accordingly, the acquisition was null and void. However, the Tribunal has rejected EWL's claim for reversal of the 2006 transaction. Instead, the Tribunal ordered a damages hearing.

On February 3, 2012, BANBV filed an application before the Lagos State High Court to set aside the Partial Final

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Award. In addition, BANBV filed an application for an injunction to restrain the parties to the Arbitration from further convening the arbitration for the purposes of considering the quantum of damages that could be awarded to EWL until the conclusion of the matter to set aside the Partial Final Award. The application to set aside the Partial Final Award was heard by the Lagos State High Court on June 4, 2012 and by a Judgement delivered on October 4, 2012, the Lagos State High Court dismissed BANBV's application to set aside the Partial Final Award against which, BANBV lodged an appeal at the Court of Appeal in Lagos, Nigeria. The appeal was dismissed by the Court of Appeal on February 14, 2014. BANBV not satisfied with the judgement of the Court of Appeal, Lagos, on March 27, 2014 has filed its appeal with the Supreme Court of Nigeria.

Without prejudice to the application by BANBV before the Nigerian courts to set aside the Partial Final Award, the Tribunal has taken steps in relation to the damages hearing in the Arbitration. The damages claim was heard by the Tribunal during October 2013 and the parties submitted their closing arguments on December 20, 2013.

The Tribunal issued its Final Award on damages dated June 30, 2014 on July 4, 2014. The Tribunal found that EWL has suffered losses as a result of breaches of the Shareholders' Agreement and calculated the losses against BANBV to be an amount of USD 132.8 Mn and costs of USD 10.9 Mn, totaling USD 143.7 Mn.

The Company has filed an application for setting aside of the Final Award before the High Court in Nigeria. On the other hand, EWL has filed applications before the High Court in Nigeria to seek to enforce both the Final Award and the Partial Final Award. The Company is contesting these enforcement applications. These matters are currently adjourned to May 12, 2016.

In addition, EWL has filed conservatory attachment proceedings and proceedings for enforcement of the Final Award, inter alia, against BANBV in the Netherlands. On January 22, 2015 the Amsterdam District Court granted a stay in the proceedings related to the enforcement of the final award and denied EWL's request that BANBV provide security as a condition of the stay. EWL has appealed the latter decision and the Amsterdam Court of Appeal's decision is awaited. Meanwhile the Amsterdam District Court held that the proceedings before it stand suspended pending the outcome of EWL's appeal before the Amsterdam Court of Appeal.

In the Haarlem District Court, where EWL is pursuing its claim for compensation against (BANBV's parent- Bharti Airtel Nigeria Holdings II B.V.) and Grandparent Bharti Airtel Africa B.V. together, the Bharti Defendants) claiming that these entities acted unlawfully and induced breach of contract by the "Selling Shareholders" of the VNL shares with the intent of impending EWL in the exercise of its rights in order to finalise its own share sale transaction with the Selling Shareholders, the pleadings are complete.

Based on Company's assessment and indemnities under the Share Sale Agreement with Zain Group, this Award is not likely to have any material adverse effect on the Company's consolidated financial position as of March 31, 2016.

In addition, Airtel Networks Limited is a defendant in an action where EWL is claiming entitlement to 5% of the issued share capital of Airtel Networks Limited. This case was commenced by EWL in 2004 (prior to the Vee Networks Limited acquisition in 2006). The Court at first instance on January 24, 2012 held that EWL should be reinstated as a 5% shareholder in Airtel Networks Limited. Despite the fact that the 5% shares claimed by EWL had been set aside in escrow since 2006 and therefore will not impact the present ownership of BANBV on a fully diluted basis in Airtel Networks Limited, the company believed that there were good grounds to appeal the first instance judgement and accordingly, filed a Notice of Appeal and made applications before the Federal High Court for a stay of execution of judgement pending appeal and a motion for injunction. These applications were heard on March 13, 2012 and on May 7, 2012, the High Court held that the company had failed to make out a case for the Court to exercise its discretion in its favour of granting the application and accordingly refused it.

Immediately, a similar application for injunction and stay of execution were filed at the Court of Appeal, Kaduna on May 7, 2012. After several adjournments, the substantive appeal was heard on October 3, 2013 and on November 1, 2013 the Court of Appeal dismissed the appeal.

On June 20, 2014, the Company filed its appeal to the Supreme Court of Nigeria together with an application for injunction and stay of execution of the judgement of the Court of Appeal. The Appeal and the Applications are pending before the Supreme Court. The date for the hearing has not yet been fixed.

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38. Earnings Per Share

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

(Shares in Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Weighted average shares outstanding- Basic	3,996	3,996
Effect of dilutive securities on account of ESOP	1	2
Weighted average shares outstanding- diluted	**3,997**	**3,998**

Net profit available to equity holders of the Parent used in the basic and diluted earnings per share was determined as follows:

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Net profit available to equity holders of the Parent	54,842	51,835
Effect on account of ESOP on profits for the year	-	-
Net profit available for computing diluted earnings per share	54,842	51,835
Basic Earnings per Share	13.72	12.97
Diluted Earnings per Share	13.72	12.97

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the impact is anti-dilutive.

39. Financial Risk Management Objectives and Policies

The Group's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to manage finances for the Group's operations. The Group has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Group also enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Group are accountable to the Board of Directors and Audit Committee. This process provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and Group risk appetite. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:-

- **Market Risk**

  Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

  The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

  The analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations, provisions and on the non-financial assets and liabilities.

  The sensitivity of the relevant income statement item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2016 and March 31, 2015.

  The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

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The Group uses derivative financial instruments such as foreign exchange forward contracts, options, currency swaps and interest rate swaps & options to manage its exposures to foreign exchange fluctuations and interest rate.

- **Foreign Currency Risk**

  Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currency, primarily U.S. dollars. The Group has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. The Group may use foreign exchange options, currency swaps or forward contracts towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirement and risk management strategy of the company.

  The Group manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk management policy.

Foreign Currency Sensitivity

The following table demonstrates the sensitivity in the USD, Euro, CHF and other currencies to the functional currency of the respective entity, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives (excluding options and currency swaps) . The impact on Group's equity is due to change in the fair value of intra-group monetary items that form part of net investment in foreign operation and other foreign currency monetary items designated as a hedge of the net investment in foreign operations or cash flow hedge of a highly probable forecast transaction.

(₹ Millions)

Particular	Change in currency exchange rate	Effect on profit before tax	Effect on equity (OCI)
For the year ended March 31, 2016			
US Dollars	+5%	(9,437)	(9,421)
	-5%	9,437	9,421
Euro	+5%	(1,449)	(2,737)
	-5%	1,449	2,737
CHF	+5%	(174)	-
	-5%	174	-
Others	+5%	16	-
	-5%	(16)	-
For the year ended March 31, 2015			
US Dollars	+5%	(11,732)	(4,035)
	-5%	11,732	4,035
Euro	+5%	(642)	(6,073)
	-5%	642	6,073
CHF	+5%	(1,127)	-
	-5%	1,127	-
Others	+5%	(1)	-
	-5%	1	-

- **Interest Rate Risk**

  Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt interest obligations. Further, the Group engages in financing activities at market linked rates, any changes in the interest rates environment may impact future rates of borrowing. To manage this, the Group may enter into interest rate derivatives like swap and option contracts. The management also maintains a portfolio mix of floating and fixed rate debt. As of March 31, 2016, after taking into account the effect of interest rate swaps, approximately 28.39% of the Group's borrowings are at a fixed rate of interest (March 31, 2015: 23.50%).

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Interest Rate Sensitivity of Borrowings

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings after considering the impact of interest rate swaps.

(₹ Millions)

Interest rate sensitivity	Increase / decrease in basis points	Effect on profit before tax
For the year ended March 31, 2016		
INR - borrowings	+100	(224)
	-100	224
US Dollar -borrowings	+100	(3,253)
	-100	3,253
Euro - borrowings	+100	(688)
	-100	688
Nigerian Naira - borrowings	+100	(65)
	-100	65
Other Currency -borrowings	+100	(63)
	-100	63
For the year ended March 31, 2015		
INR - borrowings	+100	(352)
	-100	352
US Dollar -borrowings	+100	(3,629)
	-100	3,629
Euro - borrowings	+100	(757)
	-100	757
Nigerian Naira - borrowings	+100	(314)
	-100	314
Other Currency -borrowings	+100	(32)
	-100	32

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

- **Price Risk**

  The Group invests its surplus funds in various debt instruments and debt mutual funds. These comprise of mainly liquid schemes of mutual funds (liquid investments), short term debt funds & income funds (duration investments) and fixed deposits.

  Mutual fund 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 the underlying portfolio in the 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 ₹ 720 Mn and ₹ 965 Mn as on March 31, 2016 and March 31, 2015, respectively. The adverse marked to market movement on these schemes is notional and gets recouped through the fixed coupon accruals on the underlying portfolio since some of the asset management companies have adopted the strategy of holding the underlying securities to maturity to ensure stability of actual realised returns without realising any adverse marked to market movement on the underlying asset. Accordingly, in case the Group continues to hold such investments having negative marked to market value, the overall realised yield over the entire tenor of the investment shall turn out to be positive.

- **Credit Risk**

  Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions, foreign exchange transactions and other financial instruments.

1) Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 14 days to 30 days credit term except in case of balances due from trade receivables in Airtel Business Segment which are generally on 7 days to 90 days credit terms. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. The Group has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

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

(₹ Millions)

Particular	Neither past due nor impaired (including unbilled)	Past due but not impaired				Total
		Less Than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
Trade Receivables as of March 31, 2016	33,435	15,834	5,297	5,143	6,240	65,949
Trade Receivables as of March 31, 2015	34,523	12,498	6,075	5,896	3,212	62,204

The requirement for impairment is analysed at each reporting date. Refer Note 22 for details on the impairment of trade receivables.

2) **Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by Group's treasury in accordance with the Board approved policy. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. The Group monitors ratings, credit spreads and financial strength of its counter parties. Based on its on-going assessment of counterparty risk, the Group adjusts its exposure to various counterparties. The Group's maximum exposure to credit risk for the components of the statement of financial position as of March 31, 2016 and March 31, 2015 is the carrying amounts as disclosed in Note 34 except for financial guarantees. The Group's maximum exposure for financial guarantees is given in Note 37.

- **Liquidity Risk**

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. 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, equity and hybrids.

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

(₹ Millions)

Particular	As of March 31 , 2016						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings*#	615,605	19,452	67,612	24,857	49,333	575,796	737,050
Financial derivatives	1,939	-	1,787	144	3	5	1,939
Deffered Payment Laibility*	341,424	-	-	25,428	58,230	498,644	582,302
Other financial liabilities*	73,700	-	-	-	9,747	89,134	98,881
Trade and other payables#	380,857	-	377,079	4,645	-	-	381,724
	1,413,525	**19,452**	**446,478**	**55,074**	**117,313**	**1,163,579**	**1,801,896**

Particular	As of March 31 , 2015						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings*#	670,474	13,207	185,330	45,890	51,327	494,525	790,279
Financial derivatives	792	-	545	83	153	11	792
Deffered Payment Laibility*	143,167	-	-	-	25,428	228,855	254,283
Other financial liabilities*	18,939	-	-	-	2,055	17,564	19,619
Trade and other payables#	332,868	-	332,050	818	-	-	332,868
	1,166,240	13,207	517,925	46,791	78,963	740,955	1,397,841

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

\# Interest accrued but not due of ₹ 6,599 Mn and ₹ 6,802 Mn as of March 31, 2016 and March 31, 2015, respectively, has been included in interest bearing borrowings and excluded from trade and other payables.

The derivative financial instruments disclosed in the above table represent fair values of the instrument. However, those amounts may be settled gross or net.

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- **Capital Management**

  Capital includes equity attributable to the equity holders of the Parent. The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

  The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

  No changes were made in the objectives, policies or processes during the year ended March 31, 2016 and March 31, 2015.

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

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Loans & Borrowings	609,006	663,672
Less: Cash and Cash Equivalents	37,087	11,719
Net Debt	**571,919**	**651,953**
Equity	656,301	619,564
Total Capital	**656,301**	**619,564**
Capital and Net Debt	**1,228,220**	**1,271,517**
Gearing Ratio	**46.6%**	**51.3%**

40. New Developments

a) The Scheme of Arrangement ('Scheme') under Sections 391 to 394 of the Companies Act, 1956 with respect to the amalgamation of Airtel Broadband Services Private Limited (ABSPL) with the Company, was approved by the Hon'ble High Court of Bombay on April 11, 2014. The Company has filed the Scheme with Registrar of Companies ('ROC') on April 9, 2015 which is the effective date and appointed date of merger. From the filing of the said Scheme with the ROC, ABSPL has ceased to exist and have merged with the Company with effect from April 9, 2015.

DoT vide its letter dated February 2, 2015, has given its approval for taking on record the merger of ABSPL with the Company, subject to certain conditions as stipulated in the letter. One of the conditions of merger requires payment of ₹ 4,361 Mn, equal to the difference between the entry fee for Unified Access Service License and entry fees paid for Internet Service Provider license. The Hon'ble Telecom Disputes Settlement and Appellate Tribunal ('TDSAT') vide its interim order dated February 9, 2015 has allowed the Company to operationalise the spectrum subject to filing an undertaking that in case the petition fails, it shall pay the sum of ₹ 4,361 Mn along with interest as may be determined by the Tribunal within eight weeks from the date of judgement. The Company has filed an undertaking before Hon'ble TDSAT for the same.

b) During the year ended March 31, 2016, Bharti Airtel International Netherlands B.V. (a subsidiary of the Company), has entered into non-binding but exclusive agreement with Orange to explore the possible acquisition of Group's subsidiaries in Burkina Faso, Chad, Congo Brazzaville and Sierra Leone. On January 12, 2016, the Group has entered into definitive agreement to sell group's operations in Burkina Faso and Sierra Leone and the exclusive agreement for the remaining two countries have lapsed. The transaction is subject to certain customary regulatory approvals and other closing conditions.

c) During the year ended March 31, 2016, the Group has entered into an exclusive discussion with Axiata Group Berhad to explore the possibility of combining the business operations of their telecommunication subsidiaries in Bangladesh. On January 28, 2016, the Group has entered into definitive agreement which is subject to certain customary regulatory approvals and other closing conditions.

d) During the year ended March 31, 2016, the Group has purchased 100% stake in Augere Wireless Broadband Private Limited (AWBPL). The consummation of the said transaction is subject to the approval from statutory authorities.

e) During the year ended March 31, 2016, the Group has entered into a definitive agreement with Videocon Telecommunications Limited (VTL) to acquire rights to use spectrum in the 1800 Mhz band for six circles. The closing of the said transaction is subject to certain customary regulatory approvals and other closing conditions.

f) Subsequent to the balance sheet date, the Group has entered into a definitive agreement with Aircel Limited and its subsidiaries Dishnet Wireless Limited and Aircel cellular Limited, to acquire rights to use spectrum in the 2300 Mhz band for eight circles. The closing of the transaction is subject to certain customary regulatory approvals and other closing conditions.

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41. Companies in the Group, Joint Ventures and Associates

The Group conducts its business through Bharti Airtel and its directly and indirectly held subsidiaries, joint ventures and associates. Information about the composition of the Group is as follows:-

S. No.	Principal activity	Principal place of operation / country of incorporation	Number of wholly-owned subsidiaries	
			As of March 31, 2016	As of March 31, 2015
1	Telecommunication services	Africa	10	10
2	Telecommunication services	India	3	4
3	Telecommunication services	South Asia	2	2
4	Telecommunication services	Other	6	7
5	Mobile commerce services	Africa	16	17
6	Mobile commerce services	India	-	1
7	Infrastructure services	Africa	6	9
8	Infrastructure services	South Asia	2	2
9	Investment company	Africa	2	3
10	Investment company	Netherlands	25	25
11	Investment company	Mauritius	6	6
12	Investment company	Other	2	2
13	Direct to Home services	Africa	2	3
14	Submarine cable system	Mauritius	1	1
15	Holding, finance services and management services	Netherlands	1	1
16	Other	India	1	1
			85	**94**

S. No.	Principal Activity	Principal place of operation / country of incorporation	Number of Non-wholly-owned subsidiaries	
			As of March 31, 2016	As of March 31, 2015
1	Telecommunication services	Africa	8	9
2	Telecommunication services	India	2	1
3	Infrastructure services	India	2	2
4	Infrastructure services	Africa	5	7
5	Mobile commerce services	Africa	2	-
6	Mobile commerce services	India	1	-
7	Investment company	Africa	1	-
8	Direct to Home services	India	1	1
9	Uplinking channels for broadcasters	India	1	-
			23	20

Notes to consolidated financial statements

Additionally the Group also controls the trusts as mentioned in Note 41(b) below.

Information of Group's directly and indirectly held subsidiaries, joint ventures and associates is as follows:

(a) Details of Subsidiaries:-

S. no	Name of subsidiary	Principal place of operation / country of incorporation	Principal activities	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group	
				As of March 31, 2016 %	As of March 31, 2015 %
1	Airtel Bangladesh Limited (refer Note 40(c))	Bangladesh	Telecommunication services	100	100
2	Airtel M Commerce Services Limited	India	Mobile commerce services	80.10	100
3	Bangladesh Infratel Networks Limited#	Bangladesh	Passive infrastructure Services	100	100
4	Bharti Airtel (Canada) Limited##	Canada	Telecommunication services	-	100
5	Bharti Airtel (France) SAS	France	Telecommunication services	100	100
6	Bharti Airtel (Hongkong) Limited	Hongkong	Telecommunication services	100	100
7	Bharti Airtel (Japan) Kabushiki Kaisha	Japan	Telecommunication services	100	100
8	Bharti Airtel Services Limited	India	Administrative support to Group companies and trading activities	100	100
9	Bharti Airtel (UK) Limited	United Kingdom	Telecommunication services	100	100
10	Bharti Airtel (USA) Limited	United States of America	Telecommunication services	100	100
11	Bharti Airtel Holdings (Singapore) Pte Ltd	Singapore	Investment Company	100	100
12	Bharti Airtel International (Mauritius) Limited	Mauritius	Investment Company	100	100
13	Bharti Airtel International (Netherlands) B.V.	Netherlands	Holding, Finance Services and Management Services	100	100
14	Bharti Airtel Lanka (Private) Limited	Sri Lanka	Telecommunication services	100	100
15	Bharti Hexacom Limited	India	Telecommunication services	70	70
16	Indo Teleports Limited (formerly known as Bharti Teleports Limited) @	India	Uplinking channels for broadcasters	95	-
17	Bharti Infratel Lanka (Private) Limited#	Sri Lanka	Passive infrastructure Services	100	100
18	Bharti Infratel Limited	India	Passive infrastructure Services	71.76	71.88
19	Bharti Infratel Services Limited* #	India	Passive infrastructure Services	71.76	71.88
20	Smartx Services Limited (subsidiary w.e.f. September 21, 2015)*	India	Telecommunication services	71.76	-
21	Bharti International (Singapore) Pte. Ltd	Singapore	Telecommunication services	100	100
22	Bharti Telemedia Limited	India	Direct To Home services	95	95
23	Network i2i Limited	Mauritius	Submarine Cable System	100	100
24	Telesonic Networks Limited	India	Network Services	100	100
25	Airtel Broadband Services Private Limited (Merged with Bharti Airtel Limited w.e.f. April 9, 2015)	India	Telecommunication services	-	100

Notes to consolidated financial statements

S. no	Name of subsidiary	Principal place of operation / country of incorporation	Principal activities	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group As of March 31, 2016 %	As of March 31, 2015 %
26	Nxtra Data Limited	India	Data Center and Managed Services	100	100
27	Wynk Limited	India	Content Procurement and Selling	100	100
28	Africa Towers N.V.	Netherlands	Investment Company	100	100
29	Africa Towers Services Limited	Kenya	Infrastructure sharing services	100	100
30	Airtel Ghana Limited^	Ghana	Telecommunication services	75	75
31	Airtel (Seychelles) Limited	Seychelles	Telecommunication services	100	100
32	Airtel (SL) Limited	Sierra Leone	Telecommunication services	100	100
33	Airtel Burkina Faso S.A.	Burkina Faso	Telecommunication services	100	100
34	Airtel Congo S.A.	Congo Brazzavile	Telecommunication services	90	90
35	Airtel DTH Services (SL) Limited^^	Sierra Leone	Direct To Home services	100	100
36	Airtel DTH Services Congo (RDC) S.p.r.l.##	Democratic Republic of Congo	Direct To Home services	-	100
37	Airtel DTH Services Nigeria Limited#	Nigeria	Direct To Home services	100	100
38	Airtel Gabon S.A.	Gabon	Telecommunication services	90	90
39	Airtel Madagascar S.A.	Madagascar	Telecommunication services	100	100
40	Airtel Malawi Limited	Malawi	Telecommunication services	100	100
41	Airtel Mobile Commerce (SL) Limited	Sierra Leone	Mobile commerce services	100	100
42	Airtel Mobile Commerce B.V.	Netherlands	Investment Company	100	100
43	Airtel Mobile Commerce Burkina Faso S.A.	Burkina Faso	Mobile commerce services	100	100
44	Airtel Mobile Commerce (Ghana) Limited	Ghana	Mobile commerce services	75	100
45	Airtel Mobile Commerce Holdings B.V.	Netherlands	Investment Company	100	100
46	Airtel Mobile Commerce (Kenya) Limited	Kenya	Mobile commerce services	100	100
47	Airtel Mobile Commerce Limited	Malawi	Mobile commerce services	100	100
48	Airtel Mobile Commerce Madagascar S.A.	Madagascar	Mobile commerce services	100	100
49	Airtel Mobile Commerce Rwanda Limited	Rwanda	Mobile commerce services	100	100
50	Airtel Mobile Commerce (Seychelles) Limited	Seychelles	Mobile commerce services	100	100
51	Airtel Mobile Commerce (Tanzania) Limited	Tanzania	Mobile commerce services	100	100
52	Airtel Mobile Commerce Tchad S.a.r.l.	Chad	Mobile commerce services	100	100
53	Airtel Mobile Commerce Uganda Limited	Uganda	Mobile commerce services	100	100
54	Airtel Mobile Commerce Zambia Limited	Zambia	Mobile commerce services	100	100

Notes to consolidated financial statements

S. no	Name of subsidiary	Principal place of operation / country of incorporation	Principal activities	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group	
				As of March 31, 2016 %	As of March 31, 2015 %
55	Airtel Money (RDC) S.A.	Democratic Republic of Congo	Mobile commerce services	100	100
56	Airtel Money Niger S.A.	Niger	Mobile commerce services	90	100
57	Airtel Money S.A. (Gabon)	Gabon	Mobile commerce services	100	100
58	Airtel Networks Kenya Limited^	Kenya	Telecommunication services	100	100
59	Airtel Networks Limited	Nigeria	Telecommunication services	79.059	79.059
60	Airtel Networks Zambia Plc	Zambia	Telecommunication services	96.36	96.36
61	Airtel Rwanda Limited	Rwanda	Telecommunication services	100	100
62	Airtel Tanzania Limited	Tanzania	Telecommunication services	60	60
63	Airtel Tchad S.A.	Chad	Telecommunication services	100	100
64	Airtel Towers (Ghana) Limited	Ghana	Infrastructure sharing services	75	75
65	Airtel Towers (SL) Company Limited	Sierra Leone	Infrastructure sharing services	100	100
66	Airtel Uganda Limited^	Uganda	Telecommunication services	100	100
67	Bharti Airtel Africa B.V.	Netherlands	Investment Company	100	100
68	Bharti Airtel Burkina Faso Holdings B.V.	Netherlands	Investment Company	100	100
69	Bharti Airtel Chad Holdings B.V.	Netherlands	Investment Company	100	100
70	Bharti Airtel Congo Holdings B.V.	Netherlands	Investment Company	100	100
71	Bharti Airtel Developers Forum Limited	Zambia	Investment Company	96.36	100
72	Bharti Airtel DTH Holdings B.V.	Netherlands	Investment Company	100	100
73	Bharti Airtel Gabon Holdings B.V.	Netherlands	Investment Company	100	100
74	Bharti Airtel Ghana Holdings B.V.	Netherlands	Investment Company	100	100
75	Bharti Airtel Kenya B.V.	Netherlands	Investment Company	100	100
76	Bharti Airtel Kenya Holdings B.V.	Netherlands	Investment Company	100	100
77	Bharti Airtel Madagascar Holdings B.V.	Netherlands	Investment Company	100	100
78	Bharti Airtel Malawi Holdings B.V.	Netherlands	Investment Company	100	100
79	Bharti Airtel Mali Holdings B.V.	Netherlands	Investment Company	100	100
80	Bharti Airtel Niger Holdings B.V.	Netherlands	Investment Company	100	100
81	Bharti Airtel Nigeria B.V.	Netherlands	Investment Company	100	100
82	Bharti Airtel Nigeria Holdings B.V.#	Netherlands	Investment Company	100	100
83	Bharti Airtel Nigeria Holdings II B.V.	Netherlands	Investment Company	100	100
84	Bharti Airtel RDC Holdings B.V.	Netherlands	Investment Company	100	100
85	Bharti Airtel Services B.V.	Netherlands	Investment Company	100	100
86	Bharti Airtel Sierra Leone Holdings B.V.	Netherlands	Investment Company	100	100
87	Bharti Airtel Tanzania B.V.	Netherlands	Investment Company	100	100
88	Bharti Airtel Uganda Holdings B.V.	Netherlands	Investment Company	100	100
89	Bharti Airtel Zambia Holdings B.V.	Netherlands	Investment Company	100	100
90	Burkina Faso Towers S.A.##	Burkina Faso	Infrastructure sharing services	-	100
91	Celtel (Mauritius) Holdings Limited	Mauritius	Investment Company	100	100
92	Airtel Congo (RDC) S.A. (formerly known as Celtel Congo (RDC) S.a.r.l.)	Democratic Republic of Congo	Telecommunication services	98.5	98.5

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S. no	Name of subsidiary	Principal place of operation / country of incorporation	Principal activities	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group As of March 31, 2016 %	As of March 31, 2015 %
93	Celtel Niger S.A.	Niger	Telecommunication services	90	90
94	Channel Sea Management Company (Mauritius) Limited	Mauritius	Investment Company	100	100
95	Congo RDC Towers S.A.	Democratic Republic of Congo	Infrastructure sharing services	100	100
96	Congo Towers S.A.^^	Congo Brazzavile	Infrastructure sharing services	90	90
97	Gabon Towers S.A. #	Gabon	Infrastructure sharing services	90	90
98	Indian Ocean Telecom Limited	Jersey	Investment Company	100	100
99	Kenya Towers Limited (refer Note 43)	Kenya	Infrastructure sharing services	-	100
100	Madagascar Towers S.A.	Madagascar	Infrastructure sharing services	100	100
101	Malawi Towers Limited	Malawi	Infrastructure sharing services	100	100
102	Mobile Commerce Congo S.A.	Congo Brazzavile	Mobile commerce services	100	100
103	Montana International	Mauritius	Investment Company	100	100
104	MSI-Celtel Nigeria Limited#	Nigeria	Investment Company	100	100
105	Niger Towers S.A.##	Niger	Infrastructure sharing services	-	90
106	Partnership Investments S.a.r.l.	Democratic Republic of Congo	Investment Company	100	100
107	Société Malgache de Téléphone Cellulaire S.A.	Mauritius	Investment Company	100	100
108	Tanzania Towers Limited	Tanzania	Infrastructure sharing services	60	60
109	Tchad Towers S.A.	Chad	Infrastructure sharing services	100	100
110	Towers Support Nigeria Limited#	Nigeria	Infrastructure sharing services	79.059	79.059
111	Uganda Towers Limited (refer Note 43)	Uganda	Infrastructure sharing services	-	100
112	Warid Telecom Uganda Limited (in process of Amalgamation with Airtel Uganda Limited)	Uganda	Telecommunication services	100	100
113	Warid Congo S.A. (Merged with Airtel Congo S.A. w.e.f. November 9, 2015)	Congo Brazzavile	Telecommunication services	-	90
114	Zambian Towers Limited (refer Note 43)	Zambia	Infrastructure sharing services	-	96.36
115	Zap Trust Company Nigeria Limited#	Nigeria	Mobile commerce services	100	100
116	Airtel Money Transfer Limited (subsidiary w.e.f. July 20, 2015)	Kenya	Mobile commerce services	100	-
117	Bharti Airtel Rwanda Holdings Limited (formerly known as Zebrano (Mauritius) Limited)	Mauritius	Investment Company	100	100

^ The Group also holds 100% preference shareholding in these companies. The preference shares does not carry any voting rights.
^^ Dissolved subsequent to the balance sheet date on April 1, 2016.
# Under Liquidation.
Dissolved during the year ended March 31, 2016.
Note: Augere Wireless Broadband Private Limited has not been considered as a subsidiary (Refer note 40(d))

Notes to consolidated financial statements

(b) Details of Controlled Trust:

S.no	Name of trust	Principal place of operation / country of incorporation
1	Bharti Airtel Employees' Welfare Trust	India
2	Bharti Infratel Employees' Welfare Trust	India

(c) Details of Joint ventures:

S.no	Name of joint ventures	Principal place of operation / country of incorporation	Principal activities	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group	
				As of March 31, 2016 %	As of March 31, 2015 %
1	Indus Towers Limited *	India	Passive infrastructure services	30.14	30.19
2	Bridge Mobile Pte Limited	Singapore	Provision of regional mobile services	10	10
3	Forum I Aviation Ltd	India	Aircraft chartering services	-	16.67
4	FireFly Networks Limited	India	Telecommunication services	50	50

* Bharti Infratel Limited ("BIL"), in which the Group has 71.76% equity interest (71.88% as of March 31, 2015), owns 100% of Bharti Infratel Services Limited, 100% of Smartx Services Limited and 42% of Indus Towers Limited (100% of Bharti Infratel Services Limited and 42% of Indus Towers Limited as of March 31, 2015).

(d) Details of Associates:

S.no	Name of associates	Principal place of operation / country of incorporation	Principal activities	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group	
				As of March 31, 2016 %	As of March 31, 2015 %
1	Indo Teleports Limited (formerly known as Bharti Teleports Limited) @	India	Uplinking channels for broadcasters	-	49
2	Tanzania Telecommunications Company Limited	Tanzania	Telecommunication services	35	35
3	Seychelles Cable Systems Company Limited	Seychelles	Submarine Cable System	26	26

@ The Group has acquired additional 46% stake in the company and therefore became subsidiary w.e.f. from August 27, 2015.

Notes to consolidated financial statements

42. Other Significant Matter

The Company (M/s J T Mobiles Limited subsequently merged with the Company) was awarded license by DoT to operate cellular services in the State of Punjab in December 1995. On April 18, 1996, the Company obtained the permission from DoT to operate the Punjab license through its wholly owned subsidiary, Evergrowth Telecom Limited (ETL). In December 1996, DoT raised argument that the permission dated April 18, 1996 has not become effective and cancelled the permission to operate, which was subsequently reinstated on March 10, 1998 (the period from April 18, 1996 to March 10, 1998 has been hereinafter referred to as 'blackout period'). On July 15, 1999, license was terminated due to alleged non-payment of license fees, liquidated damages and related penal interest relating to blackout period.

In September 2001, in response to the demand raised by DoT, the Company had paid ₹ 4,856 Mn to DoT under protest subject to resolution of the dispute through arbitration. Consequently, the license was restored and an arbitrator was appointed for settlement of the dispute. Arbitrator awarded an unfavourable order, which was challenged by the Company before Hon'ble Delhi High Court.

On September 14, 2012, Hon'ble Delhi High Court passed an order setting aside the award passed by the arbitrator. DoT in the meanwhile has preferred an Appeal, including condonation of delay in filing of appeal, which is presently pending before the Division Bench of the Hon'ble Delhi High Court. The Appeal of DoT on the issue of condonation of delay was allowed on July 16, 2013. The next date of hearing is May 12, 2016. However, the Company on October 30, 2013 has filed Writ Petition for recovery in Hon'ble Delhi High Court, notice issued by High Court. The matter was listed on November 6, 2015 and is reserved for judgement.

43. Non-current Assets held for Sale

a. During the year ended March 31, 2015, the Group decided to sell and lease back a dedicated portion of towers under long term lease contracts, considered as finance lease in following countries:

- approximately 4,800 telecom towers in Nigeria to American Towers Cooperation / its subsidiaries (ATC);
- approximately 1,100 telecom towers in Zambia and Rwanda to IHS;
- approximately 3,500 telecom towers in six countries (Burkina Faso, Ghana, Kenya, Malawi, Niger and Uganda) to Eaton Towers Limited/ its subsidiaries (Eaton); and
- approximately 3,100 telecom towers in four countries (Tanzania, Congo Brazzavile, Democratic Republic of Congo and Chad) to Helios Towers Africa / its subsidiaries (Helios).

Further during the year ended March 31, 2016, after cancellation of tower sale agreement with Helios in Tanzania, the Group has entered into an agreement with ATC to sale and lease back a dedication portion of towers in Tanzania.

b. The Group, on the basis of approval by Board of Directors of respective subsidiaries/BAIN, considers that the criteria stated by IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" have been met, and accordingly has classified the assets and associated liabilities (collectively referred to as "disposal group") that are part of the sale and will not be leased back as "assets of disposal group classified as held for sale" and "liabilities of disposal group classified as held for sale" in the statement of financial position. These assets and liabilities are included under "Mobile Services Africa" segment in Segment Reporting.

The Group has ceased depreciation and amortisation on the telecom tower assets, to the extent it has estimated such assets would not be leased back, from the respective dates of classification as held for sale. Had the Group not decided to sell these assets, depreciation and amortisation would have been higher by ₹ 1,806 Mn and ₹ 4,325 Mn for the year ended March 31, 2016 and March 31, 2015, respectively.

The completion of the transactions is subject to certain customary closing conditions and is expected to be completed within a period of one year from the date of classification as held for sale.

Notes to consolidated financial statements

c. The major classes of assets and liabilities classified as held for sale as of March 31, 2016 are as follows:

(₹ Millions)

Assets of disposal group classified as held for sale	As of March 31, 2016	As of March 31, 2015
Non current assets	6,870	42,677
Other current assets	132	2,968
	7,002	**45,645**

(₹ Millions)

Liabilities of disposal group classified as held for sale	As of March 31, 2016	As of March 31, 2015
Non current liabilities	(1,039)	(4,164)
Current liabilities	-	(1,281)
	(1,039)	**(5,445)**

d. During the year ended March 31, 2016, the agreement for sale of tower assets in Tanzania, Chad and Democratic Republic of Congo with Helios Towers Africa and in Malawi with Eaton Towers Limited have lapsed and therefore stand terminated thereby. Accordingly, assets and the related liabilities have been re-classified from held for sale to its earlier classification and the Group has recorded and presented the related depreciation charge of ₹ 1,809 Mn pertaining to previous periods as an exceptional item for the year ended March 31, 2016.

e. During the year ended March 31, 2016 and March 31, 2015, sale and lease back of 8,740 towers in Congo, Ghana, Uganda, Nigeria, Zambia, Kenya and Burkina Faso and 200 towers in Rwanda was completed for a consideration of ₹ 116,229 Mn and ₹ 1,153 Mn, respectively. The portion leased back, classified as finance lease, representing the technical capacities of the dedicated part of the towers on which Company's equipment are located, has been retained at the carrying value of ₹ 16,339 Mn and ₹ 431 Mn, respectively, during the year ended March 31, 2016 and March 31, 2015 and the finance lease obligation has been recorded at ₹ 51,141 Mn and ₹ 609 Mn, respectively, during the year ended March 31, 2016 and March 31, 2015, being the fair value of the leased back portion. Accordingly, the gain on the portion sold and not leased back amounting to ₹ 40,129 Mn and ₹ 142 Mn, respectively, during the year ended March 31, 2016 and March 31, 2015, has been recognised in the income statement and disclosed as an exceptional item.

44. Previous year's figures in the consolidated financial statements, including the notes thereto, have been reclassified wherever required to conform to the current year's presentation/classification. These do not affect the previously reported net profit or equity.

Statement Pursuant to Section 129 of the Companies Act, 2013 relating to subsidiary companies for the year ended March 31, 2016

(₹ Millions)

Sr No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Reporting Period	Financial Year End	Exchange Rate as of March 31, 2016	Share Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend	Capital Expenditure during the reporting period #	Community Contribution ^	% of shareholding
1	Airtel Bangladesh Limited	a	Bangladesh	BDT	Apr '15 to Mar '16	March 31, 2016	0.845	38,876	(59,966)	32,493	53,583	-	12,444	(7,305)	38	(7,343)	-	6,006		100%
2	Airtel Payments Bank Limited	a, j	India	INR	Apr '15 to Mar '16	March 31, 2016	1.000	4,944	(2,575)	4,106	1,737	-	395	(346)	-	(346)		139		80.10%
3	Bangladesh Infratel Networks Limited	b, e	Bangladesh	BDT	Apr '15 to Mar '16	March 31, 2016	0.845	0	(0)	0	0	-	-	(0)	-	(0)		-		100%
4	Bharti Airtel (France) SAS	b	France	EUR	Apr '15 to Mar '16	March 31, 2016	75.447	1	32	340	307		272	77	97	(20)		183		100%
5	Bharti Airtel (Hongkong) Limited	a	Hongkong	HKD	Apr '15 to Mar '16	March 31, 2016	8.540	42	(225)	546	729		575	140	5	135		172		100%
6	Bharti Airtel (Japan) Kabushiki Kaisha	a, d	Japan	JPY	Apr '15 to Mar '16	March 31, 2016	0.590	0	(6)	19	25		8	(18)	(0)	(18)		-		100%
7	Bharti Airtel Services Limited	a	India	INR	Apr '15 to Mar '16	March 31, 2016	1.000	1	(1,009)	3,459	4,467	-	5,666	(62)	3	(65)		183		100%
8	Bharti Airtel (UK) Limited	a	United Kingdom	GBP	Apr '15 to Mar '16	March 31, 2016	95.411	32	498	3,474	2,944		16,547	(154)	(30)	(124)		150		100%
9	Bharti Airtel (USA) Limited	a, d	United States of America	USD	Apr '15 to Mar '16	March 31, 2016	66.255	-	219	1,253	1,034		1,847	292	(115)	407		97		100%
10	Bharti Airtel Holdings (Singapore) Pte Ltd	a	Singapore	SGD	Apr '15 to Mar '16	March 31, 2016	49.246	23,232	(1,033)	45,474	23,275		-	12	6	6		-		100%
11	Bharti International (Singapore) Pte Ltd	a	Singapore	USD	Apr '15 to Mar '16	March 31, 2016	66.255	120,808	(11,316)	129,687	20,195	107,706	6,339	618	183	435		710		100%
12	Bharti Airtel International (Mauritius) Limited	a	Mauritius	INR	Apr '15 to Mar '16	March 31, 2016	1.000	207,721	31	207,756	4	207,756	-	(2)	-	(2)		-		100%
13	Bharti Airtel Lanka (Private) Limited	a	Sri Lanka	LKR	Apr '15 to Mar '16	March 31, 2016	0.454	14,405	(18,662)	6,453	10,710		3,948	(2,598)	45	(2,643)		923		100%
14	Bharti Infratel Lanka (Private) Limited	b, e	Sri Lanka	LKR	Apr '15 to Mar '16	March 31, 2016	0.454	0	-	-	-	-	-	-	-	-	-	-		100%
15	Bharti Hexacom Limited	a, g	India	INR	Apr '15 to Mar '16	March 31, 2016	1.000	2,500	57,748	84,478	24,230		51,878	15,514	5,236	10,278	2,317	18,304	105	70%
16	Indo Teleports Limited	a, h	India	INR	Apr '15 to Mar '16	March 31, 2016	1.000	230	(589)	402	761		285	(78)	-	(78)		14		95%
17	Bharti Infratel Limited	a, g	India	INR	Apr '15 to Mar '16	March 31, 2016	1.000	18,967	166,765	221,520	35,788	98,096	55,957	19,843	6,609	13,234	6,848	9,933	209	71.76%
18	Smatrx Services Limited(subsidiary w.e.f. September 21, 2015)	a, i	India	INR	Sep '15 to Mar '16	March 31, 2016	1.000	30	0	30	0		-	0	0	0		-		71.76%
19	Bharti Telemedia Limited	a	India	INR	Apr '15 to Mar '16	March 31, 2016	1.000	102	(34,218)	22,950	57,066	-	29,178	1,277	-	1,277		9,494		95%
20	Network i2i Limited	a	Mauritius	USD	Apr '15 to Mar '16	March 31, 2016	66.255	3,460	20,866	37,409	13,083	-	5,778	4,075	121	3,954		786		100%
21	Telesonic Networks Limited	a	India	INR	Apr '15 to Mar '16	March 31, 2016	1.000	892	(776)	2,966	2,850		7,031	336	13	323		69		100%
22	Nxtra Data Limited	a	India	INR	Apr '15 to Mar '16	March 31, 2016	1.000	51	(67)	3,722	3,738	4	2,798	(71)	(85)	14		576		100%
23	Wynk Limited	a	India	INR	Jan '15 to Mar '16	March 31, 2016	1.000	1	16	449	432		490	23	7	16		162		100%
24	Bharti Infratel Services Limited	b, e	India	INR	Apr '15 to Mar '16	March 31, 2016	1.000	-	-	-	-		-	(0)	-	(0)		-		71.76%
25	Bharti Airtel International (Netherlands) B.V.	b	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	134,385	173,447	756,059	448,227	302	3,286	(10,439)	199	(10,638)	-	135	-	100%
26	Bharti Airtel Africa B.V.	b	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	42	76,450	406,226	329,734	-	-	3,187	-	3,187	-	-	-	100%
27	Bharti Airtel Burkina Faso Holdings B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	1	9,102	9,103	0	-	-	1,068	-	1,068	-	-	-	100%
28	Airtel Burkina Faso S.A.	a	Burkina faso	XOF	Jan '15 to Dec '15	December 31, 2015	0.115	288	2,669	16,255	13,298	-	12,802	2,668	731	1,937	1,150	4,463	1	100%
29	Bharti Airtel Chad Holdings B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	1	329	11,332	11,002	-	-	43	-	43	-	-	-	100%
30	Airtel Tchad S.A.	a	Chad	XAF	Jan '15 to Dec '15	December 31, 2015	0.115	3,198	(6,138)	18,337	21,277	-	8,653	(1,658)	130	(1,788)	-	3,743	25	100%
31	Bharti Airtel Gabon Holdings B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	1	8,430	8,508	77	-	-	248	-	248	-	-	-	100%
32	Airtel Gabon S.A.	a	Gabon	XAF	Jan '15 to Dec '15	December 31, 2015	0.115	690	(6,600)	15,018	20,928	-	11,367	(6,298)	114	(6,412)	-	4,820	23	90%
33	Bharti Airtel Congo Holdings B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	1	6,027	9,047	3,019	-	-	296	-	296	-	-	-	100%
34	Airtel Congo S.A.	c	Congo Brazzavile	XAF	Jan '15 to Dec '15	December 31, 2015	0.115	598	(8,317)	12,578	20,297	-	13,415	(3,498)	414	(3,912)	-	8,562	5	90%
35	Bharti Airtel RDC Holdings B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	1	2,845	60,375	57,529	-	-	1,266	-	1,266	-	-	-	100%
36	Airtel Congo (RDC) S.A. (Formerly Celtel Congo (RDC) S.a.r.l.)	c	Democratic Republic of Congo	CDF	Jan '15 to Dec '15	December 31, 2015	0.070	23	(37,964)	30,860	68,801	-	18,644	(12,948)	220	(13,168)	-	3,282	36	98.50%
37	Bharti Airtel Mali Holdings B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	1	236	658	421	-	-	-	-	-	-	-	-	100%
38	Bharti Airtel Kenya Holdings B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	1	(2,550)	62,191	64,740	-	-	(105)	-	(105)	-	-	-	100%
39	Bharti Airtel Kenya B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	2	(5,324)	56,869	62,191	-	-	(1,120)	-	(1,120)	-	-	-	100%
40	Airtel Networks Kenya Limited	a, f	Kenya	KES	Jan '15 to Dec '15	December 31, 2015	0.653	19,423	(33,431)	26,050	40,058	-	11,585	5,252	584	4,668	-	7,939	9	100%
41	Bharti Airtel Malawi Holdings B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	1	308	6,088	5,779	-	-	(22)	-	(22)	-	-	-	100%
42	Airtel Malawi Limited	a	Malawi	MWK	Jan '15 to Dec '15	December 31, 2015	0.098	0	522	10,822	10,300	-	5,743	(37)	(154)	117	-	1,315	31	100%
43	Bharti Airtel Niger Holdings B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	1	10,450	10,498	47	-	-	1,376	-	1,376	-	-	-	100%
44	Celtel Niger S.A.	a	Niger	XOF	Jan '15 to Dec '15	December 31, 2015	0.115	173	2,807	30,228	27,248	-	12,859	(2,684)	196	(2,880)	1,265	1,561	45	90%

Statement Pursuant to Section 129 of the Companies Act, 2013 relating to subsidiary companies for the year ended March 31, 2016

(₹ Millions)

Sr No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Reporting Period	Financial Year End	Exchange Rate as of March 31, 2016	Share Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend	Capital Expenditure during the reporting period #	Community Contribution ^	% of shareholding
45	Bharti Airtel Sierra Leone Holdings B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	1	177	5,892	5,714	-	-	135	-	135	-	-	-	100%
46	Airtel (SL) Limited	c	Sierra Leone	SLL	Jan '15 to Dec '15	December 31, 2015	0.017	133	(179)	8,541	8,587	-	6,863	549	227	322	-	872	35	100%
47	Airtel Networks Zambia Plc	a	Zambia	ZMW	Jan '15 to Dec '15	December 31, 2015	6.025	6	2,153	16,208	14,049	-	11,590	1,509	(285)	1,794	940	8,003	10	96.36%
48	Bharti Airtel Uganda Holdings B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	1	(5,786)	14,532	20,317	-	-	(512)	-	(512)	-	-	-	100%
49	Airtel Uganda Limited ##	a, f	Uganda	UGS	Jan '15 to Dec '15	December 31, 2015	0.020	247	(2,895)	20,567	23,215	-	16,867	1,695	-	1,695	-	8,265	13	100%
50	Bharti Airtel Tanzania B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	2	(4,490)	27,597	32,085	-	-	428	-	428	-	-	-	100%
51	Airtel Tanzania Limited	a	Tanzania	TZS	Jan '15 to Dec '15	December 31, 2015	0.030	1,242	(21,975)	20,800	41,533	-	17,180	(9,025)	1,456	(10,481)	-	5,034	20	60%
52	Bharti Airtel Madagascar Holdings B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	1	(906)	14,317	15,222	-	-	(196)	-	(196)	-	-	-	100%
53	Channel Sea Management Company (Mauritius) Limited	a	Mauritius	USD	Jan '15 to Dec '15	December 31, 2015	66.255	1	38	40	1	-	-	(2)	-	(2)	-	-	-	100%
54	Bharti Airtel Rwanda Holdings Limited (Formerly Zebrano (Mauritius) Limited)	a	Mauritius	USD	Jan '15 to Dec '15	December 31, 2015	66.255	3	185	11,553	11,365	-	-	(2)	-	(2)	-	-	-	100%
55	Montana International	a	Mauritius	USD	Jan '15 to Dec '15	December 31, 2015	66.255	0	(11)	3	14	-	-	(1)	-	(1)	-	-	-	100%
56	Airtel Madagascar S.A.	a	Madagascar	MGA	Jan '15 to Dec '15	December 31, 2015	0.021	61	(3,527)	10,884	14,350	-	4,051	(2,630)	(288)	(2,342)	-	1,578	7	100%
57	Bharti Airtel Nigeria Holdings B.V.	b,d,e	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	-	-	-	-	-	-	-	-	-	-	-	-	100%
58	MSI-Celtel Nigeria Limited	e	Nigeria	NGN	Jan '15 to Dec '15	December 31, 2015	0.333	-	-	-	-	-	-	-	-	-	-	-	-	100%
59	Bharti Airtel Nigeria Holdings II B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	1	(120)	122,430	122,549	-	-	-	-	-	-	-	-	100%
60	Bharti Airtel Nigeria B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	1	(34,368)	89,759	124,126	-	-	(3,109)	-	(3,109)	-	-	-	100%
61	Bharti Airtel Ghana Holdings B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	1	(5,860)	42,905	48,764	-	-	(1,241)	-	(1,241)	-	-	-	100%
62	Airtel Ghana Limited	c, f	Ghana	GHS	Jan '15 to Dec '15	December 31, 2015	17.251	2,766	(29,391)	11,698	38,323	-	9,001	(3,797)	194	(3,991)	-	1,856	5	75%
63	Bharti Airtel Services B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	1	327	417	89	-	-	-	-	-	-	0	-	100%
64	Airtel Networks Limited	a	Nigeria	NGN	Jan '15 to Dec '15	December 31, 2015	0.333	67	4,480	103,060	98,513	-	82,920	22,083	14,098	7,985	-	24,230	41	79.06%
65	Bharti Airtel Zambia Holdings B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	1	28,973	28,974	0	-	-	991	-	991	-	-	-	100%
66	Airtel Mobile Commerce Limited	a	Malawi	MWK	Jan '15 to Dec '15	December 31, 2015	0.098	0	-	0	-	-	-	-	-	-	-	-	-	100%
67	Airtel Mobile Commerce (Kenya) Limited	a	Kenya	KES	Jan '15 to Dec '15	December 31, 2015	0.653	0	-	615	615	-	-	-	-	-	-	-	-	100%
68	Airtel Mobile Commerce Ghana Limited	a	Ghana	GHS	Jan '15 to Dec '15	December 31, 2015	17.251	1	-	583	582	-	-	-	-	-	-	-	-	100%
69	Celtel (Mauritius) Holdings Limited	a	Mauritius	USD	Jan '15 to Dec '15	December 31, 2015	66.255	1	2,139	9,863	7,723	-	-	380	57	323	-	-	-	100%
70	Airtel Mobile Commerce Zambia Limited (Formerly ZMP Limited)	a	Zambia	ZMW	Jan '15 to Dec '15	December 31, 2015	6.025	12	(422)	210	620	-	67	(114)	1	(115)	-	8	-	100%
71	Airtel Mobile Commerce (SL) Limited	a	Sierra Leone	SLL	Jan '15 to Dec '15	December 31, 2015	0.017	0	-	203	203	-	-	-	-	-	-	-	-	100%
72	Airtel Mobile Commerce Tchad S.a.r.l.	a	Chad	XAF	Jan '15 to Dec '15	December 31, 2015	0.115	0	(0)	108	108	-	-	(0)	0	(0)	-	-	-	100%
73	Airtel Mobile Commerce B.V.	b,d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	2	(26)	398	422	-	-	(8)	-	(8)	-	-	-	100%
74	Airtel Money S.A. (Gabon)	a	Gabon	XAF	Jan '15 to Dec '15	December 31, 2015	0.115	1	(405)	839	1,243	-	374	(107)	3	(110)	-	86	-	100%
75	Malawi Towers Limited	a	Malawi	MWK	Jan '15 to Dec '15	December 31, 2015	0.098	1	(1,215)	2,997	4,211	-	948	(847)	-	(847)	-	4	-	100%
76	Airtel Money Niger S.A.	a	Niger	XOF	Jan '15 to Dec '15	December 31, 2015	0.115	1	0	454	453	-	1	0	0	0	-	-	-	100%
77	Société Malgache de Téléphone Cellulaire S.A.	a	Mauritius	USD	Jan '15 to Dec '15	December 31, 2015	66.255	3	150	169	16	-	-	(2)	-	(2)	-	-	-	100%
78	Airtel Mobile Commerce Holdings B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	2	(0)	2	0	-	-	(0)	-	(0)	-	-	-	100%
79	Indian Ocean Telecom Limited	a	Jersey	USD	Jan '15 to Dec '15	December 31, 2015	66.255	166	803	977	8	-	-	(2)	-	(2)	-	-	-	100%
80	Airtel (Seychelles) Limited	a	Seychelles	SCR	Jan '15 to Dec '15	December 31, 2015	4.911	5	292	2,353	2,056	186	1,407	263	175	88	-	365	6	100%
81	Airtel Mobile Commerce (Tanzania) Limited	a	Tanzania	TZS	Jan '15 to Dec '15	December 31, 2015	0.030	0	-	2,757	2,757	-	-	-	-	-	-	-	-	100%
82	Airtel Mobile Commerce Uganda Limited	a	Uganda	UGS	Jan '15 to Dec '15	December 31, 2015	0.020	0	-	1,895	1,895	-	-	-	-	-	-	-	-	100%
83	Africa Towers N.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	4	(360)	2,212	2,568	-	-	(282)	-	(282)	-	-	-	100%
84	Airtel Towers Ghana Limited	a	Ghana	GHS	Jan '15 to Dec '15	December 31, 2015	17.251	1	(16)	2	17	-	-	(6)	-	(6)	-	-	-	75%
85	Bharti Airtel DTH Holdings B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	2	(7)	1	6	-	-	(0)	-	(0)	-	-	-	100%
86	Airtel DTH Services (SL) Limited	d, e	Sierra Leone	SLL	Jan '15 to Dec '15	December 31, 2015	0.017	-	-	-	-	-	-	-	-	-	-	-	-	100%
87	Airtel DTH Services Nigeria Limited	e	Nigeria	NGN	Jan '15 to Dec '15	December 31, 2015	0.333	-	-	-	-	-	-	-	-	-	-	-	-	100%
88	Airtel Towers (SL) Company Limited	a	Sierra Leone	SLL	Jan '15 to Dec '15	December 31, 2015	0.017	0	(17)	9	26	-	33	19	3	16	-	-	-	100%
90	Congo Towers S.A.	a, e	Congo Brazzavile	XAF	Jan '15 to Dec '15	December 31, 2015	0.115	1	(8)	1	8	-	-	40	-	40	-	-	-	90%
91	Madagascar Towers S.A.	a	Madagascar	MGA	Jan '15 to Dec '15	December 31, 2015	0.021	0	434	3,579	3,145	-	1,090	(312)	(52)	(260)	-	338	-	100%
92	Mobile Commerce Congo S.A.	a	Congo Brazzavile	XAF	Jan '15 to Dec '15	December 31, 2015	0.115	1	-	166	165	-	-	-	-	-	-	-	-	100%

Statement Pursuant to Section 129 of the Companies Act, 2013 relating to subsidiary companies for the year ended March 31, 2016

(₹ Millions)

Sr No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Reporting Period	Financial Year End	Exchange Rate as of March 31, 2016	Share Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend	Capital Expenditure during the reporting period #	Community Contribution ^	% of shareholding
94	Tanzania Towers Limited	a	Tanzania	TZS	Jan '15 to Dec '15	December 31, 2015	0.030	0	(30)	-	30	-	-	19	-	19	-	-	-	60%
95	Tchad Towers S.A.	a	Chad	XAF	Jan '15 to Dec '15	December 31, 2015	0.115	1	(151)	1	151	-	-	(43)	0	(43)	-	-	-	100%
96	Towers Support Nigeria Limited	a, e	Nigeria	NGN	Jan '15 to Dec '15	December 31, 2015	0.333	3	(5)	47	49	-	6	(1)	1	(2)	-	-	-	79.06%
97	Airtel Money RDC S.A.	a	Democratic Republic of Congo	CDF	Jan '15 to Dec '15	December 31, 2015	0.070	160	(1,761)	1,322	2,923	-	352	(588)	4	(592)	-	63	-	100%
98	Airtel Mobile Commerce Burkina Faso S.A.	a	Burkina Faso	XOF	Jan '15 to Dec '15	December 31, 2015	0.115	1	(39)	3,590	3,628	-	431	212	64	148	-	104	-	100%
100	Congo RDC Towers S.A.	c	Democratic Republic of Congo	CDF	Jan '15 to Dec '15	December 31, 2015	0.070	7	(840)	8,992	9,825	-	4,898	411	605	(194)	-	1,132	-	100%
101	Gabon Towers S.A.	a, e	Gabon	XAF	Jan '15 to Dec '15	December 31, 2015	0.115	1	(5)	1	4	-	-	28	0	28	-	-	-	90%
102	Airtel Mobile Commerce Madagascar S.A.	a	Madagascar	MGA	Jan '15 to Dec '15	December 31, 2015	0.021	0	(328)	667	995	-	194	(156)	(21)	(135)	-	0	-	100%
103	Airtel Rwanda Limited	a	Rwanda	RWF	Jan '15 to Dec '15	December 31, 2015	0.089	-	(9,078)	6,888	15,966	-	1,513	(3,046)	-	(3,046)	-	1,392	4	100%
104	Africa Towers Services Limited	a	Kenya	KES	Jan '15 to Dec '15	December 31, 2015	0.653	0	5	822	817	-	187	34	13	21	-	-	-	100%
105	Airtel Mobile Commerce Rwanda Limited	a	Rwanda	RWF	Jan '15 to Dec '15	December 31, 2015	0.089	1	-	241	240	-	-	-	-	-	-	-	-	100%
106	Airtel Mobile Commerce (Seychelles) Limited	c	Seychelles	SCR	Jan '15 to Dec '15	December 31, 2015	4.911	5	(27)	7	29	-	0	(15)	-	(15)	-	-	-	100%
107	Warid Telecom Uganda Limited (in process of amalgamation with Airtel Uganda Limited) ##	b	Uganda	UGS	Jan '15 to Dec '15	December 31, 2015	0.020	-	-	-	-	-	-	-	-	-	-	-	-	100%

* Investments exclude investments in subsidiaries
# Voluntary disclosure
The business of Warid Telecom Uganda Limited was assumed by Airtel Uganda Ltd during the financial year 2015-16
^ Voluntary disclosure - Unaudited.
The figures which are appearing as '0' are result of rounding off
Airtel Broadband Services Private Limited, a wholly owned subsidiary has been amalgamated with the Company w.e.f April 9, 2015 and hence not disclosed above

Notes:
a) Financial information has been extracted from the audited standalone financial statements.
b) Financial information has been extracted from the unaudited standalone financial statements.
c) Financial information has been extracted from the submission considered for the purpose of consolidated audited IFRS financial statements for the respective financial year end.
d) The financial statements for these subsidiaries are not required to be prepared as per the local laws of the countries where they are incorporated
e) Subsidiaries are under liquidation.
f) Share capital includes preference share capital.
g) Proposed dividend includes dividend distribution tax.
h) Indo Teleports Limited (formerly known as Bharti Teleports Limited) became subsidiary of Bharti Airtel Limited w.e.f. August 27, 2015
i) Subsidiaries incorporated during the year
j) Airtel M Commerce Services Limited is now Airtel Payments Bank Limited effective May 2, 2016

Subsidiaries yet to commence operations
1 Partnership Investment Sprl
2 Bharti Airtel Developers Forum Limited
3 Zap Trust Company Nigeria Limited
4 Airtel Money Transfer Limited (Subsidiary w.e.f. July 20, 2015)

Subsidiaries have been liquidated / sold during the year.
1 Bharti Airtel (Canada) Limited
2 Uganda Towers Limited
3 Kenya Towers Limited
4 Zambian Towers Limited
5 Burkina Faso Towers S.A.
6 Niger Towers S.A.
7 Airtel DTH Services Congo (DRC) SARL
8 Warid Congo S.A. (Merged with Airtel Congo SA on 16th October, 2015, dissolved on 05th November, 2015)

Statement Pursuant to Section 129 of the Companies Act, 2013 relating to subsidiary companies for the year ended March 31, 2016

(₹ Millions)

Sr. No.	Name of the Associate / Joint Venture	Latest Audited Balance Sheet Date	Share of Associates / Joint Ventures held by the company as of March 31, 2016			Description of how there is significant influence	Net Worth attributable to shareholders as per latest audited Balance Sheet	Profit/Loss for the year ended March 31, 2016	
			Number of shares	Amount of Investment in Associate / Joint Venture	Extent of holding %			Considered in consolidation	Not Considered in consolidation
1	Bridge Mobile Pte Limited	March 31, 2016	800,000	34	10%	% of share capital	441	10	-
2	Indus Towers Limited*	March 31, 2016	500,504	60,419	30.14%	% of share capital	166,984	8,639	-
3	FireFly Networks Limited	March 31, 2016	1,000,000	10	50%	% of share capital	(4.3)	-	(1)
4	Tanzania Telecommunications Company Limited	December 31, 2013	102,852,615	-	35%	% of share capital	(2,663)	-	(161)
5	Seychelles Cable Systems Company Limited	June 30, 2015	260	186	26%	% of share capital	114	-	(45)

* Profits/losses considered for consolidation is based on direct shareholding of Bharti Infratel Limited as against effective shareholding of the Company.

Notes:

Amount of investment in joint venture/associate is based on the carrying value of investments in the standalone financial statements of venturer/investor.

Joint Ventures / Associates that are no more held as such during the year.

1 Forum 1 Aviation Limited was disposed off during the year.

2 Indo Teleports Limited (formerly known as Bharti Teleports Limited) became subsidiary of Bharti Airtel Limited w.e.f. August 27, 2015

Circle Offices

Andhra Pradesh
Splendid Towers,
Opp. Begumpet Police Station,
Begumpet,
Hyderabad- 500016,
Telangana

Haryana, Punjab, Himachal and J&K
Plot No. 21, Rajiv Gandhi
Chandigarh Technology Park,
Chandigarh - 160101

Mumbai
6th & 7th Floor,
Interface Building No. 7,
Mindspace, Malad Link Road,
Malad (W), Mumbai - 400064,
Maharashtra

Assam & North East States
Bharti House, Six Mile,
Khanapara, G.S. Road,
Guwahati - 781022,
Assam

Karnataka
55, Divyasree Towers,
Bannerghatta Main Road,
Bangaluru - 560029,
Karnataka

Rajasthan
K-21, Sunny House,
Malviya Marg, C-Scheme,
Jaipur - 302001,
Rajasthan

Bihar & Jharkhand
Airtel Campus, Plot No-18,
Patliputra Industrial Area,
Patna - 800013,
Bihar

Kerala & Tamil Nadu
Oceanic Tower,
101, Santhome High Road,
Santhome, Chennai - 600028,
Tamil Nadu

Uttar Pradesh & Uttaranchal
TCG - 7/7 Vibhuti Khand,
Gomti Nagar,
Lucknow - 226010,
Uttar Pradesh

Delhi NCR
Plot No. 16, NH-8
Udyog Vihar, Phase-IV,
Gurgaon - 122015,
Haryana

Madhya Pradesh & Chhattisgarh
3rd & 4th Floor, Scheme No. 54,
Metro Tower, AB Road,
Indore - 452010,
Madhya Pradesh

West Bengal & Odisha
Infinity Building,
Salt Lake Electronics Complex,
Block GP, Sector V,
Kolkata - 700091,
West Bengal

Gujarat
2nd & 4th Floor, Zodiac Square,
S G Road, Opp. Gurudwara,
Ahmedabad - 380054,
Gujarat

Maharashtra & Goa
Vega Centre, A - Building,
2nd Floor, Shankarsheth Road,
Next to Income tax office
Swargate, Pune - 411037,
Maharashtra


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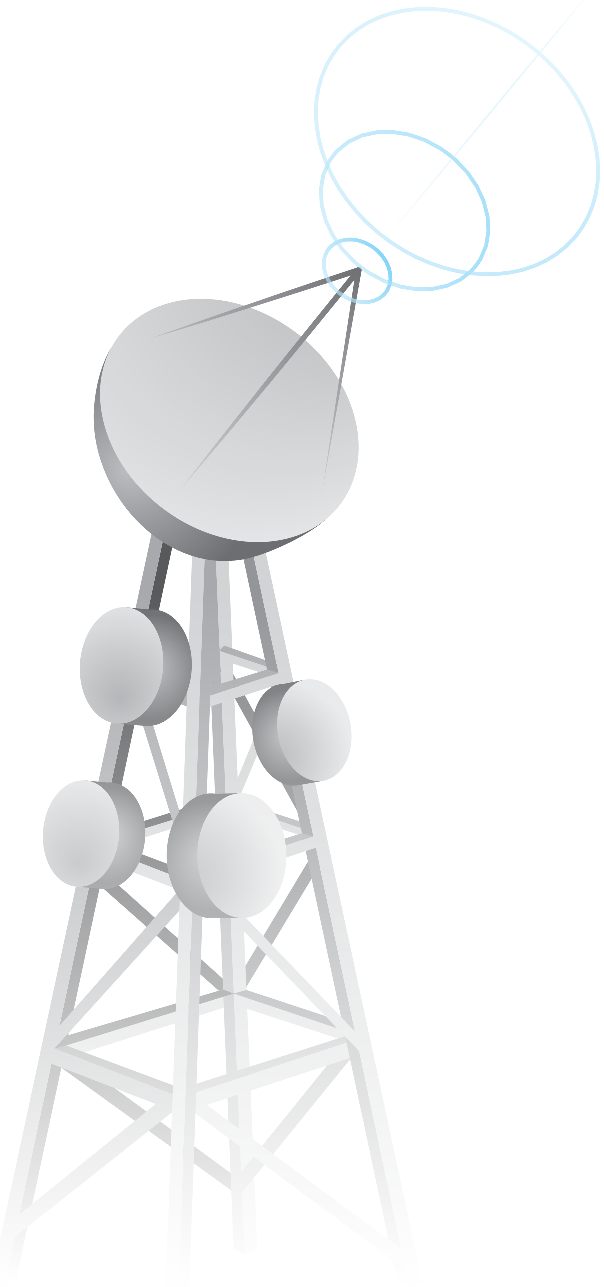
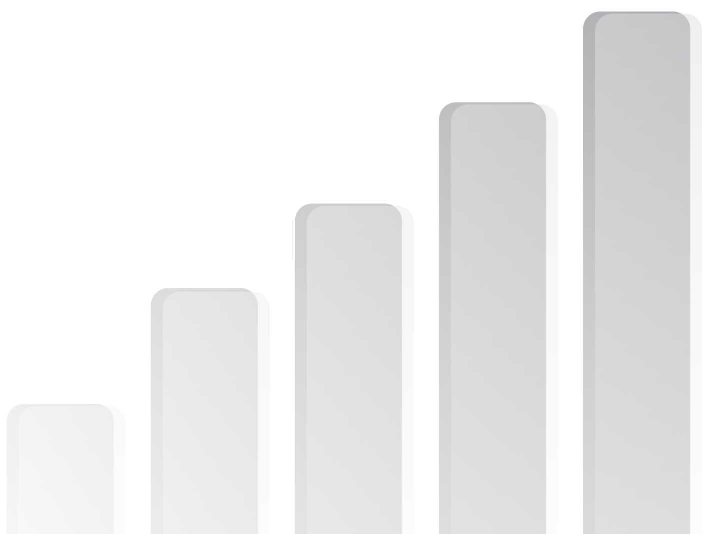


bharti

Registered & Corporate Office

Bharti Airtel Limited
Bharti Crescent, 1, Nelson Mandela Road,
Vasant Kunj, Phase II, New Delhi - 110 070, India.
CIN No.: L74899DL1995PLC070609
Telephone No.: +91 11 46666100
Fax No.: +91 11 46666137
Email: compliance.officer@bharti.in
Website: www.airtel.com



concept, content and design at aicl [info@aicl.in]