

Digital for all

Corporate Information

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 amongst 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 and 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 324 Mn customers across its operations at the end of March 2015.

Board of Directors

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

Managing Director & CEO (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

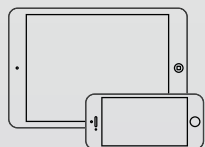
Bharti Airtel Limited
Bharti Crescent,
1, Nelson Mandela Road,
Vasant Kunj, Phase – II,
New Delhi – 110 070, India

Website

<http://www.airtel.com>

Corporate Identification Number (CIN)

L74899DL1995PLC070609



For the online version of this Annual Report please log on to www.airtel.in/about-bharti/investor-relations

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Enriching lives in the digital era

#3

Mobile operator globally
(in terms of subscriber base)

16%

of the addressable population
(in 20 countries) is connected
through Airtel network

Pg-3

Intrinsic strengths to deliver value

324 Mn+

Consolidated subscribers
across various businesses in
India, South Asia and Africa

16.1%

Total spectrum
market share

Pg-5

Our Performance

₹920.4 Bn

Revenue in 2015
(based on consolidated
income statement)

87% Y-o-Y

PAT growth

Pg-6

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Digital for all is our mandate in a closely integrated world.

We believe, this is a key moment in human history, when the digital landscape is shaping all aspects of life. From global trade and commerce to education, entertainment, healthcare and governance; and so on.

As the digital universe continues to expand with the help of intuitive and all-pervasive technology, telecommunication is witnessing an unprecedented transformation.

This is how we responded to this tectonic shift during the year.

We devoted our assets and talent to cater to the emerging needs of countries across Asia and Africa.

We refreshed our offerings and reached out to more people across geographies with a uniform communication protocol.

We aligned our sustainability strategy with our innovations in the digital sphere.

Our journey in the digital era has only just begun. It will take us to the next level of value creation, as we help propel one of the most defining trajectories of the twenty-first century.



Enriching lives in the Digital Era

#1

Telecom operator in India

#2

Telecom operator in Africa

#3

Mobile operator globally
(in terms of subscriber base)

310 Mn+

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

16%

of the addressable population (in 20 countries) is connected through Airtel network

80.2 Mn

Wireless data customers across Asia and Africa

₹ 920.4 Bn

Global revenues in FY 2014-15

20

Countries presence across the globe

2 Bn+

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

227 MHz

Spectrum won in auctions in India (February 2014 and March 2015), valid for 20 years

₹ 681 Bn

of spectrum investment in auctions as on date

₹ 1,019.7 Bn

Cumulative contribution to the exchequer in India in the last 5 years

1.23 Tn

Minutes of voice traffic in FY 2014-15 globally

333 Pb*

Data usage over FY 2014-15

* Pb: Petabyte

USD 11.6 Bn

Total Airtel Money transaction value in Africa in FY 2014-15 (Q4 annualised)

Strategic Framework

We are consistently fine-tuning our strategies and strengthening our innovative core to anticipate and lead change in the global digital landscape.



Win Customers For Life

Vision

- Our vision is to enrich the lives of our customers
- Our focus is to win customers for life by offering an exceptional experience

Objectives

- Grow revenue
- Grow market share
- Grow margins

Values

- Alive and optimistic
- Inclusive culture
- Respectful to all stakeholders

How We Will Win Customers For Life

1 Win through go-to-market excellence

- Quality customer additions
- Revenue market share profile
- Multiple offerings opening up new opportunities

2 Win with data and digital services

- Prime spectrum to yield data growth
- Data and digital revenue growth with industry-first initiatives
- 3G/4G network rollout

3 Win with valuable customers

- Postpaid and sticky user base
- Company owned retail stores
- Enterprise and DTH solutions through service excellence

4 Win with a war on waste

- Cost efficiencies
- Subscriber acquisition and retention costs and reduce churn

5 Win with people

- High performance culture
- Employee centricity

Result



Intrinsic Strengths to Deliver Value

We are building on our core strengths to accelerate our business growth and seek new vistas of opportunities to deliver on our stakeholder commitments' and thrive in the digital era.

Well positioned in key growth markets

Over 324 Mn people repose their trust in our brand everyday across Asia and Africa. These continents have vast potential with huge aspirational population, growing economic strength and demographic advantage. India, one of Asia's major economies, has 73% mobile penetration while that of Africa is 63%, leaving significant headroom for growth. Sri Lanka and Bangladesh also have considerable opportunities for market penetration.

Leadership in India

In 17 circles of the total 22 circles (rank 1 or 2) in India with average RMS of 36.4% in these circles

Leadership in Africa

Through organic as well as in-country acquisitions we are #1 or #2 in 14 markets in Africa

A global talent pool

Our people strengthen the differentiation of our brand. They are curious to learn, drive innovation and willing to seek new opportunities to anticipate and lead change.

People Strength

19,564 In India and South Asia
5,130 In Africa

Large customer base with segmented focus

We are catering to a diverse customer cross-section across geographies, providing a range of solutions and emerging as an end-to-end global telecom company.

239.5 Mn+

Customers in India

76.3 Mn+

Customers in Africa

8.6 Mn+

Customers in South Asia (Sri Lanka and Bangladesh)

Large residual opportunity with bulk investments in place

We are well positioned to capture future growth through strong spectrum position, wide network and brand recall. India, Africa and South Asia (Sri Lanka and Bangladesh) are witnessing some of the fastest growth rates in the data segment globally.

16.1%

Total spectrum market share, 40% 900 MHz spectrum market share amongst private players - wide spectrum presence

Largest

Optical fibre network among private players

2x

Yield/MHz compare to cost/MHz - Industry leading

Financial acumen and operating efficiencies

During the year, we met our long-term funding requirements through a strategic mix of debt and equity. We have received an investment commitment of up to USD 2.5 Bn from China Development Bank and Industrial and Commercial Bank of China, enabling us to fulfil our digital commitments in the regions of our presence.

We are also achieving high operating efficiencies and strengthening our war on waste by developing a prudent cost structure across geographies.

Revenue Growth

12%

India and South Asia revenue growth in FY 2014-15

6%

African revenue growth in FY 2014-15 (on a constant currency basis)

Our Performance

Particulars	Units	Financial Year ended March 31				
		2011	2012	2013	2014	2015
Total Customer Base	000s	220,878	251,646	271,227	295,948	324,368
Mobile Services	000s	211,919	241,148	259,844	283,580	310,884
Broadband & Telephone Services	000s	3,296	3,270	3,283	3,356	3,411
Digital TV Services	000s	5,663	7,228	8,100	9,012	10,073
Based on Consolidated Income Statement						
Revenue	₹ Mn	595,383	683,267	769,045	857,461	920,394
EBITDA (before exceptional items)	₹ Mn	200,718	222,533	233,340	278,430	314,517
Cash Profit from Operations before Derivative and Exchange Fluctuation (before exceptional items)	₹ Mn	180,581	193,899	195,643	241,813	285,280
Earnings Before Tax	₹ Mn	76,782	63,792	47,853	78,643	107,130
Net Profit	₹ Mn	60,467	42,594	22,757	27,727	51,835
Based on Consolidated Statement of Financial Position						
Shareholders' Equity	₹ Mn	487,668	506,113	503,217	597,560	619,564
Net Debt	₹ Mn	599,512	618,442	583,567	605,416	668,417
Capital Employed	₹ Mn	1,087,180	1,124,555	1,086,784	1,202,976	1,287,981
Key Ratios						
Capex Productivity	%	66.93	69.17	69.12	72.91	77.40
Opex Productivity	%	45.13	43.84	45.43	45.20	43.79
EBITDA Margin	%	33.71	32.57	30.34	32.47	34.17
EBIT Margin	%	16.57	13.97	11.08	14.22	17.23
Return on Shareholders' Equity	%	13.30	8.57	4.51	5.04	8.52
Return on Capital Employed	%	10.79	7.06	5.68	6.65	8.05
Net Debt to EBITDA	Times	2.95	2.60	2.51	2.19	2.08
Interest Coverage Ratio	Times	11.20	9.11	6.79	7.58	8.43
Book Value Per Equity Share	₹	128.41	133.27	132.51	149.49	154.99
Net Debt to Shareholders' Equity	Times	1.23	1.22	1.16	1.01	1.08
Earnings Per Share (Basic)	₹	15.93	11.22	6.00	7.02	12.97
Contribution to Exchequer (India)						
Taxes, Duties, Fees and other Levies	₹ Mn	307,999	119,082	141,513	213,324	237,688

Credible Growth

Revenue

(₹ Mn)



▲ 7% Y-o-Y

EBITDA

(₹ Mn)



▲ 13% Y-o-Y

PAT

(₹ Mn)



▲ 87% Y-o-Y

Cost Efficiency

Opex Productivity¹

(%)



▼ 141 bps Y-o-Y

Capex Productivity²

(%)



▲ 449 bps Y-o-Y

Expanding Margins

EBITDA Margin

(%)



▲ 170 bps Y-o-Y

PAT Margin

(%)



▲ 240 bps Y-o-Y

Market Share Growth

Revenue Market Share (RMS) in India stood at 30.7% for FY 2014-15 versus 30.5% in FY 2013-14

* Churn numbers reported are year-end numbers

Leading the pack on data revenues with data RMS, of ~45% in FY 2014-15 amongst the top three

India churn maintained under 2.5%*, Africa churn reduced to 5.8%*

■ FY 2013-14

■ FY 2014-15

1

■ 141 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

■ 449 bps increase 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.

A Life-enrichment Network

At our very core, we are a brand that helps elevate the quality of life of millions of people globally. Our presence transcends geographic borders, cultural differences and linguistic diversity. Over the years, we have created a vast fraternity of customers, who rely on our innovative solutions everyday.

The expansion of mobile internet and emergence of plenty of digital possibilities are evolving the telecom sector significantly. Across South Asia and Africa, we are partnering these possibilities by leveraging on our intrinsic strengths.

We are one of the world's leading providers of telecommunication services with significant presence in India, Bangladesh, Sri Lanka and 17 countries in Africa. These 20 countries represent around 26% of the world's population.

We provide telecom services under wireless and fixed line technology, national and international long-distance connectivity, Digital TV and Internet Protocol television (IPTV) services; and offer integrated telecom

solutions to our enterprise customers. 'Airtel Money' strengthens our overarching objective of financial inclusion and offers convenience of payments and money transfers on mobile phones over secure and stable platforms.

Our operations reach out to millions of subscribers, strengthening a life-enrichment network.



Product Performance (Revenue wise)

Mobile Services

We offer a wide array of services under voice and data categories to over 310 Mn customers.

Mobile India and South Asia* ▲ 11% Y-o-Y
(₹ Mn)



*including inter-segmental eliminations

Mobile Africa* ▲ 6% Y-o-Y
(USD Mn)



*on constant currency basis

Telemedia

We offer an entire broadband continuum - fixed line voice and high-speed broadband across homes and office segments, broadband (via DSL), IPTV, internet leased line and MPLS services. Pan-India presence across 90 cities.

▲ 13% Y-o-Y (₹ Mn)



Digital TV

First Indian company, which provides real integration of all the three screens - television, mobile and computer - enabling our customers to record their favourite TV programmes through mobile and web.

▲ 19% Y-o-Y (₹ Mn)



Airtel Business

We offer 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.

▲ 6% Y-o-Y (₹ Mn)



Tower Infrastructure

One of the world's largest infrastructure solutions providers with over 83,000 towers (including proportionate share of Indus Towers)

▲ 6% Y-o-Y (₹ Mn)



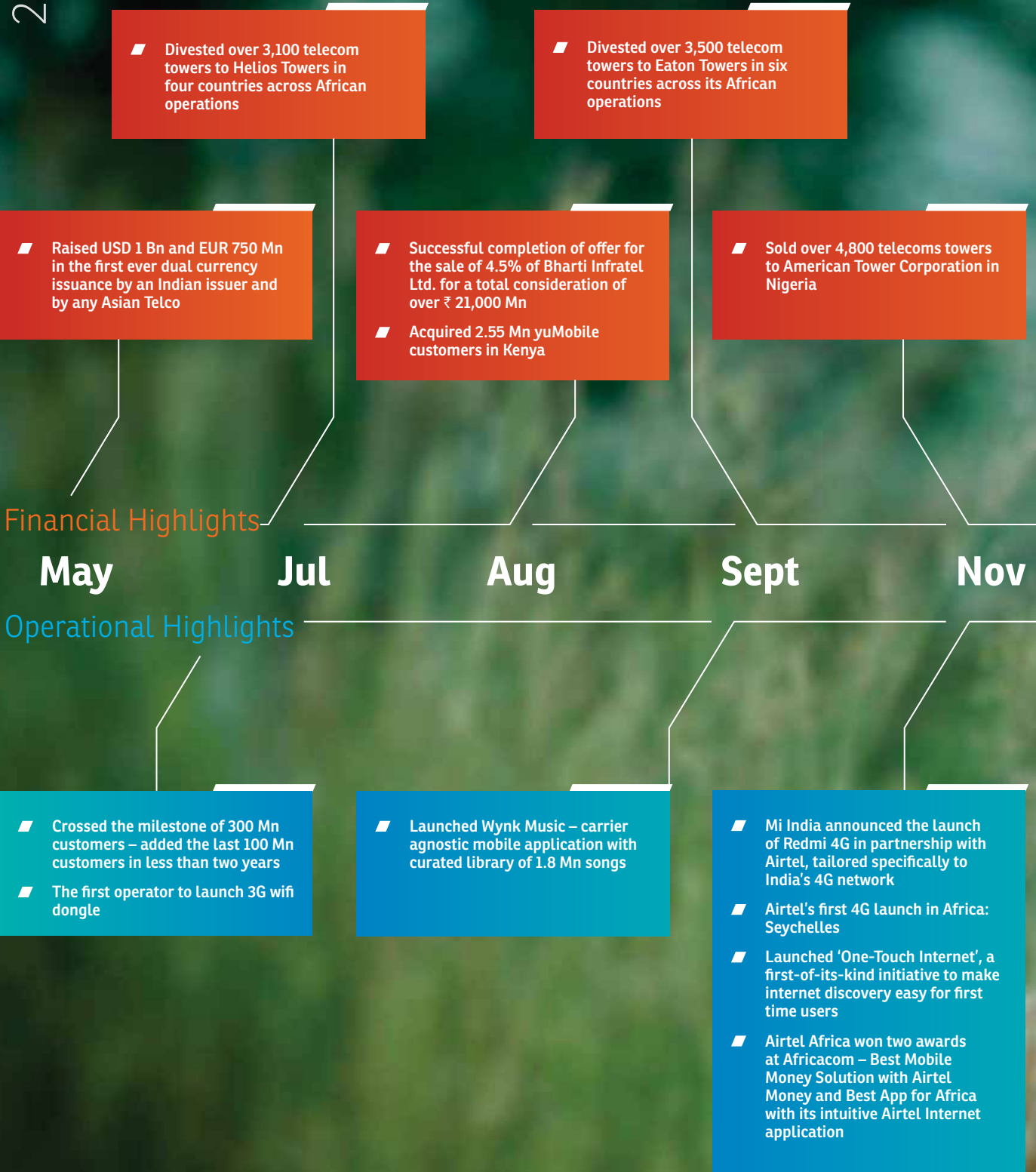
FY 2013-14 FY 2014-15

FY 2014-15 Revenue Mix (%)



Revisiting an Exciting Year

2014



2015

- Divested over 1,100 telecoms towers to IHS Holding Ltd in Zambia and Rwanda

- Won 111.6 MHz prime spectrum for ₹ 291,290 Mn
 - Acquired across 900/1800/2100 MHz for renewals and new spectrum
 - 3G on 900 MHz capabilities now in 10 circles
 - Pan-India 3G/4G footprint

- Successful completion of Secondary Sale of 55 Mn shares of Bharti Infratel Ltd for a total consideration of over ₹ 19,250 Mn

Dec

Jan

Feb

Mar

- Airtel organised 'Each One Teach One day' – an industry-first initiative, aimed at driving India's internet literacy and contributing to the nation's digital inclusion agenda
- 3G operational in all 17 operating locations in Africa
- Launched MyPlan family

- Bharti Airtel partnered with Nokia Networks to launch ultrafast 4G services in India's first FDD-LTE on 1800 MHz: marks India's first FDD-LTE deployment

- 4G extended to 17 cities in India
- Airtel's One Touch Internet honoured as the 'Best Mobile Service/Application for consumers' at GSMA's Global Mobile Awards 2015

- Airtel applied for a Payments Bank license with Kotak to acquire 19.9% stake in Airtel M Commerce Services Limited
- Wynk Music crosses milestone of 5 Mn app downloads

Message from Chairman



Internet is fast becoming an all-pervasive element in our lives.

Dear Shareholders,

Global telecommunication is in the middle of a significant transformational shift today. While 4G as a technology is stabilising rapidly, numerous possibilities in the realm of M2M connectivity are fast appearing on the horizon, signalling exciting future possibilities. Regulatory issues with regard to in-market consolidation are becoming an active action point for the industry across the world.

Riding on accelerated smartphone penetration and new generation network roll-outs, exponential growth of data services remained the defining feature of incremental telecom growth in emerging markets during the year. Rapid adoption of data services has not only meant proliferation of new application based services, but also signalled potentially disruptive changes in the ecosystem.

Emerging and developing economies emitted mixed signals during the year as global economic developments impacted them in varied and asymmetric ways. While India benefited significantly from lower global commodity prices to register substantive and stable economic

recovery, Africa's commodity driven economies struggled to cope with weakening prices and sharp depreciation of currencies in several markets. We clearly encountered contrasting environs in the two key geographies.

Airtel India was a clear bright spot for us, where we not only wrested back revenue market share, but improved profitability as well. The Company's customer acquisition and retention strategy yielded significantly reduced churn. With enhanced investment in data networks - both 3G and 4G, and strategic initiatives like 'one touch internet' to attract new customers to the internet, we experienced a pronounced uptick in data services, which now accounts for over 17.6% of our revenues in India. We expect further momentum in this direction in the coming days.

Proactive spectrum acquisition has been a conscious strategy for us to secure our long-term roadmap.

Proactive spectrum acquisition has been a conscious strategy for us to secure our long-term roadmap. In March 2015 auctions in India, the Company not only successfully renewed its prime 900 MHz spectrum holdings in six circles, but managed to acquire additional spectrum in different bands in 13 other circles. Post these renewals and fresh acquisitions, we now have a spectrum mix that gives us unmatched pan-India reach across 2G, 3G and 4G.

17.6%
of the Company's revenues in India is accounted from data services

6.2 Mn+
Airtel Money customers position us to become a major mobile commerce service provider in Africa.

An unfavourable economic environment in Africa, further complicated by Ebola outbreak, adversely affected our revenue growth in the region. Robust growth in data traffic, however, proved to be a strong counterweight against weakening voice revenues. Our 3G footprint now covers all 17 markets in Africa. We also made our 4G debut in the continent during the year with launches in Rwanda and Seychelles. With over 6.2 Mn Airtel Money customers, we are well on course to become a major mobile commerce service provider in the continent.

During the year, Bharti Airtel undertook several initiatives to meet its long-term funding requirements through a strategic mix of debt and equity. The Company's subsidiary Bharti Airtel International (Netherlands) B.V. successfully raised USD 1.75 Bn and EUR 750 Mn through two issues of Guaranteed Senior Notes on extremely favourable terms. We also offloaded a total of 140 Mn shares of Bharti Infratel in two tranches for a total consideration of ₹ 40,689 Mn, primarily to increase free float and thereby better price

The year witnessed the expansion of our philanthropic portfolio with the launch of Satya Bharti Abhiyan, a rural sanitation initiative, involving a total outlay of up to ₹ 1,000 Mn.

discovery. Our African subsidiaries also entered into several agreements with international tower companies for divestment of over 10,000 towers in different markets.

The Company's Board went through multiple changes during the year. While Tsun-yan Hsieh, Ajay Lal and Manoj Kohli departed after long and extremely productive stints, Shishir Priyadarshi, Director, World Trade Organization (WTO), entered the Board during this period. I take this opportunity to express my sincere gratitude to Tsun-yan, Ajay and Manoj for their valuable service to the Board during their respective tenures.

Our philanthropic arm Bharti Foundation through its school programme is now reaching out to nearly 52,000 rural school students through 254 Satya Bharti Schools, 334 Learning Centres and other Quality Support initiatives in India. The year also witnessed the expansion of our philanthropic portfolio with the launch of Satya Bharti Abhiyan, a rural sanitation initiative, involving a total outlay of up to ₹ 1,000 Mn. In Africa, in addition to the 'Adopt a School' Programme, which is now catering to over 24,000 students, our subsidiaries worked closely with Governments and NGOs to help curb the spread of the deadly Ebola virus in different countries.

Internet is fast becoming an all-pervasive element in our lives, impacting every conceivable area of activity – commerce, banking, entertainment, education, health and governance, among others. Rapid proliferation of internet application based business entities have been the primary driving force of this change.

Telecom is clearly morphing into a data-centric future, which is destined to throw up its unique set of opportunities and challenges.

This new internet economy is going to expand exponentially in the days to come as millions of new smartphone customers join the networks to experience internet for the first time.

Telecom is clearly morphing into a data-centric future, which is destined to throw up its unique set of opportunities and challenges. With our proactive investments in spectrum acquisition and network rollouts, which is effectively complemented by our customer centric approach, we are well positioned for a dominant play in this evolving marketplace.



Sunil Bharti Mittal

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



During the year, we continued to strengthen our go-to-market operation.

Dear Shareholders,

FY 2014-15 was an exciting year for us. During the year, we continued to strengthen our go-to-market operation, launch innovative data propositions, accelerate postpaid growth, enhance customer experience and strip out waste. As a result, our India mobile business grew 11.3% with an EBIT growth of 37.1%. We also maintained consistent growth across all our other businesses and more importantly ensured that we have a team that is cohesive and motivated.

We secured our future in the critical spectrum auctions held in March. Overall, spectrum worth ₹ 1,098,749 Mn was bought by all the operators, of which Bharti Airtel acquired spectrum worth ₹ 291,291 Mn. We now have a pan-India mobile broadband footprint with recent acquisition of 3G and 4G spectrum. In addition, we also strengthened our position in the 900 MHz band, enabling us to provide 3G services on this band as well.

On go-to-market excellence, we continue to push automation of our sales force processes and emphasise the quality of acquisition, while also stepping up the pace of customer additions.

On the data services front, we launched several innovations, such as the One Touch Internet (OTI) and Wynk Music. One Touch Internet was meant to provide new users an opportunity to sample the world of internet, thus easing their transition to the world of the internet. Wynk Music was launched with a disruptive proposition for streaming music. It offers a library of more than

1.8 Mn songs to our customers and crossed 5 Mn downloads in less than six months of launch. We have expanded our 4G footprint across many more cities and have successfully positioned our brand as 'The Smartphone Network.' Last year witnessed one of our largest site deployment and re-farming initiative as well. These efforts helped us improve our data offerings and experience significantly.

On Airtel Money, we partnered with Kotak Mahindra Bank to apply for the payments bank license. We believe that this initiative is critical to achieving the objective of transitioning to a cashless economy.

We accelerated the growth of postpaid through the launch of several innovative offerings. The myPlan product was extended to B2B customers as well as re-packaged for a complete family proposition. Footprint of our retail stores was expanded through both own and franchisee outlets. We automated several customer facing processes and are continuously improving the quality of call centres, so that we give superior experience to our customers.

Identifying and weeding out waste from our business is a top priority for us. In the past two years, we had set ambitious cost-saving targets for ourselves and, we have been able to meet them successfully.

Finally, Bharti Airtel has constantly strived to be among the preferred places of work for the smartest in the industry. Last year, 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 are launching our third Sustainability Report this year that spells out our initiatives for environment sustainability. Bharti Foundation, with full support from our employees, has been doing remarkable work in the area of promoting education among underprivileged rural children. These initiatives have made our corporate citizenship more meaningful.

As we look ahead to the future, we strongly believe that India is at the cusp of another telecom revolution. This time round it is focused on data. The government's 'Digital India' initiative has the potential to transform the daily lives of our people by bringing in greater transparency and efficiency in delivery of public services and expand the reach to markets, which were otherwise considered remote. Airtel is uniquely positioned to make a significant contribution to the 'Digital India' goals. We have the assets in terms of spectrum and network, the talent and the innovations to make a significant impact.

Last but not the least, I want to thank our customers, our people, our partners and our shareholders for reposing faith in us and helping script this ongoing story.



Gopal Vittal

11.3%
Growth of mobile business in India

Message from Managing Director & CEO (Africa)



During the year, we saw encouraging results as Airtel's data subscriptions rose by 36.2% in Africa, whilst total MBs on the network grew by over 87.4%.

Dear Shareholders,

Often considered the world's last frontier, Africa has continued to demonstrate considerable growth potential in key economic sectors. Prospects are particularly bright in the communications sector. Whilst, there has been continued growth in the sector, there is still room for improvement to match the much faster growth seen in other telecom markets.

Despite all the challenges the continent has faced – political unrest, Ebola epidemic, economic instability, continuous currency devaluation – that have had an impact on the way we do business, Africa presents immense opportunities as we continue to build stronger bonds with our stakeholders and the communities we operate within.

As we continued to transform the business, under the challenging context we reviewed the way we lead our operations in order to consistently win in the market place and improve our brand scores. We anchored our business plan during the year to the following strategic considerations:

- Customer growth with quality at the focus, thereby increasing customer lifetime value
- Stronger data network rollout to help garner incremental revenue share higher than our current revenue market share
- Leveraging adoption of Airtel Money to induce loyalty and reduce the churn

- Localised go-to-market with intelligent volume and rate per minute play for profitable revenue growth
- Proliferate our war on waste across countries by focusing on cost efficiencies & sweating the assets
- Revamp of our leadership teams at all levels and new corporate governance

Data services have already become a powerful revenue stream for the industry in the region, with over 80% of internet users in Sub-Saharan Africa accessing it through mobile devices. We saw encouraging results during the year as Airtel's data subscriptions rose by 36.2% in Africa, whilst total MBs on the network grew by over 87.4%. Data usage per customer was 130 MBs by March 2015 accounting for a year-on-year growth of 35.4%.

With the launch of 3G in Gabon, Chad and Niger, we now have extended our footprint to all 17 markets in Africa. We also launched our 4G services in Rwanda and Seychelles, showcasing our technology leadership in the region.

With 6.18 Mn Airtel Money customers, we are set to become a major mobile commerce service provider in the continent. Our strategy for growth continues to focus on the expansion of our ecosystem to include governments, merchants, retailers, utilities, banks and other relevant stakeholders. We have provided affordable financial services such as utility payments, money

transfers (Local & International), mobile insurance, savings and loans. Under Airtel Money, we launched the first East Africa mobile cross border cash transfer product that will enable our customers transact money with neighbouring countries – Kenya, Rwanda, Burundi, Tanzania and Uganda. We also closed our partnership with MasterCard and Visa card companion card linking the Airtel Money wallet with the cards.

We continued to connect with Africans from all walks of life through various engagement platforms, the most visible initiative being the Airtel Trace Music Stars Competition which so far is the biggest music competition in the continent. The finals at Nairobi, Kenya drew the best singers qualifying from preliminary stages in 17 countries.

With CSR playing a big role in shaping the Company's culture and growth, we have adopted an even more focused policy under which the organisation will work on aligning mobile usage in the continent to empower, enable and unlock the potential of future generations to create wealth in four key sectors – education, enterprise development, health and environment.

In the upcoming fiscal year, continuing to build on the strategy pillars of this year, our focus shall be revenue growth and eliminating wastage through operational efficiencies. In addition, our CSR policy will be a key driving force in ensuring that we connect more with the communities we operate in.

Amidst all this, our people will continue to be a source of competitive advantage as we aggressively hire and develop the best-in-class talent so as to build a strong employer brand and ensure full focus and execution towards achieving the objectives of our stakeholders.

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

Digital for all

India's vibrant revolution

Mobile telephony is paving the way for an unprecedented digital empowerment for millions of people in India. The country now has over 200 Mn internet users, of which close to 60% access the web through a mobile device.

In 2014, the country topped as the world's fastest growing smartphone market. The availability of low-cost smartphones, tablets and customer-friendly data tariffs is driving internet

penetration across urban, semi-urban and even rural areas. India's digital aspirations are altering the dynamics of traditional media and entertainment industry, as more eyeballs are now shifting to online channels.

The Government of India is now focusing on preparing a complete framework for transforming India into a digital society. The objective of the mega plan is to help elevate the life of the common citizen in multiple ways and in a cost-effective manner. At Bharti Airtel, we have the right assets and the acumen to ensure that our response to this transformation is proactive and innovative.

2 Mn

First time data users helped by Airtel One Touch Internet to experience internet

1 Lakh+

Active customers for 3G Wifi Dongle



One Touch Internet

As data networks expand and internet enabled devices become affordable – more and more Indians are accessing the internet through their mobile devices. However, our market research has shown that there are millions of customers across the country, who own an internet-ready mobile device and are keen on getting online, but are apprehensive due to reasons like lack of know-how and fear of incurring heavy data charges. Airtel's 'One Touch Internet' will handhold first-time internet users on their mobile devices.

Key USPs

- Airtel's 'One Touch Internet' is a Wireless Application Protocol (WAP) portal designed with a simple, secure and intuitive interface. It allows first-time users to discover the internet easily and helps them overcome common perception barriers around the mobile data experience.



- Available in 10 languages and a highly visual interface that helps address the 'literacy' barrier to internet adoption.
- 'One Touch Internet' works as a single-point destination for the 'uninitiated' to see, try and buy a host of popular services (including social networking, videos, online shopping and travel bookings) – all with just one touch.

Driving Digital Inclusion

India has the world's third largest internet subscriber base. But the country's internet penetration stands at about 19%, which is low compared to internet penetration in other major economies, such as the US and China.

We believe digital literacy is critical to drive a knowledge-driven economy in the twenty-first century. In line with our belief, we organised 'Each One Teach One day' - an industry-first initiative aimed at driving internet literacy in India. Our network of 1.4

Mn retailers, 20,000 on-the-field executives and 15,000 employees across a total of around 1,800 towns pledged their support towards the cause of widespread internet awareness in India.

Wynk Music

With the proliferation of smartphones in the country, mobile phones have emerged as the most preferred platform, when it comes to experiencing music on the go and accounts for almost 85-90% of total digital consumption. We introduced Wynk Music – a device agnostic mobile application that is designed to introduce music lovers to a library of over 1.8 Mn songs (including Hindi, regional and international hits) curated by experts. With this launch, Airtel has now become the first operator to introduce an OTT (Over-the-Top) mobile

application in the Indian market. The application is not restricted to any specific mobile operator, enabling customers to stream, download and buy songs at reasonable prices and experience an ad-free interface, while on the move.

New Internet Products

3G Wifi Dongle: Airtel launched 3G Wifi Dongle being the first 3G operator to launch this device. The product can be plugged anywhere like phone charger USB, laptop USB, car charger to create a wifi hotspot and up to five users can connect and enjoy 3G.

4G roll out across India in
17 cities

Airtel 3G is available
across India in
9,951 cities

5 Mn+
App downloads registered
on Wynk music in less than
six months

Digital for all

240 million and growing

Yes, that's the number of people in India, we are touching everyday with our wide-range of innovative and customised solutions. We are the first Indian company to enable real integration of almost all digital devices, enabling our customers a seamless experience.

Airtel myPlan - tailor-made plan for the entire family

We introduced myPlan Family for our post-paid segment, enabling customers to not just tailor-make their postpaid plan, but also share the benefits with their family. Our customers can now

customise postpaid plans on the basis of their family's usage preferences and requirements. They can share the benefits of the plan with five of their family members, thus ensuring zero wastage or overspend that are otherwise inherent in individual plans.

Airtel's myPlan family combines the features of infinite flexibility offered by myPlan with the sharing feature to offer affordability, convenience and zero wastage.

3 Lakhs+
Users in 90+ countries are part of the Airtel talk community, as on March 31, 2015

Airtel Talk

High international call costs are a deterrent towards customers freely connecting with friends and family when abroad. At the same time, factors such as fast-expanding penetration of smartphones and adoption of data services have led to a new market preference for integrated forms of communication, such as video calling and instant messaging, among others.

We introduced 'airtel talk' – an all-in-one communication application that facilitates easy and affordable solution for Indians across the world to call back home. It can work as an alternative to expensive ISD voice-only calls, low quality messenger calls and calling cards, among others.

Voice Free for Broadband Customers

We are India's first telecom services provider to offer our broadband customers free voice calls to any network in the country 24X7. We have launched two first-of-its-kind voice calling packs for our broadband customers, offering unlimited free voice calls at unbeatable prices to any number in India on any network, both fixed line and mobile, round the clock.

Strengthening Enterprise Services

We joined the AWS Partner Network (APN), which will enable us to deliver private network solutions for enterprise customers using Amazon Web Services (AWS) globally. This will help Airtel's enterprise customers across the globe leverage the power of AWS Direct Connect to establish a dedicated network connection between customers' premises and Amazon's data centres. It helps them reduce network costs,



increase bandwidth throughput and experience a more consistent network connectivity.

Airtel is committed to providing highly reliable connectivity between the customer location and their closest AWS data centre - thus giving a consistent user experience and secure network configuration, while reducing costs of IT infrastructure.

Enriching the TV Viewing Experience

Innovation and customer satisfaction is core to our DNA. We strive to empower our customers with superior television viewing experience by offering innovative and life enriching services, supported by cutting-edge technology.

We are the first to introduce the Universal Remote to the market, along with value-added services, such as Multi-lingual Electronic Programme Guide (EPG). We are also the world's first USSD-based self-care facility on mobile, making Airtel one of the fastest growing Direct-To-Home (DTH) service

providers in the country.

We have a Self-Care Application for television sets, a first-of-its kind by a DTH service provider. The application enables customers with an Airtel Digital TV HD set-top-box to easily access their Airtel Digital TV account details on a real-time basis on their television sets. They do not need to reach out to the customer support centre.

We collaborated with Samsung to launch the Integrated Digital TV and introduce the Indian market to its next phase of TV viewing experience with the launch of Integrated Digital TV (iDTV). As part of this innovation - Samsung's range of Smart Direct TVs will come designed with an in-built Airtel digital TV Smart Card. This will enable DTH signal reception without the need for customers to install an external set-top-box (STB).

Among Many Firsts

- Our subscribers only need to connect a pen-drive to a set-top box to enable Pause Live feature, enabling customers to record their favourite TV programmes and watch them at leisure.
- Our subscribers can also watch television on phone or tablet by simply downloading the app on the device.

Widening Spread

We are constantly innovating to meet the expectations of our growing fraternity of customers in India. In the last 14 months, we have opened over 100 Company-Owned-Company-Operated Airtel stores across India. These stores will offer end-to-end service support for their Airtel mobile, dongle and broadband connections.

10 Mn

Customer base achieved by Airtel Digital TV in just 6 years of inception

460+

Channels & services offered (58 channels added during FY 2014-15)

Digital for all

In step with African aspirations

Africa is unmistakably rising. Home to more than a billion people and some of the fastest growing economies of the world, the continent is geared to play a more significant role in influencing global economic affairs, than ever before. There are challenges, but the bright spots are clearly visible.

Sub-Saharan Africa, for instance, enjoyed robust economic growth of 5%

3G

Operational in all 17 locations in Africa where we are present

4G

Africa's first such service launched in the Seychelles

in 2014, driven by strong investment in mining and infrastructure and by strong private consumption, especially in low income countries. Although there are headwinds, the region will continue to be among the fastest growing economies of the world.

We have steadily escalated our investments in Africa, as we see a lot of untapped potential in the communications sector. We are now well positioned to derive benefits of increasing tele-density in countries, which are under-penetrated.



Elevating Customer Experience

Self-Care: Self-Care is a handset driven self-service option that provided customers with multiple channels to get service anytime, anywhere. Following the launch, its popularity is steadily rising. In addition, service though social media gained extensive momentum.

Customer Engagement: We undertake several initiatives throughout the year to enhance customer engagement. During the last FIFA World Cup, for instance, 80 High Value Customers were sent to Brazil, who were selected through various promotions. Special events were conducted for premier customers. We also partnered with hotels, airlines, airport lounges and other well-known brands. It helped improve customer experience, as well as our revenues.

Airtel Specialised Customer Care Service: Launched in 11 markets with plans to extend across Gabon, DRC, Congo B, Chad and Seychelles. We have Airtel care active user base of over 70,000.



Airtel Zone: Airtel Zone is a dynamic tariffing solution that offers the Airtel customer an optimal tariff, in the form of a discount, at the time of initiating the call. This discount is calculated, based on the specific cell site, the time of day and the current utilisation characteristics. We have launched this across 12 African markets and continue to roll out in other operating locations.

Dynamic SIM Allocation (DSA): DSA was launched in Nigeria and provides Airtel the ability to supply the market with blank SIM cards, therefore making our SIM's accessible to all. This is possible as valuable network resources, such as Mobile Numbers are not tied up at the time of distribution, but only allocated at the time of SIM activation. The solution can also be expanded to provide the customer with choices, such as Mobile Number, Language and Tariff Plan selection at the time of activation. DSA is currently being expanded to Tanzania, Democratic Republic of Congo and Burkina Faso.

Digital Drive

AppStore: AppStore, launched in five markets, plans to extend across Nigeria, Madagascar, Chad and Sierra Leone. AppStore has 40,817 active users, 20,358 downloads and 89,651 visits since its launch.

Micro Insurance: Micro insurance offers Airtel customers free insurance products, based on their monthly spend. The product is further enhanced by a paid-for model, where customers can choose to extend their cover.

Intenet Discovery Portal: It is a new data user on-boarding tool with a set of content including news, education and health, among others eg: Internet.org was adjudged the Best App at Africa GSMA 2014.

Wynk: We rolled out music app in eight markets and further plan to extend it across various other locations. We are in the process of improving customer experience and acquiring more content, based on market research and consumer behaviour.

Video Entertainment Store (VES):

We have already launched VES in Kenya, Uganda, Malawi, with plans of further expansion. VES enables customers to watch videos at a low price and consume data with no charges.

Home Wi-Fi Router: Implemented in Tanzania, it provides connectivity to all devices (including non-sim devices). It has a screen with self-care app for subscription and account management.

Airtel Red: We launched our first customised 3G smartphone across 12 operating locations in Africa. Through this launch, we are focusing on migrating existing and new customers from the traditional feature phones to android smartphones; and take advantage of Airtel's 3G networks.

Product Innovation

- UnlimiNET, first launched in Kenya, offers talk time, SMS and data packages to customers. It enables customers continue browsing, even after their bundles run out.
- Yatosha, launched in Tanzania, is a combo pack comprising bundled minutes for voice, SMS and data. The customers can either choose an 'All Networks' pack or 'Airtel to Airtel' pack.
- Wiceceka, an unlimited voice bundle, was launched in Rwanda to boost voice revenue growth and improve 'Airtel to Airtel' traffic and revenues. This bundle has been a huge success, with growing customer base and revenues.
- Talk ChawAnkasa rewards the customers with five times bonus on the attainment of some targets. It can be spent on voice, SMS and data before mid-night of the same day.
- Smart Share allows customers to share one data plan with family and friends.

Board of Directors



Sunil Bharti Mittal
Chairman



Chua Sock Koong
Non-Executive Director

C2



Sheikh Faisal Thani Al-Thani
Non-Executive Director



V. K. Viswanathan
Independent Director

C1



Ben Verwaayen
Independent Director

C2



Craig Ehrlich
Independent Director

C1



D. K. Mittal
Independent Director

C2 / C3 / C4



Manish Kejriwal
Independent Director

C2 / C3



Obiageli Ezekwesili
Independent Director

C1



Shishir Priyadarshi
Independent Director

C1



Rajan Bharti Mittal
Non-Executive Director

C2 / C3 / C4



Tan Yong Choo
Non-Executive Director

C1



Gopal Vittal
MD & CEO (India & South Asia)

C3 / C4

Board Committees

Chairmanship Membership

- C1 Audit & Risk Management Committee
- C2 HR & Nomination Committee
- C3 Stakeholders' Relationship Committee
- C4 Corporate Social Responsibility Committee

Awards & Accolades



Voice & Data Telecom Leadership Awards 2014 – Bharti Airtel (India) – ‘Top Circles category’

Bharti Airtel ranked third in The Economic Times and Interbrand’s ‘Best Indian Brands’ survey for 2014. According to the survey’s brand valuation methodology, the Company’s brand was valued at ₹ 294.77 Bn.

Bharti Airtel ranked fourth in Brand Finance’s survey for ‘The Most Valuable Indian Brands of 2014.’

Bharti Airtel won two awards – ‘Enterprise Mobile App’ and ‘Unified Communication Solution’ at the 5th Edition of the Aegis Graham Bell Awards 2014 in New Delhi.

Bharti Airtel won ‘Voice & Data Telecom Leadership Awards 2014’ in three categories – ‘Top Circles’, ‘Product Innovation’ and ‘Business Services’ at the Voice & Data Telecom Leadership Forum 2015 in New Delhi.

Airtel Bangladesh won the ‘Mobile Money’ and ‘Digital Payments Global’ Awards, 2014 in the category of ‘Collaboration Commendation’ at the Mobile Money and Digital Payments Global Conference in Istanbul.

Bharti Airtel secured the top spot in Brand Equity’s ‘50 Most Trusted Service Brands’ 2014.

Bharti Airtel secured the second position in the ‘BrandZ Top 50 Most Valuable Indian Brands 2014’. As per the survey’s brand valuation methodology, the brand was valued at USD 8,217 Mn.



Voice & Data Telecom Leadership Awards 2014 – Bharti Airtel (India) – ‘Product Innovation category’

Bharti Airtel Lanka positioned among top 50 companies on LMD magazine’s ‘Most Respected Entities, 2014’ in Sri Lanka.

Bharti Airtel Lanka bagged the Gold Award at the People Development Awards 2014, organised by the Sri Lanka Institute of Training and Development (SLITAD) in Colombo.

Bharti Airtel was recognised as the ‘Top Treasury Team Asia 2014’ at the Adam Smith Awards Asia 2014 in Singapore.



People Development Awards 2014 – Airtel Lanka – ‘Gold Award’

Airtel Africa won 'Best Mobile Money Solution' and 'Best App for Africa' awards at the AfricaCom Awards 2014 in Cape Town, South Africa.



AfricaCom Awards 2014 – Airtel Africa – 'Best Mobile Money Solution' and 'Best App for Africa'

Airtel Ghana won 'Marketing Oriented Organization of the Year' and 'Brand Activation Program of the Year' Awards at the Chartered Institute of Marketing Ghana (CIMG) Awards 2014 in Accra.



Nigerian Telecom Awards 2014 – Airtel Nigeria – 'Most Customer friendly Network'

Airtel Kenya was recognised as the 'Best Wholesale Operator' at the 3rd International Mobile Virtual Network Operators (MVNOs) World Congress 2015 in Nice, France.

Airtel Zambia bagged the 'Best Corporate Social Responsibility Program' and 'Best Social Media Campaign' awards at the 2014 Zambia Public Relations Association's (ZAPRA) Annual Awards held in Livingstone.

Airtel Ghana won five awards – 'PR Campaign of the Year', 'Best Community Relations Program of the Year', 'PR Discovery of the Year', 'Social Media Company of the Year' and 'PR Organization of the Year – Telecoms' at the 2014 Institute of Public Relations Excellence Awards in Accra.

Airtel Ghana was recognised as the 'Best Mobile Money Service of the year,' and 'CSR Company of the year' at the Ghana Telecom Awards 2014.

Airtel Nigeria recognised as the 'Customer Friendly Operator of the Year' award at the Nigerian Telecoms Awards 2014 in Lagos.

Bharti Airtel's One Touch Internet won the 'Best Mobile Service/Application of the Year for consumers award' in the category of Best Mobile Services at the GSMA Global Mobile Awards 2015 in Barcelona.



Chartered Institute of Marketing Ghana (CIMG) Awards 2014 - Airtel Ghana – 'Marketing Oriented Organization of the Year' and 'Brand Activation Program of the Year'

Corporate Social Responsibility & Sustainability

At Bharti Airtel, we believe that doing business responsibly and sustainably is crucial for building long-term growth and stakeholder value. As the digital landscape is fast expanding globally and touching lives in different ways, we are aligning our sustainability strategy with our innovations in the digital sphere.

Our sustainability strategy revolves around two key imperatives:

- A) Community wellbeing and empowerment through multiple initiatives and innovation;
- B) Environment protection through green initiatives and judicious resource management.

From small yet significant efforts to large-scale community and environmental initiatives, our objective is consistent. To ensure a better quality of life for all and partner the global movement to combat environmental hazards and climate change.

India

A. Community Wellbeing & Empowerment

At Bharti Airtel, we are partnering the government's initiative to empower disadvantaged communities through need-based intervention in the realm of education, employment generation, sanitation, healthcare, disaster management and environment protection, among others. Working for communities, and considering them key stakeholders in our progress, is helping us emerge as an agent of positivity and change for an aspiring nation.

₹ 411 Mn
Spent on CSR initiatives in
FY 2014-15

Bharti Foundation

Imparting quality education to rural disadvantaged children has been the primary focus of the Foundation ever since its inception. The Foundation is committed to help underprivileged children and young people of our country realise their potential. The Satya Bharti School Program is the flagship initiative of Bharti Foundation. It aims to provide free quality education to underprivileged children in rural India, with a special focus on the girl child. The model ensures that children are provided quality education absolutely free of cost through well trained teachers, selected through a well formulated process, from the surrounding communities. It supports students in our schools with free uniforms, education materials, nutritious mid-day meals, among other facilities, in addition to charging absolutely no fees.

In close partnership with 'Educate a Child', a global initiative, Bharti Foundation implements the Satya Bharti Learning Centres Program. The program aims to bridge the education gap of out-of-school children and mainstream them into regular government schools in villages. Under its Quality Support Program, Bharti Foundation is also collaborating with government schools to improve the overall quality of schools. It does so by bringing in its learnings from the Satya Bharti School Program and enabling the leadership and teachers of rural government schools to initiate their schools on the path of constant improvement.

The Foundation has recently announced 'Satya Bharti Abhiyan', an initiative to improve sanitation facilities in rural Ludhiana. In addition to rural household sanitation, it will also improve sanitation facilities in government schools in rural Ludhiana



by building toilets for girls, where no such facilities exist.

I. Satya Bharti School Program

The Satya Bharti School Program was introduced in 2006. This rural education initiative has the following objectives:

- Provide free and quality education to underprivileged children, with a special focus on the girl child, in rural parts of the country.
- Transform students into educated, confident, responsible and self-reliant employable citizens of the country with a deep sense of commitment to their society.
- Encourage active involvement of the community, parents and like-minded organisations.
- Make a lasting and sustainable impact on the community where schools are present.

- Find innovative solutions, through its primary, elementary and senior secondary schools to create replicable and scalable components in the program to facilitate delivery of quality education.

Building Tomorrow's Talent

In FY 2014-15, the first batch of 40 students from Satya Bharti Adarsh Senior Secondary School, Chogawan, Amritsar appeared for the CBSE Class X board exams. All the students passed the exam; 10 students scored a CGPA of 9 and above. Eight of these 10 students are girls.*

* While the financial year ends on March 31, 2015, these results were declared in the month of May 2015.

254

Number of Satya Bharti Schools

06

Number of states

40,934

Number of students

49%

Percentage of girls

74%

Percentage of children from SC/ST/OBC communities

Confident Face of Change



Anjali Puri, Class VIII, Satya Bharti School, Balial, Sangrur, Punjab

Anjali is one of five children in her family, including four girls and one boy. Her father is a rural hawker, with no stable income source. But that did not prevent young Anjali from going to school regularly. She is so fond of books that she reads even during recess and while she waits for her ride back home.

She took inspiration from her teachers and conducted awareness campaigns in the village to sensitise her parents and the community on the importance of educating girls. As a result, a lot of other girls (including Anjali's elder sister) now go to school. Anjali epitomises the Foundation's credo of leadership through holistic development of children through quality education.



II. Satya Bharti Learning Centres

In its pursuit to accelerate the enrolment of out-of-school children, Bharti Foundation initiated the Satya Bharti Learning Centres Program, in partnership with 'Educate a Child' (EAC). This is a global initiative to reduce the number of out-of-school children across the world and Bharti Foundation is a strategic partner to this global campaign. The Satya Bharti Learning Centres (Remedial/Bridge Centres) are set up to enrol out-of-school children back into schools and provide remedial education to develop age appropriate learning competencies.

Program Approach

- 1. Classrooms:** Government schools provide the classroom(s) for setting up centres in villages.
- 2. Teaching Resource:** An Education Volunteer is appointed by the Bharti Foundation to conduct academic and non-academic initiatives.
- 3. Identification and Enrolment:** Education Volunteers conduct household surveys for identification and enrolment of out-of-school children.
- 4. Baseline Assessment:** A baseline survey is conducted to identify the learning gaps of children.

- 5. Remedial Strategy:** Based on the results of the baseline survey, children undergo three/six/nine/twelve months of remedial courses to develop age-appropriate learning competencies.

- 6. Training of Education Volunteers:** The Education Volunteers are imparted pedagogical training before they teach.

III. Quality Support Program

The program partners with government schools and works along with its leadership and teachers to support them in their journey towards excellence. The program facilitates the desired change in rural government schools through two channels of engagement. It optimises on the existing strengths and it provides catalytic support to bridge gaps identified by the schools' own leadership team. This approach ensures that the schools can succeed on the strength of their own capabilities and motivation.

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.



IV. Satya Bharti Abhiyan

Bharti Foundation has undertaken a new initiative – ‘Satya Bharti Abhiyan’ – to improve sanitation facilities in rural Ludhiana. Inspired by the Hon’ble Prime Minister’s call to the corporate sector during his speech on Independence Day (2014), to strengthen Government’s initiative on this score, the Foundation has adopted Ludhiana district (rural) as its focus area for improvement of sanitation. As part of this program, the Foundation will construct Individual HouseHold Latrines (IHHLs) in houses without such amenities, in over 900 villages across the district, over the next three years. Satya Bharti Abhiyan is also investing in the improvement of sanitation facilities in government schools in rural Ludhiana by building new toilets for girls, where no such facilities exist.

V. Other Programmes

The Bharti School of Telecommunication Technology and Management, IIT Delhi helps develop telecom leaders through excellence in education and research offering MTech, MBA, MS(R) and PhD at IIT, Delhi. In addition, the Airtel IIT Delhi Centre of Excellence in Telecommunications (AICET) was set up under a public-private partnership mode, functioning as an integral part of Bharti School of Telecommunication Technology and Management at IIT Delhi. In FY 2014-15, 120 students were supported through various facilities of the Bharti School to pursue courses in associated fields.

We also have Bharti Centre for Communication in partnership with IIT Bombay and the Bharti Institute of Public Policy in

partnership with the Fletcher School of Law and Diplomacy, Tufts University (USA) at the Indian School of Business in Mohali. In addition, exceptionally talented students are awarded Bursaries to pursue studies at the University of Cambridge, UK through the Manmohan Singh Bursary Fund.

Airtel Connect

Airtel Delhi Half Marathon

Airtel Delhi Half Marathon has created a robust platform to generate awareness about various initiatives of Bharti Foundation as well as many other NGOs. Organisations and individuals from all walks of life participated with enthusiasm. Corporate teams ran for Bharti Foundation under the theme – Making a Difference Together.

Young Leader Program

Young Leader Program is a two-week corporate induction initiative. It encourages new joinees of Bharti Airtel to participate in various initiatives of the Foundation. This year 29 Young Leaders volunteered for 21 Satya Bharti Schools in Punjab, Haryana, Rajasthan and Uttar Pradesh. They assisted the teachers in classrooms, trained students in various skills, such as communication and leadership and interacted with communities, during their stint with Bharti Foundation.

ACT (A Caring Touch)

A Caring Touch (ACT) is an employee payroll giving programme for Bharti Group of companies. The programme encourages employees to give back to the society in terms of money, time, skills or knowledge. Contributions are matched by the Company as per policy.



Initiatives by Circle Offices

In Good Times and Bad

At Bharti Airtel, community remains our partners in progress. We believe in being with the community, whatever may be the purpose. We participate in community festivities and provide critical help and support to those in need during emergencies. This is part of our sustainability agenda to create value for all.

Celebrating Navaratri: Airtel's Gujarat Circle celebrated the festival of Navaratri with mentally and physically challenged kids. They enjoyed dinner with the team and received a token of appreciation.

The Circle also helped visually impaired girls to put up a kiosk at the office and encouraged employees to buy products that were displayed by them.

The Circle participated in the Clean Bharat Campaign and the awareness walk organised by the State Municipal Corporation.

Rejoicing Children's Day: On the eve of 'Children's Day', Rajasthan Circle organised a three-day online auction of over 50 laptops; the proceeds of which were handed over to Bharti Foundation.

Protecting the Environment: Under the 'Go Green' campaign initiative, the Rajasthan Circle organised a tree plantation campaign in Jaipur. Airtel employees participated enthusiastically in the plantation campaign and planted saplings in large numbers.

Team UPU also contributed in environment conservation. Over 250 employees participated in the event and each person pledged to plant a sapling.

Joy of Giving Week: The week provided the Rajasthan team with another opportunity to show their commitment. The team visited two Satya Bharti Schools in Amber, Jaipur district and



asked the school kids what they wished for. The wishes of the children varied from school bags to crayons. A wish tree was created in the Jaipur office bearing fruits, containing the various wishes of children like pencil box and chocolates, among others. Some employees even committed to fulfil such wishes of children.

Christmas Celebration: Bihar and Jharkhand circle celebrated Christmas with differently-abled students at a school in Darbhanga. The team distributed sweets and snacks to students, along with note books, instrument boxes, pencils, pens, erasers, sharpeners, among others. On request, a DTH connection was installed in the school, which will get recharged by Airtel every month.

Blood Donation

Celebrating the 68th year of the Indian Independence and remembering the heroes who sacrificed their lives for the nation, Airtel WBO organised a voluntary blood donation camp at its premise. Due to acute scarcity of blood for saving lives, this initiative received much appreciation.

Gujarat circle also organised a blood donation camp at their circle office and Rajkot zone. Around 100 units were donated by employees.

Reaching Out

In Kolkata, a team led by the CEO and accompanied by other ECs visited 'PARIVAAR', a house for disadvantaged children, with some gifts this Diwali. The team distributed stationeries (crayons, pencils, pencil boxes, sketch pens, notebook, drawing book) and chocolates.

Community Awareness

Airtel Zonal Team at Ludhiana, with the help of Bharti Foundation's regional team, adopted five villages in Ludhiana to build community awareness for personal hygiene and household sanitation.

The *Swachhta Pracharaks* chose Republic Day to announce the launch





of a campaign titled 'Swachh Raho Swasth Raho'. It aimed to increase awareness against the hazards of open defecation and the lack of personal hygiene through various initiatives.

The team promoted the campaign through various activities, including marching with banners and placards, staging role-plays and door-to-door activities. The month-long initiative witnessed door-to-door campaigning with over 600 households. It also sensitised communities against the contamination of water bodies and the subsequent spread of water-borne diseases like diarrhoea and cholera. This consequently helped the community members to cultivate healthier habits for improved health.

Sanitation Week

Ludhiana Zone employees participated during the inaugural session of the sanitation week, where employees picked up brooms and waste disposal bags, along with Bharti Foundation Team and Satya Bharti School Students, to strengthen the message on hygiene and cleanliness. In addition to the community, students from other local government schools also joined the programme.

Disaster Relief

Bharti Airtel promptly responded to the emergency situations arising due to floods in Jammu & Kashmir. The Circle joined hands with the local government authorities to conduct relief work. Its channel partners organised a day-long

community kitchen in Srinagar to provide food and water.

The Company offered free-calling facility for 60 minutes per day for five days to each of its subscribers. It also set up five VSAT terminals at critical areas and relief camps to create public Wi-Fi hotspots, thus enabling free data services. Airtel also distributed blankets and eatables at Yateem Khana, Batmaloo.

APO circle associated with the NGO Goonj organised a three-week drive to collect wearable old cloth for flood victims. The drive helped in collecting more than six cartons full of wearable clothes and shoes.

Airtel NESA in Support of Flood Victims

In response to a severe natural disaster in Meghalaya, Airtel NESA launched a flood relief campaign in the region. The team volunteered to help victims. The team distributed dry food items like rice, lentils, salt, glucose biscuit and drinking water to over 2,000 families affected by the flood.



Paving Pathways to Progress

IFFCO Kisan Sanchar Limited (IKSL)

Empowerment of farmers is a critical priority for us. In line with that objective, Bharti Airtel touched millions of farmers through its partner IKSL. A major achievement of the year was the successful implementation of the fisheries project with the Government of Odisha. IKSL added 2 Lakh fishermen to the network in Odisha to provide information on fisheries. The lifesaving alerts provided during cyclones have been widely acclaimed.

18 Lakhs+

Farmers enrolled in 2014-15 across 18 states, who start their day with voice information from IKSL.

80,000+

Number of farmers are expected to benefit from the joint initiative of Andhra Bank and IKSL. The bank helps farmers who had taken loans with critical information on agriculture, banking operations, schemes, loan disbursement, financial inclusion and crop insurance.

Social Entrepreneurship

The Government of India has awarded IKSL for managing the prestigious 'Kisan Call Centre' Services of Government of India. Apart from empowering with information, farmers and their children are also enrolled as 'Kisan Mitras' to spread the IKSL programme among other farmers.

IKSL received the prestigious 'Economic Times – Telecom Award' under the category 'Use of telecom for Social good'. Besides, IKSL bagged the 'CSI award for excellence in IT during the year.

B. Environmental Protection

More people in the coming decades are likely to be exposed to floods, droughts, heat waves and extreme weather associated with climate change, if businesses and governments do not intensify green initiatives. We are already experiencing globally the early signs of extreme weather conditions.

At Bharti Airtel, we acknowledge the reality and continue to focus on green solutions with renewed vigour. We are adopting new technologies and best industry practices to strengthen our green commitment.

Energy on the Horizon

Rooftop Solar Energy at Main Switching Centres (MSC)

Bharti Airtel has installed six more solar plants in FY 2014-15, taking the total capacity to about 0.74 MWp, installed at 12 MSC locations. These on-grid solar plants are expected to generate green energy of 1.1 Mn units, reducing emission of 900 tons annually.

Solar and Battery Hybrid Solutions

As a part of the Company's corporate mandate to help protect the environment, it is aggressively

implementing green (battery, solar, hybrid, Li-ion and biomass) solutions at its owned sites. Airtel has about 2,800 owned BTS sites in Hexacom Rajasthan and the North East. Over 250 sites have installed hybrid solutions to cut down diesel consumption. This step aims to reduce carbon emissions by 6,000 tons annually.

Trial on New Energy Solutions

The Company had a successful pilot of DC Aircon Micro-cooling solution at owned sites. This will help switch off Aircon sites, where critical transmission equipment is installed. The Company has conducted trial on natural cooling unit for Aircon elimination and thermo-electric cooling for 3G sites have been tested.

Green Power Wheeling for Data Centres and MSCs

To further enhance the energy efficiency, Airtel has been implementing the renewable sources of energy like solar, wind and hydro. In FY 2014-15, Green Power Wheeling agreements for the procurement of green energy, under open access of 45 Mn units per annum, have been made for three Data Centres at Chennai (Wheeling through Wind Power), Bangalore (Wheeling through Hydro Power) and Noida (Rooftop Solar Power Plant) and one MSC location at Pune.

A 100 KWp solar power plant is installed at the Airtel Campus at Manesar. The solar plant, the first-of-its-kind in India as well as in the telecom industry, has a raised structure. It utilises the car parking space for generating green energy. The Company will continue to endeavour in this area.



Green Network

Conversion of Indoor Sites to Outdoor

During the year, Airtel partnered with its tower companies, which helped convert indoor sites to outdoor sites. Over 12,500 sites have been converted to outdoor, thus reducing the energy consumption of these sites by about 25%. Sites are converted mostly installing FCU for switching off the Aircon, thus making them feasible for installing green energy solutions like solar and Li-ion, among others.

Outdoor Site Deployment

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

New Sites Deployment as Sharer

The Company has put up more than two-third sites as sharer site. This helped reduce energy consumption significantly.

Partnering for Greener Network

Green Projects with Bharti Infratel

Bharti Infratel (Infratel) has been working closely with Airtel for removing Aircon from sites. This year, over 3,600 sites were converted to outdoor, using FCU and micro-cooling solution, making 6,000 sites outdoor till date.

Besides, Infratel has installed about 700 solar solutions at sites in the current financial year, taking the total to 2,200. Infratel continues to be the leader in solar site deployment across all tower companies in India. In addition, Infratel has tagged 5,500 sites as green sites.

Project Green Cities with Indus Towers

Project Green City was launched by Indus Towers few years back, and over 22,000 sites have been tagged as green sites, until this year. Indus Towers has converted over 9,000 sites in the current year, totalling 13,700 sites outdoor, till date.

Resource Management

E-waste

The increasing volume of waste generated by the telecommunication sector has been a matter of grave concern. Airtel, as one of the leading companies of telecommunication sector, manages both physical and e-waste, generated from its premises. The Company has adopted a proactive approach by ensuring end-to-end traceability and recycling of waste. Airtel continuously monitors the waste generation at each stage, and track the procedure of waste disposal.

The Company ensures that all electrical and electronic components and even highly inflammable fuels are handled and disposed of responsibly, by registered and licensed recyclers. In FY 2014-15, over 1,700 tons of e-waste was recycled as per Waste Electrical and Electronic Equipment (WEEE) norms.

E-bills

Airtel deploys the best-in-class digital assets throughout its services. The Company aims to reduce paper usage by promoting the use of electronic billing and online payment methods. Over 65% of Airtel's total post-paid mobile customers have switched over to paperless bills. More than 15% of these customers were converted in FY 2014-15 alone.

1,700 tons+
of e-waste was recycled in
FY 2014-15 as per Waste
Electrical and Electronic
Equipment (WEEE) norms



Creating Holistic Value, Globally

We take a holistic perspective at value creation, which encompasses caring for the community and being responsible for the environment across the world.

Africa

Africa's mobile revolution is creating new vistas of opportunities for its people. Mobile applications are invariably helping save lives, create livelihoods and wealth for many across the continent. Health, education and development of youth potential have been identified by Airtel's stakeholders as key CSR areas.

Some Major Initiatives Include

- Airtel continues to focus on education in Africa. In the 'Adopt a School' project, the Company has supported 24,576 people and 629 teachers in 45 schools.
- Airtel Africa, along with other operators across the continent, initiated the 'United Against Ebola' campaign. Employees of Airtel Africa donated over USD 50,000 to help combat the Ebola outbreak in Sierra Leone.
- UNICEF and Airtel entered into a partnership agreement to expand their collaboration across 17

countries in Africa. The partnership will drive improved access to health and education-related information, while pushing forward various innovative projects.

- Airtel Chad partnered with the Ministry of Secondary Education to train 6,000 young people in the country. The training focuses on nurturing young talent to improve their information and communications technology (ICT) capabilities.
- Airtel Gabon unveiled a new training programme targeting to impart new technological skills to thousands of youth in Gabon, in partnership with the United Nations Educational, Scientific and Cultural Organization (UNESCO). The three-year initiative ('Train My Generation: Gabon 5,000') aims at offering a scientific and entrepreneurial training to 5,000 people (aged 18-35 years) and high-school teachers in Gabon - through information and communication technology (ICT). Cyber centres equipped with laptops and servers will be created in schools in Libreville, Port Gentil, Oyem, Franceville, Bitam and Lambaréné.
- Airtel Uganda partnered with The Grameen Foundation to introduce a new project that provides mobile financial services to women's savings groups in Uganda. This effort is aimed to reduce the gender gap to mobile access.

Awards and Recognition

- Airtel Nigeria was named 'Best Company in Education CSR' by Social Enterprise Reports Awards (SERA).
- Airtel Nigeria received the Corporate Responsibility award for its active role in the development of education in Nigeria.
- Airtel Ghana was recognised as 'Best Corporate Social Company of the year' at the 3rd Association of Ghana Industries (AGI) awards in Accra.
- Airtel Ghana received the 'Best Community Relations programme' of the year at the 2014 Institute of Public Relations Excellence Awards in Accra.
- Airtel Ghana was recognised for being the outstanding Corporate Responsibility Company of the year in Ghana, during the Ghana Telecom awards.
- Airtel Zambia won the 'Best Corporate Social Responsibility' award at the 2014 Zambia, ZAPRA awards held in Livingstone.



Bangladesh

In line with the Company's overarching objective of helping elevate the quality of life for people across geographies, Airtel Bangladesh has spearheaded multiple community outreach initiatives. Some of the initiatives during the year include organising blood donation camps, encouraging talent through awards and accolades, participating in heritage events like 'Chittagong Boi Mela' and also sponsoring sports in Khulna to raise funds for the welfare of freedom fighters.



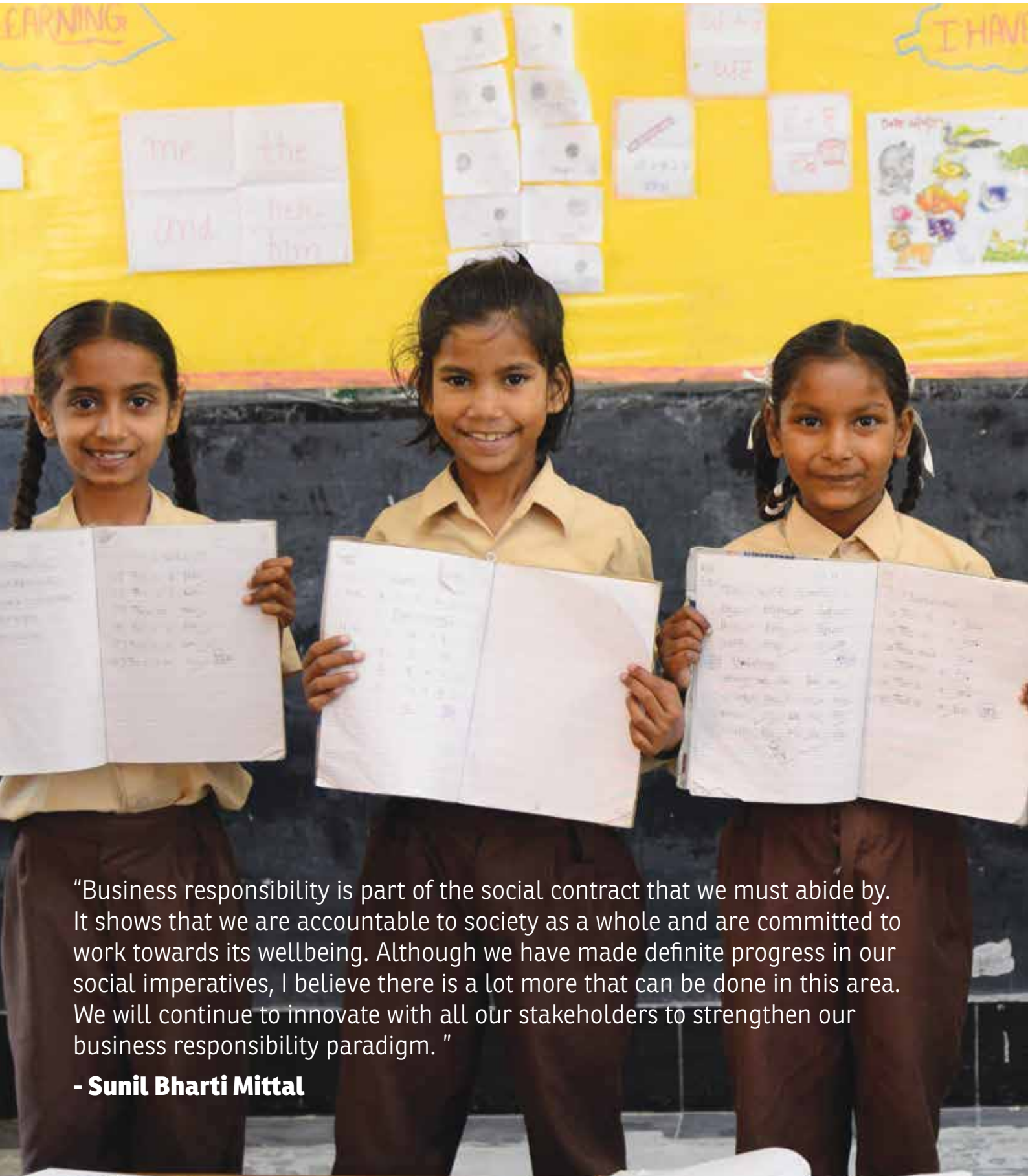
Sri Lanka

The Company has undertaken multiple initiatives in Sri Lanka to drive community wellbeing and environment protection. Some of the important initiatives on the community front, during the year, comprised the following: helped generate awareness against child abuse; provided assistance to The Lady Ridgeway Hospital (refurbishing the walkways to look colourful and educational, among other activities); conducted workshops on leadership and professional skills in schools, universities and academic institutes throughout the country; and introducing NFC Technology for public transport in Sri Lanka.



As a part of the Company's global mandate to help protect the environment, the following initiatives were undertaken: reducing the usage of plastic and paper; encouraging the use of e-bills; cutting down the use of diesel at site locations; taking steps at site locations to ensure health and safety; ensuring a pest-free clean environment at all Airtel's sites.

Business Responsibility Report



"Business responsibility is part of the social contract that we must abide by. It shows that we are accountable to society as a whole and are committed to work towards its wellbeing. Although we have made definite progress in our social imperatives, I believe there is a lot more that can be done in this area. We will continue to innovate with all our stakeholders to strengthen our business responsibility paradigm."

- Sunil Bharti Mittal

We are helping empower India's digital landscape, and at the same time focusing on key issues that positively impact the lives of millions of people around us. From accelerating socio-economic development to caring for the environment to building talent and leadership for the future, we concentrate our energy and resources on things that matter to all our stakeholders.

Business Responsibility Report is a disclosure mandated by the Securities and Exchange Board of India (SEBI) for the top 100 listed companies. Since these companies have funds raised from the public, it implies involvement of an element of public interest. The report is a tool designed to help these companies understand the principles and core elements of responsible business practices.

The scope of this report is Bharti Airtel Limited's India operations, including all businesses under its operational control.

Section A

General Information

1. Corporate Identity Number (CIN)	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	2014 – 15
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Telecommunication Services, Passive Infrastructure Services, Direct to Home Services, Mobile Commerce Services either directly or through its subsidiary companies

Industrial Group	Description
	Telecommunication Services
	Direct to Home Services (through Subsidiary Company)
	Mobile Commerce Services (through Subsidiary Company)

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

8. List three key products / services that the Company manufactures / provides (as in balance sheet):	<ol style="list-style-type: none"> 1. Mobile Services 2. Broadband Services 3. Telephone Services
9. Total number of locations where business activity is undertaken by the Company	
a. Number of International Locations (Provide details of major 5)	The Company has businesses in 19 countries beside India, which includes 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 spread across the country.
10. Markets served by the Company - Local / State / National / International	While serving the Indian markets, the Company has operations in Africa and South Asia

Section B

Financial Details

1.	<i>Paid up capital</i>	₹ 19,987 Mn
2.	<i>Total turnover</i>	₹ 554,964 Mn
3.	<i>Total profit after taxes</i>	₹ 132,005 Mn
4.	<i>Total spending on Corporate Social Responsibility (CSR) as percentage of average Net Profit of the Company for last 3 financial years.</i>	0.59%
5.	<i>List of activities in which expenditure in four above has been incurred:</i>	<ol style="list-style-type: none"> 1) Promotion of education through Bharti Foundation schools and its other initiatives 2) Rural Sanitation Programme 3) Health services and awareness 4) Higher and technical education 5) Child welfare programmes 6) Disaster relief initiatives 7) Community development programme 8) Environmental initiatives and awareness 9) Employability and entrepreneurship

Section C

Other Details

1. *Details of Subsidiaries of the Company.*

Bharti Airtel Limited had 114 direct and indirect subsidiary companies, as on March 31, 2015. Details of the same have been provided in another section of the Annual Report.

2. *Details of the Company's subsidiaries participating in BR initiatives.*

Almost all subsidiary companies, either directly themselves or along with Airtel, endorse or participate in the Business Responsibility initiatives.

The 'Bharti Code of Conduct' guides all its subsidiaries and makes sure that they adhere to the highest levels of ethical and transparent business practices. The Company's Ombudsperson and Consequence Management policies identify and prescribe actions against cases of violation of the Code of Conduct.

3. *Details of entities (suppliers and distributors, among others) that the Company does business with, who participate in the Company's BR initiatives, along with the percentage of such entities (Less than 30%, 30-60%, more than 60%)*

Bharti Airtel actively encourages its suppliers and distributors to participate in its BR initiatives and also conduct their own business in a responsible manner. Currently, less than 30% of other entities participate in the Company's BR initiatives.

Section D

Business Responsibility Information

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

a)	Details of the Director / Directors responsible for implementation of the BR policy / policies
	<i>DIN Number</i> 00028016
	<i>Name</i> Rajan Bharti Mittal
	<i>Designation</i> Director
b)	Details of the BR head:
	<i>Name</i> Sameer Chugh
	<i>Designation</i> Director – Legal & Regulatory
	<i>Telephone No.</i> +91 124 4243188
	<i>E-mail id</i> sustainability@airtel.com

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs), released by the Ministry of Corporate Affairs, has adopted nine areas of Business Responsibility.

Principle 1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3

Businesses should promote the wellbeing of all employees.

Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

Principle 5

Businesses should respect and promote human rights.

Principle 6

Businesses should respect, protect, and make efforts to restore the environment.

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 8

Businesses should support inclusive growth and equitable development.

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

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
4.	Has the policy being 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
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
6.	Indicate the link for the policy to be viewed online?	⊗	Y	N	N	N	N	N	N	N
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	⊗	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
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

*Mostly through internal audits and external consultants

- ⊕ All policies are formulated with detailed consultation and benchmarking across the industry. The policies are materially in compliance with all mandatory / applicable national / international laws, rules, regulations, guidelines and standards.
- ⊕ As per the Company's practice, all the policies are approved by the respective Business CEO / Functional Directors.
- ⊕ All policies have a Policy Owner and the respective policy owners are responsible for implementation of a particular policy.
- ⊗ Except Code of Conduct, all other policies are the internal policies of the Company and are applicable internally, therefore, not available on the Company's website. The Code of Conduct can be accessed through the following link <http://africa.airtel.com/wps/wcm/connect/africarevamp/africa/home/about-us/code-of-conduct> and http://www.airtel.in/partnerworld/Business_Code_of_conduct.htm
- ⊕ Except the Ombudsperson Policy, which is available on the Company's website, all other policies being in-house are uploaded on the intranet and are accessible to all employees of the Company.
- ⊗ Any grievance relating to any of the policies can be escalated to the Ombudsperson. If any grievance relating to customer services is not resolved properly, it can be escalated to the respective nodal officer, appointed in that particular service area.

3. Governance related to BR:

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

The CSR Committee of the Board reviews the Company's BR performance twice a year. In addition, the Board also oversees the performance and provides a strategic approach to the Company's BR initiatives on an annual basis.

- *Details and link of the Company's Business Responsibility or Sustainability Report, along with its frequency.*

The Company publishes a separate Annual Sustainability Report in accordance with the Global Reporting Initiative Framework. The electronic version of the report is uploaded on the Company's website and can be viewed by clicking the link: www.airtel.in/sustainability.

Section E

Principle-wise Performance

Principle 1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Ethical Standards

Bharti Airtel's business is integrally governed by ethics, transparency and accountability. The Company's commitment towards compliance to the highest governance standards, which it believes is beyond legal and regulatory requirements, is backed by an independent and fully informed Board, inclusive processes, policies and communication. The Company has laid the highest levels of ethical business practices as articulated by its Code of Conduct (CoC), which sets out the guiding principles on business with integrity. The CoC covers the Policy involving ethics, bribery and corruption, referring to bribes, kickbacks and improper payments, and among others.

The Policy encompasses multitude of Bharti Group's stakeholders like employees, suppliers and contractors, service providers, channel partners and their employees. All confirmed cases of violation of the Policy's clauses are acted upon in accordance to the Consequence Management Policy.

Transparency and Accountability Standards

In FY 2014-15, Bharti Airtel received 14 allegations of bribery / corruption. Investigations were completed in all cases, and actions were initiated as per the Consequence Management Policy.

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

While evaluating the impact of business operations, Bharti Airtel relentlessly works to provide value across its value chain to minimise environmental fallout. Airtel took some

significant steps like promoting reduced energy consumption, minimising waste and focusing on developing innovative solutions to ensure environmental stability. The Company has formulated and implemented procurement guidelines to confirm safety and resource optimisation. Besides, it adheres to standard practices and procedures for waste disposal in accordance with regulations.

Airtel gives primary importance to community health and safety. The Company acknowledges the growing concern over the exposure to electromagnetic fields (EMF) and maintains complete transparency in its position. It also shares updated and extensive research-based information on this matter with its employees, partners, customers and the community, at large. The Company's existing practices comply with the relevant guidelines issued by the Department of Telecommunication (DoT), Government of India (GoI). Airtel's sites are subjected to random checks and audits by the DoT's Telecom Enforcement Resource and Monitoring (TERM) Cells. The Company, in partnership with the Cellular Operators Association of India (COAI) conducts various programmes, workshops, seminars and stakeholder. Such initiatives are taken to build awareness about the issue.

Airtel declared 'War on Waste' as one of its business priorities. This initiative intends to improve the Company's operating efficiencies by eliminating waste. Airtel is consistently deploying innovative technologies with the aim to reduce its operational wastes. More details on waste management can be found under Principle 6.

Serving People

Bharti Airtel is committed to bring socio-economic transformation to help elevate the lives of millions. The Company is consistently leveraging its existing capabilities to provide basic life services to people. Airtel, not only plays a significant role to enhance connectivity, but also contributes in realms of medicine and healthcare, education and financial inclusion through its mobile services. Such services include mobile money, mobile health, mobile education and agricultural awareness.

Simplifying Transactions

Bharti Airtel brought India's first mobile wallet service called Airtel Money, to make easy transactions. It is an alternative to other payment options, including cash. It helps customers to pay for remote transactions like instant money transfers, booking railway or movie tickets, paying for utility bills, insurance premiums and recharging phones, among many others.

Bharti Airtel's pioneering forays in IVR, web-based applications; USSD, SMS and online presence in national as well as regional languages helped it to become a customer-friendly platform. My Airtel app enables its users to self-manage the Airtel services and enables them to make payments, manage VAS and view promotions. The new version of 'My Airtel' application comes with a wide range of fresh features, driving an enhanced digital experience for customers. This application simplifies customers' life by eliminating the need to call or visit an Airtel relationship centre. 'My Airtel' app has a contemporary design interface that will simplify customer journeys and allow them to do much more – efficiently and effectively.

Inspiring Education

Airtel mEducation is a unique platform that enables Airtel users to access a host of education courses at one go. mEducation assists students in cracking their entrance exams through SMS and WAP. It also provides career and job preparation centric products like 'Ask an Expert'. Besides, products like English Guru and Office Vocabulary helps enhance English language skills. The users get guidance from best universities and professors according to their requirement.

Enhancing Farmer Wellbeing

Airtel aims to empower farmers and encourage Indian agriculture and the rural economy through IFFCO Kisan Sanchar Limited (IKSL). It provides farmers with significant information through mobile and enables them take more informed decisions pertaining to agricultural activities. This initiative benefited over 18 Lakh farmers across India, in the last fiscal.

Sourcing and Supply Chain

Bharti Airtel leverages its diverse platforms to deliver services to its wide customer base. Thus, it does not have any impact on sourcing, production or distribution. The Company also ensures that there is no broad-based impact on energy and water due to the use of its services.

The Company is strongly committed to building a responsive and sustainable supply chain. It has taken various initiatives and is continually working with its vendors and suppliers to reduce the environmental and social impacts of its sourcing, which ensure timely and cost-effective deliveries for necessary resources. Bharti Airtel has set out requirements for its suppliers on the aspects like environmental protection, health and safety, human rights and child labour, and ethics.

In FY 2014-15, Airtel worked with over 5,500 local suppliers, out of more than 80,000 registered partners worldwide. To optimise resources, reduce the environmental impact by local procurement and considering the socio-economic benefits of promoting indigenous entrepreneurship, nearly 94% of the Company's suppliers were India based. Approximately, 71% of the sourcing (in terms of value) was from these India-based partners.

The Company has been continually working to consolidate its supply chain and to make its engagements socio-economically more meaningful. Airtel has taken various initiatives in developing a framework to help marginalised sections, with a special focus on promoting women entrepreneurs and small businesses.

Product and Waste Recycling

The most substantial waste generated from Bharti Airtel is e-waste, owing to its nature of business. The Company has adopted a focused approach on e-waste management. It has made significant efforts to reduce environmental impact of its operations, by minimising waste and ensuring proper disposal and recycling. Bharti Airtel has also implemented various awareness strategies to reduce waste by promoting extended use of network and IT based equipment. The Company maintains Gol's guidelines to recycle the waste generated from its source, due to technology upgradation or any other reason.

Principle 3

Businesses should promote employee wellbeing

Employee Composition

Bharti Airtel's Indian operations comprised a total of 14,459 employees as on March 31, 2015. There were 17,043 sub-contracted employees for the calendar year 2014, as per Form 12. During the period, there were no temporary and casual employees. There were 1,377 permanent women employees, which represented around 10% of the total workforce. A total of 59 people with disabilities were employed at various Company locations.

Safety and Wellbeing of Women

Keeping gender equality at its heart, Bharti Airtel has also taken various initiatives to ensure a safe and healthy workplace for its women employees. It has strict policy and procedure to ensure the workplace environment, which is free from sexual harassment.

Effective from April 2013, in compliance with the law on prevention of sexual harassment of women at the work place, the Company has set up Internal Complaints Committee at its offices, comprising a Presiding Officer, who is a senior level woman employee, one member with legal knowledge or experience in social work, one member from an NGO or association that deals with such matters and who has relevant knowledge and experience and one member from the Bharti Group's Ombudsperson's office. The Committee is responsible for dealing with all matters related to the subject. 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. Six cases related to sexual harassment at workplace have been reported and investigated this year. During investigations, all legal procedures as per the new law on prevention of sexual harassment at workplace were followed. Allegations of sexual harassment were proven in three of these cases. All the three accused were separated from their services with the organisation.

Going beyond policies and procedures that foster inclusive work-environment for women, Airtel has several initiatives that facilitate balancing work and family life.

Women Safety was another subject, which was given propriety under safety department agenda. With majority in audience, the Company successfully organised 'Women's Personal Safety Session' in Airtel Centre, Gurgaon. This workshop was attended by over 200 women employees. The session turned out to be interactive, inspirational and motivational, and brought forth many issues/concerns that today's women are facing in the society and its anticipating solutions. Based on the same concept, similar workshops were also organised at other circles.

Skill and Talent Development

Bharti Airtel considers its employees as its biggest assets. Airtel continuously strives to harness, nurture and enable growth of its people. It is in its corporate values of being Alive, Inclusive and Respectful, that drives its culture of service, integrity, trust, teamwork and accountability.

Airtel has designed its workplace practices to provide an inclusive environment, wherein every employee can take part, contribute and develop freely and equitably. Employee engagement and talent development are the key strategic objectives of Airtel's business. It focuses on employee skill development and regularly provides performance feedback to its permanent employees.

There were over 190 unique training interventions for the Company's employees. Of these, over 140 were competency-based training and over 45 functional and leadership training interventions. This amounted to over 6,500 man-hours of learning, with more than 60 hours of training per employee.

Airtel acknowledges that healthy and safe employees are more committed, engaged and productive in every aspect. The Company's responsibility towards the health and safety of its employees is driven by various initiatives that minimise risks, promote good health and prevent disease.

The Company quests to achieve its safety goals, which include safe work culture, prevent incidence prevention, zero accident environment, and continuous improvement. It aims to create awareness in the domains of Workplace Safety, Women Safety, Health, Road Safety and Emergency Management, to ensure a safe culture.

Bharti Airtel's safety systems are aligned to international standards, such as the Occupational Health and Safety Management Standard - OSHAS 18001. It conducts numerous awareness sessions, self-defense programmes, poster and quiz competitions on issues like workplace safety, women safety and road safety, among others. The Company also provides precautionary measures for various diseases, like influenza, Ebola, dengue and swine flu for employees and their families. It is all prepared to come up with a '24x7 safety helpdesk' to respond to emergency situations.

Airtel rolled out a 'Workplace Safety Policy Statement' at its circle levels. It details the role and responsibilities of its employees to provide and maintain safe and healthy working conditions. The Statement requires the circle management to form a Safety Committee to ensure a safe working environment.

Category	No. of employees which attended safety trainings	No. of employees which attended skill upgradation trainings
Permanent employees	7,789	3,933
Permanent Women employees	667	975
Casual / Temporary / Contractual employees	7,276	-
Employees with disabilities	46	8

Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

Stakeholder Engagement

Bharti Airtel's approach towards responsible and sustainable business practices undergoes a systematic mapping through regular engagement with its internal and external stakeholders.

This practice helps the Company to prioritise key sustainability issues in terms of relevance to its business and stakeholders, including society and environment. It rigorously conducts a detailed materiality-assessment, which enables it to map stakeholders' expectations with its business priorities, risks and opportunities.

In FY 2014-15, Airtel revisited the Materiality Analysis process and performed stakeholder surveys to identify materiality issues/ sustainability concerns with the highest relevance and impact. In order to streamline the process, identification and categorisation of its key stakeholders, both internal and external, was performed. The key stakeholders identified include:

- Customers
- Employees
- Business Partners (Suppliers and Vendors)
- Community
- Investors
- Government Bodies
- Industry Associations
- Non-governmental Organisations (NGOs)
- Academic Institutions

Stakeholder engagement activities were carried out among respective categories of stakeholders with the help of questionnaires. The similar exercise was performed with the Airtel Management Board to delineate the business priorities, which when mapped with the stakeholder concerns, fetched the sustainability issues that demanded enhanced strategic and operational attention.

Disadvantaged, Vulnerable and Marginalised Stakeholders

The Company has identified the disadvantaged, vulnerable and marginalised stakeholders through its association with the Bharti Foundation. A substantial portion of beneficiaries of the Bharti Foundation and its programmes comprise the economically weak and disadvantaged groups, especially SC/ST/OBC categories and girl students. Besides, the Company has been consistently focusing on increasing rural penetration of its services.

Bharti Airtel aims to empower a wide section of people with its digi-presence to build a digital and sustainable economy. The Company has finalised its 'Blueprint for Social Inclusion' to strengthen its digi-presence and also to address its stakeholder concerns. The Company, through its Blueprint, aspires to play its part in the sustainable development of India, specifically by addressing areas like connectivity, medicine and healthcare, education and financial inclusion. Airtel uses its inherent advantages of reach and affordability to bring socio-economic development across the country.

Special Initiatives

- Airtel, through Bharti Foundation and its Satya Bharti School Program strengthens its community outreach. This program aims to build the trust and ownership of parents and community members. The format ensures that there is enough opportunity for the community to understand and be engaged with the schools.
- As part of corporate induction schedule, Bharti Airtel's Young Leaders volunteer the Satya Bharti Schools on locations. In this two-week program volunteers are expected to assist Satya Bharti School teachers to organise upcoming events, strengthen their English and basic computer knowledge, and help raise the profile of the village school.
- Airtel employees are encouraged to volunteer at Satya Bharti Schools and share their time, skills and knowledge with children.
- The Airtel Delhi Half Marathon (ADHM) has created an excellent platform to bring together corporates, individuals, employees and school and college students, which not only garner funds for the cause but also raise awareness about the Satya Bharti School Program. The funds collected aid the Satya Bharti Schools in furtherance of their educational objectives.

Principle 5

Businesses should respect and promote human rights

Bharti's CoC and various HR Policies demonstrate its commitment toward protection of Human Rights across value chain and discourage instances of abuse through Ombudsperson. The Policies are applicable to employees, contractors, suppliers and other business partners and associates.

Principle 6

Businesses should respect, protect, and make efforts to restore the environment

Bharti Airtel's Policy on Environment, Health and Safety reaffirms its commitment towards minimising the negative impact of its business and operations on the environment. This Policy extends to its entire value chain and aims to enhance awareness to reduce the environmental risks. It is applicable to its premises, employees, associates, visitors, vendors, suppliers and business partners.

Caring for Environment

Airtel has taken a proactive and holistic approach to preserve the environment and reduce the negative fallouts of the life-cycle of its products and services across its value chain. The Company, along with its network partners continues its efforts towards implementing several infrastructural solutions to reduce the energy consumption.

Few strategies to address the sustainability issues like climate change and energy are given as below:

1) Alternate Energy Sources

- Installed solar rooftop power plants at 12 MSC locations, expanding the total installed capacity to 0.74 MWp
- Installed over 250 sites with solar and hybrid solutions at owned base stations
- Upgraded 160 rural high diesel sites with successful implementation of battery and solar hybrid solutions, Li-ion solution, as well as biomass based solutions.
- Piloted DC aircon micro-cooling solution at owned sites, which will help switch off aircon at sites, where critical transmission equipment are installed.
- Conducted pilot test on natural cooling units for air-conditioning elimination and thermo-electric cooling solution for 3G sites.
- Carried out research and signed green power wheeling agreement for three locations, for which the green energy (Solar/Wind/Hydro/Biomass) procurement is being made.

2) Energy Efficiency Measures

- Deployed new outdoor sites, eliminating air-conditioner usage right from the beginning
- Deployed over two-third of sites on sharing and this process continues for new sites as well, reducing the energy consumption by a minimum 30% over the standalone sites.
- Converted indoor sites to outdoor sites by installing FCU for switching off the Aircon, making them feasible for alternative energy sources, like solar
- Deployed low-power consuming BTS sites, which are able to achieve a reduction in power consumption by a minimum of 30%, over the last 4-5 years.
- Used energy efficient retrofit in base stations, such as integrated power management systems and efficient DC to AC converters, among others.
- Placed Power Management Units (PMUs)
- Installed energy efficient air-conditioning and lighting energy savers
- Applied variable speed DC DG, micro cooling solutions for temperature sensitive equipment, solar thermal solutions, FCU and temperature management.
- Improved Power Utilisation Effectiveness (PUE) of data centres

3) Demand Side Management

Sites are being converted mostly by installing FCU for switching off the Aircon, thus making them feasible for installing green energy solutions like Solar and Li-ion, among others. This initiative also forms part of Airtel's 'War on Waste'.

4) Design Modifications and Innovations

- Installed BTS sites with green shelters, fitted with optimal cooling, power and thermal management systems, which reduces the energy consumption by 40%
- Increased deployment of outdoor BTS sites, diminishing the air-conditioning load and resulting in power consumption by 35-40%.
- Upgraded existing sites with auto-TRX shutdown feature, which helps reduce the power consumption, during non-peak hours

These strategies have been discussed in detail on the following link: www.airtel.in/sustainability-file/our-planet.html

Safe and Clean Work Environment

Bharti Airtel's engagement with its key stakeholders on a continuous basis results in assessment of material issues, mainly energy and climate change, waste management and resource use optimisation, which demand additional strategic emphasis. Airtel's Policy on EHS guides its efforts to reduce and manage the impacts and plan mitigation strategies.

The Company has made dedicated efforts to conserve energy and reduce wastage in areas of its operations. It has taken energy-efficient measures with its network partners to reduce the energy use and emissions from the telecom infrastructure. The Company has also adopted resource optimisation and waste management measures to protect the environment. Airtel is set to adopt alternate and renewable energy sources to reduce its carbon footprint and optimise dependency on diesel.

Besides, Airtel is promoting green initiatives across its data centres and facilities to improve energy efficiency and eliminate negative impacts on the environment.

The Company has implemented various energy-efficient measures in its day to day operations, ensuring use of renewables in various offices. These initiatives take myriad forms ranging from use of information technology solutions at work place on one hand to energy efficient cooling and lighting system on the other. It also actively encourages its employees to create a clean, green and safe workplace. The details of these initiatives can be found on our website, www.airtel.in/sustainability.

Compliances with Regulations

Airtel complies with the prescribed limits of emission and wastes by the CPCB / SPCB.

In FY 2014-15, the Company received five (05) show cause/legal notices from CPCB/SPCB. Out of which 3 cases have been successfully resolved without any adverse impact on the Company and the remaining 2 are pending resolution at the end of FY 2014-15.

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Responsible Public Engagement

The Company is member of the various trade and business associations. Few of them have been listed below:

- Groupe Speciale Mobile Association (GSMA)
- World Economic Forum
- Confederation of Indian Industry (CII)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Cellular Operators Association of India (COAI)
- Association of Unified Telecom Service Providers of India (ASUPI)
- The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- VSAT Services Association of India (VSAI)
- DTH Association of India
- The Internet Service Providers Association of India (ISPAI)

Airtel engages with the above mentioned industry associations in clear and defined method for advocating the advancement of the industry and public good. For example, the Company provides its responses to the associations for an appropriate representation to the Government or Sectoral regulator on industry related common issues.

The Company makes sure that it had unwavering focus on policies that enable empowerment and socio-economic development of the society. It also ensures that its position of the policy advances its agenda of empowering and enriching lives of millions through its core competence, technological solutions and innovations, in order to shape a sustainable society. Its policy agenda is centred around the provision of network coverage, affordable access to the customers, digital inclusion, quality of service offerings, tariff, environment, and so on.

Principle 8

Businesses should support inclusive growth and equitable development

Social Inclusion

Bharti Airtel believes in an all-inclusive growth. The Company finalised its 'Blueprint for Social Inclusion' to address its stakeholder concerns and bring a transformation by empowering millions. With the help of the inherent advantages of reach and affordability with its mobile network, Airtel, through its Blueprint, is guided by its three social pillars.

The three social pillars include:

- 1) Increasing digital footprint and bringing everyone within the fold of digi-presence;
- 2) Applying Airtel's existing platforms to the universe of health, education and financial services to the weaker sections of the society; and
- 3) Fostering community development through active community service and engagement through Airtel's reach and accessibility in urban and rural India.

Airtel seeks to accomplish these objectives by:

- Bridging the digital divide through its robust network and far-reaching distribution.
- Emerging with innovative business models like Airtel Money, mHealth, mEducation to overcome sustainability barriers.
- Working towards expanding its bouquet of services and enhancing its communication technologies.
- Supporting the programmes, run by Bharti Foundation, directed towards free education and vocational trainings for the society's economically marginalised sections.

Encouraging Social Development

Airtel engages with communities within its operational area through the Bharti Foundation and its Satya Bharti School Program. The programme helps impart free and quality education to underprivileged sections in rural areas, especially girls.

It encourages the participation of local communities in base and around the area not only for improved results, but also for the sector's overall development. Through Bharti Foundation, the Company provides opportunities to its various stakeholders/beneficiaries to grow and learn in life through the following:

- Recruitment of school staff from neighbouring areas
 - Local youth recruited as teachers from local and neighbouring communities
 - Teacher training programmes ensure that teacher's skills are updated and constantly enhanced
 - Community members, especially mothers, are selected as mid-day meal vendors. These vendors also provide a 'Didi' (maid) to the school

Airtel circles have taken the community engagement and community volunteering initiatives to the next level, by actively supporting the needs of the community, be it disaster relief, green-movement or social equity.

Financial Contribution towards Community Development

During FY 2014-15, Bharti Airtel made significant contributions towards various philanthropic projects, which include:

₹ 411 Mn

Bharti Foundation towards furtherance of its objectives

₹ 41.52 Mn

Other Contributions

Measuring Social Impact

The impact of Bharti Airtel's social initiatives has been assessed both internally, as well as through third party evaluation.

Community involvement, participation and their sustained support towards the Satya Bharti Schools have been a key component of the programme since its inception. Bharti Foundation ensures adoption of its various initiatives through following ways:

- School's connect with the community
 - Regular home visits by teachers
 - Structured parent-teacher meetings
 - Community development campaigns
- Community connecting schools with local culture
 - Community Volunteering Week
 - Teaching children history, traditions, art and craft
 - Community participation in school events

A structured impact assessment study was conducted by a third party to assess the Satya Bharti School Program. Fifteen Satya Bharti Schools across Punjab, Haryana and Rajasthan were compared to 15 other schools (from villages which do not fall in the catchment area of a Satya Bharti School). This was to ascertain the impact of the programme on children, parents, communities and teachers.

Bharti Airtel, while contributing to the larger National Mission of 'Swachh Bharat', is enthusiastically supporting the 'Satya Bharti Abhiyan', an initiative by Bharti Foundation in rural Ludhiana. The programme involves investment of upto ₹ 1,000 Mn in constructing toilets while reaching out to every rural household lacking such facilities in Ludhiana District. Apart from the rural household sanitation, through the 'Satya Bharti Abhiyan', Airtel aims to improve the sanitation facilities in Government schools in rural Ludhiana by constructing new toilets for girls, where none exist.

Empowering the girl child**96%**

of parents with a girl child studying at Satya Bharti School wanted her to pursue higher education (in comparison to 73.7% parents whose girl child goes to other schools)

Instilling greater confidence among students**84.7%**

of children studying at Satya Bharti Schools were certain of their responses and clear in their communication (as compared to only 38.9% children studying in other schools)

Developing stronger values and ethics among students**84%**

of Satya Bharti School Students tend to exhibit a stronger value code as they believe in amicable dispute resolution (in comparison to 48.9 % children from other schools)

Sensitising communities towards responsible participation**71.3%**

of families in the vicinity around a Satya Bharti School, regularly join the village meetings; (where other communities have only 45.6% of such families)

Notable shift in the perception of value education**27%**

of families whose children are studying in Satya Bharti Schools reported that they are saving for their child's future education (the corresponding figure for other families was 8.9%)

- Quality teacher training programmes
- Aids to teachers in pursuing higher education.
- Social empowerment, integration and upliftment of community, especially mothers engaged as Mid-day Meal vendors.

Making Responsible Future Citizens

The Satya Bharti School Programme, a rural education initiative of the Bharti Foundation aims to achieve holistic development of children. It helps children engage better with the society and instils a sense of belonging. Children are encouraged to work, along with community members to recognise social issues and implement need-based solutions. It is integral to the learning process. Airtel believes that such initiatives will help transform children into socially responsible citizens. Students have addressed significant social issues like empowerment of girl child, respect for widows, eradication of child marriages and discrimination on the basis of caste, among many others. These student-centric initiatives have been recognised by various international platforms, like the *Design for Change* Contest and the Pramerica Spirit of Community Awards, among several others.

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

Providing Customer Value

There is 0.0026% of pending customer complaints as on March 31, 2015. Such complaints will be carried forward to FY 2015-16. Over 70% of the 174 total legal/consumer cases received in FY 2014-15 are at various stages of resolution/closure, as on March 31, 2015.

During FY 2014-15, four (4) complaints were registered with Advertisements Standards Council of India (ASAI) and all of them were resolved successfully.

Bharti Airtel has been transparent in communicating the mandatory information regarding enrolment and deactivation, tariff, usage, contact and grievance information.

Enriching Customer Interaction

Airtel endeavours to engage with its customers to enhance their experience. It conducts various consumer education workshops and also engages with customer advocacy groups. The Company took various other initiatives in this regard, which include:

- 1) Airtel introduced Mobile Broadband Charging (MBC) to make them aware of their data consumption in real-time, thereby preventing bill shocks. On completion of the assigned quota, customers are diverted to an interstitial page where they can upgrade and downgrade their quota for continued usage. This being a new initiative is under process of rollout in different circles across the country and is to be completed in coming few months.
- 2) Airtel's 'Self-care' service provides customers the option to manage their accounts through self-care channels – IVR, USSD, Airtel app and website. Customers can check tariff details, balance information, bill details, payment details, data usage and make payments, among others.

Airtel aims to touch and transform the lives of millions and bring sustainable development in the society through its various solutions. Its long-term business interests are aligned to its stakeholder aspirations. It believes in responsible growth that encourages social wellbeing while promoting innovation and efficiency.

Board's Report

Dear Members,

Your Directors have pleasure in presenting the 20th Board Report on the Company's business and operations, together with audited financial statements and accounts for the financial year ended March 31, 2015.

Company Overview

Bharti Airtel continued to be among the top four[#] 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.

[#] Subsequent to the date of this report, Bharti Airtel has become third largest mobile operator in the world in terms of subscribers.

Financial Results

In line with the statutory guidelines, the Company has adopted International Financial Reporting Standards (IFRS) for accounts consolidation, from FY 2010-11. The Company publishes its standalone accounts according to Indian Generally Accepted Accounting Principles (IGAAP). The consolidated and standalone financial highlights of the Company's operations are as follows:

Consolidated Financial Highlights (IFRS)

Particulars	FY 2014-15		FY 2013-14	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenue	920,394	15,064	857,461	14,151
EBITDA before exceptional items	314,517	5,148	278,430	4,595
Cash profits from operations	285,280	4,669	241,813	3,991
Earning before taxation	107,130	1,753	78,643	1,298
Net Income / (Loss)	51,835	848	27,727	458

*1 USD = ₹ 61.10 Exchange Rate for the financial year ended March 31, 2015.
(1 USD = ₹ 60.59 Exchange Rate for the financial year ended March 31, 2014)

Standalone Financial Highlights (IGAAP)

Particulars	FY 2014-15		FY 2013-14	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenue	554,964	9,083	499,185	8,239
EBITDA before exceptional items	246,241	4,030	171,522	2,831
Cash profits from operations	232,150	3,799	158,158	2,610
Earning before taxation	156,553	2,562	83,774	1,383
Net Income / (Loss)	132,005	2,160	66,002	1,089

*1 USD = ₹ 61.10 Exchange Rate for the financial year ended March 31, 2015.
(1 USD = ₹ 60.59 Exchange Rate for the financial year ended March 31, 2014)

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, 2015, 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, 2015.

Dividend

Your Directors have recommended a final dividend of ₹ 2.22 per equity share of ₹ 5 each (44.4 % of face value) for FY 2014-15. The total final dividend payout will amount to ₹ 8,874 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).

During the year, the Company had also paid an interim dividend of ₹ 1.63 (32.6% of face value) per equity share of ₹ 5 each amounting to a total interim dividend payout of ₹ 6,515 Mn excluding tax on dividend. The total dividend appropriation (excluding dividend tax) for FY 2014-15 is ₹ 15,390 Mn.

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 is due for transfer to Investor Education and Protection Fund.

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, 2015, 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, 2015, 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 the Employee Stock Option Scheme 2001 and the Employee Stock Option Scheme 2005. Besides attracting talent, the 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 the employee, upon exercise of stock options as per the terms of the Scheme.

Pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2014 (the ESOP Regulations), issued by SEBI on October 28, 2014, 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.

A disclosure with respect to ESOP Schemes of the Company as on March 31, 2015 is annexed as [Annexure A](#) to this report.

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

Subsequent to the end of the financial year, the Company has filed the Order of Hon'ble High Court of Bombay with Registrar of Companies ('ROC'), approving amalgamation of Airtel Broadband Services Private Limited ('ABSPL'), a wholly-owned subsidiary with the Company, on April 9, 2015, which is the effective date and the appointed date of amalgamation. From the filing of the said Order with the ROC, ABSPL ceased to exist.

However, the Scheme has not been given effect to in the financial statements as the appointed date of amalgamation was subsequent to the balance sheet date.

Directors and Key Managerial Personnel

Inductions, Re-appointments, Retirements & Resignations

In line with the Company's policy on Independent Directors, Mr. Ajay Lal has retired from the Board w.e.f. January 22, 2015. Mr. Tsun-yan Hsieh and Mr. Manoj Kohli resigned from the Company's Board w.e.f. September 1, 2014 and February 04, 2015, respectively. The Directors place on record their appreciation for help, guidance and contribution made by the outgoing Directors during their tenure on the Board.

Mr. Shishir Priyadarshi was appointed as an Independent Additional Director on the Board w.e.f. February 04, 2015 for a term of five years, subject to approval of the members in the ensuing AGM. The Company has received requisite notice from a member under Section 160 of the Companies Act, 2013, proposing the appointment of Mr. Shishir Priyadarshi as the Company's Non-Executive Independent Director. In the opinion of the Board, Mr. Priyadarshi fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management and accordingly, the Board recommends his appointment.

Ms. Tan Yong Choo will retire by rotation at the ensuing AGM and being eligible, has offered herself for re-appointment.

Brief resume, nature of expertise, details of directorships held in other companies excluding foreign companies of the Directors proposed to be appointed / re-appointed, along with their shareholding in the Company, as stipulated under Secretarial Standard 2 and Clause 49 of the Listing Agreement with the Stock Exchanges, is appended as an Annexure to the Notice of the ensuing AGM.

Mr. Mukesh Bhavnani, Group General Counsel and Company Secretary has resigned w.e.f. March 31, 2015. The Directors place on record their appreciation for the contribution made by him during his tenure. The Board in its meeting held on April 28, 2015 has appointed Mr. Rajendra Chopra as the Company Secretary and Compliance Officer of the Company.

Declaration by Independent Directors

The Company has received declarations from all Independent Directors of the Company confirming that they meet with the criteria of independence, as prescribed under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. 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, will enhance the quality of decisions by utilising different skills, qualifications, professional experience and knowledge of the Board members necessary for achieving sustainable and balanced development. Accordingly, 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 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 Listing Agreement 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 five times during the previous financial year. As on March 31, 2015, the Board has seven committees, namely, Audit & Risk Management Committee, HR and Nomination Committee, Corporate Social Responsibility ('CSR') Committee, Technology Committee (Dissolved w.e.f. April 28, 2015), Stakeholders' Relationship Committee, Committee of Directors and Airtel Corporate Council.

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 2014-15 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, 2015, your Company has 114 subsidiaries, 3 associates and 4 joint ventures, as set out in page no. 266 of the Annual Report (for Abridged Annual Report please refer page no. 95).

During FY 2014-15, Wynk Limited was incorporated as a subsidiary and FireFly Networks Limited became joint venture of the Company. Bharti Airtel Acquisition Holdings B.V., Bharti Airtel Cameroon B.V., Bharti DTH Services Zambia Limited, Airtel DTH Services Tanzania Limited and Rwanda Towers Limited ceased to be subsidiaries of the Company.

There was no change in the associate companies during the previous financial year.

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. 103 of the Abridged Annual Report and page no. 273 of the full version 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 are 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 Clause 32 of the Listing Agreement, 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 2014-15, who have not registered their

e-mail id. The Abridged Annual Report is being circulated to the members excluding 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 Earning and Outgo' and 'Disclosure 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 were appointed as the Company's Statutory Auditors by the shareholders in the AGM held on September 1, 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 certificate from the 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. Additionally, with regard to the comments under para i(b) of the Annexure 1 to the Independent Auditors' Report regarding reconciliation of the quantitative and situation details of the physical verification results with the records maintained by the Company, the same is in progress and we believe that the impact is not expected to be material.

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 Auditor, for the financial year ending March 31, 2016. The Cost Auditors will submit their report for the financial year ending 2014-15 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 Auditor

The Company had appointed M/s. Chandrasekaran Associates, Company Secretaries, New Delhi, to conduct its Secretarial Audit for the financial year ended March 31, 2015. 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 2015-16.

Sustainability Journey

Sustainability initiatives have been integral to Bharti Airtel's journey, since inception. In last four years the Company added a more comprehensive and structured sustainability plan with active cooperation of its stakeholders. Bharti Airtel's aim is to benefit the planet and the community through its operations and engagements. The Company is putting focus on diverse issues like climate change, employee engagement, waste management, digital inclusion and impact on communities, among others. The Company is committed to maintain the highest standards of governance, safety and environmental performance across the value chain.

An update on the Company's sustainability journey forms part of the Corporate Social Responsibility and Sustainability report. The detailed sustainability report of the Company is available on the Company's website at www.airtel.in/sustainability.

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 www.airtel.in/wps/wcm/connect/fd7b3172-02e5-4e25-af7e-51d64cc17534/CSR+Policy.pdf?MOD=AJPERES&ContentCache=NONE

During FY 2014-15, the Company has spent ₹ 411 Mn towards the CSR activities. Being the initial year, the Company was 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 Agreement, the Business Responsibility Report, describing the initiatives taken by the Company from environmental, social and governance perspective forms a part of the Annual Report.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, 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 Clause 49 of the Listing Agreement, forms part of the Annual Report.

A certificate from M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Gurgaon, the Statutory Auditors of the Company, confirming compliance of conditions of Corporate Governance, as stipulated under Clause 49, 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.

During the year, a Risk Management Policy has been approved by Audit & Risk Management Committee and the Board. 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 has been given as a part of Management Discussion & Analysis under the section 'Risks and Concerns', which forms part of this Annual Report.

Internal Financial Control

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 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 or 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 ordinary course of business and on an arm's length basis. During the year, the Company had 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. 48 to the financial statements provided in the full version of the Annual Report and Note no. 24 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 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 herewith 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 herewith 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, has been enclosed with 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

Your Directors 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

Date: April 28, 2015

Place: New Delhi

Sunil Bharti Mittal

Chairman

Information Regarding Employees Stock Option Schemes (As On March 31, 2015)

Annexure A

Sl. No.	Particulars	ESOP Scheme 2005	ESOP Scheme 2001
1)	Number of stock options granted	27,464,611*	40,905,078**
2)	Pricing Formula	Exercise Price not less than the par value of the Equity Share and not more than the price prescribed under Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulation 2009 on Grant Date	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
3)	Options vested	10,545,931	30,664,859
4)	Number of options exercised	7,504,892	30,599,859
5)	Number of shares arising as a result of exercise of option during the FY 2014-15	-	-
6)	Number of options lapsed	16,630,626	9,915,219
7)	Money realised by exercise of options	716,264,993	392,523,865
8)	Total number of options in force	3,329,093	390,000
9)	Options granted to senior managerial personnel during the FY 2014-15		
	■ Mr. Gopal Vittal	-	225,000
10)	Diluted earnings per share (EPS) as per AS 20	N.A.	N.A.
11)	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	N.A.	N.A.
12)	a) Weighted average exercise price	₹ 211.57	a) ₹ 11.25; ₹ 0.45; ₹ 35; ₹ 0; ₹ 5; ₹ 60; ₹ 110.5
	b) Weighted average fair value	₹ 185.38	b) NA; NA; NA; NA; ₹ 268.20; ₹ 84.43; ₹ 357.63
13)	Method and significant assumptions used to estimate the fair values of options.	Black Scholes / Lattice Valuation Model / Monte Carlo Simulation	
	(i) risk free interest rate	i) 8.55% p.a to 8.65% p.a (The Government Securities curve yields are considered as on valuation date)	
	(ii) expected life	ii) 54 to 72 months	
	(iii) expected volatility	iii) 30.73%	
	(iv) expected dividends	iv) 36% (Dividend yield of 0.48%)	
	(v) market price of the underlying share on grant date	v) ₹ 373.70 per equity share	

Notes:

* Granted 8,730,059 options out of the options lapsed over a period of time.

** Granted 9,225,078 options out of the options lapsed over a period of time.

- The options granted to the senior managerial personnel under both the schemes are subject to the adjustments as per the terms of respective performance share plan.
- There is no variation in the terms of options granted during the year.
- Other than the employee stated in point no. 9, 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.

Nomination, Remuneration and Board Diversity Policy

Annexure B

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 Company's targets.

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 reappointment / 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 consider 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 Group General Counsel and 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 Group General Counsel and Company Secretary at compliance.officer@bharti.in.

Secretarial Audit Report for the Financial Year Ended March 31, 2015
Annexure C

To,
The Members,
Bharti Airtel Limited

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, 2015 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, 2015 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, 1992;

- 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; 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/ industry 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 - Not applicable for financial year 2014-15.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

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 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 no specific events / actions took place that having 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 Membership No. FCS No.: 1644
Date: April 22, 2015 Certificate of Practice No.: 715

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms 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

- 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.
- 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.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 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.
- 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 Membership No. FCS No.: 1644
Date: April 22, 2015 Certificate of Practice No.: 715

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.

At Bharti Airtel, the CSR and welfare activities centres around the following areas:

- I. Promoting education including special education, employment enhancing vocation skills especially among children and livelihood enhancement projects;
- II. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- III. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.

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

The glimpses of CSR projects and programmes undertaken by the Company through Bharti Foundation can be accessed at www.bhartifoundation.org

2. Composition of CSR Committee

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

	(₹ Millions)
3. Average net profit before tax of the Company for last three financial years	69,986
4. Prescribed CSR Expenditure (2% of the amount as above)	1,400
5. Details of CSR spent during the year	
a) Total amount to be spent for the financial year	1,400
b) Amount Unspent	989

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

(₹ Millions)

S. 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 upto the reporting period	Amount Spent: Direct or through implementing agency
1.	Satya Bharti School Programme	Promotion of education	Specified below	404.9	267.7	267.7	Through implementing agency
2.	Satya Bharti Abhiyan	Sanitation	District Ludhiana - Rural	6.1	6.1	6.1	- Bharti Foundation**

*District wise / State wise details of Satya Bharti School Program - Kaithal, Kurukshetra, RMJ Kosli in Haryana; Amritsar, Ludhiana, Sangrur in Punjab; Amritsar, Ludhiana, Sangrur in Punjab; Amer, Jodhpur, Neemrana in Rajasthan; Sivaganga in Tamil Nadu; Farrukhabad, Bulandshahr, Shahjahanpur in Uttar Pradesh and Mushirdabad. District wise / State wise detail of Satya Bharti Learning Program - Barmer, Jodhpur, Sawaimadhopur in Rajasthan. District wise / State wise detail of Quality Support Model - Mahendergarh and Nangla in Haryana and Jodhpur in Rajasthan.

** Details of Bharti Foundation: 1st Floor, C - Wing, Airtel Centre, Plot No. 16, Udyog Vihar, Phase - IV, Gurgaon - 122 015. Haryana (India). Ph No: 0124- 4823500.

6. Reason for not spending the prescribed 2% amount

During FY 2014-15, the Company has spent ₹411 Mn towards the CSR activities. Being the initial year, the Company was 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.

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)

Rajan Bharti Mittal

Chairman
CSR Committee

Form No. Mgt-9
as on the financial year ended on March 31, 2015
[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 Pvt. Ltd. Karvy Selenium Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, 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	82.46%

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

III. Particulars of Holding, Subsidiary and Associate Companies

S.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	71.88
4	Bharti Infratel Services Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi- 110 070	U64200DL2013PLC253495	71.88
5	Bharti Telemedia Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi- 110 070	U92200DL2006PLC156075	95
6	Airtel M Commerce Services Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi- 110 070	U64200DL2010PLC201058	100
7	Nxtra Data Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi- 110 070	U72200DL2013PLC254747	100
8	Wynk Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi- 110 070	U74140DL2015PLC275325	100
9	Telesonic Networks Limited	4 th Floor, 'C' Wing, Airtel Centre, Plot No. 16, Phase - IV, Udyog Vihar, Gurgaon - 122 015, Haryana, India.	U64200HR2009PLC039237	100
10	Airtel Broadband Services Private Limited	Unit No. 1102, 11 th Floor, Platina Plot No. C 59 G Block, Bandra Kurla Complex, Bandra (East) Mumbai - 400050. Maharashtra	U72900MH2007PTC175384	100

S.No	Name of the Company	Address	CIN/Registration No.	% of shares held
11	Airtel Bangladesh Limited	House # 34, Road # 19/A, Banani, Dhaka - 1213, Bangladesh	C - 55081	100
12	Bangladesh Infratel Networks Limited	House # 34, Road # 19/A, Banani, Dhaka - 1213, Bangladesh	C - 93753/11	100
13	Bharit Airtel (Canada) Limited (In liquidation)	2800 Part Place, 666, Burrard Street, Vancouver, BC V6C 2Z7 Canada	BC0772917	100
14	Bharti Airtel (France) SAS	88, ter avenue Général Leclerc – 92100 Boulogne Billancourt	RCS Nanterre 523 035 426	100
15	Bharti Airtel (Hongkong) Limited	12/F, No. 3, Lockhart Road, Wanchai, Hongkong	1080074	100
16	Bharti Airtel (Japan) Pvt. Ltd.	Shinjuku Park Tower 30th Floor, 7-1, Nishi Shinjuku 3-chome, Shinjuku-ku, Tokyo	0111-01-055989	100
17	Bharti Airtel (UK) Limited	26 Red Lion Square, London, WC1R 4AG, United Kingdom	5917314	100
18	Bharti Airtel (USA) Limited	335 Madison Avenue 12 th floor, New York 10017	F-060912000-21720	100
19	Bharti Airtel Holdings (Singapore) Pte Ltd	150, Orchard Road, #08-01, Orchard Plaza, Singapore	2007-18118-G	100
20	Bharti Airtel International (Mauritius) Limited	Multiconsult Limited, Les cascade Building, Edith Cavell Street, Port Louis, Mauritius	094380 CI/GBL	100
21	Bharti Airtel International (Netherlands) B.V.	Keizersgracht 62-64, 1015 CS Amsterdam, The Netherlands	8222.30.732	100
22	Bharti Airtel Lanka (Private) Limited	Level 11, west Tower, world Trade Centre, Echelon Square Colombo 1, Sri Lanka	PV10652	100
23	Bharti Infratel Lanka (Private) Limited	Level 11, west Tower, world Trade Centre, Echelon Square Colombo 1, Sri Lanka	63290	100
24	Bharti International (Singapore) Pte Ltd	150, Orchard Road, #08-01, Orchard Plaza, Singapore	2010-05788-R	100
25	Network i2i Ltd.	Multiconsult Limited, Les cascade Building, Edith Cavell Street, Port Louis, Mauritius.	25951/6339	100
26	Africa Towers N.V.	Keizersgracht 62-64, 1015 CS Amsterdam, The Netherlands	50970065	100
27	Africa Towers Services Limited	Parkside Towers, Mombasa Road, PB 73146-00200, Nairobi, Kenya	CPR/2011/56039	100
28	Airtel (Ghana) Limited	30 Independence Avenue, North Ridge, Accra, Ghana.	C-71,259	75
29	Airtel (Seychelles) Limited	Providence, East Cost, P.O. Box 1358, Victoria, Mahe, Seychelles	841930-1	100
30	Airtel (SL) Limited	42, Main Motor Road, Wilberforce, Freetown, (Sierra Leone)	C/F/179/1998	100
31	Airtel Burkina Faso S.A.	771, Avenue du Prés. Aboubacar Sangoulé, Lamizana, 01 Boite Postale 6622, Ouagadougou, 01, Burkina Faso	BFOUA 2000-B-522 (IFU 72004149B)	100
32	Airtel Congo S.A	Avenue Amilcar Cabral/ BP 1038, Brazzaville, Republique du Congo, Congo	CG/BZV/07 B299	90
33	Airtel DTH Services (Sierra Leone) Limited (In liquidation)	c/o Airtel (SL) limited, 42, Motor Road, Wilberforce	55/2011	100
34	Airtel DTH Services Congo (RDC) S.p.r.l (In liquidation)	Croisement des Avenues, du Tchad et du Bas Congo, Commune de la Gombe, Kinhasa, Republique Democratique du Congo, Congo RDC	NRC KG/9.903/M	100
35	Airtel DTH Services Nigeria Limited (In liquidation)	Plot L2, Banana Island, Foreshore Estate, Ikoyi, Lagos, Nigeria	932607	100
36	Airtel Gabon S.A.	124 Avenue Boue/ BP 9259, Libreville, Gabon	2001/B01 000 (7344/B)	90
37	Airtel Madagascar S.A.	Airtel Buliding, Explorer Business Park Ankorondrano, Antananarivo, Madagascar	1997B00392	100
38	Airtel Malawi Limited	Airtel House, Citi Centre Off Independence Drive, P.O. Box 57, Lilongwe, Malawi	5114	100
39	Airtel Mobile Commerce (SL) Limited	42, Main Motor Road, Wilberforce, Freetown, Sierra Leone	ARG/9 No 426No. C/F/689/2009	100
40	Airtel Mobile Commerce B.V	Keizersgracht 62-64, 1015 CS Amsterdam, The Netherlands	34375413	100

S.No	Name of the Company	Address	CIN/Registration No.	% of shares held
41	Airtel Mobile Commerce Burkina Faso S.A.	771 Avenue du Pres. Aboubacar Sangoule Lamizina, 01 Boite Postale 6622 Ouagadougou	BFOUA2010B3275	100
42	Airtel Mobile Commerce Ghana Limited	30 Independence Avenue, North Ridge/GNAT Heights, Accra, Ghana	CA-62,722	100
43	Airtel Mobile Commerce Holdings B.V	Keizersgracht 62-64, 1015 CS Amsterdam, The Netherlands	34381129	100
44	Airtel Mobile Commerce Kenya Limited	Parkside Towers, Mombasa Road, P. O. Box 73146-00200, Nairobi, Kenya	C 169576	100
45	Airtel Mobile Commerce Limited (Malawi)	Airtel House, Citi Centre off Independence Drive, P.O. Box 57, Lilongwe, Malawi	9831	100
46	Airtel Mobile Commerce Madagascar S.A.	Escalier C Zone Tana Water Front Ambodivona, Analamanga, 101 Antananarivo Renivo, Renivohitra, Madagascar	2011B00235	100
47	Airtel Mobile Commerce Rwanda Limited	Airtel Rwanda Limited, Remera, Gasabo, P.O. Box 4164, Kigali, Rwanda	102933620	100
48	Airtel Mobile Commerce (Seychelles) Limited	Providence, East Coast P.O. Box 1358, Victoria, Mahe, Seychelles		100
49	Airtel Mobile Commerce (Tanzania) Limited	Ali Hassan, Mwinyi Road/ Kawawa Road, Kinondoni Block 41, Morocco Area, Kinondoni District, P.O. Box 9623, Dar es Salaam, Tanzania	79802	100
50	Airtel Mobile Commerce Tchad SARL	Immeuble Pierre Brock, Avenue Charles de Gaulle. BP. 5665, N'Djamena Chad	TC/NDJ/10B 183	100
51	Airtel Mobile Commerce Uganda Limited	Airtel House, Plot 40, Jinja Road, 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	80052/829972	100
53	Airtel Money (RDC) S.P.R.L.	127, Avenue de Plateau, Gombe, Kinhasa, Republique Democratique du Congo, Congo DRC	KG7602/M	100
54	Airtel Money Niger S.A.	Rue de l'Aeroport/ BP 11 922, Niamey, Niger	NI-NIA 2009-B-1848	100
55	Airtel Money S.A. (Gabon)	Avenue Amilcar cabral, B.P. 1038, Brazzaville, Republique du Congo	RG LBV 2101 B 09955	100
56	Airtel Networks Kenya Limited	Parkside Towers, Mombasa Road, P. O. Box 73146-00200, Nairobi, Kenya	87729	100
57	Airtel Networks Limited	Plot L2, Banana Island, Foreshore Estate/Ikoyi Lagos, Nigeria	398557	79.06
58	Airtel Networks Zambia Plc	Airtel House, Stand 2375, Addis Ababa Drive/ POB 320001, 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	Ali Hassan, Mwinyi Road/ Kawawa Road, Kinondoni Block 41, Morocco Area, Kinondoni District, P.O. Box 9623, Dar es Salaam, Tanzania	41291	60
61	Airtel Tchad S.A.	Immeuble Pierre Brock, Avenue Charles de Gaulle. BP. 5665, N'djamena, Chad	TC/NDJ/10B127 (TC.NDJ 063B99)	100
62	Airtel Towers (Ghana) Limited	30 Independence Avenue, North Ridge/GNAT Heights, 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 House, Plot 40, Jinja Road, P.O. Box 6771, Kampla, Uganda	111673	100
65	Bharti Airtel Africa B.V.	Keizersgracht 62-64, 1015 CS Amsterdam, The Netherlands	08076497	100
66	Bharti Airtel Burkina Faso Holdings B.V.	Keizersgracht 62-64, 1015 CS Amsterdam, The Netherlands	08077622	100
67	Bharti Airtel Chad Holdings B.V.	Keizersgracht 62-64, 1015 CS Amsterdam, The Netherlands	34125184	100
68	Bharti Airtel Congo Holdings B.V.	Keizersgracht 62-64, 1015 CS Amsterdam, The Netherlands	08077621	100

S.No	Name of the Company	Address	CIN/Registration No.	% of shares held
69	Bharti Airtel Developers Forum Limited	Airtel House, Stand 2375, Addis Ababa Drive, P.O. Box 23001, Lusaka, Zambia	82795	100
70	Bharti Airtel DTH Holdings B.V.	Airtel House, Stand 2375, Addis Ababa Drive, P.O. Box 23001, Lusaka, Zambia	50921266	100
71	Bharti Airtel Gabon Holdings B.V.	Airtel House, Stand 2375, Addis Ababa Drive, P.O. Box 23001, Lusaka, Zambia	08078528	100
72	Bharti Airtel Ghana Holdings B.V.	Keizersgracht 62-64, 1015 CS Amsterdam, The Netherlands	34204633	100
73	Bharti Airtel Kenya B.V.	Keizersgracht 62-64, 1015 CS Amsterdam, The Netherlands	38023926	100
74	Bharti Airtel Kenya Holdings B.V.	Keizersgracht 62-64, 1015 CS Amsterdam, The Netherlands	34164357	100
75	Bharti Airtel Madagascar Holdings B.V.	Keizersgracht 62-64, 1015 CS Amsterdam, The Netherlands	34204848	100
76	Bharti Airtel Malawi Holdings B.V.	Keizersgracht 62-64, 1015 CS Amsterdam, The Netherlands	08077659	100
77	Bharti Airtel Mali Holdings B.V.	Keizersgracht 62-64, 1015 CS Amsterdam, The Netherlands	34164359	100
78	Bharti Airtel Niger Holdings B.V.	Keizersgracht 62-64, 1015 CS Amsterdam, The Netherlands	34143743	100
79	Bharti Airtel Nigeria B.V.	Keizersgracht 62-64, 1015 CS Amsterdam, The Netherlands	34164360	100
80	Bharti Airtel Nigeria Holdings B.V. (In liquidation)	Keizersgracht 62-64, 1015 CS Amsterdam, The Netherlands	NA	100
81	Bharti Airtel Nigeria Holdings II B.V.	Keizersgracht 62-64, 1015 CS Amsterdam, The Netherlands	08077623	100
82	Bharti Airtel RDC Holdings B.V.	Keizersgracht 62-64, 1015 CS Amsterdam, The Netherlands	34125193	100
83	Bharti Airtel Services B.V.	Keizersgracht 62-64, 1015 CS Amsterdam, The Netherlands	08077657	100
84	Bharti Airtel Sierra Leone Holdings B.V.	Keizersgracht 62-64, 1015 CS Amsterdam, The Netherlands	08078533	100
85	Bharti Airtel Tanzania B.V.	Keizersgracht 62-64, 1015 CS Amsterdam, The Netherlands	08078747	100
86	Bharti Airtel Uganda Holdings B.V.	Keizersgracht 62-64, 1015 CS Amsterdam, The Netherlands	08078530	100
87	Bharti Airtel Zambia Holdings B.V.	Keizersgracht 62-64, 1015 CS Amsterdam, The Netherlands	08076501	100
88	Burkina Faso Towers S.A.	771, Avenue du President Aboubacar Sangoule Lamizana, 01 B.P. 6622 Ouagadougou 01, Burkina Faso.	BF OUA 2011 B 1212	100
89	Celtel (Mauritius) Holdings Limited	c/o Abax Corporate Services Ltd, 6 th floor, Tower A, 1 Cybercity, Ebene, Mauritius	18259/3238	100
90	Airtel Congo (RDC) S.A.	Croisement des Avenues du Tchad et du Bas-Congo, Commune de la Gombe, Kinshasa, Republique Democratique du Congo	NRC 47889	98.5
91	Celtel Niger S.A.	Rue de l'Aeroport/BP 11 922, Niamey, Niger	4930	90
92	Channel Sea Management Co Mauritius Limited	c/o Abax Corporate Services Ltd, 6 th floor, Tower A, 1 Cybercity, Ebene, Mauritius	18258/3237	100
93	Congo RDC Towers S.p.r.l.	Croisement des Avenues du Tchad et du Bas Congo, Commune de la Gombe, Republique Democratique du Congo	NRC KG/9.902/M	100
94	Congo Towers S.A.	Avenue Amilcar cabral, B.P. 1038, Brazzaville, Republique du Congo	CG/BZV/11 B 2566	90
95	Gabon Towers S.A.	124 Avenue Bouet/ BP 9259, Libreville, Gabon	2011B11106	90
96	Indian Ocean Telecom Limited	C/o Minerva Trust & Corporate Services Limited, 43/45, La Motte Street, St. Helier, Jersey, JE4 8SD, Channel Islands.	70138	100
97	Kenya Towers Limited	Parkside Towers, Mombasa Road, PB 962-000, Nairobi, Kenya	CPU/2014/172465	100
98	Madagascar Towers S.A.	Escalier C Zone Tana Water Front Ambodivona, 101 Antananarivo Renivo Renivohitna, Madagascar	2011 B 00184	100

S.No	Name of the Company	Address	CIN/Registration No.	% of shares held
99	Malawi Towers Limited	Airtel House, City Centre, Off Independence Drive, P.O. Box 57, Lilongwe, Malawi	10995	100
100	Mobile Commerce Congo S.A.	Avenue Amilcar Cabral/ B.P. 1038, Brazzaville, Republique du Congo	CG/BZV 09B 1796	100
101	Montana International	c/o Abax Corporate Services Ltd, 6 th floor, Tower A, 1 Cybercity, Ebene, Mauritius	6/97/2593	100
102	MSI-Celtel Nigeria Limited (In Liquidation)	7, Walter Carrington Crescent, Victoria Island, Lagos	372966	100
103	Niger Towers S.A.	Route de L'Aeroport, Quartier Talladje, BP 11 922, Niamey, Niger	NI-NIA 2011-B 952	90
104	Partnership Investments Spri	Immeuble Immo-Invest, a l'argle des Abenues ex Baron Jacques	51.554	100
105	Société Malgache de Telephonie Cellulaire SA	c/o Abax Corporate Services Ltd, 6 th floor, Tower A, 1 Cybercity, Ebene, Mauritius	19022/3479	100
106	Tanzania Towers Limited	Ali Hassan Mwinyi Road & Kawana Road Kinondoni Block 41/Morocco Area, Kinondoni District, POB 9623, Dar es Salaam, Tanzania.	82086	60
107	Tchad Towers S.A.	BP 5665, Avenue Charles de Gaulle, N'Djamena, Chad	TC/NDJ 11 B 69	100
108	Towers Support Nigeria Limited	7 th Floor Marble House, 1 Kingsway road, IKOYI, LAGOS, Nigeria.	940514	79.059
109	Uganda Towers Limited	Airtel House, Plot 40 Jinja Road, P.O. Box 6771, Kampala, Uganda.	126444	100
110	Warid Congo S.A.	Avenue Orsy / BP 238, Brazzaville, Republique du Congo, Congo	NA	90
111	Warid Telecom Uganda Limited (Merger in process)	Airtel House, Plot 40 Jinja Road, P.O. Box 6771, Kampala, Uganda.	111673	100
112	Zambian Towers Limited	Airtel house, Stand 2375, Addis Ababa Drive/ P.O.Box 320001, Lusaka, Zambia.	90078	96.36
113	Zap Trust Company Nigeria Limited	Plot L2, Banana Island, Foreshore Estate/Ikoyi Lagos, Nigeria	889384	100
114	Bharti Airtel Rwanda Holding Limited	c/o Abax Corporate Services Ltd, 6 th floor, Tower A, 1 Cybercity, Ebene, Mauritius	C083311	100
Associates u/s 2 (6) of the Companies Act, 2013				
1	Bharti Teleports Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi- 110 070	U32204DL2008PLC183976	49
2	Tanzania Telecommunications Company Limited	12 th Floor, Exelcoms House, Dar es Salaam, Tanzania	24490	35
3	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 Marg, Vasant Kunj II, Vasant Kunj, New Delhi, Delhi, 110070	U92100DL2007PLC170574	30.19
2	Bridge Mobile Pte Limited	750 Chai Chee Road, Technopark@ChaiChee, The Oasis, #03-02/0, Singapore 469000	200413856E	10
3	Forum I Aviation Ltd	505, G+5 Building., Opp. Domestic Arpt. Arrival Terminal, IGI Airport, New Delhi, India 110037	U62200DL2004PTC131655	16.67
4	FireFly Networks Limited	A-19, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi, Delhi 110044	U74999DL2014PLC264417	50

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e April 01, 2014				No. of Shares held at the end of the year i.e March 31, 2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total	
A. Promoters									
Indian									
Individual/ HUF	-	-	-	-	-	-	-	-	-
Central Government	-	-	-	-	-	-	-	-	-
State Government	-	-	-	-	-	-	-	-	-
Bodies Corporate	1,745,595,460	-	1,745,595,460	43.67	1,747,545,460	-	1,747,545,460	43.72	0.05
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	1,745,595,460	-	1,745,595,460	43.67	1,747,545,460	-	1,747,545,460	43.72	0.05
Foreign									
NRIs- Individuals	-	-	-	-	-	-	-	-	-
Other- Individuals	-	-	-	-	-	-	-	-	-
Bodies Corporate	857,180,286	-	857,180,286	21.44	857,180,286	-	857,180,286	21.44	0.00
Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
Any other (Foreign Institutional Investor)	8,493,000	-	8,493,000	0.21	8,493,000	-	8,493,000	0.21	0.00
Subtotal (A) (2):-	865,673,286	-	865,673,286	21.66	865,673,286	-	865,673,286	21.66	0.00
Total shareholding of Promoter	2,611,268,746	-	2,611,268,746	65.32	2,613,218,746	-	2,613,218,746	65.37	0.05
A= (A)(1) + (A)(2)									
B. Public Shareholding									
Institutions									
Mutual Funds	98,510,288	-	98,510,288	2.46	108,033,416	-	108,033,416	2.70	0.24
Banks / FI	3,262,189	-	3,262,189	0.08	932,054	-	932,054	0.02	(0.06)
Central Govt	-	-	-	-	-	-	-	-	-
State Govt	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	209,160,055	-	209,160,055	5.23	190,892,726	-	190,892,726	4.78	(0.45)
FIs (including foreign portfolio investors)	655,170,258	-	655,170,258	16.39	716,795,355	-	716,795,355	17.93	1.54
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub Total (B)(1):-	966,102,790	-	966,102,790	24.17	1,016,653,551	-	1,016,653,551	25.43	1.26
Non Institutions									
Bodies Corporate									
i) Indian	147,187,096	5,444,291	152,631,387	3.82	110,752,708	5,444,270	116,196,978	2.91	(0.91)
ii) Overseas	-	-	-	-	-	-	-	-	-
Individual shareholders holding nominal share capital upto ₹ 1 Lakh	36,242,409	9,558	36,251,967	0.91	29,099,563	8,418	29,107,981	0.73	(0.18)
Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	8,994,225	-	8,994,225	0.23	6,595,400	-	6,595,400	0.16	(0.07)
Qualified Foreign Investor	50	-	50	0.00	-	-	-	-	(0.00)
Foreign National	112	-	112	0.00	-	-	-	-	(0.00)
Foreign Companies	204,952,716	-	204,952,716	5.13	204,952,716	-	204,952,716	5.13	0.00
Non-resident Indians	2,606,787	-	2,606,787	0.07	2,159,619	-	2,159,619	0.05	(0.02)
Trusts	5,261,543	-	5,261,543	0.13	5,670,563	-	5,670,563	0.14	0.01
Clearing Members	9,329,779	-	9,329,779	0.23	2,844,548	-	2,844,548	0.07	(0.16)
Sub Total (B)(2):-	414,574,717	5,453,849	420,028,566	10.51	362,075,117	5,452,688	367,527,805	9.19	(1.32)
Total Public shareholding (B)=(B) (1)+(B)(2)	1,380,677,507	5,453,849	1,386,131,356	34.68	1,378,728,668	5,452,688	1,384,181,356	34.63	(0.05)
C. Shares held by Custodians for GDR's & ADR's	-	-	-	-	-	-	-	-	-
Total (A)+(B)+(C)	3,991,946,253	5,453,849	3,997,400,102	100.00	3,991,947,414	5,452,688	3,997,400,102	100.00	

(ii) Shareholding of Promoters

S. 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 shares pledged / encumbered to total shares	No. of shares	% of total shares	% of shares pledged / encumbered to total shares	
1	Bharti Telecom Limited	1,745,595,460	43.67%	-	1,747,545,460	43.72%	-	0.05%
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		2,611,268,746	65.32%	-	2,613,218,746	65.37%	-	0.05%

(iii) Change in Promoter Shareholding

S. 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	1,745,595,460	43.67%	April 01, 2014		Market Purchase		
				March 27, 2014	1,950,000	through Stock Exchanges	1,747,545,460	43.72%
				March 31, 2015			1,747,545,460	43.72%

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):

S.No	Name of the Share Holder	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	207,987,846	5.20	207,987,846	5.20
	Bought during the year	25,100,750	0.63	233,088,596	5.83
	Sold during the year	44,560,490	1.11	188,528,106	4.72
	At the end of the year	188,528,106	4.72	188,528,106	4.72
2.	Three Pillars Pte. Limited				
	At the beginning of the year	199,870,006	5.00	199,870,006	5.00
	Bought during the year	-	-	199,870,006	5.00
	Sold during the year	-	-	199,870,006	5.00
	At the end of the year	199,870,006	5.00	199,870,006	5.00
3.	ICICI Prudential Life Insurance Company Limited				
	At the beginning of the year	51,381,584	1.29	51,381,584	1.29
	Bought during the year	8,266,897	0.21	59,648,481	1.49
	Sold during the year	6,720,724	0.17	52,927,757	1.32
	At the end of the year	52,927,757	1.32	52,927,757	1.32
4	Dodge and Cox International Stock Fund				
	At the beginning of the year	39,912,904	1.00	39,912,904	1.00
	Bought during the year	17,855,300	0.45	57,768,204	1.45
	Sold during the year	-	-	57,768,204	1.45
	At the end of the year	57,768,204	1.45	57,768,204	1.45

S.No	Name of the Share Holder	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
5	HDFC Trustee Company Limited				
	At the beginning of the year	8,741,315	0.22	8,741,315	0.22
	Bought during the year	31,153,649	0.78	39,894,964	1.00
	Sold during the year	1,996,519	0.05	37,898,445	0.95
	At the end of the year	37,898,445	0.95	37,898,445	0.95
6.	Emerging Markets Growth Fund, Inc.				
	At the beginning of the year	37,670,027	0.94	37,670,027	0.94
	Bought during the year	-	-	37,670,027	0.94
	Sold during the year	25,054,008	0.63	12,616,019	0.32
	At the end of the year	12,616,019	0.32	12,616,019	0.32
7.	Goldman Sachs (Singapore) Pte. Limited				
	At the beginning of the year	35,068,211	0.88	35,068,211	0.88
	Bought during the year	24,274,019	0.61	59,342,230	1.48
	Sold during the year	2,870,792	0.07	56,471,438	1.41
	At the end of the year	56,471,438	1.41	56,471,438	1.41
8.	Skagen Kon-Tiki Verdipapirfond				
	At the beginning of the year	31,881,489	0.80	31,881,489	0.80
	Bought during the year	12,487,359	0.31	44,368,848	1.11
	Sold during the year	14,720,642	0.37	29,648,206	0.74
	At the end of the year	29,648,206	0.74	29,648,206	0.74
9.	Franklin India Balanced Fund				
	At the beginning of the year	27,434,835	0.69	27,434,835	0.69
	Bought during the year	3,853,509	0.10	31,288,344	0.78
	Sold during the year	9,876,687	0.25	21,411,657	0.54
	At the end of the year	21,411,657	0.54	21,411,657	0.54
10.	HSBC Bank (Mauritius) Limited				
	At the beginning of the year	26,592,089	0.67	26,592,089	0.67
	Bought during the year	3,272,900	0.08	29,864,989	0.75
	Sold during the year	24,320,268	0.61	5,544,721	0.14
	At the end of the year	5,544,721	0.14	5,544,721	0.14
11.	Vanguard Emerging Markets Stock Index Fund				
	At the beginning of the year	22,914,897	0.57	22,914,897	0.57
	Bought during the year	1,238,550	0.03	24,153,447	0.60
	Sold during the year	1,117,687	0.03	23,035,760	0.58
	At the end of the year	23,035,760	0.58	23,035,760	0.58
12.	Abu Dhabi Investment Authority - Beacon				
	At the beginning of the year	18,790,745	0.47	18,790,745	0.47
	Bought during the year	5,827,754	0.15	24,618,499	0.62
	Sold during the year	4,496,919	0.11	20,121,580	0.50
	At the end of the year	20,121,580	0.50	20,121,580	0.50

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 2014-15 has been provided.

(iv) Shareholding of Directors and Key Managerial Personnel

S. 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
Directors								
1	Mr. Manoj Kohli (ceased to be a Director on February 04, 2015)	225,739	0.01%	April 1, 2014				
				May 28, 2014	(50,000)	Market Sale	175,739	0.00%
				June 26, 2014	22,000	Shares allotted under ESOP	197,739	0.00%
				August 1, 2014	(50,000)	Market Sale	147,739	0.00%
				November 19, 2014	(36,900)	Market Sale	110,839	0.00%
				February 13, 2014	(27,700)	Market Sale	83,139	0.00%
			March 31, 2015				83,139	0.00%
2	Mr. Gopal Vittal	48,635	0.00%	April 1, 2014				
				September 6, 2014	6,250	Shares allotted under ESOP	54,885	0.00%
				October 1, 2014	10,000	Shares allotted under ESOP	64,885	0.00%
				November 7, 2014	10,000	Shares allotted under ESOP	74,885	0.00%
				January 12, 2015	10,000	Shares allotted under ESOP	84,885	0.00%
				January 19, 2015	10,000	Shares allotted under ESOP	94,885	0.00%
				February 23, 2015	10,000	Shares allotted under ESOP	104,885	0.00%
				March 27, 2015	10,000	Shares allotted under ESOP	114,885	0.00%
			March 31, 2015				114,885	0.00%
3	Mr. Ajay Lal (ceased to be a Director on January 22, 2015)	20,000	0.00%	April 1, 2014				
				March 31, 2015			20,000	0.00%
Key Managerial Personnel								
4	Mr. Srikanth Balachandran	28,000	0.00%	April 1, 2014				
				June 9, 2014	(10,000)	Market Sale	18,000	0.00%
				August 1, 2014	(857)	Market Sale	17,143	0.00%
				September 2, 2014	(7,143)	Market Sale	10,000	0.00%
				March 2, 2015	(9,500)	Market Sale	500	0.00%
				March 9, 2015	29,413	Shares allotted under ESOP	29,913	0.00%
				March 23, 2015	(5,000)	Market Sale	24,913	0.00%
				March 26, 2015	(20,000)	Market Sale	4,913	0.00%
				March 31, 2015			4,913	0.00%

S. 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
5.	Mr. Mukesh Bhavnani	20,000	0.00%	April 1, 2014				
				April 19, 2014	8,000	Shares allotted under ESOP	28,000	0.00%
				September 5, 2014	3,000	Shares allotted under ESOP	31,000	0.00%
				September 6, 2014	17,000	Shares allotted under ESOP	48,000	0.00%
				December 10, 2014	5,000	Shares allotted under ESOP	53,000	0.00%
				January 12, 2015	20,439	Shares allotted under ESOP	73,439	0.00%
				February 9, 2015	3,000	Shares allotted under ESOP	76,439	0.00%
				February 27, 2015	(5,000)	Market Sale	71,439	0.00%
				February 28, 2015	(1,439)	Market Sale	70,000	0.00%
				March 10, 2015	(11,000)	Market Sale	59,000	0.00%
				March 11, 2015	(2,000)	Market Sale	57,000	0.00%
				March 31, 2015			57,000	0.00%

No other Director held any shares of the Company during the financial year 2014-2015.

V. Indebtedness

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

(₹ Millions)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	14	103,640	-	103,654
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	315	-	315
Total (i+ii+iii)	14	103,955		103,969
Change in indebtedness during the financial year				
Addition	14	168,582	-	168,596
Reduction	9	56,544	-	56,553
Net Change	5	112,038		112,043
Indebtedness at the end of the financial year				
i) Principal Amount	19	215,678	-	215,697
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	267	-	267
Total (i+ii+iii)	19	215,945		215,964

VI. Remuneration of Directors and Key Managerial Personnel

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

Sl. no.	Particulars of Remuneration	Name of Managing Director / Whole-time Director / Manager		Total Amount (₹ Millions)
		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	247.30	50.79	298.09	
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4.70	0.05*	4.75	
(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	
(2) Stock Option*	-	24.45*	24.45	
(3) Sweat Equity	-	-	-	
(4) Commission	-	-	-	
- as % of profit	-	-	-	
- others, specify...	-	-	-	
(5) Others - PF Contribution	19.78	2.60	22.38	
Total (A)	271.77	77.89	349.67	
Ceiling as per the Act	₹ 15,677.40 Mn. (being 10% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

Note: *Value of perquisites u/s 17 (2) Income Tax Act, 1961 does not include perquisite value of ₹ 24.45 Mn towards stock options exercised by Mr. Gopal Vittal during FY 2014-15. 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. Ajay Lal ¹	0.64	5.70	6.34
Mr. Craig Ehrlich	0.30	8.73	9.03
Mr. Tsun-yan Hsieh ²	0.10	3.45	3.55
Mr. Manish Kejriwal	0.40	6.50	6.90
Ms. Obiageli Ezekwesili	0.20	8.10	8.30
Mr. V. K. Viswanathan	0.40	7.80	8.20
Mr. D. K. Mittal	0.50	5.50	6.00
Mr. Ben Verwaayen	0.70	24.19	24.89
Mr. Shishir Priyadarshi ³	0.10	1.68	1.78
Total B1	3.34	71.65	74.99
Other Non-Executive Directors	Fee for attending Board / committee meetings	Commission	Total
Mr. Rajan Bharti Mittal	-	3.00	3.00
Mr. Manoj Kohli ⁴	-	2.55	2.55
Sheikh Faisal Thani AL-Thani	-	3.78	3.78
Ms. Tan Yong Choo	-	3.74	3.74
Ms. Chua Sock Koong	-	3.74	3.74
Total B2	-	16.81	16.81
Total B=(B1+B2)	3.34	88.46	91.80
Ceiling as per the Act	₹ 1567.74 Mn (being 1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		
Total Managerial Remuneration (A+B)	₹ 441.47 Mn		
Total ceiling as per the act (11%)	₹ 17,245.14 Mn (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

Notes:

- (1) Ceased to be Director of the Company w.e.f. January 22, 2015.
- (2) Ceased to be Director of the Company w.e.f. September 1, 2014.
- (3) Appointed w.e.f. February 04, 2015.
- (4) Ceased to be Director of the Company w.e.f. February 04, 2015.

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

(₹ Millions)				
Sl. no.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Srikanth Balachandran Global CFO	Mr. Mukesh Bhavnani Group General Counsel & Company Secretary [#]	
(1)	Gross salary			
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	36.33	30.67	67.00
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.03*	0.07*	0.10
(c)	Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
(2)	Stock Option	10.32*	17.45*	27.77
(3)	Sweat Equity	-	-	-
(4)	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
(5)	Others - Provident Fund	1.51	1.42	2.93
	Total	48.19	49.61	97.80

Notes:

* Value of perquisites U/s 17 (2) Income Tax Act, 1961 does not include perquisite value of ₹ 10.32 Mn and ₹ 17.45 Mn. towards stock options exercised by Mr. Srikanth Balachandran and Mr. Mukesh Bhavnani respectively during FY 2014-15. The same has been shown separately in point no. (2).

[#]Resigned w.e.f. March 31, 2015.

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 Annexure F

A. Conservation of Energy

The Company remains conscious of the environmental impact of its business and has improved its energy efficiency through various initiatives. The main focus of the energy conservation drive has been on reducing energy cost and minimising the environmental impact of its operations.

- 1) During the year under review, several steps were taken for conservation of energy, some of which are listed below:

Network

- Sites deployed during the year are all outdoor sites that will not require air-conditioners and have also been opened on sharing basis, reducing energy consumption by over 30%, in comparison to standalone sites.
- FCU units have been introduced at the Base Transceiver Stations (BTS) for switching off the air-conditioners, making it feasible for the sites to utilise alternate sources of energy.
- BTS sites are now being operated at low power.
- Power Management Units (PMUs) have been introduced.
- Energy-efficient retrofits, such as integrated power management systems, efficient DC-to-AC convertors, and efficient air-conditioners were used at BTS sites.

- Speed drivers and energy-efficient lighting systems were introduced at various locations.
- Innovative design modifications have taken place, such as:
 - Upgrading the existing sites and installing new sites with an auto-TRX shutdown feature, which reduces the energy requirement at non-peak hours.
 - Equipping shelters with optimal cooling, power, and thermal management systems, among other facilities.
 - Placing BTS sites outdoors, thus decreasing the air-conditioning load.

Data Centres

Several initiatives have been adopted to improve the energy efficiency of data centres by reducing their negative impact on the environment and promoting green initiatives. The emphasis has been on optimising the operation of data centres for energy conservation, improving space utilisation, and enhancing performance. Few of the initiatives are listed below:

- Cold Aisle Containment has been introduced to prevent the mixing of cold supply air and hot exhaust air in data centre aisles. This leads to

lower energy consumption and more efficient cooling, and, moreover, helps in fixing the 'short-cycling' of cold/ hot air inside the data centres.

- Variable Frequency Drives (VFDs) have been installed in our HVAC systems to automatically reduce the speed and power consumption of motors when there is lower system load.
- Based on power audits and an extensive study of energy usage, various initiatives have been undertaken over the years to optimise the usage of electricity, such as:
 - identification and rectification of hot spots
 - optimisation of lighting and AC usage

Facilities

- Installed LEDs at several office locations.
- Successfully installed Automatic Power Factor Controller (APFC) at office across Pan India.
- Variable Frequency Drive (VFD) Installations at few offices.

2) The following initiatives have been undertaken by the Company, to utilise alternate sources of energy:

- **Rooftop solar plants at main switching centres:** The Company has installed solar power plants at 12 MSC locations. These on-grid solar plants, without battery bank, are expected to generate green energy of 1.1 Mn units with emission reduction of 900 tons per annum. A 100 kWp solar power plant has been installed at the Airtel campus at Manesar. The solar plant, the first of its kind in India as well as in the telecom industry worldwide, has a raised structure that utilises the car parking space to generate green energy.
- **Solar and battery hybrid solutions and biomass fuel replacing diesel:** In FY 2014–15, Airtel took an aggressive step towards elimination of diesel usage by implementing battery and solar hybrid solutions, a Li-ion solution, and a biomass solution, at its 2,800 BTS sites in Hexacom Rajasthan and the North-East. The Company upgraded around 160 rural diesel sites. Apart from this, over 110 sites were converted to outdoor sites, with the help of FCU. Till date, more than 250 sites have hybrid solutions that help save diesel at the Company's base stations.
- **Trial of new energy solutions:** Bharti Airtel has conducted trials of micro-cooling solutions for data centres, at its BTS sites. Such a solution would help switch off air-conditioners where critical transmission equipment is installed, thus reducing the energy requirement. The Company has also conducted a successful trial of natural and thermo-electric cooling, to eliminate the need for air-conditioning altogether.

- **Green power wheeling for data centres and MSCs:** To further enhance energy efficiency, the Company has been using renewable sources of energy, like solar, wind, and hydroelectric energy. In FY

2014–15, green power wheeling agreements for the procurement of green energy, under open access of 45 Mn units per annum, have been made for three data centres at Chennai (wheeling through wind power), Bangalore (wheeling through hydro power), and Noida (roof-top solar power plant), and one MSC location.

- **Partnering green projects with Bharti Infratel:** Bharti Infratel has been working closely with Bharti Airtel to convert more of the Company's sites into green sites. In FY 2014–15, over 3,600 sites have been converted to outdoor sites, using FCU and micro-cooling solutions, bringing the total number of outdoor sites in the Company to 6,000. Currently, 2,200 sites are functioning on solar energy across the Company's pan-India operations, 700 of which have been installed with solar plants during the past year. This year, Infratel has tagged over 5,500 sites as green sites that have eliminated the use of diesel.
- **Building green cities with Indus Towers:** Project Green City, by Indus Towers, has tagged more than 22,000 sites as green and diesel-free. Airtel's close partnership with Indus Towers has resulted in converting over 9,000 of the Company's sites to outdoor sites in FY 2014–15, leading to a total of 13,700 outdoor sites in the Company.
- Installation of Solar Plates in cafeteria area of office premise in Gurgaon.
- Wind power wheeling for the office and MSC location at Vega Centre, Pune.

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

Sr. No	Location	Capex (in ₹ Millions)
1	Own sites (Hexacom and Core)	327.00
2	TOCO (Indus and Infratel)	564.50
3	TOCO (through partners Ericsson and NSN at TOCO locations)	57.29
TOTAL		891.50

B. Technology Absorption

1. Efforts to enhance technology absorption

The Indian market has been experiencing explosive growth in mobile broadband services, fuelled by affordable smartphone devices and a plethora of applications that are influencing social lifestyles. This is driving a continuous requirement for additional capacity and spectrum, in order to provide a best-in-class user experience to subscribers. Unprecedented loading of the network with scarce spectrum, limited infrastructure, and right-of-way challenges for fibre layout has caused Airtel to seek non-traditional ways of densification and optimisation of its networks. The Company has embraced new technologies to overcome these challenges.

With the aim of fulfilling the Government of India's 'Digital India' initiative and providing a world-class data experience to users, Airtel pioneered the deployment of

LTE technology in India, to provide 4G services across more than 250 cities and towns, including India's first dual-band LTE TDD and FDD network. Airtel has deployed India's first 3G network in the 900 MHz bandwidth, with the first-ever re-farming of its 900-band spectrum. The Company has also introduced India's first 100G and Evolved packet transport network, to provide high-speed backbone connectivity for its 3G and LTE customers.

Airtel has embraced a Self-optimisation network and Geo-analytical tools in real time to ensure enhancement of customer experience. These platforms have enabled automatic optimisation of multi-layered networks, setting new benchmarks in end-user experience, by reducing call drop rates, preventing network blocking, and increasing data throughputs.

Mobile phones have become an integral part of people's daily lives and as a telecom operator, our aim is to ensure 24x7 uninterrupted services to our customers. In order to fulfill our customers' immediate accessibility needs in event of a damaged or lost SIM, Airtel has introduced a revised and improved SIM Swap process. In the past, SIM Swap was a tedious and time consuming process, requiring all documentation from the customer to be submitted to the store. It took around 2 hours to swap the SIM and approx. 24 hrs of SIM barring. The improved process is a customer initiated SIM swap, where the customer gets a swap done over SMS in approx. 10 minutes. This has resulted in better SIM inventory management and faster service to our customers.

By outsourcing its managed services, Airtel is now serving more than 100 million rural subscribers, connecting 85% of the population of the country. The Company has the largest subscriber base among all telecom companies in India.

2. Benefits derived from technology absorption

Airtel offers one of the largest bouquets of mobile services to its customers, including 2G, 3G, 4G, mobile commerce, and many other value-added services. Innovative products like Wynk Music app, myPlan and My Airtel app have been immensely successful and rapidly adopted by customers, across the country. The Company is the first mobile operator to offer 4G services in India and has the largest 3G footprint in the country. The launch of India's first LTE services across various cities has helped the Company provide higher throughput and faster downloads. Re-farming of the 900MHz spectrum to 3G has improved indoor coverage for the mobile broadband network, increasing capacity of 3G networks, and efficiency of the scarce spectrum resources. Airtel has transformed its network in an environment-friendly manner by deploying 'green' base stations, reducing power consumption and footprint, converting a majority of units into outdoor units, and eliminating the need for air-conditioning. These steps have resulted in significant reduction of the Company's carbon footprint.

Network planning and design is done by in-house experts. Through effective in-house planning and outsourcing of managed services, Airtel has been successful in delivering the most advanced network to its customers. To introduce more and more people to the internet, Airtel launched an innovative product called 'One Touch Internet', which has been recognised as the best mobile service/application of the year for consumers, in the 'Best Mobile Services' category at the prestigious GSMA Global Mobile Awards 2015 in Barcelona.

Airtel is the first telecom company to implement a self-optimising network (SON), which has enabled automated network optimisation of its complex multi-technology, multi-vendor networks. It has enabled dynamic configuration of the network for seamless handovers in 3G and 2G formats, thus reducing call drops. Real-time balancing of network load across congested and non-congested sites has reduced overloading, thereby improving user throughputs and preventing blocks in the network. Real-time optimisation has improved network utilisation, making the available spectrum and network capacity more efficient. Airtel has pioneered customer demand-centric network planning and densification by obtaining visibility of the network consumption on a granular 50m x 50m grid. It has helped in the introduction of new sites and small cells, in corridors of high consumption, resulting in improved efficiency.

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

- a. Details of technology imported:
The Company has not imported any technology in the given period, only telecom equipment were imported.
 - b. Year of import:
NA
 - c. Whether the technology been fully absorbed:
NA
 - d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof:
NA
3. Expenditure incurred on R&D:
NIL

C. Foreign Exchange Earnings and Outgo

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

Total foreign exchange used and earned for the year:

- (a) Total Foreign Exchange Earnings ₹ 37,274 Mn
- (b) Total Foreign Exchange Outgo ₹ 70,351 Mn

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 Annexure G

- i. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during FY 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2014-15 and comparison of the remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S.No	Name of the Director	Remuneration of Director / KMP for FY 2014-15 (in ₹)	Percentage increase in remuneration in FY 2014-15 ⁵	Ratio of remuneration of each Director to median remuneration of the employees of the Company ^{5,7}	Comparison of remuneration of KMP against the performance of the Company	
Executive Directors						
1.	Mr. Sunil Bharti Mittal Chairman	271,773,463	(2.52) ⁶	323.63	The Company's revenue has increased by 11.17% on year to year basis and profit after tax has increased by 100% year to year basis.	
2.	Mr. Gopal Vittal Managing Director & CEO (India & South Asia)	53,432,196*	12.45 ⁶	63.63		
Non-Executive Directors						
3.	Ms. Chua Sock Koong	3,741,219	8.08	4.46		
4.	Sheikh Faisal Thani Al-Thani	3,784,840	4.96	4.51		
5.	Mr. Rajan Bharti Mittal	3,000,000	10.66	3.57		
6.	Ms. Tan Yong Choo	3,741,219	8.08	4.46		
7.	Mr. Manoj Kohli	2,547,945 ¹	(68.82)	3.57		
Independent Directors						
8.	Mr. Ben Verwaayen	24,886,592	(8.12)	29.63		
9.	Mr. Shishir Priyadarshi	1,782,235 ²	-	13.83		
10.	Mr. Craig Ehrlich	9,027,487	4.33	10.75		
11.	Mr. D. K. Mittal	6,000,000	9.09	7.14		
12.	Mr. Manish Kejriwal	6,900,000	39.10	8.22		
13.	Ms. Obiageli Ezekwesili	8,304,204	6.67	9.89		
14.	Mr. V.K Viswanathan	8,201,370	41.78	9.77		
15.	Mr. Tsun-yan Hsieh	3,554,127 ³	(6.02)	10.03		
16.	Mr. Ajay Lal	6,344,658 ⁴	13.21	9.28		
Key Managerial Personnel other than Executive Directors						
17.	Mr. Srikanth Balachandran Global Chief Financial Officer	30,919,211 [#]	13.16 ⁶		The Company's revenue has increased by 11.17% on year to year basis and profit after tax has increased by 100% year to year basis.	
18.	Mr. Mukesh Bhavnani Company Secretary and Compliance Officer	28,757,476 [^]	10.00 ⁶			

Notes:

- From April 01, 2014 to February 04, 2015. Mr. Manoj Kohli ceased to be Managing Director and CEO (International) of the Company and served as a Non-Executive Director w.e.f. April 1, 2014.
- From February 04, 2015 to March 31, 2015.
- From April 01, 2014 to September 01, 2014.
- From April 01, 2014 to January 22, 2015.
- Based on Annualised Remuneration.
- 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 2013-14 has also been considered at 100% performance level.
- Remuneration of Employees and KMPs does not include perquisite value of stock options exercised during the year 2014-15.
- * The remuneration of Mr. Gopal Vittal excludes perquisite value of stock options of ₹ 24,452,450 exercised during the current financial year.
- # The remuneration of Mr. Srikanth Balachandran excludes perquisite value of stock options of ₹ 10,318,415 exercised during the current financial year and cash payout of ₹ 6,950,309 under performance-based long-term incentive plan of the Company.
- ^ The remuneration of Mr. Mukesh Bhavnani excludes perquisite value of stock options of ₹ 17,450,700 exercised during the current financial year and cash payout of ₹ 3,408,284 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 2.3% in median remuneration of employees in FY 2014-15 as compared to FY 2013-14.
- iii) **The number of permanent employees on the roll of the Company:** There were 9,202 employees on the rolls of the Company as on March 31, 2015.
- iv) **The explanation on the relationship between average increase in remuneration and Company performance:** The revenue growth during FY 2014-15 over FY 2013-14 was 11.17% and net profit growth was 100%. The average increase in the remuneration of employees excluding Key Managerial Personnel during FY 2014-15 was 10%.
- v)
 - a) **Variation in the market capitalisation:** The market capitalisation ₹ 1,270,173.88 Mn at March 31, 2014 and ₹ 1,572,177.46 Mn at March 31, 2015 i.e. an increase of 23.78 %.
 - b) **Price earnings ratio:** The price earning ratio was 11.91 at March 31, 2015 as compared to 19.04 at March 31, 2014 i.e. a decrease of 37.45%.
 - 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 on NSE and BSE as of March 31, 2015 was ₹ 393.30 and ₹ 393.90 respectively, representing 774% increase over IPO price (NSE).
- vi) **Average percentage increase already made in the salaries of employees other than the managerial personnel in FY 2014-15 and its comparison with the percentage increase in the managerial remuneration:** The average increase in the remuneration of employees excluding KMPs during FY 2014-15 was 10% and the average increase in the remuneration of KMPs was 8.27% which is consistent with the increase in remuneration of employees.
- 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 2015, 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, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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 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.

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 No: 101049W

per **Nilangshu Katriar**

Partner

Membership No. 58814

Place: New Delhi

Date: April 28, 2015

Management Discussion and Analysis

At Bharti Airtel, our journey so far has been exciting. In July, 2014, we crossed the important milestone of 300 Mn customers. The last 100 Mn additions happened in less than two years. We are committed to further bolster our market leadership across geographies. Telecom is transforming, and data-centricity is playing a critical role in it. We launched several industry-first innovations to drive data uptake during the year through various offerings and partnerships. We have steadily enhanced our investments in Africa, and continue to believe in the continent's tremendous growth potential. We are well positioned to derive benefits from increasing tele-density in many countries, which have low mobile and data penetration.

Our endeavour is to maintain the optimum capital structure at all times and maintain and solidify our balance sheet's strength. Despite being at very comfortable levels of leverage, deleveraging remains on track following initiatives, such as equity infusion, value unlocking through our investee companies and cash-generation through hiving off of our African tower infrastructure assets. The investment grade ratings awarded and reaffirmed by international credit rating agencies reflect the inherent strengths of our business model, its robustness and scalability. We continue to be committed to creating value for all stakeholders, while ensuring highest standards of corporate governance.

Our brand leadership, strong financial performance and sound governance will translate into enhanced stakeholder confidence. This, in turn, will ensure long-term sustainability and value generation for your business.

Economic Overview

Global Review

Financial year 2014-15 was marked by the collapse in crude prices and other commodities, while legacy risks continued to play their part in slow global growth.

Many economic adjustments that these events have triggered will continue to materialise in the quarters ahead. On the one hand, there is visible expansion in the US economy, while on the other, we are witnessing weak and uneven acceleration in some pockets of Europe, though largely macro-economic indicators continue to remain sluggish. There has been a decoupling in global growth – while the US is talking about starting monetary tightening, in markets of Europe and even China – which contributed largely to global growth – are continuing to talk about easing. The collapse in oil prices will effectively provide a tax cut for consumers globally. Growth in China has been sluggish, amid slowdown in the construction and manufacturing sectors. The world's second largest economy is now rebalancing itself from an investment and export-led model to a consumption-led growth model.

In the near term, cheap oil adds to deflationary pressures, enabling central banks to maintain their ultra-supportive stance. However, the divergent global growth dynamics will be mirrored in central bank policy. Persistent concerns over low inflation in the Eurozone and Japan may see the European Central Bank (ECB) and Bank of Japan (BoJ) continue to ease policy. In contrast, the Fed, buoyed by a strengthening economy and rising wages, may raise rates. Monetary policy will, however, remain accommodative, with rates remaining low relative to previous cycles. For the emerging economies, inflation levels have also broadly trended lower with a few exceptions, and a fall in commodity prices will support this trajectory. The softening of commodity prices, which is likely to sustain for some time, is expected to weigh on traditional commodity exporters as opposed to net importers. Net energy importers, such as India, Turkey, the Philippines are expected to gain at the expense of countries, such as Brazil, Indonesia, Russia and the Gulf countries.

GDP Growth Trend

(%)

	Actual		Projections	
	2013	2014	2015	2016
World Output	3.4	3.4	3.5	3.8
Advanced Economies	1.4	1.8	2.9	3.2
Emerging and Developing Economies	5.0	4.6	4.3	4.7
China	7.8	7.4	6.8	6.3
India	6.9	7.2	7.5	7.5
Bangladesh	6.1	6.1	6.3	6.8
Sri Lanka	7.3	7.4	6.5	6.5
Sub-Saharan Africa	5.1	5.0	4.5	5.1

(Source: International Monetary Fund, World Economy Outlook database, April 2015)

Indian Economy

India is back on track as an emerging powerhouse of Asia and the world. Inflation has largely been range bound during the course of the year, building a strong case for a more balanced monetary policy stance. The collapse of the global commodity prices has reduced stress on twin deficits and inflation, boosting consumer demand at the same time. These macro tailwinds are facilitating a gradual recovery with stable exchange rates, resulting in increased investor appetite and capital flows into the country. Asset prices are thus buoyant, with Indian equity indices near all-time highs and among the best performing in the world.

Certain lead indicators, also suggest that the headwinds buffeting India's economy seem to be easing at the margin, as some of the bottlenecks in key industries are being removed. Noteworthy is the Government's focus on infrastructure

investments, and this is expected to strengthen India's economic growth, going forward. Telecom is also expected to play a significant role in implementing the Government's Digital India vision.

India's GDP growth during FY 2014-15 is estimated at 7.4% under the new method of computing national accounts [Source: CSO]. The economic growth rate has the potential to overtake that of China in the foreseeable future, if legacy risks do not derail growth. A key driver of India's macro-economic growth will be the digital consumer as the country's total internet user base is expected to exceed 350 Mn in the near future. Thus India's future growth story will be driven by two important trajectories: the positive macro-economic development and the acceleration provided by the internet to the aspiring young population.

Prospects in Africa

Africa is now widely considered as the sweet spot of opportunity, where investments in education, employment, healthcare and critical infrastructure can help elevate people's lives. Not only is the region blessed with abundant and diverse resources, both natural and human, it has one of the world's youngest populations brimming with aspirations for a better life. However, it still has a long way to go to realise its potential. Africa clearly can contribute significantly to global growth, provided Governments focus on sustained reforms to facilitate infrastructure creation, education and skill building, employment opportunities, entrepreneurship and socio-economic stability.

Real GDP growth in Sub-Saharan Africa has been projected by the IMF to hover around 5% annually for the next two years. Foreign direct investment into the region is targeting infrastructure sectors, as well as business services, transport and manufacturing. In 2014, the inflows into the region, excluding South Africa rose by 5% over the previous year to a projected USD 35 Bn. In fact, even the intra-Africa investments' share of cross border Greenfield foreign direct investment rose to 18% from 10% from 2004 to 2009.

Over the last fiscal year, in the backdrop of falling oil and commodity prices, challenges with oil production, planned fiscal consolidation, resultant devaluation of most African currencies, along with security and Ebola outbreak concerns, there were downward revisions in growth forecasts. These challenges have led to adjustments in Government spends and customer wallets. However, following the period of economic adjustments, these countries are likely to elevate to a higher growth trajectory.

South Asian Economies

With regaining political stability and with a renewed focus on growth, Bangladesh is estimated to have grown its GDP by 6.1% in 2014. The country's economy is expected to accelerate its growth to 6.3% in 2015. Remittances are expected to finance higher domestic consumption, while investments, especially in infrastructure will support strong long-term aggregate demand. Sri Lanka too seems to have recovered from the turmoil witnessed in the past few years, and has stepped up its efforts to attract foreign investments, improve infrastructure and promote all-round socio-economic development. The Sri Lankan economy is thus expected to continue its strong growth, at 6.5% in 2015, albeit marginally lower than the estimate of 7.4% in the past fiscal.

Megatrends that drive the Company's Business

- 1 India's internet users have risen considerably from 50 Mn in 2007 to 100 Mn in 2010 and more than 300 Mn in 2014, with close to 60% users accessing internet via mobile, making India the world's second-largest internet market (Source: The Internet & Mobile Association of India (IAMAI)). Increasingly, first-time users are coming online via mobiles, leapfrogging the desktop era. The time taken to add incremental 100 Mn internet users has shrunk from 10 years in the previous cycle to under two now.
India enjoys favourable demographics for internet penetration than many countries of the world; around 75% of its online population are aged between 15 and 34.
- 2 India is a lucrative market for global and domestic smartphone manufacturers. Smartphone shipments have doubled year-on-year, which led the total established base to reach 150 Mn in 2014. Enhanced focus on manufacturing affordable handsets with indigenous technology will further spur mobile telephony. At the same time, it will widen and deepen the internet user base.
- 3 Growth in smartphones, therefore, would lead to a significant rise in mobile data usage, which, as per estimates is likely to grow 13 fold in the next five years. As per these estimates, mobile data traffic will grow thrice as fast as fixed IP traffic between 2014 and 2019 and therefore, is expected to account for 28% of the total internet traffic by 2019, up from 9% in 2014 (Source: Cisco- VNI Global data traffic forecast).
- 4 Demographic dividend and interest penetration including internet of things are transforming the lives of 1.25 Bn of people as they rely on it for various purposes from online shopping, entertainment, education to healthcare, payment mechanisms and so on. Such a scenario is driving mobile commerce.
- 5 Hence, a converged opportunity exists through voice secularity, data uptake and new services in the country across technologies as consumer needs are diversified across the spectrum of offerings. Different consumers have widely varying consumption patterns from being first-time users to affluent data-hungry consumers – providing telecom companies a well balanced portfolio.
- 6 Moreover, India's Government is committed to usher in a 'Digital India' and bring along a transformative impact on every citizen through the internet across nine principal areas. These are: broadband highways, universal access to mobile connectivity, public internet access programme, e-governance, e-delivery of services, information for all, electronics manufacturing, IT for jobs and early harvest programme. Your Company is committed towards assisting in furthering this agenda of the Government in a manner that creates a win-win for all stakeholders.

Megatrends that drive the Company's Business (contd.)

7 The proposed telecom policy environment through M&A rules, spectrum sharing guidelines and 20-year spectrum positions for the telecom operators emerging post the recently concluded auctions not only provide for business certainty, but also encourage industry consolidation and robust growth.

8 Africa, with a median population of less than 20 years, is on the cusp of a mobile data boom as 3G and 4G deployments gather scale with more affordable handsets available.

There exists significant headroom for Sub-Saharan Region to further its mobile penetration with another 300 Mn subscribers additions predicted between 2014 and 2019, as per Ericsson.

9 Mobile money services are revolutionising the payments landscape across Africa. It has provided consumers with cheaper access to finances due to a reduced need to travel and lower overall cost of mobile phone for financial transactions. Co-ordinated efforts by mobile operators, telecom regulators, central banks, commercial banks, merchants and application developers are expected to drive rapid growth of mobile money usage in the region.

10 Worldwide digital literacy is considered a key aspect of contemporary citizenship to enable individuals to fully participate in ordinary societal and economic activities, besides being part of the democratic process. In fact, the need for digital literacy has triggered an urgent need for communities to close gaps in literacy rates. On the one hand, mobile habits and digital familiarity are leading to enhanced literacy; on the other hand, the younger generation with more command over digital tools has become the ambassador for literacy in the relatively under-developed parts of the world. This 'reverse mentoring' is indeed a unique phenomenon in the history of mankind.

Industry Overview

Indian Telecom Sector

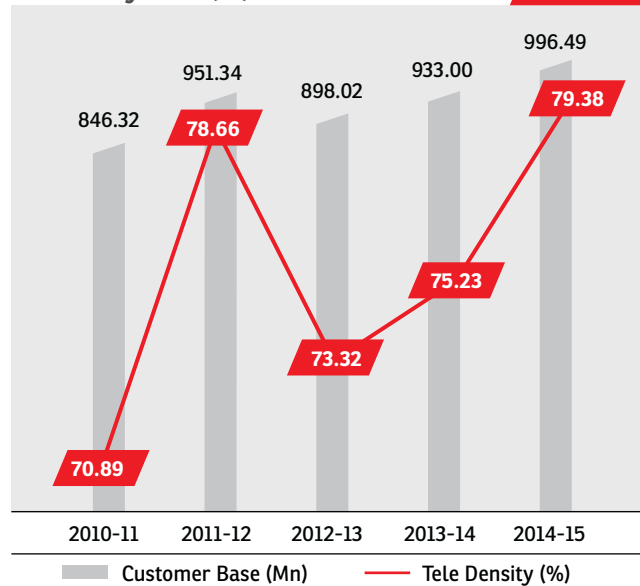
India's total customer base stood at 996.49 Mn with a tele-density of 79.38%, as on March 31, 2015, having grown from a base of 933 Mn and tele-density of 75.23% last year. The urban tele-density stood at 148.61%, whereas the rural tele-density stood at 48.37%, as on March 2015. India's telecom sector has grown phenomenally, with the country's total customer base second only to China.

The wire-line customer base continued to decline from 28.49 Mn, as at the end of March 31, 2014, to 26.59 Mn at the end of March 31, 2015, representing a penetration of just 2.12%. The scale of the mobile opportunity in India is therefore immense.

Among the service areas excluding metros, Tamil Nadu has the highest tele-density (117.52%), followed by Himachal

Pradesh (114.52%), Punjab (103.78%), Karnataka (97.52%), Gujarat (95.61%), Kerala (95.57%) and Maharashtra (93.41%). Among the three metros, Delhi tops with 237.94% tele-density. On the other hand, the service areas, such as Bihar (51.17%), Assam (53.95%), Madhya Pradesh (60.36%), Uttar Pradesh (60.51%) and Odisha (66.85%) have comparatively low tele-density.

Tele Density: India (%)



(Source: Telecom Regulatory Authority of India)

Rural penetration has been increasing and with penetration levels still below 50%, it represents an opportunity for driving higher growth, as there is still a significant untapped market potential. With urban tele-density nearing 150%, internet penetration and experience will be the key drivers of growth in urban areas.

During the year, the Company continued to work towards improving data connectivity, and launched several industry-first initiatives to contribute to nation's digital inclusion agenda. Lowering smartphone prices, coupled with the proliferation of 2.5G EDGE/ 3G/ 4G services in India, are likely to reduce connectivity costs and overcome the challenge of limited fixed-line connections.

The Company is privileged to play a lead role in the 'Digital India' programme announced by the Government of India. There are nine pillars of this programme, split across three clusters – creation of digital infrastructure, delivering services digitally and digital literacy. This programme will benefit all the citizens of India, as well as the administration. A time-bound plan for the completion in 2019 is in place, and its progress will be monitored by an inter-ministerial 'Digital India Advisory Group'. It is, however, significant to note that for a successful implementation of this programme, there is a need for several enablers – additional wireless spectrum, level-playing field for telecom service providers and OTT players, state government and local authority support and telecom policy stability. The Company commits itself to capex investments, technology upgradation, servicing capability improvements and a deep rural thrust. These strategies will provide an impetus to the 'Digital India' programme.

With the recent acquisition of spectrum, Airtel is well positioned to enable data growth, and has secured a clear roadmap for the next 20 years. Cumulatively, since 2010 the Company has invested ₹ 681 Bn in spectrum through the auctions route. These investments will exert a downward pressure on the return on capital employed, which is already in single digits, hence it is imperative to generate healthy revenue growth. This scenario will enable the Company to sustain capex investments and support its growing customer base and usage.

African Telecom Sector

The economy of the continent faced headwinds in the past year, which impacted the growth of various countries in Africa. The year saw a sharp decline in crude oil and other commodity prices, impacting several African economies, such as Nigeria, Tchad, Congo B, Gabon, DRC and Zambia. Africa being a commodity-heavy continent, witnessed sharp depreciation in currencies across various countries. This has also caused some changes in regulations, such as a change in the Nigerian regulation requiring dollars to be purchased in the open market for import payments at higher rates than the Central Bank auction rates available earlier. 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 22.3%, primarily caused by depreciation in Ghana Cedi by 42.3%, Nigerian Naira by 28.4% and CFA by 28.3%. In terms of the 12-month average rates, the revenue-weighted Y-o-Y currency depreciation has been 8.2%, primarily caused by depreciation in Ghana Cedi by 49.1%, Zambian Kwacha by 16.8%, Malawi Kwacha by 12.3%, Nigerian Naira by 8.5% and CFA by 6.0%. Further, events such as the outbreak of Ebola in West Africa presented significant challenges to some countries; however, with support from the UN and developed countries, the situation has since returned to near normalcy.

However, the African continent continues to present great opportunities for growth in the Telecom sector and connecting the billion-plus population in the continent. Data and mobile money present significant opportunities for explosive growth in the continent and with the increasing adoption of smartphones, this trend is set to continue. The launch of 4G/LTE technologies also provides a great boost for data uptake.

Development in Regulations

The year saw several regulatory changes and developments for both the industry and the Company. The significant regulatory changes are as follows:

India

■ **Spectrum Auction:** In March, 2015, the Department of Telecommunications concluded the auction process for 800 MHz, 900 MHz, 1800 MHz and 2100 MHz spectrum. Of the 470.75 MHz that was put up for auction in 22 circles, 418.05 MHz was sold for a consideration of ₹ 1,098,749 Mn. The licences would be valid for a period of 20 years from the date of allotment. Airtel won 111.6 MHz spectrum for a consideration of ₹ 291,291 Mn. It may be recalled that in the previous year, Airtel won 115 MHz spectrum for a consideration of ₹ 184,386 Mn. Cumulative spectrum investments made by the Company since 2010 are ₹ 681 Bn.

- **New Interconnect Usage Charges:** In February 2015, the sector regulator, Telecom Regulatory Authority of India (TRAI) came out with final regulation on termination rates for the industry effective from March 1, 2015. Mobile termination charge has been reduced from ₹ 0.20 per min to ₹ 0.14 per min. Fixed line termination rates have been reduced from ₹ 0.20 per min to zero. Termination charge on international incoming calls has been increased from ₹ 0.40 per min to ₹ 0.53 per min. The cap on carriage charge has been reduced from ₹ 0.65 per min to ₹ 0.35 per min.
- **TRAI proposes new ceiling for roaming tariff:** TRAI has reduced ceiling tariffs for national roaming calls by 20% to 40% and SMS by 75%, effective from May 1, 2015. The ceiling for outgoing local voice call has been reduced from ₹ 1 per min to ₹ 0.80 per min. Outgoing STD ceiling has been reduced from ₹ 1.5 per min to ₹ 1.15 per min. Incoming call ceiling has been reduced from ₹ 0.75 per min to ₹ 0.45 per min. Local SMS ceiling has been reduced from ₹ 1 per sms to ₹ 0.25 per sms. Revised national SMS ceiling is ₹ 0.38 per sms, compared to existing ceiling of ₹ 1.5 per sms. There will be a reduction of roaming prices in the near future, which should encourage more roaming usage, since the travelling population is growing.
- **TRAI recommendations on 'Definition of Revenue Base (AGR) for the reckoning of License Fee and SUC':** On January 6, 2015, TRAI issued its recommendations on Definition of Revenue Base (AGR) for the reckoning of Licence Fee (LF) and SUC. LF and Spectrum Usage Charges (SUC) should continue to be computed, based on the Adjusted Gross Revenue (AGR), with clearly defined inclusions and exclusions. A new concept of Applicable Gross Revenue (ApGR) has been introduced. TRAI has also recommended that the share of USO levy in LF should be reduced from the present 5% to 3% of AGR. With this reduction, the applicable uniform rate of LF would become 6% (from the present 8%) of AGR. Intra-circle roaming charges should not be allowed as deduction for the purpose of computation of LF and SUC. The above recommendations are under the consideration of the DoT.
- **TRAI amendment to Quality of Service (QoS) of Broadband Service Regulations:** On June 25, 2014, TRAI notified the QoS of Broadband Service Regulations, and effectively increased the minimum speed, qualifying an internet connection as a 'broadband connection'. As per the notification, 'Broadband is a data connection that is able to support interactive services including Internet Access and has the capability of the minimum download speed of 512 kbps to an individual subscriber from the point of presence (POP) of the service provider intending to provide Broadband Service'. This definition now overrides the previously defined minimum download speed of 256 kbps.
- **Judgement on TDSAT:** Post migration to the revenue sharing regime since 1999, a large number of disputes between operators and the DoT arose on the issue of 'Adjusted Gross Revenue' (AGR) definition. In August 2007, the Telecom Disputes and Settlement Tribunal (TDSAT) ruled that license fees should be levied only on revenues arising out of telecom activities, and accordingly settle various heads of revenue, which shall be included

or excluded in the AGR. The DoT appealed against this judgement before the Hon'ble Supreme Court, who held in October 2011, that TDSAT cannot decide on the terms and conditions of the license agreement, but can only decide on the interpretation of the license. Since then, several operators including the Company had approached TDSAT on the issue of AGR definition. The Company has also obtained stays from the Kerala and Tripura High Courts on DoT demands for additional licence fees under various heads. In its judgement dated April 23, 2015, TDSAT has once again settled various inclusions and exclusions in the definition of AGR, and also directed the DoT to rework on licence fees payable by the operators for the years in question.

Africa

- **Burkina Faso:** The Regulator is contemplating cost plus based pricing. This will negatively impact business freedom to price competitively. The Regulator is considering imposition of fixed-line obligations on operators; efforts to persuade the Regulator to accept wireless fixed services instead of wireline fixed services are being made, in view of the huge financial outlay that will be required for cabling and wiring.
- **Gabon:** The Regulator issued a regulation with higher floor prices applicable only to Airtel; this asymmetry was in place for three years till December 31, 2014. The Regulator has also asked all operators to comply with a new requirement of an analytical accounting system, which must be able to provide the cost of the network and the specific and non-specific cost of interconnect and leased lines. The Regulator has also contracted a consultant to develop an interconnect model specific to Gabon, using the World Bank template.
- **Ghana:** Telecom chamber has commissioned Pricewaterhouse Coopers (PwC) to undertake a study on total tax contribution of telecom operators to Ghana's GDP. The Government announced a policy to grant four new types of licenses: Interconnect Clearing House, International Wholesale license, Unified Access Service License and Mobile Virtual Network Operations (MVNO) license. The Government also issued a directive prohibiting all off-net promotions priced below interconnect cost, effective from September 30, 2014.
- **Kenya:** Interconnect rates have dropped from KES 1.15 to KES 0.99 per minute. The Government has reduced tax payable by telecom companies from 33% to 30%. There is one player with a dominant share, and the rest of the industry is of the opinion that Government should declare it as dominant and encourage more competitive play among existing operators for the benefit of customers. The Competition Authority finalised a settlement with the dominant competitor, which includes unlocking exclusivity of mobile money outlets.
- **Niger:** The Government is enforcing a unique international gateway, which will have a detrimental impact on the industry.
- **Nigeria:** Licenses are coming up for renewal in August 2015, and the industry is of opinion that the automatic licence renewal period should be for a longer period of 10-20 years, instead of five years. The Nigerian Communications Commission (NCC) has approved retention of floor price at Nigerian Naira 6.40 per minute for both on-net and off-net mobile voice calls.
- **Rwanda:** 4G services were launched in Rwanda by single wholesale network consortium led by Korean Telecom. Operators can provide 4G/LTE services as MVNO to the consortium. Consequently, Airtel has commenced 4G/LTE services as a MVNO.
- **Sierra Leone:** The Government is contemplating an increase in license fee – which may increase the payout of operators by eight times. The justification of such increase is not yet clear and industry is working with the Government to annul this increase.
- **Tanzania:** Currently, the excise duty on Telecom Services is 17.5% and the industry has represented that it should be harmonised at 12% like other East African countries. As regards new entrants, the industry is of an opinion that there should be a level playing field with existing operators. The Regulator has prepared and distributed a Memorandum of Understanding (MoU) on implementation of MNP; operators have requested for a detailed discussion on the same. The Regulator has proposed new QoS requirements, which are under discussion by the industry. The industry is currently representing against a draft regulation issued in 2014 that requires operators to list a portion of their shares; the most contentious issue is a proposal in the draft regulation to have local shareholders own at least 35%.
- **Tchad:** The industry has been requesting the Government to improve the index of 'ease of doing business' in Tchad, especially following several unjustified and frivolous tax demands that were levied on the industry, which caused enormous pressure on operators, besides unnecessary burden of litigation.
- **Zambia:** The Government is conducting a consultation for introducing a 4th operator—the industry has represented that this would fragment the sector and affect scale and economies of existing operators. The Lusaka Stock Exchange's (LUSE) enforcement of a minimum 10% local shareholding is being contested by the operators.
- **East Africa:** The East African Governments initiated a project to ease doing business, enhance regional integration and avoid bill shock of roamers, and decided the following during their meeting in Rwanda: (i) Originating and terminating between different member states in the EAC region is exempt from surcharges on International Incoming Traffic (SIIT) (ii) Regional roaming retail tariff is capped at USD 0.10 per minute on a per second billing arrangement (iii) Regional roaming retail rate inclusive of the Inter-Operator Tariffs (IOT) for the EAC region is capped at USD 0.07 per minute (iv) There shall be no charges for receiving calls, while roaming for traffic originating and terminating between different member states in the EAC region (v) The prevailing local tariff rates in the visited country shall apply to in-bound roamers (non-discrimination between in-bound roamers and subscribers of visited networks). Consequently, Kenya,

Rwanda, Uganda and South Sudan have mutually agreed to adopt a regional telecommunications framework for 'One-Network-Area'.

- **Others:** Penalties on quality of service are inconsistent and many times frivolous. This is causing enormous burden on operators across countries. In addition, there are a lot of challenges with respect to KYC. The telecom industry is of opinion that the Governments need to act as an equal partner, especially since there are no Government issued ID cards in many countries.

- **GSMA:** At the Africa CEO Roundtable, the participants suggested that the GSMA and the Task Force set out a roadmap on digital inclusion/rural access, aimed at developing a more positive narrative on rural coverage. GSMA Africa team met with several Government delegations in Barcelona. Several common themes were identified including: (a) need for capacity building in the African region (b) challenges with meeting the Digital Migration deadline of June 17, 2015 and (c) Rural coverage and follow-up actions were agreed.

SCOT Analysis

Strengths

- **Present in 20 countries, India's largest operator and third largest in the world**
 - ▢ These countries are carrying 1/6th of the world's voice traffic, covering more than 1/4th of the world's population
- **Strategically placed in growing economies with rising GDP, driving growths in mobile**
 - ▢ Growth markets of India and Africa contribute 1/3rd to new mobile subscriptions globally
- **Integrated service portfolio with dominant position in marketplace**
 - ▢ Incumbent leader in India with 31% wireless RMS, 2nd largest operator in Africa by subscribers, largest private wire-line operator in India
- **Efficient utilisation of operating and capital expenditures**
 - ▢ Passive infrastructure sharing further complemented with divestment of towers in Africa to drive cost efficiencies

Challenges

- **Inadequate infrastructure in Indian and African rural regions pushing cost of operations**
 - ▢ Continuously innovating and investing in greater reach
- **Integration in operations across continents**
 - ▢ Leveraging common platforms across all 20 countries
- **Understanding evolving customer perceptions in a multi-cultural and multi-lingual environment**
 - ▢ Diversity across 20 countries – global scale, local perspective
- **Increasing capital expenditure on state-of-the-art network infrastructure**
 - ▢ Continuously upgrading network infrastructure

Opportunities

- **Under-penetrated geographies: Africa and India**
 - ▢ New and converged needs across technologies and services targeted to specific customer segments
- **Data explosion at its cusp with the proliferation of smartphones**
 - ▢ Mobile broadband users in the 20 countries represent less than 20% penetration
- **Scalability on mobile: Mobiles act as a portal to a new world of opportunities**
 - ▢ Significant opportunities created by the internet across payment mechanisms and mobile commerce
- **Large residual opportunity with bulk investments in place**
 - ▢ Airtel has the best pan-India spectrum assets with prime spectrum and the largest optical fibre network among private players. 3G and Airtel Money launched in all the 17 countries in Africa

Threats

- **Falling average revenue per user**
 - ▢ Changing rates across a wide array of products
- **Political and economic uncertainties in Africa and India**
 - ▢ Changes in policies
- **Volatility in currencies**
- **Higher than expected voice revenue cannibalisation led by potential competition, data profitability not completely covering the shortfall**

Financial Review

Consolidated Figures

Particulars	FY 2014-15		FY 2013-14	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross Revenue	920,394	15,064	857,461	14,151
EBITDA before exceptional items	314,517	5,148	278,430	4,595
Interest, Depreciation & Others before exceptional items	198,855	3,255	200,325	3,306
Profit before exceptional items and Tax	115,662	1,893	78,105	1,289
Profit before Tax	107,130	1,753	78,643	1,298
Tax expense	54,047	885	48,449	800
Profit for the year	51,835	848	27,727	458
Earnings per share (in ₹ / USD)	12.97	0.21	7.02	0.12

*1 USD = ₹ 61.10 Exchange Rate for financial year ended March 31, 2015 (1 USD = ₹ 60.59 for financial year ended March 31, 2014)

Standalone Figures

Particulars	FY 2014-15		FY 2013-14	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross Revenue	554,964	9,083	499,185	8,239
EBITDA before exceptional items	246,241	4,030	171,522	2,831
Interest, Depreciation & Others before exceptional items	89,688	1,468	85,677	1,414
Profit before exceptional items and Tax	156,553	2,562	85,845	1,417
Profit before Tax	156,553	2,562	83,774	1,383
Tax expense	24,548	402	17,772	293
Profit for the year	132,005	2,160	66,002	1,089
Earnings per share (in ₹ / USD)	33.02	0.54	16.69	0.28

*1 USD = ₹ 61.10 Exchange Rate for financial year ended March 31, 2015 (1 USD = ₹ 60.59 for financial year ended March 31, 2014).

Consolidated revenues increased by 7.3% to ₹ 920,394 Mn for the year ended March 31, 2015. Revenues in India for the year ended March 31, 2015 stood at ₹ 645,295 Mn, representing a growth of 12.1%, compared to that of the previous year. Revenues in Africa reported at USD 4,407 Mn, representing de-growth of 1.9%, compared to that of the previous year. In constant currency terms the growth in revenues for Africa was 6.2%. The Company incurred operating expenditure (excluding access charges, cost of goods sold and license fees) of ₹ 402,395 Mn, representing an increase of 3.8% over the previous year. Consolidated EBITDA at ₹ 314,517 Mn grew by 13.0% over the previous year primarily contributed by India. EBITDA margin for the full year stood at 34.2%, increased from 32.5% in the previous year, primarily due to tighter opex controls. Depreciation and amortisation costs for the year were lower by 0.8% to ₹ 155,311 Mn, partially due to lower depreciation in Africa on account of assets held for sale. Consequently, EBIT at ₹ 158,571 Mn increased by 30.0%, resulting in an improved margin of 17.2%, up from 14.2% in the previous year.

Net finance costs at ₹ 48,463 Mn were marginally higher by ₹ 82 Mn. The impact of higher forex and derivative losses for the full year at ₹ 21,530 Mn (PY: ₹ 12,423 Mn) was neutralised by higher investment income. Consequent to a conservative hedge accounting policy followed by the Company, net foreign exchange gains of ₹ 27,575 Mn on account of certain

designated Euro and USD borrowings were taken directly to equity instead of the income statement. The consolidated profit before taxes and exceptional items at ₹ 115,662 Mn has significantly improved by 48.1% over the previous year.

The consolidated income tax expense (before the impact on exceptional items) for the full year ending March 31, 2015 is ₹ 52,928 Mn, compared to ₹ 44,478 Mn for the previous year. The effective tax rate in India for the full year came in at 26.5% (25.5% excluding dividend distribution tax), compared to 31.2% (29.1% excluding the impact of dividend distribution tax) for the full year ended March 31, 2014. The reduction in the underlying effective tax rate in India is due to improved performance in the loss making subsidiaries and lower forex losses in relation to borrowings. The tax charge in Africa for the full year at USD 203 Mn (full year 2013-14: USD 273 Mn) has been lower, primarily due to higher operating losses and reduction in withholding taxes due to lower upstreaming from subsidiaries.

Exceptional items, during the year, accounted for a net charge of ₹ 8,993 Mn. These included impact of several restructuring and integration activities, settlement of various disputes, tax settlements, gains / losses on disposal of towers and forex impact arising out of change in foreign exchange regulations in Nigeria, among others. After accounting for exceptional items, the resultant consolidated net income for the year ended March 31, 2015 touched ₹ 51,835 Mn, a significant 86.9% increase over the previous year. Net income before exceptional items for the full year came in at ₹ 60,828 Mn, an increase of 85.9% over the previous year.

The capital expenditure for the full year was ₹ 186,682 Mn, an increase of 76.4%, compared to the previous year. Consolidated operating free cash flow for the year reflected a decline of 25.9% from ₹ 172,587 Mn to ₹ 127,834 Mn, primarily on account of stepped up capex in India and Africa.

Liquidity and Funding

During the year, the Company undertook several initiatives to meet its long-term funding requirements, strategically using a diversified mix of debt and equity: a) In Q1, the Company's subsidiary BAIN raised to USD 1,000 Mn through the issuance of 5.25%; Guaranteed Senior Notes due 2024 at an issue price of 99.916% and Euro 750 Mn through the issuance of 3.375% Guaranteed Senior Notes due 2021 at an issue price of 99.248%, b) In Q2, Airtel sold 85 Mn shares of Bharti Infratel Limited (Infratel) for ₹ 21,434 Mn, representing 4.5% shareholding in Infratel to comply with the requirement to maintain minimum public shareholding of 25%. Subsequent to this transaction, the shareholding in Infratel was reduced to 74.86%, and c) In Q4, the Company sold 55 Mn shares in Infratel for ₹ 19,255 Mn, representing 2.9% shareholding in Infratel. Subsequent to the transaction, the Company's shareholding in Infratel has now reduced to 71.9 %.

As on March 31, 2015, 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 ₹ 11,719 Mn and short-term investments of ₹ 92,840 Mn. During the year ended March 31, 2015, the Company generated operating free cash flow of ₹ 127,834 Mn. The Company's consolidated net debt as on March 31, 2015 increased by USD 606 Mn to USD 10,679 Mn

as compared to USD 10,074 Mn last year, mainly due to the DoT spectrum obligations. The net debt excluding the DoT spectrum obligations stood at USD 8,392 Mn as on March 31, 2015 (USD 10,056 Mn as at March 31, 2014). The Net Debt-EBITDA ratio (USD terms LTM) as on March 31, 2015 improved to 2.08 times as compared to 2.19 times in the previous year, mainly on account of strong operating performance and the proceeds from the Infratel stake sale and continuous deleveraging from cashflows. The Net Debt-Equity ratio marginally increased to 1.08 times as on March 31, 2015, compared to 1.01 times in the previous year.

Auction of Spectrum in India

The Department of Telecommunications (DoT) commenced the auction process for 800 MHz, 900 MHz, 1800 MHz and 2100 MHz spectrum on March 4, 2015 that went on for 115 rounds till its conclusion on March 25, 2015.

A total of 470.75 MHz of spectrum was put to auction by DoT across bands, of which 52.70 MHz went unsold. Spectrum worth ₹ 1,098,749 Mn was bought by seven telecom operators. The Company successfully renewed 900 MHz spectrum in six circles, where the 20-year tenure of existing administered spectrum will end in various dates between December 11, 2015 and April 21, 2016. The Company also won additional 900 MHz spectrum in key leadership circles. This was in addition to its existing 1800 MHz and 2100 MHz spectrum in seven circles, and won 2100 MHz spectrum for 3G services in six new circles. Airtel acquired 111.6 MHz of prime spectrum across 900 MHz, 1800 MHz and 2100 MHz bands for a total consideration of ₹ 291,291 Mn in the spectrum auction conducted by the Government of India in March 2015. Of this, ₹ 176,176 Mn has been spent on the renewal of existing spectrum, while the balance ₹ 115,115 Mn has been spent on procuring new spectrum. The circle-wise quantum of spectrum secured in the auctions is summarised in the table below:

Circle	900 MHz	1800 MHz	2100 MHz
A.P	9.0	1.2	-
Assam	6.2	-	-
Bihar	1.6	-	-
Tamil Nadu	-	-	5.0
Gujarat	-	-	5.0
Haryana	-	3.4	5.0
Himachal Pradesh	7.4	-	-
Karnataka	8.8	-	-
Kolkata	-	2.0	-
M.P	-	-	5.0
Maharashtra	-	-	5.0
Odisha	1.2	6.2	5.0
Punjab	10.0	1.0	-
UP East	-	-	5.0
West Bengal	2.2	-	-
North East	8.8	1.6	-
Rajasthan	6.0	-	-
Total Spectrum	61.2	15.4	35.0
Upfront Payment (₹ Mn)*	90,952	3,545	19,250
Balance Amount (₹ Mn)	131,597	6,862	39,085
Total Cost (₹ Mn)	222,549	10,407	58,335

*Upfront payments made in Mar'15: ₹ 47,251 Mn and in Apr'15: ₹ 66,496 Mn.

Since 2010, in five separate auctions, the Company has acquired spectrum valued at ₹ 681 Bn. This is in line with its long-term strategy to grow the internet user base, and

emerge as a leading player in realising the national vision of a 'Digital India'. The Company has secured its future and the roadmap for the next 20 years is now clear. The Company is committed to provide world-class voice and data services to its customers across 2G, 3G and 4G technologies.

Awards and Recognition

- Honoured with the Dun & Bradstreet (D&B) Corporate award in the Telecom Services sector at the D&B – Manappuram Finance Corporate Awards 2014 in Mumbai.
- B Srikanth, Global CFO, Bharti Airtel Ltd, has been honored with the 'Best Performing CFO in the Telecom Sector' award at the 8th edition of India's most coveted awards for the finest CFOs - the CNBC-TV18 CFO Awards 2013.
- Bharti Airtel is the winner of 'Top Treasury Team Asia 2014' in Adam Smith Awards Asia 2014.
- The Company has scored 100% on a Composite Disclosure Index in a report by FTI Consulting Inc, a global advisory firm. This Index tracks mandatory and voluntary disclosure practices among listed companies. Along with two other listed companies, Airtel scored a perfect 10 out of 10 on disclosure practices. The average score for the BSE 100 companies came in at 6.7 / 10.

Segment-wise Performance

B2C services

Mobile Services: India



Overview

The year saw rapid growth in e-commerce and growing popularity of apps on smartphones, including OTT applications, which catalysed explosive growth in data usage over the past year. During the year, the Company continued to work towards improving data connectivity and launched several industry-first initiatives.

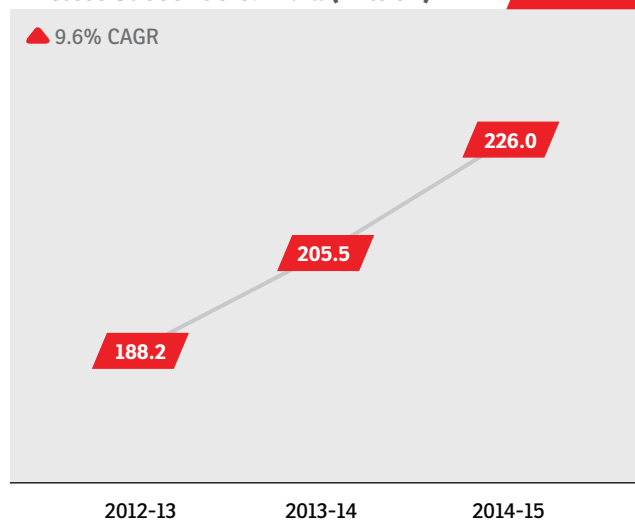
As on March 31, 2015, the Company had 226 Mn GSM customers. The Company's customer acquisition and retention strategy is consistently yielding positive results in terms of reduced customer churn, from 2.9% last year to 2.7% in the current year. Data revenues, as a percentage to total revenues, increased from 9.9% to 15.2% in the current year. Of its total number of mobile subscribers, the Company had 46.4 Mn data customers (on the basis of the revised definition of 'data customer' as one who uses at least 1 MB per month) as on March 31, 2015, of which 19.4 Mn were subscribed to 3G data services.

The segment witnessed significant improvement in the EBITDA margin in the current year to 37.6%, compared to 33.8% in the last year. Improvement in margin is the combined effect of revenue growth and enhanced opex productivity. EBIT margins have improved significantly from 19.5% to 24.0% in the current year.

The Company continued to invest in networks and spectrum to build capacity and improve the quality of coverage, especially in 3G and 4G technologies. The number of sites as on March 31, 2015 were 146,539, of which 48,825 were 3G sites.

(₹ Millions)

Particulars	FY 2014-15	FY 2013-14	Y-o-Y Growth
Gross Revenues	519,636	466,836	11%
EBIT	124,695	90,973	37%

Wireless Subscribers: India (Million)

Key Initiatives

- Bharti Airtel launched 'Wynk Music', a new music streaming service with an OTT app that is carrier agnostic. Wynk Music crossed its first milestone, thereby witnessing 1 Lakh downloads in just four days of its launch. Wynk also achieved a momentous feat of 5 Mn downloads within six months, making it one of the most popular destinations for the country's music lovers.
- Launched 'Platinum 3G'- India's first 3G network in Mumbai and Kolkata. This service will enable customers to experience 34% faster speed than other 3G networks, 30% better indoor coverage and battery lasting for 17% longer than on other networks.
- Rolled out 4G services across India's 16 cities, expanding its 4G footprint in the country. With this achievement, Airtel 4G is now present in India's 17 cities.
- Launched 'One Touch Internet' – a first-of-its-kind initiative aimed at simplifying internet services for millions of first-time users in India. It is a portal designed with a simple, secure and intuitive interface that will allow users to discover internet easily. It works as a single-point destination for users to see-try-buy a host of popular services.
- Announced a strategic collaboration with China Mobile, under which the two companies will work towards the growth of the LTE ecosystem and evolving mobile technology standards. Airtel and China Mobile will also work towards shaping up a joint strategy for procurement of devices that include Mifi, smart-phones, data cards, LTE CPEs and USIM.
- Launched 'The Smartphone Network' campaign to augment the rapidly increasing uptake of data services.

Airtel has made significant technology and network investments to ensure the best data experience for smartphone users in India.

- Organised 'Each One Teach One' day - an industry-first initiative, aimed at driving internet literacy in India and contributing to the nation's digital inclusion agenda.
- Partnered with Mi India to launch its flagship 4G device – Redmi Note 4G.
- Introduced a series of relief initiatives to support those affected in Jammu & Kashmir floods, expediting restoration of communication services in the region. Facilities like free calling stations, free talk time and advance talk time were launched to facilitate easy communication.
- Introduced a series of relief packages to ensure restoration of communication services in cyclone affected regions of Andhra Pradesh. Free calling stations and local talk time of 10 minutes, along with Advance Talk time facility were provided to all Airtel customers in the affected areas to enable them to connect with their families.
- Introduced its 'Smart SIM' in the market, which provides customers the freedom to seamlessly work across multiple devices (including smartphones and tablets) without worrying about the compatibility of their SIM card.
- Launched a refreshed 'my Airtel app' to extend an enhanced digital experience to its customers across categories.
- Launched customer initiated instant SIM swap for its prepaid customers in all circles, enabling change or upgradation of SIM within 10 minutes.
- Became the first private telecom operator to launch 2G services in Bomdila, Jameri, Zero Point and Tenga Valley of Arunachal Pradesh.
- In collaboration with Kotak Mahindra Bank, Airtel has applied for a Payments Bank licence to be a partner in the national mission of financial inclusion.

Awards and Recognition

- Ranked 'No.1 Service Brand' in the annual Brand Equity Most Trusted Brands Survey 2014.
- Won the DSCI Excellence Award for Security in Telecom at the NASSCOM-DSCI Annual Information Security Summit 2014.
- Won the 'Best Mobile Product' for Wynk Music under Telecom Service Providers Category and 'My Favourite Service Provider' award under the Public Poll Awards Category at the prestigious ET Telecom Awards 2014.
- Airtel's WAP (Wireless Application Protocol) portal – 'One Touch Internet' was accredited as the 'Best Mobile Service/ Application of the Year for consumers' in the category of Best Mobile Services at the prestigious GSMA Global Mobile Awards 2015 in Barcelona.
- Won eight accolades at the Voice & Data Telecom Leadership Forum & Awards 2015, these included –

Top Performance in Assam, Bihar, Himachal Pradesh, Karnataka, Odisha, Punjab and Rajasthan circles and for Wynn Music app in Product Innovation category.

Telemedia Services

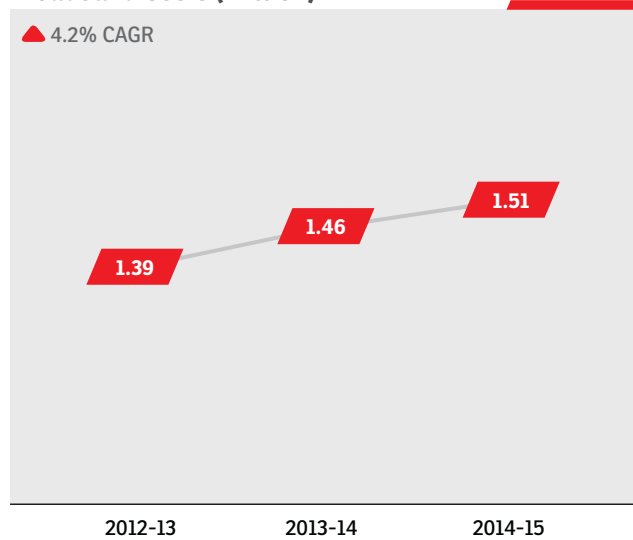
Overview

The Company provides fixed-line telephone and broadband (DSL) services for homes, as well as offices in 90 cities across India. Airtel had 3.4 Mn customers, as on March 31, 2015. Of them, 1.5 Mn customers were subscribed to its broadband / internet services, representing 44.2%, compared to last year's 43.6%. The higher proportion of DSL customers was primarily driven by improved speed offering and the Company's focus on quality acquisitions. The higher number of broadband customers also resulted in a significant increase in ARPU to ₹ 1,026 during the year as compared to ₹ 946 in the previous year. Consequently, non-voice revenue as a percentage of total telemedia revenue also increased significantly, now representing 64.9%, compared to 59.8% last year.

The product offerings include high-speed broadband, rising up to the speed of 100 mbps for the home segment. Besides, the Company's product portfolio also includes local, national and international long-distance voice connectivity. In the office segment, Airtel is a trusted solutions provider for fixed line voice (PRIs), MPLS, mobile, data and other connectivity solutions. Additionally, the Company offers solutions to businesses to improve employee productivity through collaborative solutions (audio, video and web conferencing). Cloud portfolio is integral to its office solutions suite, which offers storage, compute, Microsoft office 365, e-commerce package through shopify and CRM packages on a pay-as-you-go model.

Particulars	₹ Millions		
	FY 2014-15	FY 2013-14	Y-o-Y Growth
Gross Revenues	44,325	39,352	13%
EBIT	8,699	5,540	57%

Broadband Users (Million)



Key Initiatives

On the home 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, 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 46% at the end of the year as against 34% last year.

On the corporate business front, significant progress was made in ICT solutions, in terms of simplification of the products and processes through instant feasibility and faster implementation (implementation of ILP in one day). In Fixed Line, new segments were tapped with innovative products like call conferencing and call-back. Another focus area was increasing distribution in terms of geographic coverage and cluster-wise infrastructure mapping, among others. There was also a significant brand shift from product sales to solution sales. In addition, programmes like verticalisation simplified the sales ecosystem on a consultative selling approach.

Airtel made voice free for broadband customers. Customers can now make free calls to any network in India at any time of the day or night, as the Company launched first-of-its-kind voice calling packs, offering unlimited local calls at just ₹ 49 per month and unlimited local and STD calls at just ₹ 99 per month.

Digital TV Services

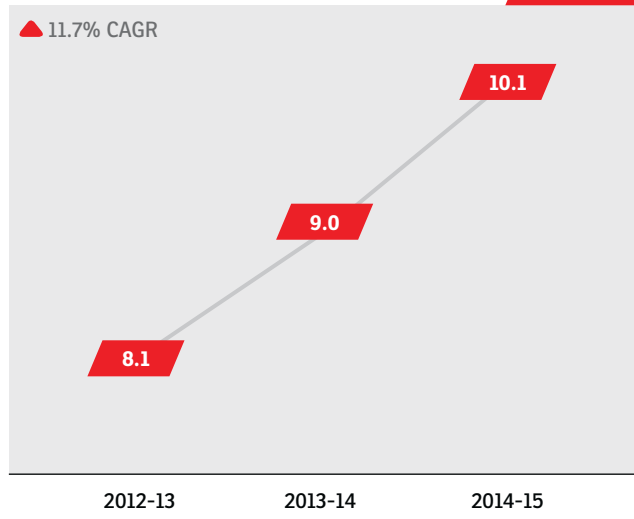
Overview

The Company served a customer base of 10.1 Mn on its Direct-to-Home platform (Airtel digital TV), as on March 31, 2015, adding 1.1 Mn customers during the year. From the third quarter, the Company harmonised the accounting of indirect taxes in line with other segments and industry practice; such taxes were part of opex earlier and are now netted off against revenues. On a like-to-like basis the growth in revenues was 24.6%, compared to previous year.

The Company currently offers both standard and high definition (HD) digital TV services with 3D capabilities and Dolby surround sound. The Company currently offers a total of 460 channels, including 27 HD channels, four international channels and three interactive services. Enriching its regional focus, Airtel Digital TV has added 29 vernacular channels across languages, such as Bengali, Tamil, Telugu and Oriya, among others. Enhanced transponder capacities, affordability of HD set-top boxes and upselling efforts led to ARPU increasing by ₹ 14 to ₹ 216. Consequently, this business reported positive EBIT in Q4 for the first time.

Particulars	₹ Millions		
	FY 2014-15	FY 2013-14	Y-o-Y Growth
Gross Revenues	24,759	20,771	19%
EBIT	(1,581)	(4,812)	67%

DTH Subscriber Base (Million)



Key Initiatives

Airtel Digital TV launched 'Pocket TV' app on iOS, enabling its subscribers to view TV on their mobiles, tablets and other similar devices. Airtel is India's first company to provide real-time integration of all three screens viz. television, mobile and computer, enabling its customers to record their favourite TV programmes through mobile and web. Airtel Digital TV launched a Self-Care App and a Wi-Fi dongle for its HD customers.

Airtel Digital TV, in partnership with Disney India launched its first English Subscription Video on Demand (SVOD) channel – 'Disney Family Movies' to showcase popular Disney movies, including Hollywood classics, popular animation movies and live action titles. In addition, Airtel Digital TV also tied up with Samsung TV for an exclusive launch with Samsung for IDTV: India's first integrated TV with inbuilt HD STB. Customer can put an Airtel CAM card in the TV and enjoy Airtel digital TV services. No separate STB is required for availing the same facility.

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.

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

Airtel's international infrastructure includes 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 13 other cables across various geographies.

It has significantly invested in creating state-of-the-art national and international long-distance infrastructure to serve the growing capacity demands of customers, especially in the emerging markets of the Middle East, Africa and APAC. Its global network runs across 225,000 Rkms with over 1000 customers, covering 50 countries and five continents. This is further interconnected to its domestic network and direct terrestrial cables to SAARC countries and China, accelerating India's emergence as a preferred transit hub.

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

(₹ Millions)

Particulars	FY 2014-15	FY 2013-14	Y-o-Y Growth
Gross Revenues	67,130	63,361	6%
EBIT	7,713	8,078	(5%)

Key Initiatives

Airtel Business continues to focus on the following areas to propel the business to greater heights:

- Driving deeper engagement and increasing revenue wallet share in large, multi-geography customers through Global Account Management programme.
- Acquiring new customers and enhancing global reach in unchartered geographies through Channel Partner programme.
- Leveraging strength of existing retail customers to enter into strategic business alliances like Chicago agreement with large Telcos and carriers.
- Moving from traditional revenue sources to VAS solutions by focusing on newer products and solutions, such as toll free services, SMS hub, Firewall, Satellite solutions and airtel talk, among others.
- Expanding footprint in the emerging markets with access, network, delivery and partnerships to further strengthen the position and revenue from such markets.
- Developing India as an IP Hub for neighbouring countries, including Nepal, Bhutan, Bangladesh, China, Myanmar, Sri Lanka and Maldives by on-boarding CDNs like google, facebook, and so on.
- Bharti Airtel Hong Kong Ltd. announced the launch of 'airtel talk' – an all-in-one communication application that facilitates easy and affordable calls into India.

- Airtel joined hands with Amazon Web Services to offer private network solutions for its global enterprise customers. The partnership will help Airtel's customers to leverage the powerful and dedicated AWS network at reduced network costs to experience increased bandwidth and consistent connectivity.
- Signed an inter-provider connectivity agreement with Orange Business Services to enable inter-country video conferencing facility to enterprise customers in respective countries of operation.
- Applied for a Payments Bank licence, in collaboration with Kotak Mahindra Bank to be a partner in the national mission of financial inclusion.

Awards and Recognition

- Won top honours at the prestigious 2014 Frost & Sullivan India Information & Communications Technology (ICT) Awards. Airtel won three awards: Enterprise Telecom Service Provider of the Year – Large Enterprise Segment, Enterprise Telecom Service Provider of the Year - SMB (Corporate) Segment, and Enterprise 3G Service Provider of the Year under the 'Enterprise Telecom Services' category for its exemplary growth and performance.
- Won the 'Enterprise Mobile App 2014' award for Airtel mGovernance solution and 'Unified Communication Solution' award for Biznet video solution at the Aegis Graham Bell Awards – the biggest innovation award in the field of telecom, internet, media and entertainment (TIME).

Passive Infrastructure Services

Overview

Bharti Infratel Limited, a subsidiary of Bharti Airtel, provides passive infrastructure services on 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 exclusive basis).

(₹ Millions)			
Particulars	FY 2014-15	FY 2013-14	Y-o-Y Growth
Gross Revenues	54,282	51,087	6%
EBIT	14,462	11,151	30%

The Company enjoys nationwide presence with operations in India's all 22 telecommunications circles.

As on March 31, 2015, Bharti Infratel owned and operated 37,196 towers in 11 telecommunications circles, while Indus Towers operated 115,942 towers in 15 telecommunication circles. Bharti Infratel's towers, including installations in its 42% interest in Indus Towers, comprised an economic interest in the equivalent of 85,892 towers in India, as on March 31, 2015. Bharti Infratel is listed on the Indian Stock Exchanges, NSE and BSE.

Africa

Overview

The year saw sharp decline in crude oil and other commodity prices impacting several African economies such as Nigeria, Tchad, Congo B, Gabon, DRC and Zambia. Africa being a commodity-heavy continent, witnessed sharp depreciation in currencies across various countries.

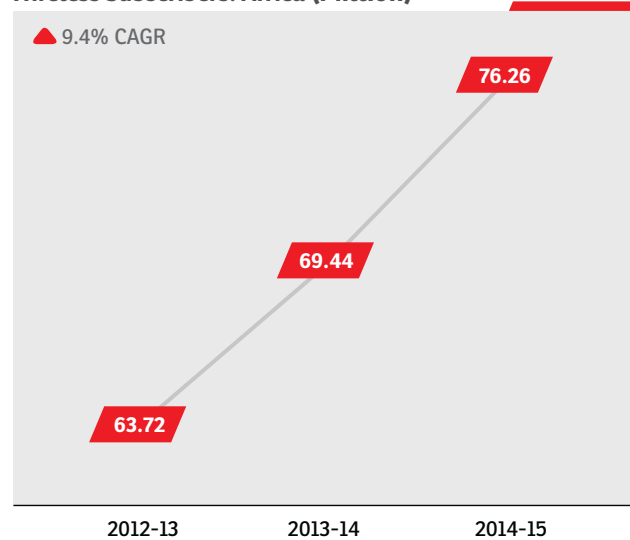
As on March 31, 2015, the Company had 76.3 Mn customers in Africa across 17 countries as compared to 69.4 Mn customers in the previous year, an increase of 9.8%. Total minutes on the network during the year increased by 7.6% to 118.6 Bn, compared to 110.2 Bn in the previous year. At the end of the year, 30.4 Mn data customers accounted for 39.8% of the total customer base, compared to 32.1% in the previous year. Data traffic increased by 87.4% from 18.9 Bn MBs in the previous year to 35.3 Bn MBs in the current year, with usage per customer increasing from 89 MBs to 114 MBs.

Voice realisation per minute, however, declined from 3.30 cents to 2.84 cents for the full year, due to competitive pressures and currency depreciation. Consequently, overall ARPU in Africa declined from USD 5.6 to USD 5.1. Total sites in Africa as on March 31, 2015 were 18,819, of which 10,011 were 3G sites, representing 53% of the total sites.

Full year reported revenues of Africa came in at USD 4,407 Mn (PY: USD 4,491 Mn). In constant currency terms, gross revenues increased by 6.2%, and net revenues by 7.5%. Reported EBITDA at USD 1,002 Mn (PY: USD 1,175 Mn) reflected a margin of 22.7%, a decline from 26.2% in the previous year due to investments in network and higher marketing spends. Reported EBIT at USD 193 Mn declined from USD 280 Mn in the previous year. After accounting for a full year capex of USD 1,073 Mn (PY: USD 635 Mn), the cash burn in Africa was USD 71 Mn, compared to operating free cash flow of USD 540 Mn in the previous year.

(₹ Millions)			
Particulars	FY 2014-15	FY 2013-14	Y-o-Y Growth
Gross Revenues	269,070	272,488	(1%)
EBIT	11,781	17,141	(31%)

Wireless Subscribers: Africa (Million)



Key Initiatives

- During the year, the Company's subsidiary, Bharti Airtel International (Netherlands) B.V. (BAIN) entered into agreements with Helios Towers Africa (HTA) for divestment of over 3,100 telecom towers in four countries across Africa. BAIN also entered into agreements with Eaton Towers Limited (Eaton) for divestment of over 3,500 telecom towers in six countries across Africa. The Company's subsidiary in Nigeria and American Towers Corporation (ATC) have entered into an agreement for sale of over 4,800 telecom towers in Nigeria. The Company's subsidiaries in Zambia and Rwanda have entered into agreements with IHS Zambia Ltd and IHS Rwanda Ltd, respectively, for sale of over 1,100 telecom towers in these two countries. The divestment of tower assets in one of the countries consummated during the year.
- Airtel and Kenya Airways have signed a Memorandum of Understanding (MoU) to deliver an MVNO service for the airline, subject to regulatory approvals.
- Airtel Kenya tied up a unique MVNO plan with Equity Bank, which will reduce Equity's cost of delivering MVNO services and help Airtel to utilise its investment and grow revenues.
- Airtel Money signed an MoU with the United Bank of Africa (UBA) for cross-border money transfer in 24 countries across Africa, where either Airtel or UBA is present.
- Yu subscribers in Kenya were successfully migrated to Airtel on December 20, 2014 and Essar network was finally switched off on January 5, 2015.
- In Kenya, the existing licence was successfully renewed for 10 years. Following the successful acquisition of Yu Mobile's customers and license in January 2015, the Regulator has now confirmed that Airtel Kenya license will be synchronised with Essar Yu to expire on June 30, 2024.
- Airtel Money launched cross-border person-to-person transfer between DRC, Zambia and Rwanda and also received regulatory approval from Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO) for launch of cross-border remittances in Niger.
- Facebook, in partnership with Airtel launched the internet.org app in Zambia, Kenya and Ghana
- The year has continued to see Airtel's involvement in the community across Africa, such as:
 - Pan-African partnership with VISA and MasterCard for the introduction of virtual and plastic companion cards for Airtel Money.
 - Airtel Sierra Leone embarked on a Private Public Partnership with the Ministry of Health and Sanitation and UNFPA in the fight against the outbreak of the deadly EBOLA epidemic, where the staff donated a day's salary for the cause.
 - Service delivery and food stuff donation to flood victims by Airtel in Madagascar and Malawi.
 - Support to pregnant women in Kenya through the 'Beyond Zero' marathon, donation of Mama kits in Uganda and baby packs for mothers in Sierra Leone.

Key Highlights

- Airtel crossed the milestone of 75 Mn subscribers across 17 countries in Africa.
- Airtel continues to expand its 3G footprint across the continent with Airtel now present in all 17 countries.
- Airtel obtained trial authorisation from Regulator for providing 4G LTE services in Madagascar. Airtel's licence will expire on the September 20, 2015 and renewal is already in process. The payment of the licence fee in Madagascar for renewal of 10 year licence will be done as soon as the terms and conditions are finalised.
- The Company successfully renewed its existing licenses in Niger. Airtel was also successful in obtaining 3G license for a period of 15 years.
- The Company was successful in obtaining 3G and 4G licences in Tchad. 3G services have also been launched.
- Airtel Money crossed the milestone of 5 Mn subscribers across Africa. As at the end of March 2015, Airtel Money had 6.2 Mn customers across Africa. Airtel Money celebrated 1 Mn REC milestone in DRC, making it the largest provider of financial services in DRC.

Awards and Recognition

- Airtel Money was awarded the Best Mobile Money Service in Ghana at the Mobile World Ghana Telecoms Awards and also won the Best Mobile money solution at Africa Com Awards in South Africa.
- Airtel Ghana was awarded the best CSR Company and best Mobile Money Service of 2013.
- Airtel Ghana also won the Brand Activation Programme of the year for Airtel Rising Stars programme.
- Airtel Zambia won the overall award at Zambia Public Relations Association (ZAPRA) for its outstanding CSR initiatives like 'Adopt a School Programme' and 'Staff Volunteer Programme'.
- Airtel Zambia also won the Green Award for sustained compliance and commitment to continuous environmental improvement; and recognised for outstanding telecommunications service, innovation and corporate citizenship at the PMR Africa Achievers Awards.
- Airtel Zambia also won the Most Creative Advert of 2014 for Airtel Money campaigns and Best Sponsorship Marketing Excellence award of 2014 for Airtel Rising Stars campaign.
- Airtel Uganda scooped the 'Best Brand of the year 2014' at the Annual Social Media Awards 2015. These awards sought to reward individuals and organisations that were at the front-line in using social media for change, engagements and talking to customers online.
- Airtel Kenya was rated as one of the top global brands on social media, making it to the category of socially devoted companies in the region. The report is based on Airtel Kenya's high response rate on Facebook and Twitter in a report issued by Social Bakers, a leading global provider of social media analytic tools, statistics and metrics.

South Asia

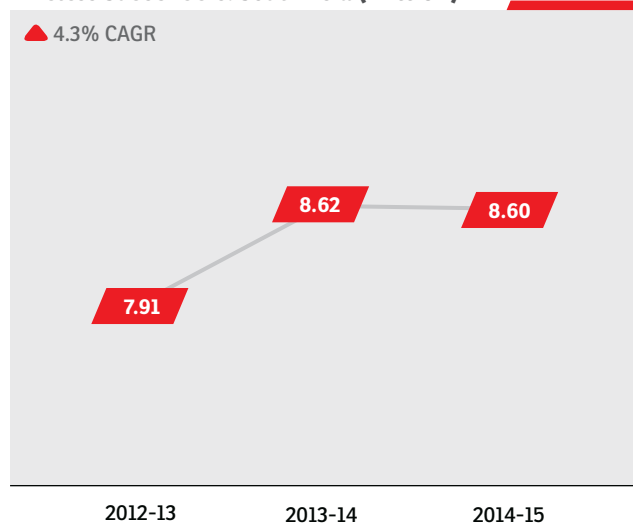
Overview

As on March 31, 2015, South Asia had 8.6 Mn mobile customers on its network. Data customers represented 40.4% of the total customer base as on March 2015, compared to 35.7% in the last year. As on March 2015, the Company had 6,867 sites on network, compared to 6,814 sites in the last year. Of the total number, 3G sites were 3,050 in number, representing 44.4% of the total.

Full year revenues of South Asia declined by 9.4% to ₹ 15,759 Mn, compared to ₹ 17,403 Mn in the previous year. EBITDA loss for the year at ₹ 196 Mn dropped by 118.9%, compared to the previous year. EBIT losses for the year reported at ₹ 6,138 Mn, compared to a loss of ₹ 4,271 Mn in the previous year. Capex for the year was ₹ 3,233 Mn, compared to ₹ 6,460 Mn in the previous year.

Particulars	(₹ Millions)		
	FY 2014-15	FY 2013-14	Y-o-Y Growth
Gross Revenues	15,759	17,403	(9%)
EBIT	(6,138)	(4,271)	(44%)

Wireless Subscribers: South Asia (Million)



Key Highlights

- Airtel Sri Lanka launched its very own Airtel App Store - a one-stop online shop for all local and international apps.
- Airtel Sri Lanka completed Airtel Rising Stars programme, where 12 aspiring footballers were sent to Manchester United. This year, for the first time, two female players were chosen to represent Sri Lanka.
- Airtel Sri Lanka won a Gold award at the People Development Awards 2014. Airtel was the youngest organisation and the only telecom company to win the award for best practices in human resources.

- Airtel Bangladesh launched a new voice product called 'shobaiek', which offers the lowest flat rate of 1 paisa/second to all customers.
- Airtel Bangladesh also launched 'aircredit' facilities to its customers.

Risks and Concerns

This section discusses the various aspects of enterprise-wide risks. Readers are cautioned that risk-related information outlined here is not exhaustive and is for information purpose only.

Risk management is embedded in the operating framework of Bharti Airtel. The Company believes that managing risks goes hand in hand with maximising returns. Risks are inherent in any business operation, especially in a multi-country organisation and in a regulated sector, where the Company serves millions of customers everyday. Proactively identifying risks and managing them in a systematic manner is an essential pre-requisite for effective corporate governance. Bharti Airtel has a sound practice to identify key risks across the Group and prioritise relevant action plans to mitigate these risks.

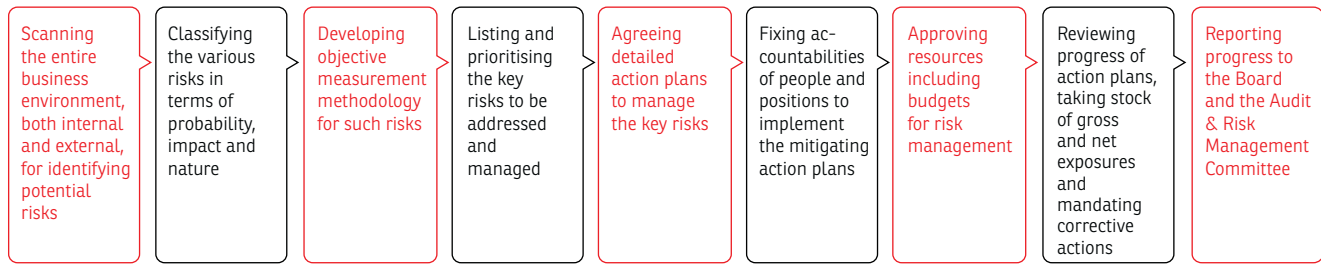
At the apex level, the Risk Management Framework is reviewed periodically by the Board and the Audit & Risk Management Committee. These apex reviews include: discussing the management submissions on risks, prioritising key risks and approving action plans to mitigate such risks. The Internal Audit function is responsible for assisting the Audit & Risk Management Committee on an independent basis with a full status of the risk assessments and management. Every quarter, the Audit & Risk Management Committee also obtains periodical updates on certain identified risks, depending upon the nature, quantum and likely impact on the business.

At the top level, the respective Management Boards (AMB and Africa Exco) are accountable for managing the risks across their respective businesses, viz., India & South Asia and Africa. The AMB / Africa Exco ensure that the environment – both external and internal – is scanned for all possible risks.

At the operating level, the Executive Committees (EC) of Circles in India and Operating Companies in the international operations are fully charged with the responsibilities of managing the risks at the ground level.

During the year, a Risk Management Policy has been placed before the Audit & Risk Management Committee and the Board and got approved. 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 two CEOs, for India & South Asia and Africa, are responsible for the implementation of the agreed risk framework, including the detailed processes of:



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

1. Political Instability and Government Relations

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 not enjoying Government support. Such conditions tend to affect the overall business climate, especially the telecom sector, which requires stable socio-economic conditions and policy stability.

Mitigation: As a responsible corporate citizen, the Company engages proactively with key stakeholders in the societies in which it operates, and continuously assesses the impact of the changing political scenario. The Company works hand-in-hand with other telecom operators in jointly representing the case for policy stability. It does its best to contribute to the socio-economic growth of the countries in which it operates through high quality services to its customers, improved connectivity, providing direct and indirect employment, and contributions to the exchequer. Through the Company's CSR activities, it contributes to the country's social and economic development, especially in the field of education.

2. Economic Uncertainties

Risk Statement: The Company's strategy is to focus on the 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, it is exposed to market risks, which impact its earnings, cash flow and balance sheet.

Mitigation: As a global player with presence across 20 countries, the Company has diversified its risks and opportunities across markets. Through a variety of services including voice, data, Airtel Money and value-added services, it has also spread its portfolio. To mitigate currency and interest rate risks, the Company follows a prudent risk management policy, including hedging mechanisms to protect its cash flow. A prudent cash management policy ensures that surplus cash is up-streamed regularly to

minimise the risks of blockages at times of capital controls. Finally, the Company adopts a pricing strategy that is based on twin principles of profitability and affordability, which ensures that it protects margins at times of inflation, and market shares at times of market contraction.

3. Weaknesses in Infrastructure

Risk Statement: Several regions, particularly rural and the hinterland, are handicapped by poor quality infrastructure, such as lack of proper roads, transport, power supply, housing, labour availability, banking and security, among others. These could result in gaps, such as energy unavailability, fuel shortages, fuel theft, asset misappropriation and cash theft, among others, thereby impacting quality of its services.

Mitigation: The Company's philosophy is to share infrastructure with other operators, and enter into SLA-based outsourcing arrangements. 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. The Company proactively shares fibre assets with other telecom operators. It has also put in place redundancy plans for power outages, fibre cuts and VSAT breakdowns, among others, through appropriate back ups, such as generators, secondary links, and so on.

4. Unavailability or Poor Quality of Networks and IT Including Redundancies and Disaster Recoveries

Risk Statement: The Company's operations and assets are spread across wide geographies. 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 levying stiff monetary penalties for poor quality of services.

Mitigation: Network Planning is increasingly being done in-house, to ensure that intellectual control on architecture is retained within the Company. 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. The Company has been continuously investing in business continuity plans and disaster recovery initiatives to ensure minimum disruption and speedy restoration of services. The Company has recently revamped the IT resourcing strategy, and is now able to deploy a more balanced mix of in-house and outsourced capabilities to improve its IT capabilities.

5. Adverse Regulatory or Taxation Developments Including Risks Related to Tax Positions

Risk Statement: Several regulatory developments in India, South Asia and Africa have posed several challenges to the telecom sector. India's telecom sector is also a highly taxed sector with high revenue share-based license fees and spectrum charges, service taxes and corporate tax, besides the significant spectrum acquisition costs in the auctions. The telecom industry in Africa also operates in a high tax regime. The sim tax in Bangladesh has made customer acquisition an expensive proposition, and this affects smaller players. OTT operators may also take away a share of the revenue pie increasingly.

Mitigation: The Company has always stood for a fair, transparent and non-discriminatory Government policy on telecom regulation. It has represented to the Governments in all countries that sustainable regulatory regimes will lead to healthy growth of the telecom sector, leading to higher investments and modernisation, which in turn unleashes a growth cycle once again. The telecom industry has been making a case for regulation of OTT players, especially in matters such as security and lawful interception, among others. The Company stands for a regime that promotes healthy, competitive pricing, keeping two objectives in mind - customer interests and health of the telecom sector. As an industry, Airtel provides adequate facts and figures to prove how healthy telecom growth improves the overall economic growth of the country. Similarly, the Company has been at the forefront of industry co-operation to share infrastructure, to minimise impact on the environment, lower the costs of operations and make services more affordable.

6. Gaps in Internal Controls and / or Process Compliances

Risk Statement: The Company serves over 324 Mn customers globally with a daily average of 3,630 Mn minutes of voice and 1,074 terra bytes of data carried on the wireless networks. 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 regulated meticulously at all stages of operation. Substantial investments in IT systems and automated workflow processes help minimise human errors. Besides internal audits, the Company also has 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. Lately, the Company has implemented GRC systems (Governance, Risk and Compliance) to embed systemic controls.

7. Inadequate Quality of Customer Lifecycle Management in the Wake of Intense Competition

Risk Statement: Customer mindsets and habits are changing rapidly, reflected in their ever-rising expectations in terms of quality, variety, features and pricing. The competitive landscape is also changing dramatically, day by day, 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: 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, such as Business Intelligence, Scientific Pricing Models and Big Data Analytics, among others are deployed in managing the customer lifecycle. The Company has recently announced the theme of 'hunger to win customers for life' as its 'obsession', and this has energised all employees.

8. Poor Quality of Customer Acquisitions

Risk Statement: In a market dominated by prepaid customers, several inefficient processes have emerged in respect of customer acquisitions, e.g. unhealthy commission structure for agents and fraudulent practices by retailers, among others. Such practices lead to high rotational churn, high acquisition costs, trade frauds, and so on.

Mitigation: The Company led the way, bringing in healthier commission and incentive structures. In many countries, Government regulations have also been introduced to tighten new customer activation process, restriction on number of SIMs for the same customer and so on, making rotational churn more difficult. The Company tracks 'customer base decay' for the first six months after an acquisition to understand and mitigate this risk more effectively.

9. Non-compliance with Subscriber Verification and KYC Regulations

Risk Statement: In several countries including India, the Regulators have introduced more stringent subscriber verification and KYC guidelines. Non-compliance with these guidelines entails severe penalties, and repeated violation may even threaten the license itself. Weak internal processes for subscriber verification and KYC may also lead to uncompetitive market position especially if competitors have a much faster and well coordinated system for customer activation.

Mitigation: The Company is investing significant capex on IT assets and KYC tools to improve the quality of subscriber activation and documentation processes. 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 greater focus on compliances. The Company regularly benchmarks its 'first time activation' and quality with other operators.

10. Low Revenues and / or Low Utilisation of Sites

Risk Statement: While there is a robust process and criteria for choice of new site locations and the investment approval, often the Company is faced with the issue of low revenues and / or low utilisation of sites ('LRLU'), leading to recurring operating losses in such sites, not to mention the burden of sunk investment.

Mitigation: Mitigating actions include: making cross-functional teams responsible for the turnaround, improving

brand presence in the specified location, increasing distributor coverage, adding new retail outlets for SIM selling and recharges, trade incentives, special introductory pricing and improving quality of networks, among others. Contingency actions include: closure of sites and redeployment of equipment, allowing another operator to roam, which will help share the costs, consolidation of sites, and so on. At a root cause level, the Company has introduced more science into the decision-making criteria for investments in new sites.

11. Issues Arising Out of Emerging Businesses and New Technologies

Risk Statement: Evolving technologies (2G, 3G, 4G) 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. 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.

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 and My Airtel App, among others 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 pro-actively leading the development of 3G, 4G, digital content partnerships and mobile money, among others ahead of the curve to leverage big opportunities.

12. Ineffective Partner Governance

Risk Statement: There are increasing risks around partners' adaptability to new growth opportunities, agility to implement new projects and changes, capability to match Airtel's new leadership expectations, and so on. There is also the risk of cost competitiveness, especially with partners whose business models have become relatively inefficient over time.

Mitigation: The Company has decided to retain, nurture and sharpen in-house capabilities for planning and designing functions, which will grow its intellectual capital. It is also widening its base to the next circle of partners to eliminate a layer of the partner ecosystem, which will enable more agility and higher quality of innovation through direct partnership between the vendor and the Company. Formal governance processes will be further streamlined and embedded into the Company's management framework, with more visibility to and involvement of the local operating teams.

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. The Company deploys a robust system of internal controls that facilitates fair presentation of its 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 levels of governance and periodic communication with investors.

The Audit & Risk Management Committee reviews the effectiveness of the internal control system, and also invites functional Directors and senior management personnel to provide updates on operating effectiveness and controls, from time to time. A CEO and CFO Certificate, 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 & Risk Management Committee and rectify the same. The Company's code of conduct requires compliance with law and Company policy, and also covers matters, such as financial integrity, avoiding conflicts of interest, work place behaviour, dealings with external parties and responsibilities to the community.

M/s. KPMG and M/s. ANB & Co (ANB) were the Internal Auditors of the Company. In order to bring subject matter expertise, audits were categorised into defined assurance tracks, with each track to be handled by subject matter experts. KPMG was appointed to audit Finance and Technology tracks, ANB for Customer, Legal and Regulatory tracks. KPMG was 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 the 'Firm of the year' in the 'Telecom Sector', at the premier edition of CNBC TV 18 India Risk Management Awards 2015. This premier award recognises organisations and teams that have significantly added to the understanding and practice of risk management.

The Airtel Centre of Excellence ('ACE'), the captive shared services for Finance, Revenue Assurance, SCM and HR processes, continue to expand its footprint across the 20 countries. Digitisation of ACE is being aimed as a part of transformation agenda and includes initiatives like system-based reconciliation, reporting processes with vividly defined segregation of duties. ERP integration in Africa into an Africa Single Instance has been accomplished at 13 out of 17 countries, ensuring uniformity and standardisation in ERP configurations, chart of accounts, finance and SCM processes across countries. The implementation at the remaining countries is underway. Quality of financial reporting and controls continues to show improvement. The Company continuously examines its governance practices in an effort to enhance investor trust and improve the Board's overall effectiveness. Initiatives undertaken in the previous years, such as self-validation checks, desktop reviews and regular physical verification are bearing fruits through

substantial improvement in the control scores across both India and Africa. Governance Risk Controls (GRC) have been implemented for India, strengthening the existing controls pertaining to access rights in various ERP, preventing possibilities of access conflicts. GRC is also being leveraged by extending its scope to cover Africa and other IT applications.

Material Developments in Human Resources

At Bharti Airtel, people are at the core of its business strategy. The Company's endeavour has always been to build an organisation where its people are always engaged and empowered to do their best. The Company's culture is focused on customer-centricity collaborative team work, result orientation, entrepreneurial mindset and developing people. The Company's HR strategy also aims to create a future ready pool of talent across all levels. At the end of March 2015, Bharti Airtel, along with its subsidiaries, associates and JVs, had 24,694 employees, of which, 9,202 were employed directly by the Company.

The year 2014-15 saw a host of initiatives around talent management and development to identify and accelerate the Company's high-potential employees, as well as building the right set of capabilities for all businesses. Efforts towards developing functional capabilities across the organisation continued, with the review of the Company's current skill levels and development of functional academies to build next-generation functional and domain capabilities. These academies make learning an ongoing process through tools like e-learning, on-the-job learning, e-libraries and so on. In the year gone by, significant investments have been made in developing Network, Marketing, Mobile Money, Data, Finance, SCM and IT capabilities within the organisation. These learning interventions, coupled with Airtel's established career paths, are helping employees make seamless transition to their future roles.

Another facet of talent development was ensuring that all employees across levels are aware of what is expected of them from both business and people perspectives, through an initiative titled 'Talent First'. This also provides a holistic 'One View of Talent' across the organisation and helps channel the Company's Talent Management initiatives effectively. To build a holistic leadership pipeline within the organisation, some of its key leadership development initiatives included i-RISE, i-LEAD and Bharti Global Leadership Programme. In addition, the Company partnered with the prestigious Harvard Business School to customise leadership development intervention for its Top 50 leaders across its global operations.

The Company also partnered with Centre for Creative Leadership (CCL) to design and deliver marquee programmes like the Leadership for Organisational Impact (LOI), Leadership in Action Programme (LIA) and Talent Labs.

Owing to the competitiveness and diversity of African markets, the Company strives to ensure adequate succession planning of its leadership talent pool. It is increasingly grooming and hiring talent locally from reputed universities and organisations. This has helped the Company's businesses keep their ears close to the ground and progressively increase their business performance.

In line with the Company's focus on employee empowerment, it also designed new 'Ways of Working' to deliver high operational excellence and governance.

Outlook

India's telecom industry is poised for higher growth with the country's economic engine revving up. Unlike most developed countries, India leapfrogged to mobile/smartphone generation by skipping through the desktop era. With only 15 Mn fixed-line broadband connections, mobiles will continue to be the primary means to access the internet. More so, favourable demographics and content would drive further engagement. Around 72% of the world's internet users are aged between 15 and 44 years, and India has 580 Mn people in this age group.

Overall, voice secularity will facilitate a stable growth story, but within this, data growth will be exponential, thanks to enhanced penetration, mobile commerce and mobile banking opportunities.

Africa's telecom sector continues to witness a revolution in the areas of data and mobile commerce. The continent's fastest growing and young population with the median age of less than 20 years offers substantial growth opportunities; given current demographic trends, the population is expected to reach 2.4 Bn by 2050. Africa has one of the world's most evolved mobile money systems. With only 22% of Africans holding a bank account or credit facility, the GSMA expects the number of mobile commerce users to quadruple as mobile financial services offer the unbanked a way to transact, pay bills and build assets. Airtel Money has been rolled out across all operations in Africa and innovative offerings and collaborations would aid a 'hockey stick' growth for the service.

With strong linkages across all sectors, telecom has a key role to play in India's socio economic development. Data presents a key opportunity for the Company, going forward and increasing data network rollouts and investments by operators, including us, will drive not only connectivity, but also higher end application usage. Bharti Airtel continues to make significant investments in key assets to be able to drive this growth, such as spectrum and licenses, 3G and 4G networks, brand, IT and Customer care. Airtel is the only pan-India data operator in the country. Moreover, our presence in Africa and South Asia further strengthen our global leadership position and continue to enhance the respect your Company commands.

Report on Corporate Governance

Corporate Governance is more than a set of processes and compliances at Bharti Airtel. It underlines the role that we see for ourselves for today, tomorrow and beyond.

In accordance with Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) and some of the best practices followed internationally on Corporate Governance, the following report on governance lays down the ethos of Bharti Airtel Limited 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 ('the 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, banking, general management, administrative services and consulting. There is clear demarcation of duties and responsibilities among the position of 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 establish and benchmark itself with the best of companies in India and globally, to maintain the highest rating 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 ensure highest standards of Corporate Governance and transparency in the Company's functioning. The Board exercises independent judgement in overseeing management performance on behalf of 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 Executive Chairman, who is responsible for the overall strategy development, alliances, leadership development, international opportunities, strengthening governance practices and enhancing brand value and Bharti'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 responsibilities of the ACC Committee are provided latter in this report.
- The Managing Director & CEO (India & South Asia) is responsible for strategy deployment and overall business performance. 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 through Bharti Infratel Limited (Infratel), a listed subsidiary company. Infratel's operations are managed by its Managing Director 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 imbuing 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 fulfil 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 confirms with the provisions of the Companies Act, 2013, Listing Agreements, FDI guidelines, terms of the shareholders' agreement and other statutory provisions. The Board comprises of thirteen members with a Chairman, Managing Director & CEO (India & South Asia) beside four Non-Executive and seven 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, banking, entrepreneurship, 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 new Board member(s) is the responsibility of the HR and Nomination Committee, which is subsequently approved by the entire Board and all the appointments are made with unanimous approval. The appointment of such Directors is subsequently approved by 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, which is consistent with the provisions of Clause 49 of the Listing Agreements and Section 149 of the Companies Act, 2013.

We have in place a comprehensive policy on Independent Directors that sets out criteria of independence, age limits, recommended tenure, committee memberships, remuneration and other related terms of appointment. The policy emphasises on importance of independence. As per the policy:

- a) The Independent Director must meet the baseline definition and criteria on 'independence' as set out in Clause 49 of the Listing Agreements 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 and 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 shall be approved by shareholders by way of special resolution.

The Company has issued letter of appointment to all Independent Directors. The terms and conditions of their appointment are available on the Company's website i.e. www.airtel.in/wps/wcm/connect/2ffaf2d2-d542-44e2-a42a-50225c9245f5/Terms-and-Conditions-of-Appointmentof-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, since a long time has followed a practice of appointing a Lead Independent Director. Mr. Craig Ehrlich has been designated as the Lead Independent Director and his roles 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 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 and to annually review the performance of Non-Independent Directors, the Board as a whole and the Chairman. The Lead Independent Director update the Board about the proceedings of the meeting.

The Independent Directors also meet with the Statutory, as well as Internal Auditors at least once a year by rotation, in the aforesaid meeting, to discuss internal audit effectiveness, environment control and invite 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 2014-15, the Independent Directors met four times i.e. on April 29, 2014, July 29, 2014, October 30, 2014 and February 4, 2015.

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 operations and technology. Apart from the induction programme, the Company periodically presents update 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.

At the time of appointment, an appointment letter setting out the role, functions, duties and responsibilities, details regarding remuneration, training and development and performance evaluation process, among others, is also given to the Directors. The Board also has an active communication channel with the executive management, which allows free flow of communication among Directors, in terms of raising query, seeking clarifications for enabling a good understanding of the Company and its various operations. Quarterly updates, press release and mid-quarter updates are regularly circulated to Directors to keep them abreast on significant developments in the Company.

Detailed familiarisation programme for Directors is available on the Company's website at 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 Clause 49 of the Listing Agreement with Stock Exchanges, 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 evaluation process was completed by the Company, which included evaluation of the Board as a whole, Board Committees and individual Directors, including the Chairman. The evaluation process was facilitated by an independent leading HR 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.

Chairman and MD & CEO were evaluated on certain additional parameters, such as performance of the Company, leadership, relationships and communications, recognition and awards to the Company.

Some of the performance indicators based on which Independent Directors were evaluated include:

- Devotion of sufficient time and attention towards professional obligations for independent decision and acting in the best interest of the Company.
- Provides strategic guidance to the Company and determine important policies with a view to ensure long-term viability and strength.
- Bringing external expertise and independent judgement that contributes to the objectivity of 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 a 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 28, 2015. The Board members noted the suggestions / inputs of Independent Directors, HR and Nomination Committee and respective committee Chairmen 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 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, an additional Board meeting is called.

The Audit & Risk Management Committee and the HR and Nomination Committee meetings are 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 area.

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 for 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, of investments, subsidiaries, assets, which is not in the normal course of business
- Quarterly treasury reports
- Quarterly compliance certificates with the 'Exceptions Reports', which include 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 2014-15, the Board met five times i.e. on April 29, 2014, July 29, 2014, August 13, 2014, October 30, 2014 and February 4, 2015. Requisite information, according to the requirements of Clause 49 of the Listing Agreement 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	10	Nil	Nil	5 (5)	No
Mr. Gopal Vittal	02291778	Executive Director	6	Nil	Nil	5 (5)	Yes
Ms. Chua Sock Koong ³	00047851	Non-Executive Director	1	Nil	Nil	4 (5)	No
Mr. Rajan Bharti Mittal	00028016	Non-Executive Director	11	2	Nil	5 (5)	No
Mr. Manoj Kohli ⁴	00162071	Non-Executive Director	N.A.	N.A.	N.A.	4 (5)	Yes
Ms. Tan Yong Choo	02910529	Non-Executive Director	2	Nil	Nil	4 (5)	No
Sheikh Faisal Thani Al-Thani	06675785	Non-Executive Director	NIL	Nil	Nil	2 (5)	No
Mr. Ajay Lal ⁵	00030388	Independent Director	N.A.	N.A.	N.A.	4 (4)	Yes
Mr. Ben Verwaayen	06735687	Independent Director	Nil	Nil	Nil	4 (5)	No
Mr. Craig Ehrlich	02612082	Independent Director	Nil	Nil	Nil	3 (5)	No
Mr. D. K. Mittal	00040000	Independent Director	9	Nil	4	5 (5)	No
Ms. Obiageli Ezekwesili	06385532	Independent Director	Nil	Nil	Nil	2 (5)	No
Mr. Manish Kejriwal	00040055	Independent Director	3	Nil	2	4 (5)	Yes
Mr. Tsun-yan Hsieh ⁶	03313649	Independent Director	N.A.	N.A.	N.A.	1 (3)	No
Mr. V. K. Viswanathan	01782934	Independent Director	7	3	2	4 (5)	Yes
Mr. Shishir Priyadarshi ⁷	03459204	Independent Director	Nil	Nil	Nil	1 (1)	N.A.

- The directorships, held by Directors as mentioned above, do not include directorships in foreign body corporates and Bharti Airtel Limited.
- Committees considered for the purpose are those prescribed under Clause 49(II)(D)(2) of the Listing Agreement(s) viz. Audit & Risk Management Committee and Stakeholders' Relationship Committee of Indian public limited companies other than Bharti Airtel limited. Committee membership details provided do not include chairmanship of committees as it has been provided separately.
- One meeting was attended by Mr. Mark Chong Chin Kok, alternate Director.
- Mr. Manoj Kohli ceased to be a Director w.e.f. February 4, 2015.
- Mr. Ajay Lal retired from the Board w.e.f. January 22, 2015.
- Mr. Tsun-yan Hsieh ceased to be a Director w.e.f. September 1, 2014.
- Mr. Shishir Priyadarshi was appointed as an Independent Director w.e.f. February 4, 2015.
- Except Mr. Sunil Bharti Mittal and Mr. Rajan Bharti Mittal, who are brothers, none of the Directors are relatives of any other Director.
- As on March 31, 2015, Apart from Mr. Gopal Vittal, Managing Director & CEO (India & South Asia) who holds 1,14,885 equity shares, no other Director of the Company holds shares in the Company.

Nomination, Remuneration & Board Diversity

In terms of the revised Clause 49 of the Listing Agreement 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 review of 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 its Nomination, Remuneration and Board Diversity Policy.

Directors' Remuneration

The details of the remuneration of Directors during FY 2014-15 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	--	184,573,240	82,500,000	4,700,223	--	271,773,463
Mr. Gopal Vittal	--	36,885,876	16,500,000	46,320	--	53,432,196
Non-Executive Directors						
Mr. Ajay Lal	640,000	--	--	--	5,704,658	6,344,658
Mr. Ben Verwaayen	700,000	--	--	--	24,186,592	24,886,592
Ms. Chua Sock Koong	--	--	--	--	3,741,219	3,741,219
Mr. Craig Ehrlich	300,000	--	--	--	8,727,487	9,027,487
Mr. D. K. Mittal	500,000	--	--	--	5,500,000	6,000,000
Mr. Manish Kejriwal	400,000	--	--	--	6,500,000	6,900,000
Mr. Manoj Kohli	--	--	--	--	2,547,945	2,547,945
Ms. Obiageli Ezekwesili [#]	200,000	--	--	--	8,104,204	8,304,204
Mr. Rajan Bharti Mittal	--	--	--	--	3,000,000	3,000,000
Ms. Tan Yong Choo	--	--	--	--	3,741,219	3,741,219
Mr. Tsun-yan Hsieh	100,000	--	--	--	3,454,127	3,554,127
Sheikh Faisal Thani Al-Thani	--	--	--	--	3,784,840	3,784,840
Mr. Shishir Priyadarshi [#]	100,000	--	--	--	1,682,235	1,782,235
Mr. V.K. Viswanathan	400,000	--	--	--	7,801,370	8,201,370
Total	3,340,000	221,459,116	99,000,000	4,746,543	88,475,896	417,021,555

- 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 2014-15 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 ₹ 271,773,463 for FY 2014-15 and ₹ 278,800,623 for FY 2013-14 and that of Mr. Gopal Vittal ₹ 53,432,196 for FY 2014-15 and ₹ 47,515,814 for FY 2013-14. Last year, PLI was disclosed on actual pay-out basis. During the year, Mr. Sunil Bharti Mittal, Mr. Gopal Vittal and Mr. Manoj Kohli were paid ₹ 200,000,000, ₹ 20,500,000 and ₹ 5,700,000 respectively as PLI for previous year 2013-14, which is not included above.
- During the year, Mr. Gopal Vittal was granted 225,000 stock options on July 29, 2014 under ESOP Scheme 2001 at an exercise price of ₹ 5 per option, with vesting period spread over 5 years. The above remuneration of Mr. Gopal Vittal does not include perquisite value of ₹ 24,452,450 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 1, 2011 and with Mr. Gopal Vittal dated February 1, 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.
- Commission include provision for FY 2014-15 and adjustments on account of actual payout for FY 2013-14.
- # sitting fee of ₹ 100,000 each for FY 2014-15 has been paid to Ms. Obiageli Ezekwesili and Mr. Shishir Priyadarshi in FY 2015-16.
- 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

During FY 2014-15, the Audit & Risk Management Committee was re-designated as the 'Audit & Risk Management Committee'. The Committee comprises five Directors, four of whom are independent. The Chairman, 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 Clause 49 of the Listing Agreement.

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 September 1, 2014.

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 systems, including the observation of the

Auditor, 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
 - Qualifications 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 depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any

- Approve the appointment, re-appointment and removal of the 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, 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 and monitor the Statutory and Internal Auditor's independence, performance and effectiveness of audit process.
- Review and scrutinise 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 2014-15, the Committee met four times i.e. on April 29, 2014, July 29, 2014, October 30, 2014 and February 4, 2015.

Beside the Committee meetings as above, the Committee also holds 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 2014-15, the Committee had met four times through the conference call i.e. on April 22, 2014, July 22, 2014, October 21, 2014 and January 28, 2015.

All recommendations made by the Audit & Risk Management Committee were accepted by the Board.

The composition and the attendance of members at meetings held during FY 2014-15, 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) ¹	Independent Director	4 (4)	4 (4)
Mr. Ajay Lal ²	Independent Director	3 (3)	3 (3)
Mr. Craig Ehrlich	Independent Director	3 (4)	3 (4)
Ms. Tan Yong Choo	Non-Executive Director	4 (4)	4 (4)
Mr. Obiageli Ezekwesili	Independent Director	2 (4)	1 (4)
Mr. Shishir Priyadarshi ³	Independent Director	1 (1)	NA

1. Appointed as Chairman of the Committee w.e.f. April 29, 2014.

2. Ceased to be Chairman of the Committee w.e.f. April 29, 2014 and ceased to be member of the Committee w.e.f. January 22, 2015.

3. Appointed as a member of the Committee w.e.f. February 4, 2015.

Audit & Risk Management Committee Report for the year ended March 31, 2015

To the Shareholders of Bharti Airtel Limited

The Audit & Risk Management Committee is pleased to present its report for the year ended March 31, 2015:

The Committee presently comprises five members of whom two-thirds, including the Chairman, are Independent Directors, as per the requirements of Clause 49 of the Listing Agreements and Section 177 of the Companies Act, 2013. 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 Indian Generally Accepted Accounting Principles (IGAAP) and International Financial Reporting Standards (IFRS) and issuing a report thereon.

The Board has appointed two External and Independent Internal Auditors. They are responsible for ensuring adequacy of internal control systems and adherence to management policies and statutory requirements. The Company also has in place an internal assurance group, headed by the Group Director-Internal Assurance. The Group is responsible for reviewing all operations of the Company to evaluate the risks, internal controls and governance processes. The Ombudsperson is responsible for the Company's Whistle Blower Mechanism. The Audit & Risk Management Committee oversees the work of the External Auditors, Internal Auditors, Internal Assurance Group and Ombudsperson. It is also responsible for overseeing the processes related to the financial reporting and information dissemination.

In this regard, the Committee Reports as follows:

- I. The Committee has discussed with the Company's Internal Auditors and Statutory Auditor, the overall scope and plan for their respective audits. The Committee 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 presented the Company's financial statements to the Committee. They also affirmed that the Company's financial statements had been drawn in accordance with the Indian GAAP and IFRS. Based on its review and discussions conducted with the Management and Statutory Auditors, the Audit & Risk Management 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, accurate and provide sufficient information. The Committee believes the Company has followed an adequate process to create them.

- III. The Committee reviewed both abridged and unabridged versions of the standalone and consolidated financial statements for the year ended March 31, 2015. It has recommended the same for the Board's approval.
- IV. The Committee reviewed the internal controls put in place to ensure 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 discrepancy or weakness in the Company's internal control systems.
- V. The Committee reviewed the Company's internal audit function 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 effective Whistle Blower Mechanism and nobody has been denied access to this policy.
- VII. The Committee reviewed with the Management, the independence and performance of Statutory Auditors. It has recommended to the Board the 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 ANB & Co., Chartered Accountants, Mumbai, as the Company's Internal Auditors for succeeding tenure.
- IX. The Committee has been vested with 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 Committee is sufficiently satisfied that it has complied with the responsibilities as outlined in the Audit & Risk Management Committee's Charter.

Place: New Delhi
Date: April 28, 2015

V. K. Viswanathan
Chairman, Audit & Risk
Management Committee

HR and Nomination Committee

The Committee comprises five Non-Executive Directors, of whom three members, including, the Chairman are Independent Directors. The composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Company Secretary acts as the Secretary of the Committee. The Group Director-HR 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 Clause 49 of the Listing Agreement 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 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.

* '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.

** '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.

Meetings, Attendance and Composition of HR and Nomination Committee

During FY 2014-15, the Committee met four times i.e. April 29, 2014, July 29, 2014, October 30, 2014 and February 4, 2015.

The composition and the attendance of members at the meetings held during FY 2014-15, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Ben Verwaayen, Chairman	Independent Director	4 (4)
Mr. Chua Sock Koong*	Non-Executive Director	4 (4)
Mr. Manish Kejriwal	Independent Director	4 (4)
Mr. D. K. Mittal	Independent Director	4 (4)
Mr. Rajan Bharti Mittal	Non-Executive Director	4 (4)
Sheikh Faisal Thani-AL Thani ¹	Non-Executive Director	1 (2)
Mr. Tsun-yan Hsieh ¹	Independent Director	1 (2)

1. Ceased to be member of the Committee w.e.f. September 1, 2014

*One meeting attended by Mark Chong Chin Kok, alternate Director

The details relating to remuneration of Directors, as required under Clause 49 of the Listing Agreement, have been given under a separate section, viz. 'Directors' Remuneration' in this Report.

Stakeholders' Relationship Committee

In compliance with the Listing Agreement 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. Rajan 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 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 and 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 Clause of the Listing Agreement.
- 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 a stipulated time period.

Meetings, Attendance and Composition of Stakeholders' Relationship Committee

During FY 2014-15, the Committee met five times i.e. on April 29, 2014, July 29, 2014, October 30, 2014, December 26, 2014 and February 4, 2015. The composition and the attendance of members at the meetings held during FY 2014-15, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Rajan Bharti Mittal, Chairman	Non-Executive Director	5 (5)
Mr. Ajay Lal ¹	Independent Director	4 (4)
Mr. Manish Kejriwal	Independent Director	4 (5)
Mr. Gopal Vittal	Executive Director	5 (5)
Mr. D. K. Mittal ²	Independent Director	1 (1)

1. Ceased to be member of the Committee w.e.f. January 22, 2015.

2. Appointed as a member of the Committee w.e.f. February 4, 2015.

Compliance Officer

Mr. Mukesh Bhavnani, Group General Counsel and Company Secretary, acted as the Company's Compliance Officer up to March 31, 2015. He was responsible for complying with the requirements of the Listing Agreement with Stock Exchanges and requirements of securities laws, including SEBI (Prohibition of Insider Trading) Regulations, 1992.

The Board in its meeting held on April 28, 2015, has appointed Mr. Rajendra Chopra as the Company Secretary and Compliance Officer of the Company.

Nature of Complaints and Redressal Status

During FY 2014-15, 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 2014-15 are as follows:

Type of complaint	Number	Redressed	Pending on March 31, 2015
Non-receipt of securities	0	0	Nil
Non-receipt of Annual Report	1	1	Nil
Non-receipt of dividend / dividend warrants	3	3	Nil
Miscellaneous	0	0	Nil
Total	4	4	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 deemed necessary cater to the day to day requirements of the Company.

The Committee comprises four members including two Independent Directors. Mr. Rajan 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 2014-15, the Committee met six times i.e. on April 29, 2014, June 13, 2014, July 29, 2014, October 30, 2014, February 4, 2015 and March 9, 2015. The composition and the attendance of members at the meetings held during FY 2014-15, are given below:

Name	Category	Number of meetings attended (total held) during tenure
Mr. Rajan Bharti Mittal, Chairman	Non-Executive Director	6 (6)
Mr. Ajay Lal ¹	Independent Director	4 (4)
Mr. Manish Kejriwal	Independent Director	4 (6)
Mr. Gopal Vittal	Executive Director	6 (6)
Mr. D. K. Mittal ²	Independent Director	2 (2)

1. Ceased to be member of the Committee w.e.f. January 22, 2015.
2. Appointed as a member of the Committee w.e.f. February 4, 2015.

Key Responsibilities of the Committee of Directors (within the limit approved by the Board)

Investment Related

- To grant loans to anybody, corporate / entity
- To give guarantee(s) in connection with loan made to anybody, 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. up to 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 and 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 or close any branch office, circle office

- To approve for participation into any tender, bid or 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 or dissolve any trust or association with regard to the administrative matters or employee related matters and to appoint, reappoint, remove or 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

Technology Committee

The Committee comprises three members. Ben Verwaayen, Independent Director, is the Chairman of the Committee. The Chief IT Officer and Director – NSG are the permanent invitees to the meetings of the Committee. The Company Secretary acts as a Secretary to the Committee.

Key Responsibilities of the Technology Committee

- Review the Company's strategy and approach to technology and innovation, including its impact on the Company's performance, growth and competitive position.
- Oversee the Company's investments in technology and software, including through acquisition and other business development activities.
- Ensure that the Company adopts the industry's best practices and is future ready.
- Establish and maintain relationships with the Company's key technology partner
- Appraise and critically review the financial, tactical and strategic benefits of proposed major IT-related projects and technology architecture alternatives.

Meetings, Attendance and Composition of Technology Committee

During FY 2014-15, the Committee met three times on July 28, 2014, October 29, 2014 and February 3, 2015. The Composition and the attendance of the members at the meetings held during FY 2014-15, are given below:

Name	Category	Number of meetings attended (total held) during tenure
Mr. Ben Verwaayen, Chairman	Independent Director	3 (3)
Mr. Gopal Vittal	Member	3 (3)
Mr. Christian de Faria	Member	1 (3)
Mr. Manoj Kohli ¹	Member	1 (3)

1. Ceased to be member of the Committee w.e.f. February 4, 2015.

The Technology Committee was dissolved w.e.f. April 28, 2015.

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 evaluates and recommend the CSR proposals to the Board for approval.

The Committee comprises three members, including one Independent Director. Mr. Rajan 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 the 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 Agreement, 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 2014-15, the Committee met four times i.e. on April 22, 2014, April 29, 2014, October 30, 2014 and February 4, 2015. The composition and the attendance of members at the meetings held during FY 2014-15, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Rajan Bharti Mittal, Chairman	Non-Executive Director	4 (4)
Mr. Gopal Vittal	Executive Director	4 (4)
Mr. Ajay Lal ¹	Independent Director	3 (3)
Mr. Manoj Kohli ²	Non-Executive Director	4 (4)
Mr. D. K. Mittal ³	Independent Director	1 (1)

1. Ceased to be member of the Committee w.e.f. January 22, 2015.
2. Ceased to be member of the Committee w.e.f. February 4, 2015.
3. Appointed as a member of the Committee w.e.f. February 4, 2015.

Corporate Social Responsibility Report for the year ended March 31, 2015

The CSR Report for the year ended March 31, 2015 is annexed as Annexure D to the Directors' 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 the Company's business
- Formulation of the 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 the 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 and 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 and franchise, among others.
- With respect to overseas subsidiaries and their step down subsidiaries, the power of ACC are 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
2013-14	Air Force Auditorium, Subroto Park, New Delhi-110010	September 1, 2014	1530 Hrs. (IST)	No special resolution was passed in the last three AGMs
2012-13		September 5, 2013	1530 Hrs. (IST)	
2011-12		September 6, 2012	1530 Hrs. (IST)	

No special resolution is proposed to be passed at the ensuing AGM.

Postal Ballot

The Company 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.

Person Conducting the Postal Ballot Exercise

Mr. Gopal Vittal, Managing Director & CEO (India and South Asia) and Mr. Mukesh Bhavnani, Group General Counsel and Company Secretary were appointed as persons responsible for the entire postal ballot / e-voting process. Mr. Sanjay Grover of M/s. Sanjay Grover & Associates, Company Secretaries, New Delhi (C.P. No. 3850) was appointed as the Scrutiniser for conducting the postal ballot voting process in a fair and transparent manner. Mr. Sanjay Grover, Practising Company Secretary conducted the process and submitted the report to the Company.

Procedure Followed

1. In compliance with Clause 35B of the Listing Agreement and Section 108, 110 and other applicable provisions of the Companies Act, 2013, read with the rules made thereunder, the Company provided electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engaged the services of Karvy Computershare Pvt. Ltd. (Karvy) for the

purpose of providing e-voting facility. The members had the option to vote either by physical ballot or e-voting.

2. The Company dispatched the postal ballot notice, dated October 30, 2014, containing draft resolutions together with the explanatory statements, postal ballot forms and self-addressed envelopes to the members whose names appeared in the register of members/list of beneficiaries as on cut-off date i.e. Friday, February 13, 2015. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable rules.
3. Members desiring to exercise their votes by physical postal ballot forms were requested to return the forms duly completed and signed, to the Scrutiniser on or before the close of business hours on Friday, April 10, 2015. The members who opted for the e-voting could vote from 08:00 a.m. on Thursday, March 12, 2015 to 08:00 p.m. on Friday, April 10, 2015.
4. The Scrutiniser submitted his report on Monday, April 13, 2015, after the completion of scrutiny.
5. The result of the postal ballot was declared on Tuesday, April 14, 2015. The date of declaration of the results of the postal ballot was taken as the date of passing of the resolution.
6. The result of the postal ballot was published in the newspapers within 48 hours of the declaration of the results, and is available on the website of the Company at www.airtel.com, besides being communicated to Stock Exchanges, Depository and Registrar and Share Transfer Agent.

Details of Voting Pattern

Details of the voting pattern in respect of Special Resolutions are as under:

Details of Agenda	No. of valid votes	Votes cast in favour of the resolution (no. & % age)	Votes cast against the resolution (no. & %age)
Special resolution for implementation of the ESOP Scheme 2005 through ESOP Trust and related amendment in the ESOP Scheme 2005	3,604,069,151	3,349,670,977 (92.941%)	254,398,174 (7.059%)
Special resolution for authorisation to the Bharti Airtel Employees' Welfare Trust (the ESOP Trust) for the secondary acquisition and provision of money for acquisition of such shares.	3,604,067,718	3,349,668,441 (92.941%)	254,399,277 (7.059%)

There is no immediate proposal for passing any resolution through postal ballot on or before ensuing Annual General Meeting.

Code of Conduct

In compliance with Clause 49 of the Listing Agreement 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 executives 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 the compliance with the Code of Conduct by Board members and Senior Management for the financial year ended March 31, 2015 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 employees. All employees are expected to confirm compliance to the Code annually.

Regular training programmes 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 the Company at large

All transactions entered into with related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm's length pricing 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. 48 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 Clause 49(VII)(D) of the Listing Agreement and other applicable laws for approval / information. Prior omnibus approval is obtained for Related Party Transactions, which are 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 an 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 Listing Agreement. 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 available on the website of the Company at 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 Clause 49 of the Listing Agreement, 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 can raise their concerns in full confidence, without any fear of retaliation or victimisation. The Ombudsperson administers a formal process to review and investigate any concerns 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 Clause 49 of the Listing Agreement, the auditors' certificate on Corporate Governance is annexed as Annexure to the Directors' Report.

CEO and CFO Certification

The certificate required under Clause 49(IX) of the Listing Agreement, 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 Company's Audit & Risk Management Committee.
- Minutes of Board Meeting of unlisted subsidiary companies are placed before the Company's Board regularly.
- 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 w.e.f. December 28, 2012. Therefore, the Company is no more required to nominate a Director on the Board of Bharti Infratel.

The Board of Directors have formulated a Policy for determining material subsidiaries pursuant to the provisions of the Listing Agreement. The same is available 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](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 Clause 49 of the Listing Agreement

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 stipulated under the Listing Agreement. 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 Directors' Report.

Details of Compliances with the Non-mandatory Requirements of Clause 49 of the Listing Agreement

In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements of Clause 49 of the Listing Agreement:

Shareholders' Rights and Auditors' Qualification

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 minutes of the approval of the results. Once taken on record by Stock Exchanges, the same are 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.

Audit Qualifications

Company's financial statements are unqualified.

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.

Reporting of Internal Auditor

The Internal Auditors directly reports to the Audit & Risk Management Committee.

Compliance with the ICSI Secretarial Standards

The relevant Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI), which were recommendatory in nature, has been substantially complied by the Company.

Adoption of International Financial Reporting Standards

Till 2009-10, besides preparing the Indian GAAP (IGAAP) consolidated financial statements as per statutory requirements, the Company also used to prepare financial statements under US GAAP voluntarily, which were audited by Ernst & Young. In April 2010, the Stock Exchanges had amended Clause 41 of the Listing Agreement and permitted the companies to prepare their consolidated financial

statements. The Company voluntarily prepared statements in accordance with IFRS in place of IGAAP from FY 2010-11. The Ministry of Corporate Affairs, Government of India, has also issued a detailed roadmap for convergence of the IGAAP with IFRS. In line with the philosophy of the Government and amendment in the Listing Agreement, the Company has voluntarily migrated to IFRS accounting and accordingly the consolidated financial statements have been prepared under IFRS from FY 2010-11 onwards.

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 proposes to send all correspondences/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 printed copy of such communications, they may send requisition to the Company. The Company will forthwith send a printed copy of the communication to the respective 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.

Financial Year	Rate of Dividend Per equity share of ₹ 5 each	Total Pay-out	Amount in ₹ Millions	
			Amount Paid to the shareholders	Amount un-paid to the shareholders
2014-15	₹ 1.63 (Interim Dividend)	6,515.76	6,515.00 (99.99%)	0.76 (0.01%)
2013-14	₹ 1.80	7,195.32	7,194.49 (99.99%)	0.83 (0.01%)
2012-13	₹ 1	3,797.53	3,791.05 (99.83%)	6.48 (0.17%)
2011-12	₹ 1	3,797.53	3,790.78 (99.82%)	6.75 (0.18%)
2010-11	₹ 1	3,797.53	3,791.13 (99.83%)	6.40 (0.17%)
2009-10	₹ 1	3,797.53	3,790.09 (99.80%)	7.44 (0.20%)
2008-09	₹ 2	3,796.48	3,790.39 (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 Clause 5A(II) of the Listing Agreement, the Company reports the following details in respect of equity shares lying in the suspense accounts, which were issued in physical form:

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 1, 2014.	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, 2015	8	21

The voting rights on the shares in the suspense accounts as on March 31, 2015 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 and 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 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 filings, 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 Stock Exchanges, where the Company's shares are listed.

Equity Shares Listing, Stock Code and Listing Fee Payment

Name and address of the Stock Exchange	Scrip code	Status of fee paid for FY 2015-16
National Stock Exchange of India Limited Exchange Plaza 'C-1 Block G Bandra Kurla Complex, Bandra ©, Mumbai – 400001	BHARTIARTL	Paid
The 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 FY 2003-04.

General Shareholders' Information

20th Annual General Meeting

Date	: August 21, 2015
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 1 to March 31 Results for the quarter ending
June 30, 2015	: August 4, 2015, (Tuesday)
September 30, 2015	: October 28, 2015, (Wednesday)
December 31, 2015	: January 28, 2016, (Thursday)
March 31, 2016	: April 27, 2016 (Wednesday)

Book Closure

Saturday, August 15, 2015 to Friday, August 21, 2015 (both days inclusive)

Dividend

₹ 2.22 per equity share of ₹ 5/- each (i.e. 44.40% on the face value of the shares)

Dividend Pay-out Date

On or after August 21, 2015 (within the statutory time limit of 30 days i.e. up to September 19, 2015), subject to the approval of the shareholders.

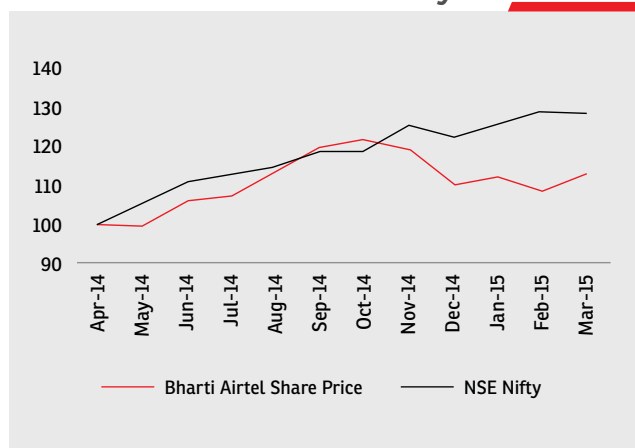
Stock Market Data for the Period April 1, 2014 to March 31, 2015

Month	NSE			BSE		
	High	Low	Volume (Nos.)	High	Low	Volume (Nos.)
Apr-14	345.50	312.00	77,152,236	345.40	312.00	3,116,596
May-14	349.95	305.25	105,472,237	350.00	304.00	6,076,287
Jun-14	367.15	327.95	116,040,205	367.00	328.10	8,007,104
Jul-14	375.20	326.60	92,930,485	375.05	326.75	7,911,449
Aug-14	387.10	361.25	80,531,753	386.80	361.70	5,496,550
Sep-14	420.00	369.85	93,300,547	419.90	370.40	8,033,548
Oct-14	416.85	380.00	74,697,126	417.00	380.00	3,804,486
Nov-14	407.80	376.00	84,402,071	408.20	378.15	4,702,541
Dec-14	387.35	335.80	86,905,962	386.20	336.85	8,083,909
Jan-15	395.70	339.10	82,428,360	394.45	339.30	5,560,619
Feb-15	377.30	340.10	74,064,931	377.10	341.00	4,369,322
Mar-15	404.50	339.10	161,270,811	404.25	339.05	10,542,135

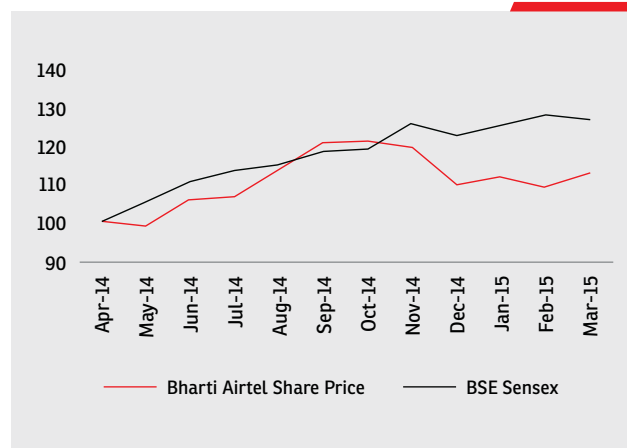
Source: www.nseindia.com

Source: www.bseindia.com

Bharti Airtel Share Price Vs. NSE Nifty



Bharti Airtel Share Price Vs. BSE Sensex



Note: Base 100 = April 1, 2014

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 Clause 47(C) of the Listing Agreements, the Company obtain certificates from a practicing Company Secretary on a half-yearly basis to the effect that all the transfers are completed within the stipulated period. A copy of such 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, 2015

Sl. no.	Category (by no. of shares)	No. of shareholders	% to holders	No. of shares	% of shares
1	1 - 5000	228,882	99.24	27,542,624	0.69
2	5001 - 10000	475	0.21	3,464,668	0.09
3	10001 - 20000	261	0.11	3,756,573	0.09
4	20001 - 30000	123	0.05	3,062,433	0.08
5	30001 - 40000	78	0.03	2,747,729	0.07
6	40001 - 50000	67	0.03	3,061,910	0.08
7	50001 - 100000	150	0.07	10,696,787	0.27
8	100001 - above	588	0.25	3943,067,378	98.64
Total		230,624	100 %	3,997,400,102	100 %

By category of holders as on March 31, 2015

Sl. no.	Category	No. of shares	%age of holding
I	Promoter and Promoter Group		
(i)	Indian promoters	1,747,545,460	43.72
(ii)	Foreign promoters	865,673,286	21.66
	Total Promoters Shareholding	2,613,218,746	65.37
II	Public Shareholding		
(A)	Institutional Investors		
(i)	Mutual Funds and Unit Trust of India	108,033,416	2.70
(ii)	Financial institutions and Banks	932,054	0.02
(iii)	Insurance companies	190,892,726	4.78
(iv)	Foreign Institutional Investors	636,827,227	15.93
(v)	Others - Foreign Portfolio Investors	79,968,128	2.00
(B)	Others		
(i)	Bodies Corporate (Indian)	116,196,978	2.91
(ii)	Bodies Corporate (Foreign)	204,952,716	5.13
(iii)	Trusts	5,670,563	0.14
(iv)	NRIs / OCBs / Foreign Nationals / QFI	2,159,619	0.05
(v)	Indian Public & Others	38,547,929	0.96
	Total Public Shareholding	1,384,181,356	34.63
	Total Shareholding	3,997,400,102	100

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 INE 397D01024.

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 Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032 Ph No. 040-67162222 Fax No. 040-23001153 Website www.karvy.com

Declaration

I hereby confirm that the Company has received from all members of the Board and Senior Management, for the financial year ended March 31, 2015, a confirmation that they are in compliance with the Company's Code of Conduct.

For **Bharti Airtel Limited**

Gopal Vittal

Managing Director & CEO (India & South Asia)

Date: April 28, 2015

Place: New Delhi

Chief Executive Officer (CEO) / Chief Financial Officer (CFO) certification

We, Gopal Vittal, Managing Director & CEO (India & South Asia) and Srikanth Balachandran, 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, 2015 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 & Risk Management 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 & Risk Management 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.

Date: April 28, 2015

Place: New Delhi

Srikanth Balachandran

Global Chief Financial Officer

Gopal Vittal

Managing Director & CEO (India & South Asia)

Standalone Financial Statements

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For Other Notes 28, 42, 43, 52, 54 to 58 - Refer Pages 154,162,162,184 and 185 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 comprise the Balance Sheet as at March 31, 2015, 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 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 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 of the 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an

opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. 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 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, 2015, its profit, and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to Note 26(ii)(g)(vii) 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, 2015 ("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, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;

Independent Auditor's Report

- (f) 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 26(ii) and Note 53(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 51 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 No: 101049W

per Nilangshu Katriar
 Partner
 Membership No: 58814

Place: New Delhi
 Date: April 28, 2015

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, however, 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 programme, a 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. The Company is in the process of reconciling the quantitative and situation details of the physical verification results with the records maintained by the Company and as informed to us, the impact is not expected to be material.
- (ii) (a) The Inventory (other than inventory with third parties) has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has neither granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, Clause 3(iii) of the Order is not applicable to the Company for the current year and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of proprietary nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have neither observed nor have been informed of any major weakness or continuing failure to correct any major weaknesses in the aforesaid internal control system.
- (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 Act 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 generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, duty of customs, value added tax, cess

Independent Auditor's Report

and other material statutory dues applicable to it. The provisions relating to duty of excise are not applicable to the Company.

(b) 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 wealth-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.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-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	34	2007-08	Assistant Commissioner
Bihar Value Added Sales Tax Act	Sales Tax	31	2006-13	Joint Commissioner, Appeal
Bihar Value Added Sales Tax Act	Sales Tax	29	2005-08	Tribunal
Gujarat Sales Tax Act	Sales Tax	1	2006-07	Assistant Commissioner
Himachal Pradesh Value Added Tax Act	Sales Tax	1	1999-02	Additional 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
Karnataka Sales Tax Act	Sales Tax	1	2001-06	Commercial tax Officer
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	20	2007-09	Assistant Commissioner, Spl Circle III, Ernakulam
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	24	2007-12	Appellate authority
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	0	2005-07	Assistant Commissioner
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	0	2004-08	Commercial tax Officer
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	2	2008-13	Deputy Commissioner
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	22	1997-04	Deputy Commissioner, Appeal
Maharashtra Sales Tax Act	Sales Tax	9	2003-04	High Court, Mumbai
Maharashtra Sales Tax Act	Sales Tax	0	2003-04	Joint Commissioner, Appeal
Orissa Value Added Tax Act	Sales Tax	1	2006-07	Additional Commissioner
Punjab Sales Tax Act	Sales Tax	0	2009-10	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	21	2002-12	Assessing officer
UP VAT Act	Sales Tax	21	2002-05	Assistant Commissioner
UP VAT Act	Sales Tax	2	2005-10	Commercial tax Officer
UP VAT Act	Sales Tax	6	2008-11	High court
UP VAT Act	Sales Tax	1	2003-04	Joint Commissioner Appeal
UP VAT Act	Sales Tax	12	2005-07	Tribunal
West Bengal Sales Tax Act	Sales Tax	0	1996-97	The Deputy Commissioner of Commercial Taxes

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
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)		787		
Finance Act, 1994 (Service tax provisions)	Service Tax	301	2004-08	Supreme Court
Finance Act, 1994 (Service tax provisions)	Service Tax	7	2000-07	Commissioner Adjudication
Finance Act, 1994 (Service tax provisions)	Service Tax	1	2003-06	Commissioner Appeal
Finance Act, 1994 (Service tax provisions)	Service Tax	23	2002-07	High court
Finance Act, 1994 (Service tax provisions)	Service Tax	5	1995-97	Supreme Court
Finance Act, 1994 (Service tax provisions)	Service Tax	10,230	1995-12	Tribunal
Sub Total (B)		10,566		
Income Tax Act, 1961	Income Tax	6	2002-04	Supreme Court
Income Tax Act, 1961	Income Tax	11,685	1996-97; 2001-02; 2004-10	High Court
Income Tax Act, 1961	Income Tax	17,240	2003-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	19,603	1995-2003; 2004-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1,392	1994-95; 1996-98; 2004-15	Assessing Officer
Sub Total (C)		49,926		
Custom Act, 1962	Custom Act	4,128	2001-06	Supreme Court
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 ₹ 291 Mn, Service tax is ₹ 330 Mn, Income tax is ₹ 10,115 Mn and Custom Duty is ₹ 2,138 Mn.

- d) There were no amounts which were required to be transferred to the investor education and protection fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the 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 or debenture holders.
- (x) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.
- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) 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 and no material fraud on the Company has been noticed or reported during the year.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W

per Nilangshu Katriar
Partner
Membership No: 58814

Place: New Delhi
Date: April 28, 2015

Balance Sheet

Particulars	Notes	(₹ Millions)	
		As of March 31, 2015	As of March 31, 2014
Equity and Liabilities			
Shareholders' Funds			
Share capital	5	19,987	19,987
Reserves and surplus	6	762,742	647,293
Non-Current Liabilities			
Long-term borrowings	7	196,267	72,717
Deferred tax liabilities (Net)	8	10,721	9,475
Other long term liabilities	9	42,036	39,394
Long term provisions	10	1,969	2,095
Current Liabilities			
Short-term borrowings	11	6,259	12,510
Trade payables	12	71,232	62,663
Other current liabilities	13	140,675	106,454
Short term provisions	14	12,349	9,453
Total		1,264,237	982,041
Assets			
Non-current Assets			
Fixed Assets			
Tangible assets	15	256,552	240,682
Intangible assets	16	277,892	158,100
Capital work-in-progress		26,561	12,442
Intangible assets under development	16	64,108	-
Non current investments	17	383,958	340,348
Long- term loans and advances	18	88,381	145,180
Other non-current assets	19	19,221	17,901
Current Assets			
Current investments	20	47,211	4,891
Inventories	21	94	11
Trade receivables	22	33,110	21,655
Cash and bank balances	23	3,887	4,460
Short-term loans and advances	24	53,942	24,218
Other current assets	25	9,320	12,153
Total		1,264,237	982,041

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: New Delhi
Date: April 28, 2015

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

Sunil Bharti Mittal
Chairman

Rajendra Chopra
Company Secretary

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

Srikanth Balachandran
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, 2015	For the year ended March 31, 2014
Income			
Revenue from operations	29	554,964	499,185
Other income	30	51,930	8,534
Total income		606,894	507,719
Expenses			
Access charges		79,601	73,015
License fee and spectrum charges (revenue share)		67,062	54,682
Cost of goods sold	31	76	22
Employee benefits expenses	32	16,915	16,481
Power and fuel	33	41,151	41,697
Rent	33	59,790	56,904
Other expenses	33	95,766	92,711
Charity and donation [includes ₹ 250 Mn (2013-14 ₹ 280 Mn) paid to Satya Electoral Trust for political purpose]		292	685
Total expenses		360,653	336,197
Profit before finance costs, depreciation, amortisation, exceptional items and tax		246,241	171,522
Finance costs	34	14,091	13,364
Depreciation and amortisation expense	35	75,597	72,313
Profit before exceptional items and tax		156,553	85,845
Exceptional items	36	-	2,071
Profit before Tax		156,553	83,774
Tax expense (including exceptional items)			
Current tax		31,092	19,980
MAT credit		(7,790)	(180)
Deferred tax		1,246	(2,028)
Profit for the year		132,005	66,002
Earnings per share (equity shares of par value ₹ 5 each)			
Basic and Diluted (in ₹)	39	33.02	16.69

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: New Delhi
Date: April 28, 2015

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

Sunil Bharti Mittal
Chairman

Rajendra Chopra
Company Secretary

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

Srikanth Balachandran
Global Chief Financial Officer

Cash Flow Statement

Particulars	(₹ Millions)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
A. Cash flows from operating activities:		
Profit before tax	156,553	83,774
Adjustments for:		
Depreciation and amortisation expense	75,597	72,313
Exceptional Items (refer Note 36)	-	2,071
Interest income	(1,396)	(433)
(Profit)/ Loss on sale of investments	(34,698)	(2,096)
Finance costs	14,091	13,364
Unrealized foreign exchange (gain) / loss	(853)	(285)
Expenses on employee stock option plan	(6)	(42)
(Profit)/ Loss on sale of assets (net)	550	(95)
Dividend income	(13,700)	(4,588)
Operating cash flow before changes in assets and liabilities	196,138	163,983
Adjustments for changes in assets and liabilities :		
- (Increase)/decrease in trade receivables	(11,455)	600
- (Increase)/decrease in other receivables	(4,074)	(1,596)
- (Increase)/decrease in inventories	(83)	10
- Increase/(decrease) in trade and other payables	27,260	15,420
- Increase/(decrease) in provisions	148	316
Cash generated from operations	207,934	178,733
CSR expenses paid	(411)	-
Income taxes paid	(28,125)	(18,513)
Net cash flow from / (used in) operating activities	179,398	160,220
B. Cash flows from investing activities:		
Purchase of tangible assets	(70,142)	(50,820)
Purchase of intangible assets	(6,900)	(57,289)
Proceeds from sale of tangible assets	501	332
Sale/(Purchase) of investments (net)	(40,392)	8,005
Proceeds from sale/redemption/reduction of shares in subsidiaries/ associates/ joint ventures (net of expenses)	40,499	-
Proceeds from sale of an undertaking under slump sale	-	1,771
Acquisition/ subscription/investment in subsidiaries/ associates/ joint ventures (refer Note 38)	(40,292)	(13,350)
Net movement in advances given to subsidiaries/ associates/ joint ventures	(26,348)	(64,443)
Purchase of bank deposits (with maturity more than three months)	(705)	(791)
Proceeds from maturity of bank deposits (with maturity more than three months)	671	654
Interest received	1,396	218
Dividend received from subsidiary companies	13,700	4,850
Net cash flow from / (used in) investing activities	(128,012)	(170,863)
C. Cash flows from financing activities:		
Proceeds from issuance of equity shares to institutional investor	-	67,956
Proceeds from borrowings	23,192	69,914
Repayments of borrowings	(58,138)	(111,219)
Short-term borrowings (net)	3,094	-
Dividend paid	(13,711)	(3,798)
Tax on dividend paid	(2)	-
Interest and other finance charges paid	(6,392)	(11,031)
Net cash flow from / (used in) financing activities	(51,957)	11,822
Net increase / (decrease) in cash and cash equivalents during the year	(571)	1,179
Add : Balance as at the beginning of the year	4,458	3,279
Balance as at the end of the year (refer note 23)	3,887	4,458

Notes :

- Figures in brackets indicate cash out flow.
- The above cash flow statement has been prepared under the indirect method set out 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.
- Cash and cash equivalents also includes ₹ 35 Mn in unpaid dividend bank account (March 31, 2014- ₹ 33 Mn) (refer note 23)
- Advances given to subsidiaries/ associates/ joint ventures have been reported on net basis.
- 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

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

per Nilangshu Katriar
Partner
Membership No: 58814

Sunil Bharti Mittal
Chairman

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

Place: New Delhi
Date: April 28, 2015

Rajendra Chopra
Company Secretary

Srikanth Balachandran
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.

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 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 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.

Depreciation on tangible assets is provided on the straight line method based on useful lives of respective assets as estimated by the management. 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:

	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.

Notes to financial statements

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, 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.

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) Software

Software is capitalized 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.

(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 exceed a period of ten 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 capitalised at the amounts paid and 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 or loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

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 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 expensed in the statement of profit and loss at the inception of the lease.

(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

Notes

to financial statements

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 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. 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.

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

Notes to financial statements

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.

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

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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 of 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 of 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 deferred compensation and compensated absences.

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.

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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 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.

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 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, all 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 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.

(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

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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.

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.

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/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.

3.21. Expenditure incurred on Corporate Social Responsibility ("CSR")

In accordance with the guidance issued by ICAI, 'FAQ on the provisions of CSR under Section 135 of the Companies Act 2013 and Rules thereon', the amount of expenditure incurred on CSR is accounted as appropriation to the statement of profit and loss unless otherwise it is incurred by the Company as part of the normal business activity which also qualifies for CSR activity, in which case, it will continue to be charged to statement of profit and loss in the normal course.

4. Information about Business Segments - Primary Segment Definitions:

The Company's operating businesses are organized 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.

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 communications based on fixed 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 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 taxes (net of provisions of tax), deferred taxes (net), MAT credit and borrowings not allocated to the business segments.

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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 / (Loss) before tax						156,553
Provision for Tax						
- Current Tax (including MAT Credit)						23,302
- Deferred Tax (Credit)/ Charge						1,246
Net Profit / (Loss) after tax						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

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Summary of the Segmental Information for the year ended and as of March 31, 2014

(₹ Millions)

Particulars	Mobile Services	Telemedia Services	Airtel Business	Unallocated	Eliminations	Total
Revenue						
Revenue from operations external	415,484	36,243	47,458	-	-	499,185
Inter segment revenue	19,530	1,132	11,109	-	(31,771)	-
Total revenues	435,014	37,375	58,567	-	(31,771)	499,185
Results						
Segment Result- Profit / (Loss)*	81,667	5,750	6,519	(1,844)	-	92,092
Finance costs (Income)*						6,247
Exceptional items #						2,071
Profit / (Loss) before tax						83,774
Provision for Tax						
- Current Tax (including MAT Credit)						19,800
- Deferred Tax (Credit)/ Charge						(2,028)
Net Profit / (Loss) after tax						66,002
Other Information						
Capital Expenditure	96,945	8,747	5,639	160	(9,887)	101,604
Depreciation and amortisation	62,527	8,996	5,320	-	(4,530)	72,313
As of March 31, 2014						
Segment Assets	462,946	29,753	30,922	424,928	-	948,549
Inter Segment Assets	322,048	38,392	63,058	28	(423,526)	-
Advance tax (Net of provision for tax)				2,855		2,855
MAT Credit				30,637		30,637
Total Assets	784,994	68,145	93,980	458,448	(423,526)	982,041
Segment Liabilities**	154,462	8,384	25,227	117,213	-	305,286
Inter Segment Liabilities	46,424	12,988	18,236	345,878	(423,526)	-
Deferred Tax Liability (net)				9,475		9,475
Total Liabilities	200,886	21,372	43,463	472,566	(423,526)	314,761

*Segment result excludes finance income of ₹ 7,117 Mn, which is netted off from finance costs for the purpose of segment reporting

**Unallocated liabilities includes amount borrowed for the acquisition of 3G & BWA Licenses (including Spectrum) of ₹36,400 Mn

Exceptional items shown separately relates to reassessment of residual useful lives of certain assets [Refer Note 36 for details]

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, capital work-in-progress and capital advance given for acquiring tangible and intangible assets during the year.
4. Segment assets include tangible, intangible, current and other non current assets and excludes non current investments, MAT credit, advance tax (net).
5. Segment liabilities include current, non current liabilities and excludes provision for tax (net), deferred tax liabilities (net).
6. Inter segment assets / liabilities represent the inter segment account balances.
7. 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 :

Particulars	(₹ Millions)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Segment Revenue from external customers based on geographical location of customers		
Within India	518,924	464,256
Others	36,040	34,929
	554,964	499,185
Carrying amount of Segment Assets by geographical location of assets		
Within India	978,816	752,938
Others	285,421	229,103
	1,264,237	982,041
Cost incurred during the year to acquire Segment Assets by geographical location of assets		
Within India	234,197	100,832
Others	1,650	772
	235,847	101,604

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, capital work-in-progress and capital advance given for acquiring tangible and intangible assets during the year.

5. Share Capital

Particulars	(₹ Millions)	
	As of March 31, 2015	As of March 31, 2014
Authorised shares		
5,000,000,000 (March 31, 2014 - 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, 2014- 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 allotted 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, 2015		For the year ended March 31, 2014	
	No.	₹ Mn	No.	₹ Mn
At the beginning of the year	3,997,400,102	19,987	3,797,530,096	18,988
Issued during the year (refer note 37)	-	-	199,870,006	999
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 Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2015, the Board of Directors has proposed dividend of ₹ 2.22 per share (March 31, 2014 ₹ 1.80). The Company, based on an independent legal opinion, had determined that provisions of the Companies Act, 2013 applies to the proposed dividend for the year ended March 31, 2014, as the same was declared and paid after April 1, 2014. Since, Companies Act, 2013 does not mandate transfer of certain percentage of profits to general reserve, the Company has not transferred any amount to general reserve in respect of proposed dividend for the year ended March 31, 2014 and March 31, 2015.

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

Particulars	As of March 31, 2015		As of March 31, 2014	
	No.	% holding	No.	% holding
Equity shares of ₹ 5 each fully paid up				
Bharti Telecom Limited*	1,747,545,460	43.72%	1,745,595,460	43.67%
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%
Life Insurance Corporation of India	-	-	207,987,846	5.20%
Three Pillar Pte Limited	199,870,006	5.00%	199,870,006	5.00%

*Holding as at March 31, 2014 does not include 1,950,000 shares credited to the demat account post March 31, 2014.

6. Reserves and Surplus

Particulars	(₹ Millions)	
	As of March 31, 2015	As of March 31, 2014
Capital Reserve	51	51
Securities Premium Reserve		
Opening balance	107,936	40,896
Additions during the year	31	67,040
Closing balance	107,967	107,936
Revaluation Reserve	21	21
Employee Stock Options Outstanding		
Opening balance	2,365	2,841
Add : Addition during the year	80	332
Less : Forfeiture/Exercise	1,689	808
Closing balance	756	2,365

Notes to financial statements

(₹ Millions)		
Particulars	As of March 31, 2015	As of March 31, 2014
Reserve for Business Restructuring	24,912	24,912
General Reserve		
Opening balance	27,043	26,973
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 through open market)	82	70
Closing balance	28,452	27,043
Surplus in the Statement of Profit and Loss		
Opening balance	484,965	426,780
Add : Profit for the year	132,005	66,002
Amount available for appropriation	616,970	492,782
Appropriations :		
CSR expenses #	(411)	-
Dividend paid/ proposed (refer note 52)	(15,390)	(7,195)
Tax on dividend paid/ proposed*	(586)	(622)
Net surplus in the statement of profit and loss	600,583	484,965
Total	762,742	647,293

*Tax on dividend proposed is net of credit of ₹ 1,221 Mn (March 31, 2014 - ₹ 601 Mn) on account of dividend distribution tax on dividend from subsidiary companies.

#As per the requirements of Section 135 of the Companies Act, 2013 the Company was required to spend an amount of ₹ 1,400 Mn on Corporate Social Responsibility expenditure for the financial year 2014-15. During the current financial year, the Company has spent an amount of ₹ 411 Mn against Corporate Social Responsibility expenditure.

7. Long-term Borrowings

(₹ Millions)		
Particulars	As of March 31, 2015	As of March 31, 2014
Secured		
From Banks	18	10
From Others	1	4
Total secured	19	14
Unsecured		
Term Loans		
From Banks	19,265	54,876
From Others	46,843	35,228
Total	66,108	90,104
Deferred payment liabilities towards spectrum	143,167	1,026
Finance lease obligations	144	-
Total unsecured	209,419	91,130
Less: Current maturities (refer note 13)		
From Banks	5,822	12,642
From Others	7,306	5,785
Finance lease obligations	43	-
	196,267	72,717

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, 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

(₹ Millions)

Currency of borrowings	Rate of Interest (Weighted average)	As of March 31, 2014	Maturity Profile			
			Within one year	between one and two years	between two and five years	over five years
INR	10.30%	59,439	11,656	15,755	23,028	9,000
USD	1.08%	31,705	6,771	5,529	10,493	8,912
Total	7.06%	91,144	18,427	21,284	33,521	17,912

- c. The borrowings of ₹ 209,438 Mn outstanding as of March 31, 2015, comprising various loans, are repayable in total 15 quarterly installments, 840 half yearly installments and 15 yearly installments (borrowings of ₹ 91,144 Mn outstanding as of March 31, 2014, comprising various loans, are repayable in total 559 half yearly instalments and 5 yearly installments).

8. Taxes

i) Deferred tax liabilities (Net)

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
Deferred Tax Liabilities		
Depreciation claimed as deduction under Income Tax Act but chargeable in the statement of profit and loss in future years	29,839	25,790
Gross Deferred Tax Liabilities	29,839	25,790
Less:		
Deferred Tax Assets		
Provision for doubtful debts/advances charged in the statement of profit and loss but allowed as deduction under the Income Tax Act in future years (to the extent considered realisable)	7,178	5,900
Lease rent equalization charged in the statement of profit and loss but allowed as deduction under the Income Tax Act in future years on actual payment basis	5,676	4,842
Foreign exchange fluctuation and mark to market losses charged in the statement of profit and loss but allowed as deduction under the Income Tax Act in future years (by way of depreciation and actual realisation)	4,384	3,910
Other expenses claimed as deduction in the statement of profit and loss but allowed as deduction under Income Tax Act in future year on actual payment (Net)	1,880	1,663
Gross Deferred Tax Assets	19,118	16,315
Deferred Tax Liabilities (Net)	10,721	9,475

Notes to financial statements

ii) Tax expense

- (a) MAT credit includes income of ₹ 364 Mn (March 31, 2014 – ₹ 180 Mn), current tax includes income of ₹ Nil (March 31, 2014- income of ₹ 1,384 Mn) and deferred tax includes income of ₹ 82 Mn (March 31, 2014 – expense of ₹ 76 Mn) relating to earlier years.
- (b) During the year ended March 31, 2015, the Company had recognised additional tax charge of ₹ 188 Mn (March 31, 2014 ₹ Nil) 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

Particulars	(₹ Millions)	
	As of March 31, 2015	As of March 31, 2014
Security deposit received#	2,722	2,848
Equipment supply payable	452	2,287
Deferred revenue	15,535	13,433
Lease rent equalization	18,378	16,074
Others*	4,949	4,752
	42,036	39,394

#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.

*Others as of March 31, 2015 includes ₹ 4,104 Mn (March 31, 2014 ₹ 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 Airtel Broadband Services Private Limited (formerly know as Wireless Business Services Private Limited) (refer note 38 (i)).

10. Long-term Provisions

Particulars	(₹ Millions)	
	As of March 31, 2015	As of March 31, 2014
Provision for employee benefits (refer note 40)		
Provision for gratuity	1,137	1,269
Provision for long term service award	86	105
	1,223	1,374
Other provisions		
Provision for asset retirement obligation	746	721
	1,969	2,095

The Company 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 utilized at the end of the lease period of the respective sites as per the respective lease agreements. The movement of provision in accordance with AS-29 Provisions, Contingent Liabilities and Contingent Assets, is given below:

Particulars	(₹ Millions)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Opening balance	721	440
Addition (net)	25	281
Closing balance	746	721

Notes to financial statements

11. Short-term Borrowings

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
(Unsecured unless stated otherwise)		
Loans		
From banks	6,259	12,510
	6,259	12,510

a. Details relating to interest rate and currency of borrowings

(₹ Millions)

Currency of Borrowings	As of March 31, 2015		As of March 31, 2014	
	Rate of Interest (Weighted average)	Amount outstanding	Rate of Interest (Weighted average)	Amount outstanding
INR	-	-	9.96%	6,500
USD	0.43%	6,259	0.81%	6,010
Total	0.43%	6,259	5.56%	12,510

- b. The borrowings of ₹ 6,259 Mn outstanding as of March 31, 2015, comprising various loans, are repayable in 2 instalments (borrowings of ₹ 12,510 Mn outstanding as of March 31, 2014, comprising various loans, are repayable in 4 bullet instalments).

12. Trade Payables

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
Dues to Micro and Small Enterprises *	10	38
Trade payables other than dues to Micro and Small Enterprises **	71,222	62,625
	71,232	62,663

* refer note 47 for details of dues to Micro and Small Enterprises

** amount payable to related parties ₹ 13,912 Mn (March 31, 2014 ₹ 12,961 Mn) (refer note 48)

13. Other Current Liabilities

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
Deferred revenue	29,246	22,780
Equipment supply payables	53,664	30,633
Payable to others*	37,149	27,616
Advance received from customers	1,445	1,440
Current maturities of long term debt (refer note 7)	13,128	18,427
Current maturities of finance lease obligations (refer note 7)	43	-
Interest accrued but not due on borrowings	267	315
Other taxes payable*	4,686	4,166
Unpaid dividends	35	33
Other liabilities	1,012	1,044
Total	140,675	106,454

*Payable to others and Other taxes payable include provision of ₹ 27,843 Mn as of March 31, 2015 and ₹ 22,097 Mn as of March 31, 2014 towards sub judice matters.

Notes to financial statements

14. Short-term Provisions

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
Provision for employee benefits (refer note 40)		
Provision for Gratuity	450	241
Provision for Leave Encashment	720	794
Total	1,170	1,035
Others		
Provision for Income Tax (net of advance tax of ₹ 139,277 Mn (March 31, 2014 ₹ Nil Mn) and includes ₹ 583 Mn TDS receivable provided for (March 31, 2014 is Nil Mn))#	498	-
Proposed Dividend (refer note 52)	8,874	7,195
Tax on Dividend	1,807	1,223
Total	11,179	8,418
	12,349	9,453

Reversal of MAT credit utilisation of ₹ 222 Mn (March 31, 2014 utilisation of ₹ Nil) 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, 2013	414	1,302	5,931	508,384	1,440	276	3,203	26,477	4,227	551,654
Additions	-	50	303	38,726	54	11	554	2,247	252	42,197
Disposals / adjustment	-	(38)	(156)	(10,594)	(81)	(34)	(735)	(727)	(65)	(12,430)
Reclassification	(3)	(2)	(22)	163	-	-	-	(3)	(162)	(29)
As of March 31, 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
Accumulated Depreciation										
As of April 1, 2013	28	-	1,691	255,644	1,178	214	2,372	23,696	2,469	287,292
Charge for the year #	7	-	294	57,737	113	21	386	2,048	477	61,083
Disposals / adjustment	-	-	(79)	(6,066)	(74)	(18)	(665)	(709)	(47)	(7,658)
Reclassification	-	-	(12)	157	-	-	(1)	7	(158)	(7)
As of March 31, 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
Net Carrying Amount										
As of April 1, 2013	386	1,302	4,240	252,740	262	62	831	2,781	1,758	264,362
As of March 31, 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

*With respect to assets where the Company has economic ownership, refer note 3.20.

#Includes exceptional items of ₹ Nil (March 31, 2014 ₹ 2,071 Mn) with respect to Plant and Equipment (refer note 36)

Notes

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- a. Freehold Land and Building includes ₹ 4 Mn (March 31, 2014 ₹ 4 Mn) and ₹ 13 Mn (March 31, 2014 ₹ 13 Mn) respectively, in respect of which registration of title in favour of the Company is pending
- b. Building includes building on leasehold land:

Particulars	Gross Block			Depreciation			Net Block	
	As of April 1, 2014	As of Additions	Disposals / Reclassification adjustment	As of March 31, 2015	Charge for the year	Disposals / Reclassification adjustment	As of March 31, 2015	As of March 31, 2014
Building on leasehold Land	2,676	-	-	2,676	146	-	813	2,009

Particulars	Gross Block			Depreciation			Net Block	
	As of April 1, 2013	As of Additions	Disposals / Reclassification adjustment	As of March 31, 2014	Charge for the year	Disposals / Reclassification adjustment	As of March 31, 2014	As of March 31, 2013
Building on leasehold Land	2,685	16	(25)	2,676	104	(7)	667	2,115

- c. Reclassification includes reclass of assets between category of assets. ₹ 12 Mn and ₹ (1) Mn gross block and accumulated depreciation respectively, has been reclassified mainly from intangible assets to tangible assets during the year ended March 31, 2015 and ₹ 29 Mn and ₹ 7 Mn gross block and accumulated depreciation respectively, has been reclassified mainly from tangible assets to intangible assets during the year ended March 31, 2014.
- d. Capital work in progress includes goods in transit ₹ 6,017 Mn (March 31, 2014 ₹ 1,718 Mn).
- e. Refer note 10, 41 and 49 for ARO, jointly owned assets and assets given on operating lease, respectively.

Notes to financial statements

16. i) Intangible Assets

					(₹ Millions)
Particulars	Software*	Bandwidth	Licenses and Spectrum	Other acquired intangibles	Total
Cost					
As of April 1, 2013	10,701	19,759	179,947	-	210,407
Additions	3,024	925	-	-	3,949
Disposals / adjustment	-	-	(34)	-	(34)
Reclassification	-	29	-	-	29
As of March 31, 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
Accumulated Amortisation					
As of April 1, 2013	7,159	6,146	29,638	-	42,943
Charge for the year	2,505	1,374	9,422	-	13,301
Disposals / adjustment	-	-	-	-	-
Reclassification	7	-	-	-	7
As of March 31, 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
Net Carrying Amount					
As of April 1, 2013	3,542	13,613	150,309	-	167,464
As of March 31, 2014	4,054	13,193	140,853	-	158,100
As of March 31, 2015	2,992	15,159	258,009	1,732	277,892

* With respect to assets where the Company has economic ownership, refer note 3.20.

** Gross block and amortisation of licenses have been off set upon being fully amortised.

- Weighted average remaining amortisation period of license as of March 31, 2015 and March 31, 2014 is 17.37 years and 16.14 years, respectively.
- Borrowing cost capitalised during the year ended March 31, 2015 was ₹ 1,083 Mn (March 31, 2014 ₹ Nil). The Company capitalises borrowing cost in the Intangible assets under development.
- Reclassification includes reclass of assets between category of assets. ₹ 12 Mn and ₹ (1) Mn gross block and accumulated depreciation respectively, has been reclassified mainly from intangible assets to tangible assets during the year ended March 31, 2015 and ₹ 29 Mn and ₹ 7 Mn gross block and accumulated depreciation respectively, has been reclassified mainly from tangible assets to intangible assets during the year ended March 31, 2014.

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

Particulars	(₹ Millions)	
	As of March 31, 2015	As of March 31, 2014
Trade investments (at cost)		
Investment in Equity Instruments		
Investment in Subsidiaries		
1) Bharti Hexacom Limited: 175,000,000 (March 31, 2014 - 175,000,000) Equity shares of ₹ 10 each fully paid up	5,718	5,718
2) Bharti Airtel Services Limited: 100,000 (March 31, 2014 - 100,000) Equity shares of ₹ 10 each fully paid up.	1	1
3) Bharti Airtel (USA) Limited: 300 (March 31, 2014 - 300) Equity shares of USD .0001 each fully paid up.	509	509
4) Bharti Airtel (UK) Limited: 123,663 (March 31, 2014 - 123,663) Equity shares of GBP 1 each fully paid up	101	101
5) Bharti Airtel (Hongkong) Limited: 4,959,480 (March 31, 2014 - 4,959,480) Equity shares of HKD 1 each fully paid up	26	26
6) Bharti Airtel (Canada) Limited: 75,100 (March 31, 2014 - 75,100) Equity shares of Canadian Dollar (CAD) 1 each fully paid up.	3	3
7) Network i2i Limited: 52,227,896 (March 31, 2014 - 52,227,896) Equity shares of USD 1 each fully paid up.	7,925	7,925
8) Bharti Infratel Limited: 1,360,000,000 (March 31, 2014 - 1,500,000,000) Equity shares of ₹ 10 each fully paid up. (refer note 38 (vi))	74,511	82,182
9) Bharti Telemedia Limited: 9,690,000 (March 31, 2014 - 9,690,000) Equity shares of ₹ 10 each fully paid up.	115	115
10) Bharti Airtel Lanka (Private) Limited: 26,126,080,053 (March 31, 2014 - 525,596,420) Equity shares of SLR 10 each fully paid up (refer note 38 (ii))	13,096	2,049
11) Bharti Airtel Holdings (Singapore) Pte Limited: 1 (March 31, 2014 - 1) Equity share of Singapore Dollar (SGD) 1 each fully paid up and 338,642,771 (March 31, 2014 - 338,642,771) Equity shares of (USD) 1 each fully paid up	15,475	15,475
12) Bharti Airtel International (Mauritius) Ltd: 1,699,970,000 (March 31, 2014 - 1,044,970,000) shares of USD 1 each fully paid up (refer note 38 (iv))	97,570	57,639
13) Airtel M Commerce Services Limited: 290,000,000 (March 31, 2014 - 255,000,000) Equity shares of ₹ 10 each fully paid up. (refer note 38 (iii))	2,900	2,550
14) Bharti International (Singapore) Pte. Ltd: 593,739,000 (March 31, 2014 - 593,739,000) Equity shares of USD 1 each fully paid up.	33,035	33,035
15) Bharti Airtel International (Netherlands) B.V.: 908,443,919 (March 31, 2014 - 908,443,919) Equity shares of EURO 1 each fully paid up.	67,354	67,354
16) Telesonic Networks Limited (formerly known as Alcatel-Lucent Network Management Service India Ltd) 89,230,796 (March 31, 2014 - 89,230,796) Equity shares of ₹ 10 each fully paid up.	91	91
17) Nxtra Data Limited: 5,050,000 (March 31, 2014 - 5,050,000) Equity shares of ₹ 10 each fully paid up	51	51
18) Airtel Broadband Services Private Limited (formerly known as Wireless Business Services Private Limited): 5,667,137,909 (March 31, 2014 - 5,667,137,909) Equity shares of ₹ 10 each fully paid up. (refer note 38 (i))	65,270	65,270
19) Wynn Limited: 50,000 (March 31, 2014 - Nil) Equity shares of ₹ 10 each fully paid up (refer note 38 (viii))	1	-

Notes to financial statements

(₹ Millions)		
Particulars	As of March 31, 2015	As of March 31, 2014
Investment in Joint Ventures		
1) Bridge Mobile PTE Limited: 800,000 (March 31, 2014- 2,200,000) Equity shares of USD 1 each fully paid up. (refer note 38 (vii))	34	92
2) FireFly Networks Limited: 1,000,000 (March 31, 2014- Nil) Equity shares of USD 1 each fully paid up. (refer note 38 (v))	10	-
Investment in Associates		
1) Bharti Teleport Limited ; 11,270,000 (March 31, 2014- 11,270,000) Equity shares of ₹ 10 each fully paid up.	113	113
Investment in other equity Instrument		
1) IFFCO Kissan Sanchar Limited : 100,000 (March 31, 2014- 100,000) Equity Shares of ₹ 10 each fully paid up.	50	50
	383,959	340,349
Other investments (at cost)		
"Investment in Government Securities - National Savings Certificate (Un-quoted) : 18 units (March 31, 2014 - 18 units)"	2	2
Less: Provision for diminution in value of investments	3	3
	383,958	340,348
<i>Aggregate value of Unquoted Investments</i>	309,450	258,169
<i>Aggregate value of Quoted Investments</i>	74,511	82,182
<i>Aggregate Market value of Quoted Investments</i>	523,600	305,100
<i>Aggregate provision for diminution in value of investments</i>	3	3

18. Long-term Loans and Advances

(₹ Millions)		
Particulars	As of March 31, 2015	As of March 31, 2014
Unsecured, considered good unless stated otherwise		
Capital Advances		
Considered good*	77	54,519
Considered doubtful	184	106
Less: Provision for doubtful advances	(184)	(106)
	77	54,519
Security Deposit		
Considered good**	10,015	9,005
Considered doubtful	525	723
Less: Provision for doubtful deposit	(525)	(723)
Loans and advances to related parties (refer note 48)	39,640	51,019
MAT Credit Entitlement#	38,649	30,637
	88,381	145,180

*Includes advance payments of ₹ Nil towards spectrum (March 31, 2014 – ₹ 53,304 Mn (refer note 38(ix))

**Includes security deposit/advance with/to related parties ₹ 6,950 Mn (March 31, 2014 – ₹ 7,308 Mn) (refer note 48)

#Reversal of MAT credit utilisation of ₹ 222 Mn (March 31, 2014 utilisation of ₹ 2,604 Mn) adjusted with Provision for tax.

Notes to financial statements

19. Other Non-current Assets

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
Unsecured, considered good, unless stated otherwise		
Non-current bank balances (refer note 23)	529	493
Advances *	16,959	15,704
Unamortised upfront fees and Deferred Premium	1,627	1,704
Trade receivable-non-current	106	-
	19,221	17,901

*Advances represent payments made to various Government authorities under protest and are disclosed net of provision of ₹ 27,362 Mn (March 31, 2014 ₹ 20,199 Mn)

20. Current Investments

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
Current investment (at lower of cost and fair market value)		
Investment in Mutual Funds	47,194	4,865
Investment in Deposits and Bonds	17	26
	47,211	4,891
<i>Aggregate value of Unquoted Investments</i>	17	26
<i>Aggregate value of Quoted Investments</i>	47,194	4,865
<i>Aggregate Market Value of Quoted Investments</i>	47,550	4,881
<i>Aggregate provision for diminution in value of investments</i>	-	-

Notes to financial statements

Details of investments are provided below:

(₹ Millions, except as stated otherwise)

Particulars	As of March 31, 2015		As of March 31, 2014	
	(No. of Units)	Amount	(No. of Units)	Amount
Investment in Mutual Funds (Quoted)				
Axis Liquid Fund - Growth	650,426	1,000	405,484	575
Baroda Pioneer Treasury Advantage Fund Plan A - Growth	-	-	86,357	127
Birla Sun Life Cash Plus - Growth - Regular Plan	-	-	5,948,101	1,221
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	335,693	64
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	18,484,749	306
Kotak Floater Short Term - Growth	1,812,276	4,120	-	-
Kotak Liquid Scheme Plan A - Growth	343,026	966	-	-
BOI AXA Liquid Fund	-	-	69,211	100
Pramerica Liquid Fund - Growth	412,450	609	125,259	170
Reliance Liquidity Fund-Growth Option	242,935	508	35,475	68
Reliance Liquid Cash Plan Growth Option Fund	293,865	1,000	-	-
Religare Liquid Fund - Super Institutional Growth	943,091	1,800	417,082	733
Tata Liquid Fund Plan A - Growth	1,016,663	2,600	-	-
Tata Money Market Fund Plan A - Growth	1,742,473	3,801	249,461	502
SBI Premier Liquid Fund - Direct Plan - Growth	454,995	1,000	-	-
SBI Megnum Insta Cash Fund	573,778	1,770	-	-
UTI Liquid Cash Plan Institutional - Growth Option	-	-	476,781	1,000
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	26,633,653	4,865
Investment in Deposits and Bonds (Unquoted)				
India Innovation Fund	70	7	64	6
7.30% REC Secured Bonds 2015	10	10	20	20
Total	80	17	84	26

21. Inventories (valued at lower of cost and net realisable value)

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
Stock-In-Trade*	94	11
Total	94	11

* Net of provision for diminution in value ₹ 483 Mn (March 31, 2014 ₹ 411 Mn)

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22. Trade Receivables

(₹ Millions)

Particulars	As of March 31, 2015		As of March 31, 2014	
Unsecured, unless stated otherwise				
Receivables outstanding for a period exceeding six months from the date they are due for payment				
Considered good	2,522		229	
Considered doubtful	6,244		10,369	
Less: Provision for doubtful receivables	(6,244)	2,522	(10,369)	229
Other receivables				
Considered good	30,549		21,426	
Considered doubtful	9,985		3,162	
Less: Provision for doubtful receivables	(9,985)	30,549	(3,162)	21,426
Lease receivable finance lease		39		-
		33,110		21,655

Refer note 9 on security deposit.

Includes amount receivable from related party ₹ 2,224 Mn (March 31, 2014 ₹ 1,785 Mn) (refer note 48)

23. Cash and Bank Balances

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
Cash and cash equivalents		
Balances with banks		
- On current accounts	878	875
- Bank deposits with original maturity of 3 months or less	2,700	3,300
- On unpaid dividend account	35	33
Cheques on hand	222	228
Cash on hand	52	22
	3,887	4,458
Other bank balances		
Bank deposits with original maturity of more than 3 months but less than 12 months	-	2
Bank deposits with original maturity of more than 12 months	6	7
Margin money deposit	523	486
	529	495
Less: Amount disclosed under non-current assets (refer note 19)	529	493
Total	3,887	4,460

Notes to financial statements

24. Short-term Loans and Advances

(₹ Millions)			
Particulars	As of		As of
	March 31, 2015		March 31, 2014
Unsecured, considered good unless stated otherwise			
Loans and advances to related parties (refer note 48)		40,552	12,510
Advances recoverable in cash or kind			
Considered good	6,863		3,645
Considered doubtful	2,233		1,793
Less: Provision for doubtful advances	(2,233)	6,863	(1,793)
Balances with customs, excise and other authorities		6,527	5,208
Advance Tax [net of provision for tax of ₹ Nil (March 31, 2014 ₹ 108,461 Mn) and net of ₹ Nil Mn TDS receivable provided for (March 31, 2014 ₹ 419 Mn)]#		-	2,855
		53,942	24,218

MAT credit of ₹ Nil (March 31, 2014 – ₹ 2,604 Mn) has been utilized during the year ended March 31, 2015 and adjusted with Provision for tax.

25. Other Current Assets

(₹ Millions)			
Particulars	As of		As of
	March 31, 2015		March 31, 2014
Unsecured, considered good, unless stated otherwise			
Unbilled revenue		7,490	10,715
Interest accrued on loan given to related parties (refer note 48)		1,154	682
Unamortised upfront fees and deferred premium		650	704
Others		26	52
		9,320	12,153

26. Contingent Liabilities

(i) Total Guarantees outstanding as of March 31, 2015 amounting to ₹ 101,379 Mn (March 31, 2014 – ₹ 57,582 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, 2015 amounting to ₹ 857,497 Mn (March 31, 2014 - ₹ 770,121 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

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a) Claims against the Company not acknowledged as debt:

Particulars	(₹ Millions)	
	As of March 31, 2015	As of March 31, 2014
(i) Taxes, Duties and Other demands (under adjudication / appeal / dispute)		
-Sales Tax and Service Tax	11,120	10,463
-Income Tax	16,335	16,651
-Customs Duty	4,254	4,463
-Entry Tax	4,221	3,676
-Stamp Duty	411	359
-Municipal Taxes	122	122
-DoT demands *	4,766	2,487
-Other miscellaneous demands	59	59
(ii) Claims under legal cases including arbitration matters		
-Access Charges / Port Charges	6,952	5,781
-Others	562	557
Total	48,802	44,618

*in addition, refer note (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 and Service Tax

Sales Tax

The claims for sales tax as of March 31, 2015 comprised the cases relating to:

- i. the appropriateness of the declarations made by the Company under the relevant sales tax legislations which was primarily procedural in nature;
- ii. the applicable sales tax on disposals of certain property and equipment items;
- iii. lease circuit / broadband connectivity services;
- iv. the applicability of sales tax on sale of SIM cards, SIM replacements, VAS, Handsets and Modem rentals;
- v. 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.

Service Tax

The service tax demands as of March 31, 2015 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 included 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 dealers/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

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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) 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 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.

g) Department of Telecommunications ('DoT') Demands

- i) The Company has not been able to meet its roll out obligations fully due to certain non-controllable factors like Telecommunication Engineering Centre 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.
- ii) DoT demands include demands raised for contentious matters relating to computation of license fees and spectrum charges.
- iii) DoT demands include alleged short payment of license fee for financial year 06-07 and financial year 07-08 due to difference of interpretation of Adjusted Gross Revenue (AGR) between the Company and DoT and interest thereon, against which the Company has obtained stay from appropriate Hon'ble High Courts & TDSAT. TDSAT has pronounced its judgement on April 23, 2015, directing DoT to rework and issues fresh demands to the operators.
- iv) 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.
- v) 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:

- vi) Post the Hon'ble Supreme Court Judgment 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 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, directing DoT to rework and issue fresh demands to the operators.

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- vii) On January 8, 2013, the Department of Telecommunications ('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 has been fixed on September 9, 2015.

- viii) 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. 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 a competent service 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.

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, 2015.

27. Capital and Other Commitments

- a) Estimated amount of contracts to be executed on capital account and not provided for (net of advances) ₹ 274,832 Mn as of March 31, 2015 (March 31, 2014 - ₹ 159,239 Mn). (including ₹ 244,040 Mn (March 31, 2014 - ₹ 129,129 Mn) towards spectrum (refer note 38(ix))
- b) Under certain Outsourcing Agreements, the Company has estimated commitments to pay ₹ Nil as of March 31, 2015 (March 31, 2014 - ₹ 311 Mn) comprising of assets and service charges. The amount represents total minimum commitment over the unexpired period of the contracts (uptill 5 years from the reporting date), since it is not possible for the Company to determine the extent of 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 contract.

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28. The Company has undertaken to provide financial support, to its subsidiaries, namely, Bharti Airtel Services Limited, Bharti Telemedia Limited, Nextra Data Limited, Telesonic Networks Limited, Airtel M Commerce Services Limited, Bharti Airtel (USA) Limited, Bharti

Airtel (Hongkong) 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

Particulars	(₹ Millions)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Service Revenue		
- Voice revenue	407,836	404,264
- Others	147,032	94,863
Sale of products	96	58
	554,964	499,185

Note: Voice Revenue includes revenue from home network subscribers, roaming revenues and interconnect revenues.

30. Other Income

Particulars	(₹ Millions)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest income on bank deposits	867	173
Interest income on loan given to related parties	529	260
Dividend income from subsidiaries	13,700	4,588
Net gain on sale of investments*	34,698	2,096
Net foreign exchange gain	278	-
Profit on sale of fixed assets (net)	-	95
Other non-operating income		
Lease rentals	236	66
Liabilities/Provision written back	338	114
Miscellaneous income	1,284	1,142
	51,930	8,534

* includes ₹ 32,741 Mn (March 31, 2014 ₹ Nil) towards sales of shares of Bharti Infratel Limited (refer note 38(vi))

31. Cost of Goods Sold

Particulars	(₹ Millions)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
(Increase)/ Decrease in inventories	(638)	(183)
Purchase of Stock-in-Trade	714	205
	76	22

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32. Employee Benefit Expenses

Particulars	(₹ Millions)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Salaries and wages	14,578	14,565
Contribution to provident and other funds (refer note 40)	657	670
Expenses on employee stock option plan (refer note 50)	549	195
Staff welfare expenses	631	572
Others	500	479
	16,915	16,481

33. Power and Fuel, Rent and Other Expenses

Particulars	(₹ Millions)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Power and fuel	40,668	40,569
Network	483	1,128
Others	41,151	41,697
Rent		
Network	58,331	55,911
Others	1,459	993
	59,790	56,904
Other expenses		
Interconnect and Port charges	124	210
Insurance		
Network	283	501
Others	3	0
Installation	53	89
Repairs and Maintenance		
Plant and Machinery	24,499	22,837
Building	175	191
Others - Network	716	645
Others - Administrative	959	926
Leased Line and Gateway charges	1,060	1,253
Internet access and bandwidth charges	4,300	6,396
Advertisement and Marketing	7,022	6,074
Sales Commission, Customer verification and Content cost	17,604	15,779
Indirect Selling and Distribution	2,844	3,350
Sim card utilisation	783	1,068
Legal and Professional	2,451	1,906
Rates and Taxes	2,359	441
IT and Call Centre Outsourcing	9,649	11,701
Travelling and Conveyance	1,168	1,269
Bad debts written off	2,915	2,644
Provision for doubtful debts and advances (refer note 53)	3,103	3,220
Provision for diminution in stock/ capital work in progress	451	190
Collection and Recovery Expenses	3,133	3,984
Loss on sale of Fixed Assets (net)	550	-
Printing and Stationery	613	689
Net foreign exchange loss	-	1,417
Miscellaneous Expenses		
Network	1,488	1,130
Sales and Marketing	4,906	3,858
Administrative	2,555	943
	95,766	92,711

Note: Miscellaneous Expenses (Sales and Marketing) above includes goodwill waivers which are other than trade discount of ₹ 984 Mn (March 31, 2014 ₹ 716 Mn).

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34. Finance Costs

(₹ Millions)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest expense	10,700	10,228
Other borrowing cost	1,033	1,036
Loss from swap arrangements (net)	625	476
Applicable net (gain)/loss on foreign currency borrowings	1,733	1,624
	14,091	13,364

35. Depreciation and Amortisation Expense

(₹ Millions)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Depreciation of tangible assets (refer note 15)	59,895	59,012
Amortisation of intangible assets (refer note 16)	15,702	13,301
	75,597	72,313

36. Exceptional Items

- a) During the year ended March 31, 2014, the Company had reassessed useful life of certain categories of network assets due to technological developments and had revised the remaining useful life in respect of those assets effective April 1, 2013. Out of those assets, additional depreciation charge of ₹ 2,071 Mn on assets for which the revised useful life had expired on April 1, 2013 had been recognised and disclosed as 'Exceptional Items' and additional depreciation charge of ₹ 2,708 Mn for balance assets had been recognised and reflected as 'Depreciation and amortisation expense' for the year ended March 31, 2014.
- b) Tax expense for the year ended March 31, 2014 includes:
- Tax benefit of ₹ 540 Mn on above
 - Reversal of tax provision of ₹ 640 Mn on account of settlement of an uncertain tax position

37. Preferential Allotment

During the year ended March 31, 2014, the Company had issued 199,870,006 equity shares to M/s. Three Pillars Pte. Ltd (belonging to non-promoter category), an affiliate of Qatar Foundation Endowment, constituting 5% of the post issue share capital of the Company, through preferential allotment at a price of ₹ 340 per share aggregating to ₹ 67,956 Mn. The proceeds of the preferential allotment were utilized towards the repayment of equivalent debt in accordance with the objective of the preferential allotment.

38. Acquisitions / Additional Investments / New Developments

- (i) On June 25, 2013, the Company acquired additional equity stake of 2% by way of subscription to fresh equity in its existing 49% owned joint venture companies,

namely, Airtel Broadband Services Private Limited ('ABSPL') (formerly known as Wireless Business Services Private Limited), Wireless Broadband Business Services (Delhi) Private Limited, Wireless Broadband Business Services (Kerala) Private Limited and Wireless Broadband Business Services (Haryana) Private Limited (together referred as "BWA entities"), for a sum of ₹ 638 Mn, thereby increasing its equity shareholding to 51% in each of these entities.

The Scheme of Arrangement ('Scheme') under Section 391 to 394 of the Companies Act, 1956 for amalgamation of Wireless Broadband Business Services (Delhi) Private Limited, Wireless Broadband Business Services (Kerala) Private Limited and Wireless Broadband Business Services (Haryana) Private Limited (collectively referred to as "the transferor companies") with ABSPL was approved by the Hon'ble High Courts of Delhi and Bombay vide order dated May 24, 2013 and June 28, 2013, respectively, with appointed date July 6, 2010, and filed with the Registrar of Companies on August 5, 2013, effective date of the Scheme. Accordingly, the transferor companies had ceased to exist and had merged into ABSPL. The shares issued to the Company in ABSPL in exchange of shares in transferor companies had been accounted for at the carrying amount of investment in the transferor companies.

On August 30, 2013, the Company increased its equity investment in ABSPL by way of conversion of loan of ₹ 49,094 Mn, thereby increasing its shareholding from 51% to 93.45% and on October 17, 2013 further acquired 371,273,844 equity shares of ABSPL for a total consideration of ₹ 6,257 Mn from Qualcomm Asia Pacific Pte. Ltd., the only other shareholder of ABSPL, thereby increasing its shareholding to 100%. An amount of ₹ 4,104 Mn is payable upon satisfaction of certain conditions as per the share purchase agreement.

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The Scheme of Arrangement ('Scheme') under Sections 391 to 394 of the Companies Act, 1956 for amalgamation of ABSPL with the Company, was approved by the Hon'ble High Courts of Delhi and Bombay on January 21, 2014 and April 11, 2014, respectively. Subsequent to the balance sheet date, the Company has filed the Scheme under Sections 391 to 394 of the Companies Act, 1956 for amalgamation of Airtel Broadband Services Private Limited ('ABSPL') (formerly known as Wireless Business Services Private Limited), a wholly owned subsidiary of the Company, with the Company, as approved by the Hon'ble High Courts of Bombay on April 11, 2014 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 TDSAT vide its interim order dated February 9, 2015 has allowed the Company to operationalize 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 based on its evaluation believes that it is not probable that claim will materialise and therefore, no provision has been recognised in the books of accounts.

- (ii) During the year ended March 31, 2015, the Company has increased its equity investment by way of conversion of loan into equity of ₹ 11,047 Mn in Bharti Airtel Lanka (Private) Limited.
- (iii) During the year ended March 31, 2015, the Company has made equity investment of ₹ 350 Mn in Airtel M Commerce Services Limited.
- (iv) During the year ended March 31, 2015, the Company has made equity investment of ₹ 39,931 Mn (USD 655 Mn) in Bharti Airtel International (Mauritius) Limited.
- (v) During the year ended March 31, 2015, the Company has made equity investment of ₹ 10 Mn in FireFly Networks Limited. FireFly Networks Limited is a 50:50 joint venture of the Company and Vodafone West Limited
- (vi) 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

has 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 25, 2015, the Company sold 55 Mn shares for ₹ 19,255 Mn, representing 2.91% shareholdings in BIL. Subsequent to the transaction, the shareholding of the Company in BIL has reduced to 71.90%.

Excess of proceeds over the cost of investment net of associated costs, taxes and levies, amounting to ₹ 32,741 Mn has been recognised in other income.

- (vii) During the year ended March 31, 2015, Bridge Mobile PTE Limited, a joint venture of the Company, has reduced its share capital by USD 14 Mn and has proportionately returned part of its share capital to all its joint venture partners. Accordingly, the Company has received ₹ 87 Mn (USD 1 per share for 1,400,000 shares).
- (viii) During the year ended March 31, 2015, the Company has made equity investment of ₹ 0.50 Mn in Wynk Limited (a wholly owned subsidiary company). The main objective of the company is content procurement/aggregation including own content and selling to B2B and B2C customers.
- (ix) During the year ended March 31, 2015, the Company has 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. The Company has opted for the deferred payment option and accordingly, subsequent to the balance sheet date, 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. Pending the allocation of the spectrum by the Government of India, entire amount outstanding as at March 31, 2015, has been disclosed under capital commitments in the notes to the financial statements. (refer note 27)

During the year ended March 31, 2014, the Company had won the auction for 99.80 MHz spectrum in 13 service areas for an amount of ₹ 182,433 Mn in the auction conducted by the Government of India. The Company had opted for the deferred payment option and had paid an advance of ₹ 53,304 Mn with the balance amount of ₹ 129,129 Mn payable in 10 equal installments after a moratorium of two years. Pending the allocation of spectrum by the Government of India, the balance amount had been disclosed under capital commitments as at March 31, 2014 (refer note 27). During the year ended March 31, 2015, the Government of India has allocated the spectrum to the Company, accordingly the Company has recognised deferred payment liability of ₹ 129,129 Mn.

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39. Earnings Per Share

(₹ Millions, except per share data and as stated otherwise)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Basic and Diluted Earnings per Share :		
Nominal value of equity shares (₹)	5	5
Profit attributable to equity shareholders (A)	132,005	66,002
Weighted average number of equity shares outstanding during the year (Nos. in Mn) (B)	3,997	3,955
Basic/ Diluted earnings per Share (₹) (A/B)	33.02	16.69

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, 2015	For the year ended March 31, 2014
Employer's Contribution to Provident Fund * [@]	650	662
Employer's Contribution to ESI and other Funds*	7	8

* Included in Contribution to Provident and Other Funds (Refer Note 32)

[@] Includes contribution to Defined Contribution Plan for Key Managerial Personnel.

ii. Defined Benefit Plans and Leave Encashment

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)	-

For the year ended March 31, 2014:

(₹ Millions)

Particulars	Gratuity #	Leave Encashment #
Current service cost	258	171
Interest cost	117	63
Expected return on plan assets	(6)	-
Net actuarial (gain) / loss	101	(62)
Total *	470	172
Actual return on plan assets	-	-

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.

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- b) The assumptions used to determine the benefit obligations are as follows:

For the year ended March 31, 2015:

Particulars	(₹ Millions)	
	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

For the year ended March 31, 2014:

Particulars	(₹ Millions)	
	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	8.00%	N.A.
Expected average remaining working lives of employees (years)	24.39	24.39

- c) Reconciliation of opening and closing balances of obligations and plan assets is as follows:

For the year ended March 31, 2015:

Particulars	(₹ Millions)	
	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	-

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For the year ended March 31, 2014:

Particulars	(₹ Millions)	
	Gratuity	Leave Encashment
Change in Obligation		
Present value of obligation at beginning of year	1,382	744
Current service cost	258	171
Interest cost	117	63
Benefits paid	(252)	(114)
Acquisitions/ transfer in/ transfer out	(14)	(8)
Actuarial (gain) / loss	95	(62)
Present value of obligation at year end	1,586	794
Change in plan assets :		
Fair value of plan assets at beginning of year	76	-
Expected return on plan assets	6	-
Actuarial gain / (loss)	(6)	-
Fair value of plan assets at year end	76	-
Net funded status of the plan	1,510	794
Current Liabilities	241	794
Non-Current Liabilities	1,269	-

- 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:

Particulars	(₹ Millions)				
	Gratuity				
	As of March 31, 2015	As of March 31, 2014	As of March 31, 2013	As of March 31, 2012	As of March 31, 2011
Present value of obligation	1,587	1,586	1,382	1,119	995
Plan assets	-	76	76	76	76
Surplus / (deficit)	(1,587)	(1,510)	(1,306)	(1,043)	(919)
Experience adjustments on plan liabilities- gain/(loss)	(69)	(28)	(31)	(57)	(87)
Experience adjustments on plan assets- gain/(loss)	70	(6)	(6)	(6)	(6)

Particulars	(₹ Millions)				
	Leave Encashment				
	As of March 31, 2015	As of March 31, 2014	As of March 31, 2013	As of March 31, 2012	As of March 31, 2011
Present value of obligation	720	794	744	652	607
Plan assets	-	-	-	-	-
Surplus / (deficit)	(720)	(794)	(744)	(652)	(606)
Experience adjustments on plan liabilities- gain/(loss)	134	98	79	51	(97)
Experience adjustments on plan assets- gain/(loss)	-	-	-	-	-

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g) Movement in other long term employee benefits :

The provision for long term service award provided by the Company as of March 31, 2015 is ₹ 86 Mn (March 31, 2014 ₹ 105 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, 2015

Cable Project	Total Contribution	Capital Work In Progress	(₹ Millions except % share)	
			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%

As of March 31, 2014

Cable Project	Total Contribution	Capital Work In Progress	(₹ Millions except % share)	
			Net block	% Share
SMW-4	3,382	97	1,811	13.07%
EIG - Project	2,412	-	1,913	7.09%
IMEWE- Project	3,063	-	2,422	12.84%

Refer note 55 for cables transferred to Network i2i Limited, a wholly owned subsidiary of the Company.

b) Joint 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, 2015, 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, 2014: Investment of USD 2.2 Mn, amounting to

₹ 92 Mn, USD 2.2 Mn ordinary shares, ownership interest 10.00%). During the year March 31, 2015, Bridge Mobile PTE Limited reduced its share capital by USD 14 Mn and has proportionately returned part of its share capital to all its joint venture partners. Accordingly, the Company has received ₹ 87 Mn (USD 1 per share for 1,400,000 shares).

- ii) During the year ended March 31, 2014, the Company has increased its equity investment in Airtel Broadband Services Private Limited (ABSPL) from 49% to 100% and ABSPL became the wholly owned subsidiary of the Company.(refer note 38(ii))

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The following represent the Company's share of assets and liabilities, and income and results of the joint ventures.

Particulars	(₹ Millions)	
	As of March 31, 2015 (Unaudited)	As of March 31, 2014 (Unaudited)*
Balance Sheet		
Current assets	47	113
Non-current assets	4	4
Current liabilities	21	11
Non-current liabilities	-	-
Equity	30	106

Particulars	(₹ Millions)	
	For the year ended March 31, 2015 (Unaudited)	For the year ended March 31, 2014 (Unaudited)
Statement of Profit and Loss		
Revenue	38	37
Other Income	-	103
Employee benefit expenses	22	24
Other expenses	7	36
Finance costs	-	3
Depreciation	1	1
Profit/ (loss) before tax	8	76
Tax Expense	-	26
Loss for the year	8	50

*includes shares of income and results of ABSPL till June 25, 2013, i.e., the date, it became the subsidiary of the Company.

42. As of March 31, 2015, Bharti Airtel Employee's Welfare Trust ('the Trust') holds 1,410,642 equity shares (of face value of ₹ 5 each) (March 31, 2014 2,374,698 equity shares) of the Company.

Particulars	As of March 31, 2015	As of March 31, 2014	As of March 31, 2015	As of March 31, 2014
	Number of shares		(₹ Millions)	
Opening Balance	2,374,698	3,937,055	342	674
Purchased during the year	-	-	-	-
Issued during the year	(964,056)	(1,562,357)	(228)	(332)
Closing Balance	1,410,642	2,374,698	114	342

43. Loans and advances in the nature of loans along with maximum amount outstanding during the year as per Clause 32 of the Listing Agreement are as follows:
- Loan and advance in the nature of loan given to Bharti Telemedia Limited at nil interest rate is ₹ 33,395 Mn (March 31, 2014 ₹ 35,770 Mn at nil interest rate).
 - Loan and advance in the nature of loan given to Bharti Airtel Lanka (Private) Limited at nil interest rate is ₹ 11,047 Mn (March 31, 2014 ₹ 11,047 Mn at nil interest rate)
 - Loan and advance in the nature of loan given to Bharti Airtel International (Netherlands) B.V at LIBOR + 1.25% interest rate is ₹ 32,047 Mn (March 31, 2014 ₹ 10,895 Mn at LIBOR + 1.75% interest rate).
 - Loan and advance in the nature of loan given to Telesonic Networks Limited at SBI base rate is ₹ 90 Mn (March 31, 2014 ₹ 90 Mn at SBI PLR + 1% interest rate).
 - Loan and advance in the nature of loan given to Bharti Teleports Limited at SBI base rate +1% interest rate is ₹ 466 Mn (March 31, 2014 ₹ 412 Mn at SBI base rate +1% interest rate).

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- (f) Loan and advance in the nature of loan given to Bharti International (Singapore) Pte Limited at LIBOR + 1.25% interest rate is ₹ 8,887 Mn (March 31, 2014 ₹ 2,731 Mn at LIBOR + 1.75% interest rate).
- (g) Loan and advance in the nature of loan given to Nextra Data Limited at nil interest rate is ₹ 2,000 Mn (March 31, 2014 ₹ 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 ₹ 635 Mn (March 31, 2014 ₹ 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 ₹ 5,390 Mn (March 31, 2014 ₹ 49,094 Mn at nil interest rate).
Refer note 48 for outstanding balance at the end of the year for the above entities.

44. Expenditure / Earnings in Foreign Currency (on accrual basis)

Particulars	(₹ Millions)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Expenditure		
On account of :		
Interest	496	295
Bank Charges	447	304
Professional & Consultation Fees	90	36
Travelling (Net of Reimbursement)	39	26
Roaming Charges (including Commission)	1,330	1,868
Membership & Subscription	56	95
Staff Training & Others	28	2
Network Services	464	447
Annual Maintenance	1,905	1,863
Bandwidth Charges	2,644	3,723
Access Charges	21,288	18,689
Repairs & Maintenance	13	-
Marketing	150	673
Content Charges	1,016	1,289
Directors Commission and Sitting Fees	59	49
Income Tax	147	210
Total	30,172	29,569
Earnings		
Service Revenue	36,040	34,929
Interest Income	469	208
Management Charges	765	566
Total	37,274	35,703

45. CIF Value of Imports

Particulars	(₹ Millions)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Capital Goods	37,221	16,145
Total	37,221	16,145

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46. Auditors' Remuneration

Particulars	(₹ Millions)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
- Audit Fee*	68	68
- Reimbursement of Expenses*	5	5
- As advisor for taxation matters*	-	-
- Other Services*	8	11
Total	81	84

* Excluding Service Tax

47. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Amounts due to micro and small enterprises under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 aggregate to ₹ 10 Mn (March 31, 2014 – ₹ 38 Mn) based on the information available with the Company and the confirmation obtained from the creditors.

Sr No	Particulars	(₹ Millions)	
		March 31, 2015	March 31, 2014
1	The principal amount and the interest due thereon [₹ Nil (March 31, 2014 – ₹ Nil)] remaining unpaid to any supplier as at the end of each accounting year	10	38
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.	-	-

48. 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 (Under liquidation)
Bharti Airtel (Hongkong) Limited
Bharti Infratel Limited ("BIL")
Bharti Infratel Services Limited
(subsidiary of Bharti Infratel Limited)
Network i2i Limited
Bharti Airtel Holdings (Singapore) Pte Ltd
Bharti Infratel Lanka (Private) Limited (subsidiary of
Bharti Airtel Lanka (Private) Limited)
Airtel M Commerce Services Limited

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Airtel Broadband Services Private Limited (w.e.f. June 25, 2013. Amalgamated 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)

Bharti Airtel International (Netherlands) B.V.

Bangladesh Infratel Networks Limited (subsidiary of Airtel Bangladesh Limited)

Telesonic Networks Limited

Wynk Limited (Incorporated on January 13, 2015) ^

Wireless Broadband Business Services (Delhi) Private Limited (w.e.f June 25,2013) *

Wireless Broadband Business Services (Haryana) Private Limited (w.e.f June 25,2013) *

Wireless Broadband Business Services (Kerala) Private Limited, (w.e.f June 25,2013) *

Other subsidiaries of Bharti Airtel International (Netherlands) B.V. :

Africa Towers N.V.

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 (Sierra Leone) Limited (under liquidation)

Airtel DTH Services Congo (RDC) S.p.r.l (under liquidation)

Airtel DTH Services Nigeria Limited (under liquidation)

Airtel DTH Services Tanzania Limited (liquidated on April 3, 2014)

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

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.p.r.l

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 Acquisition Holdings B.V. (Liquidated on March 31, 2015)

Bharti Airtel Africa B.V.

Bharti Airtel Burkina Faso Holdings B.V.

Bharti Airtel Cameroon B.V. (liquidated on March 31, 2015)

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.

Bharti DTH Services Zambia Limited

(Liquidated on November 21, 2014)

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Burkia Faso Towers S.A.
 Celtel (Mauritius) Holdings Limited
 Celtel Congo RDC S.a.r.l. #
 Celtel Niger S.A. #
 Channel Sea Management Company Mauritius Limited
 Congo RDC Towers S.p.r.l.
 Congo Towers S.A.
 Gabon Towers S.A.
 Indian Ocean Telecom Limited
 Kenya Towers Limited (held for sale)
 Madagascar Towers S.A.
 Malawi Towers Limited (held for sale)
 Mobile Commerce Congo S.A.
 Montana International
 MSI-Celtel Nigeria Limited (under liquidation)
 Niger Towers S.A.
 Partnership Investments Sprl
 Rwanda Towers Limited (divested during the year)
 Société Malgache de Telephonie Cellulaire SA
 Tanzania Towers Limited
 Tchad Towers S.A.
 Towers Support Nigeria Limited
 Uganda Towers Limited (held for sale)
 Warid Congo S.A.
 Warid Telecom Uganda Limited (merger in process)
 Zambian Towers Limited (held for sale)
 Zap Trust Company Nigeria Limited
 Bharti Airtel Rwanda Holdings Ltd
 (formerly known as Zebrano (Mauritius) Limited)

(b) Associates / Associate of subsidiary

Bharti Teleports Limited
 Tanzania Telecommunications Company Limited
 (Associate of Bharti Airtel Tanzania B.V.)
 Seychelles Cable Systems Company Limited
 (Associate of Airtel (Seychelles) Limited)

(c) Joint Ventures /Joint Venture of Subsidiary

Forum I Aviation Limited (Joint Venture of Bharti Airtel Services Limited)
 Indus Towers Limited (Joint Venture of Bharti Infratel Limited)
 Bridge Mobile Pte Limited
 FireFly Networks Limited

Wireless Broadband Business Services (Delhi) Private Limited (till June 24, 2013)*
 Wireless Broadband Business Services (Haryana) Private Limited (till June 24, 2013)*
 Wireless Broadband Business Services (Kerala) Private Limited, (till June 24, 2013)*
 Airtel Broadband Services Private Limited (formerly known as Wireless Business Services Private Limited) (till June 24, 2013)*

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

Bharti Foundation
 Bharti Airtel Employees Welfare Trust
 Hike Limited
 Mobinteco Limited
 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
 Bharti Softbank Holdings Pte Limited
 BSB Gaming Private Limited
 Ignite World Private Limited (formerly known as BSB Portal Limited)
 BSB Innovation India Limited
 BSY Pte 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

** "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.

Transactions of similar nature with such subsidiaries have been clubbed and shown under the head 'Other African Subsidiaries' as their contribution to total transaction value is less than 10%.

^ Refer note 38 above for details of new operations during the year.

* Merged w.e.f August 5, 2013 with Airtel Broadband Services Private Limited (formerly known as Wireless Business Services Private Limited)

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The details of amounts due to or due from the related parties as of March 31, 2015 and March 31, 2014 are as follows:

		(₹ Millions)	
S.No	Particulars	As of March 31, 2015	As of March 31, 2014
1	Loans & Advances (including accrued interest, wherever applicable)		
	Entities where control exist		
	Bharti Airtel (Services) Limited	-	634
	Airtel Broadband Services Pvt. Ltd.*	5,390	3,800
	Bharti Telemedia Ltd.	31,694	33,226
	Bharti Airtel Lanka (Pvt.) Ltd.	470	11,517
	Nextra Data Limited	2,000	2,000
	Telesonic Networks Limited	90	90
	Bharti International (Singapore) Pte Ltd.	8,949	2,467
	Bharti Airtel International (Netherlands) B.V.	32,189	9,831
	Associate		
	Bharti Teleports Ltd.	466	320
	Entities where Key Management Personnel and their relatives exercise significant influence		
	Bharti Airtel Employees Welfare Trust	98	326
		81,346	64,211
	* refer note 38(i)		
2	Security Deposit/Advances given		
	Entities where control exist		
	Bharti Airtel (Services) Limited	729	729
	Bharti Infratel Ltd.	1,808	1,777
	Joint Venture of Subsidiary		
	Indus Towers Limited	3,513	3,813
	Group Companies		
	Bharti Realty Limited	359	358
	Bharti Realty Holdings Limited	86	86
	Centum learning Limited	60	60
	Nile Tech Ltd.	395	395
	Bharti Enterprises Limited	-	90
		6,950	7,308
3	Trade Receivables		
	Entities where control exist		
	Bharti Hexacom Ltd.	406	278
	Bharti Telemedia Ltd.	98	26
	Airtel Broadband Services Pvt. Ltd.*	684	151
	Bharti Airtel (USA) Ltd.	62	182
	Bharti Airtel (Hongkong) Ltd.	33	-
	Bharti Airtel (Canada) Ltd.	25	26
	Bharti Airtel International (Mauritius) Ltd.	3	2
	Bharti Airtel Holdings (Singapore) Pte Limited	7	1

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		(₹ Millions)	
S.No	Particulars	As of March 31, 2015	As of March 31, 2014
	Bharti Airtel International (Netherlands) B.V.	132	355
	Nxtra Data Limited	-	182
	Airtel Bangladesh Ltd.	16	-
	Airtel Networks Ltd.	57	76
	Airtel (Seychelles) Limited	4	-
	Bharti Airtel Lanka (Pvt.) Ltd.	-	3
	Airtel Ghana Ltd.	2	68
	Other African Subsidiaries	425	-
	Associate		
	Bharti Teleports Ltd.	114	81
	Entities where Key Management Personnel and their relatives exercise significant influence		
	Hike Limited	60	14
	Mobinteco Limited	1	2
	Entity having significant influence over the Company		
	Singapore Telecommunications Ltd.	-	294
	Group Companies		
	Bharti Realty Limited	31	-
	Bharti Retail Ltd.	46	37
	Bharti AXA Life Insurance Company Limited	4	5
	Bharti AXA General Insurance Co Ltd	5	2
	Fieldfresh Foods Private Limited	1	0
	Jersey Airtel Limited	6	-
	Nile Tech Ltd.	0	-
	BSB Innovation India Limited	2	-
		2,224	1,785
	* refer note 38(i)		
4	Trade Payables		
	Entities where control exist		
	Bharti Airtel (Services) Limited	(392)	(757)
	Bharti Infratel Ltd.	(2,803)	(2,692)
	Airtel M Commerce Services Limited	(40)	(36)
	Telesonic Networks Limited	(1,153)	(318)
	Network i2i Limited	(265)	(137)
	Nxtra Data Limited	(213)	-
	Bharti Airtel (UK) Ltd.	(768)	(543)
	Bharti Airtel (Hongkong) Ltd.	-	(31)
	Bharti Airtel (Japan) Kabushiki Kaisha	(7)	(4)
	Airtel Bangladesh Ltd.	-	(2)
	Bharti Airtel (France) SAS	(6)	(46)
	Bharti International (Singapore) Pte Ltd.	(46)	(778)

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(₹ Millions)

S.No	Particulars	As of March 31, 2015	As of March 31, 2014
	Airtel (Seychelles) Limited	-	(4)
	Bharti Airtel Lanka (Pvt.) Ltd.	(27)	-
	Other African Subsidiaries	-	(40)
	Joint Venture/ Joint Venture of Subsidiary		
	Forum 1 Aviation Ltd	(1)	(3)
	Indus Towers Limited	(7,733)	(7,394)
	Bridge Mobile Pte Limited	(6)	(4)
	Entity having significant influence over the Company		
	Singapore Telecommunications Ltd.	(32)	-
	Group Companies		
	Beetel Teletech Limited	(121)	(41)
	Bharti Realty Limited	-	(1)
	Bharti Realty Holdings Limited	(6)	(7)
	Bharti Enterprises Limited	(45)	(56)
	Jersey Airtel Limited	-	0
	Ignite World Private Limited (Previously known as BSB Portal Limited)	(151)	(1)
	Centum learning Limited	(95)	(66)
	Y2CF Digital Media Pvt. Ltd.	(2)	-
		(13,912)	(12,961)

The details of the related party transactions entered into by the Company for the years ended March 31, 2015 and March 31, 2014 are as follows:

(₹ Millions)

S.No	Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
1	Purchase of fixed assets/ bandwidth		
	Entities where control exist		
	Bharti Hexacom Ltd.	111	158
	Bharti Airtel (Services) Limited	507	0
	Network i2i Limited	488	-
	Telesonic Networks Limited	3,483	1,993
	Bharti Airtel (France) SAS	-	47
	Bharti International (Singapore) Pte Ltd.	556	296
	Airtel Broadband Services Pvt. Ltd.*	18	-
	Group Companies		
	Ignite World Private Limited (Previously known as BSB Portal Limited)	53	-
	Beetel Teletech Limited	1,162	422
		6,378	2,916
	* refer note 38(i)		
2	Sale of fixed assets/ IRU given		
	Entities where control exist		
	Bharti Hexacom Ltd.	1,119	773
	Network i2i Limited	24	2,547
	Nxtra Data Limited	0	1,771

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(₹ Millions)

S.No	Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	Bharti International (Singapore) Pte Ltd.	18	101
	Airtel Broadband Services Pvt. Ltd.*	95	-
	Entity having significant influence over the Company		
	Singapore Telecommunications Ltd.	-	9
	Group Companies		
	Bharti Enterprises Limited	-	2
	Bharti Retail Ltd.	-	20
	Mehrauli Realty and Consultants Limited	-	72
		1,256	5,295
	* refer note 38(i)		
3	Purchase of Investments/Subscription to share capital		
	Entities where control exist		
	Bharti Airtel Lanka Pvt. Ltd.*	11,047	-
	Wynk Limited *	1	-
	Bharti Airtel International (Mauritius) Ltd.*	39,931	9,518
	Network i2i Limited	-	2,609
	Airtel Broadband Services Pvt. Ltd.	-	49,732
	Nextra Data Limited	-	51
	Airtel M Commerce Service Limited.*	350	990
	Joint Venture		
	FireFly Networks Limited	10	-
		51,339	62,900
	* refer note 38		
4	Sale of Investments		
	Joint Venture		
	Bridge Mobile Pte Limited	87	-
		87	-
5	Rendering of Services		
	Entities where control exist		
	Bharti Hexacom Ltd.	9,092	7,745
	Bharti Airtel (Services) Limited	58	115
	Bharti Airtel (USA) Ltd.	209	217
	Bharti Airtel (UK) Ltd.	3,374	131
	Airtel Broadband Services Pvt. Ltd.*	0	8
	Bharti Airtel (Hongkong) Ltd.	49	98
	Bharti Airtel Holdings (Singapore) Pte Limited	15	12
	Nextra Data Limited	256	-
	Airtel Bangladesh Ltd.	25	-
	Bharti Telemedia Ltd.	198	49
	Bharti Infratel Ltd.	134	159
	Bharti Airtel Lanka (Pvt.) Ltd.	386	363

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(₹ Millions)

S.No	Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	Network i2i Limited	145	106
	Airtel M Commerce Services Limited	66	3
	Telesonic Networks Limited	58	121
	Bharti Airtel (Japan) Kabushiki Kaisha	0	1
	Bharti Airtel (France) SAS	1	2
	Bharti Airtel International (Mauritius) Ltd.	1	1
	Bharti International (Singapore) Pte Ltd.	536	562
	Bharti Airtel International (Netherlands) B.V.	557	506
	Airtel (Seychelles) Limited	10	40
	Airtel (Ghana) Ltd.	126	242
	Airtel Networks Ltd.	130	218
	Other African Subsidiaries	2,020	1,267
	Associate		
	Bharti Teleports Ltd.	14	5
	Joint Venture of Subsidiary		
	Indus Towers Limited	39	22
	Entities where Key Management Personnel and their relatives exercise significant influence		
	Bharti Foundation	2	-
	Mobinteco Limited	0	2
	Hike Limited	114	66
	Cedar Support Services Limited	1	-
	Entity having significant influence over the Company		
	Singapore Telecommunications Ltd.	1,374	1,555
	Group Companies		
	Bharti Wal-Mart Private Limited	-	4
	Fieldfresh Foods Private Limited	6	-
	Bharti AXA Life Insurance Company Limited	27	15
	Jersey Airtel Limited	22	29
	Bharti Retail Ltd.	71	35
	Ignite World Private Limited (Previously known as BSB Portal Limited)	(0)	3
	Beetel Teletech Limited	3	-
	Bharti Realty Holdings Limited	2	-
	Bharti AXA General Insurance Co Ltd	30	-
	BSB Innovation India Limited	2	-
	Bharti Enterprises Limited	3	-
	Centum learning Limited	7	-
	Atrium Restaurants India Private Limited	0	-
	Bharti Realty Limited	1	-
		19,164	13,702

* refer note 38(i)

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(₹ Millions)

S.No	Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
6	Receiving of services		
	Entities where control exist		
	Bharti Hexacom Ltd.	2,986	2,549
	Bharti Airtel (Services) Limited	3,138	3,343
	Bharti Airtel (USA) Ltd.	581	477
	Bharti Airtel (UK) Ltd.	5,316	743
	Bharti Airtel (Hongkong) Ltd.	75	110
	Airtel Bangladesh Ltd.	15	2
	Bharti Telemedia Ltd.	64	59
	Bharti Infratel Ltd.	17,924	14,085
	Bharti Airtel Lanka (Pvt.) Ltd.	478	727
	Network i2i Limited	1,277	1,233
	Airtel M Commerce Services Limited	894	161
	Nxtra Data Limited	1,805	395
	Telesonic Networks Limited	3,969	2,612
	Bharti Airtel (Japan) Kabushiki Kaisha	30	10
	Bharti Airtel (France) SAS	157	96
	Bharti International (Singapore) Pte Ltd.	1,208	1,379
	Airtel (Seychelles) Limited	26	44
	Airtel (Ghana) Ltd.	12	188
	Airtel Networks Ltd.	63	170
	Other African Subsidiaries	704	1,272
	Associate		
	Bharti Teleports Ltd.	-	2
	Joint Venture/ Joint Venture of Subsidiary		
	Forum 1 Aviation Ltd	-	45
	Indus Towers Limited	33,348	32,350
	Bridge Mobile Pte Limited	26	29
	Entity having significant influence over the Company		
	Singapore Telecommunications Ltd.	314	480
	Group Companies		
	Bharti WaL-Mart Private Limited	-	3
	Beetel Teletech Limited	119	395
	Bharti Realty Limited	539	548
	Nile Tech Ltd.	553	596
	Ignite World Private Limited (Previously known as BSB Portal Limited)	712	307
	Y2CF Digital Media Pvt. Ltd.	4	8
	Bharti Realty Holdings Limited	169	194
	Bharti AXA Life Insurance Company Limited	1	1
	Jersey Airtel Limited	1	1
	Centum learning Limited	233	216
	Bharti Retail Ltd.	3	7
	Bharti AXA General Insurance Co Ltd	15	40
		76,759	64,877

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(₹ Millions)

S.No	Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
7	Fund transferred/Expenses incurred on behalf of others		
	Entities where control exist		
	Bharti Hexacom Ltd.	1,129	1,356
	Bharti Airtel (Services) Limited	226	299
	Airtel Bangladesh Ltd.	0	-
	Airtel Broadband Services Pvt. Ltd.*	524	105
	Bharti Telemedia Ltd.	583	633
	Bharti Infratel Ltd.	-	7
	Network i2i Limited	-	7
	Airtel M Commerce Services Limited	51	78
	Nxtra Data Limited	44	102
	Telesonic Networks Limited	120	128
	Joint Venture/ Joint Venture of Subsidiary		
	Forum 1 Aviation Ltd	1	-
	Wireless Business Services Pvt. Ltd.*	-	18
	Associate		
	Bharti Teleports Ltd.	23	16
	Entity having significant influence over the Company		
	Singapore Telecommunications Ltd.	-	1
	Group Companies		
	Bharti Retail Ltd.	2	15
		2,703	2,765
	* refer note 38(i)		
8	Fund received/Expenses incurred on behalf of the Company		
	Entities where control exist		
	Bharti Hexacom Ltd.	4	103
	Bharti Airtel (Services) Limited	56	9
	Bharti Airtel Holdings (Singapore) Pte Limited	0	3
	Bharti International (Singapore) Pte Ltd.	37	-
	Bharti Telemedia Ltd.	22	74
	Airtel M Commerce Services Limited	132	211
	Airtel Broadband Services Pvt. Ltd.*	0	-
	Nxtra Data Limited	5	-
	Associate		
	Bharti Teleports Ltd.	-	2
	Joint Venture of subsidiary		
	Forum 1 Aviation Ltd	48	-
	Group Companies		
	Bharti Retail Ltd.	1	-
	Bharti Enterprises Limited	710	638
		1,015	1,040
	* refer note 38(i)		

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(₹ Millions)

S.No	Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
9	Employee related expenses incurred on behalf of others		
	Entities where control exist		
	Bharti Hexacom Ltd.	37	138
	Bharti Airtel (Services) Limited	104	307
	Bharti Telemedia Ltd.	40	173
	Bharti Infratel Ltd.	0	-
	Airtel M Commerce Services Limited	86	142
	Nxtra Data Limited	2	12
	Associate		
	Bharti Teleports Ltd.	-	13
		269	785
10	Employee related expenses incurred on behalf of the Company		
	Entities where control exist		
	Bharti Hexacom Ltd.	25	15
	Bharti Airtel (Services) Limited	40	54
	Bharti Infratel Ltd.	1	-
	Bharti Telemedia Ltd.	33	25
	Airtel M Commerce Services Limited	4	-
	Group Companies		
	Bharti Enterprises Limited	127	92
	Bharti Retail Ltd.	1	-
	Centum learning Limited	1	-
	Beetel Teletech Limited	0	-
		232	186
11	Donation		
	Entities where Key Management Personnel and their relatives exercise significant influence		
	Bharti Foundation	411	196
		411	196
12	Security deposit given/Advances paid		
	Entities where control exist		
	Bharti Infratel Ltd.	34	24
	Joint Venture of Subsidiary		
	Indus Towers Limited	68	86
	Associate		
	Bharti Teleports Ltd.	0	-
	Group Companies		
	Bharti Realty Limited	0	-
	Bharti Retail Limited	5	-
	Nile Tech Ltd.	0	-
	Bharti Enterprises Limited	-	90

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(₹ Millions)

S.No	Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	Entity having significant influence over the Company		
	Bharti Telecom Ltd.	1	-
		108	200
13.	Refund of Capital Advance		
	Entity where control exist		
	Airtel Broadband Services Pvt. Ltd.*	-	4,757
		-	4,757
	* refer note 38(i)		
14	Advance received/Refund of Security deposit given		
	Entity where control exist		
	Bharti Infratel Ltd.	3	16
	Joint Venture of Subsidiary		
	Indus Towers Limited	368	-
	Group Companies		
	Bharti Realty Limited	0	-
	Bharti Retail Limited	5	-
	Entity having significant influence over the Company		
	Bharti Telecom Ltd.	1	-
		377	16
15	Repayment of Loan taken		
	Entity where control exist		
	Bharti Infratel Ltd.	-	22,990
		-	22,990
16	Loans given		
	Entities where control exist		
	Bharti Airtel (Services) Limited	32	634
	Airtel Broadband Services Pvt. Ltd.*	1,590	22,728
	Bharti Telemedia Ltd.	5,820	1,520
	Nxtra Data Limited	180	2,000
	Bharti International (Singapore) Pte Ltd.	5,902	2,211
	Bharti Airtel International (Netherlands) B.V.	21,174	9,045
	Associate		
	Bharti Teleports Ltd.	154	110
	Joint Venture		
	Wireless Business Services Pvt. Ltd.*	-	14,904
	Wireless Broadband Business Services (Delhi) Pvt. Ltd.*	-	13,016
	Wireless Broadband Business Services (Haryana) Pvt. Ltd.*	-	693
	Wireless Broadband Business Services (Kerala) Pvt. Ltd.*	-	1,556
		34,852	68,417
	* refer note 38(i)		
17	Repayment of Loans given		
	Entity where control exist		
	Bharti Airtel (Services) Limited	667	-
	Bharti Telemedia Ltd.	7,352	3,320
	Nxtra Data Limited	180	-

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		(₹ Millions)	
S.No	Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	Bharti Airtel International (Netherlands) B.V.	294	-
	Associate		
	Bharti Teleports Ltd.	-	100
	Entities where Key Management Personnel and their relatives exercise significant influence		
	Bharti Airtel Employees Welfare Trust	228	338
		8,721	3,758
18	Interest charged by others		
	Entities where control exist		
	Bharti Hexacom Ltd.	2	19
	Bharti Infratel Ltd.	-	485
		2	504
19	Interest charged by the Company		
	Entities where control exist		
	Telesonic Networks Limited	13	14
	Bharti Airtel International (Mauritius) Ltd.	-	-
	Bharti International (Singapore) Pte Ltd.	119	40
	Bharti Airtel International (Netherlands) B.V.	351	164
	Associates		
	Bharti Teleports Ltd.	47	35
		530	253
20	Dividend Income		
	Entities where control exist		
	Interim Dividend for FY 2014-15		
	Bharti Infratel Ltd.	6,750	-
		6,750	-
	Final Dividend for FY 2013-14		
	Bharti Hexacom Ltd.	350	-
	Bharti Infratel Ltd.	6,600	-
		6,950	-
	Final Dividend for FY 2012-13		
	Bharti Hexacom Ltd.		
	Bharti Infratel Ltd.	-	88
		-	4,500
		-	4,588
21	Dividend Paid		
	Group Companies		
	Indian Continent Investment Ltd.	912	266
	Entities having significant influence over the Company		
	Pastel Ltd.	2,028	591
	Bharti Telecom Ltd.	5,994	1,738
	Key Management Personnel		
	Gopal Vittal	0.17	-

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(₹ Millions)

S.No	Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	Entities where Key Management Personnel and their relatives exercise significant influence		
	Bharti Airtel Employees Welfare Trust	7	4
		8,941	2,599
22	Reimbursement of energy expenses		
	Entity where control exist		
	Bharti Infratel Ltd.	13,972	17,440
	Joint Venture of Subsidiary		
	Indus Towers Limited	21,958	21,961
		35,930	39,401
23	Guarantees and collaterals given on behalf of others (Including Performance guarantees)		
	Entity where control exist		
	Bharti Hexacom Ltd.	3,301	2,171
	Bharti Telemedia Ltd.	669	727
	Airtel Bangladesh Ltd.	14,396	26,444
	Bharti Airtel (Services) Limited	160	-
	Bharti Airtel International (Netherlands) B.V	814,413	684,320
	Nxtra Data Limited	26	-
	Bharti International (Singapore) Pte. Limited	25,193	56,486
	Associate		
	Bharti Teleports Ltd.	1	-
		858,159	770,148
24	Key Management Personnel Remuneration ^		
	Salaries and allowances	221	128
	Performance linked incentive ('PLI')#	99	189
	Perquisites	5	8
		325	325

^ Excludes an amount of ₹ 35 Mn (March 31, 2014 ₹ 25 Mn) towards expenses recognised in statement of profit and loss during the year ended March 31, 2015 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. Additional provision of ₹ 23 Mn (March 31, 2014: Reversal of provision of ₹ 2 Mn) has been recorded in the books towards PLI for the year ended March 31, 2015. During the year ended March 31, 2015, PLI of ₹ 220.50 Mn (March 31, 2014: ₹ 144.95 Mn) pertaining to previous year has been paid.

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49. Operating Lease

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, 2015	As of March 31, 2014
Lease Rentals [Excluding Lease Equalisation Reserve - ₹ 2,339 Mn (March 31, 2014 ₹ 3,079 Mn)]	57,451	53,825
Obligations on non cancellable leases :		
Not later than one year	60,478	56,538
Later than one year but not later than five years	218,622	228,617
Later than five years	111,760	130,621
Total	390,860	415,776

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, 2015 and accordingly, disclosures required by AS 19 are not provided.

ii) The future minimum lease payments receivable are:

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
Not later than one year	328	319
Later than one year but not later than five years	1,207	1,305
Later than five years	904	1,134
Total	2,439	2,758

b) Finance Lease

i) 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) 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

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50. 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)

- (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, 2015		As of March 31, 2014	
					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	5,264	5.50
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	422	5.00
Scheme 2005	LTI Plan	2012	1 - 3	7	1,649	5.00	1,593	5.00
Cash settled Plans								
Performance Unit Plan (PUP) 2013	Performance Unit Plan (PUP) 2013	2013	1 - 3	3	2,283	-	2,167	-
Performance Unit Plan (PUP) 2014	Performance Unit Plan (PUP) 2014	2014	1 - 5	3-5	4,006	-	-	-

* Contractual term has expired

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- (v) The following table exhibits the net compensation expenses arising from share based payment transaction:

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Expenses arising from equity-settled share-based payment transactions	(6)	(42)
Expenses arising from Cash-settled share-based payment transactions	555	237
	549	195

- (vi) The total carrying value of cash settled share based compensation liability is ₹ 658 Mn and ₹ 266 as of March 31, 2015 and March 31, 2014, respectively.
- (vii) The information concerning stock options granted, exercised, forfeited and outstanding at the year-end is as follows:

Particulars	As of March 31, 2015		As of March 31, 2014	
	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	539	6.74	1,185	5.89
Granted	225	5.00	150	5.00
Exercised	(98)	14.38	(320)	5.36
Forfeited / Expired	(276)	5.00	(476)	5.00
Outstanding at end of year	390	5.00	539	6.74
Exercisable at end of year	65	5.00	223	9.21
Scheme 2005 - 2005 Plan				
Outstanding at beginning of year	1,008	436.06	1,736	384.72
Granted	-	-	-	-
Exercised	-	-	(130)	201.88
Forfeited / Expired	(1,008)	436.06	(598)	339.18
Outstanding at end of year	-	-	1,008	436.06
Exercisable at end of year	-	-	1,008	436.06
Scheme 2005 - 2008 Plan & AGP				
Outstanding at beginning of year	3,439	354.54	4,314	355.80
Granted	-	-	-	-
Exercised	(173)	327.20	(10)	301.47
Forfeited / Expired	(732)	357.85	(865)	361.04
Outstanding at end of year	2,534	355.45	3,439	354.54
Exercisable at end of year	2,534	355.45	3,439	354.54
Scheme 2005 - PSP 2009 Plan				
Outstanding at beginning of year	242	5.00	569	5.00
Granted	-	-	-	-
Exercised	(159)	5.00	(217)	5.00
Forfeited / Expired	-	5.00	(110)	5.00
Outstanding at end of year	83	5.00	242	5.00
Exercisable at end of year	83	5.00	154	5.00

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Particulars	As of March 31, 2015		As of March 31, 2014	
	Number of share options (thousands)	Weighted average exercise price (₹)	Number of share options (thousands)	Weighted average exercise price (₹)
Scheme 2005 - Special ESOP & RSU Plan				
Outstanding at beginning of year	408	5.00	1,470	5.00
Granted	-	-	-	-
Exercised	(178)	5.00	(610)	5.00
Forfeited / Expired	(41)	5.00	(452)	5.00
Outstanding at end of year	189	5.00	408	5.00
Exercisable at end of year	189	5.00	369	5.00
Scheme 2005 - LTI Plan (2011 & 2012)				
Outstanding at beginning of year	1,072	5.00	1,815	5.00
Granted	67	5.00	-	-
Exercised	(356)	5.00	(275)	5.00
Forfeited / Expired	(260)	5.00	(468)	5.00
Outstanding at end of year	523	5.00	1,072	5.00
Exercisable at end of year	230	5.00	183	5.00
Cash Settled Plan				
PUP 2013				
Outstanding at beginning of year	1,978	-	-	-
Granted	116	-	2,167	-
Exercised	(589)	-	-	-
Forfeited / Expired	(542)	-	(189)	-
Outstanding at end of year	962	-	1,978	-
Exercisable at end of year	-	-	-	-
PUP 2014				
Outstanding at beginning of year	-	-	-	-
Granted	4,006	-	-	-
Exercised	-	-	-	-
Forfeited / Expired	(167)	-	-	-
Outstanding at end of year	3,839	-	-	-
Exercisable at end of year	-	-	-	-

Notes to financial statements

(viii) The following table summarises information about options exercised and granted during the year and about options outstanding and their remaining contractual life:

March 2015

Plan	Options Outstanding as of March 31, 2015			Options Granted during the year ended March 31, 2015		Options Exercised 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							
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	379	589	354.24
PUP 2014	3,839	-	2.89	4,006	390	-	-

March 2014

Plan	Options Outstanding as of March 31, 2014			Options Granted during the year ended March 31, 2014		Options Exercised during the year ended March 31, 2014	
	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							
2006 Plan	539	5.00 to 110.50	4.40	150	329.14	320	301.16
2005 Plan	1,008	110.50 to 461.00	0.43	-	-	130	316.90
2008 Plan & AGP	3,439	295.00 to 402.50	1.62	-	-	10	320.55
PSP 2009 Plan	242	5.00	2.77	-	-	217	326.62
Special ESOP & RSU Plan	408	5.00	3.20	-	-	610	324.96
LTI Plan (2011 & 2012)	1,072	5.00	2.66	-	-	275	327.05
Cash settled Plans							
PUP 2013	1,978	-	2.36	2,167	316.85	-	-

Notes to financial statements

- (ix) The fair value of the options granted was estimated on the date of grant using the Black- Sholes/Monte Carlo Lattice valuation model with the following assumptions:

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Risk free interest rates	7.64% to 8.65%	8.38% to 8.53%
Expected life	11 to 72 months	16 to 60 months
Volatility	27.36% to 30.73%	36.31% to 39%
Dividend yield	0.46% to 0.48%	0.31% to 0.32%
Wtd average share price on measurement date (₹)	373.7 to 393.9	318.9 to 337.4
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.

51. 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, 2015)	Notional Value (March 31, 2014)
A	For Loan related exposures *		
	a) Forwards	7,023	7,272
	b) Options	19,115	11,958
	c) Interest Rate Swaps	-	-
	Total	26,138	19,230
B	For Trade related exposures *		
	a) Forwards	9,326	7,452
	b) Options	3,818	2,404
	c) Interest Rate Swaps	-	-
	Total	13,144	9,856
C	Unhedged foreign currency borrowing	26,075	18,484
D	Unhedged foreign currency payables	33,468	26,941
E	Unhedged foreign currency receivables	2,648	166

*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 marked-to-market basis and has recorded reversal of loss ₹ 258 Mn (including reversal of loss of ₹ 196 Mn towards embedded derivatives) for the year ended March 31, 2015 [recorded net loss of ₹ 73 Mn (including reversal of loss of ₹ 8 Mn towards embedded derivatives) for the year ended March 31, 2014].

Notes to financial statements

52. a) The Board of Directors, in its meeting held on April 29, 2014, proposed a final dividend of ₹ 1.80 per equity share of ₹ 5.00 each (36% of face value) for financial year 2013-14 which was duly approved by the shareholders of the Company in the Annual General Meeting held on September 5, 2014.
- 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 of ₹ 5.00 (32.6% of face value)
- c) Net dividend remitted in foreign exchange:

Particulars	(₹ Millions)	
	During the year ended March 31, 2015	During the year ended March 31, 2014
Number of non-resident shareholders	4	5
Number of equity shares held on which dividend was due (Nos. in Million)	862	862
Amount remitted (₹ in Millions)	2,958	862
Amount remitted (USD in Millions)	49	13

- d) Dividend of ₹ 2.22 per share (Face value per share ₹ 5) proposed for the year 2014-15.

53. Movement in Provision

a) Doubtful Debts/Advances

Particulars	(₹ Millions)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Balance at the beginning of the year#	16,466	13,262
Addition- Provision for the year	6,018	5,864
Application- Write off of bad debts (net of recovery)	(2,915)	(2,644)
Others	-	(16)*
Balance at the end of the year#	19,569	16,466

* ₹ 16 Mn provision for doubtful receivable transferred to Nextra Data Limited, as part of slump sale, during the year ended March 31, 2014
includes provision for doubtful TDS receivable of ₹ 582 Mn (March 31, 2014 ₹ 419 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 ₹ 55,205 Mn as at March 31, 2015 (March 31, 2014 ₹ 42,296 Mn).

The movement of provision towards subjudice matters disclosed under other non-current assets (refer note 19) and other current liabilities (refer note 13)

Particulars	(₹ Millions)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Opening Balance	42,296	33,163
Additions (net)	12,909	9,133
Closing Balance	55,205	42,296

Notes

to financial statements

- 54.** 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)

- 55.** During the year ended March 31, 2014, the Company has transferred co-ownership of three undersea cables having net WDV of ₹ 2,725 Mn to its wholly owned subsidiary Network i2i Limited, a company incorporated and existing under the laws of Mauritius, with the intention to aggregate certain international undersea cables under a single entity.

- 56.** The Company has completed an independent evaluation for all international and domestic transactions for the year ended March 31, 2015 to determine whether the transactions with associated enterprises are undertaken at "arm's length price". Based on the internal and external transfer pricing review and validation, the Company believes that all transactions with associate enterprises are undertaken on the basis of arm's length principle.

- 57.** 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 6, 2015.

- 58.** Previous year figures have been regrouped / reclassified where necessary to conform to current year's classification.

Consolidated Financial Statements

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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') as at March 31, 2015, comprising of the consolidated statement of financial position as at March 31, 2015 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 consolidated 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 entity'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 respects, the financial position of the Group as at March 31, 2015, 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 36(ii)(f)(vii) to the consolidated financial statements which describe 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 share of gain in a joint venture of ₹ 7,276 million for the year ended March 31, 2015, included in the accompanying financial statements in respect of the joint venture, whose financial statements and other financial information have been audited by other auditors and 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.

For S. R. Battliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W

per Nilangshu Katriar
Partner
Membership No: 58814

Place: New Delhi
Date: April 28, 2015

Consolidated Income Statement

(₹ Millions, except per share data)

Particulars	Notes	Year ended March 31, 2015	Year ended March 31, 2014
Revenue	6	920,394	857,461
Other operating income		957	1,174
Operating expenses	8	(607,468)	(580,205)
		313,883	278,430
Depreciation and amortisation	10	(155,311)	(156,496)
Profit from operating activities before exceptional items		158,572	121,934
Share of results of joint ventures and associates	17	7,223	5,211
Profit before finance income, finance costs, other expenses, exceptional items and tax		165,795	127,145
Finance income	11	24,788	10,408
Finance costs	11	(73,252)	(58,788)
Other expenses	9	(1,669)	(660)
Exceptional items, net	12	(8,532)	538
Profit before tax		107,130	78,643
Income tax expense (including exceptional items)	13	(54,047)	(48,449)
Net profit for the year		53,083	30,194
Attributable to :			
Equity holders of the Parent		51,835	27,727
Non-controlling interests (including exceptional items)		1,248	2,467
Net profit		53,083	30,194
Earnings per share (In ₹)	37		
Basic, profit attributable to equity holders of the Parent		12.97	7.02
Diluted, profit attributable to equity holders of the Parent		12.97	7.01

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

Consolidated Statement of Comprehensive Income

(₹ Millions)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Net profit for the year	53,083	30,194
Other comprehensive income :		
Items that may be reclassified subsequently to profit or loss :		
Exchange differences on translation of foreign operations	(69,186)	15,716
Income tax effect	-	(150)
Gains/(losses) on hedge of net investments	32,925	-
Income tax effect	-	-
Gains/(losses) on cash flow hedge	(5,350)	-
Income tax effect	-	-
	(41,611)	15,566
Items that will not be reclassified to profit or loss :		
Re-measurement gains/(losses) on defined benefit plans	75	(197)
Income tax effect	(18)	49
	57	(148)
Other comprehensive income / (loss) for the year, net of tax	(41,554)	15,418
Total comprehensive income / (loss) for the year, net of tax	11,529	45,612
Attributable to :		
Equity holders of the Parent	12,448	43,373
Non-controlling interests	(919)	2,239
Total comprehensive income	11,529	45,612

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: New Delhi
Date: April 28, 2015

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

Sunil Bharti Mittal
Chairman

Rajendra Chopra
Company Secretary

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

Srikanth Balachandran
Global Chief Financial Officer

Consolidated Statement of Financial Position

Particulars	Notes	(₹ Millions)	
		As of March 31, 2015	As of March 31, 2014
Assets			
Non-current assets			
Property, plant and equipment	14	579,157	596,429
Intangible assets	15	922,283	809,716
Investment in joint ventures and associates	17	46,257	56,702
Other investments	24	31,260	36,341
Derivative financial assets	18	7,303	2,761
Other financial assets	19	16,018	17,330
Other non-financial assets	20	28,383	26,009
Deferred tax asset	13	59,502	62,627
		1,690,163	1,607,915
Current assets			
Inventories	21	1,339	1,422
Trade and other receivables	22	67,252	62,441
Derivative financial assets	18	1,207	819
Prepayments and other assets	23	31,828	29,656
Income tax recoverable		5,750	9,319
Other investments	24	92,840	62,265
Other financial assets	19	10,075	8,127
Cash and cash equivalents	25	11,719	49,808
		222,010	223,857
Assets of disposal group classified as held for sale	42	45,645	-
		267,655	223,857
Total assets		1,957,818	1,831,772
Equity and Liabilities			
Equity			
Issued capital	31	19,987	19,987
Treasury shares	31	(114)	(342)
Share premium		123,456	123,456
Retained earnings		473,025	437,167
Other reserves	31	3,210	17,292
Equity attributable to equity holders of the Parent		619,564	597,560
Non-controlling interests		48,525	42,102
Total equity		668,089	639,662
Non-current liabilities			
Borrowings	26	452,283	549,919
Deferred revenue		17,917	14,010
Provisions	27	6,248	10,044
Derivative financial liabilities	18	164	4,313
Deferred tax liability	13	15,110	16,850
Other financial liabilities	28	162,106	27,464
Other non-financial liabilities	29	1,466	1,460
		655,294	624,060
Current liabilities			
Borrowings	26	211,389	209,039
Deferred revenue		50,074	44,899
Provisions	27	2,061	1,725
Other non-financial liabilities	29	15,897	15,277
Derivative financial liabilities	18	628	1,097
Income tax liabilities		9,271	12,032
Trade & other payables	30	339,670	283,981
		628,990	568,050
Liabilities of disposal group classified as held for sale	42	5,445	-
		634,435	568,050
Total liabilities		1,289,729	1,192,110
Total equity and liabilities		1,957,818	1,831,772

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: New Delhi
Date: April 28, 2015

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

Sunil Bharti Mittal
Chairman

Rajendra Chopra
Company Secretary

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

Srikanth Balachandran
Global Chief Financial Officer

Consolidated Statement of Changes in Equity

(₹ Millions, except as stated otherwise)

Particulars	Attributable to equity holders of the Parent							Non-controlling interests	Total equity
	No of shares (in '000) (Note 31)	Share capital (Note 31)	Treasury shares (Note 31)	Share premium	Retained earnings	Other Reserves (Note 31)	Total		
As of April 1, 2013	3,797,530	18,988	(674)	56,499	414,027	14,377	503,217	40,886	544,103
Net profit / (loss) for the year	-	-	-	-	27,727	-	27,727	2,467	30,194
Other comprehensive income / (loss)	-	-	-	-	(148)	15,794	15,646	(228)	15,418
Total comprehensive income / (loss)	-	-	-	-	27,579	15,794	43,373	2,239	45,612
Share based compensation	-	-	-	-	-	-	-	8	8
Issue of share capital	199,870	999	-	66,957	-	-	67,956	-	67,956
Non-controlling interest arising on a business combination / liability for purchase of non-controlling interests (refer note 7)	-	-	-	-	-	(7,534)	(7,534)	820	(6,714)
Receipt on exercise of share options (refer note 8.2)	-	-	332	-	-	(295)	37	61	98
Transaction with non-controlling interests (refer note 7)	-	-	-	-	-	(5,050)	(5,050)	355	(4,695)
Dividend paid (including tax) to Company's shareholders (refer note 31)	-	-	-	-	(4,439)	-	(4,439)	-	(4,439)
Dividend paid (including tax) to non-controlling interests	-	-	-	-	-	-	-	(2,296)	(2,296)
Others (refer note 7)	-	-	-	-	-	-	-	29	29
As of March 31, 2014	3,997,400	19,987	(342)	123,456	437,167	17,292	597,560	42,102	639,662
Net profit / (loss) 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 31)	-	-	-	-	(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

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

For S. R. Battiboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W

per Nilangshu Katriar
Partner
Membership No: 58814

Place: New Delhi
Date: April 28, 2015

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

Srikanth Balachandran
Global Chief Financial Officer

Consolidated Statement of Cash Flows

(₹ Millions)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Cash flows from operating activities		
Profit before tax	107,130	78,643
Adjustments for -		
Depreciation and amortisation	155,311	156,496
Finance income	(24,788)	(10,408)
Finance costs	73,252	58,788
Share of results of joint ventures and associates	(7,223)	(5,211)
Exceptional items (net)	1,941	(2,481)
Amortisation of share based compensation	(4)	8
Other non-cash items	(45)	(789)
Operating cash flow before changes in assets and liabilities	305,574	275,046
Trade & other receivables and prepayments	(11,144)	2,072
Inventories	(2)	(147)
Trade and other payables	14,203	16,818
Provisions	1,144	2,511
Other financial and non financial liabilities	(99)	10,506
Other financial and non financial assets	(5,741)	(14,227)
Cash generated from operations	303,935	292,579
Interest received	1,307	1,688
Dividend from mutual funds	480	898
Dividend received	16,407	2,200
Income tax paid	(46,111)	(35,039)
Net cash inflow from operating activities	276,018	262,326
Cash flows from investing activities		
Purchase of property, plant and equipment	(146,411)	(114,159)
Proceeds from sale of property, plant and equipment	2,595	4,360
Purchase of intangible assets	(65,970)	(64,860)
Short term investments (net)	(13,821)	(21,998)
Purchase of non-current investments	(3,078)	(8,842)
Sale of non-current investments	5,618	-
Investment in subsidiary, net of cash acquired (refer note 7)	(358)	(6,044)
Sale / Demerger of subsidiary	1,021	(8,009)
Investment in joint venture / associate	(10)	(2)
Proceeds from Joint venture on account of capital reduction	87	-
Loan given to joint venture / associate (Refer note 34)	(154)	(30,179)
Net cash outflow from investing activities	(220,481)	(249,733)
Cash flows from financing activities		
Proceeds from borrowings	344,586	361,215
Repayment of borrowings	(420,325)	(348,425)
Short term borrowings (net)	3,288	1,462
Repayment of loan to joint venture	(9,173)	-
Interest and other finance charges paid	(33,887)	(37,620)
Proceeds from exercise of share options	552	98
Dividend paid (including tax) to Company's shareholders (refer note 31)	(16,034)	(4,439)
Dividend paid (including tax) to non - controlling interests	(5,365)	(2,296)
Proceeds from issuance of equity shares to institutional investor	-	67,956
Sale of interest in a subsidiary to non-controlling interest (refer note 7)	40,412	-
Acquisition of non-controlling interests (refer note 7)	(624)	(10,207)
Net cash inflow/ (outflow) from financing activities	(96,570)	27,744
Net increase/ (decrease) in cash and cash equivalents during the year	(41,033)	40,337
Effect of exchange rate changes on cash and cash equivalents	43	(2,073)
Add : Balance as at the beginning of the year	39,575	1,311
Balance as at the end of the year (refer note 25)	(1,415)	39,575

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: New Delhi
Date: April 28, 2015

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

Sunil Bharti Mittal
Chairman

Rajendra Chopra
Company Secretary

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

Srikanth Balachandran
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 40.

The Group's principal shareholders as of March 31, 2015 are Bharti Telecom Limited, Pastel Limited (part of Singapore Telecommunication International Pte. Limited Group), Indian Continent Investment Limited and Three Pillars Pte. Limited.

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 28, 2015.

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 32, "Financial Instruments : Presentation"	December, 2011	January 1, 2014
2	Amendments to IFRS 10, "Consolidated Financial Statements", IFRS 12, "Disclosure of Interests in Other Entities" and IAS 27, "Separate Financial Statements"	October, 2012	January 1, 2014
3	Amendments to IAS 36, "Impairment of Assets"	May, 2013	January 1, 2014
4	IFRIC 21, "Levies"	May, 2013	January 1, 2014
5	Amendments to IAS 39, "Financial Instruments: Recognition and Measurement"	June, 2013	January 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 Standard, interpretation or amendment 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 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.

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3.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as disclosed in Note 40.

A subsidiary is an entity controlled by the Group. 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 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.

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A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with 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.

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.

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

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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 is amortised over a period of fifteen years to eighteen years, depending on the period of the specific agreement.

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 and are capitalised at the amount paid to acquire such rights. 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 and are written off in their entirety when no longer in use.

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:

	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

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Assets individually costing Rupees five thousand or less are fully depreciated over a period of twelve months from the date placed in service.

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 as current items in the statement of financial position.

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.

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.

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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 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 through 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.

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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.

The Group does not have any held-to-maturity and available for sale 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 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.

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2. Cash flow hedge

The Group applies cash flow hedge accounting for hedge of foreign currency risk in 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 of 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

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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.

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 they fall due. 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 ('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

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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 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.

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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, 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 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

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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 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.

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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 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. 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 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 recognise 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

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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 ₹ 27,795 Mn and ₹ 25,868 Mn as of March 31, 2015 and March 31, 2014, 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 ₹ 4,722 Mn and ₹ 8,343 Mn as of March 31, 2015 and March 31, 2014, 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 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.

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Further details on purchase price allocation have been disclosed in Note 7.

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 36 (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. Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

In November 2013, IASB issued amendments to IAS 19 Employee Benefits. IAS 19 requires an entity to

consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service.

This amendment is applicable to annual periods beginning on or after July 1, 2014, with early adoption permitted. The Group is required to adopt the amendments by the financial year commencing April 1, 2015. The Group does not expect that the adoption of the amendments will have any significant impact on the consolidated financial statements.

c. 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 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 is currently evaluating the requirements of IFRS 14, and has not yet determined the impact on the consolidated financial statements.

d. 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

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adoption of the amendments will have any significant impact on the consolidated financial statements.

e. 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.

f. 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, 2017, with early

adoption permitted. The Group is required to adopt the standard by the financial year commencing April 1, 2017. The Group is currently evaluating the requirements of IFRS 15, and has not yet determined the impact on the consolidated financial statements.

g. Amendment to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In September 2014, IASB issued amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures to address a conflict between the requirements of these two Standards and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

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. 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.

- i. 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.	Improvement/Amendments to Standards	Month of Issue	Effective date - annual periods beginning on or after
1	Annual Improvements 2011-13 Cycle	December, 2013	July 1, 2014
2	Annual Improvements 2010-12 Cycle	December, 2013	July 1, 2014
3	Amendments to IAS 16, "Property, Plant and Equipment" and IAS 41, "Agriculture" for bearer plants	June, 2014	January 1, 2016
4	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
5	Annual Improvements 2012-14 Cycle	September, 2014	January 1, 2016
6	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

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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).

During the year ended March 31, 2015, in order to better reflect the underlying business performance, the Group has changed the presentation of regulatory levies applicable to finance income from "Operating expenses" to "Other expenses". Accordingly previous year's segment figures have been restated.

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 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.

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 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 and other expense 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. These transactions have been eliminated on consolidation. The total assets disclosed for each segment represent 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.

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

Particulars	(₹ Millions)										
	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											
Period 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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Summary of the segmental information as of and for the year ended March 31, 2014 is as follows:

Particulars	(₹ Millions)										
	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	446,896	16,945	269,287	36,492	48,025	20,709	19,105	2	-	-	857,461
Inter segment revenue	19,939	458	3,201	2,860	15,336	62	31,982	3,195	-	(77,033)	-
Total revenues	466,835	17,403	272,488	39,352	63,361	20,771	51,087	3,197	-	(77,033)	857,461
Share of results of joint ventures and associates	325	-	(158)	-	-	-	5,034	10	-	-	5,211
Segment result	91,298	(4,271)	16,983	5,541	8,078	(4,812)	16,185	62	(1,644)	(275)	127,145
Finance income											10,408
Finance costs											(58,788)
Other expenses											(660)
Exceptional items, net*											538
Profit before tax											78,643
Other segment items											
Period capital expenditure	(103,727)	(13,555)	(41,634)	(8,856)	(7,648)	(6,235)	(7,568)	-	(212)	12,448	(176,987)
Depreciation and amortisation	(66,673)	(5,307)	(54,265)	(9,230)	(5,729)	(8,159)	(11,699)	-	-	4,566	(156,496)
As of March 31, 2014											
Segment assets	933,083	51,537	788,468	70,854	130,199	19,626	211,850	967	172,525	(547,337)	1,831,772
Segment liabilities	214,531	40,450	159,070	24,154	54,898	52,943	28,323	1,281	1,162,523	(546,063)	1,192,110

* 'Exceptional items, net' shown separately mainly relates to gain on account of demerger of a subsidiary, reassessment of residual useful lives of certain assets, new regulatory levy in one of the operations and integration costs arising due to business combination (Refer Note 12).

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(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
Unallocated Assets comprise of :		
Derivative financial assets	8,510	3,580
Deferred tax asset	59,502	62,627
Income tax recoverable	5,750	9,319
Inter-segment loans/ receivables	100,194	77,297
Short term investments	47,567	5,388
Others	15,949	14,314
Total	237,472	172,525

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
Unallocated Liabilities comprise of :		
Borrowings	663,672	758,958
Derivative financial liabilities	792	5,410
Deferred tax liability	15,110	16,850
Income tax liabilities	9,271	12,032
Inter-segment loans/ payables	491,026	361,533
Others	11,855	7,740
Total	1,191,726	1,162,523

Borrowings include amount borrowed for the acquisition of 3G and BWA Licenses (including spectrum) ₹ 45,153 Mn and ₹ 70,900 Mn and for funding the acquisition of Africa operations and other borrowings of Africa operations ₹ 554,776 Mn and ₹ 640,237 Mn as of March 31, 2015 and March 31, 2014, 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, 2015	Year ended March 31, 2014
India	626,319	559,696
Africa	264,128	269,287
Rest of the world	29,947	28,478
Total	920,394	857,461

(b) Non-current Assets (Property, plant and equipment and Intangible assets):

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
India	870,167	658,771
Africa	578,238	691,788
Rest of the World	53,035	55,586
Total	1,501,440	1,406,145

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7. Business Combination/ Disposal of Subsidiary/ Other Acquisitions/ Transaction with Non-controlling Interests

a) 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 million 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 million 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 amounts of the controlling and non-controlling interests have been adjusted to reflect the changes in their relative interests 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.

b) Purchase of Shares of BIL by Bharti Infratel Employees' Welfare Trust

Bharti Infratel Employees' Welfare Trust acquired 1.65 Mn number of shares of Bharti Infratel Limited from non-controlling interests during the year ended March 31, 2015 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.

c) Acquisition of interest in Airtel Broadband Services Private Limited ('ABSPL') (formerly known as Wireless Business Services Private Limited), erstwhile Wireless Broadband Business Services (Delhi) Pvt. Ltd., erstwhile Wireless Broadband Business Services (Kerala) Pvt. Ltd. and erstwhile Wireless Broadband Business Services (Haryana) Pvt. Ltd. (together referred as "BWA entities")

- i. During the year ended March 31, 2013, pursuant to a definitive agreement dated May 24, 2012, the Company had acquired 49% stake for a consideration of ₹ 9,281 Mn in BWA entities mentioned above, Indian subsidiaries of Qualcomm Asia Pacific (Qualcomm AP) partly by way of acquisition of 26% equity interest from its existing shareholders and balance 23% by way of subscription of fresh equity in the referred entities.

The agreement contemplated that once commercial operations are launched, subject to certain terms and conditions, the Company had the option to assume complete ownership and financial responsibility for the BWA entities by the end of 2014. With this acquisition, the Group had secured high speed data leadership.

During the three month period ended June 30, 2012, the BWA entities were accounted for as associates.

Effective July 1, 2012, the Group had started exercising its right of joint control over the activities of the BWA entities and had accordingly accounted for them as Joint Ventures. The difference of ₹ 1,175 Mn between the purchase consideration of ₹ 7,646 Mn (net of ₹ 812 Mn to be adjusted against the amount to be paid for the purchase of balance shares and ₹ 823 Mn of the consideration identified towards fair value of the contract for the purchase of balance shares) and its share of the fair value of net assets of ₹ 6,471 Mn was recognised as goodwill, recorded as part of the investment in joint ventures.

- ii. During the year ended March 31, 2014, on June 25, 2013, the Company acquired additional equity stake of 2% by way of subscription to fresh equity of ₹ 638 Mn, thereby acquiring control over the BWA entities. The acquisition was accounted for in the books, using the acquisition method and accordingly, all the assets and liabilities were measured at their fair values as on the acquisition date and the purchase consideration has been allocated to the net assets.

The Company has fair valued its existing 49% equity interest at ₹ 8,740 Mn and recognised a net gain of ₹ 201 Mn (net of loss on fair valuation of contract for the purchase of balance shares). The difference of ₹ 8,329 Mn between the purchase consideration of ₹ 9,182 Mn (including fair valuation of existing equity interest and fair value of contract for the purchase of balance shares ₹ 196 Mn (liability)) and fair value of net assets of ₹ 853 Mn (including cash acquired of ₹ 2,413 Mn and net of non-controlling interests of ₹ 820 Mn) has been recognised as goodwill. The goodwill recognised in the transaction consists largely of the synergies and economies of scale expected from the combined operation of the Group and BWA entities. None of the goodwill recognised is deductible for income tax purpose. The present value of the liability of ₹ 6,722 Mn to be paid for the purchase of balance shares and the advance of ₹ 812 Mn was recognised against the 'Other components of equity'. The fair value and the carrying amount of the acquired receivables as of the date of acquisition was Nil.

From the date of acquisition, BWA entities have contributed revenue of less than ₹ one million and loss before tax of ₹ 94 Mn to the consolidated revenue and profit before tax of the Group, respectively, for the year ended March 31, 2014.

On August 30, 2013, the Group increased its equity investment in ABSPL by way of conversion of loan

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of ₹ 49,094 Mn, thereby increasing its shareholding from 51% to 93.45%. Considering other terms of the definitive agreement, as the non-controlling interests is no longer bearing the risks and rewards of ownership, the entire carrying amount of non-controlling interests of ₹ 800 Mn has been derecognised and has been recognised in 'Other components of equity'.

On October 17, 2013, the Group acquired remaining stake of ABSPL from Qualcomm AP for a total consideration of ₹ 6,903 Mn (in addition to ₹ 812 Mn paid during the year ended March 31, 2013 (refer (i) above), thereby increasing its shareholding to 100%. An amount of ₹ 2,154 Mn after adjustment of the amount paid for retirement of borrowings of ₹ 4,104 Mn and interest there on of ₹ 645 Mn has been paid. An amount of ₹ 6,379 Mn (excluding the interest recovered for the period till June 25, 2013, the date of acquisition of control) has been disclosed in the statement of cash flows under 'cash flows from financing activities'.

- iii. The Scheme of Arrangement ('Scheme') under Sections 391 to 394 of the Companies Act, 1956 for amalgamation of Wireless Broadband Business Services (Delhi) Private Limited, Wireless Broadband Business Services (Kerala) Private Limited and Wireless Broadband Business Services (Haryana) Private Limited (collectively referred to as "the transferor companies") with Airtel Broadband Services Private Limited ('ABSPL') (formerly known as Wireless Business Services Private Limited) was approved by the Hon'ble High Courts of Delhi and Bombay vide order dated May 24, 2013 and June 28, 2013, respectively, with appointed date July 6, 2010, and filed with the Registrar of Companies on August 5, 2013, effective date of the Scheme. Accordingly, the transferor companies have ceased to exist and have merged into ABSPL.

The Scheme of Arrangement ('Scheme') under Sections 391 to 394 of the Companies Act, 1956 for amalgamation of ABSPL with the Company, was approved by the Hon'ble High Courts of Delhi and Bombay on January 21, 2014 and April 11, 2014, respectively. Subsequent to the balance sheet date, the Company has filed the Scheme under Sections 391 to 394 of the Companies Act, 1956 for amalgamation of Airtel Broadband Services Private Limited ('ABSPL') (formerly known as Wireless Business Services Private Limited), a wholly owned subsidiary of the Company, with the Company, as approved by the Hon'ble High Courts of Bombay on April 11, 2014 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 shall cease 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. The Company based on its evaluation believes that it is not probable that claim will materialise and therefore, no provision has been recognised in the books of accounts.

d) Acquisition of 100% interest in Warid Telecom Uganda Limited

The Group entered into a share purchase agreement with Warid Telecom Uganda LLC and Warid Uganda Holding Inc to acquire 100% equity interest in Warid Telecom Uganda Limited to consolidate its position as the second largest mobile operator in Uganda. The transaction was closed on May 13, 2013. The acquisition was accounted for in the books, using the acquisition method and accordingly, all the assets and liabilities were measured at their preliminary fair values as on the acquisition date and the purchase consideration has been allocated to the net assets. The difference of ₹ 2,394 Mn between the purchase consideration and preliminary fair value of net assets has been recognised as goodwill. None of the goodwill recognised is deductible for income tax purpose. The goodwill recognised in the transaction consists largely of synergies and economies of scale expected from the combined operation of the Group and Warid Telecom Uganda Limited.

During the three month period ended June 30, 2014, the end of the measurement period, the Group has completed the fair valuation of net assets acquired as at the acquisition date. There are no changes in the fair valuation subsequent to March 31, 2014.

The fair value, gross contractual amount and best estimate of the amount not expected to be collected, of the acquired receivables as of the date of acquisition was ₹ 436 Mn, ₹ 510 Mn and ₹ 74 Mn respectively.

Operations of Warid Telecom Uganda Limited have been merged into Airtel Uganda Limited, an indirect subsidiary of the Company, w.e.f. February 1, 2014. From the date of acquisition till January 31, 2014, Warid Telecom Uganda Limited has contributed revenue of ₹ 6,006 Mn and loss before tax of ₹ 578 Mn to the consolidated revenue and profit before tax of the Group, respectively.

e) Acquisition of 100% interest in Warid Congo S.A

The Group entered into a share purchase agreement with Warid Telecom Congo LLC and Warid Congo Holding Inc to acquire 100% equity interest in Warid

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Congo S.A. The acquisition made the Group the largest mobile operator in Congo Brazzaville. The transaction was closed on March 12, 2014. The acquisition was accounted for in the books, using the acquisition method and accordingly, all the assets and liabilities were measured at their fair values as on the acquisition date and the purchase consideration has been allocated to the net assets. The difference of ₹ 1,291 Mn between the purchase consideration and fair value of net assets has been recognised as goodwill. None of the goodwill recognised is deductible for income tax purpose. The goodwill recognised in the transaction consists largely of synergies and economies of scale expected from the combined operation of the Group and Warid Congo S.A.

The fair value, gross contractual amount and best estimate of the amount not expected to be collected, of the acquired receivables as of the date of acquisition was ₹ 243 Mn, ₹ 261 Mn and ₹ 18 Mn respectively.

From the date of acquisition, Warid Congo S.A has contributed revenue of ₹ 286 Mn and profit before tax of ₹ 60 Mn to the consolidated revenue and profit before tax of the Group, respectively, for the year ended March 31, 2014.

f) Acquisition of additional interest in Airtel Bangladesh Limited

On June 12, 2013, the Group acquired 30% equity stake in Airtel Bangladesh Limited, thereby, increasing its shareholding to 100%. The excess of consideration over the carrying value of the interest acquired, ₹ 5,850 Mn (including transaction costs), has been recognised in 'Other components of equity'.

g) Demerger of Bharti Infratel Ventures Limited

The Scheme of Arrangement ('Scheme') under Section 391 to 394 of the Companies Act, 1956 for transfer of

all assets and liabilities as defined in the Scheme from Bharti Infratel Ventures Limited (BIVL) (an indirect subsidiary of the Company), Vodafone Infrastructure Limited (VIL) (formerly known as Vodafone Essar Infrastructure Limited), and Idea Cellular Tower Infrastructure Limited (ICTIL) (collectively referred to as "the transferor companies") to Indus Towers Limited (Indus), a joint venture of the Group, was approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 and filed with the Registrar of Companies on June 11, 2013, effective date of the Scheme. Accordingly, effective this date, the transferor companies have ceased to exist and have merged into Indus. The Scheme has, accordingly, been given effect to in the consolidated financial statements of the Group.

As a result of the transaction, the Group has lost control of BIVL and recorded an additional investment in Indus and accordingly the Group has:

- (i) derecognised the assets and liabilities of BIVL from its consolidated statement of financial position (net ₹ 43,631 Mn) (including cash & cash equivalents of ₹ 8,009 Mn);
 - (ii) recognised additional investment in Indus at ₹ 52,581 Mn, i.e., the Group's share of the aggregate of (a) fair value of the net assets contributed by the other joint venturers and (b) book value of net assets of BIVL contributed by the Group; and
 - (iii) recognised resultant gain of ₹ 8,950 Mn as an exceptional income (refer Note 12 (ii) (a)).
- h) During the year ended March 31, 2014, the Group has reduced goodwill by ₹ 926 Mn and increased non-controlling interests by ₹ 29 Mn with respect to a past business combination transaction.

8. Operating Expenses

Particulars	Notes	₹ Millions	
		Year ended March 31, 2015	Year ended March 31, 2014
Access charges		112,759	111,923
Licence fees, revenue share and spectrum charges		87,391	75,971
Network operations cost		203,372	197,202
Employee costs	8.1	47,123	46,228
Selling, general and administrative expenses		155,533	147,979
Charity & donations *		1,290	902
Total		607,468	580,205

* including expenses incurred toward corporate social responsibility.

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Selling, general and administrative expenses include the following:

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Trading inventory consumption	4,288	4,728
Diminution in value of inventory	515	381
Provision for doubtful debts	8,405	5,781

8.1 Employee costs

Particulars	Notes	(₹ Millions)	
		Year ended March 31, 2015	Year ended March 31, 2014
Salaries, allowances & others		43,914	42,852
Defined contribution plan		1,757	2,124
Defined benefit plan/ other long term benefits		734	848
Share based compensation	8.2	718	404
Total		47,123	46,228

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, 2015		As of March 31, 2014		
						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	5,264	5.50	
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	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	422	5.00	
Bharti Airtel	Scheme 2005	LTI Plan	2012	1 - 3	7	1,649	5.00	1,593	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	
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	-	3,295	-	
Bharti Airtel	Performance Unit Plan (PUP) 2014	Performance Unit Plan (PUP) 2014	2014	1 - 5	3-5	5,909	-	-	-	
Bharti Infratel	Infratel plan	PUP	2013	1 - 3	7	309	-	171	-	

* Contractual term has expired

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The following table exhibits the net compensation expenses arising from share based payment transaction:

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Expenses arising from equity-settled share-based payment transactions	(4)	8
Expenses arising from Cash-settled share-based payment transactions	722	396
Total	718	404

Information concerning the share options issued is presented below:

(Share options in thousands)	As of March 31, 2015		As of March 31, 2014	
	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	539	6.74	1,185	5.89
Granted	225	5.00	150	5.00
Exercised	(98)	14.38	(320)	5.36
Forfeited / Expired	(276)	5.00	(476)	5.00
Outstanding at end of year	390	5.00	539	6.74
Exercisable at end of year	65	5.00	223	9.21
Scheme 2005 - 2005 Plan				
Outstanding at beginning of year	1,008	436.06	1,736	384.72
Granted	-	-	-	-
Exercised	-	-	(130)	201.88
Forfeited / Expired	(1,008)	436.06	(598)	339.18
Outstanding at end of year	-	-	1,008	436.06
Exercisable at end of year	-	-	1,008	436.06
Scheme 2005 - 2008 Plan & AGP				
Outstanding at beginning of year	3,439	354.54	4,314	355.80
Granted	-	-	-	-
Exercised	(173)	327.20	(10)	301.47
Forfeited / Expired	(732)	357.85	(865)	361.04
Outstanding at end of year	2,534	355.45	3,439	354.54
Exercisable at end of year	2,534	355.45	3,439	354.54
Scheme 2005 - PSP 2009 Plan				
Outstanding at beginning of year	242	5.00	569	5.00
Granted	-	-	-	-
Exercised	(159)	5.00	(217)	5.00
Forfeited / Expired	-	5.00	(110)	5.00
Outstanding at end of year	83	5.00	242	5.00
Exercisable at end of year	83	5.00	154	5.00
Scheme 2005 - Special ESOP & RSU Plan				
Outstanding at beginning of year	408	5.00	1,470	5.00
Granted	-	-	-	-
Exercised	(178)	5.00	(610)	5.00
Forfeited / Expired	(41)	5.00	(452)	5.00
Outstanding at end of year	189	5.00	408	5.00
Exercisable at end of year	189	5.00	369	5.00

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(Share options in thousands)	As of March 31, 2015		As of March 31, 2014	
	Number of share options	Weighted average exercise price (₹)	Number of share options	Weighted average exercise price (₹)
Scheme 2005 - LTI Plan (2011 & 2012)				
Outstanding at beginning of year	1,072	5.00	1,815	5.00
Granted	67	5.00	-	-
Exercised	(356)	5.00	(275)	5.00
Forfeited / Expired	(260)	5.00	(468)	5.00
Outstanding at end of year	523	5.00	1,072	5.00
Exercisable at end of year	230	5.00	183	5.00
Bharti Infratel : 2008 Plan				
Outstanding at beginning of year	8,554	109.67	9,147	109.67
Granted	-	-	-	-
Exercised	(4,463)	109.67	(554)	109.67
Forfeited / Expired	(257)	109.67	(39)	109.67
Outstanding at end of year	3,834	109.67	8,554	109.67
Exercisable at end of year	3,607	109.67	7,662	109.67
Bharti Infratel : LTI Plan (Part of 2008 Plan)				
Outstanding at beginning of year	16	10.00	20	10.00
Granted	-	-	-	-
Exercised	(5)	10.00	(4)	10.00
Forfeited / Expired	(5)	10.00	-	-
Outstanding at end of year	6	10.00	16	10.00
Exercisable at end of year	3	10.00	4	10.00
Cash Settled Plan				
Scheme 2005 - LTI Plan Africa				
Outstanding at beginning of year	107	5.00	395	5.00
Granted	-	-	-	-
Exercised	-	-	(43)	5.00
Forfeited	(107)	5.00	(245)	5.00
Outstanding at end of year	-	-	107	5.00
Exercisable at end of year	-	-	-	-
PUP 2013				
Outstanding at beginning of year	3,004	-	-	-
Granted	140	-	3,295	-
Exercised	(589)	-	-	-
Forfeited / Expired	(1,120)	-	(291)	-
Outstanding at end of year	1,435	-	3,004	-
Exercisable at end of year	-	-	-	-
PUP 2014				
Outstanding at beginning of year	-	-	-	-
Granted	5,909	-	-	-
Exercised	-	-	-	-
Forfeited / Expired	(361)	-	-	-
Outstanding at end of year	5,548	-	-	-
Exercisable at end of year	-	-	-	-
Bharti Infratel : Performance Unit Plan				
Outstanding at beginning of year	171	-	-	-
Granted	138	-	171	-
Exercised	(46)	-	-	-
Forfeited / Expired	(25)	-	-	-
Outstanding at end of year	238	-	171	-
Exercisable at end of year	2	-	-	-

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The following table summarises information about options exercised and granted during the year and about options outstanding and their remaining contractual life:

March 31, 2015

Entity	Plan	Options Outstanding as of March 31, 2015			Options Granted during the year ended March 31, 2015		Options Exercised 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	0.84	-	-	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

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March 31, 2014

Entity	Plan	Options Outstanding as of March 31, 2014			Options Granted during the year ended March 31, 2014		Options Exercised during the year ended March 31, 2014	
		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	539	5.00 to 110.50	4.40	150	329.14	320	301.16
Bharti Airtel	2005 Plan	1,008	110.50 to 461.00	0.43	-	-	130	316.90
Bharti Airtel	2008 Plan & AGP	3,439	295.00 to 402.50	1.62	-	-	10	320.55
Bharti Airtel	PSP 2009 Plan	242	5.00	2.77	-	-	217	326.62
Bharti Airtel	Special ESOP & RSU Plan	408	5.00	3.20	-	-	610	324.96
Bharti Airtel	LTI Plan (2011 & 2012)	1,072	5.00	2.66	-	-	275	327.05
Bharti Infratel	2008 Plan	8,554	109.67	1.86	-	-	554	189.00
Bharti Infratel	LTI Plan (Part of 2008 Plan)	16	10.00	5.41	-	-	4	154.00
Cash settled Plans								
Bharti Airtel	LTIP Plan Africa	107	5.00	0.35	-	-	43	311.00
Bharti Airtel	PUP 2013	3,004	-	2.36	3,295	316.85	-	-
Bharti Infratel	Performance Unit Plan	171	-	6.34	171	201.00	-	-

The total carrying value of cash settled share based compensation liability is ₹ 799 Mn and ₹ 465 Mn as of March 31, 2015 and March 31, 2014, respectively.

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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, 2015	Year ended March 31, 2014
Risk free interest rates	7.64% to 8.65%	8.38% to 8.80%
Expected life	10 to 72 months	16 to 60 months
Volatility	27.36% to 32.59%	30.96% to 39%
Dividend yield	0.46% to 0.6%	0.31% to 0.50%
Wtd. average share price on measurement date excluding Infratel (₹)	373.7 to 393.9	318.9 to 337.4
Wtd. average exercise price on measurement date excluding Infratel (₹)	0 to 5	0 to 5
Wtd. average share price on measurement date - Infratel (₹)	378.00	197.60
Wtd. average exercise price on measurement date - Infratel (₹)	-	-

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 ₹ 497 Mn (March 31, 2014: ₹ 61 Mn), resulting in increase in the holding of non-controlling shareholders by 0.19%.

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, 2015	Year ended March 31, 2014
Depreciation	14	128,932	132,118
Amortisation	15	26,379	24,378
Total		155,311	156,496

11. Finance Income and Costs

(₹ Millions)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Finance income		
Dividend from mutual funds	480	898
Interest Income on deposits	674	632
Interest Income on loans to associates	47	38
Interest Income on others	1,021	1,862
Net gain on mutual funds	13,753	3,703
Net fair value gain on financial instruments - Fair value hedges	-	3,275
Net gain on derivative financial instruments *	8,813	-
Total	24,788	10,408
Finance costs		
Interest on borrowings and deferred payment liability	36,992	36,382
Unwinding of discount on provisions	416	548
Net exchange loss	22,718	10,596
Net fair value loss on financial instruments - Fair value hedges	7,454	-
Net loss on derivative financial instruments *	-	5,088
Other finance charges	5,672	6,174
Total	73,252	58,788

* Refer Note 18 for details of interest rate swaps designated as hedging instruments and Note 33 for details of financial assets and liabilities categorised within level 3 of the fair value hierarchy.

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"Dividend from mutual funds" includes ₹ 14 Mn and ₹ 210 Mn and "Net gain on mutual funds" includes net gain of ₹ 8 Mn and ₹ 96 Mn relating to investments in mutual funds designated at fair value through profit or loss for the years ended March 31, 2015 and March 31, 2014, respectively.

"Interest income on others" includes ₹ 365 Mn and ₹ 329 Mn towards unwinding of discount on other financial assets for the years ended March 31, 2015 and March 31, 2014, 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 ₹ 63 Mn and ₹ 894 Mn towards unwinding of discount on other financial liabilities for the years ended March 31, 2015 and March 31, 2014, respectively.

12. Exceptional Items

Exceptional items comprises of the following:

- (i) For the year ended March 31, 2015 :-
- 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.
 - Charge of ₹ 2,598 Mn on account of settlement of various disputes.
 - Charge of ₹ 4,397 Mn related to restructuring activities in a few countries.

- Gain of ₹ 403 Mn on account of premature termination of an agreement by a telecom operator.
- Gain of ₹ 142 Mn on account of gain recognised on divestment of telecom towers in one of the countries in Africa.

(ii) For the year ended March 31, 2014 :-

- Gain of ₹ 8,950 Mn on account of demerger of Bharti Infratel Ventures Limited, a subsidiary of the Group (refer Note 7(g)).
- Charge of ₹ 6,469 Mn resulting from reassessment of the residual useful lives of certain categories of network assets of the Group due to technological developments.
- Charge of ₹ 374 Mn arising from a new regulatory levy in one of the Group's international operations.
- Charge of ₹ 1,569 Mn arising primarily from integration cost due to business combination.

Tax expense includes:

- Tax benefit of ₹ 97 Mn and expense of ₹ 1,055 Mn during the year ended March 31, 2015 and March 31, 2014, respectively, on above, and
- Tax expense of ₹ 1,218 Mn and ₹ 2,915 Mn during the year ended March 31, 2015 and March 31, 2014, respectively, on account of settlement of various disputes /uncertain tax position.

Profit/(loss) attributable to non-controlling interests includes benefit of ₹ 658 Mn and expense of ₹ 1,558 Mn during the year ended March 31, 2015 and March 31, 2014, respectively, relating to the above exceptional items.

13. Income Taxes

The major components of the income tax expense are:

Particulars	Year ended	
	March 31, 2015	March 31, 2014
	(₹ Millions)	
Current income tax		
- India	45,533	24,667
- Overseas	11,903	17,402
	57,436	42,069
Deferred tax*		
- Relating to origination & reversal of temporary differences	(7,447)	6,227
- Relating to change in tax rate	537	-
Tax expense attributable to current year's profit	50,526	48,296
Adjustments in respect of income tax of previous year		
- Current income tax		
India	(217)	(1,003)
Overseas	658	204
	441	(799)
- Deferred tax*	3,080	952
	3,521	153
Income tax expense recorded in the consolidated income statement	54,047	48,449

* Includes tax credit recoverable on account of minimum alternate tax (MAT) of ₹ 8,012 Mn and tax credit utilisation of ₹ 2,999 Mn during years ended March 31, 2015 and March 31, 2014, respectively.

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:

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Net income before taxes	107,130	78,643
Enacted tax rates in India	33.99%	33.99%
Computed tax expense	36,414	26,731
Increase/(reduction) in taxes on account of:		
Share of (profits)/losses in associates and joint ventures	(2,455)	(1,771)
Net deduction claimed under tax holiday provisions of income tax act	(14,711)	(11,318)
Losses and deductible temporary differences reversed during the tax holiday period	1,532	1,791
Effect of changes in tax rate	537	-
Tax on undistributed retained earnings	1,712	3,984
Adjustment in respect to current income tax of previous years	441	(799)
Adjustment in respect to MAT credit of previous years	(364)	191
Adjustment in respect to deferred tax of previous years	3,444	761
Additional Tax/Tax for which no credit is allowed	4,219	4,121
Effect of different tax rate	770	803
Losses and deductible temporary difference against which no deferred tax asset recognised	17,231	15,385
(Income)/expenses (net) not taxable/deductible	2,657	3,577
(Benefit)/expense (net) on account of settlement of various disputes/uncertain tax position*	2,100	4,756
Others	520	237
Income tax expense recorded in the consolidated income statement	54,047	48,449

* includes exceptional charge of ₹ 1,218 Mn and ₹ 2,915 Mn during the year ended March 31, 2015 and March 31, 2014, respectively (refer note 12)

The components that gave rise to deferred tax assets and liabilities are as follows:

Particulars	(₹ Millions)	
	As of March 31, 2015	As of March 31, 2014
Deferred tax asset/(liabilities)		
Provision for impairment of debtors/advances and other provisions	11,510	9,402
Losses available for offset against future taxable income	3,733	5,582
Employee share options	281	846
Post employment benefits	787	676
Minimum tax credit	38,668	30,656
Lease rent equalisation - expense	6,944	6,024
Fair valuation of financial assets/derivative instruments/other investments and unrealised exchange fluctuation	(1,547)	1,295
Accelerated depreciation/amortisation for tax purposes	(11,021)	(675)
Fair valuation of intangibles/property plant & equipments on business combination	855	1,176
Lease rent equalisation - income	(5,032)	(4,518)
Unearned Income	628	956
Deferred tax liability on undistributed retained earnings	(1,237)	(5,478)
Others	(177)	(165)
Net deferred tax asset/(liabilities)	44,392	45,777

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Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Deferred tax (expense)/income		
Provision for impairment of debtors/advances and other provisions	2,639	1,988
Losses available for offset against future taxable income	(1,867)	(1,341)
Employee share options	(565)	(338)
Post employment benefits	131	19
Minimum tax credit	8,012	(2,999)
Lease rent equalisation - expense	929	946
Fair valuation of financial assets/derivative instruments/other investments and unrealised exchange fluctuation	(2,354)	(38)
Accelerated depreciation/amortisation for tax purposes	(5,157)	15
Fair valuation of intangibles/property plant & equipments on business combination	(376)	(1,667)
Lease rent equalisation - income	(514)	(657)
Unearned income	(231)	(20)
Deferred tax liability on undistributed retained earnings	3,594	(2,793)
Others	(411)	(294)
Net deferred tax (expense)/income	3,830	(7,179)

Reflected in the statement of financial position as follows:

Particulars	(₹ Millions)	
	As of March 31, 2015	As of March 31, 2014
Deferred tax assets	59,502	62,627
Deferred tax liabilities	(15,110)	(16,850)
Deferred tax assets (net)	44,392	45,777

The reconciliation of deferred tax assets (net) is as follows:

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Opening balance	45,777	45,935
Tax Income / (expense) during the year recognised in profit or loss	3,830	(7,179)
Deferred tax liabilities of subsidiary (BIVL) transferred upon demerger**	-	1,511
Deferred tax on undistributed retained earnings of joint venture	-	374
Translation adjustment and others	(5,215)	5,136
Closing balance	44,392	45,777

**Refer Note 7 (g)

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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 ₹ 229,893 Mn and ₹ 176,035 Mn as of March 31, 2015 and March 31, 2014, 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, 2015 and March 31, 2014, tax losses, unabsorbed depreciation and deductible temporary differences to the extent of ₹ 143,308 Mn and ₹ 66,692 Mn, respectively have an indefinite carry forward period and the balance amount expires unutilised as follows:

(₹ 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

(₹ Millions)	
March 31,	As of March 31, 2014
2015	8,244
2016	6,188
2017	7,770
2018	10,045
2019	6,879
Thereafter	70,217
	109,343

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 recognise 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 ₹ 96,364 Mn and ₹ 73,054 Mn as of March 31, 2015 and March 31, 2014, 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, 2015 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, 2013	20,589	992,407	71,245	28,361	1,112,602
Additions	2,699	-	9,884	92,550	105,133
Acquisition through Business Combinations [^]	542	3,233	345	843	4,963
Disposals / adjustment	(644)	(13,029)	(1,321)	-	(14,994)
Effect of Demerger of BIVL [^]	-	(63,660)	-	-	(63,660)
Currency translation	930	24,943	3,547	1,534	30,954
Reclassification *	(115)	100,406	578	(99,890)	979
As of March 31, 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
Accumulated Depreciation					
As of April 1, 2013	4,785	416,229	53,311	-	474,325
Charge #	1,518	124,506	12,563	-	138,587
Disposals / adjustment	(238)	(9,016)	(1,191)	-	(10,445)
Effect of Demerger of BIVL ^	-	(32,024)	-	-	(32,024)
Currency translation	111	6,516	2,104	-	8,731
Reclassification *	(84)	37	421	-	374
As of March 31, 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
Net Carrying Amount					
As of April 1, 2013	15,804	576,178	17,934	28,361	638,277
As of March 31, 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

* ₹ 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 and ₹ 979 Mn and ₹ 374 Mn gross block and accumulated depreciation respectively, has been reclassified mainly from licenses to technical equipment and machinery during the year ended March 31, 2014.

[^] Refer Note 7

Includes exceptional items of ₹ 6,469 Mn w.r.t technical equipment and machinery (Refer Note 12 (ii) (b))

@ Refer Note 42

"Technical equipment and machinery" includes gross block of assets capitalised under finance lease ₹ 435 Mn and ₹ Nil as of March 31, 2015 and March 31, 2014 respectively and the corresponding accumulated depreciation for the respective years ₹ 7 Mn and ₹ Nil.

"Other equipment, operating and office equipment" includes gross block of assets capitalised under finance lease ₹ 831 Mn and ₹ 1,301 Mn as of March 31, 2015 and March 31, 2014 respectively and the corresponding accumulated depreciation for the respective years ₹ 431 Mn and ₹ 340 Mn.

"Land and Building" includes gross block of assets capitalised under finance lease ₹ Nil and ₹ 287 Mn as of March 31, 2015 and March 31, 2014 respectively and the corresponding accumulated depreciation for the respective years ₹ Nil and ₹ 17 Mn.

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The "Advance payments and construction in progress" includes ₹ 48,777 Mn and ₹ 22,541 Mn towards technical equipment and machinery and ₹ 1,050 Mn and ₹ 857 Mn towards other assets as of March 31, 2015 and March 31, 2014 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).

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, 2013	415,060	12,371	10,064	278,751	18,822	1,558	736,626
Additions	-	3,336	1,181	8,745	29	58,563 #	71,854
Acquisition through Business Combinations [^]	12,014	-	-	234	868	49,155	62,271
Adjustments relating to Fair value remeasurement [^]	(926)	-	-	-	-	-	(926)
Disposals / adjustment	-	(7)	(43)	-	-	-	(50)
Currency translation	45,625	201	481	9,614	1,261	-	57,182
Reclassification *	-	382	276	488	(567)	(1,558)	(979)
As of March 31, 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
Accumulated amortisation							
As of April 1, 2013	-	7,864	2,009	57,305	18,425	-	85,603
Charge	-	2,923	744	20,189	522	-	24,378
Disposals / adjustment	-	(7)	(8)	-	-	-	(15)
Currency translation	-	103	80	2,696	1,154	-	4,033
Reclassification *	-	637	20	(633)	(398)	-	(374)
As of March 31, 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
Accumulated impairment							
As of April 1, 2013	2,637	-	-	-	-	-	2,637
As of March 31, 2014	2,637	-	-	-	-	-	2,637
As of March 31, 2015	2,637	-	-	-	-	-	2,637

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(₹ Millions)

Particulars	Goodwill	Software	Bandwidth	Licenses (including spectrum)	Other acquired intangibles	Advance Payment and assets under development	Total
Net Carrying Amount							
As of April 1, 2013	412,423	4,507	8,055	221,446	397	1,558	648,386
As of March 31, 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

* ₹ 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 and ₹ 979 Mn and ₹ 374 Mn gross block and accumulated depreciation respectively, has been reclassified mainly from licenses to technical equipment and machinery during the year ended March 31, 2014.

** Gross block and accumulated amortisation of licences and other acquired intangibles have been off set upon being fully amortised.

Includes advance payments of ₹ 47,251 Mn and ₹ 55,257 Mn towards spectrum as at March 31, 2015 and March 31, 2014, respectively (Refer Note 39 (a)).

^ Refer Note 7.

@ Refer Note 42

During the years ended March 31, 2015 and March 31, 2014, the Group has capitalised borrowing cost of ₹ 2,808 Mn and ₹ 2,266 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, 2015 and March 31, 2014 is 15.69 years and 13.65 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 test 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.

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, 2015	As of March 31, 2014
Mobile Services - India	39,524	39,524
Mobile Services - Bangladesh	8,479	8,211
Airtel business	5,597	5,382
Mobile Services - Africa	360,879	415,675
Telemedia Services	344	344
Total	414,823	469,136

The measurement of the 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.

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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 14.3% to 21.3% (higher rate used for CGU group 'Mobile Services – Africa') for the year ended March 31, 2015 and ranged from 13.5% to 20.2% (higher rate used for CGU group 'Mobile Services – Africa') for the year ended March 31, 2014.

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 5.6% (higher rate used for CGU group 'Mobile Services – Bangladesh' CGU) for the year ended March 31, 2015 and ranged from 3.5% to 5.5% (higher rate used for CGU group 'Mobile Services – Bangladesh' CGU) for the year ended March 31, 2014.

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, Mobile Services – Bangladesh,

Telemedia Services and Airtel Business, 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 8.7% as of December 31, 2014 and approximately 10.0% as of December 31, 2013. An increase of 1.3% (December 31, 2013: 1.2%) in discount rate shall equate the recoverable amount with the carrying amount of the Mobile Services – Africa CGU group as of December 31, 2014. 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 40.

The amounts recognised in the consolidated statement of financial position are as follows:-

(₹ Millions)		
Particulars	As of March 31, 2015	As of March 31, 2014
Joint Ventures	46,257	56,615
Associates	-	87
Total	46,257	56,702

The amounts recognised in the consolidated income statement are as follows:-

(₹ Millions)		
Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Joint Ventures	7,276	5,369
Associates	(53)	(158)
Total	7,223	5,211

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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

Particulars	(₹ Millions)	
	As of March 31, 2015	As of March 31, 2014
Assets		
Non Current Assets	243,926	265,003
Current Assets		
Cash and Cash Equivalents	533	2,775
Other Current Assets (Excluding cash and cash equivalents)	18,868	29,716
Total Current Assets	19,401	32,491
Liabilities		
Non Current Liabilities		
Non Current Financial Liabilities (Other than trade and other payables and provisions) - Loans and borrowings	37,206	61,378
Other Non Current Liabilities	26,052	18,694
Total Non Current Liabilities	63,258	80,072
Current Liabilities		
Current Financial Liabilities (Other than trade and other payables and provisions) - Loans and borrowings	24,186	18,047
Other Current Liabilities	29,467	26,099
Total Current Liabilities	53,653	44,146
Equity	146,416	173,276
Percentage of Group's ownership interest	42%	42%
Interest in Joint Venture	61,495	72,776
Fair valuation adjustment with regard to property, plant and equipment on consolidation (refer note 7 (g)) (net of depreciation impact thereon ₹ 1,804 Mn (March 31, 2014: ₹ 804 Mn))	(7,985)	(8,973)
Other fair value adjustments on consolidation	(7,376)	(7,376)
Carrying amount of investment	46,134	56,427

Summarised information on income statement

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Revenue	153,522	142,264
Depreciation and amortisation	32,459	29,690
Finance income (including Interest income of ₹ 394 Mn (March 31, 2014 - ₹ 1,806 Mn))	802	2,055
Finance cost (including Interest expense of ₹ 7,861 Mn (March 31, 2014 - ₹ 9,842 Mn))	7,872	9,864
Income tax expense	13,280	6,363
Profit for the year	14,927	13,228
Percentage of Group's ownership interest	42%	42%
Group's share in Joint Venture's profit for the year	6,269	5,556
Consolidation adjustments	1,000	(522)
Group's share in Joint ventures' profit recognised	7,269	5,034
Dividend received from Joint venture	16,407	2,200

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17.1.1 (b) Information of other joint ventures

Aggregate information of joint ventures that are not individually material is as follows:-

Particulars	(₹ Millions)	
	As of March 31, 2015	As of March 31, 2014
Carrying amount of investment	123	188
Cumulative unrecognised losses	2	-

Group's share in Joint ventures'	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Net profit / (loss)	5	335
Other comprehensive income	4	10
Total comprehensive income	9	345
Unrecognised losses	2	-

Refer note 36 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:-

Particulars	(₹ Millions)	
	As of March 31, 2015	As of March 31, 2014
Carrying amount of investment	-	87
Cumulative unrecognised losses	1,559	1,328

Group's share in Associates'	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Net profit / (loss)	(284)	(412)
Other comprehensive income / (loss)	(34)	3
Total comprehensive income / (loss)	(318)	(409)
Unrecognised losses	231	254

Refer note 36 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 40.

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, 2015	As of March 31, 2014	As of March 31, 2015	As of March 31, 2014	As of March 31, 2015	As of March 31, 2014
Assets						
Non Current Assets	157,508	172,424	77,311	28,319	97,130	142,720
Current Assets	51,706	41,392	4,973	25,659	19,610	6,400
Liabilities						
Non Current Liabilities	16,974	22,101	16,636	1,903	37,249	63,755
Current Liabilities	13,797	14,457	12,385	8,613	85,573	76,397
Equity	178,443	177,258	53,263	43,462	(6,082)	8,968
Percentage of ownership interest held by non-controlling interests	28.12%	20.61%	30%	30%	20.94%	20.94%
Accumulated non-controlling interests	50,183	36,525	15,977	13,034	(1,274)	1,878

(₹ Millions)

Particulars	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Networks Limited	
	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2015	Year Ended March 31, 2014
Revenue	54,081	50,987	47,105	40,763	87,751	86,677
Net Profit/(loss)	20,995	18,638	10,382	6,368	(7,289)	(5,045)
Other Comprehensive Income	(2)	(7)	(1)	-	(7,761)	1,369
Total Comprehensive Income	20,993	18,631	10,381	6,368	(15,050)	(3,676)
Profit / (loss) allocated to Non-controlling interests	5,012	3,835	3,118	1,867	(3,153)	(1,056)

(₹ Millions)

Particulars	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Networks Limited	
	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2015	Year Ended March 31, 2014
Net cash inflow/(outflow) from operating activities	34,266	27,715	10,859	9,810	20,411	26,212
Net cash inflow/(outflow) from investing activities	(5,695)	(20,714)	(25,429)	(9,354)	(11,214)	(8,525)
Net cash inflow/(outflow) from financing activities	(28,981)	(6,580)	14,324	(330)	(9,929)	(14,230)
Net cash inflow/(outflow)	(410)	421	(246)	126	(731)	3,457
Dividend paid to Non-controlling interests (including tax)	4,062	1,364	175	175	-	-

* Based on consolidated financial statements, also refer Note 7(a).

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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:-

Particulars	(₹ Millions)	
	As of March 31, 2015	As of March 31, 2014
Assets		
Currency swaps, forward and option contracts	280	100
Interest rate swaps	5,598	277
Embedded derivatives	2,632	3,203
	8,510	3,580
Liabilities		
Currency swaps, forward and option contracts	381	861
Interest rate swaps	73	3,822
Embedded derivatives	338	727
	792	5,410
Bifurcation of above derivative instruments into current and non current		
Non-current derivative financial assets	7,303	2,761
Current derivative financial assets	1,207	819
Non-current derivative financial liabilities	(164)	(4,313)
Current derivative financial liabilities	(628)	(1,097)
	7,718	(1,830)

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.

Hedging instruments

Beginning April 1, 2013, the Group has applied fair value hedge accounting, and started designating certain interest

rate swaps (exchanging fixed rate of interest for floating rate of interest) as a hedging instrument for hedging the risk of change in fair value of the non-convertible bonds with respect to changes in the USD LIBOR/ EURIBOR zero coupon curve.

The fair value of such interest rate swaps is net asset of ₹ 4,955 Mn and net liability of ₹ 3,592 Mn as of March 31, 2015 and March 31, 2014, respectively. The gain of ₹ 8,528 Mn and loss of ₹ 3,041 Mn has been recognised on the interest rate swaps and loss of ₹ 7,454 Mn and gain of ₹ 3,275 Mn has been recognised on the non-convertible bonds on account of changes in fair value with respect to the hedged risk during the year ended March 31, 2015 and March 31, 2014, respectively.

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19. Other Financial Assets

(a) Non-current

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
Security deposits	7,937	7,232
Restricted cash	1,296	68
Rent equalisation	3,517	2,919
Claims recoverable	1,227	5,656
Others	2,041	1,455
Total	16,018	17,330

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.

(b) Current

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
Restricted Cash	10,075	8,127
Total	10,075	8,127

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, 2015	As of March 31, 2014
Fair valuation adjustments - financial assets	2,131	2,287
Advances	25,449	22,417
Others	803	1,305
Total	28,383	26,009

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 ₹ 34,424 Mn and ₹ 25,992 Mn as of March 31, 2015 and March 31, 2014, respectively.

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21. Inventories

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
Transmission equipment	160	421
Handsets	949	965
Others	230	36
Total	1,339	1,422

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, 2015	As of March 31, 2014
Trade receivable*	89,999	83,640
Less: Allowance for doubtful debts	(27,795)	(25,868)
Total Trade receivables	62,204	57,772
Other receivables		
Due from related party	224	245
Receivables from joint ventures	236	266
Interest accrued on investments	68	61
Claim receivables	4,481	4,097
Others	39	-
Total	67,252	62,441

Movement in allowances for doubtful debts

(₹ Millions)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Balance, beginning of the year	25,868	21,571
Additions -		
Provision for the year	8,405	5,781
Currency translation adjustment	(2,232)	1,197
Application -		
Write off of bad debts (net of recovery)	(4,246)	(2,681)
Balance, end of the year	27,795	25,868

*Trade receivables include unbilled receivables.

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 38 on credit risk of trade receivables.

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23. Prepayments and Other Assets

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
Prepaid expenses	10,212	8,539
Employee receivables	847	562
Advances to suppliers	6,360	10,252
Taxes receivable	12,504	9,991
Others	1,905	312
Total	31,828	29,656

Employee receivables principally consist of advances given for business purposes.

Advance to Suppliers are disclosed net of provision of ₹ 3,003 Mn and ₹ 1,963 Mn as of March 31, 2015 and March 31, 2014, 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, 2015	As of March 31, 2014
Held for trading securities - quoted *	23,970	27,883
Designated at fair value through profit or loss - quoted	7,290	8,458
Total	31,260	36,341

* Include investments reclassified from current investments to non-current investments basis the future utilisation plan of funds.

(b) Current

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
Held for trading securities - quoted	82,918	61,574
Designated at fair value through profit or loss - quoted	1,099	690
Loans and receivables - fixed deposits with banks	8,823	1
Total	92,840	62,265

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, 2015	As of March 31, 2014
Cash and bank balances	8,869	44,505
Fixed deposits with banks	2,850	5,303
Total	11,719	49,808

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For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise of following:-

Particulars	(₹ Millions)	
	As of March 31, 2015	As of March 31, 2014
Cash and bank balances	8,869	44,505
Fixed deposits with banks	2,850	5,303
Add :- Included in the assets of the disposal group	73	-
Less :- Bank overdraft (refer note 26.2)	(13,207)	(10,233)
Total	(1,415)	39,575

26. Borrowings

26.1 Long term debts

Particulars	(₹ Millions)	
	As of March 31, 2015	As of March 31, 2014
Secured		
Term loans *	68,943	106,539
Others	19	13
Total	68,962	106,552
Less: Current portion **	(37,323)	(21,680)
Total secured loans, net of current portion	31,639	84,872
Unsecured		
Term loans	209,366	361,618
Non-convertible bonds # @	298,664	193,321
Total	508,030	554,939
Less: Current portion **	(87,386)	(89,892)
Total unsecured loans, net of current portion	420,644	465,047
Total	452,283	549,919

* Includes loan of ₹ Nil and ₹ 2,469 Mn for which charge over underlying assets is yet to be created as of March 31, 2015 and March 31, 2014, respectively.

** Refer Note 26.7

Refer Note 26.6

@ Increased by ₹ 3,977 Mn and reduced by ₹ 3,491 Mn as of March 31, 2015 and March 31, 2014, respectively, for the impact of change in fair value with respect to the hedged risk.

26.2 Short term debts and current portion of long term debts

Particulars	(₹ Millions)	
	As of March 31, 2015	As of March 31, 2014
Secured		
Term loans	10,396	8,907
Bank overdraft	987	410
Total	11,383	9,317
Add: Current portion of long term debts **	37,323	21,680
Total secured loans, including current portion	48,706	30,997
Unsecured		
Term loans	63,077	78,327
Bank overdraft	12,220	9,823
Total	75,297	88,150
Add: Current portion of long term debts **	87,386	89,892
Total unsecured loans, including current portion	162,683	178,042
Total	211,389	209,039

** Refer Note 26.7

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26.3 The Group borrowed ₹ 344,586 Mn and ₹ 361,215 Mn during the year ended March 31, 2015 and March 31, 2014, respectively, (including amount received against senior unsecured guaranteed notes during the year ended March 31, 2015 and March 31, 2014, refer note 26.6 below). The Group repaid borrowings of ₹ 420,325 Mn and ₹ 348,425 Mn during the year ended March 31, 2015 and March 31, 2014, respectively. Other short term borrowings (net proceeds) (maturity upto three months) amounted to ₹ 3,288 Mn and ₹ 1,462 Mn during the year ended March 31, 2015 and March 31, 2014, respectively.

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.

Particulars	(₹ Millions)	
	As of March 31, 2015	As of March 31, 2014
Within one year	212,184	210,163
Between one and two years	32,108	123,589
Between two and five years	187,904	301,480
Over five years	232,435	132,612
Total	664,631	767,844

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 38.

Particulars	(₹ Millions)		
	Total borrowings	Floating rate borrowings	Fixed rate borrowings
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
INR	64,913	64,900	13
USD	460,859	367,518	93,341
Euro	111,917	29,235	82,682
CHF	23,808	-	23,808
NGN	70,460	70,460	-
XAF	12,082	-	12,082
XOF	8,434	-	8,434
BDT	8,311	410	7,901
Others	7,060	5,095	1,965
March 31, 2014	767,844	537,618	230,226

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26.5 Other loans

Others include vehicle loans taken from banks which were secured by hypothecation of the vehicles ₹ 19 Mn and ₹ 13 Mn as of March 31, 2015 and March 31, 2014, respectively.

The amounts payable for these obligations, excluding interest expense is ₹ 9 Mn and ₹ 8 Mn for the years ending on March 31, 2016 and 2017, respectively.

26.6 Bharti Airtel International (Netherlands) BV, a subsidiary of the Company, issued following senior unsecured guaranteed notes (Non-convertible bonds or Notes). These notes are guaranteed by the Company.

During the year ended March 31, 2015:

Particulars	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

During the year ended March 31, 2014:

Particulars	Issue price	Due in	Listed on stock exchange
3% CHF 350 Mn (₹ 23,631 Mn)	100.108%	2020	SWISS (SIX)
4% Euro 750 Mn (₹ 62,924 Mn)	99.756%	2018	Frankfurt
4% Euro 250 Mn (₹ 20,933 Mn)	100.374%	2018	Frankfurt

Further, in addition to the above, part of the proceeds of USD Notes due in 2023, USD 500 Mn (₹ 27,200 Mn) issued during the year ended March 31, 2013, were received during the year ended March 31, 2014.

The Euro Notes due in 2018 and USD Notes due in 2023 which were issued during the year ended March 31, 2014 and March 31, 2013, respectively, 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.

26.7 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 42), the Group has 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.

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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		Security Detail
		As of March 31, 2015	As of March 31, 2014	
Bharti Airtel Ltd	Parent	19	13	Hypothecation of vehicles
Airtel Bangladesh Ltd	Subsidiary	21,731	18,020	<p>(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.</p> <p>(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.</p> <p>(iii) Corporate Guarantee by BAHSP (Bharti Airtel Holdings Pte. Ltd.) to Airtel Bangladesh Limited for EKN-1, EKN-2, HDFC & SCB Mauritius loan facility. Counter Guarantee to BAHSP by BAL (Bharti Airtel Limited) for EKN-1, EKN-2, HDFC loan facility.</p> <p>(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).</p>
Bharti Airtel Africa BV and its subsidiaries	Subsidiary	59,349	98,126	<p>(i) Pledge of all fixed and floating assets - Kenya, Nigeria, Tanzania, Uganda, DRC, Ghana</p> <p>(ii) Pledge on specific fixed assets - Chad</p>
Total		81,099	116,159	

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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 Company's 3G/BWA borrowings:

The INR term loan agreements with respect to 3G/BWA borrowings contain a negative pledge covenant that prevents the Company to create or allow to exist any security interest on any of its assets without prior written consent of the lenders except in certain agreed circumstances.

26.9 Unused lines of credit *

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
Secured	20,253	25,959
Unsecured	160,722	142,321
Total Unused lines of credit	180,975	168,280

* Excluding non fund based facilities.

27. Provisions

(₹ Millions)

Particulars	Employee benefits	Asset retirement obligation*	Total
As of March 31, 2013	3,098	8,414	11,512
Of which: current	1,768	-	1,768
Provision during the year	848	1,335	2,183
Remeasurement losses accounted for in OCI	197	-	197
Payment during the year	(717)	-	(717)
Interest charge	-	548	548
Business combination*	-	27	27
Demerger of BIVL*	-	(1,981)	(1,981)
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 42)	-	(20)	(20)
Classified as held for sale (refer Note 42)	-	(4,061)	(4,061)
As of March 31, 2015	3,587	4,722	8,309
Of which: current	2,061	-	2,061

*Refer Note 7

"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.

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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 29) and trade and other payables (refer Note 30) is as below:

Particulars	(₹ Millions)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Opening Balance	74,674	59,142
Additions (Net)	11,857	15,532
Closing Balance	86,531	74,674

28. Other Financial Liabilities, Non-current

Particulars	(₹ Millions)	
	As of March 31, 2015	As of March 31, 2014
Equipment supply payable - non current	939	3,149
Security deposits	5,152	4,924
Lease rent equalisation	11,107	9,349
Deferred payment liability * #	143,167	1,026
Others	1,741	9,016
Total	162,106	27,464

including accrued interest

* refer Note 39(a)

"Others" includes ₹ Nil and ₹ 7,413 Mn payable to a joint venture as of March 31, 2015 and March 31, 2014, respectively.

29. Other Non-financial Liabilities

Particulars	(₹ Millions)	
	As of March 31, 2015	As of March 31, 2014
Non - current		
Fair valuation adjustments - financial liabilities*	630	624
Others	836	836
	1,466	1,460
Current		
Taxes payable	15,897	15,277
	15,897	15,277
Total	17,363	16,737

* 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 ₹ 3,529 Mn as of March 31, 2015 and ₹ 2,334 Mn as of March 31, 2014 towards sub judice matters.

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30. Trade and Other Payables

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
Trade creditors	103,291	105,763
Equipment supply payables	102,787	61,584
Dues to employees	4,212	4,521
Accrued expenses	112,719	96,820
Interest accrued but not due	6,802	6,071
Due to related parties	528	797
Others	9,331	8,425
Total	339,670	283,981

"Others" include non-interest bearing advance received from customers and international operators.

Trade creditors, accrued expenses and equipment supply payable include provision of ₹ 48,578 Mn as of March 31, 2015 and ₹ 46,348 Mn as of March 31, 2014 towards sub judice matters.

31. Equity

(i) Shares

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
Authorised shares		
5,000,000,000 (March 31, 2014 - 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, 2014 - 3,997,400,102) equity shares of ₹ 5 each	19,987	19,987
Treasury shares		
1,410,642 (March 31, 2014 - 2,374,698) equity shares of ₹ 5 each	(114)	(342)

a) Preferential Allotment

During the year ended March 31, 2014, the Company has issued 199,870,006 equity shares to M/s. Three Pillars Pte. Ltd (belonging to non-promoter category), an affiliate of Qatar Foundation Endowment, constituting 5% of the post issue share capital of the Company, through preferential allotment at a price of ₹ 340 per share aggregating to ₹ 67,956 Mn. The proceeds of the preferential allotment were utilised towards the repayment of equivalent debt in accordance with the objective of the preferential allotment.

b) Treasury Shares

(Shares in Thousands)

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014	As of March 31, 2015	As of March 31, 2014
Opening balance	2,375	3,937	342	674
Purchased during the year	-	-	-	-
Issued during the year	(964)	(1,562)	(228)	(332)
Closing balance	1,411	2,375	114	342

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(ii) Other Reserves

(₹ Millions)

Particulars	Foreign currency translation reserve	Hedge of net investment in foreign operation	Cash flow hedge reserve	Reserve arising on transactions with non-controlling interests	Share-based payment transactions	Total
As of April 1, 2013	(32,571)	-	-	41,668	5,280	14,377
Exchange differences on translation of foreign operations	15,794	-	-	-	-	15,794
Non-controlling interest arising on a business combination / liability for purchase of non-controlling interests (refer note 7)	-	-	-	(7,534)	-	(7,534)
Receipt on exercise of share options (refer note 8.2)	-	-	-	-	(295)	(295)
Transaction with non-controlling interests (refer note 7)	-	-	-	(5,050)	-	(5,050)
As of March 31, 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	(84,942)	32,925	(4,204)	54,626	4,805	3,210

a) Foreign currency translation reserve

Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign subsidiaries.

b) Hedge of net investment in foreign operation

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). 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, to offset the change in the value of the net investment being hedged. Foreign exchange gain of ₹ 32,925 Mn and ₹ Nil has been recognised in other comprehensive income during the year ended March 31, 2015 and March 31, 2014, respectively. The ineffective portion of gain of ₹ 162 Mn and ₹ Nil has been recognised as gain in the consolidated income statement during the year ended March 31, 2015 and March 31, 2014, respectively.

c) Cash flow hedge reserve

During the year ended March 31, 2015, the Group has designated certain of its foreign currency borrowings 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 42). 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 tax. Foreign exchange loss of ₹ 5,350 Mn (₹ 4,204 Mn, net of tax and non-controlling interests) and ₹ Nil has been recognised in other comprehensive income during the year ended March 31, 2015 and March 31, 2014, respectively. The forecast transaction is expected to occur in the next financial year and these will affect income statement on sale of towers / over the lease term, as appropriate.

d) 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.

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e) Share-based payment transactions

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.

(iii) Dividends paid and proposed

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
A Declared and paid during the year:		
Interim dividend : ₹ 1.63 per share of ₹ 5 each	7,620	-
Dividend on treasury shares (including dividend distribution tax of ₹ 1,107 Mn)	3	-
Final dividend for 2013-14 : ₹ 1.80 per share of ₹ 5 each	8,414	-
Dividend on treasury shares (including dividend distribution tax of ₹ 1,223 Mn)	4	-
Final dividend for 2012-13 : ₹ 1 per share of ₹ 5 each	-	4,439
Dividend on treasury shares (including dividend distribution tax of ₹ 645 Mn)	-	4
	16,041	4,443
B Proposed for approval at the annual general meeting (not recognised as a liability):		
Final dividend for 2014-15 : ₹ 2.22 per share (2013-14 : ₹ 1.80 per share) of ₹ 5 each	8,874	7,195
Dividend distribution tax	1,807	1,223
	10,681	8,418

32. Employee Benefits

The following table sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in the consolidated statement of financial position as of March 31, 2015 and March 31, 2014, being the respective measurement dates:

Movement in Defined Benefit Obligation

Particulars	(₹ Millions)	
	Gratuity	Compensated absence
Defined benefit obligation - April 1, 2013	1,979	1,128
Current service cost	336	194
Interest cost	172	101
Benefits paid	(345)	(271)
Acquisitions / Transfer in/ Transfer out	1	-
Remeasurements - actuarial loss/ (gain)	191	(29)
Defined benefit obligation - March 31, 2014	2,334	1,123
Projected benefit 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)
Defined benefit obligation - March 31, 2015	2,426	1,071

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Movement in Plan Assets - Gratuity

Particulars	(₹ Millions)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Fair value of plan assets at beginning of year	179	183
Interest income	13	15
Employer contributions	-	1
Benefits paid	(2)	(14)
Amount received on redemption of plan assets	(161)	-
Acquisitions / Transfer in/ Transfer out	-	-
Actuarial gain / (loss)	75	(6)
Fair value of plan assets at end of year	104	179
Net funded status of plan	(2,322)	(2,155)
Actual return on plan assets	88	9

The components of the gratuity & compensated absence cost were as follows:

Recognised in profit or loss

Particulars	(₹ Millions)	
	Gratuity	Compensated absence
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
Current service cost	336	194
Interest cost / (income) (net)	157	101
Remeasurements - actuarial loss/ (gain)	-	(29)
For the year ended March 31, 2014	493	266

Recognised in other comprehensive income

Particulars	(₹ Millions)	
	Gratuity	Compensated absence
Remeasurements - actuarial loss/ (gain)	(75)	-
For the year ended March 31, 2015	(75)	-
Remeasurements - actuarial loss/ (gain)	197	-
For the year ended March 31, 2014	197	-

The principal actuarial assumptions used for estimating the Group's defined benefit obligations are set out below:

Weighted average actuarial assumptions	As of March 31, 2015	As of March 31, 2014
Discount Rate	8.50%	8.00%
Expected Rate of increase in Compensation levels	10.00%	10.00%
Expected Rate of Return on Plan Assets	8.00%	8.00%
Expected Average remaining working lives of employees (years)	24.95 years	25.47 years

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Sensitivity analysis:

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)

For the year ended March 31, 2014

Particulars	Change in assumption	Effect on Gratuity obligation	Effect on Compensated absence obligation
Discount Rate	+1%	(136)	(63)
	-1%	164	102
Salary Growth Rate	+1%	161	100
	-1%	(135)	(63)

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:

Particulars	₹ Millions	
	Gratuity	Compensated absence
For the year ended March 31, 2015		
Plan Liabilities - (loss)/gain	(139)	110
Plan Assets - (loss)/gain	75	-
For the year ended March 31, 2014		
Plan Liabilities - (loss)/gain	(64)	69
Plan Assets - (loss)/gain	(6)	-

Disclosure of other long term employee benefits:

Deferred incentive plan

Particulars	₹ Millions	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Opening Balance	-	-
Addition	1	1
Utilisation	(1)	(1)
Closing Balance	-	-

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Long term service award

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
Estimated liability	194	148

Statement of Employee benefit provision

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
Gratuity	2,322	2,155
Compensated absences	1,071	1,123
Other employee benefits	194	148
Total	3,587	3,426

33. 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, 2015	As of March 31, 2014	As of March 31, 2015	As of March 31, 2014
Financial Assets				
Assets carried at fair value through profit or loss				
Derivatives - not designated as hedging instruments				
- Currency swaps, forward and option contracts	280	100	280	100
- Interest rate swaps	619	277	619	277
- Embedded derivatives	2,632	3,203	2,632	3,203
Derivatives - designated as hedging instruments in Fair value Hedge				
- Interest rate swaps	4,979	-	4,979	-
Held for trading securities - quoted	106,888	89,457	106,888	89,457
Designated at fair value through profit or loss - quoted	8,389	9,148	8,389	9,148
Assets carried at amortised cost				
Fixed deposits with banks	11,673	5,304	11,673	5,304
Cash and bank balances	8,869	44,505	8,869	44,505
Trade and other receivables	67,252	62,441	67,252	62,441
Other financial assets	26,093	25,457	26,070	25,126
	237,674	239,892	237,651	239,561
Financial Liabilities				
Liabilities carried at fair value through profit or loss				
Derivatives - not designated as hedging instruments				
- Currency swaps, forward and option contracts	381	861	381	861
- Interest rate swaps	49	230	49	230

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(₹ Millions)

Particulars	Carrying Amount		Fair Value	
	As of March 31, 2015	As of March 31, 2014	As of March 31, 2015	As of March 31, 2014
- Embedded derivatives	338	727	338	727
Derivatives - designated as hedging instruments in Fair value Hedge				
- Interest rate swaps	24	3,592	24	3,592
Liabilities carried at amortised cost				
Borrowings designated as hedging instruments - Fixed rate				
- In hedge of net investment	118,364	-	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	216,311	229,278	229,144	231,797
Other borrowings- floating rate	282,851	529,680	282,851	529,680
Trade & other payables	339,670	283,981	339,670	283,981
Other financial liabilities	162,106	27,464	162,046	27,395
	1,166,240	1,075,813	1,186,331	1,078,263

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:

- 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.
- 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, 2015, the carrying amounts of such receivables, net of allowances, are not materially different from their calculated fair values.
- 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.
- 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

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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 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 which 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, 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	-	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	-	24	-

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(₹ Millions)

Particulars	As of March 31, 2014		
	Level 1	Level 2	Level 3
Financial assets			
Derivatives - not designated as hedging instruments			
- Currency swaps, forward and option contracts	-	100	-
- Interest rate swaps	-	277	-
- Embedded derivatives	-	189	3,014
Held for trading securities - quoted	89,457	-	-
Designated at fair value through profit or loss - quoted	9,148	-	-
Financial liabilities			
Derivatives - not designated as hedging instruments			
- Currency swaps, forward and option contracts	-	861	-
- Interest rate swaps	-	230	-
- Embedded derivatives	-	710	17
Derivatives - designated as hedging instruments			
- Interest rate swaps	-	3,592	-

Assets / Liabilities for which fair value is disclosed

(₹ 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	-
Other financial liabilities	-	162,046	-

(₹ Millions)

Particulars	As of March 31, 2014		
	Level 1	Level 2	Level 3
Financial assets			
Other financial assets	-	25,126	-
Financial liabilities			
Other borrowings- fixed rate	-	231,797	-
Other financial liabilities	-	27,395	-

During the year ended March 31, 2015 and March 31, 2014, 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, 2015 and March 31, 2014, 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 31 Mn to USD 46 Mn and USD 31 Mn to USD 49 Mn per quarter as of March 31, 2015 and as of March 31, 2014, 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				
- Interest rate swaps	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	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 approximately USD Nil and USD 1 Mn per quarter as of March 31, 2015 and as of March 31, 2014, 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				
- Interest rate swaps	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
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, 2015	For the year ended March 31, 2014
Opening balance	2,997	3,583
Gain / (losses) recognised in consolidated income statement (including settlements)* (Recognised in net gain / (losses) on derivative financial instruments)	(181)	(713)
Exchange difference on translation of foreign operation recognised in OCI	(331)	127
Closing balance	2,485	2,997

* Out of these gains / (losses), loss of ₹ 342 Mn and gain of ₹ 801 Mn relates to assets/liabilities held at the end of March 31, 2015 and March 31, 2014, 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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34. 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, 2015 and March 31, 2014, respectively, are described below:

a) Transactions for the year

(₹ Millions)

Relationship	Year ended March 31, 2015				Year ended March 31, 2014			
	Significant influence entities	Associates	Joint Ventures	Other related parties	Significant influence entities	Associates	Joint Ventures*	Other related parties
Purchase of assets	-	(111)	-	(1,297)	(399)	(2)	-	(2,647)
Sale / transfer of assets	-	-	-	-	9	-	34	88
Purchase of Investment	-	-	(10)	-	-	-	0	-
Reduction of share capital #	-	-	87	-	-	-	-	-
Sale / Rendering of Services	1,444	140	-	274	1,566	83	903	103
Purchase of goods / Receiving of Services	(614)	(305)	(35,096)	(3,769)	(527)	(209)	(33,921)	(2,564)
Reimbursement of energy expenses	-	-	(23,300)	(3)	-	-	(23,157)	-
Loans to related party	-	154	-	-	-	110	30,169 **	-
Loan repayment	-	-	(9,173)	-	-	(100)	(1,577)	-
Expenses incurred by the Group on behalf of Related Party	-	23	-	2	1	26	-	15
Expenses incurred by Related Party for the Group	-	-	(114)	(949)	-	(1)	(44)	(896)
Security deposit paid	1	0	73	0	-	-	93	0
Refund of security deposit	(1)	-	(384)	-	-	-	-	-
Interest Income on Loan	-	47	-	-	-	38	-	-
Claim received	-	-	-	46	-	-	-	-
Dividend Paid	(8,022)	-	-	(912)	(2,329)	-	-	(266)
Dividend Received	-	-	16,407	-	-	-	2,200	-

b) Closing Balances

(₹ Millions)

Relationship	Closing balance as of March 31, 2015				Closing balance as of March 31, 2014			
	Significant influence entities	Associates	Joint Ventures	Other related parties	Significant influence entities	Associates	Joint Ventures	Other related parties
Due From	342	591	3,925	1,223	336	407	4,255	1,039
Due To	(436)	(146)	(8,928)	(759)	(76)	(393)	(17,465)	(163)
	(94)	445	(5,003)	464	260	14	(13,210)	876

* Also refer note 7(g)

** Relates to 'BWA entities', which became subsidiaries w.e.f June 25, 2013, refer note 7(c).

Refer note 39(b).

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(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.

(3) In addition to the above, ₹ 633 Mn and ₹ 198 Mn donation has been given to Bharti Foundation during

the year ended March 31, 2015 and March 31, 2014, 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:

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Short-Term employee benefits #	460	376
Post-Employment benefits		
Defined contribution plan	22	14
Defined benefit plan*	-	-
Other long-term benefits*	-	-
Share-based payment**	35	25
Total	517	415

Includes Performance-Linked Incentive (PLI) on accrual basis.

*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 ₹ 167 thousand during the year ended March 31, 2015 and ₹ 276 thousand during the year ended March 31, 2014 has been paid as equity dividend to key management personnel.

35. 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:-

Particulars	(₹ Millions)	
	As of March 31, 2015	As of March 31, 2014
Obligations on non-cancellable leases :		
Not later than one year	51,007	48,404
Later than one year but not later than five years	174,444	184,885
Later than five years	82,463	79,508
Total	307,914	312,797
Lease Rentals (Excluding Lease Equalisation Adjustment of ₹ 1,909 Mn and ₹ 2,241 Mn for the year ended March 31, 2015 and March 31, 2014)	60,449	51,131

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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, 2015	As of March 31, 2014
Obligations to joint venture on non-cancellable lease :		
Not later than one year	35,511	33,594
Later than one year but not later than five years	117,671	136,179
Later than five years	24,640	27,231
Total	177,822	197,004

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.

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, 2015	As of March 31, 2014
Receivables on non-cancellable leases :		
Not later than one year	16,761	13,569
Later than one year but not later than five years	64,870	55,500
Later than five years	29,777	25,642
Total	111,408	94,711

Finance Lease

(i) 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

Finance lease obligation of the Group as lessee as of March 31, 2014 is as follows:-

(₹ Millions)

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	538	60	478
Later than one year but not later than five years	1,006	245	761
Later than five years	-	-	-
Total	1,544	305	1,239

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

(ii) 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

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36. Commitments and Contingencies

(i) Commitments

a. Capital commitments

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
Contracts placed for future capital expenditure not provided for in the financial statements (refer note 39(a))	343,859	239,146

The above includes ₹ 38,083 Mn as of March 31, 2015 (₹ 46,576 Mn as of March 31, 2014), 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 six 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 ₹ 1,214 Mn and ₹ 1,395 Mn as of March 31, 2015 and March 31, 2014, respectively.

b. Guarantees

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
Financial bank guarantees* #	109,395	65,167
Guarantees to third parties	3,130	3,005

* The Company has issued corporate guarantees of ₹ 3,365 Mn and ₹ 2,741 Mn as of March 31, 2015 and March 31, 2014 respectively, to banks and financial institutions for issuing bank guarantees on behalf of the Group companies at no cost to the latter.

Includes 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 financial liabilities, as applicable, in compliance with the applicable accounting standards.

(ii) Contingencies

(₹ Millions)

Particulars	As of March 31, 2015	As of March 31, 2014
(i) Taxes, Duties and Other demands (under adjudication / appeal / dispute)		
-Sales Tax and Service Tax	38,225	22,332
-Income Tax	20,130	20,704
-Customs Duty	6,136	6,053
-Entry Tax	6,957	5,999
-Stamp Duty	603	629
-Municipal Taxes	863	1,132
-DoT demands *	5,020	2,656
-Other miscellaneous demands	2,133	1,533
(ii) Claims under legal cases including arbitration matters		
-Access Charges / Port Charges	7,443	6,194
-Others	5,703	6,432
Total	93,213	73,664

*in addition, refer Note f(vi), f(vii) and f(viii) below for other DoT matters.

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In addition to the above, the Group's share of joint ventures contingent liabilities is ₹ 9,083 Mn and ₹ 10,933 Mn as of March 31, 2015 and March 31, 2014, 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, 2015 and as of March 31, 2014 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, 2015 and March 31, 2014 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.

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

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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. The Company has not been able to meet its roll out obligations fully due to certain non-controllable factors like Telecommunication Engineering Centre 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.
- ii. DoT demands include demands raised for contentious matters relating to computation of license fees and spectrum charges.
- iii. 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, against which the Group has obtained stay from appropriate Hon'ble High Courts and TDSAT. TDSAT has pronounced its judgement on April 23, 2015, directing DoT to rework and issue fresh demands to the operators.
- iv. 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.
- v. 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:

- vi. 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 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, directing DoT to rework and issue fresh demands to the operators.

- vii. 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 has been fixed on September 9, 2015.

- viii. 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. 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 a competent service 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, the Hon'ble Supreme Court has refused to grant any interim order during the pendency of the appeal.

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.

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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 June 10, 2015.

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 District Court in Amsterdam, Netherlands has denied EWL's request for attachment proceedings. EWL has preferred an appeal before the Court of Appeal of Netherlands, against this. The Company is in the process of filing its statement of defense against the appeal. Meanwhile, the District Court of Amsterdam, vide its order dated April 15, 2015 has confirmed that the proceedings before it stand suspended till the appeal is decided by the Court of Appeal of Netherland.

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, 2015.

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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37. Earnings Per Share

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

Particulars	(Shares in Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Weighted average shares outstanding- Basic	3,996	3,952
Effect of dilutive securities on account of ESOP	2	3
Weighted average shares outstanding- diluted	3,998	3,955

Net profit available to equity holders of the Parent used in the basic and diluted earnings per share was determined as follows:

Particulars	(` Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Net profit available to equity holders of the Parent	51,835	27,727
Effect on account of ESOP on profits for the year	-	-
Net profit available for computing diluted earnings per share	51,835	27,727
Basic Earnings per share	12.97	7.02
Diluted Earnings per share	12.97	7.01

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.

38. 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 frame work for the Group are accountable to the Board 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, 2015 and March 31, 2014.

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

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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.

Particulars	Change in currency exchange rate	(₹ Millions)	
		Effect on profit before tax	Effect on equity (OCI)
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	-
For the year ended March 31, 2014			
US Dollars	+5%	(8,495)	(2,305)
	-5%	8,495	2,305
Euro	+5%	(5,507)	-
	-5%	5,507	-
CHF	+5%	(1,190)	-
	-5%	1,190	-
Others	+5%	(6)	-
	-5%	6	-

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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, 2015, after taking into account the effect of interest rate swaps, approximately 23.50% of the Group's borrowings are at a fixed rate of interest (March 31, 2014: 12.20%).

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.

Interest rate sensitivity	Increase / decrease in basis points	Effect on profit before tax
(₹ Millions)		
For the year ended March 31, 2015		
INR - borrowings	+100	(352)
	-100	352
US Dollar -borrowings	+100	(3,629)
	-100	3,629
Nigerian Naira - borrowings	+100	(314)
	-100	314
Euro - borrowings	+100	(757)
	-100	757
Other Currency -borrowings	+100	(32)
	-100	32
For the year ended March 31, 2014		
INR - borrowings	+100	(649)
	-100	649
US Dollar -borrowings	+100	(4,338)
	-100	4,338
Nigerian Naira - borrowings	+100	(705)
	-100	705
Euro - borrowings	+100	(995)
	-100	995
Other Currency -borrowings	+100	(55)
	-100	55

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

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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 ₹ 965 Mn and ₹ 770 Mn as on March 31, 2015 and March 31, 2014, 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.

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

(₹ Millions)

Particulars	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, 2015	34,523	12,498	6,075	5,896	3,212	62,204
Trade Receivables as of March 31, 2014	24,990	14,771	6,400	4,465	7,146	57,772

The requirement for impairment is analysed at each reporting date. Refer Note 22 for details on the impairment of trade receivables.

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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, 2015 and March 31, 2014 is the carrying amounts as disclosed in Note 33 except for financial guarantees. The Group's maximum exposure for financial guarantees is given in Note 36.

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)

Particulars	As of March 31, 2015						Total
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	
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
Other Liabilities*	162,106	-	-	-	27,483	246,419	273,902
Trade and other payables#	332,868	-	332,050	818	-	-	332,868
Total	1,166,240	13,207	517,925	46,791	78,963	740,955	1,397,841

(₹ Millions)

Particulars	As of March 31, 2014						Total
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	
Interest bearing borrowings*#	765,029	10,233	134,919	100,009	147,134	486,045	878,340
Financial derivatives	5,410	-	919	178	543	3,770	5,410
Other Liabilities*	27,464	-	-	-	3,627	24,637	28,264
Trade and other payables#	277,910	-	277,372	538	-	-	277,910
Total	1,075,813	10,233	413,210	100,725	151,304	514,452	1,189,924

* 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 ₹ 6,802 Mn and ₹ 6,071 Mn as of March 31, 2015 and March 31, 2014, 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, 2015 and March 31, 2014.

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, 2015	As of March 31, 2014
Loans & Borrowings	663,672	758,958
Less: Cash and Cash Equivalents	11,719	49,808
Net Debt	651,953	709,150
Equity	619,564	597,560
Total Capital	619,564	597,560
Capital and Net Debt	1,271,517	1,306,710
Gearing Ratio	51.3%	54.3%

39. New Developments

- During the year ended March 31, 2015, the Group has won the auction for 111.60 MHz spectrum in 17 service areas for an amount of ₹ 291,291 Mn in the auction conducted by the Government of India. The Group has opted for the deferred payment option in 15 service areas and accordingly, subsequent to the balance sheet date, 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. Pending the allocation of the spectrum by the Government of India, entire amount outstanding as at March 31, 2015, has been disclosed under capital commitments in the notes to the consolidated financial statements. For the other 2 service areas, entire amount of ₹ 47,251 Mn has been paid as an advance.

During the year ended March 31, 2014, the Group had won the auction for 115 MHz spectrum in 15 service areas in the auction conducted by the Government of India. The Group had opted for the deferred payment option in 13 service areas and had paid an advance of ₹ 53,304 Mn with the balance amount of ₹ 129,129 Mn payable in 10 equal installments after a moratorium of two years. Pending the allocation of spectrum by the Government of India, the balance amount was disclosed as capital commitment as of March 31, 2014. For the other 2 service areas, the entire amount of ₹ 1,953 Mn had been paid as an advance. During the year ended March 31, 2015, the Government of India has allocated the spectrum to the Group, accordingly the Group has recognised deferred payment liability of ₹ 129,129 Mn.
- During the year ended March 31, 2015, Bridge Mobile PTE Limited, a joint venture of the Company, has reduced its share capital by USD 14 Mn and has proportionately returned part of its share capital to all its joint venture partners. Accordingly, the Company has received ₹ 87 Mn (USD 1 per share for 1,400,000 shares).
- During the year ended March 31, 2015, the Company has increased its equity investment by ₹ 11,047 Mn in Bharti Airtel Lanka (Private) Limited by way of conversion of loan into equity.
- During the year ended March 31, 2015, the Group has made equity investment of ₹ 10 Mn in FireFly Networks Limited. FireFly Networks Limited is a 50:50 joint venture of the Group and Vodafone West Limited.
- On August 29, 2014, the Group entered into a Business Transfer Agreement with Essar Telecom Kenya Limited, which was completed on December 23, 2014. Intangible assets net of related liabilities including license, brand and subscribers aggregating to ₹ 2,077 Mn (USD 32.8 Mn) have been recognised in the transaction.
- On January 13, 2015, Wynk Limited has been incorporated as wholly owned subsidiary of the Company. The main objective of the company is content procurement/aggregation and selling to B2B and B2C customers.
- On January 29, 2015, Airtel M Commerce Services Limited (AMSL), wholly owned subsidiary of the Company, has applied to Reserve Bank of India to convert its existing Prepaid Payment Instrument license into a Payments Bank license. Subject to grant of a Payments Bank license and other regulatory approvals, Kotak Mahindra Bank Limited (Kotak) will acquire 19.90% stake in AMSL.

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40. 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, 2015	As of March 31, 2014
1	Telecommunication services	Africa	10	10
2	Telecommunication services	India	4	3
3	Telecommunication services	South Asia	2	2
4	Telecommunication services	Other	7	7
5	Mobile commerce services	Africa	17	17
6	Mobile commerce services	India	1	1
7	Infrastructure services	Africa	9	10
8	Infrastructure services	South Asia	2	2
9	Investment company	Africa	3	3
10	Investment company	Netherlands	25	27
11	Investment company	Mauritius	6	6
12	Investment company	Other	2	2
13	Direct to Home services	Africa	3	5
14	Submarine cable system	Mauritius	1	1
15	Holding, finance services and management services	Netherlands	1	1
16	Other	India	1	1
			94	98

S. No.	Principal Activity	Principal place of operation / country of incorporation	Number of Non-wholly-owned subsidiaries	
			As of March 31, 2015	As of March 31, 2014
1	Telecommunication services	Africa	9	9
2	Telecommunication services	India	1	1
3	Infrastructure services	India	2	2
4	Infrastructure services	Africa	7	7
5	Direct to Home services	India	1	1
			20	20

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Additionally the Group also controls the trusts as mentioned in Note 40(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, 2015 %	As of March 31, 2014 %
1	Airtel Bangladesh Limited	Bangladesh	Telecommunication services	100	100
2	Airtel M Commerce Services Limited	India	Mobile commerce services	100	100
3	Bangladesh Infratel Networks Limited	Bangladesh	Passive infrastructure Services	100	100
4	Bharti Airtel (Canada) Limited#	Canada	Telecommunication services	100	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	Bharti Infratel Lanka (Private) Limited	Sri Lanka	Passive infrastructure Services	100	100
17	Bharti Infratel Limited ("BIL")	India	Passive infrastructure Services	71.88	79.39
18	Bharti Infratel Services Limited (subsidiary w.e.f. June 4, 2013)*	India	Passive infrastructure Services	71.88	79.39
19	Bharti International (Singapore) Pte. Ltd	Singapore	Telecommunication services	100	100
20	Bharti Telemedia Limited	India	Direct To Home services	95	95
21	Network i2i Limited	Mauritius	Submarine Cable System	100	100
22	Telesonic Networks Limited	India	Network Services	100	100
23	Airtel Broadband Services Private Limited (formerly known as Wireless Business Services Private Limited) (subsidiary w.e.f. June 25, 2013) ^^	India	Telecommunication services	100	100
24	Nxtra Data Limited (subsidiary w.e.f. July 2, 2013)	India	Data Centre and Managed Services	100	100
25	Wynk Limited (subsidiary w.e.f. January 13, 2015)	India	Content Procurement and Selling	100	-
26	Africa Towers N.V.	Netherlands	Investment Company	100	100
27	Africa Towers Services Limited	Kenya	Infrastructure sharing services	100	100
28	Airtel Ghana Limited^	Ghana	Telecommunication services	75	75
29	Airtel (Seychelles) Limited	Seychelles	Telecommunication services	100	100

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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, 2015 %	As of March 31, 2014 %
30	Airtel (SL) Limited	Sierra Leone	Telecommunication services	100	100
31	Airtel Burkina Faso S.A.	Burkina Faso	Telecommunication services	100	100
32	Airtel Congo S.A.	Congo Brazzaville	Telecommunication services	90	90
33	Airtel DTH Services (SL) Limited#	Sierra Leone	Direct To Home services	100	100
34	Airtel DTH Services Congo (RDC) S.p.r.l.#	Democratic Republic of Congo	Direct To Home services	100	100
35	Airtel DTH Services Nigeria Limited#	Nigeria	Direct To Home services	100	100
36	Airtel DTH Services Tanzania Limited##	Tanzania	Direct To Home services	-	100
37	Airtel Gabon S.A.	Gabon	Telecommunication services	90	90
38	Airtel Madagascar S.A.	Madagascar	Telecommunication services	100	100
39	Airtel Malawi Limited	Malawi	Telecommunication services	100	100
40	Airtel Mobile Commerce (SL) Limited	Sierra Leone	Mobile commerce services	100	100
41	Airtel Mobile Commerce B.V.	Netherlands	Investment Company	100	100
42	Airtel Mobile Commerce Burkina Faso S.A.	Burkina Faso	Mobile commerce services	100	100
43	Airtel Mobile Commerce (Ghana) Limited	Ghana	Mobile commerce services	100	100
44	Airtel Mobile Commerce Holdings B.V.	Netherlands	Investment Company	100	100
45	Airtel Mobile Commerce (Kenya) Limited	Kenya	Mobile commerce services	100	100
46	Airtel Mobile Commerce Limited	Malawi	Mobile commerce services	100	100
47	Airtel Mobile Commerce Madagascar S.A.	Madagascar	Mobile commerce services	100	100
48	Airtel Mobile Commerce Rwanda Limited	Rwanda	Mobile commerce services	100	100
49	Airtel Mobile Commerce (Seychelles) Limited (subsidiary w.e.f. August 9, 2013)	Seychelles	Mobile commerce services	100	100
50	Airtel Mobile Commerce (Tanzania) Limited	Tanzania	Mobile commerce services	100	100
51	Airtel Mobile Commerce Tchad S.a.r.l.	Chad	Mobile commerce services	100	100
52	Airtel Mobile Commerce Uganda Limited	Uganda	Mobile commerce services	100	100
53	Airtel Mobile Commerce Zambia Limited	Zambia	Mobile commerce services	100	100
54	Airtel Money (RDC) S.p.r.l.	Democratic Republic of Congo	Mobile commerce services	100	100
55	Airtel Money Niger S.A.	Niger	Mobile commerce services	100	100
56	Airtel Money S.A. (Gabon)	Gabon	Mobile commerce services	100	100
57	Airtel Networks Kenya Limited^	Kenya	Telecommunication services	100	100
58	Airtel Networks Limited	Nigeria	Telecommunication services	79.059	79.059
59	Airtel Networks Zambia Plc	Zambia	Telecommunication services	96.36	96.36
60	Airtel Rwanda Limited	Rwanda	Telecommunication services	100	100
61	Airtel Tanzania Limited	Tanzania	Telecommunication services	60	60
62	Airtel Tchad S.A.	Chad	Telecommunication services	100	100
63	Airtel Towers (Ghana) Limited	Ghana	Infrastructure sharing services	75	75

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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, 2015 %	As of March 31, 2014 %
64	Airtel Towers (SL) Company Limited	Sierra Leone	Infrastructure sharing services	100	100
65	Airtel Uganda Limited^	Uganda	Telecommunication services	100	100
66	Bharti Airtel Acquisition Holdings B.V.##	Netherlands	Investment Company	-	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 Cameroon B.V.##	Netherlands	Investment Company	-	100
70	Bharti Airtel Chad Holdings B.V.	Netherlands	Investment Company	100	100
71	Bharti Airtel Congo Holdings B.V.	Netherlands	Investment Company	100	100
72	Bharti Airtel Developers Forum Limited	Zambia	Investment Company	100	100
73	Bharti Airtel DTH Holdings B.V.	Netherlands	Investment Company	100	100
74	Bharti Airtel Gabon Holdings B.V.	Netherlands	Investment Company	100	100
75	Bharti Airtel Ghana Holdings B.V.	Netherlands	Investment Company	100	100
76	Bharti Airtel Kenya B.V.	Netherlands	Investment Company	100	100
77	Bharti Airtel Kenya Holdings B.V.	Netherlands	Investment Company	100	100
78	Bharti Airtel Madagascar Holdings B.V.	Netherlands	Investment Company	100	100
79	Bharti Airtel Malawi Holdings B.V.	Netherlands	Investment Company	100	100
80	Bharti Airtel Mali Holdings B.V.	Netherlands	Investment Company	100	100
81	Bharti Airtel Niger Holdings B.V.	Netherlands	Investment Company	100	100
82	Bharti Airtel Nigeria B.V.	Netherlands	Investment Company	100	100
83	Bharti Airtel Nigeria Holdings B.V.#	Netherlands	Investment Company	100	100
84	Bharti Airtel Nigeria Holdings II B.V.	Netherlands	Investment Company	100	100
85	Bharti Airtel RDC Holdings B.V.	Netherlands	Investment Company	100	100
86	Bharti Airtel Services B.V.	Netherlands	Investment Company	100	100
87	Bharti Airtel Sierra Leone Holdings B.V.	Netherlands	Investment Company	100	100
88	Bharti Airtel Tanzania B.V.	Netherlands	Investment Company	100	100
89	Bharti Airtel Uganda Holdings B.V.	Netherlands	Investment Company	100	100
90	Bharti Airtel Zambia Holdings B.V.	Netherlands	Investment Company	100	100
91	Bharti DTH Services Zambia Limited##	Zambia	Direct To Home services	-	100
92	Burkina Faso Towers S.A.	Burkina Faso	Infrastructure sharing services	100	100
93	Celstel (Mauritius) Holdings Limited	Mauritius	Investment Company	100	100
94	Airtel Congo (RDC) S.A. ((formerly known as Celstel Congo (RDC) S.a.r.l.)	Democratic Republic of Congo	Telecommunication services	98.5	98.5
95	Celstel Niger S.A.	Niger	Telecommunication services	90	90
96	Channel Sea Management Company (Mauritius) Limited	Mauritius	Investment Company	100	100
97	Congo RDC Towers S.p.r.l.	Democratic Republic of Congo	Infrastructure sharing services	100	100
98	Congo Towers S.A.	Congo Brazzaville	Infrastructure sharing services	90	90
99	Gabon Towers S.A.	Gabon	Infrastructure sharing services	90	90

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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, 2015 %	As of March 31, 2014 %
100	Indian Ocean Telecom Limited	Jersey	Investment Company	100	100
101	Kenya Towers Limited @	Kenya	Infrastructure sharing services	100	100
102	Madagascar Towers S.A.	Madagascar	Infrastructure sharing services	100	100
103	Malawi Towers Limited @	Malawi	Infrastructure sharing services	100	100
104	Mobile Commerce Congo S.A.	Congo Brazzavile	Mobile commerce services	100	100
105	Montana International	Mauritius	Investment Company	100	100
106	MSI-Celtel Nigeria Limited#	Nigeria	Investment Company	100	100
107	Niger Towers S.A.	Niger	Infrastructure sharing services	90	90
108	Partnership Investments S.p.r.l.	Democratic Republic of Congo	Investment Company	100	100
109	Rwanda Towers Limited ##	Rwanda	Infrastructure sharing services	-	100
110	Société Malgache de Téléphone Cellulaire S.A.	Mauritius	Investment Company	100	100
111	Tanzania Towers Limited	Tanzania	Infrastructure sharing services	60	60
112	Tchad Towers S.A.	Chad	Infrastructure sharing services	100	100
113	Towers Support Nigeria Limited	Nigeria	Infrastructure sharing services	79.059	79.059
114	Uganda Towers Limited @	Uganda	Infrastructure sharing services	100	100
115	Warid Telecom Uganda Limited (subsidiary w.e.f. May 13, 2013)	Uganda	Telecommunication services	100	100
116	Warid Congo S.A. (Subsidiary w.e.f. March 12, 2014)	Congo Brazzavile	Telecommunication services	90	90
117	Zambian Towers Limited @	Zambia	Infrastructure sharing services	96.36	96.36
118	Zap Trust Company Nigeria Limited	Nigeria	Mobile commerce services	100	100
119	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.

^^ Subsequent to the balance sheet date, merged with Bharti Airtel Limited.

Under Liquidation.

@ entities of disposal group classified as held for sale.

Dissolved / sold during the year ended March 31,2015.

(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

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(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, 2015 %	As of March 31, 2014 %
1	Indus Towers Limited *	India	Passive infrastructure services	30.19	33.35
2	Bridge Mobile Pte Limited	Singapore	Provision of regional mobile services	10	10
3	Forum I Aviation Ltd	India	Aircraft chartering services	16.67	16.67
4	FireFly Networks Limited (w.e.f. February 4, 2014) (Refer note 39 (d))	India	Telecommunication services	50	50

* Bharti Infratel Limited ("BIL"), in which the Group has 71.88% equity interest (79.39% as of March 31, 2014), owns 100% of Bharti Infratel Services Limited and 42% of Indus Towers Limited (100% of Bharti Infratel Services Limited and 42% of Indus Towers Limited as of March 31, 2014).

(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, 2015 %	As of March 31, 2014 %
1	Bharti Teleports Limited	India	Uplinking channels for broadcasters	49	49
2	Tanzania Telecommunications Company Limited	Tanzania	Telecommunication services	35	35
3	Seychelles Cable Systems Company Limited	Seychelles	Submarine Cable System	26	26

41. Other Significant Matters

- (a) The Company has completed an independent evaluation for all international and domestic transactions for the year ended March 31, 2015 to determine whether the transactions with associated enterprises are undertaken at "arm's length price". Based on the internal and external transfer pricing review and validation, the Company believes that all transactions with associated enterprises are undertaken on the basis of arm's length principle.
- (b) 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.

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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. The next date of hearing is yet to be fixed. However, the Company on October 30, 2013 has filed the writ Petition for recovery in Delhi High Court, notice issued by High Court and listed for May 6, 2015.

42 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 1100 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 Brazzaville, Democratic Republic of Congo and Chad) to Helios Towers Africa / its subsidiaries (Helios).
- 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 for year ended March 31, 2015 would have been higher by ₹ 4,325 Mn.

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.

The major classes of assets and liabilities classified as held for sale as of March 31, 2015 are as follows:

(₹ Millions)		
Assets of disposal group classified as held for sale	As of March 31, 2015	As of March 31, 2014
Non current assets	42,677	-
Other current assets	2,968	-
	45,645	-

(₹ Millions)		
Liabilities of disposal group classified as held for sale	As of March 31, 2015	As of March 31, 2014
Non current liabilities	(4,164)	-
Current liabilities	(1,281)	-
	(5,445)	-

- c. On February 1, 2015, the sale and lease back of 200 towers in Rwanda was completed for a consideration of ₹ 1,153 Mn. 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 ₹ 431 Mn and the finance lease obligation has been recorded at ₹ 609 Mn, being the fair value of the leased back portion. Accordingly, the gain on the portion sold and not leased back amounting to ₹ 142 Mn has been recognised in the income statement.

- 43 During the year ended March 31, 2015, the Group has changed the presentation of regulatory levies applicable to finance income from "Operating expenses" to "Other expenses" in order to better reflect the underlying business performance.

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.

Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2015 pursuant to Section 129 of the Companies Act, 2013

Sr. No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Reporting Period	Financial Year End	Exchange Rate as of March 31, 2015	Share Capital	Reserves	Total Assets	Total Liabilities	Investments* Before	Turnover	Profit/(Loss) Taxation	Provision for Taxation	Profit/(Loss) Taxation	Proposed Dividend	% of shareholding
1	Bharti Airtel Services Limited	b	India	INR	Apr '14 to Mar '15	March 31, 2015	1.000	1	(944)	2,994	3,937	371	5,217	(92)	(4)	(88)	-	100%
2	Network 121 Limited	b	Mauritius	USD	Apr '14 to Mar '15	March 31, 2015	62.591	3,269	15,977	32,794	13,548	-	5,513	3,787	106	3,681	-	100%
3	Bharti Airtel (USA) Limited	b	United States of America	USD	Apr '14 to Mar '15	March 31, 2015	62.591	-	(177)	941	1,118	-	1,381	54	6	48	-	100%
4	Bharti Airtel (UK) Limited	b	United Kingdom	GBP	Apr '14 to Mar '15	March 31, 2015	92.459	31	603	2,465	1,831	-	8,737	408	84	324	-	100%
5	Bharti Airtel (Canada) Limited	b, c	Canada	CAD	Apr '14 to Mar '15	March 31, 2015	49.014	4	(31)	0	27	-	-	(3)	-	(3)	-	100%
6	Bharti Airtel (Hongkong) Limited	b	Hongkong	HKD	Apr '14 to Mar '15	March 31, 2015	8.072	40	(341)	405	706	-	249	(15)	4	(19)	-	100%
7	Bharti Airtel Holdings (Singapore) Pre Ltd	b	Singapore	SGD	Apr '14 to Mar '15	March 31, 2015	45.560	21,494	(961)	39,119	18,586	-	-	(362)	20	(382)	-	100%
8	Bharti Airtel Lanka (Private) Limited	b	Sri Lanka	LKR	Apr '14 to Mar '15	March 31, 2015	0.469	14,418	(16,566)	7,309	9,457	-	4,171	(2,118)	1	(2,119)	-	100%
9	Bharti Hexacom Limited	b, e	India	INR	Apr '14 to Mar '15	March 31, 2015	1.000	2,500	49,787	81,722	29,435	0	47,003	16,132	5,340	10,792	1,083	70%
10	Bharti Infratel Limited	b, e	India	INR	Apr '14 to Mar '15	March 31, 2015	1.000	18,938	160,697	222,215	42,590	119,241	53,889	32,737	5,485	27,252	14,815	71.88%
11	Bharti Telemedia Limited	b	India	INR	Apr '14 to Mar '15	March 31, 2015	1.000	102	(35,495)	19,228	54,821	-	24,759	(1,906)	-	(1,906)	-	95%
12	Airtel Bangladesh Limited	b	Bangladesh	BDT	Apr '14 to Mar '15	March 31, 2015	0.802	36,875	(49,855)	32,600	45,580	-	11,838	(6,739)	7	(6,746)	-	100%
13	Bharti International (Singapore) Pre Ltd	b	Singapore	USD	Apr '14 to Mar '15	March 31, 2015	62.591	85,961	(11,101)	116,684	41,824	99,408	5,408	230	157	73	-	100%
14	Airtel M Commerce Services Limited	b	India	INR	Apr '14 to Mar '15	March 31, 2015	1.000	2,900	(2,229)	2,058	1,387	1,112	394	45	-	45	-	100%
15	Bharti Airtel International (Mauritius) Limited	b	Mauritius	INR	Apr '14 to Mar '15	March 31, 2015	1.000	97,567	33	97,603	3	97,602	-	(2)	-	(2)	-	100%
16	Bharti Airtel (Japan) Kabushiki Kaisha	b	Japan	JPY	Apr '14 to Mar '15	March 31, 2015	0.521	0	11	29	18	-	28	17	1	16	-	100%
17	Bharti Airtel (France) SAS	b	France	EUR	Apr '14 to Mar '15	March 31, 2015	67.510	1	46	234	187	-	142	34	11	23	-	100%
18	Bangladesh Infratel Networks Limited	b	Bangladesh	BDT	Apr '14 to Mar '15	March 31, 2015	0.802	0	(0)	0	0	-	-	(0)	-	(0)	-	100%
19	Teleocean Networks Limited	b	India	INR	Apr '14 to Mar '15	March 31, 2015	1.000	892	(1,099)	2,069	2,276	-	6,672	299	80	219	-	100%
20	Nxta Data Limited	b	India	INR	Apr '14 to Mar '15	March 31, 2015	1.000	51	(81)	2,947	2,977	0	2,428	(28)	50	(78)	-	100%
21	Bharti Infratel Services Limited	b	India	INR	Apr '14 to Mar '15	March 31, 2015	1.000	1	(0)	1	0	-	-	(0)	-	(0)	-	71.88%
22	Airtel Broadband Services Private Limited (formerly known as Wireless Business Services Private Limited)	b	India	INR	Apr '14 to Mar '15	March 31, 2015	1.000	56,671	(718)	64,837	8,884	-	0	(265)	(31)	(234)	-	100%
23	Bharti Airtel International (Netherlands) B.V.	i	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	147,679	95,716	695,182	451,787	-	4,261	29,832	1,025	28,807	-	100%
24	Bharti Airtel Africa B.V.	i	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	30,371	39,741	347,609	277,497	-	-	3,649	6	3,643	-	100%
25	Bharti Airtel Burkina Faso Holdings B.V.	b	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	1	7,589	7,636	46	-	-	2,520	-	2,520	-	100%
26	Airtel Burkina Faso S.A.	a	Burkina faso	XOF	Jan '14 to Dec'14	December 31, 2014	0.102	256	1,057	17,145	15,832	-	11,449	1,292	674	618	-	100%
27	Bharti Airtel Chad Holdings B.V.	b	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	1	269	8,817	8,547	-	-	5	-	5	-	100%
28	Airtel Tchad S.A.	i	Chad	XOF	Jan '14 to Dec'14	December 31, 2014	0.102	2,799	(3,854)	13,382	14,437	-	7,955	(940)	519	(1,459)	-	100%
29	Bharti Airtel Gabon Holdings B.V.	b	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	1	7,730	7,804	73	-	-	4,520	-	4,520	-	100%
30	Airtel Gabon S.A.	b	Gabon	XOF	Jan '14 to Dec'14	December 31, 2014	0.102	614	(167)	12,822	12,375	-	11,836	(1,194)	118	(1,312)	-	90%
31	Bharti Airtel Congo Holdings B.V.	b	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	1	5,415	9,151	3,735	-	-	(46)	-	(46)	-	100%
32	Airtel Congo S.A.	i	Congo Brazzaville	XOF	Jan '14 to Dec'14	December 31, 2014	0.102	532	(4,179)	14,444	18,091	-	9,947	(2,678)	124	(2,802)	-	90%
33	Bharti Airtel RDC Holdings B.V.	b	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	1	1,492	45,706	44,213	-	-	(922)	-	(922)	-	100%
34	Airtel Congo (RDC) S.A. (formerly Cotel Congo RDC S.a.r.l.)	b	Democratic Republic of Congo	CDF	Jan '14 to Dec'14	December 31, 2014	0.067	7	(20,422)	45,944	66,359	-	20,702	(20,259)	203	(20,462)	-	98.50%

Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2015 pursuant to Section 129 of the Companies Act, 2013

Sr. No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Reporting Period	Financial Year End	Exchange Rate as of March 31, 2015	Share Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/	Provision	Profit/	% of shareholding
														(Loss) Before Taxation	for Taxation	(Loss) After Taxation	
35	Bharti Airtel Mali Holdings B.V.	b	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	1	223	622	398	-	-	-	-	-	100%
36	Bharti Airtel Kenya Holdings B.V.	b	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	1	(2,309)	63,390	65,698	-	-	(60)	-	(60)	100%
37	Bharti Airtel Kenya B.V.	b	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	1	(3,971)	59,419	63,389	-	-	(1,029)	-	(1,029)	100%
38	Airtel Networks Kenya Limited	b, f	Kenya	KES	Jan '14 to Dec'14	December 31, 2014	0.678	17,104	(36,480)	19,205	38,581	-	10,358	(4,502)	304	(4,806)	100%
39	Bharti Airtel Malawi Holdings B.V.	b	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	1	312	5,576	5,263	-	-	68	-	68	100%
40	Airtel Malawi Limited	i	Malawi	MWK	Jan '14 to Dec'14	December 31, 2014	0.143	0	833	6,175	5,342	-	7,674	2,314	827	1,487	100%
41	Bharti Airtel Niger Holdings B.V.	b	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	1	8,572	8,617	44	-	-	2,178	-	2,178	100%
42	Celtel Niger S.A.	b	Niger	XOF	Jan '14 to Dec'14	December 31, 2014	0.102	154	5,206	28,800	23,440	-	12,741	3,050	1,262	1,788	90%
43	Bharti Airtel Sierra Leone Holdings BV	b	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	1	39	5,571	5,531	-	-	128	-	128	100%
44	Airtel (SJ) Limited	i	Sierra Leone	SLL	Jan '14 to Dec'14	December 31, 2014	0.014	115	(437)	6,941	7,263	-	6,169	408	149	259	100%
45	Airtel Networks Zambia Plc	b	Zambia	ZMW	Jan '14 to Dec'14	December 31, 2014	8.261	9	2,564	19,737	17,164	-	13,281	1,008	434	574	96.36%
46	Bharti Airtel Uganda Holdings B.V.	b	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	1	(4,983)	19,391	24,373	-	-	(662)	-	(662)	100%
47	Airtel Uganda Limited	i, f	Uganda	UGS	Jan '14 to Dec'14	December 31, 2014	0.021	265	(4,949)	14,079	18,763	-	14,656	(1,252)	-	(1,252)	100%
48	Bharti Airtel Tanzania B.V.	b	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	1	(4,646)	16,638	21,283	-	-	200	-	200	100%
49	Airtel Tanzania Limited	i	Tanzania	TZS	Jan '14 to Dec'14	December 31, 2014	0.034	1,376	(10,593)	23,939	33,156	-	17,222	(4,217)	1,074	(5,291)	60%
50	Bharti Airtel Madagascar Holdings B.V.	b	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	1	(671)	12,402	13,072	-	-	(179)	-	(179)	100%
51	Channel Sea Management Company Mauritius Limited	b	Mauritius	USD	Jan '14 to Dec'14	December 31, 2014	62.591	1	38	40	1	-	-	(2)	-	(2)	100%
52	Bharti Airtel Rwanda Holdings Limited (formerly Zebrano (Mauritius) Limited	b	Mauritius	USD	Jan '14 to Dec'14	December 31, 2014	62.591	3	177	8,972	8,792	-	-	(13)	-	(13)	100%
53	Montana International	b	Mauritius	USD	Jan '14 to Dec'14	December 31, 2014	62.591	0	(9)	3	12	-	-	(1)	-	(1)	100%
54	Airtel Madagascar S.A.	b	Madagascar	MGA	Jan '14 to Dec'14	December 31, 2014	0.021	63	(1,204)	8,999	10,140	-	4,624	321	259	62	100%
55	Bharti Airtel Nigeria Holdings B.V. (In liquidation)	c, g	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	-	-	-	-	-	-	-	-	-	100%
56	MSI-Celnet Nigeria Limited (In liquidation)	c	Nigeria	NGN	Jan '14 to Dec'14	December 31, 2014	0.314	-	-	-	-	-	-	-	-	-	100%
57	Bharti Airtel Nigeria Holdings II B.V.	b	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	1	(113)	112,418	112,590	-	-	-	-	-	100%
58	Bharti Airtel Nigeria B.V.	b	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	1	(29,530)	84,496	114,025	-	-	(4,272)	-	(4,272)	100%
59	Bharti Airtel Ghana Holdings B.V.	b	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	1	(4,363)	41,191	45,553	-	-	(1,089)	-	(1,089)	100%
60	Airtel Ghana Limited	i, f	Ghana	GHS	Jan '14 to Dec'14	December 31, 2014	16.537	2,651	(24,061)	12,313	33,723	-	8,295	(8,377)	-	(8,377)	75%
61	Bharti Airtel Services BV	b	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	1	309	356	46	-	-	13	-	13	100%
62	Airtel Networks Limited	b	Nigeria	NGN	Jan '14 to Dec'14	December 31, 2014	0.314	63	(1,162)	114,701	115,800	-	75,131	(7,898)	2,503	(10,401)	79.059%
63	Bharti Airtel Zambia Holdings B.V.	b	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	1	26,434	26,521	86	-	-	5,891	-	5,891	100%
64	Airtel Mobile Commerce Limited	b	Malawi	MWK	Jan '14 to Dec'14	December 31, 2014	0.143	0	0	0	-	-	-	184	-	184	100%
65	Airtel Mobile Commerce (Kenya) Limited	a	Kenya	KES	Jan '14 to Dec'14	December 31, 2014	0.678	0	-	386	386	-	-	-	-	-	100%
66	Airtel Mobile Commerce (Ghana) Limited	b	Ghana	GHS	Jan '14 to Dec'14	December 31, 2014	16.537	1	-	224	223	-	-	-	-	-	100%
67	Celtel (Mauritius) Holdings Limited	b	Mauritius	USD	Jan '14 to Dec'14	December 31, 2014	62.591	1	1,716	7,898	6,181	-	494	323	49	274	100%

Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2015 pursuant to Section 129 of the Companies Act, 2013

Sr. No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Reporting Period	Financial Year End	Exchange Rate as of March 31, 2015	Share Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/(Loss) Before Taxation	Provision for Taxation	Profit/(Loss) After Taxation	Proposed Dividend	% of shareholding
68	Airtel Mobile Commerce Zambia Limited (formerly ZMP Limited)	b	Zambia	ZMW	Jan '14 to Dec'14	December 31, 2014	8.261	17	(421)	252	656	-	60	(143)	(0)	(143)	-	100%
69	Airtel Mobile Commerce (SL) Limited	i	Sierra Leone	SLL	Jan '14 to Dec'14	December 31, 2014	0.014	0	-	148	148	-	-	-	-	-	-	100%
70	Airtel Mobile Commerce Tchad S.a.r.l.	a	Chad	XOF	Jan '14 to Dec'14	December 31, 2014	0.102	0	-	95	95	-	-	-	-	-	-	100%
71	Airtel Mobile Commerce B.V.	b	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	2	17	246	227	-	-	(7)	-	(7)	-	100%
72	Airtel Money S.A. (Gabon)	i	Gabon	XOF	Jan '14 to Dec'14	December 31, 2014	0.102	1	(260)	454	713	-	72	(102)	0	(102)	-	100%
73	Malawi Towers Limited	i	Malawi	MWK	Jan '14 to Dec'14	December 31, 2014	0.143	1	(464)	2,942	3,405	-	442	(425)	-	(425)	-	100%
74	Airtel Money Niger S.A.	b	Niger	XOF	Jan '14 to Dec'14	December 31, 2014	0.102	1	0	512	511	-	1	0	0	0	-	100%
75	Société Malgache de Téléphone Cellulaire S.A.	b	Mauritius	USD	Jan '14 to Dec'14	December 31, 2014	62.591	3	143	159	13	-	-	(2)	-	(2)	-	100%
76	Airtel Mobile Commerce Holdings B.V.	b	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	2	(0)	2	0	-	-	-	-	-	-	100%
77	Indian Ocean Telecom Limited	b	Jersey	USD	Jan '14 to Dec'14	December 31, 2014	62.591	156	761	922	5	-	-	(1)	-	(1)	-	100%
78	Airtel (Seychelles) Limited	a	Seychelles	SCR	Jan '14 to Dec'14	December 31, 2014	4.552	5	173	2,401	2,223	185	1,186	(53)	(63)	(116)	-	100%
79	Airtel Mobile Commerce (Tanzania) Limited	b	Tanzania	TZS	Jan '14 to Dec'14	December 31, 2014	0.034	0	-	2,393	2,393	-	-	-	-	-	-	100%
80	Airtel Mobile Commerce Uganda Limited	a	Uganda	UGS	Jan '14 to Dec'14	December 31, 2014	0.021	0	(502)	2,562	3,064	-	1,480	(493)	-	(493)	-	100%
81	Uganda Towers Limited	b	Uganda	UGS	Jan '14 to Dec'14	December 31, 2014	0.021	4	(54)	24	74	-	163	12	66	(54)	-	100%
82	Africa Towers N.V.	i	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	1	(33)	5	37	-	-	(2)	-	(2)	-	75%
83	Airtel Towers (Ghana) Limited	i	Ghana	GHS	Jan '14 to Dec'14	December 31, 2014	16.537	1	(33)	5	37	-	-	(2)	-	(2)	-	100%
84	Airtel Towers (Ghana) Holdings B.V.	b	Netherlands	USD	Apr '14 to Mar '15	March 31, 2015	62.591	2	(7)	-	5	-	-	(1)	-	(1)	-	100%
85	Airtel DTH Services (SL) Limited (In Liquidation)	c,g	Sierra Leone	SLL	Jan '14 to Dec'14	December 31, 2014	0.014	-	-	-	-	-	-	-	-	-	-	100%
86	Airtel DTH Services Nigeria Limited (In Liquidation)	c	Nigeria	NGN	Jan '14 to Dec'14	December 31, 2014	0.314	-	-	-	-	-	-	-	-	-	-	100%
87	Airtel Towers (SL) Company Limited	i	Sierra Leone	SLL	Jan '14 to Dec'14	December 31, 2014	0.014	0	(29)	18	47	-	-	11	-	11	-	100%
88	Burkina Faso Towers S.A.	a	Burkina Faso	XOF	Jan '14 to Dec'14	December 31, 2014	0.102	1	(29)	1	29	-	-	3	-	3	-	100%
89	Congo Towers S.A.	i	Congo Brazzaville	XOF	Jan '14 to Dec'14	December 31, 2014	0.102	1	(35)	1	35	-	-	2	-	2	-	90%
90	Kenya Towers Limited	b	Kenya	KES	Jan '14 to Dec'14	December 31, 2014	0.678	357	42	3,129	2,730	-	2,084	(48)	0	(48)	-	100%
91	Madagascar Towers S.A.	b	Madagascar	MGA	Jan '14 to Dec'14	December 31, 2014	0.021	0	709	4,017	3,308	-	933	61	37	24	-	100%
92	Mobile Commerce Congo S.A.	i	Congo Brazzaville	XOF	Jan '14 to Dec'14	December 31, 2014	0.102	1	-	102	101	-	-	-	-	-	-	100%
93	Niger Towers S.A.	b	Niger	XOF	Jan '14 to Dec'14	December 31, 2014	0.102	1	(28)	1	28	-	-	4	-	4	-	90%
94	Tanzania Towers Limited	b	Tanzania	TZS	Jan '14 to Dec'14	December 31, 2014	0.034	0	(54)	0	54	-	-	(16)	-	(16)	-	60%
95	Tchad Towers S.A.	a	Chad	XOF	Jan '14 to Dec'14	December 31, 2014	0.102	1	(96)	1	96	-	-	(38)	0	(38)	-	100%
96	Towers Support Nigeria Limited	b	Nigeria	NGN	Jan '14 to Dec'14	December 31, 2014	0.314	3	(3)	38	38	-	11	(1)	(0)	(1)	-	79.059%
97	Zambian Towers Limited	b	Zambia	ZMW	Jan '14 to Dec'14	December 31, 2014	8.261	0	(936)	6,547	7,483	-	1,890	(11)	(4)	(7)	-	96.36%
98	Airtel Money (RDC) S.p.r.l.	b	Democratic Republic of Congo	CDF	Jan '14 to Dec'14	December 31, 2014	0.067	154	(1,119)	1,023	1,988	-	161	(785)	(2)	(787)	-	100%
99	Airtel Mobile Commerce Burkina Faso S.A.	b	Burkina Faso	XOF	Jan '14 to Dec'14	December 31, 2014	0.102	1	(166)	1,129	1,294	-	430	(164)	2	(166)	-	100%
100	Airtel DTH Services Congo (RDC) S.p.r.l. (In liquidation)	c, g	Democratic Republic of Congo	CDF	Jan '14 to Dec'14	December 31, 2014	0.067	-	-	-	-	-	-	-	-	-	-	100%

Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2015 pursuant to Section 129 of the Companies Act, 2013

Sr. No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Reporting Period	Financial Year End	Exchange Rate as of March 31, 2015	Share Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/(Loss) Before Taxation	Provision for Taxation	Profit/(Loss) After Taxation	Proposed Dividend	% of shareholding
101	Congo RDC Towers S.p.r.l.	b	Democratic Republic of Congo	CDF	Jan '14 to Dec'14	December 31, 2014	0.067	6	644	9,919	9,269	-	4,243	591	26	565	-	100%
102	Gabon Towers S.A.	b	Gabon	XOF	Jan '14 to Dec'14	December 31, 2014	0.102	1	(34)	1	34	-	-	(33)	0	(33)	-	90%
103	Airtel Mobile Commerce Madagascar S.A.	a	Madagascar	MGA	Jan '14 to Dec'14	December 31, 2014	0.021	0	(251)	441	692	-	98	(145)	(27)	(118)	-	100%
104	Airtel Rwanda Limited	b	Rwanda	RWF	Jan '14 to Dec'14	December 31, 2014	0.091	-	(6,162)	6,444	12,606	-	1,213	(2,391)	-	(2,391)	-	100%
105	Africa Towers Services Limited	i	Kenya	KES	Jan '14 to Dec'14	December 31, 2014	0.678	0	53	(607)	(660)	-	406	159	108	51	-	100%
106	Airtel Mobile Commerce Rwanda Limited	b	Rwanda	RWF	Jan '14 to Dec'14	December 31, 2014	0.091	1	-	141	140	-	-	-	-	-	-	100%
107	Warid Telecom Uganda Limited	h	Uganda	UGS	NA	NA	0.021	-	-	-	-	-	-	-	-	-	-	100%
108	Warid Congo S.A. (Subsidiary w.e.f. March 12, 2014)	i	Congo Brazzaville	XOF	Jan '14 to Dec'14	December 31, 2014	0.102	8,576	(6,652)	1,959	35	-	3,327	264	6	258	-	90%

Subsidiaries yet to commence operations

- Bharti Infratel Lanka (Private) Limited
- Partnership Investment Sprl
- Zap Trust Company Nigeria Limited
- Bharti Airtel Developers Forum Limited
- Airtel Mobile Commerce (Seychelles) Limited
- Wynk Limited

Subsidiaries have been liquidated/sold during the year.

- Bharti Airtel Acquisition Holdings B.V. (Liquidated on March 31, 2015)
- Airtel DTH Services Tanzania Limited (Liquidated on April 4, 2014)
- Bharti DTH Services Zambia Limited (Dissolved on November 21, 2014)
- Bharti Airtel Cameroon B.V. (Liquidated on March 31, 2015)
- Rwanda Towers Limited (Sold during March 2015)

Notes:

- Financial information has been extracted from the audited standalone financial statements.
- Financial information has been extracted from the unaudited standalone financial statements.
- Subsidiaries are under liquidation.
- Subsidiaries incorporated during the year.
- Proposed dividend includes dividend distribution tax.
- Share capital includes preference share capital.
- The financial statements for these subsidiaries are not required to be prepared as per the local laws of the countries where they are incorporated.
- Subsidiaries are not operational.
- Financial information has been extracted from the audited financial information considered for the purpose of consolidated IFRS financial statements for the respective financial year end.

*Investments exclude investments in subsidiaries

Airtel Broadband Services Private Limited, a wholly owned subsidiary has been amalgamated with the Company w.e.f. April 9, 2015. The figures which are appearing as Zero are result of rounding off.

Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2015 pursuant to Section 129 of the Companies Act, 2013

Sr. No.	Name of the Associate / Joint Venture	Latest Audited Balance Sheet Date	Share of Associates / Joint Ventures held by the company on the March 31, 2015			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, 2015	
			Number of shares	Amount of Investment in Associate / Joint Venture	Extent of holding %			Considered in consolidation*	Not Considered in consolidation**
1	Bharti Teleports Limited	March 31, 2014	11,270,000	113	49%	% of share capital	(178)	-	(50)
2	Bridge Mobile Pte Limited	March 31, 2015	800,000	34	10%	% of share capital	302	8	-
3	FireFly Networks Limited (w.e.f. Feb 4, 2014)	March 31, 2015	1,000,000	10	50%	% of share capital	(4)	(10)	(2)
4	Tanzania Telecommunications Company Limited	December 31, 2013	102,852,615	-	35%	% of share capital	(2,950)	-	-
5	Seychelles Cable Systems Company Limited	June 30, 2012	260	185	26%	% of share capital	47	55	-
6	Forum I Aviation Limited	March 31, 2014	5,308,333	48	16.67%	% of share capital	457	10	-
7	Indus Towers Limited**	March 31, 2015	500,504	60,419	30.19%	% of share capital	146,416	6,269	-

Notes:

All Associates / Joint Ventures warranting consolidation have been consolidated.

Amount of investment in Joint venture / associate is based on the carrying value of investments in the standalone financial statements of venturer/investor.

* Profit / loss for the year considered / non considered in consolidation is for the year ended March 31, 2015.

** Profits / losses considered for consolidation is based on direct shareholding of Bharti Infratel Limited as against effective shareholding of the Company.

Circle Offices

Andhra Pradesh

Splendid Towers,
Opp. Begumpet Police Station,
Begumpet,
Hyderabad- 500016,
Telengana

Haryana, Punjab, Himachal and J&K

Plot No. 21, Rajiv Gandhi
Chandigarh Technology Park,
Chandigarh - 160101

Rajasthan

K-21, Sunny House,
Malviya Marg, C-Scheme,
Jaipur - 302001,
Rajasthan

Assam & North East States

Bharti House, Six Mile,
Khanapara, G.S. Road,
Guwahati - 781022,
Assam

Karnataka

55, Divyasree Towers,
Bannerghatta Main Road,
Bangalore - 560029,
Karnataka

Uttar Pradesh & Uttaranchal

TCG - 7/7 Vibhuti Khand,
Gomti Nagar,
Lucknow - 226010,
Uttar Pradesh

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

West Bengal & Odisha

Infinity Building,
Salt Lake Electronics Complex,
Block GP, Sector V,
Kolkata - 700091,
West Bengal

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

Gujarat

2nd & 4th Floor, Zodiac Square,
S G Road, Opp. Gurudwara,
Ahmedabad - 380054,
Gujarat

Maharashtra & Goa

6th & 7th Floor,
Interface Building No. 7,
MindSpace, Malad Link Road,
Malad (W), Mumbai - 400064,
Maharashtra



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