bharti

July 14, 2018

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

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai-400001

Ref: Bharti Airtel Limited (532454 / BHARTIARTL)

Sub: Notice of 23rd Annual General Meeting and date of Book Closure

Dear Sir / Madam,

Pursuant to Regulation 30, 42 and 44 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby notify as under:

1. The 23rd Annual General Meeting (AGM) of the Company will be held on Wednesday, August 08, 2018 at 03:30 P.M. (IST) at Air Force Auditorium, Subroto Park, New Delhi – 110010.

2. The register of members and share transfer books of the Company will remain closed from Saturday, August 04, 2018 to Wednesday, August 08, 2018 (both days inclusive) for the purpose of AGM and determining names of the members eligible for dividend on equity shares, if approved and declared by the members at the ensuing AGM. The dividend, if declared at the AGM, will be paid on or before the 30th day from the date of declaration:

   - **For equity shares held in physical form** - those members whose names will appear in the Register of Members on the close of the day on Friday, August 03, 2018.

   - **For equity shares held in dematerialised form** - those beneficiaries, whose names are furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners on close of the day on Friday, August 03, 2018.

3. Pursuant to Regulation 44, we have provided the facility to vote by electronic means (remote e-voting) on all resolutions as set out in the notice of the AGM to those members, who are holding shares either in physical or in electronic form as on the cut-off date i.e. Wednesday, August 01, 2018. The remote e-voting will commence from 9:00 a.m. (IST) on Sunday, August 05, 2018 and end at 5:00 p.m. (IST) on Tuesday, August 07, 2018.

4. The shareholders who have registered their email id, are being sent the Notice of the AGM, e-voting instructions and the Integrated Report and Annual Accounts for the financial year 2017-18 through email. The shareholders who have not registered their email id has been sent the Notice of AGM, e-voting instructions and the abridged Annual Report for the financial year 2017-18 by post. The dispatch of the Notice and the Integrated Report and Annual Accounts has been completed on July 14, 2018.

5. The following are enclosed:

   i. Notice of the 23rd AGM;
   ii. e-voting instructions;
   iii. Integrated Report and Annual Accounts for the financial year 2017-18; and
   iv. Abridged Annual Report for the financial year 2017-18.

BHARTI AIRTEL LIMITED NEW DELHI

Bharti Airtel Limited
(a Bharti Enterprise)
Regd. & Corporate Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070
T.: +91-11-4666 6100, F.: +91-11-4166 6137, Email id: compliance.officer@bharti.in, www.airtel.com
CIN: L74899DL1995PLC070609

Kindly take the above on record.

Thanking you,

Sincerely Yours

For Bharti Airtel Limited



Rohit Krishan Puri
Dy. Company Secretary

CC:

1. Central Depositary Services (India) Limited: 17th Floor, P J Towers, Bombay Stock Exchange, Fort, Dalal Street, Mumbai, Maharashtra - 400001
2. National Securities Depository Limited: Trade World, A Wing, 4th & 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai, Maharashtra - 400013
3. Karvy Computershare Private Limited: Karvy Selenium Tower B, Plot number 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032

Bharti Airtel Limited
CIN: L74899DL1995PLC070609
Regd. Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi - 110 070
T.: +91 011-46666100, **F.:** +91 011-41666137
Email id: compliance.officer@bharti.in **Website:** www.airtel.com

Notice of Annual General Meeting

Notice is hereby given that the Twenty Third (23rd) Annual General Meeting (AGM) of the members of Bharti Airtel Limited (the Company), will be held on Wednesday, August 08, 2018 at 03:30 P.M. (IST) at Air Force Auditorium, Subroto Park, New Delhi - 110 010 to transact the following businesses:

Ordinary Business(es)

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

1. **To receive, consider and adopt the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and of the Auditors thereon**

   "Resolved that the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2018, together with the reports of the Board of Directors and of the Auditors thereon be and are hereby received, considered and adopted."

2. **Declaration of dividend on equity shares**

   "Resolved that a final dividend of ₹ 2.50 per equity share of ₹ 5/- each fully paid-up for the financial year 2017-18, as recommended by the Board, be and is hereby approved and declared."

3. **Re-appointment of Mr. Rakesh Bharti Mittal as a Director liable to retire by rotation**

   "Resolved that Mr. Rakesh Bharti Mittal (DIN 00042494), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

4. **Re-appointment of Ms. Tan Yong Choo as a Director liable to retire by rotation**

   "Resolved that Ms. Tan Yong Choo (DIN 02910529), who retires by rotation and being eligible offers herself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

5. **Ratification of the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, as the Statutory Auditors of the Company and to fix their remuneration**

   "Resolved that pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and resolution passed by the members in their 22nd Annual General Meeting (AGM) held on July 24, 2017, the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, (Registration no. 117366W-W100018), Statutory Auditors of the Company be and is hereby ratified to hold office till the conclusion of AGM to be held in the calendar year 2022.

   Resolved further that on the recommendation of the Audit Committee, the Board of Directors of the Company be and is hereby authorized to fix the remuneration payable to Statutory Auditors."

Special Business(es)

6. **Re-appointment of Mr. Craig Edward Ehrlich as an Independent Director**

   To consider and, if thought fit, to pass the following resolution as a Special Resolution:

   "Resolved that pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Craig Edward Ehrlich (DIN 02612082), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, and the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company for another term with effect from April 29, 2018 to April 28, 2023."

7. **Alteration of the Articles of Association of the Company**

   To consider and, if thought fit, to pass the following resolution as a Special Resolution:

   "Resolved that pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being inforce), the existing Article 133 of the Articles of Association of the Company, be and is hereby amended and substituted with the following Article:

   "*Subject to provisions of Section 196 and 197 of the Act, the Board of Directors may from time to time appoint one*

or more of their body to the office of Managing Director/s or Whole Time Director/s for a period not exceeding 5 years at a time and on such terms and conditions as the Board may think fit and subject to the terms of any agreement entered into with him, may revoke such appointment. In making such appointments, to ensure the compliance with the Act, the Board shall decide whether their office shall be liable to retire by rotation and the Board shall also ensure compliance with the requirements of the Act and shall seek and obtain such approvals as are prescribed by the Act."

Resolved further that the Board of Directors (which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorized by the Board in this behalf) be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the aforesaid resolution."

8. Change in nature of directorship of Mr. Gopal Vittal, Managing Director & CEO (India and South Asia) of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"Resolved that in partial modification of the earlier resolution passed by the members at the 22nd Annual General Meeting of the Company held on July 24, 2017 and pursuant to the applicable provisions of the Companies Act, 2013 and the Articles of Association of the Company, consent of the members be and is hereby accorded for change in nature of directorship of Mr. Gopal Vittal (DIN: 02291778), Managing Director & CEO (India & South Asia) from director not liable to retire by rotation to a director liable to retire by rotation.

Resolved further that all other terms of the re-appointment of Mr. Gopal Vittal, Managing Director & CEO as approved by the members in their meeting held on July 24, 2017 shall remain unchanged.

Resolved further that the Board of Directors (which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorized by the Board in this behalf) be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the aforesaid resolution."

9. Revision in payment of commission to Non-Executive Directors of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"Resolved that pursuant to the provisions of Section 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other law for the time being in force, and in accordance with provisions of the Articles of Association of the Company, approval of the Company be and is hereby accorded for payment of commission to Non-Executive Directors (including Independent Directors) not exceeding 1.0% of the net profits of the Company calculated in accordance with the provisions of Section 198 and other applicable provisions, if any, of the Companies Act, 2013, for each financial year, effective from April 01, 2017, in such manner as the Board in its absolute discretion may decide from time to time."

10. Ratification of remuneration to be paid to R.J. Goel & Co., Cost Accountants, Cost Auditors of the Company for the FY 2018-19

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"Resolved that pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of ₹ 880,000/- (Rupees Eight Lacs Eighty Thousand Only) plus applicable taxes and reimbursement of travel and out of pocket expenses as approved by the Board on the recommendation of the Audit Committee, to be paid to R.J. Goel & Co., Cost Accountants, (Registration no. 00026), Cost Auditors of the Company for the cost audit w.r.t. the FY 2018-19, be and is hereby ratified, confirmed and approved."

Registered Office:
Bharti Crescent
1, Nelson Mandela Road,
Vasant Kunj, Phase - II,
New Delhi - 110 070, India.
CIN: L74899DL1995PLC070609
Email id: compliance.officer@bharti.in

By order of the Board
For **Bharti Airtel Limited**

Pankaj Tewari
Sr. VP & Company Secretary
Membership No. A15106

Place: New Delhi
Date: April 24, 2018

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY / PROXIES, IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ENCLOSED WITH THIS NOTICE.**

2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

3. The notice of AGM is being sent to those members / beneficial owners whose name will appear in the register of members / list of beneficiaries received from the depositories as on Friday, June 29, 2018.

4. Copy of annual report, notice of the twenty third AGM, e-voting instructions and dividend intimation, etc. are sent to the members through e-mail who have registered their email Ids with the Company / depository participant (DPs)/ Company's Registrar and Transfer Agent (RTA).

   Members are requested to update their preferred e-mail Ids with the Company / DPs / RTA, which will be used for the purpose of future communications.

   Member(s) whose e-mail Id is not registered with the Company are being sent physical copies of the Notice of twenty third AGM, abridged version of Annual Report for the FY 2017-18, notice of e-voting etc. at their registered address through permitted mode.

   Member(s) whose e-mail Id is registered with the Company and who wish to receive printed copy of the abridged / full version of the Annual Report may send their request to the Company at its registered office address or to the RTA, Karvy Computershare Private Limited, at Karvy Selenium, Tower B, Plot number 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032.

5. Notice of twenty third AGM, abridged and full version of the Annual Reports and e-voting instructions will also be available under the 'Investor Relations' section on the website of the Company www.airtel.com.

6. To facilitate smooth registration / entry at the AGM, the Company is pleased to provide web check-in facility, which would help the members to enter the AGM hall expeditiously without going through the registration formalities at the registration counters at the venue of the AGM.

   The Procedure for web check-in for the AGM is as follows:

   > Log in to https://karisma.karvy.com and click on the AGM Web Check-in link.

   > Select the Company name, 'Bharti Airtel Limited'.

   > Enter the security credentials as directed by the system and click on 'Submit'.

   > The system will validate the credentials, click on 'Generate my Attendance Slip'.

   > The Attendance Slip in PDF format will appear on the screen. Select the 'Print' option for printing or download the Attendance Slip for later printing.

   The Shareholders need to furnish the printed attendance slip along with a valid identity proof such as PAN card, Aadhaar card, Passport etc. to enter the auditorium at the venue of the meeting.

7. Your Company is pleased to provide the facility of live webcast of proceedings of the AGM. Members who are entitled to participate in the AGM can view the proceeding of AGM by logging on the e-voting website of Karvy at https://evoting.karvy.com using their secure login credentials. Members who are not able to attend the AGM physically are encouraged to use this facility of webcast.

8. The register of members and share transfer books of the Company will remain closed from Saturday, August 04, 2018 to Wednesday, August 08, 2018 (both days inclusive), in accordance with the provisions of Section 91 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the purpose of AGM and determining names of the members eligible for dividend on equity shares, if approved and declared by the members at the ensuing AGM.

9. The dividend, if declared at the AGM, will be paid on or before the 30th day from the date of declaration:

   > **For equity shares held in physical form** - those members whose names will appear in the Register of Members on the close of the day on Friday, August 03, 2018.

   > **For equity shares held in dematerialised form** - those beneficiaries, whose names are furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners on close of the day on Friday, August 03, 2018.

10. Members who hold equity shares in physical form and desirous of availing Electronic Clearance Scheme (ECS) facility for direct credit of dividend to their bank account, may submit their request to the Company's RTA. The ECS mandate, in order to be effective, should be submitted to the RTA on or before Monday, July 30, 2018. Any query related to dividend should be directed to the RTA of the Company.

In respect of members holding shares in electronic form, the bank details as furnished by the respective depositories to the Company will be used for the purpose of distribution of dividend through ECS facility. The Company / RTA will not act on any direct request from members holding shares in dematerialised form for change / deletion of such bank details.

11. Members, who are holding shares in physical form are requested to address all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other share related matters and / or change in address or updation thereof to the Company's RTA. Members, whose shareholding is in electronic format are requested to direct change of address notifications, registration of e-mail address and updation of bank account details to their respective DPs.

12. Members wishing to claim dividends, which remain unpaid are requested to contact the Company's RTA.

13. Pursuant to the provisions of Section 124 and 125 of the Companies Act 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules, 2016 (IEPF Rules), the dividend which remains unclaimed / unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

    Members may visit the Company's website www.airtel.com for tracking details of any unclaimed / unpaid amounts, pending transfer to IEPF. Members may note that they can claim their unpaid / unclaimed dividend declared for the FY 2010-11 till September 01, 2018. Once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company.

    As per Section 124 of the Companies Act, 2013 read with the IEPF Rules, the shares on which dividend remains unpaid / unclaimed for seven consecutive years or more are required to be transferred to the Investor's Education and Protection Fund (IEPF). Accordingly, during the financial year, the Company has transferred 49,273 equity shares to the IEPF. The shareholders whose equity shares are transferred to the IEPF can request the Company / RTA as per the prescribed provisions for claiming the shares out of the IEPF. The process for claiming the equity shares out of the IEPF is also available on the Company's website at http://www.airtel.in/about-bharti/equity/shares.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN to the Company's RTA. In view of SEBI's circular dt. April 20, 2018, the Company will send the letters to the shareholders holding equity shares in physical form for updation of PAN and bank account details with the Company / RTA.

15. Information regarding particulars of the Directors to be re-appointed in terms of Secretarial Standard 2, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the explanatory statement pursuant to Section 102 of the Companies Act, 2013, are annexed hereto.

16. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ("remote e-voting").

17. The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the Agency to provide e-voting facility.

18. In terms of provisions of Section 107 of the Companies Act, 2013, since the Company is providing the facility of remote e-voting to the members, there will be no voting by show of hands at the AGM. The facility for ballot / polling paper / e-voting (physical voting) will be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting will be able to vote at the Meeting through ballot / polling paper / e-voting.

19. The members can opt for only one mode of voting i.e. remote e-voting or physical voting at the meeting. In case of voting by both the modes, vote cast through remote e-voting will be considered final and voting through physical voting at the meeting will not be considered. The members who have cast their vote by remote e-voting may also attend the Meeting.

20. The e-voting Event number, User Id and Password along with the detailed instructions for e-voting are provided in the e-voting instructions, being sent along with the notice of AGM.

21. The remote e-voting facility will be available during the following period:

    Commencement of remote e-voting:
    From 9:00 a.m. (IST) on Sunday, August 05, 2018

    End of remote e-voting:
    Upto 5:00 p.m. (IST) on Tuesday, August 07, 2018

    The remote e-voting will not be allowed beyond the

aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of aforesaid period.

22. The Board has appointed Mr. Sanjay Grover, Managing Partner, Sanjay Grover & Associates, Company Secretaries, New Delhi (C.P. No. 3850) failing him Mr. Devesh Kumar Vasisht, Partner, Sanjay Grover & Associates, Company Secretaries, New Delhi (C.P. No. 13700) as a Scrutinizer to scrutinize the physical voting at the AGM venue and remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for same purpose.

23. The voting rights of Members for remote e-voting and for physical voting at the meeting shall be in proportion to the paid-up value of their shares in the equity share capital of the Company as on close of the cut-off date i.e. Wednesday, August 01, 2018.

24. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on close of the cut-off date i.e. Wednesday, August 01, 2018 will only be entitled to avail the facility of remote e-voting / physical voting at the AGM venue. The person who is not a member / beneficial owner on the cut-off date should treat this notice for information purpose only.

25. Any person who becomes member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. Wednesday, August 01, 2018 may obtain the User Id and password in the manner as mentioned below:

    a) If the mobile number of the member is registered against shares held in demat form, the member may send SMS: MYEPWD<space> DP ID Client ID to +91-9212993399.

       Example for NSDL:
       MYEPWD<SPACE>IN12345612345678

       Example for CDSL:
       MYEPWD<SPACE>1402345612345678

    b) If the mobile number of the member is registered against shares held in physical form, the member may send SMS: MYEPWD<space>Event number + Folio No. to +91-9212993399.

       Example for Physical:
       MYEPWD<SPACE> XXXX1234567890

    c) Member may Call Karvy's Toll free number 1-800-34-54-001.

    d) Member may send an e-mail request to evoting@karvy.com.

    If the member is already registered with Karvy for e-voting, he can use his existing User ID and Password for casting the vote through remote e-voting.

26. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website https://evoting.karvy.com. In case of any other queries / grievances connected to remote e-voting, you may contact Mr. Ramesh Desai of Karvy Computershare Private Limited, Karvy Selenium, Tower B, Plot number 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 at telephone number: 040-67161528 or at email: evoting@Karvy.com or call Karvy's toll free No. 1-800-34-54-001.

27. The Scrutinizer, after scrutinizing the votes cast at the meeting (physical voting) and through remote e-voting, will make a consolidated scrutinizer's report of the votes cast in favour or against, if any, and will submit the same to the Chairman of the meeting. The Chairman or the authorized Director shall announce the results within Forty Eight (48) hours after the conclusion of the meeting at the Corporate and Registered office of the Company i.e. Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070, India. The results declared shall be available on the website of the Company (www.airtel.com) and on the website of the Karvy (https://evoting.karvy.com). The results shall simultaneously be communicated to the Stock Exchanges where the securities of the Company are listed. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.

28. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and documents referred to in the notice and explanatory statement, including certificate from the Auditors of the Company under Regulation 13 of the SEBI (Share Based Employee Benefits) Regulations, 2014 are open for inspection at the Registered Office of the Company on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. upto the date of AGM and will also be available for inspection at the venue of the AGM.

29. Members who are holding shares in physical form in identical names in more than one folio are requested to write to RTA enclosing their Share Certificate(s) to enable the Company to consolidate their holding into one folio.

30. Members having any question on financial statements or on any agenda item proposed in the notice of AGM are requested to send their queries at least ten days prior to the date of AGM of the Company at its registered office address to enable the Company to collect the relevant information and redress the queries. Alternatively, Members may utilise the facility extended by the RTA for redressal of their queries by clicking on 'Investors' section at http://karisma.karvy.com. Members may also write at einward.ris@karvy.com, clearly mentioning their folio number.

31. Members / proxies / authorized representatives are requested to bring duly filled admission / attendance slips sent herewith along with the notice of the AGM at the meeting.

32. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send to the Company a certified copy of the board resolution / authority letter / power of attorney authorizing their representative(s) to attend and vote on their behalf at the meeting.

33. For the security and safety of the members, no article / baggage including water bottles and tiffin boxes will be allowed at the venue of the meeting. The shareholders / attendees are strictly requested not to bring any article / baggage etc. at the venue of the AGM.

34. In our constant endeavor to strengthen the shareholder service standards, a Shareholders Satisfaction Survey is conducted through a Shareholders Feedback Form uploaded on Company's website www.airtel.com under 'Investors' section. Accordingly, members may provide their valuable feedback.

35. The route map for the AGM Venue is provided at the end of this notice.

MEMBERS MAY PLEASE NOTE THAT NO GIFTS / GIFT COUPONS WILL BE DISTRIBUTED AT THE VENUE OF THE MEETING.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 6

Pursuant to the provisions of Sections 149, 150, 152 and Schedule IV of the Companies Act, 2013 read with rules thereunder, Mr. Craig Edward Ehrlich was appointed as an independent director of the Company to hold office upto April 28, 2018. Since, Mr. Ehrlich will be completing his initial term as an independent director of the Company on April 28, 2018, he is eligible for re-appointment for one more term.

Based on the outcome of performance evaluation of the Independent Directors, on the recommendation of the HR and Nomination Committee, the Board of Directors of the Company at their meeting held on April 24, 2018, have approved the re-appointment of Mr. Ehrlich for the second term as provided in the resolution, and he shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The Company has received a declaration from Mr. Ehrlich confirming that he meets the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, he fulfills the conditions specified in the said Act and is independent of the management. A copy of the draft letter for re-appointment of Mr. Ehrlich setting out the terms and conditions is available for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. upto the date of AGM and will also be available for inspection at the venue of the AGM.

In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a member proposing the candidature of Mr. Ehrlich to be re-appointed as an Independent Director as per the provisions of the Companies Act, 2013.

Brief profile of Mr. Ehrlich is enclosed with the notice and detailed profile is available on www.airtel.com.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services. Accordingly, the Board recommends the passing of resolution set out in Item No. 6 as a Special Resolution.

Except Mr. Craig Edward Ehrlich and his relatives, to the extent of their shareholding, if any, none of the Directors or Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested, financially or otherwise, in the resolution as set out in item no. 6 of the Notice.

Item No. 7 and 8

As per Article 133 of the Articles of Association of the Company, the office of Managing Director of the Company is not liable to retire by rotation. In compliance with the provisions of Companies Act, 2013, it is proposed to revise the nature of directorship of Mr. Gopal Vittal from director not liable to retire by rotation to a director liable to retire by rotation. On the recommendation of HR and Nomination Committee, the Board of Directors in their meeting held on April 24, 2018, subject to the approval of shareholders and amendment in the Articles of Association of the Company (proposed vide resolution no. 7), approved the change in the nature of directorship of Mr. Gopal Vittal, Managing Director & CEO (India & South Asia).

In terms of the provisions of Section 14 of the Companies Act, 2013, any amendment in the articles of association requires approval of the members by way of a special resolution.

All other terms and conditions w.r.t. re-appointment including remuneration of Mr. Gopal Vittal, Managing Director & CEO (India and South Asia) of the Company as approved by the members in their meeting held on July 24, 2017 shall remain unchanged.

The existing Articles of Association and the proposed revised Articles of Association will be available for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. upto the date of AGM and will also be available for inspection at the venue of the AGM.

The Board of Directors recommends amendment in the Articles

of Association as set out in item no. 7 and item no. 8 for change in nature of directorship of Mr. Gopal Vittal for the approval of members by way of a special resolution and an ordinary resolution respectively.

Except Mr. Gopal Vittal and his relatives, to the extent of their shareholding, if any, none of the Directors or Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested, financially or otherwise, in the resolution set out at item no. 7 and 8 of the Notice.

Item No. 9

The Members of the Company in their AGM held on August 21, 2015 had approved the payment of commission to Non-Executive Directors (including Independent Directors) of the Company upto 0.5% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013, effective from FY 2015-16 onwards.

Pursuant to the provisions of Section 197 of the Companies Act, 2013, the Company can pay Commission upto 1% of net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

Board of Directors in their meeting held on April 24, 2018, subject to the approval of shareholders of the Company, approved the payment of Commission upto 1% of the net profits of the Company w.e.f. FY 2017-18 and authorized the Board to fix the criteria of payment of such Commission to the directors.

While fixing the manner / criteria, the Board shall inter-alia consider the membership of board, board committees, chairmanships, time devoted by the Directors etc. The payment of commission will be subject to the availability of sufficient profit and compliance with the applicable statutory requirements and shall be over and above the sitting fees payable to them.

The Board recommends the payment of commission to Non-Executive Directors of the Company and proposes to pass the resolution set out at item no. 9 of the notice as an Ordinary Resolution.

All the Directors of the Company (except the Managing Director & CEO, Whole-time Director and the Key Managerial Personnel and their relatives) are concerned or interested, financially or otherwise, in the said resolution, to the extent of the remuneration that may be received by each of them and their equity holdings, if any, in the Company.

Item no. 10

As per the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the shareholders of the Company at the General Meeting.

The Board, on the recommendation of the Audit Committee has appointed R.J. Goel & Co., Cost Accountants, (Registration no. 00026) as Cost Auditors to conduct the audit of the cost records of the Company at a remuneration of ₹ 880,000/- (Rupees Eight Lacs Eighty Thousand Only) plus applicable taxes and reimbursement of travel and out of pocket expenses for the financial year ending March 31, 2019.

Ratification of the members is being sought for the proposal contained in the resolution set out at item no. 10 of the notice.

The Board recommends passing of the resolution set out at item no. 10 of the notice as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel and their relatives, except to the extent of their shareholding if any, are in any way, concerned or interested, financially or otherwise, in the said resolution, as set out in item no. 10 of the Notice.

Registered Office:
Bharti Crescent
1, Nelson Mandela Road,
Vasant Kunj, Phase - II,
New Delhi - 110 070, India.
CIN: L74899DL1995PLC070609Sr.
Email id: compliance.officer@bharti.in

Place: New Delhi
Date: April 24, 2018

By order of the Board
For **Bharti Airtel Limited**

Pankaj Tewari
Sr. VP & Company Secretary
Membership No. A15106

Information of Directors to be re-appointed at the forthcoming Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in accordance with provisions of Companies Act, 2013, read with the Secretarial Standard 2.

Name of the Director	Mr. Rakesh Bharti Mittal	Ms. Tan Yong Choo	Mr. Craig Edward Ehrlich	Mr. Gopal Vittal
Directors Identification Number (DIN)	00042494	02910529	02612082	02291778
Date of Birth (Age in years)	September 18, 1955 (62)	September 14, 1964 (53)	May 14, 1955 (62)	June 18, 1966 (51)
Original date of appointment	January 07, 2016	January 21, 2010	April 29, 2009	February 01, 2013
Qualifications	Diploma in Electronics and Controls from Y.M.C.A. Institute of Engineering	Bachelor of Accountancy (Honours) from the National University of Singapore	> Graduate from University of California Los Angeles > Masters Degree from Occidental College > Postgraduate Fellowship from Coro Foundation	> Graduation from Madras Christian College > MBA from Indian Institute of Management, Kolkata
Experience and expertise in specific functional area	General Management	Financial Management	Finance & Business Administration	General Management
Remuneration last drawn	As mentioned in Corporate Governance Report#			
Number of meetings of Board attended during the year	As mentioned in Corporate Governance Report#			
Shareholding in Bharti Airtel Limited	Nil	Nil	Nil	2,98,885 Shares (pursuant to ESOP Schemes of the Company)
Relationship with other Directors / KMPs	Mr. Sunil Bharti Mittal (Brother)	Nil	Nil	Nil
Terms and conditions of re-appointment and remuneration	As per the Policy on Nomination, Remuneration and Board diversity (annexed to Board's Report)#			
Directorships held in other companies in India	> Bharti AXA General Insurance Company Limited > Bharti AXA Life Insurance Company Limited > Bharti Enterprises (Holding) Private Limited > Bharti Overseas Private Limited > Bharti (RM) Holdings Private Limited > Bharti (RM) Resources Private Limited > Bharti (RM) Services Private Limited > Bharti (RM) Trustees Private Limited > Bharti (Satya) Trustees Private Limited > Bharti Realty Holdings Limited > DM Buildwell Private Limited > FieldFresh Foods Private Limited > Indian School of Business > Bharti RM Trustees II Private Limited > Bharti RM Trustees S1 Private Limited > Bharti RM Trustees S2 Private Limited > Satya Bharti Foundation	Aspira Digital India Private Limited	Nil	> St. Jude India Childcare Centers > Indus Towers Limited > Airtel Payments Bank Limited > Satya Bharti Foundation

Name of the Director	Mr. Rakesh Bharti Mittal	Ms. Tan Yong Choo	Mr. Craig Edward Ehrlich	Mr. Gopal Vittal
Membership/Chairmanship of committees in companies in India	> Bharti Airtel Limited – Stakeholders Relationship Committee (Chairman) > Bharti Airtel Limited – CSR Committee (Chairman) > Bharti Airtel Limited – HR & Nomination Committee (Member) > Bharti Airtel Limited – Committee of Directors (Chairman) > Bharti Airtel Limited – Special Committee of Directors for monetization of stake in Bharti Infratel Limited (Chairman) > Bharti Airtel Limited – Special Committee of Directors for Restructuring of Overseas Holding Structure and related items (Chairman) > Bharti Realty Holdings Limited – CSR Committee (Chairman) > Bharti AXA General Insurance Company Limited – Nomination and Remuneration Committee (Member) > Bharti AXA Life Insurance Company Limited – Nomination and Remuneration Committee (Member) > Bharti Enterprises (Holding) Private Limited – CSR Committee (Chairman) > Bharti (RM) Holdings Private Limited – CSR Committee (Chairman)	Bharti Airtel Limited – Audit Committee (Member)	Bharti Airtel Limited – Audit Committee (Member)	> Bharti Airtel Limited – Stakeholders Relationship Committee (Member) > Bharti Airtel Limited – Committee of Directors (Member) > Bharti Airtel Limited – CSR Committee (Member) > Airtel Payments Bank Limited – Audit Committee (Member) > Airtel Payments Bank Limited – Nomination & Remuneration Committee (Member) > Airtel Payments Bank Limited – Special Committee on Frauds (Member) > Airtel Payments Bank Limited – Risk Management Committee (Member) > Airtel Payments Bank Limited – IT Strategy Committee (Member) > Airtel Payments Bank Limited – Committee of Directors (Member)

In terms of Section 136(1) of the Companies Act, 2013, Rule 10 of the Companies (Accounts) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Abridged Annual Report, excluding corporate governance report and annexures of Boards' Report is being sent to the members. Members who desire to obtain the full version of the report may download the same from website of the Company or may write to the Secretarial department at the registered office address and will be provided with a copy of the same.

Registered Office:
Bharti Crescent
1, Nelson Mandela Road,
Vasant Kunj, Phase - II,
New Delhi - 110 070, India.
CIN: L74899DL1995PLC070609
Email id: compliance.officer@bharti.in

By order of the Board
For **Bharti Airtel Limited**

Pankaj Tewari
Sr. VP & Company Secretary
Membership No. A15106

Place: New Delhi
Date: April 24, 2018

Bharti Airtel Limited
CIN: L74899DL1995PLC070609
Regd. Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi - 110 070
T.: +91 011-46666100, **F.:** +91 011-41666137
Email id: compliance.officer@bharti.in **Website:** www.airtel.com

ADMISSION SLIP

Twenty Third Annual General Meeting

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

DP Id & Client Id / Regd. Folio No.*		No. of Shares	

Name(s) and address of the member in full _____

_____

_____

I / we hereby record my / our presence at the Twenty Third Annual General Meeting of the Company being held on Wednesday, August 08, 2018 at 03:30 p.m. (IST) at Air Force Auditorium, Subroto Park, New Delhi – 110 010, India.

Please (√) in the box

☐ Member ☐ Proxy

_____
Signature of Member / Proxy

*Applicable for member holding shares in physical form.

Bharti Airtel Limited
CIN: L74899DL1995PLC070609
Regd. Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi - 110 070
T.: +91 011-46666100, **F.:** +91 011-41666137
Email id: compliance.officer@bharti.in **Website:** www.airtel.com

PROXY FORM

Form No. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: **L74899DL1995PLC070609**

Name of the Company: **Bharti Airtel Limited**

Registered office: **Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070**

Name of the member (s): _____

Registered address: _____

E-mail Id: _____

DP ID and Client ID / Folio No: _____

I/We, being the member (s) of _____ shares of the above named Company, hereby appoint

1. Name: _____

   Address: _____ E-mail Id: _____

   Signature: _____ or failing him.

2. Name: _____

   Address: _____ E-mail Id: _____

   Signature: _____ or failing him.

3. Name: _____

   Address: _____ E-mail Id: _____

   Signature: _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Twenty Third Annual General Meeting of the Company scheduled to be held on Wednesday, August 08, 2018 at 03:30 p.m. (IST) at Air Force Auditorium, Subroto Park, New Delhi – 110 010 or / and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	For	Against
Ordinary Business(es):			
1.	To receive, consider and adopt the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2018 and the report of the Board of Directors and of the Auditors thereon		
2.	Declaration of dividend on equity shares		
3.	Re-appointment of Mr. Rakesh Bharti Mittal as a Director liable to retire by rotation		
4.	Re-appointment of Ms. Tan Yong Choo as a Director liable to retire by rotation		
5.	Ratification of appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, as the Statutory Auditors of the Company and to fix its remuneration		
Special Business(es):			
6.	Re-appointment of Mr. Craig Edward Ehrlich as an Independent Director		
7.	Alteration of the Articles of Association of the Company		
8.	Change in nature of directorship of Mr. Gopal Vittal, Managing Director & CEO (India and South Asia) of the Company		
9.	Revision in payment of Commission to Non-Executive Directors of the Company		
10.	Ratification of remuneration to be paid to R. J. Goel & Co., Cost Accountants, Cost Auditors of the Company for the FY 2018-19		

Signed this _____ day of _____ 2018

Affix revenue stamp of ₹1/-

Signature of Member_____

Signature of Proxy holder(s) _____

Note:

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi-110070 not later than 48 hours before the commencement of the Meeting.

Bharti Airtel Limited
CIN: L74899DL1995PLC070609
Regd. Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi - 110 070
T.: +91 011-46666100, **F.:** +91 011-41666137
Email id: compliance.officer@bharti.in **Website:** www.airtel.com

ECS MANDATE FORM

[APPLICABLE FOR SHARES HELD IN PHYSICAL FORM ONLY]

To
Karvy Computershare Private Limited
Unit: **Bharti Airtel Limited**
Karvy Selenium Tower B, Plot number 31 & 32,
Gachibowli, Financial District,
Nanakramguda,
Hyderabad - 500032

Name of the First / Sole Member	
Folio No.	

PAN / Email information

Income Tax Permanent Account Number (PAN) (Please attach a photocopy of PAN Card)	
Email ID	

Particulars of Bank Account

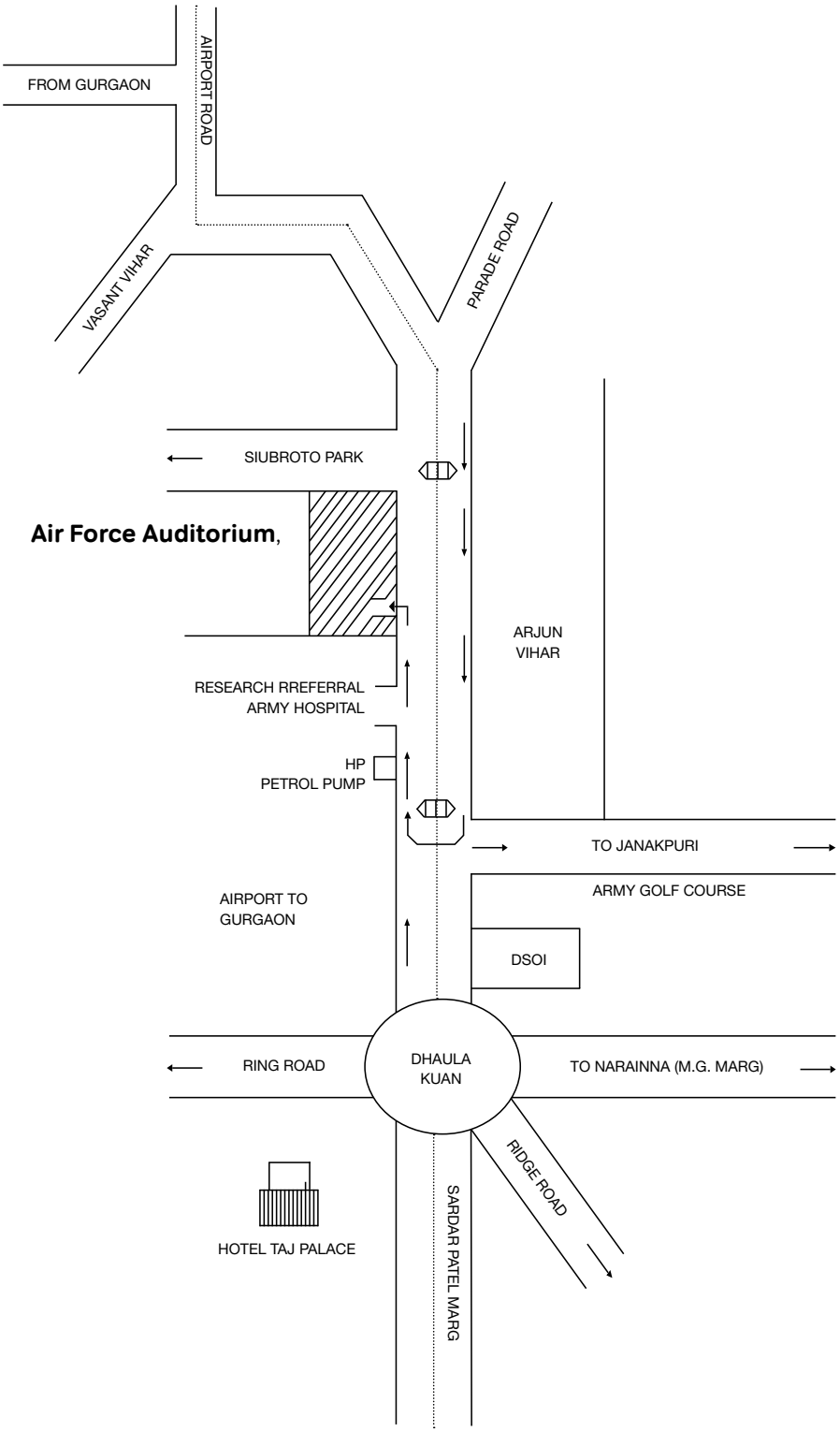
Bank Name										
Branch Name & Address										
Bank Account Type (tick)	SB		Current		Others					
Bank Account Number										
9 Digit Code Number of the Bank and Branch appearing on the MICR Cheque issued by the Bank (Please attach a photocopy of the Cheque)										
IFSC Code										

I hereby declare that the particulars given above are correct and complete and also express my concurrence to receive information through email towards dividend paid by the Company under the ECS mode.

_____

Signature of the 1st Registered Holder / Sole Holder

Route map to the venue of the 23rd AGM of Bharti Airtel Limited



Venue: Air Force Auditorium, Subroto Park, New Delhi - 110 010
Landmark: Adjacent to Research & Referral, Army Hospital

BHARTI AIRTEL LIMITED

CIN: L74899DL1995PLC070609
Regd. Office: Bharti Crescent 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110070, India
Tel.: +91-11-4666 6100 **Fax:** +91-11-4166 6137
Email id: compliance.officer@bharti.in **Website:** www.airtel.com

Name of the member including Joint holder(s), if any :

Registered address of the sole / first named member :

DP ID & Client ID No. / Registered Folio No. :

No. of shares held :

Dear Member(s),

Sub: Voting through electronic means

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations), the Company is pleased to provide remote e-voting (e-voting) facility to its members to exercise their right to vote on resolutions proposed to be passed in the Twenty Third Annual General Meeting (AGM) of the Company scheduled to be held on Wednesday, August 08, 2018 at 03:30 p.m. (IST) at Air Force Auditorium, Subroto Park, New Delhi - 110 010.

The Company has engaged **Karvy Computershare Private Limited (Karvy)** as the authorized agency to provide e-voting facility. The particulars of e-voting are as follows:

E-Voting Event Number (EVEN)	User ID	Password / PIN

The e-voting facility will be available during the following voting period:

Commencement of e-voting	From 9:00 a.m. (IST) on Sunday, August 05, 2018
End of e-voting	Upto 5:00 p.m. (IST) on Tuesday, August 07, 2018

The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of aforesaid period.

The cut-off date for the purpose of e-voting and voting at the Twenty Third Annual General Meeting shall be Wednesday, August 01, 2018.

This communication is an integral part of the Notice dated April 24, 2018 for the Twenty Third Annual General Meeting scheduled to be held on August 08, 2018. Please read the instructions printed overleaf before exercising the vote.

The Notice of the Twenty Third Annual General Meeting and this communication are also available on the website of the Company at www.airtel.com.

Registered Office:
Bharti Crescent
1, Nelson Mandela Road,
Vasant Kunj, Phase II,
New Delhi - 110 070
CIN: L74899DL1995PLC070609
Email id: compliance.officer@bharti.in

By order of the Board
For **Bharti Airtel Limited**

Pankaj Tewari
Sr. VP & Company Secretary
Membership No. A15106

Place: New Delhi
Date: April 24, 2018

Instructions and other information relating to remote e-voting (e-voting) are as under:

1. In case a member receives an email from Karvy (for members whose email Ids are registered with the Company / Depository Participants(s)):
   a) Launch internet browser by typing the URL: https://evoting.karvy.com.
   b) Enter the login credentials (i.e. User id and password mentioned overleaf). Your Folio No. / DP ID / Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
   c) After entering these details appropriately, click on "LOGIN".
   d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and one special character (@,#,$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential.
   e) You need to login again with the new credentials.
   f) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for Bharti Airtel Limited.
   g) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off Date under each of the heading of the resolution and cast your vote by choosing the "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together shall not exceed your total shareholding as mentioned overleaf. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head. Option "FOR" implies assent to the resolution and "AGAINST" implies dissent to the resolution.
   h) You may then cast your vote by selecting an appropriate option and click on "Submit".
   i) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
   j) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
   k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
   l) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail contact@cssanjaygrover.in with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."
2. In case a member receives physical copy of the Annual General Meeting Notice by post (for members whose email Ids are not registered with the Company / Depository Participant(s)):
   a) User ID and initial password are provided overleaf.
   b) Please follow all steps from Sr. No. (a) to (l) as mentioned in (1) above, to cast your vote.
3. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.
4. The Board has appointed Mr. Sanjay Grover, Managing Partner, Sanjay Grover & Associates, Company Secretaries, New Delhi (C.P. No. 3850) failing him Mr. Devesh Kumar Vasisht, Partner, Sanjay Grover & Associates, Company Secretaries, New Delhi (C.P. No. 13700) as a Scrutinizer to scrutinize the physical voting at the AGM and e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for same purpose.
5. In case of any query and / or grievance, pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website https://evoting.karvy.com or contact Mr. Ramesh Desai of Karvy Computershare Private Limited, Karvy Selenium, Tower B, Plot number 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 or evoting@Karvy.com or phone number 040-67161528 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
6. The facility for ballot / polling paper / e-voting shall be made available at the venue of the Annual General Meeting and the members attending AGM who have not cast their vote by remote e-voting shall be able to vote at the AGM through ballot / polling paper / e-voting.
7. The members who have cast their vote by remote e-voting may also attend AGM, but shall not be entitled to cast their vote again.
8. The voting rights of the members for e-voting shall be in proportion to the paid up value of their shares in the equity share capital of the Company as on the cut-off date i.e. Wednesday, August 01, 2018.
9. Person(s), whose names are recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Wednesday, August 01, 2018 only shall be entitled to avail the facility of remote e-voting / physical voting at the AGM. The person who is not a member / beneficial owner on the cut-off date should treat this notice for information purpose only.
10. Any person who becomes member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. Wednesday, August 01, 2018 may obtain the User Id and password by in the manner as mentioned below :
    a) If the mobile number of the member is registered against shares held in demat form, the member may send SMS:
       MYEPWD<space> DPID Client ID to +91-9212993399
       Example for NSDL: MYEPWD<SPACE>IN12345612345678
       Example for CDSL: MYEPWD<SPACE>1402345612345678
    b) If the mobile number of the member is registered against shares held in physical form, the members may send SMS: MYEPWD<space>Event number + Folio No to 9212993399.
       Example for Physical: MYEPWD<SPACE> XXXX1234567890
    c) Member may Call Karvy's Toll free number 1-800-3454-001
    d) Member may send an e-mail request to evoting@karvy.com

    If the member is already registered with Karvy for e-voting, he can use his existing User ID and Password for casting the vote through e-voting. However, Karvy shall endeavor to send User ID and Password to those new members whose mail ids are available.
11. The Scrutinizer shall immediately after the conclusion of the voting at the Annual General Meeting, first count the votes cast at the AGM thereafter unblock the votes cast through remote e-voting in the presence of atleast two (2) witnesses not in the employment of the Company. The Scrutinizer thereafter shall submit his Report to the Chairman after completion of his scrutiny. The result of the voting will be announced within Forty Eight (48) hours after the conclusion of the meeting at the Corporate and Registered office of the Company i.e. Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070, India.
12. The Results declared along with the Consolidated Scrutinizer's Report(s) will be available on the website of the Company (www.airtel.com) and on Karvy's website (https://evoting.karvy.com). The results shall simultaneously be communicated to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited.



airtel

2017-18

Integrated Report and Annual Accounts

Bharti Airtel Limited

Creating a digitally connected world

About this Report

Bharti Airtel Limited is pleased to present its first Integrated Report. With this, we begin a journey aimed to showcase the value we create for all our stakeholders.

As we take strides to strengthen our value creation philosophy through 'Integrated Reporting' in the coming years, for now we shall continue to disclose in-depth analysis of the material impact of our business operations on economic, social and environmental indicators across the stakeholder fraternity through our Sustainability Report, which shall be published separately.

Reporting scope and period

The Integrated Report covers information on business operations of Bharti Airtel Limited, aptly disclosed through six capitals as defined by International Integrated Reporting Council (IIRC). All the six capitals (except financial capital) cover information on India operations excluding Bharti Infratel Limited and Airtel Payments Bank Limited. The parameters for financial capital covered in this report are in relation to 'Bharti Airtel Limited' on standalone basis.

The Integrated Report considers the primary reporting period as April 01, 2017 to March 31, 2018. However, some of the sections of the report represent facts and figures of previous years to provide a comprehensive view to the stakeholders.

Reporting framework

The report follows the International <IR> Framework as developed by IIRC (www.integratedreporting.org) and should be read in conjunction with the financial statements included herein and the notes thereto. The financial and statutory data presented is in accordance with the requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable laws.

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

For the online version of the Annual Report please log on to http://www.airtel.com

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Key company information

Bharti Airtel Limited
ISIN: INE397D01024
BSE Code: 532454
NSE Code: BHARTIARTL
CIN: L74899DL1995PLC070609

Assurance

To ensure the integrity of facts and information, the Board of Directors and management have reviewed the Integrated Report and Ernst & Young LLP (EY) has carried out the independent assurance on sustainability disclosures presented in the report. The 'Independent Assurance Statement' issued by EY is available on our website www.airtel.com.

The statutory auditors, Deloitte Haskins & Sells LLP, Chartered Accountants have provided assurance on the financial statements and the 'Independent Auditor's Report' has been duly incorporated as a part of this report.



Sunil Bharti Mittal
Chairman



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



Raghunath Mandava
Managing Director & CEO
(Africa)

Read Inside

006 056 Integrated Report

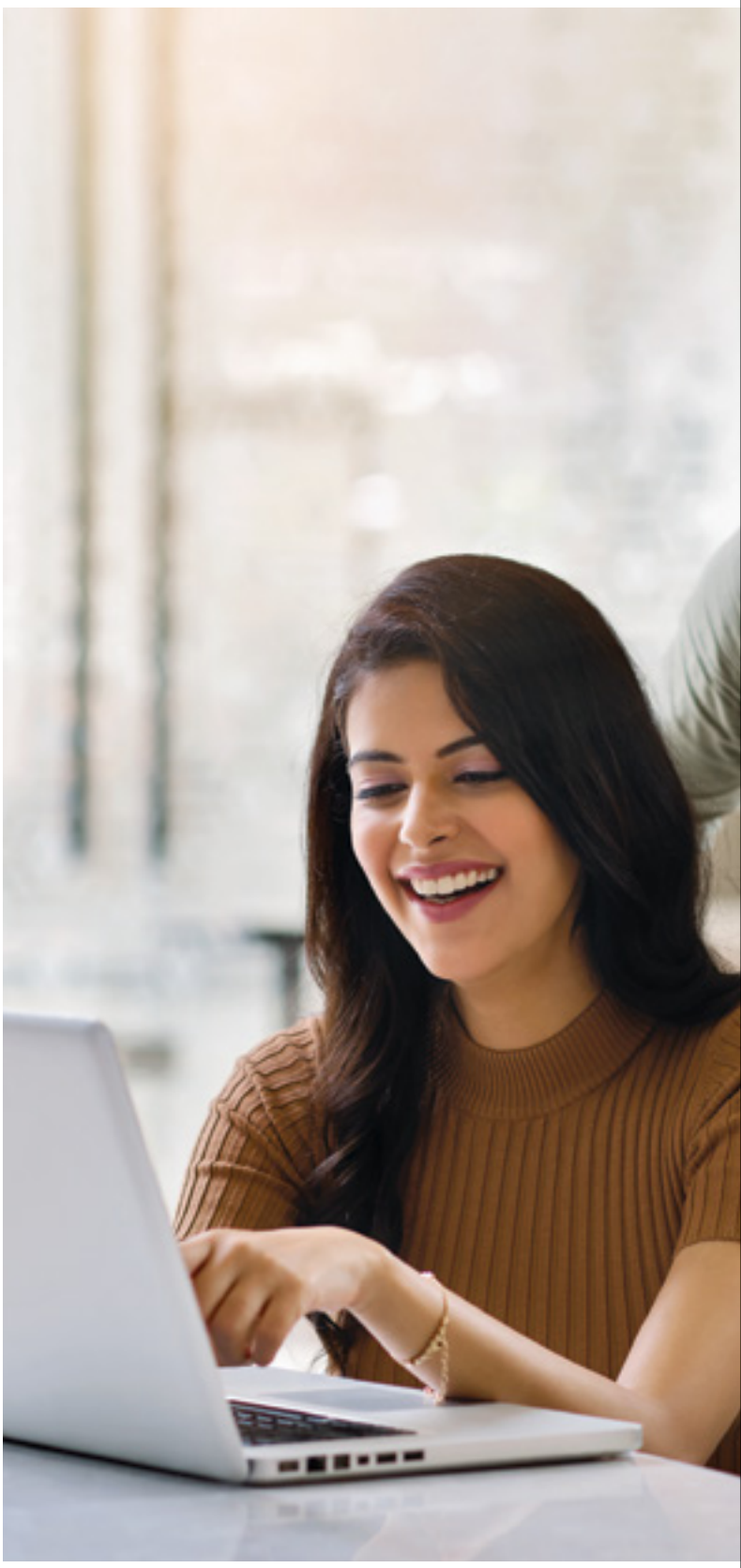
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313 Statement Pursuant to Section 129 of the Companies Act, 2013



Corporate Information



Board of Directors

Mr. Sunil Bharti Mittal, Chairman
Mr. Ben Verwaayen
Ms. Chua Sock Koong
Mr. Craig Edward Ehrlich
Mr. Dinesh Kumar Mittal
Mr. Manish Kejriwal
Mr. Rakesh Bharti Mittal
Mr. Shishir Priyadarshi
Ms. Tan Yong Choo
Mr. V. K. Viswanathan
Mr. Gopal Vittal, Managing Director & CEO (India & South Asia)

Managing Director & CEO (Africa)

Bharti Airtel International (Netherlands) B.V.

Mr. Raghunath Mandava

Chief Financial Officer

Mr. Nilanjan Roy

Company Secretary

Mr. Pankaj Tewari

Statutory Auditors

Deloitte Haskins & Sells LLP
Chartered Accountants

Internal Assurance Partners

Ernst & Young LLP
ANB & Co., Chartered Accountants

Cost Auditors

R.J. Goel & Co.
Cost Accountants

Secretarial Auditors

Chandrasekaran Associates
Company Secretaries

Registered & Corporate Office

Bharti Crescent, 1, Nelson Mandela Road,
Vasant Kunj, Phase – II, New Delhi – 110 070, India
CIN: L74899DL1995PLC070609

Website

http://www.airtel.com





Every monumental year for an industry brings with it certain decisive turn of priorities that change its landscape, for good. The same has been true for telecommunication this year. FY'18 has been quite disruptive for the industry in India for more reasons than one – and hence quite transformational as well. A highly competitive intensity reigned, and amidst all that we chose to keep our eyes less on the downward spiral of obstacles and more on the rising graph of possibilities – the greatest of which has been venturing beyond being purely mobile oriented to a comprehensive digital service provider.

India has always been a mobile first market, and with the role of a smartphone extending beyond just a communication device has further expedited a massive rollout of networks on the part of the providers – including us, which led to the creation of a high speed broadband network in India. The penetration of affordable handsets has increased; convergence of Payments via smartphones and the demonetization and cashless drive has acted as a catalyst for the growth of digital payments in India and the convergence of telecom services like connectivity, entertainment, education, and banking has led to a greater level of convenience and freedom for our customers as they are now able to run their day to day lives from the gadget in their hand.

As per IAMAI, the number of internet users in India will grow significantly in 2018 – the growth being visible in both urban and rural areas. The high-speed mobile broadband penetration in India has been at an all time high, and there has been a major shift in the data consumption trends of both the individual and group nature. And to top it all, by 2020, India will be the world's youngest country with 64% of its population in the working age group – which will be an unprecedented edge, considering the crucial relevance of mobile data usage in this demographic for learning, financial transactions, healthcare, shopping and so on.

Hence, at Airtel, we are keeping pace with the rapidly shifting landscape of telecom in modern India by deepening our roots and extending our reach in the digital services arena. As always, we are committed to making the lives of our millions of customers easier by staying one step ahead, envisioning their present as well as future needs and being ready to provide them with it all

by creating a digitally connected world.

About Us

Bharti Airtel Limited is a leading global telecommunications company with operations in 16 countries across Asia and Africa. Headquartered in New Delhi, India, the Company ranks among the top three 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 home broadband, DTH, enterprise services including national & international long distance services to carriers. In the rest of the geographies, it offers 2G, 3G, 4G wireless services and mobile commerce. Bharti Airtel had over 413 million customers across its operations at the end of March 2018.

Diversified service portfolio

Wireless Services

We offer postpaid, prepaid, international roaming, data connectivity and other value-added services to our customers.

Homes Services

We offer fixed-line telephone and broadband (DSL) services across pan-India.

Digital TV Services

Our Direct-To-Home (DTH) platform offers both standard and high definition (HD) digital TV services with 3D capabilities and Dolby surround sound.

Airtel Business

We are India's leading and most trusted provider of ICT services with a diverse portfolio of services to enterprises, governments, carriers and small and medium businesses.

Payments Bank

India's first payments bank with active operations across 29 states in India.

Tower Infrastructure

We own and operate more than 39,523 telecom towers under our subsidiary Bharti Infratel Limited (on a standalone basis) with presence across all 22 telecom circles.

World population

24%*

of the total population covered

* Based on UN Report dated January 1, 2013

Recognized brand

airtel

Talented people

20,793

Employees

17,263
India & South Asia

3,530
Africa

Indian population coverage

95.3%

Africa presence

14 countries

Shareholding as on March 31, 2018



1 > Promoter and Promoter group **67.14%**

2 > Mutual Funds and Units Trust of India **6.61%**

3 > Financial Institutions, Banks and Foreign Institutions **18.53%**

4 > Insurance Companies **5.69%**

5 > Others **2.03%**

Vision

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

Values

Alive, Inclusive, Respectful.

Objectives

Grow market share. Grow revenue. Drive down cost.

How we will win

Win the 4G Game decisively	> Win the primary SIM slot and wrest back share. > Win every market and channel through brilliant micro marketing and a re-energized GTM. > Drive upgrades through device partnerships and offers. > Lock-in customers through postpaid, loyalty program and more products.
Win with Brilliant Network Experience	> Fix network quality through discipline, ownership, right measurement and digitization. > Future proof the network across access, transport and core layers by investing smartly.
Build New Revenues	> Rapidly grow homes through broadband and DTH expansion. > Accelerate SME through GTM re-invention and going deeper in large accounts. > Leverage Customer 360, training and touch points to drive the right recommendation at the right time. > Build the largest Music and TV service of India. > Launch homes, office and payments platforms to drive new revenues. > Build the largest payments bank through dramatic increase in users and financial services use cases. > Drive new revenue streams in the areas of IoT, Cybersecurity and DCs.
Win with War on Waste	> Drive down cost through end to end process re-engineering and digitization.
Win with People	> Drive passion and teamwork while building an Airtel of the future.

Segment wise Performance

Wireless services

> Bundled plans with unlimited voice packs
> First to launch 4G in India
> Postpaid plans
  > MyPlan - customized plans as per customer usage
  > Infinity - Options with unlimited benefits
> Pocket-friendly data packs
> Recognized as the smartphone network

Mobile India



Y-o-Y Revenues -18% ↓ EBITDA -34% ↓ (₹ Mn)

Mobile Africa*



Y-o-Y Revenues 5% ↑ EBITDA 46% ↑ (USD Mn)

* on constant currency, 14 countries operations

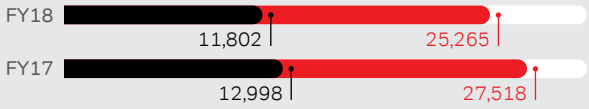
Homes services

Landline

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

Internet

> Introduced 'V-Fiber' technology
> Up to 100 Mbps speed



Y-o-Y Revenues -8% ↓ EBITDA -9% ↓ (₹ Mn)

Digital TV services

> Android TV
> Universal Remote
> MyPlan Customized
> Interactive services



Y-o-Y Revenues 10% ↑ EBITDA 16% ↑ (₹ Mn)

Airtel Business

> Diverse portfolio of services - voice, data, video, network integration, data centres, managed services, enterprise mobility applications and digital media
> Strategically located submarine cables and satellite network
> Global network running across 250,000 Rkms, covering 50 countries and 5 continents



Y-o-Y Revenues 3% ↑ EBITDA 25% ↑ (₹ Mn)

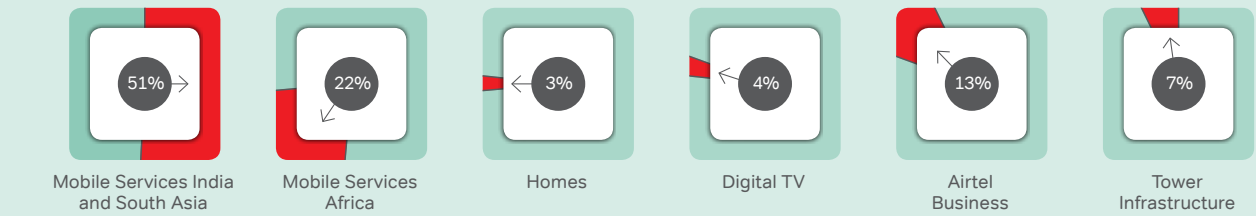
Tower Infrastructure

> One of the world's largest passive infrastructure providers
> Over 91,451 towers (including proportionate share of Indus)



Y-o-Y Revenues 9% ↑ EBITDA 12% ↑ (₹ Mn)

Revenue Mix FY 2017-18



Performance Highlights

	Units	Financial Year Ended March 31				
		IFRS		Ind AS**		
		2014	2015	2016	2017	2018
Operating Highlights						
Total Customer Base	000's	2,95,948	3,24,368	3,57,428	3,72,354	4,13,822
Mobile Services	000's	2,83,580	3,10,884	3,42,040	3,55,673	3,95,722
Homes Services*	000's	1,654	1,679	1,949	2,129	2,172
Digital TV Services	000's	9,012	10,073	11,725	12,815	14,168
Airtel Business*	000's	1,702	1,732	1,714	1,736	1,760
Consolidated Financials (₹ Mn)						
Total revenues	₹ Mn	8,57,461	9,20,394	9,65,321	9,54,683	8,36,879
EBITDA (before exceptional items)	₹ Mn	2,78,430	3,14,517	3,41,682	3,56,206	3,04,479
Cash Profit from Operations before Derivative and Exchange Fluctuation (before exceptional items)	₹ Mn	2,41,813	2,85,280	2,89,083	2,83,668	2,27,169
Earnings Before Tax	₹ Mn	78,643	1,07,130	1,28,463	77,233	32,669
Net Profit	₹ Mn	27,727	51,835	60,767	37,998	10,989
Consolidated Financials (₹ Mn)						
Shareholder's Equity	₹ Mn	5,97,560	6,19,564	6,67,693	6,74,563	6,95,322
Net Debt	₹ Mn	6,05,416	6,68,417	8,35,106	9,13,999	9,52,285
Capital Employed	₹ Mn	12,02,976	12,87,981	15,02,799	15,88,562	16,47,607
Key Ratios						
Capex Productivity	%	72.91	77.40	69.89	65.34	49.88
Opex Productivity	%	45.05	43.63	42.75	41.38	42.88
EBITDA Margin	%	32.47	34.17	35.40	37.31	36.38
EBIT Margin	%	14.22	17.23	17.22	16.42	13.25
Return on Shareholder's Equity	%	5.04	8.52	9.44	5.66	1.60
Return on Capital employed	%	6.65	8.05	8.32	6.45	4.64
Net Debt to EBITDA	Times	2.19	2.08	2.46	2.66	3.19
Interest Coverage ratio	Times	7.58	8.43	7.06	5.20	4.37
Book Value Per Equity Share	₹	149.49	154.99	167.03	168.77	173.96
Net Debt to Shareholders' Equity	Times	1.01	1.08	1.25	1.35	1.37
Earnings Per Share (Basic)	₹	7.02	12.97	15.21	9.51	2.75

* Effective FY 2016-17, the company has realigned the reporting of its corporate fixed line voice and fixed line data business with Airtel Business and accordingly Telemedia Services renamed to Homes Services. Hence, the customer base of 'Broadband and Telephone Services' is now represented as 'Homes' and 'Airtel Business'.

** With effect from April 01, 2016, the company has applied Ind AS for the preparation of its financial statements. The transition is carried out from accounting principles generally accepted in India with the transition date being April 01, 2015.

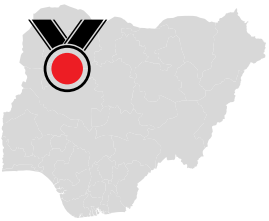
All figures are based on Consolidated Financial Statements.

Looking Back at the Year

Quarter 1
April – June 2017

Received a formal approval from Securities and Exchange Board of India (SEBI) for the **acquisition of Telenor India** (an enterprise of Telenor South Asia Investments Pte Limited)

Won **Aon Best Employer India 2017** for achieving high levels of employer brand, employee engagement and well established human resource practices



Airtel Nigeria won the 2017 **Most Outstanding Customer-centric Telecoms Brand Award** at the National Marketing Stakeholders Summit and Brands and Advertising Excellence Awards

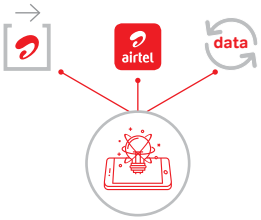
Won the TM Forum's Excellence Award 2017 in the **'Smart Service Provider - Business of the Year'** category for accelerating digital transformation in India

Quarter 2
July - September 2017

Completed the acquisition of Tikona Digital Networks making **Tikona a wholly owned subsidiary of Airtel**

Announced strategic partnership with **SK Telecom (Korea's largest telecommunications company)** to leverage their expertize in improving network experience, machine learning, big data and better customer experience

Airtel launched **'Project Next'**, aiming to transform customer experience across its services and touch points. This included first set of digital innovations with introduction of **Next Gen Airtel Store**, New version of **My Airtel App** and Airtel's postpaid promise with **'data rollover feature'**





Announced the deployment of **Massive Multiple-Input Multiple-Output (MIMO)** in partnership with Huawei Telecommunication India as a part of Airtel's ongoing network transformation program

One of the three companies from India to be covered in the Forbes list of **'The World's Most Innovative Companies 2017'**

Airtel Payments Bank launched UPI enabled digital payments allowing secure digital payments to online/offline merchants and instant money transfers to any bank account in India through smartphones

Quarter 3

October - December 2017

Entered into a definitive agreement with **Tata Teleservices Ltd. and Tata Teleservices (Maharashtra) Ltd.** for acquisition of their Consumer Mobile Businesses (CMB)

Airtel Rwanda completed the formalities of acquisition for **Millicom International Cellular** to combine their telecommunication operations in Ghana

Announced the sale of **20% equity stake in Bharti Telemedia Limited** (its DTH arm) to an affiliate of Warbug Pincus subject to regulatory and statutory approvals

Bharti Airtel Limited via its wholly owned subsidiary, Nettle Infrastructure Investments Limited, divested **150 Mn shares** of subsidiary Bharti Infratel Limited through secondary share sale in the stock market for a consideration of over

₹ 58,950 Mn

Launched '**Mera Pehla Smartphone**' initiative in **partnership with Karbonn Mobiles** to introduce affordable 4G Smartphone in the Indian market

Signed an agreement with the Department of Telecom (DoT) and the Universal Service Obligation Fund (USOF) for introducing provision for mobile services in identified uncovered villages and national highways in the North Eastern States of Assam, Manipur, Mizoram, Nagaland, Sikkim, Tripura and Arunachal Pradesh



Quarter 4

January - March 2018

Tigo acquisition in Rwanda approved by the Rwanda Utilities Regulatory Authority (RURA)

Board of Directors of Bharti Airtel International (Netherlands) B.V. (a wholly owned subsidiary), initiated non-binding exploratory discussion with various banks/ intermediaries to explore the possibility/feasibility of listing of its shares on an internationally recognized stock exchange



Crossed the **300 Mn** mobile subscribers mark in India during the quarter

Acknowledged as the **fastest mobile network in India** by the global leader in internet speed tests - Ookla for the third time in a row

Ranked as the **'Best Company to Work For'** within the telecom sector and **amongst the top 10 across sectors in India** by Business Today – PeopleStrong Survey, 2017

Message from the Chairman



"Affordable smartphones, which have become the predominant gateway to internet for customers across age groups and geographies, and rapidly proliferating 4G networks helped accelerate market transformation during the year."

Aggressive network rollout continued to be an overriding priority for us as a record

110,000

mobile sites were rolled out during the year to strengthen our 4G footprint

Dear Shareholders,

Aided by strong growth in most advanced and emerging markets, global economy stayed on course in its rebound mode during the year. Overall, our company experienced favorable economic environments in both India and Africa. While India recovered remarkably well from the prolonged dissonance caused by demonetization, which was undertaken in FY 17, and the teething troubles of Goods and Service Tax (GST) introduced during the current year, African economies benefited from stability in currencies and commodity prices, which resulted in healthy balance of payment situation in many countries.

Digital technologies and internet are pivotal to transformation happening around us – social, industrial, economic. Global telecommunications industry, which lies at the heart of this transformation, too is undergoing a metamorphosis of sorts; operators are transforming from pure play telecom to being digital services providers – integrating connectivity and content across multiple screens. New technologies like IOT, AI, Block chain and big data analytics are likely to make these networks the primary facilitator of change in future. Affordable smartphones, which have become the predominant gateway to internet for customers across age groups and geographies, and rapidly proliferating 4G networks helped accelerate market transformation during the year. It was particularly evident in India where average data consumption per user went up by nearly six times to over 6GB per month in Q4 (FY18) from about 1GB in Q4 (FY17). African markets too exhibited buoyancy where average usage on our networks expanded by about 90%.

The telecom industry faced an extraordinarily turbulent year in India through unprecedented disruption. Extreme pricing pressure accelerated market exits and industry consolidation, which evolved towards a 3+1 structure (3 private telcos + 1 public sector telco). Even though the transition is turning out to be stressful entailing massive dislocation in the short run, the new industry structure will ultimately prove beneficial for the sector. We have done well to capitalize on emergent opportunities from this industry shakeup. While we completed the acquisitions of Tikona and Telenor, the proposed merger with the consumer business of Tata Teleservices Maharashtra and Tata Teleservices is under regulatory approval.

Our strategy of growing our share of high ARPU customers and improving customer stickiness by offering new products and content services helped us increase our revenue market share in a rapidly consolidating market undergoing significant

revenue shrinkage. It was gratifying to see the way we held ourselves as pressure mounted on the topline of our mobility business. Aggressive network rollout continued to be an overriding priority for us as a record 110,000 mobile sites were rolled out during the year to strengthen our 4G footprint. This will help us stay ahead of competition through enhanced data capabilities and better customer service.

Acceleration in non-wireless businesses remained an unmistakable bright spot for us during the year. DTH and B2B business registered healthy double digit topline growth, thus highlighting the inherent advantages of a diversified business portfolio. The Payments Bank had a good start but faced issues in KYC authentication leading to disruption in acquiring new customers. The Bank with a new CEO and enhanced preparedness is now geared to get back on track towards the goal of driving financial inclusion in the Country.

Sharply improved EBITDA margins in Africa to

33.4%

in FY 2017-18 from 24% last year

In Africa, it turned out to be a defining year for us. Sharply improved EBITDA margins to 33.4% from 24% last year enabled us to achieve full year PAT for the first time since acquisition.

Modernized data networks - 3G networks in all 14 countries and 4G networks in 8 countries (6 of them rolled out this year) - facilitated a surge in data consumption in different African markets. Simplified voice and data bundles coupled with robust distribution and a refined cost model helped us achieve operational excellence in different markets. Data revenues expanded by over 22% during the year. Airtel Money too continued to be a key revenue pillar growing by 47% during this period.

In-country consolidation with a clear intent to become No. 1 or No. 2 operator continued to be a strategic imperative for us. While we merged operations with Millicom in Ghana to form a 50:50 joint venture, we acquired Millicom's business in Rwanda to become a viable No. 2 in the market.

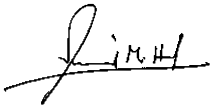
We undertook several initiatives to raise capital to support our business plans. During the year, we divested around 150 million shares in our subsidiary Bharti Infratel through secondary sale for a consideration of over ₹ 5,895 crores. We also issued non-convertible debentures worth up to ₹ 3,000 crores on a private placement basis. I am pleased to inform you that the board of Bharti Airtel International (Netherlands) B.V. has authorized the management to initiate non-binding exploratory discussions with various intermediaries to evaluate the possibility of listing the Africa operations on an internationally recognized stock exchange.

Bharti Foundation, our group philanthropic arm extended the reach of its activities significantly during the year. Its school education programs are today cumulatively reaching out to nearly 250,000 students across 13 states in India. I am particularly delighted to inform you that during the year Bharti Foundation embarked upon its most ambitious Higher education initiative till date to set up Satya Bharti University, a world class institution to offer free education to deserving youth from economically weaker sections of society. The sanitation program, which is already serving over 90,000 beneficiaries, moved into its second phase under which the Foundation is providing financial assistance to beneficiaries to construct household toilets. Airtel Africa's 'Adopt-a-School' Program is now supporting over 32,000 underprivileged children in 58 adopted schools in different countries. The Company has also scaled up its Internet for Schools initiative to benefit over 300,000 students in Kenya and Zambia. We plan to scale this up significantly over the next year.

Personally, it turned out to be an exciting year for me in my concurrent global roles - Chairman, ICC and Chairman, GSMA.

As a business entity, we have always believed in staying ahead of the curve with regard to adopting best practices in transparency and corporate governance. In line with this philosophy, we have embraced Integrated Reporting (IR) and the present report is the first Integrated Report for us.

Telecom markets across emerging economies are in transition. While life cycles of 2G and 3G are getting truncated, 4G is taking rapid strides. Market structures are getting reshaped with fewer players to facilitate these investments. With our strong balance sheet and robust spectrum portfolio across markets, we are well positioned to make the best of this transition to come out stronger.



Sunil Bharti Mittal

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



Dear Shareholders,

The FY 2017-18 was a transformational year for the telecom industry. Because of the brutal price war, there was an unprecedented consolidation from 8 operators to only 3 private operators in the market. This price war also led to a rapid shift in consumer behavior from voice to entertainment that led to explosion of data usage and ultimately, massive network investments. Airtel continued to make robust investments despite eroding profitability in order to stay in the leadership position. Even during this turbulent period, Airtel maintained its leadership position and remained focused on its vision to win customers for life. Our brand continued to remain in a strong position winning several accolades including the 'Buzziest Brand' award in telecom category. All of this was enabled through solid execution across all the pillars of our GPS.

To **grow share of high ARPU customers**, we focussed on i) grabbing increased share of 4G devices through alliances & simplified pricing, ii) driving data consumption through intense focus on sim consolidation led by bundled pricing plans and iii) accelerating postpaid.'Mera Pehla Smartphone' program was a major initiative where we stitched alliances with several handset OEMs across all price bands to offer cashback options to customers purchasing a new smartphone bundled with Airtel. Further, 'Airtel Online Store' went live with Apple and Samsung devices to sell them with financing options to customers. The Postpaid business was completely revamped with innovative propositions to offer more value to the customers (e.g. handset security, free music & TV, free Amazon prime membership etc.) beyond the traditional services. As part of the project 'Next' program, we introduced the 'data roll over' functionality for postpaid customers.

To improve customer stickiness by offering them **more products & services**, we focused on cross selling our portfolio of telco products and gaining adoption of our digital services. A dedicated 'Homes' channel was set-up to sell postpaid and DTH connections to our existing broadband customers. Airtel TV was rejuvenated with a rich content library of live channels, movies, premium OTT content etc., which enabled it to garner 25Mn+ active users. Wynk music became India's #1 app in terms of consumption. On the B2B side, we did a strategic partnership with Symantec to offer cyber security solutions to corporate and government organizations.

Delivering **brilliant customer experience** continued to be our key priority. We made heavy investments in network, the core of our business. A record 110,000 mobile sites were rolled out in the last year to expand our 4G footprint across the country. We created a strategic partnership with SK Telecom to leverage its expertize in improving network experience and create a future ready network. To enrich voice calling experience, we launched VoLTE. Re-engineering and digitization of customer care processes were completed to offer better resolution to customer queries. We also launched next generation 'digital' stores in marquee locations to enhance customer experience in our stores.

While the mobility business was under competitive pricing pressure, **acceleration in non-wireless businesses** played a strong role in driving the growth of the company. Broadband business was completely re-launched with first of its kind propositions like data roll-over, data borrow from postpaid mobile etc. DTH and B2B business registered healthy double digit topline growth with strong margins on the back of simplified pricing and aggressive Go-to market initiatives.

We continued our emphasis on identifying and **stripping out waste** from our business through process redesign and automation. This is demonstrated by the fact that we delivered a decline in operating expenditures last year.

Finally, we remain committed to ensure growth & well-being of **our people**, the most valuable asset of our Company. We have constantly striven to be amongst the preferred places to work for the smartest in the industry. This year, Airtel was ranked 10th 'Best Company to Work for' across all companies and the best employer in Telecom in India.

As an organization we continue to be committed to sustainable and inclusive growth. Our Sustainability Report spells out our initiatives for environment sustainability. Bharti Foundation, with full support from our employees, has been doing remarkable work in engaging parents and the community to spread awareness about education and empowerment of girl child. These initiatives have made our corporate citizenship more meaningful.

As we look ahead, we remain excited about the massive opportunity in India. With three large private operators serving 1.3 Bn people, the industry is poised for sustained long term growth. While there will be pricing pressure in the short term, the long term remains promising. We believe your company is well poised to exploit this future. With massive investments, an iconic brand, and a team that is obsessed about serving customers we are confident that Airtel will remain a force to reckon with.

As we enter a new era of telecom industry in the country, I would like to thank our customers, our people, our partners and our shareholders for their support and faith in us. We seek your continued guidance in our journey.



Gopal Vittal

Message from Managing Director & CEO (Africa)



FY 2017-18 has been a watershed year for Airtel in Africa. Along with decent revenue growth quarter on quarter, absolute opex declined by 9.2%, thereby helping EBITDA margins improve to 33.4% from 24%. This has helped Airtel Africa achieve a full year positive PAT for the first time since acquisition.

Good progress has been made across the key focus areas set about at the beginning of the year: which were enhancing distribution excellence to gain more customers, winning more with our existing customers, delivering network excellence, building the right cost model and enhancing people productivity and performance.

Over the last year, the Customer KYC registration locations grew by over 50% to 180,000, enabling a higher new customer addition. This led to growing the customer base to 89 Mn through an addition of 12.5 Mn customers during the year (including 3 Mn through the acquisition of TIGO Rwanda). In addition, over 10,000 exclusive mini shops and kiosks were introduced across the key operating countries to build a robust Airtel money infrastructure and provide assured float availability to customers.

Mobile data has been a big growth driver across the 14 operating companies and the network has been modernized through U-900 (3G service in 900 MHZ spectrum) in 11 Countries and 4G launched in 6 additional countries, taking the total countries with 4G to 8. With this our customers will get a best in class data network experience.

During the year, simplified voice and data bundles were introduced in most of the operating companies with a clear focus on ARPU enhancement. The Data Customer base has grown by 48% and Airtel Money Customer base increased by 31%. There has also been an encouraging increase in data and voice bundle penetration across all the operating units.

With an enhanced sales and distribution coverage, modernized network and simplified product bundles, the data usage has surged by 90%, data revenue has grown by 22.5% and Airtel Money revenue increased by 47%.

On the people front, the Company invested in functional and skill based training focusing on digitized delivery methods. Closer and tighter co-working between the operating countries and the Headquarters in Nairobi has helped build collaboration through building trust and fostering joint accountability.

With the intent of being No. 1 or No. 2 in each country, the Company merged operations with Millicom in Ghana into a 50:50 joint venture and acquired Millicom's business in Rwanda to become a clear No. 2 operator. The merger and the acquisition respectively will enable the Company to build scale and run a profitable enterprise that can invest for the future to benefit customers of the two Countries.

Airtel has undertaken several initiatives to contribute towards addressing social challenges. The Company has focused on Technology and Partnerships with various organizations to drive social change and inclusive growth of the under privileged people in the Society. It has scaled up its internet for schools programs in Kenya and Zambia to benefit over 300,000 students and will continue to drive this initiative at a larger scale. Under the pan African educational program, 'Adopt a School', the Company has adopted 58 schools, supporting over 32,000 underprivileged children.

The Company's Board has authorized management to initiate non-binding exploratory discussions with various intermediaries to evaluate the possibility of listing on an internationally recognized stock exchange.

Airtel Africa is poised for continued subscriber and revenue growth, building on the significant potential for mobile data and Airtel money in the operating countries, while continually investing in the network and distribution infrastructure.



Raghunath Mandava

Moving ahead on India's Digitalization Journey

At Airtel X labs, our work fundamentally transforms the way people communicate and businesses operate. Since our early days in the mobile era, we have rallied relentlessly to break down communication barriers. Today, our work goes beyond telecom – we build products that entertain and inform, connect devices to the internet, and enable businesses to securely harness the power of their data. Our focus, however, has remained to deliver solutions that truly enrich the lives of our customers.

On Track with Digital Affordability: The Online Store (airtel.in/onlinestore)

To unlock affordability for customers, to enable them to buy their aspirational handsets like the apple iphone, samsung and nokia, we launched the Airtel Online Store. This is an intricate ecosystem of lenders, logistics companies & distributors to offer these handsets at an affordable price at the customer's doorstep.

This unique proposition allows customers to purchase aspirational mobile phones, moving away from the limited credit card schemes or conventional paper lending. On the online store, we are working with multiple lenders across India to solve the affordability issue by innovative digital lending methodologies that allow credit to be given to people without a credit rating through loans from banks we have tied up with. It is a partnership led model of 100% digital lending.

Making Lives Easier: Airtel Home

To enhance customer experience by enabling one single billing across postpaid, telemedia and DTH, and discounts on bundles, we have built the Airtel Home.

One Home, One Bill: The digital platform transforms customer experience by enabling bundling of multiple Airtel services within the home – broadband, fixed line, postpaid mobile and digital TV. Customers also get one bill, premium customer support and enjoy up to 10% discount on their total bill.

'Airtel Home' allows customers to bundle multiple Airtel relationships – home broadband (and fixed line), postpaid mobile and digital TV* as a single account with a unified interface on My Airtel app and enjoy amazing convenience, peace of mind and loads of other benefits.

Single Bill for all Airtel services: With 'Airtel Home', customers are liberated from the hassle of making multiple payments across multiple bill cycles for different Airtel connections within the family. No need to remember multiple payment dates from now on. Airtel Home offers the convenience of a single bill for all services. What's more you can add Airtel connections from any location in the country.

- **Premium Customer Support:** 'Airtel Home' users will get access to premium customer care.
- **Discounts of up to 10% on the unified bill:** Get up to 10% discount based on number of connections bundled.

* Airtel Digital TV will be made live on the 'Airtel Home' proposition soon

The creation of 'Airtel Home' allows customers to bundle their postpaid, broadband & DTH to for app and web journeys for existing broadband and existing/new postpaid customers has been completed. A comprehensive self-care for Homes is also being integrated; at the same time, a Decision Tree (DT) has been created to provide a superior experience for our customers. A pilot is underway in AP circle and a full rollout will follow subsequently.

Hitting the Bull's eye: Network Deployment Process & Analytics

With an objective to digitize all network processes: deployment, planning, quality – including iWAN site & fiber deployment; drive increased self-care and online resolution of customer complaints; and add network experience to the customer profile for better targeting of offers, we created the Bull's Eye portal for internal usage – for deployment process and analytics.

Airtel and South Korea telecom have partnered to create a big data analytics platform that can gather large amounts of network telemetry data to assess the quality of the network at a granular level in order to take smarter investment planning decisions and optimize the network for better customer experience.

Enriching Customer Experience: Broadband digitization

Our aim is to bring out a better customer experience & significant cost savings by simplifying and digitizing the broadband journeys of acquisition, installation, fault repair, shifting; and to enable digital care for customers on the app and web, as well as through advisors. We have digitized the journeys end to end. We have also built predictive capabilities to diagnose the issues of the customer & auto detecting them.

Engaging Socially: Lighthouse

The platform helps us build capability for Listening, Engagement and Care across social and digital media, enabling faster response & care and assisting in benchmarking and managing brand tonality and engagement – all in the bid to ensure better experience for our customers on social media.

We have upgraded to the new platform, Sprinklr, which is also integrated with Airtel Business Support Systems [BSS] to capture and provide a 360-degree view of the customer.

Marking insights Real-Time: DARTS (Digital Analytics and Real-Time Strategy)

To enable contextually relevant marketing campaigns, insights to business for growth initiatives as well as manage customer experience, DARTS is a unified customer analytics platform that aggregates data from CRMs, billing systems, network, in store visits, DTH, Telemedia, WYNK, My Airtel etc to prepare near real time insights for the customers. This platform serves as foundation for revenue assurance as well as use cases such as Airtel Secure, data rollover, proactive experience management, credit line for customers, recharge information on DT 2.0.

Making Business Savvy: Global Business voice portal

Airtel Business rolled out the first-of-its-kind carrier digital platform for wholesale voice. The innovative digital platform offers paperless sign-up, quick voice interconnects and real-time traffic analytics for global carriers across the world, along with allowing customers to buy voice termination services from Airtel and also enabling them to propose sell rates for their target markets.

With on-boarding time reduced to a few hours, the platform also offers live rates for routes across the world enabling faster decision making for traffic exchange. The voice platform, designed on the basis of extensive customer insights, will empower global carriers with ease of business and enhanced efficiency.

With the first successful step in place we plan to soon provision a single window on the digital platform for product discovery, on-boarding, billing, payment, enquiry, and support across multiple B2B data products.

Making Care Simpler: Self-care for customers & Decision Tree

My Airtel app and airtel.in as self-care channels were developed with fully digital journeys to enable the customer to manage Airtel products i.e. Mobile, Homes (Broadband) and Direct-To-Home. The roll out an intelligent Decision Tree (DT) as a tool for diagnosis and resolution has transformed the way our advisors work at our contact centers.

To deliver an enhanced care experience for our customers across all channels, we have developed decision trees. Decision tree ensures that our customer care advisors & store representatives have access to the same information about the customer, leading to a delightful experience across all touch points.

Digital self-care has enabled our customers to actively engage on our digital properties to manage their Airtel numbers. Powered by diagnostic capabilities through decision tree (DT), the self care obviates the need for customers to call the contact centers for service related issues.

My Airtel App

My Airtel app is meant to be the all-purpose Swiss-knife for our (potential) users. And to get this done, the team has been working on enabling personalization in the true sense, using the recommendation engine which is work in progress. And to enable acquiring new users, so that they can see true value the app has to offer, and to incentivize loyal users, the team has also built a coupon engine platform which can be used to enable closed-loop discounts/incentives (which return to our system), thus also helping in retention.

The My Airtel app team is also working on building a generic referral system in place, which can leverage the coupon platform to reduce S&D cost, by having our loyal customers acquire for us. The digital platform is also making payments democratized, so that new users can be acquired who prefer other payment modes, like 3rd party wallets. One of the core focus for the app team is to make it super easy for the users to maximize the usage of all the services they pay for, so that we can then get to upselling more effectively.

The app team is also leveraging the network-side feasibility APIs, to better target new connection acquisition. The app will also enable easy of discovery of features and user requests using global search in the app.

Digital Brain

The Digital Brain (customer 360) is one of the most powerful intelligent and predictive platforms of its kind. It will understand each customer personally and contextually and enable us to engage with customers how they want, where they want and when they want for our own services as well as with the string of partnerships we develop. Leveraging AI it will also allow us to give our customers the best experience on our network in real time and allow us to predict problems and resolve them. It is a game changer.

Redefining Digital Banking Ecosystem

Our passion to drive financial inclusion and digitize cash is driven by solutions that are innovative and technology-led. At Bharti Airtel, we continue to leverage innovation in financial technology, adapting to new age developments to facilitate a future that is digital and secure.

Launched on January 12, 2017, Airtel Payments Bank* (hereinafter referred to as 'bank') is India's first payments bank that has brought millions into banking network. Aligning to the Government's vision of building a nation that is digital, Airtel Payments Bank reaches out to a divergent customer base, driving digital and financial inclusion.

In our endeavor to build a digitally connected world, the bank offers solutions reinforced by convenience. Leveraging the Airtel's wide retail network of more than 536,000 customer touch points, the bank offers a range of basic banking services to a wider customer base. With the use of technology, wide distribution scale and a brand that people trust, we have been successful in reaching out to the undeserved people in society while expanding the formal financial banking system at the same time.

*The Payments Bank operations in India are carried out through our subsidiary Company, Airtel Payments Bank Limited.



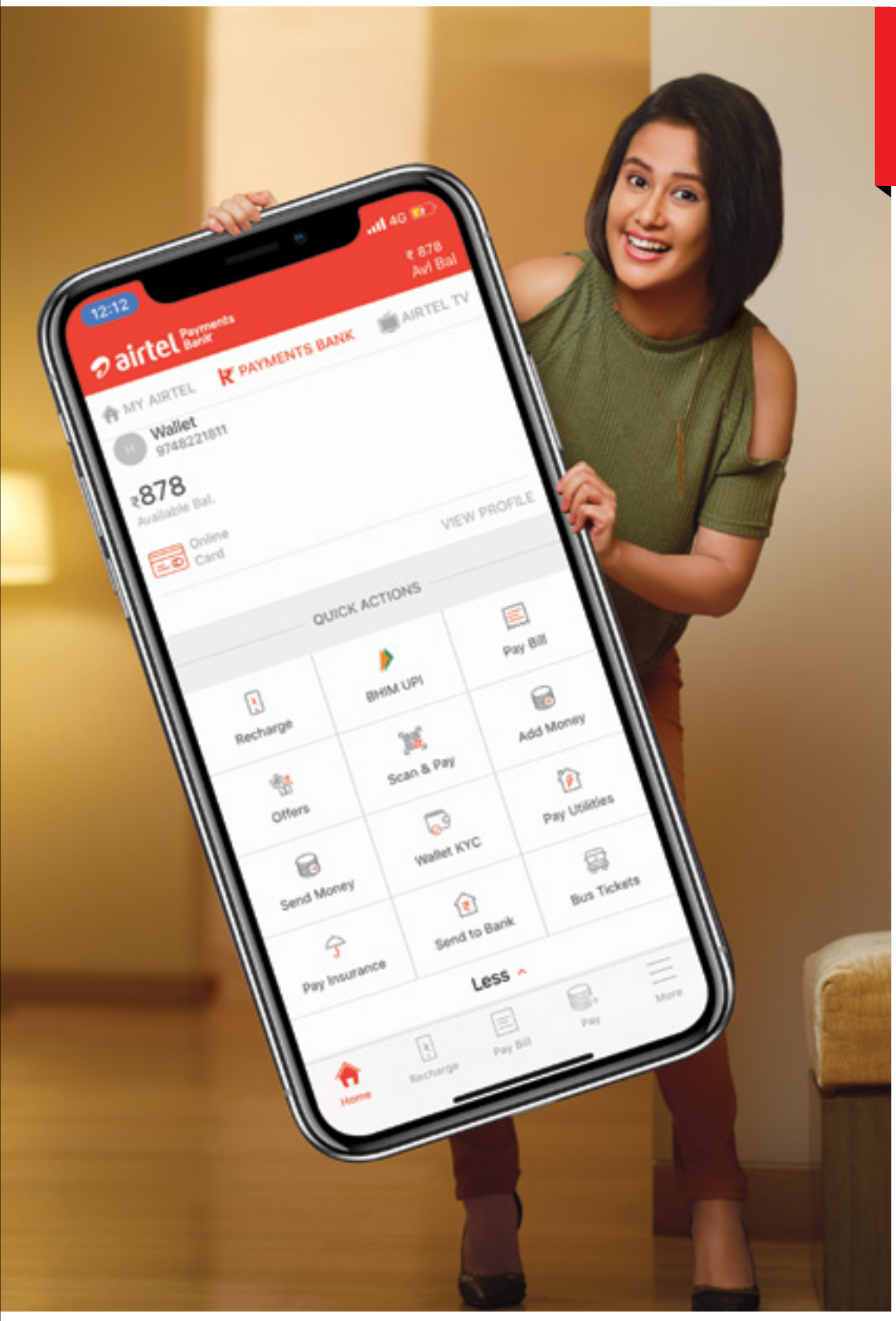
Service offerings that make a difference

With a promise to serve the rural households and increase access to formal financial mechanism, the bank provides a host of services including Savings Account, Semi-Closed Prepaid Payment Instrument, assisted utility payments and Domestic Remittance services, among others, to the customers.

- Airtel's mobile number is the account number
- Free personal accident insurance cover worth ₹ 1 Lac
- Open account within minutes using e-KYC (through Aadhaar card)
- Transfer funds within Airtel Payments Bank accounts and third party accounts
- Easy withdrawal and deposit of cash through merchant partners, including grocers, kirana stores, pharmacies and restaurants, among others
- Attractive interest rate on deposits

In association with Master Card, we launched Online Debit Card for our customers. Unlike any other wallet or payment banks, we are the first in the country to introduce an online debit card, enabling customers to make transactions with any merchant sites for online payments.





airtel Payments Bank

₹66,605 Mn
Domestic remittances in FY 2017-18 from ₹ 39,718 Mn in FY 2016-17

₹23,550 Mn
Payment using semi-closed prepaid payment instruments in FY 2017-18 from ₹ 14,174 Mn in FY 2016-17

24x7
Dedicated customer care in 12 regional languages

~300 Mn
Airtel's customer base as potential customer base for the bank

56.8 %
Of total accounts opened till date in rural / unbanked areas to ensure financial inclusion

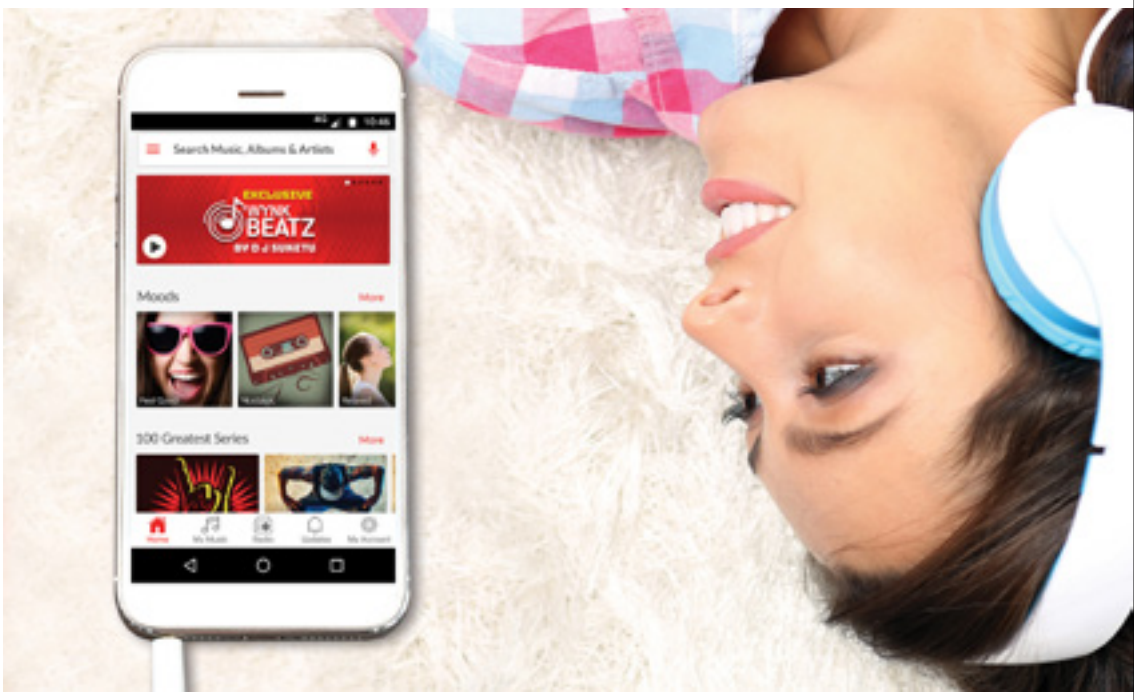
~2.3 Mn
Merchant touch points across India

536,000
Airtel's retail customer touch points (March'18)

Music to the Ears

Wynk Music claimed the top spot among Indian OTT music streaming apps with the highest share of category time, and crossed the 100 Mn installs milestone in June 2018.

In a journey of firsts, Airtel became the first telco to launch an OTT entertainment app in September 2014- Wynk Music. Driven by an imperative to create content delivery platforms made for the Indian market and for the unique needs of Indian customers, Wynk Music was designed to operate at scale and create a differentiated value proposition for Airtel customers. Four years later, Wynk Music is today India's No. 1 music streaming app with the highest share of category time.



The Road to No. 1

With a clear focus on consumer needs, we have solved for problems unique to India- Price sensitivity, data access, varying network speeds and no precedence of paid subscription for music. Also, in the face of pre-established players and a volatile market- we ensured agility and faster decision-making by setting up and operating Wynk as a start-up within Airtel.

Strong alliances with the biggest music labels in the music industry, unique promotional tie-ups with individual artists and music publishers, and an expansive library of songs in 14 Indian languages have helped us carve a niche in an overcrowded market-leading to high engagement rates, high average stream time per user on the app and significant impact on customer churn.

Wynk Music Revamp

As we prepare for the next phase of growth on Wynk Music, a spanking new version of the music App is being shipped with industry-first features packaged into a highly intelligent product that understands user music preferences and customizes the experience for them using Machine Learning and AI. Key highlights for the upcoming year are:

- Technology integrations and alliances to create a seamless, multi-platform music streaming experience that caters to the latest trends in Music Listening
- Build social communities among users and artists
- Investment in original and exclusive content
- Introduction of vernacular interfaces and expansion of regional content library
- A simplified version of the app to be launched to capture the side-loading market and increase rural penetration

Wynk Music

Key Highlights (As on March 31, 2018)

90 Mn+
Total App Installs

1.4 Bn+
Monthly song plays

100%
Growth in regional language streams in CY '17

The Making of a Blockbuster

Airtel TV became the most downloaded app on the Playstore between Jan-Mar '18. Over 2000 years' worth of watch-time per month on the app.



airtel TV

Key Highlights
(As on March 31, 2018)

50 Mn+
Total App Installs

1 Bn+
Minutes Streamed Monthly

With over 350+ Live Channels, 10,000+ Movies & TV Shows and a range of good quality content, Airtel TV is among India's leading OTT entertainment platforms. Re-launched with a full blast 360 degree campaign in December 2017, **it became the most downloaded video app in the first quarter of CY '18, clocking 4x user growth**. Strategic tie-ups with leading video content providers, premium streaming apps and broadcasters gives Airtel TV users access to the best of on-the-go entertainment content.

Innovations that Fueled Growth

- Introduction of 350+ Live TV channels that allowed users to watch live content on the go
- The best of movies and TV shows from HOOQ, Eros Now, Sony Liv, ALT Balaji, among others
- Content in 14 languages including Bhojpuri, Assamese and Gujarati
- Bundling of Amazon Prime Video membership for high-value customers
- 360 degree marketing campaign coupled with a robust GTM strategy

Airtel TV 2.0

Powered by a robust product strategy, Airtel TV has grown from strength to strength. Airtel TV will enter into a new phase of growth in the FY 2018-19 with deep focus on:

- Stronger partnerships with premium video content providers to unlock further value for our customers
- Live sports streaming- cricket, football world cup, among others
- Expanding the regional content library
- Integrating rich and exclusive content across genres, languages
- Tech innovations for a more immersive experience

Mobile Money – Banking the Unbanked

All around the world, mobile phones have gone beyond just being a communication device. From being used for voice and data to becoming a technology platform that allows the development of other services, cellular technology has changed the face of Africa.



Mobile money has become very popular to both the unbanked and banked population in Africa due to the safety of money and convenience it provides. It has turned out to be particularly useful in countries where the majority of the population is migrant in nature, where people work in cities and sending money. The most popular services are cash in, cash out, transfer, utility payment and buying airtime and bundles.

11.4 Mn

Uganda, Tanzania, Rwanda, Malawi, DRC, Gabon, Kenya and Madagascar represent 93% of the total active base

As at March 31, 2018, Airtel Money had 11.4 Mn active subscribers using the service every month for different services including sending money, receiving money, buying airtime, cash withdrawals and many more.

Distribution Network Airtel Money

For Mobile Money to succeed, a strong network of agents with adequate mobile money float and cash is required. Airtel Money has been able to grow its footprint of agents across the countries where it operates. Customers can deposit money as well as withdraw money from their mobile money wallets. As at March 31, 2018, there were over 240K active agents serving customers; a growth of 49% over the previous year.

Additionally, an aggressive plan to rollout exclusive Airtel Money kiosks/mini-shops kicked off in early 2017 to increase availability of float and cash to customers. Over 10,000 kiosks and mini-shops have been rolled out so far across 13 countries.

Utilities Bill Payment

Paying for regular utilities without leaving the comfort of one's home has been made a reality by Airtel Money. Customers can pay for a wide range of utilities such as electricity, water, fixed data and PayTv along with Telecom services of post-paid bill payments & recharge purchases.

USD 1 Bn

Total amount used for paying different bills in FY 2017-18

Access to Loans

Financial inclusion has always been one of the top priorities for Airtel and the organization continues to traverse the path by giving access to micro loans to all Airtel Money customers, using the Airtel Money Wallets. Customers simply have to dial the Airtel Money USSD code and they will be able to instantly access loans based on their credit rating. Mobile money loans are currently available in 5 countries and during the FY 2017-18, a total of USD 14.6 Mn was disbursed to over one million customers.





Merchant Payments

Still in its nascent stage, Airtel Money has enabled businesses to receive money electronically for goods and services they sell to their customers. In Gabon, Tanzania, Madagascar and Malawi customers are able to purchase goods and services using the Airtel money merchant pay service. The payment service provides businesses the opportunity to reduce the risk of handling cash as well as increase reconciliation efficiency while enhancing convenience and safety to customers.

36 Mn

Transaction count in FY 2017-18

International Money Transfers

Airtel customers in Zambia and Malawi can send money to each other, thanks to the IMT product, active in both countries. A partnership with Terrapay will enable expansion of the service to other markets, including Tanzania and Congo Brazzaville. A total of 42K transactions were completed during FY 2017-18, at a value USD 2.4 Mn.

Partnerships with Banks

Banks play an integral part in the Mobile Money ecosystem. In each operating country, a trust bank account is opened in preferred banks, where the E-value in the Airtel Money system has to be backed by actual cash. To enable a faster flow of value between the Trust bank and the channel partners, automation has been embarked on in all Airtel Money Operations. The automation is already enabled in 6 countries including Tanzania, Madagascar, Zambia, Malawi, Rwanda & Kenya. Airtel is in the process of expanding the automated allocation of float in the above countries as well as finalize the process in other operations, which include DRC, Gabon and Uganda.

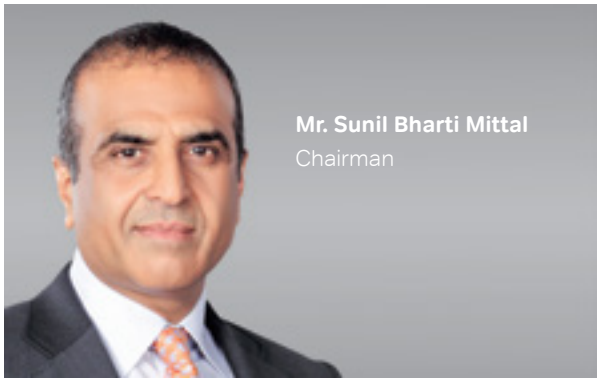
There are also various partnerships at a retail level with banks, which allow smooth flow of money from the banks to the wallet and vice versa.

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

Robust Airtel Money Platform

Airtel has modernized its Airtel Money platform to enhance system capacity, stability, incorporate standard APIs for third party integration and improved reporting.

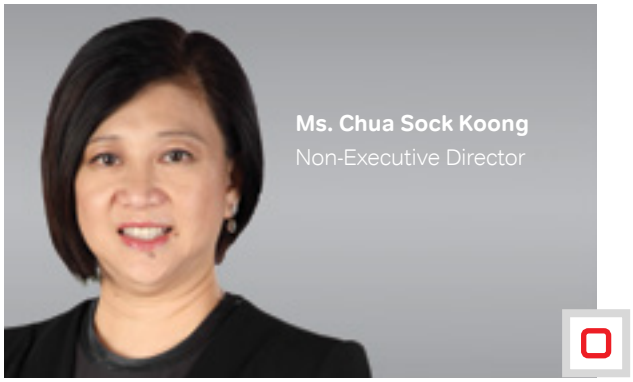
Board of Directors



Mr. Sunil Bharti Mittal
Chairman



Mr. Ben Verwaayen
Independent Director



Ms. Chua Sock Koong
Non-Executive Director



Mr. Craig Edward Ehrlich
Independent Director



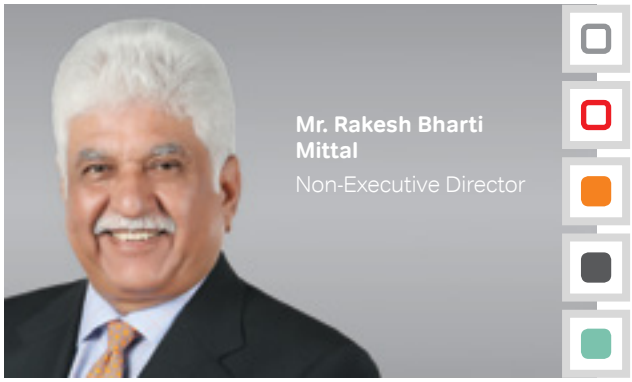
Mr. D. K. Mittal
Independent Director



Mr. Gopal Vittal
MD & CEO
(India & South Asia)



Mr. Manish Kejriwal
Independent Director



Mr. Rakesh Bharti Mittal
Non-Executive Director



Mr. Shishir Priyadarshi
Independent Director



Ms. Tan Yong Choo
Non-Executive Director



Mr. V. K. Viswanathan
Independent Director

Chairman	Member	Committees
■	□	Audit Committee
■	□	Risk Management Committee
■	□	HR & Nomination Committee
■	□	Stakeholders' Relationship Committee
■	□	Corporate Social Responsibility Committee
■	□	Committee of Directors

Risk Management

At Bharti Airtel, we have thrived globally by building a culture of innovation and high performance. We explore new markets and business models across the world, evolve new ways of customer and stakeholder engagement, enter into new strategic partnerships. Also, we adopt new technologies and build exponential efficiencies in existing systems.

While these initiatives unveil a universe of possibilities, potential risks and uncertainties arise in a volatile business environment. The distress signals need to be addressed with urgency for smooth operations Therefore, we have created a robust risk management that caters to strategic, legal, financial, operational and climate risks that caters to strategic, legal, financial, operational and climate risks. We have a sound practice to identify key risks across the Group and prioritize relevant action plans for mitigation.

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

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

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

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

Risk identification process



	Potential risks	Risk definition
1	Regulatory and political uncertainties	Uncertainties pertaining to political instability, civil unrest and other social tensions in India, Sri Lanka and 14 African countries.
2	Economic uncertainties	The volatility in economies with factors like capital controls, inflation, interest rates and currency fluctuations may impact the earnings and operations of the Company.
3	Poor quality of networks and information technology including redundancies and disaster recoveries	Risks in Network subject to technical failures, human errors and natural disasters. Erratic IT connectivity may affecting service delivery. Changing of systems landscapes into newer version.
4	Inadequate quality of customer lifecycle management	Heightened competitive intensity on account of irrational pricing by new entrant leading to erosion of revenue & customers. Ever-rising customer expectations in terms of quality, variety, features and pricing.
5	Non-compliance of subscriber verification norms and KYC regulations	Stringent subscriber verification and KYC guidelines, including biometric verification and quality of KYC documents.
6	Increase in cost structures ahead of revenues thereby impacting liquidity	Increase in cost structures from volumes (new sites rollouts, capacity) and/or rate increases (inflation, Fx impacts, wage hikes, energy etc.).
7	Adverse regulatory or fiscal taxation developments including compliance risks	Regulatory and tax developments in India, South Asia and Africa can pose several challenges to the telecom sector.
8	Lack of Digitization and Innovations around Digital Content	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.
9	Lack of investment in infrastructure capacity building	Telecom companies will be required to invest heavily in building data capacities and broadband coverage expansion.
10	Gaps in internal controls (financial and non-financial)	Gaps in internal controls and / or process compliances not only lead to wastages, frauds and losses, but can also adversely impact the Airtel brand.

[Read more on page 122.]



Integrated Strategy for Value Creation

Financial Capital

Intellectual Capital

Human Capital

Manufactured Capital

Social & Relationship Capital

Natural Capital

Materiality Assessment

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 prioritize 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 2017-18, Airtel revisited the Materiality Analysis process and performed a detailed stakeholder surveys to identify material issues/ sustainability concerns with the highest relevance and impact. In order to streamline the process, identification and categorization 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 Organizations (NGOs) and 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 stakeholders' concerns, fetched the sustainability issues that demanded enhanced strategic and operational attention.

Detailed Materiality Analysis process and Stakeholder Engagement shall form a part of Sustainability Report of the Company at www.airtel.in/sustainability

Stakeholder Profiles and Mapping





Our Business and Value Creation Model

Source	Inputs	Business Model
Financial Capital Our prudent management of finances and diligent allocation of funds help capitalize long-term opportunities and ensure sustainable economic growth.	▸ **₹1,028,609 Mn** Equity ▸ **₹649,432 Mn** Long-term debt	**Brilliant Network** We acquire the best spectrum and invest in cutting edge network infrastructure, automation tools and optimization techniques to provide best network experience to our customers.
Intellectual Capital Our procedures, governance, knowledge, technologies and highly experienced people support our focus on new product launches to enhance customer experience and drive long-term sustainability.	▸ Deep experience in digital innovation ▸ Bold, audacious & honest communication approach ▸ Host of key strategic partnerships	**Obsession with Customers - Digital Airtel** We focus on serving our customers digitally in one touch error free manner through extensive adoption of digital tools.
Human Capital We strive to provide an energizing and rewarding work environment for our employees to learn, lead and grow.	▸ **15,000+** Employees on rolls ▸ **42,500+** Contractual employees ▸ **₹99 Mn** Spent on training	**Scientific Sales & Distribution** We carry out scientific micro marketing through our pan India sales & distribution backbone (of channels partners, retailers and owned stores) to efficiently serve our 300+ Mn customers. This three tiered machinery is managed digitally to ensure uninterrupted services to our customers.
Manufactured Capital The expansion and enrichment of our customer base depends on our network building initiatives, and hence we make extensive investments to meet the said objective.	▸ **165,748** Mobile Network Towers ▸ **298,014** Mobile Broadband Base Stations ▸ **237,893** Optic Fiber Network (RKms) ▸ **~9 Mn** Home Passes deployed ▸ **7** Submarine Cable Systems ▸ **65** Global Points of Presence	**Cost Frugality** We are obsessed with stripping out waste and driving cost efficiencies. We are pioneers in infrastructure sharing and have developed a prudent cost operational model through focus on smart procurement and process optimization.
Social & Relationship Capital Being a socially responsible company is one of our fundamental business objectives and we reflect that in all our business actions and decisions.	▸ **₹388 Mn** spent on social activities ▸ **4800+** suppliers ▸ **18,000+** Pan India Distributors ▸ **16,400+** Exclusive contact centre agents ▸ **200,000+** Shareholders ▸ **320+ Mn** Customers	**Driving Innovation while managing complexities** We are able to successfully run and scale up key business activities (Mobility, DTH, Broadband and Airtel Business) alongwith growing new lines (Wynk, Airtel TV etc.) despite different challenges associated.
Natural Capital In our pursuit towards excellence, we remain vigilant towards usage of natural resources and are responsible regarding reducing the impact on environment.	▸ **3.3 Mn MWh*** of electricity consumed ▸ **314.5 Mn Litres*** of diesel consumed * Figures for electricity and diesel are w.r.t. our network infrastructure	**Open Telecom Platform - New Businesses** We are in the process of transforming Airtel into an open platform of tomorrow to seamlessly connect our customers to the best brands and thus, create value for entire ecosystem.

Outputs

Data Traffic:
3901.8 Bn MBs (Mobile)
1340.8 Bn MBs (Homes)

Total minutes on Network:
2225.4 Bn Mins (Gross)

Customers:
304.2 Mn Mobile
2.2 Mn Homes
1.8 Mn Airtel Business
14.2 Mn Digital TV
32.5 Mn Digital Apps

Avg time spent on digital apps per customer per day:
48.2 Mins on Wynk Music
18.8 Mins on Airtel TV

Key Products & Customer Segments

Mobile Services
Voice & Data on 2G, 3G, 4G technology

Homes Services
Fixed-line telephone and broadband

Airtel Business
Connectivity, MPLS, IPLC, VoIP, wholesale voice and data etc.

Digital TV Services
Direct to Home TV

Digital Apps
Wynk Music, Airtel TV

Outcomes

33.83% EBITDA margin
₹792 Mn Profit After Tax
₹1,594,562 Mn Market Capitalization (BSE)
₹206,045 Mn Paid to Exchequer
2.65% Return on Capital Employed
₹18,475 Mn Dividend paid (Including interim)

Highest Ever Scores On key brand metrics
₹896,261 Mn Intangible assets and goodwill
Numerous Digital Innovations
India's Buzziest Brand Awarded by Afaqs in Telecom category

228,120 Man hours of training
79.4% Employee engagement score
77.7% Succession rate in Middle and Top management
~₹3 Mn Gross Revenue per employee per month
'Best Company to Work for' In Telecom and among top 10 employers across sectors in India

Mobile Services:
95.3% Population coverage
Fastest Mobile Network#
Homes Services:
89 Cities covered
Digital TV Services:
639 Districts covered
100% Population coverage
Airtel Business:
111,176 Data Links deployed

41 NPS for FY 2017-18
₹697,154 Mn Paid to suppliers
4 Investor complaints
2+ Mn Community members impacted (cumulative) through social activities of Bharti Foundation

>128,000 GJ* Reduction in energy consumption
~76%* Reduction in carbon emissions per terabyte
~2,900 Tonnes E-waste recycled
53,745 Green energy sites
~23 Mn* Litres Diesel saved

Rated by global leader in internet speed tests - Ookla for third time in a row.
* Figures for energy, carbon emission and diesel are w.r.t. network infrastructure as compared to FY 2016-17.
NPS - Net Promoter Score | **GJ** - Gigajoules

For more details on capitals, please refer page no. 032 to 045 of the report.

Financial Capital

To create sustainable value for all stakeholders, at Airtel we manage our financial capital in an astute, optimum and diligent manner, thereby harnessing opportunities for long-term value creation.

Source

Financial capital (includes shareholders' equity and debt) is a critical input in executing our business activities and in generating, accessing and deploying other forms of capital.

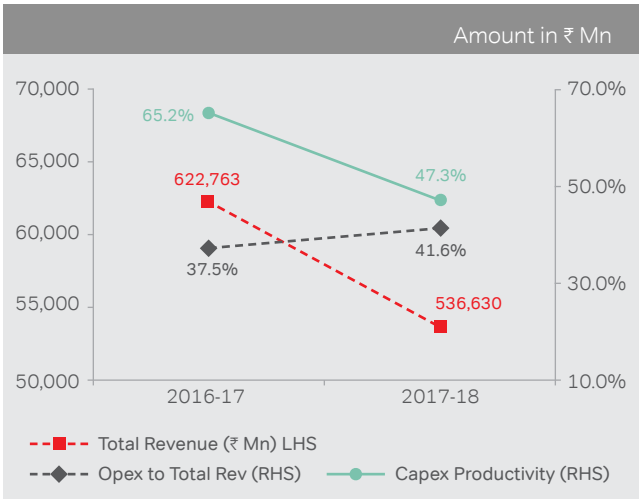
Inputs

Our financial strength is based on the primary sources of financial capital such as shareholders equity, internally generated cash flows and debt raised from capital market. These resources serve us to maintain our network, functional units, fund expansion and modernization & pay dividends to our shareholders. The components of the debt portfolio are determined by the Company's senior management in a manner which enables the Company to achieve an optimum debt-mix for its overall objectives and future market expectations.

Bharti's three line graph - Key enabler for driving value creation

At the core of the value creation process is Bharti's three line graph which measures:

Total Revenue	Opex Productivity	Capex Productivity
Absolute turnover/ sales	Operating expenses/ revenues	Revenue/ cumulative capex



Outcomes

Value Creation

EBITDA Margin (%)	PAT (Amount in ₹ Mn)	Return on Capital Employed (%)
33.83	792	2.65
38.90	-ve 99,256	-ve 4.79

FY 2017-18 FY 2016-17

Contribution to Stakeholders

Amount in ₹ Mn

Dividend	Market Capitalization (BSE)	Contribution to Exchequer
18,475	1,594,562	206,045
6,543	1,399,289	292,323

FY 2017-18 FY 2016-17



Intellectual Capital

Our Intellectual Capital consists of our strong brand, highly experienced people, world - class technology and robust processes and systems. The intellectual capital underpins our vision to 'win customers for life'. We consistently strive to innovate with new offerings, technologies and accessibility to bring brilliant customer experience in an evolving industry landscape.

Brand Airtel: Innovative, Bold & Honest

Brand 'Airtel' stands for its bold & audacious communication approach and yet at the same time being honest & transparent with its customers. The brand has always been known for its industry first initiatives like Open network, wherein we opened our network information to customer's scrutiny & in turn established a stronger connect with them. During the last year, we also strengthened our innovation & category leader credentials with initiatives like "Postpaid Promise" - wherein we redefined the postpaid category, "Launch of Airtel TV" in OTT space & campaigns like "Sab Kuch Try Karo, Phir Sahi Chuno" (Try everything and choose what is right for you). These campaigns have helped us to further fortify the 'Airtel' brand which is reflected with highest-ever scores# on key brand metrics of Saliency and Consideration.

6.6%
Salience - Y-o-Y increase as per March 2018 exit scores

5.8%
Consideration - Y-o-Y increase as per March 2018 exit scores

The strength of brand 'Airtel' was further demonstrated by the fact that Airtel was declared India's second largest brand in terms of brand valuation i.e. $10.2 Bn by Kantar Milwardbrown 2017 report*. Not only this, for our various campaigns across different media and consumer segments, the brand received many awards and accolades.



Recognition of our brand initiatives

- MOBEXX Gold Award for Mobile Advertising in programmatic campaign for Airtel Postpaid 2017
- Ad: Tech Digixx 2018 Gold Award for Digital Marketing in Telecom Category
- Afaqs Buzziest Brand Winner in Telecom Category
- Olive Crown Awards: Silver in "Out of Home" category for Airtel Starry Nights
- Smarties Bronze Award for Innovation Media plan for Airtel Postpaid 2017

*Source:
http://www.millwardbrown.com/brandz/top-indian-brands/2017

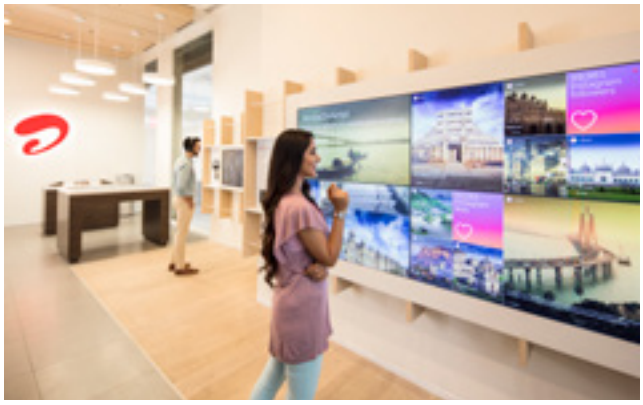
#Data collected by Market Research agency - Ipsos Research Private Limited

Digital Innovation

The digital sphere is the new norm that businesses today cannot overlook. At Airtel, digital innovation across our operations has been essential in helping us stay ahead of the curve and deliver value to our customers. Our digital innovation team develops quality services that focus on creating better experiences for our customers.

Project Next

Airtel's 'Project Next' is a digital innovation program aimed at transforming customer experience. A bouquet of digital innovative services under this project is expected to enrich Airtel's customer experience. Some of the services introduced were:



Next-Gen Airtel Stores: Highly interactive customer relationship centres with digital screen, touch screen table top and entertainment hub.

Online Store: Launched in October 2017, Airtel's online store www.airtel.in/onlinestore offers a range of premium smartphones with affordable down payment, instant credit verification and financing and bundled monthly plans.

Airtel Secure: As a key differentiator from the market, Airtel launched handset damage protection as an additional service for the postpaid customers.



Airtel Postpaid Promise: A first of its kind 'Data Rollover' feature for postpaid customers to carry forward unused data to next billing cycle.

My Airtel App: An updated version with exciting new features for better customer experience was launched.

Project Leap

With a total investment of ₹ 600,000 Mn, Project Leap was introduced in 2015 to help Airtel emerge as the most preferred smartphone network in India.

5G At Airtel, we have always believed in pioneering innovation for our customers. To empower our customers with next generation of mobile internet connectivity, offering faster speeds and more reliable connections on smartphone, we have already conducted trial for India's first 5G network.

[Read more about our operational achievements on page 116.]



Strategic Partnerships

At Airtel, we have always believed in the philosophy of 'win customers for life.' Anticipating future market trends, we entered into several strategic partnerships to enrich our service offerings.

Exclusive Online Content

Digitization continues to gain traction with technology reshaping the consumer experience. With people increasingly consuming more content, we have partnered with leading online content providers to bring our customers closer to best of content across different genres. Our partnership with Hotstar, Amazon and ALT Balaji are first-of-its kind partnerships in the industry, that have helped us strengthen our competitiveness.

Expanding Smartphone Reach

Mera Pehla Smartphone

Aligning to the Government of India's 'Digital India' campaign, Airtel entered into exclusive partnership with global players (including Google, Motorola, Samsung and Itel) to bring smartphones within the reach of more people and enable unconnected people to get online.

Other Technology Partnerships

Technology continues to play a critical role in a dynamic industry like ours. Airtel partnered with SK Telecom, Symantec Corp, OneWeb, Airbus, Delta and Huawei etc. to leverage their technical excellence and integrate the same into its product portfolio. Some of these partnerships have helped create a stronger security platform amidst the evolving digital landscape:

Enhanced cyber security

To serve the growing cyber security requirements, Airtel's partnership with Symantec Corp makes it an exclusive Cyber Security Services partner for Symantec in India and aims to leverage Airtel's strength in India's Business to Business (B2B) segment by helping them address the challenges of the Cloud Generation with Symantec's innovative Integrated Cyber Defense Platform.

Telecom Infra Project (TIP) Community Lab

Airtel announced the launch of India's first Telecom Infra Project (TIP) Community Lab. Airtel is among the early members of TIP - a global initiative founded by Facebook, Deutsche Telekom, Intel, Nokia and SK Telecom to create a new approach for building and deploying telecom network infrastructure.

Massive MIMO

An industry first approach aligned to Project Leap, Massive Multiple-Input Multiple-Output (MIMO) technology in partnership with Huawei Telecommunications is aimed to expand our existing network capacity and enhance user experience.

[Read more about 'Strategic Partnerships' on page 115.]

Highly Skilled and Experienced Workforce

We believe in empowering our employees by building a culture of excellence in our operating environment. Our business sustainability is built upon our experienced, engaged, skilled and talented workforce. Our in-house researchers, technologists, engineers and innovators act as 'think tanks' and deliver relentlessly to help Airtel create long term value for its stakeholders.

381

Digital Talent base as on March 31, 2018

[Read more about our Human Capital on page 036.]

Human Capital

At Bharti Airtel, we consider 'Win With People' to be one of our key business priorities and firmly believe that Airtel's success is a true reflection of its culture of pride, ownership and sense of belongingness. Our 'People Agenda' is linked with the organizational strategy where we partner with our employees for building a world class environment and helping them learn, lead and grow.

A Structured HR Framework underpinned by Digital Culture

We believe our employees are a differentiating factor that has contributed to our growth and leadership in India and led us to become the third largest telecom service provider in the world (in terms of subscriber base). Under the overarching strategy of 'Win With People', the people development philosophy during the year 2017-18 was centered around 'Learn, Lead and Grow'.

We aim to create a 'best in class' and seamless employee experience by coalescing employee journey with a digital culture, right from onboarding to acquiring functional excellence and leadership.



15,000+
Total number of employees

30%
Employees under the age of 30

34 years
Average age of our employees

124
Differently-abled employees in our Company

Learn

We curated a learning path and curve for each employee with a host of digitized learning solutions, (e-enabled, mobile-enabled or gamified) launched to enable employees to become a **'Master of the Craft'** by achieving higher levels of functional proficiencies. Some of the learning initiatives were:

Pluralsight: A partnership to provide online video training courses in technology and innovation.

100+
Certifications

600+
Courses

Airtel 101: Gamified content in byte sized modules to enhance the functional knowhow of the employee about the Company and the industry. This was supplemented by an exciting weekly contest – **'Fastest Finger First'.**

30+
Courses

Skills on demand with Lynda & Coursera:
We partnered with leading universities across the globe to offer certifications via mobile compatible and self-paced exhaustive catalogues on new age skills to groom employees.

iLearn: During the year, more than 8,000 learners completed over 2,000 courses and recorded more than 120,000 hours on iLearn.

The telecom industry has seen a paradigmatic shift in the last few months. Pricing simplification, bundled offers, e-KYC activations and many other factors have contributed to a shift in the way we expect employees to operate. With a view to re-invent mindsets, processes, collaboration, compliance and more, various functional and behavioural trainings were conducted throughout the year to equip our people with the required skills and knowledge.

Functional Training:
Including induction and functional knowledge/ skill building viz. sales mindset in changing times and customer centricity.

171,655
No. of man hours of training

2,404
Training interventions

Behavioural Training:
Including collaborative relationships, problem solving, design thinking and communication.

20,249
No. of man hours of training

289
Training interventions

Lead

Leaders at every organization, set the pace and nurture the right mindset. At Bharti Airtel, we believe in grooming leaders of tomorrow who act as role models for the entire organization and make a difference especially in challenging times. Under this pillar, people managers are nurtured and expected to demonstrate what it is to 'Lead Right' by role modeling all key leadership behaviours, including 'Leading Self' and 'Leading Others and Teams'. Some of the leadership initiatives were:

Feedback on fingertips: A 360-degree feedback application that allows to seek real-time feedback from all stakeholders (within Airtel) to enable them work on their perceived areas of improvement.

2,000+

Feedbacks initiated

Coaching Conversations (Leaders as Coaches): A tool available on the intranet platform that makes coaching real and actionable for the employees. The platform empowers each employee to identify his/ her own coach.

Ascent: A leadership experience workshop for 'Manager of Managers' to help them build bandwidth, credibility and capability to transform as 'Leader as a Coach' for their teams. The workshop was centered on educating about different leadership styles, creating self-awareness, identifying different roles as leaders and developing a coaching framework.

44

Managers covered

Embark: A workshop to equip first time managers with practical skills needed to succeed in the 'People Leadership' role. The objective of the workshop was to help the employees strengthen their emotional intelligence and performance management abilities.

193

Managers covered

Airtel Leadership Series: Airtel Leadership Series in 2017-18 saw a galaxy of speakers comprising of internal leaders and external experts from different industries such as healthcare, startup, consulting etc. sharing their valuable learning and experiences with our team. They shared insights on important topics spanning across technology, digital future, business partnering, brand value and transformation among others. The employees got a chance to interact with experts on several topics giving them a perspective of different organizations and experiences.

Leadership Training: To groom managers to become future leaders.

24,655

No. of man hours of training

162

Training interventions

77.7%

Succession rate in Middle and Top Management in FY 2017-18

Grow

Career Fair

The year 2017-18 witnessed Career Fair 2.0 in May, which centered on the importance of "Owning My Development" along with building a career. With a host of distinguished speakers across industry, the idea around the Career Fair 2.0 was to narrate career journeys as examples, stress the need to take ownership of one's own career and have meaningful career conversations by being able to answer the following questions:

1. "I know what skills I need to do my current job well"
2. "What are the possible roles I can aspire for and what skills are needed to succeed in these?"
3. "How can I build these skills?"



Campus Programs: Under two key programs viz. Young Leader Program (YL) and Young Technical Leader Program (YTL), Airtel hires the best minds from the country's top management schools and engineering campuses and grooms them for future leadership and world class technical leaders' roles.

146
Recruits from YL and YTL Programs in FY 2017-18

30+
Campuses visited

Career App: We launched the updated version of the MyCareer App, enabling skill based mapping of all roles within the organization for the employees.

8,000+
Unique accesses initiated

Gender Diversity and Equal Opportunity

At Bharti Airtel, we consider 'Diversity' to be a key enabler for business and continuously put in efforts to build a team which represents the society at large. Our flagship diversity program, "WE- Women Empowered", under its umbrella, focuses on empowering its women employees to curate their career journeys at Airtel via focused interventions including WE Mentorship, WE Chit Chat, WE Achieve and WE Lead. All these efforts have also culminated into the launch of **'She For Change'** - our compendium featuring narratives of Airtel women employees on personal or professional impact brought in their ecosystem.

SHE FOR CHANGE

24
Impact stories shared under 'She For Change'

Fostering an Engaging Work Environment

Employee connect has always been an integral part of our culture at Airtel. We foster an engaging work environment by leveraging various channels of communication. Some of the initiatives undertaken were:

> Workplace by Facebook: To enable digital collaboration and communication among all employees and foster greater Leader-People connect.

> HIVE: An information sharing platform empowered with easy-to-use tools to deliver insight across the entire employee lifecycle.

> Mood-o-Meter: A mobile based app enabling employees to share their views and feedback for a better working environment.

79.4%
Employee engagement score

Provide Safe and Healthy Work Conditions

We are committed to ensure a secure work environment. We have in place stringent workplace health and safety policies including Workplace Safety Policy, Health Safety and Environment Policy, Domestic Travel Safety and Security Policy and Policy for Safety of Women amongst others. To ensure occupational health and safety throughout our operations, a dedicated safety team, led by a Safety Officer, is in place to monitor and maintain safe, healthy and injury-free working conditions.

14,000+
Employees underwent safety trainings in FY 2017-18

Awards and Recognitions

We believe in recognizing and rewarding our employees for their sustained efforts towards organizational growth. With the 'Kudos' program, we have been able to build a culture of recognition to celebrate the success of our team members by awarding them with various category of awards including Instant Awards, Planned Awards in the nature of Silver, Gold and Diamond Awards and Long Service Awards etc.



8,306
Instant Awards

2,764
Long Service Awards

2,693
Planned Awards (Silver, Gold and Diamond)

Manufactured Capital

In telecom industry the infrastructure assets define the quality of service provided to the customers. A superior quality quotient is a result of sustained investments in building a strong infrastructure base.

Our ability to serve customers rests on the foundation of a strong network infrastructure that delivers brilliant network experience. The industry table has declined over the year and moved towards an effective 3+1 market structure. Given the changes in the telecom landscape which have necessitated unprecedented network rollouts with emerging opportunities, at Airtel, our strategy is to sustain market leadership by setting up an integrated network infrastructure and enhancing the value for our customers.

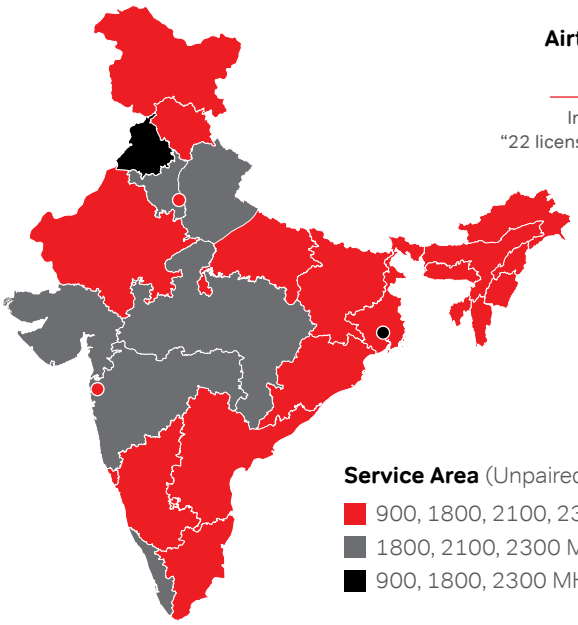
Sustained Capital Investments

Aligning to the Government of India's vision of a 'Digital India', at Airtel we are making sustained investments to strengthen our network infrastructure. Our tower infrastructure, spectrums and other related assets form a strong manufactured capital base for the Company. The surging data traffic has made it imperative for us to have a stronger presence across the different spectrum bandwidth to widen our customer base.

We have invested significantly till date in increasing our presence in spectrum portfolio bandwidth. A growing customer base in key areas across our multiple product segments is adequately supported by our strong spectrum bandwidth. We realize that the investments we make today will have a lasting impact on the near future.

Airtel's Spectrum Snapshot

India is divided into "22 licensed service areas"



250.00 MHz
Spectrum in 2100 MHz Band

232.80 MHz
Spectrum in 900 MHz Band

449.30 MHz
Spectrum in 1800 MHz Band

570.00 MHz
Spectrum in 2300 MHz Band

The above spectrums does not include spectrum acquisition of Telenor.

Investments Resulting in a Growing Customer Base

Airtel is a leading global telecommunications company with a portfolio of services that includes voice and data solutions over fixed, wireless and internet platform, DTH and enterprise solutions. We are the only telecom company in the Country to offer an array of services that enhance lives of our customers. Our sustained investments in expanding our asset base have empowered millions of customers with accessibility to our innovative services.

Customers

304.2 Mn
Wireless Services

14.2 Mn
Digital TV Services

2.2 Mn
Homes Services

1.8 Mn
Airtel Business

Our Infrastructure Presence

Mobile Services

7,899
Census Towns

95.3%
Population Coverage

237,893 RKms
Optic Fibre Network

165,748
Mobile Network Towers

786,043
Non-Census Towns and Villages

298,014
Total Mobile Broadband Base Stations

1,946.3 Bn
Minutes on Network

3,901.8 Bn MBs
Data Traffic

India's Fastest Mobile Network
Rated by global leader in internet speed tests - Ookla for third time in a row

Homes Services

89
Cities covered

1,340.8 Bn MBs
Data Traffic

Digital TV Services

639
Districts covered

100%
Population Coverage

Airtel Business

Airtel's international infrastructure includes the ownership of i2i submarine cable system, connecting Chennai to Singapore and consortium ownership of submarine cable systems like South East Asia - Middle East - Western Europe - 4 (SWM4), Asia America Gateway (AAG), India - Middle East - 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 of 22 other cables across various geographies.

Its global network runs across 250,000 RKms with over 1,200 customers, covering 50 countries and five continents and 65 Global PoPs (Point of Presence).

7
Submarine cable systems



Enabling Connectivity

With almost all the towns at a height of 3000 meters that extend from The Great Himalayas to the Kulum with the temperature ranging from - 30° Celsius in Leh and Kargil to - 50° Celsius in Drass in winters, Ladakh is the one of the toughest geographies in India and in the World. For most part of the winters, all these towns are cut-off from rest of the country/state leading to a serious crunch in basic amenities including communication. The data service was far from reality as there was huge dependency on high quality fiber and the terrain, weather and passes made it impossible to lay fibre. Airtel J&K team took this challenge on themselves to make this possible - the entire project of laying around 1000 kms fibre to connect Srinagar to Manali via the rooftop of world (Ladakh) was divided in 2 phases:

> Phase 1 - Leh & Kargil connectivity to Srinagar
> Phase 2 - Leh to Manali

Airtel becomes the first operator to launch 3G/4G in Ladakh region in spite of toughest weather & unfavorable terrains. Ladakh was put on to the Digital Superhighway with launch of 66 new sites in Leh & Kargil districts with 4G technology.

It is testimony of sheer grit & commitment from 'Team Airtel' bringing the smiles on faces of people & brave hearts of Indian Army!

Social & Relationship Capital

At Airtel, we believe being a responsible corporate entails us to creating a shared economic and social value for our stakeholders. As we prepare to step up our business for next level growth, value creation for key stakeholders remains our priority.

Engage Effectively

Inclusive governance and engagement approach is a part of our value-creation philosophy at Airtel. We continuously strive towards strengthening the relationship quotient with our stakeholders. Our leadership team takes active participation in maintaining a robust communication system with all our stakeholders.

Customers

Everything that we do is geared towards improving our service for an enhanced customer experience. Our actions are driven by our strategy to 'win customers for life', as we lead the change in an evolving digital landscape. During the year, we made unflagging efforts to keep our customers delighted. Some of the initiatives were:

Stepping Up Engagement through Digital Platforms

Decision Tree: We strengthened 'care' quotient for our customers and relationship advisors with launch of Decision Tree functionality. The 'Decision Tree' enabled the advisors to derive accurate resolution across our business verticals with maximum '3 clicks'. On the other hand, the 'Help & Support' section at My Airtel app gave the customers holistic self-care solutions for their concerns.

Enhanced Retail Store Experience: We launched more than 20 Next-Gen Stores across the country with several new digital experience zones. The 'Create' touchscreen table, 'Share' and 'Network' wall were set-up that brought customers closer to brand 'Airtel' and its knowhow.

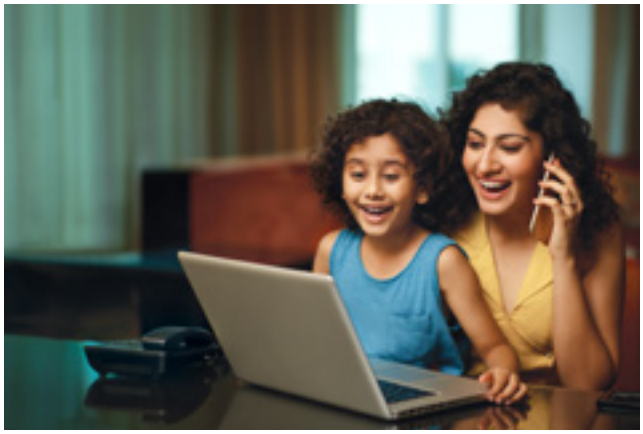


Everest: An advanced digital managed services tool for our corporate customers, giving them advanced network related capabilities (like comprehensive visibility, real time monitoring and auto-ticketing).

Happy Code: A digital network complaint resolution for our Homes customers (fixed-line telephone and broadband) to close their complaints, wherein they share a code (a specific SMS code) with the engineer.

Konnect App: A dedicated app for our on-field force to serve our multiple businesses enabling them to serve customer queries efficiently.

Online Experience: Created one-stop solution across web and app platform for our customers across different service offerings.



e-KYC: We successfully increased the wireless activations through Aadhaar for Prepaid and Postpaid customers. In FY 2017-18, we also launched the Broadband customer activation through Aadhaar. This has significantly reduced the paper usage in our operations and enhanced the customer experience by enabling faster onboarding process.

~96%

Prepaid activations in wireless business through Aadhaar

Maintain Transparency and Ethical Governance Standards

Suppliers

At Airtel, our business strategy revolves around fostering mutually beneficial relationships for a common sustainable goal and partnering with the best. We treat our partners with integrity and respect with transparency in all engagements with them. Over the years, we have significantly strengthened our collaborative relationships with the suppliers. While on-boarding and on periodic basis, our partners go through a detailed screening to adhere to compliance, regulations and standards. Airtel's 'Partner World', a one stop online portal for end to end partner management enables the suppliers to share information, interact/ collaborate, and ultimately form closer relationships with its external supply base. The Annual Confluence, a partnership event, provides opportunities for our partners to interact with the top management and align towards achieving long-term goals of Airtel. Continuous Online Surveys and Strategic Partner Satisfaction Survey with our partners help us identify areas that have scope for improvement and necessary actions.

7.9

Strategic Partner Satisfaction Survey Rating

Ensure Compliance with Rules and Regulations

Government

At Airtel, we ensure compliance to the rules, laws and regulations set by the regulatory bodies in the countries we operate, in letter and spirit. The management is responsible for implementation of our policies in compliant to the legislative framework. In the course of our business operations, we engage with several regulatory authorities, maintaining high governance standards with transparent and timely communication.

Aligning to the government's vision of Digital India, we have stepped up our efforts to provide internet accessibility and drive inclusive growth of all sections of the society. We are making investments towards setting up a comprehensive infrastructure framework, partnering with government's institutions for empowering farmers in agricultural sector with IFFCO Kisan Sanchar Limited (IKSL) initiative.

Investors

We value the relationship with our wide investor fraternity, continuously improving the relationship quotient and aligning our business goals with their expectations. A regular engagement process, driven by our investor relations team provides all the updates and information on our operations, and strategies and helps addresses any queries/ doubts.

4

Investor complaints received and timely resolved during FY 2017-18

Socio-economic Activities Participation

Our business philosophies capture our socio-economic intent to create value for stakeholders. We take proactive measures to reduce our impact on both environment and our stakeholders, particularly on communities that need special attention. Our actions towards creating value for stakeholders determine our brand recall and our acceptance as a brand in the society.

Social Contribution by our Circle Offices

To widen the reach of our social impact, the employees at our circle offices, across the country, focused on activities to create value in the local communities of the urban landscape. Some of the initiatives undertaken by them were:

1.	Blood donation camps	5.	Share to care
2.	Safety workshops	6.	ACT (A Caring Touch)
3.	Distributing school bags and stationery	7.	Disaster management
4.	Life saving skills training		

ACT (A Caring Touch)

An employee payroll giving program for Bharti Group of Companies, ACT encourages employees to make a contribution (in terms of money, time, skills or knowledge) and improve lives of the underprivileged.

₹4.58 Mn
ACT Employee Contribution*

₹5.80 Mn
ACT Employer Contribution*

*Companies included are Bharti Airtel Limited, Bharti Airtel Services Limited and Telesonic Networks Limited.



Bettering Societal State

Helping the Disadvantaged

We continued the scholarship and skill development program for underprivileged students of Chhindwara District, Madhya Pradesh. We expanded the horizons of the program by including digital literacy, adult literacy and livelihood enhancement/ vocational skills for women in the program. During the year we have trained students from various domains on employability skills helping them to become corporate ready. Over 1,300 underprivileged students and women were granted scholarship during the FY 2017-18. Under the program, we also imparted coaching to the underserved youth for competitive exams helping them get selected for central/ state government jobs. Additionally, we run self-employed tailoring course for women empowerment program in the tribal areas of Chhindwara.

Caring for the Elderly

During the year, we have increased our contribution towards well-being and up keeping of senior citizens. Ramadham Old Age Home, Khapoli Village, Maharashtra and Anubandh, situated on the outskirts of Jodhpur, help senior citizens who are deserted by their families. We partnered and supported Anubandh and Ramadham in furtherance of their initiatives.

Protection and Maintenance of Site of Historical Importance

We, as a socially responsible company, have extended our contribution towards establishment of Partition Museum in the city of Amritsar for the purpose of commemorating the partition of India and for fostering a greater understanding of the forces and circumstances that shaped the momentous and historic event. It is the first of its kind museum in India.

Enhancement of Vocational Skills in Hearing Impaired Adults

Aimed at providing high-quality leadership and management skills training program and empowering environment, the Company extended its support for vocational training program to 400 hearing impaired adults. The program and training will collectively equip them to become "Deaf Change Makers" in their communities and thrive as vibrant citizens within society.

Airtel and Magic Bus

The main area of focus of this project supported by Airtel is to empower 1,722 children (722 children in Mumbai and 1,000 children in Delhi) in the area of right to education, gender equity, awareness on health and hygiene, right to play, life skills and leadership through Magic Bus Sports based and mentorship program "Sports for Development". The aim of the project is to bring about a positive change in the attitude and behaviour of children.

Bharti Foundation

Bharti Foundation, the philanthropic arm of Bharti Enterprises, drives our approach in building positive community relations. Through its various programs, we reach out to societies in rural India, empowering lives of the underprivileged through education with a focus on girl child and sanitation among others. Our programs have created a positive impact in the society:

1.	Satya Bharti School Program	4.	Satya Bharti Abhiyan
2.	Satya Bharti Quality Support Program	5.	Higher Education
3.	Satya Bharti Learning Centre Program		

[Read more in detail about our social engagements in corporate responsibility report on page 048.]

Natural Capital

As one of the world's leading telecommunication companies, we remain steadfast to responsible environment governance to ensure our operations have minimum impact on the surrounding environment. Our approach towards environment protection and conservation of natural resources is guided by our internal policies and applicable external standards.

Our environment policies and actions are aimed at reducing the impact of our operations on environment. At Airtel, we focus on understanding and managing our environmental impact with three focus areas.

1. Reducing the impact of telecom infrastructure on the environment
2. Reducing the carbon footprint in our facilities and data centres
3. Resource and waste optimization

Reducing the Impact of Telecom Infrastructure on the Environment

We work closely with our tower infrastructure partners to reduce the environmental impact of their business operations. As technology continues to evolve, we make sincere efforts and investments in energy-efficient equipment and utilization of green energy technologies. Our collaborative efforts have led to conversion of several conventional DGs and battery operated telecom tower sites into energy efficient towers through adoption of renewable energy sources.

Our Milestones

Action: We have installed Rooftop Solar plants at Main Switching Centres, expanding the total installed capacity over 1MWp across the several locations in the last 5 years.

Impact: Rooftop Solar plants helped us save over 2,300 tonnes of CO_2 emission in the last 5 years.

Action: We have procured over 90 Mn green units per annum through various power wheeling agreements.

Impact: Green energy procurement helped us save over 73,000 tonnes of CO_2 emission per annum.

Action: We deployed low-power consuming Base Transceiver Stations (BTS).

Impact: 30% reduction in power consumption in last 4-5 years.

Action: Our pioneering effort of telecom passive infrastructure sharing has helped reduce energy consumption.

Impact: In FY 2017-18, over 44% sites were deployed as shared sites.

Action: We deployed 91% outdoor BTS sites in FY 2017-18.

Impact: 25% reduced energy requirements.

Action: We implemented battery hybrid solutions to eradicate use of diesel.

Impact: 4 hybrid tower sites implemented in FY 2017-18.

Action: We converted sites to outdoor mostly by utilizing technology like FCU (Free Cooling Unit), NCU (Natural Cooling Unit), TCU (Transmission Cooling Unit), SCU (Solar Cooling Unit), MCU (Micro Cooling Unit), low power consuming BTS etc. to reduce the energy consumption in the past 4-5 years.

Impact: Over 62,000 sites converted with 25% reduced energy requirements.

Climate Change – An Emerging Area of Focus

With strong scientific evidence supporting the disruptive nature of Climate Change, it has become a global challenge that will impact every business. Countries are taking up individual emission reduction targets and these targets will cascade down to individual sector and companies.

- Substitution of existing energy sources with lower emissions options and cost perceived to transition to lower technology emissions will be vital in the coming years.
- Increased severity of extreme weather events such as cyclones, floods, rising sea levels and precipitation can cause disruption in the Company's network system thus interrupting smooth delivery of services to customers.

This has a considerable impact on our operation which include:

- Increased Capital investment and operating costs due to higher compliances, increased insurance premiums.
- Technological obsolescence and/or write-offs, asset impairments and early retirement of existing assets.

Airtel has taken various measures over the years, in response to climate change, the details of which are given in this section and shall also form a part of the annual sustainability report.



Reducing the Carbon Footprint in Our Facilities and Data Centres

At Airtel, we recognize the significance of safeguarding climate and make efforts that promote the containment and reduction of carbon footprint in our operations. We pursue this objective through sustained investments in assets backed by periodic assessments of emissions to meet the set targets.

2,568 MWh

Units of electricity saved in FY 2017-18 in our facilities

17.66%

Reduction in CO_2 emission per rack in our data centres as compared to FY 2016-17

Our Milestones

Action: We installed energy efficient lighting at workplace to optimize light consumption.

We retrofitted old technologies with energy solutions.

We optimized energy consumption through improving chiller efficiency, controlling heating / air conditioning and HVAC optimization.

We installed Enisaver (Quasar Enviro) smart high-tech devices and energy efficient cooling systems for our offices.

We installed collective control system in lifts such as "Duplexor" to help in reducing power consumption.

Impact*:

KWH emission reduction



1. Lighting Optimization (adjusting light intensity, use of natural light, LED installation) - **8%**
2. Energy Optimization (UPS optimization, improving chiller efficiency) - **19%**
3. Innovative Solutions - **8%**
4. HVAC upgradation for efficient heating and cooling - **65%**

* above figures relate to impact made at our facilities.



Resource and Waste Optimization

We have installed specific systems and processes to manage both our hazardous and non-hazardous waste in compliance with our waste management guidelines. Through innovative technologies, reusing and recycling, we have managed to reduce waste generated and reduced its impact on the environment.

Our Milestones

Action: We encouraged electronic billing and online payment methodologies for our customers.

Impact: Over 1,600 Mn sheets of paper saved since 2011-12.

Action: Increasingly adopted verification process through Aadhaar thereby eliminating paper work.

Impact: ~96% of prepaid connections through Aadhaar.

Our Achievements

Equipped all our facilities to reduce water consumption and augment rainwater harvesting.

Sewage treatment plants are installed at our facilities for handling domestic waste water.

We installed efficient water fixtures, sensors and other gears to reduce water utilization.

A dedicated team works to trace end-to-end handling and recycling of e-waste in accordance with Waste Electrical and Electronic Equipment (WEEE) guidelines and post clearance from Central/ State Pollution Control Board(s).

~2900 Tonnes

E-waste from IT and network infrastructure was recycled in FY 2017-18

340,000+

DTH units refurbished in FY 2017-18

The Crowning Moments

Financial Capital

- Bharti Airtel bagged 'The Corporate Treasurer Award' for 'Asia's Best Treasury and Finance Strategies, 2016' under the 'Best Hedging Strategy' category.
- Bharti Airtel was **ranked second** in the 'Brand Finance India 100 (2017)'- an annual report on the most valuable Indian brands. According to the report, the Company's brand was valued at US$ 7,722 Mn.

Intellectual Capital

- Bharti Airtel was ranked amongst the top 100 firms in the list of **'Most Innovative Companies'** in the world (2017) by Forbes.
- Bharti Airtel won the 'Best Risk Management Practice Award' in the 'Telecom' category at the 'India Risk Management Awards' (2017) instituted by CNBC TV18 and ICICI Lombard.
- Bharti Airtel was ranked second in the **'BrandZ Top 50 Most Valuable Indian Brands 2017'** report. According to the study, Company's brand was valued at US$ 10.2 Bn.
- Airtel Global Business won in two categories: **'Best Voice Services Innovation – Emerging Market'** and **'Best SMS Innovation'** at 'Global Carrier Awards' in London.

Human Capital

- Bharti Airtel was honoured with 'Aon Best Employer India 2017' award at the 'Aon Best Employers India 2017 Learning Conference and Awards' ceremony.
- Bharti Airtel was ranked the 'Best Company to Work For' in the 'Telecom & Allied Sector' in the 'Business Today - PeopleStrong Survey' (2017).
- Bharti Airtel Network Infra team won an award for **excellence in fire security** at the 'IFSEC Awards 2017'.
- Airtel Lanka won the **'Best Employer Brand', 'Best HR Strategy'** and **'Best HR Strategy in line with Business'** awards at the '12th Employer Branding Awards' (2017) in Colombo.
- Airtel Nigeria adjudged the Company with best recruitment strategy at the 'HR People Magazine Awards' (2017) in Lagos.

Manufactured Capital

- Bharti Airtel was ranked second in Business World 'Most Respected Companies' survey (2017).
- Bharti Airtel's Broadband Team and Open Network Team were awarded under **'Broadband Product'** and '**Marketing Campaign' categories** respectively at the 'Economic Times Telecom awards, 2017'.
- Bharti Airtel was rated as the fastest mobile network in India by 'Ookla' - the global leader in speedtest. This is the third time in a row that Ookla ranked Airtel as India's fastest network.
- Nxtra Data, a subsidiary of 'Bharti Airtel' was awarded the **'CIO Choice Award 2018'** for 'Data Center & Infrastructure Vendor' in the category of 'Co-location Services'.
- Bharti Airtel's Internet TV won the 'Tech Peripheral of the Year' award at the 'NEXA NDTV Gadget Guru Awards' 2017.
- Airtel Global Business won in 'Best Emerging Market Initiative' category at the 7th 'Asia Communication Awards' (2017) held in Singapore.
- Airtel Global Business won in the **'Best Wholesale Carrier (Global)'** category at the 'Carriers World Awards' 2017 held in London, UK.

Social & Relationship Capital

- Bharti Airtel was honoured in the categories of 'Best Brand Loyalty Marketing Campaign' and 'Best CSR Initiative' at the 'Asian Customer Engagement Forum and Awards' (2017).
- Airtel Nigeria bagged the 'Most Outstanding Customer-Centric Telecoms Brand of the Year' award at the Marketing Edge's 'National Marketing Stakeholders Summit and Brands & Advertising Excellence Award' (2017).
- Airtel Seychelles was awarded the **'Corporate Social Responsibility of the Year 2017'** at the 5th edition of the 'Business Awards' organized by the 'Seychelles Chamber of Commerce and Industries' (SCCI).
- Airtel Kenya won in the 'Humanitarian/Corporate Award 2017' at the 5th edition of the annual 'Kenya Red Cross Volunteer Awards'.

Natural Capital

- Bharti Airtel bagged the **'Golden Peacock Award for Corporate Sustainability'** for the year 2017.

Note: The above include awards and recognitions at India and global level.



Airtel Global Business - Asia Communication Awards, 2017



Airtel Nigeria - HR People Magazine Awards, 2017



Bharti Airtel - Business Today-PeopleStrong survey, 2017



Bharti Airtel - India Risk Management Awards, 2017



Airtel Kenya - Kenya Red Cross Volunteer Awards, 2017



Bharti Airtel - Aon Best Employer India, 2017



Airtel Lanka - Employer Branding Awards, 2017



Airtel Nigeria - Marketing Edge's 'National Marketing Stakeholders Summit and Brands & Advertising Excellence Award', 2017



Airtel Seychelles - 'Business Awards' organized by the 'Seychelles Chamber of Commerce and Industries' (SCCI), 2017

Corporate Social Responsibility Report

At Bharti Airtel sustainability is defined in the context of operating our business responsibly. Operating in 16 countries with more than 4 Bn customers, it is our endeavour to make a difference in our communities.

Our approach to sustainability is guided by our values and principles. Our employees across the globe make sincere efforts to leave a positive impact on the lives of people that need aid. We empower the stakeholders through several initiatives in the field of education, women empowerment, sanitation, employment generation and healthcare, among others.



India

At Bharti Airtel, we strive to inspire and empower people to create a financially secure and sustainable future. Over the course of the year, we worked towards achieving socio-economic growth through our programs. We stepped up our efforts during the year through several programmes that bring about life-lasting changes in the lives of the people.

Bharti Foundation

Bharti Foundation is the philanthropic arm of Bharti Enterprises. The Foundation provides free and quality education to underprivileged children with a focus on the girl child, across rural India through its flagship initiative - the Satya Bharti School Program. Post completion of 10 successful years in 2016, the Foundation's education focus is being scaled up by transferring learning and best practices of the Satya Bharti School Program to Government schools through the Satya Bharti Quality Support Program. The Foundation has also made significant contributions in the field of secondary education through its higher education programs in partnership with renowned institutions like Indian Institute of Technology (IIT) – Delhi & Mumbai, Indian School of Business – Mohali, University of Cambridge – UK and Newcastle University – UK. Since 2014, the Foundation has extended its service beyond education to improve sanitation in Ludhiana, as well as in Amritsar with the initiation of Satya Bharti Abhiyan.

Education

Satya Bharti School Program



The Satya Bharti School Program is the flagship initiative of Bharti Foundation. This rural education initiative provides quality education to underprivileged children, completely free of cost, with a special focus on the girl child. The program envisions transforming students into educated, confident, responsible and self-reliant employable citizens of India with a deep sense of commitment to their society. The program's reach is multi-pronged: encouraging active involvement of the rural community, parents of students and other organizations working in the field of education in India. Making a lasting and sustainable impact on the community where schools are present and finding innovative solutions

through its primary and senior secondary schools, the Satya Bharti School Program is being implemented with the intent to arrive at replicable and scalable components of quality education which may be adapted by the Government and other like-minded organizations. Reaching out to thousands of underprivileged children, the program, through its focus on holistic development, aims to bring forth a new generation of citizens eager to usher in positive change.

Key Achievements, 2017-18

National level

> 23 students from Satya Bharti School were winners (Eight Gold, Eight Silver, Seven Bronze) at 'Natural Capital Olympiad' (Environment based competition)

> 35 students secured admission in Jawahar Navodaya Vidyalayas (JNVs) - complete residential schools for gifted students in India supported by the Ministry of Human Resource Development, Government of India

> Two Satya Bharti School teachers were declared winners by Centre for Teacher Accreditation (CENTA - a hallmark of teaching excellence)

> Exemplary performance by students of Satya Bharti Schools at India Art National level Painting Competition 'Khula Aasmaan', receiving 11 medals and 87 honorable mentions

> Nine Satya Bharti students among the coveted Top 100 at the 'Design For Change' contest that recognizes impactful community campaigns addressing social change

> Three students were declared winners at 'Pramerica Spirit of Community Awards' celebrating volunteer community program in India

International level

> Satya Bharti Adarsh Senior Secondary School, Rauni, Punjab was awarded at 'School Enterprise Challenge', an international initiative that promotes entrepreneurship

> 14 Satya Bharti Schools students were declared winners at 'Inspire Aspire' Poster Making Competition 2017



Students of Satya Elementary School, Dhulka, Punjab: Narinderpal Singh (15 yrs old), Simranjot Kaur (13 yrs old), Sanehdeep Kaur (12 yrs old), Daljit Singh (10 yrs old), Arshdeep Singh (10 yrs old)

Agents of Change: The road connecting the villages of Jharunangal and Dhulka in District Amritsar, Punjab had deteriorated causing several road accidents and injuries to people. Satya Elementary School, Dhulka started witnessing a steady decline in attendance rates of students due to challenges faced by students by the worsening condition of the road.

The students of Satya Elementary School, Dhulka, along with the active support of their teachers, resolved to change the situation. It spurred them to initiate a road safety project. The children went door to door, approached the village sarpanch, community members and the students of nearby schools, informing them about the situation. The determination of the students led to a change, inspiring the community to pitch in by providing construction materials and labour. Within a short time-frame of less than a month, the students' efforts led to a repaired road that was safe for use.

254
Schools

06
States

45,388
Students

1,617
Teachers

50%
Percentage of girls

76%
Percentage of students from SC/ST/OBC communities

70%
Percentage of female teachers

All data as on March 31, 2018

Satya Bharti Quality Support Program



The Satya Bharti Quality Support Program is an education initiative with Government Schools. Through this Program, Bharti Foundation engages the school leadership, teachers, students and the surrounding communities towards enhancing the schooling experience and strive for excellence. The approach is to identify, integrate and optimize best practices from Satya Bharti Schools with the intent of encouraging innovation, participation and ownership to facilitate sustainable change.

398
Schools (in ten states*)

50%
Girls

159,298
Students

69%
SC/ST/OBC communities

5,982
Teachers

*Program Footprint across 10 states of India: Delhi, Goa, Haryana, Jammu & Kashmir, Punjab, Rajasthan, Andhra Pradesh, Telangana, Uttar Pradesh & Jharkhand



Program Approach:

Optimize use of existing resources, policies and systems	→	Collaborate with school leadership and staff to maximize usage
Support schools leaders to achieve higher goals and bridge existing gaps	→	Facilitate, support and enhance school resources, processes and efforts

Key Achievements, 2017-18

- The remediation program has helped increase the learning levels of 3,817 students thereby improving their English language and Math across 151 schools
- Leadership positions at clubs were led by girls witnessing more than 60% girls at the helm compared to 31% last year
- A total of 558 awards won by schools at different levels with five students winning National Means-cum-Merit scholarship awarded by Ministry of Human Resource Development; two winning All India Kung Fu championship and one gold medal in wrestling at 4th Indo-Nepal Golden Cup Youth Rural Games 2017-18
- Leadership training organized for 104 schools to empower the school leadership (Principals and senior staff). Also, capacity building exposure trips organized for Army Goodwill Schools' staff (100 participants) to Satya Bharti Adarsh Senior Secondary Schools in Ludhiana
- Schools connect with communities increased with average number of meetings of School Management Committee up from two in FY 2016-17 to five by end of FY 2017-18
- Increased Parent-Teacher Meetings per school from two to three over previous year. Average attendance increased from 35% to 48% witnessing a rise of more than 1,300 basis points
- Three girl students were felicitated by the then President of India, Hon'ble Sh. Pranab Mukherjee in Sohna for exceptional roles and leadership skills in club activities under Rashtrapati Bhavan's secretariat's 'Smartgram' project

All data as on March 31, 2018

"Bharti Foundation's Quality Support Program has benefitted us in various ways and it has helped us in improving overall development of students. Their focus on innovative activities like library week, art and craft workshops, study skills workshops and celebration of national day have created an impact on students' lives."

Mrs. Poonam Nijhawan, *Government School Principal*
Sarvodaya Senior Secondary School, Pitam Pura, Delhi

"We would like to express our gratitude to Bharti Foundation for their tireless contribution in changing the overall atmosphere of our school. Their initiatives like Lecture Series, Students Competitions, Student-Teacher Excursions, Teacher Training and Club Formation are priceless contributions in development of a child's future. Apart from this we highly appreciate the role of the Foundation in streamlining Parent Teacher Meetings and community connect."

Mrs. Santosh Kumari, *Government School Principal*
Govt. Girls Higher Secondary School, Kandoli, Nagrota, J&K

Satya Bharti Learning Centre Program (2013 to 2018)*



This remedial/bridge courses program run by the Foundation, aims to bridge the education gap of Out-of-School Children to mainstream them into regular schools. The first phase of the program, started in 2013 and deployed in partnership with the Government of Rajasthan was scaled up to Madhya Pradesh and Jharkhand, thereby extending program reach to the remote blocks of all three states.

Till March 2018, following have been the major achievements of the program:

49%
Percentage of girls

33,353
Students mainstreamed

1,522
Centres operational since program inception

98%
Percentage of SC/ST/OBC students

All data as on March 31, 2018

Key Achievements, 2017-18

- 9,265 students were mainstreamed in year FY 2017-18
- 15 blocks (Nine in Rajasthan and Six in Jharkhand) declared Out-of-School Children free by the Education departments. In these 15 blocks, Bharti Foundation contributed by operating 846 School Learning Centres and mainstreamed 18,646 students
- Nearly 1,600 Education Volunteers (EV) worked in this program, which has generated trained human resource for remedial teaching at the village level
- 1,522 Satya Bharti School Learning Centres have been operated and closed successfully
- Education Department, at all block and district levels have formally appreciated and acknowledged Bharti Foundation's contribution for identifying Out-of-School Children, remedial teaching and mainstreaming them in government schools
  - 79 EVs appreciated by Education Department in Rajasthan
  - Rajasthan Council of Elementary Education appreciated the program
  - Over 250 appreciation letters and formal recognitions received from government officials
  - Over 200 print and electronic media reports came about Bharti Foundation's School Learning Centres program
  - MP Shri Nishikant Dubey appreciated the work of Bharti Foundation
  - Secretary, MHRD, Government of India appreciated Bharti Foundation's work to reopen a school

*From April 2018, this program has been integrated with the Satya Bharti Quality Support Program for the comprehensive support of Government schools.

- Bharti Foundation nominated in the 13 member core Education reformation committee team at Pakur, Jharkhand
- Many students in this program (erstwhile Out-of-School Children) went on to be selected in Jawahar Navodaya Vidyalaya (JNV), Eklavya Vidyalaya and Kasturba Gandhi Balika Vidyalaya (KGBV), besides 16 students completing class 5 with over 60% marks (first division)
- Three centres have been awarded 'Swachh Vidyalay Purashkar' (one in Category green band and the other two in category blue band by MHRD, GOI)
- MLAs from constituency of Barmer, Ramsar, and Sawai Madhopur visited centres and appreciated Bharti Foundation's work with government schools
- MLA from constituency of Dahua in Jharkhand visited the Centre and appreciated the program

State Wise Achievement (since inception)

States	No of Centers	No of Children Mainstreamed	No of Children Impacted
Rajasthan	1,114	23,070	26,273
Jharkhand	320	8,373	8,758
Madhya Pradesh	88	1,910	2,469
Total	**1,522**	**33,353**	**37,500**

A role model



Bokrabandh, is a village approximately 400 kms north of Ranchi, falling under Sunderpahari block of Godda district. This remote village (the nearest station is Bhagalpur Railway Station which is 94 kms away) has a population of around 600 people, primarily belonging to a tribal community. The only Government school in Bokraband was closed for years due to lack of infrastructure and basic facilities.

Lukas Hansda, a youth from a tribal village pledged to bring the change that mattered. Working as an Education Volunteer with Bharti Foundation, Lukas Hansda, followed the processes under Satya Bharti Learning Center Program. The first challenging task was to get Out-of-School Children back into school. After a lot of hard work and persuasion, 24 children underwent the remedial course in Satya Bharti Learning Centers.

The Satya Bharti Learning Center provided remedial courses for Out-of-School Children and Satya Bharti Quality Support Program, helped the school to set up co-scholastic processes such as School Management Committee, Community Volunteering Program, Students' Council, Parent Teacher Meeting, School Development Plan etc. Government teachers were encouraged and persuaded to attend the school regularly. The activity based learning approach and healthy teacher-student's relationship helped in enriching the overall schooling experience for all stakeholders. Today the village has a fully functional school and has institutionalized key processes that make the initiative sustainable with Lukas motivating another 20 students to join in 2017-18 academic year.

"We appreciate Bharti Foundation's Satya Bharti Learning Centre Program and their collaboration with Government of Rajasthan in identifying Out-of-School Children and mainstreaming them in government schools. We would like to highlight Bharti Foundation's support in achieving the goal of 100% mainstreaming of drop out children. We hope that Bharti Foundation will continue this commendable work across all districts of Rajasthan".

Dr. Priya Balram Sharma, *Deputy Commissioner (REI)*
Rajasthan Council of Elementary Education, Jaipur

"Wonderful initiative by Bharti Foundation in Naxal-hit district of Jharkhand to bring back Out-of-School Children. Such public–private partnerships can help transform education. The need now is to scale such efforts and expand nexus of good work".

Sh. Anil Swarup, *Secretary, MHRD*
Government of India
(Courtesy: Twitter)

Sanitation

Satya Bharti Abhiyan

On August 18, 2014, Bharti Foundation launched the Satya Bharti Abhiyan, an initiative to improve sanitation facilities with rural Ludhiana as a focus area. Phase one of the program has been completed with individual toilets constructed and handed over across rural and urban Ludhiana. In addition, 14 Government schools, identified by Punjab Education Development Board, have been provided a separate toilet for girls in rural Ludhiana. In the urban areas of Ludhiana district, 201 households in a list provided by the Punjab Municipal Infrastructure Development Company (PMIDC), that did not have a toilet, have been provided one.

On July 15, 2017, the Foundation announced the expanded outreach of the sanitation initiative with the launch of the Abhiyan in Amritsar. An MoU was signed with the Department of Water Supply and Sanitation (DWSS), Punjab in September 2017 for providing financial assistance to beneficiaries for the construction of toilets as identified by the DWSS.

90,276
Total beneficiaries

18,286
Toilets constructed (rural & urban Ludhiana and rural Amritsar)

14
Girls' toilets (government schools)

1,010
Villages surveyed

792
Villages (toilets constructed)

11
Urban local bodies (toilets constructed)

* Data as of March 31, 2018, with total figures from inception in August 2014

Key Highlights, 2017-18

- Reduction in open defecation enabling better health and wellbeing. A survey of usage of toilets provided to the beneficiaries, revealed 98.54% being used
- Ludhiana district (rural), one of the largest and most populated districts of Punjab became the second self-declared "Open Defecation Free" district in the state in November 2016. Amritsar district (rural) has achieved self-declared Open Defecation Free (ODF) status on March 28, 2018 and Punjab (rural) on March 30, 2018
- Satya Bharti Abhiyan received 'CORPORATE TRAILBLAZER' Award at 'India Today Safaigiri Summit & Awards 2017'
- The program has been appreciated at the village, district, state as well as National level of governance. On January 24, 2018, Hon'ble Prime Minister, Shri Narendra Modi lauded Bharti Foundation's sanitation initiative during a CEO meet at the World Economic Forum in Davos



Commemoration ceremony for completion of Abhiyan in Ludhiana graced by then Minister of Finance and Corporate affairs, Govt. of India, Shri Arun Jaitley, Shri Manpreet Badal, Finance Minister Govt. of Punjab, Shri Tript Rajinder Singh Bajwa, then Cabinet Minister for Department of Water Supply and Sanitation, Govt of Punjab, and Mr. Rakesh Bharti Mittal, Co-Chairman, Bharti Foundation. Event joined by many government officials, political fraternity and industry officials

Higher Education

Bharti Foundation has also partnered with premier National and International Institutes in the sphere of Higher Education:

The Bharti School of Telecommunication Technology and Management at Indian Institute of Technology (IIT), Delhi, established as a premier institute developing 'Young Telecom Leaders'. The Airtel IIT Delhi Centre of Excellence in Telecommunications (AICET) was established to bring about a sustained growth and progress in the Telecom sector through various innovative initiatives.

The Bharti Centre for Communication at IIT, Bombay is dedicated to being a contributor in expanding the frontiers of knowledge through research and education in the telecommunication industry.

The Bharti Institute of Public Policy, Mohali was set up in a partnership between Indian School of Business (ISB) and Bharti Enterprises with Fletcher School of Law and Diplomacy, Tufts University (USA) as its partner school.

Key partnerships

Partnerships with University of Cambridge (UK):

The University of Cambridge and Bharti Foundation, signed a Memorandum of Understanding ("MoU") on September 12, 2016 to conduct a baby corn crop improvement research program in India. The program is being funded through a grant from Bharti Foundation to the University of Cambridge. The grant supports a three-year research program carried out between Cambridge's Department of Plant Sciences and the Cambridge Centre for Crop Science (3CS), Punjab Agricultural University and FieldFresh Foods.

Manmohan Singh Bursary Fund:

Begun in 2010, this scholarship program enables high school students of remarkable caliber to pursue their education at the University of Cambridge University, thus removing the financial barrier.

Partnership with University of Newcastle (UK):

Bharti Foundation and Newcastle University, UK signed and MoU in March 2018 to extend cooperation in the area of student's internship and joint academic research. The students from Newcastle University, UK, will make a visit to the remote villages in India and conduct their research on various educational reform projects run by Bharti Foundation. The findings of their research will be used to further develop and enhance the ongoing programs.



Satya Bharti University Announcement

In November 2017, Bharti Foundation announced its plans to set up Satya Bharti University with the vision of "Being a global leader in creating and disseminating cutting-edge knowledge that transforms lives and creates a brighter future".

Airtel Connect

Airtel Delhi Half Marathon

The Airtel Delhi Half Marathon (ADHM) continues to be bring together corporates, individuals, employees and students of schools and colleges, giving them the opportunity to increase their awareness about the Satya Bharti School Program, help raise funds and enjoy the marathon run.

Young Leader Programme

The Young Leader Programme is a two-week initiative (part of corporate induction program) to engage new team members of Bharti Airtel as volunteers to support various initiatives of Bharti Foundation.

53

Number of Youth Leaders

ACT (A Caring Touch)

It is an employee payroll giving programme encouraging employees to give back to society in terms of money, time, skills or knowledge. In FY 2017-18 more than 4,145 employees (from Bharti Airtel Limited, Bharti Airtel Services Limited and Telesonic Networks Limited) participated contributing ₹ 4.58 Mn, while the employer contribution was ₹ 5.80 Mn.

Africa

We operate in a complex and dynamic environment, with economic controls, technological progressions and increasing focus on digitization. As a responsible corporate, we align our business growth with social and economic wellbeing of the communities where we operate. Our programs are executed at local level through our employees, thereby directing contributions to areas of greatest impact in the particular regions.



Education

Adopt-a-School: Our flagship program in Africa, through 'Adopt-a-School' initiative we have created an impact in lives of more than 32,000 under-privileged children. We have helped schools rebuild infrastructure, provide reading materials, support feeding programs and promote e-learning.

Internet for School: Airtel Kenya partnered with more than 315 schools in 36 counties across the country with its flagship program 'Airtel Internet for Schools'. The program has provided internet accessibility to several school students who cannot afford cost of connection. Till date more than 300,000 students have been impacted through the initiative.

Internet hubs: Airtel Zambia employees scaled up their efforts to bridge the digital gap in the country through donation of computers and providing internet accessibility by setting up dedicated 'internet hubs' across the country. Through partnerships with the British Council, Samsung Electronics, Huawei and the Ministry of Education, Airtel is helping students to realize their full potential and contribute to national development. The hubs helped students and teachers to use the computers for improving their Internet and Communication Technology (ICT) capabilities.

300,000

Students benefitted through Internet for School program

7,000

Students used internet hubs created by Airtel Zambia

Disaster management

Fight against plague: Airtel Madagascar partnered with World Health Organization (WHO) and Malagasy Government in implementing a strategy and response plan to help people fight the plague outbreak that affected more than 23 Mn in August 2017. Airtel Madagascar provided a short code number so that all subscribers would have free access to information, creating awareness to prevention, symptoms, transmission and treatment of the plague from WHO. Around 40,000 calls were received on a daily basis. The initiative received a commendation from the WHO (World Health Organization). Our employees set up.

40,000+

Calls received daily for information on plague

Health

Health Centre by Phone: Airtel Malawi is part of "Chipatala cha Pa Foni" (CCPF) or 'Health Centre by phone. The toll free health and nutrition program in partnership with NGO Village Reach and Ministry of Health has helped the subscribers reach out to trained health professionals for advice to any health related issue. Originally focused on women and children, the hotline now covers all health topics, including nutrition, HIV, and TB, youth-friendly service and content.

12,000+

Annual calls received from subscribers seeking healthcare advice



Youth empowerment

Train my generation: Train My Generation project was initiated to train young Gabonese students in New Information and Communication Technology (ICT). Airtel Gabon signed the partnership agreement with UNESCO at the UNESCO Headquarters in November 2014. A first of its kind agreement between UNESCO and a private company, the initiative helped improve digital literacy in centres by training more than 5,000 students between the age of 17-35 years. Airtel opened 13 such training centres across Gabon with 62 teachers being imparted training by African Institute of Information and Technology.

On March 29, 2018, the graduation ceremony for the "Train My Generation Program" was conducted with Audrey Hazouley, the Managing Director of UNESCO and the President of Gabon were present as guests at the ceremony and commended Airtel for this ground-breaking initiative.

"With changes in the education system that have seen more students turning to the Internet for learning resources, the organization continues to harness the strength of the Company's technology to drive change in the community. Airtel Africa is committed to support schools across the continent connect to the Internet."

Raghunath Mandava
Message from MD and CEO (Africa)

Business Responsibility Report

Section A

General Information about the Company

Corporate Identity Number (CIN) of the Company	L74899DL1995PLC070609
Name of the Company	Bharti Airtel Limited
Registered Address	Bharti Crescent 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070
Website	www.airtel.com
Email ID	compliance.officer@bharti.in
Financial Year reported	2017-18
Sector(s) that the Company is engaged in (Industrial activity code-wise)	> Telecommunication Services – mobile telecommunication, fixed line services and telecommunication enterprise solutions. > Direct-to-Home Services (through subsidiary company) > Payments Bank (through subsidiary company)
Key products / services that the Company manufactures / provides (as in balance sheet)	> Mobile Services > Broadband Services > Enterprise Services > Direct to Home (DTH) Services
Total number of locations where business activity is undertaken	Number of international locations (major 5): Operations in 16 countries including India and Sri Lanka. Number of national locations: Headquartered in New Delhi, the Company has business in all 22 licensed telecom service areas.
Markets served by the Company- Local / State / National / International	Besides India, operations in Africa and South Asia

Section B

Financial Details of the Company

1.	Paid up capital (₹ Millions)	19,987
2.	Total turnover (₹ Millions)	536,630
3.	Total profit after taxes (₹ Millions)	792
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of average Net Profit of the Company for last 3 financial years (%)	0.26*
5.	List of activities in which expenditure in point (4 above) has been incurred	> Education promotion > Higher and technical education > Community development > Employability and entrepreneurship > Sanitation > Restoration and establishment of building of historical importance

* Please refer Annexure D of the Board's Report viz. the Annual Report on CSR activities for details

Section C

Other Details

1. **Does the Company have any Subsidiary Company/ Companies?**

   Bharti Airtel Limited (hereinafter referred as Airtel) has 14 direct and 75 indirect subsidiary companies, as on March 31, 2018.

2. **Does the Subsidiary Company / Companies participate in the Business Responsibility (BR) initiatives of the parent company?**

   Nearly all subsidiary companies, either directly themselves or jointly with Airtel, participate in the BR initiatives.

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

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

Section D

Business Responsibility Information

1.0 Details of Director / Directors responsible for BR

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

DIN Number	00042494
Name	Mr. Rakesh Bharti Mittal
Designation	Director

(b) Details of the BR head

DIN Number	N.A.
Name	Mr. Sameer Chugh
Designation	Director - Legal & Regulatory
Telephone Number	+91 124 4243188
E-mail ID	sustainability@airtel.com

2.0 Principle-wise (as per NVGs) BR Policy / Policies

Principle 1

Ethics, Transparency and Accountability

Businesses should conduct and govern themselves with ethics, transparency and accountability

Principle 2

Products Lifecycle Sustainability

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

Principle 3

Employees' Well-being

Businesses should promote the well-being of all employees

Principle 4

Stakeholder Engagement

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

Principle 5

Human Rights

Businesses should respect and promote human rights

Principle 6

Protection of the Environment

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

Principle 7

Responsible Policy Advocacy

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

Principle 8

Support Inclusive Growth

Businesses should support inclusive growth and equitable development

Principle 9

Providing Customer Value

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

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

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for...?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders? (A)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words) (A)	Y	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? (B)	Y	N	N	Y	N	Y	N	N	N
5.	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy? (B)	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online? (C)	Y	N	N	Y	Y	N	N	Y	N
7.	Has the policy been formally communicated to all relevant internal and external stakeholders? (D)	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy / policies? (E)	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redress mechanism related to the policy/policies to address stakeholders' grievances related to the policy / policies? (F)	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	N	N	Y	Y	N	Y

(A) The policies are formulated with detailed consultation with relevant stakeholders and benchmarking across the industry. They are developed and aligned to applicable legal and regulatory requirements, and guidelines, SEBI listing regulation and its internal mandates.

(B) All policies are administered under the overall supervision of the Airtel Management Board (AMB) of the Company, headed by the Managing Director and Chief Executive Officer. The Audit Committee of the Board along with other Board Committees reviews implementation of policies.

(C) The following policies can be viewed on website www.airtel.com and www.bharti.com

1. Code of Conduct Policy
2. Code of Conduct Policy for Partners
3. CSR Policy
4. Ombudsperson Policy and Process
5. Stakeholder Engagement Framework
6. Human Rights Policy
7. Environment Health and Safety Policy
8. Tax Policy

(D) Except policies listed above, all other policies are meant for internal consumption of employees and are available on the Company's intranet. All policies have been periodically communicated to the relevant internal and external stakeholders.

(E) All policies are owned by the respective AMB member and their senior leadership teams are responsible for the effective implementation policy.

(F) Any clarifications for grievances related to either of the policies are addressed by the respective leadership team member and if not addressed to satisfaction can be escalated to the Ombudsperson.

Governance related to BR

> Performance assessment frequency of BR

The CSR Committee and Board assess and review the BR performance annually and give a strategic direction to Airtel's BR initiatives, as required.

> Details of BR and Sustainability Report

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

Section E - Principle-wise performance

Principle 1

Ethics, Transparency and Accountability

Airtel is committed to achieving the highest principles of integrity and ethics. Its Code of Conduct (COC / Code) outlines the Company's expected standards of ethical conduct and behaviour. Airtel's core values represent mutual respect, trust and personal growth for all. The Code of Conduct extends to employees at all levels and other individuals working with the Company, its subsidiaries, associates, suppliers, contractors, service providers, channel partners and explicitly prohibits bribes, kickbacks, improper payments and direct them to ensure ethical business conduct.

For effective implementation of the above mentioned Code of Conduct, the Company has established the office of the ombudsperson, which is an independent forum for employees and stakeholders of the Company. It is fully accessible to all stakeholders who have grievances with regard to the conduct of any employee / individual representing the Company. A formal process of reviewing and investigating any concern is undertaken by the Ombudsperson and appropriate action is taken to resolve the matter in accordance with the Consequence Management Policy. The instances of such misconduct are periodically reported to the Audit Committee. All employees are required to undergo an annual e-certification on Code of Conduct to reinforce their commitment to the Code. During 2017-18, 24 allegations of corruption or bribery were received. Investigations were completed in 22 cases. The remaining 2 cases are under various stages of investigation. The allegations were substantiated in 7 cases and suitable actions initiated, as per Consequence Management Policy.

Principle 2

Product Lifecycle Sustainability

While evaluating the impact of business operations, Airtel aims to reduce any fallouts during the lifecycle of its products and services across the value chain. The Company is leveraging its existing services such as Mobile DTH, Payments Bank, Fixed line and Broadband and Enterprise solutions to provide basic life services. It is helping enhance financial inclusion, health and education along with raising awareness around agriculture. 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. In FY 2017-18, over 99% of the base stations audited by TRAI were found compliant with emission norms. The Company in partnership with the Cellular Operators Association of India (COAI) conducts various programmes, workshops, seminars and stakeholder engagements. 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 in the organization's latest Sustainability report at www.airtel.in/sustainability.

The most substantial waste generated from 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. Airtel has also implemented various awareness strategies to reduce waste by promoting extended use of network and IT based equipment. The Company adheres to the Government of India's (GoI) guidelines to recycle the waste generated from its source, due to technology up gradation or any other reason. In FY 2017-18, around 2,900 tons of e-waste generated from IT and network infrastructure was recycled through authorised recycling partners.

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 use of its services. The Company is strongly committed to building a responsive and sustainable supply chain. The Company carries out a due diligence process including outlining contract clauses before enlisting any supplier which includes

certain sustainability and statutory aspects like environmental protection, health and safety, human rights and child labour, and ethics. In addition to this we target to empanel 100% of our suppliers through contract clauses of sustainability parameters by 2020. Regular assessments of suppliers are conducted through the vendor compliance monitoring process, on statutory and sustainability requirements like minimum compensation, benefits, labour issues etc. and the non-compliances identified are promptly remediated. To optimise resources, reduce adverse environmental impact and promote indigenous entrepreneurship, Airtel promotes local procurement from India based suppliers. In FY 2017-18 of the 4800+ suppliers Airtel engaged with, 96% were based in India which constituted over 58% of its procurement spent. In addition to this the Company strives for a minimum of 98% of procurement from India based suppliers by 2020. Airtel constantly encourages its suppliers to adhere to international standards like ISO 9001:2008, ISO 14001, OHSAS 18001, ISO 27000 and target atleast 50% of its procurement through suppliers holding one of these certification by 2020. The Company has been continually working to consolidate its supply chain to make its socio-economic engagements 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.

Principle 3

Employees' Well-being

'Win with People' is one of the key business priorities of Airtel. The Company believes that its success depends on its ability to develop knowledge, skills and expertise of its employees. This belief translates in ensuring that every business vertical is equipped with right talent, which is both competent and engaged. The Company achieved this objective by undertaking various initiatives for talent development, employee engagement and communication.

This approach has helped the Company in building an inclusive organisation, driven by entrepreneurship providing equal opportunity to all. Airtel has consistently tried to create and promote an inclusive work environment for employees from diverse backgrounds to help them realise their full potential. The objective is to ensure that the strong workforce of ~15,500 employees are both skilled and engaged.

The Company is fully committed to the promotion of diversity across all levels of the organisation. There were 1,412 permanent women employees, which represented around 9.1% of the total workforce. A total of 124 people with special abilities were employed at various Company locations. To nurture workforce diversity, with a particular focus on gender, the Company has implemented practices and support systems that specifically address the requirements of its female employees. This is backed by stringent policies and procedures, which ensures the workplace environment free from sexual harassment.

In addition, the Company had 42,558 sub-contracted employees for calendar year 2017, employed at its various sites. During the period, the Company did not engage any temporary or casual staff in the organisation. Airtel currently does not have any employee associations in the organisation however, employees have full access to raise their concerns with the management without fear or coercion which are addressed and resolved satisfactorily.

Airtel's aspiration is a zero injury / accident workplace. Its commitment to health and safety is driven by the stringent workplace health and safety policies that provides a comprehensive framework for ensuring safe and incidence-free workplace, effective investment in health promotion and disease prevention activities at all levels of the business.

To ensure occupational health and safety throughout the operations, a dedicated safety team, led by a Safety officer, was setup up to monitor and maintain a safe, healthy and injury-free working conditions. The Company's commitment to health and safety is driven by the various stringent health and safety policies. These provide a comprehensive framework for ensuring a safe and incident-free workplace and effective investment in health promotion and disease prevention activities at all levels of its business. In FY 2017-18, more than 14,000 employees attended the safety trainings including over 2,000 women employees and 31 specially abled employees.

The Bharti Code of Conduct ensures to build a workplace culture that fully reflects Bharti's values of trust, mutual respect and inclusive growth for all. The Code encompasses a wide array of issues pertaining to harassment, workplace conduct, labour conditions, and community responsibility. The Ombudsperson administers a formal process to review and investigate all concerns and undertakes appropriate actions required to resolve the reported matters. In FY 2017-18 nine cases regarding sexual harassment at the workplace were reported and investigated. In six of these cases, the allegations were substantiated and the accused personnel were released from their services. Airtel received no complaints regarding child labour, forced labour and discriminatory employment in the year under review.

Principle 4

Stakeholder Engagement

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 prioritize 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 2017-18 Airtel revisited the Materiality Analysis process and performed a detailed 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 Organizations (NGOs) and 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.

The Company has identified the disadvantaged, vulnerable and marginalised stakeholders through Bharti Foundation, the philanthropic arm of Bharti Enterprises. The foundation's beneficiaries include economically-challenged and disadvantaged groups, especially girls. Bharti Foundation touches all aspects of stakeholder empowerment through multiple community initiatives in the realm of education, employment generation, sanitation along with healthcare, and disaster management. Conducting need-based training for key stakeholders forms a significant part of the foundation's empowerment and financial inclusion strategy. Please refer to the CSR section of the annual report and the sustainability report for details on the Company's intervention through Bharti Foundation.

Principle 5

Human Rights

Bharti's Code of Conduct, Airtel's Human Rights Policy and various HR Polices demonstrates its commitment toward protection of Human Rights across value chain and upholding the highest levels of ethical business practices. Strong commitment to performance with integrity, and human rights are embedded in the Company's policies, which lays down acceptable behaviour on various aspects including human rights. Where the Human Rights policy is applicable to all employees across the organization and the code of conduct for associates and the vendor compliance policy details acceptable standards and statutory obligations expected from the partners and suppliers. Detailed monitoring is conducted internally through its group wide compliance monitoring initiative to track performance of each site on human rights risks such as labour rights, work place standards, compensation, privacy and more in line with the legal requirements of the country and standards. The process involves identification of risks, identification of vulnerable groups monitoring like child labour, forced labour etc., mitigation plans for identified risks and reporting on an ongoing basis to the management through its enterprise compliance monitoring system. Corrective actions if any range from process changes, feedback and disciplinary action for violations to even suspension in line with the consequence management policy of the organization.

In addition to this to prevent sexual harassment in workplace, the company has set up Internal Complaints Committees across geographies comprising a Presiding officer who is a senior level woman employee, one member with legal knowledge or experience in social work, one member from the Ombudsperson's office and one independent member from outside the organization who expertise in dealing with such matters and has the relevant knowledge and experience. The Committee is responsible for dealing with all matters related to the subject. The committee constitution has been communicated to all employees and also prominently displayed in the public areas of all offices.

In the statutory compliance assessments on the above parameters, conducted for all offices in India, no material violations have been reported in the previous financial year. In addition to this an independent audit is conducted periodically to assess the statutory risks pertaining to Human rights and any observations are promptly remediated. No incidences of discrimination was reported to the ombudsman office in FY 2017-18. The details of complaints related to sexual harassment and labour rights and the subsequent actions taken have been detailed in Principle 3 of this report.

Principle 6

Protection of the Environment

Airtel along with its network-infrastructure partners resolved to re-invent and reduce the environmental footprint of their business and operations. Along its journey towards path of

sustainability, the Company explored and implemented several green solutions to curb emissions. It is also continuously in search of more energy efficient technologies and innovative solutions for a greener future.

In today's fast moving world, the network infrastructure needs to be at its optimal best at all times. The non-availability of reliable power is a critical factor for remote network sites. DGs and batteries are usually used as alternatives to keep the equipment running in absence of grid power supply. Through its persistent efforts, along with its network partners, the Company has been able to upgrade and convert the existing telecom towers into energy efficient towers, reducing the reliance on electricity from grid or diesel. The next step is maximizing the adoption of green wheeling for sourcing power from renewable sources and in the process, reducing its carbon footprint significantly.

In addition to this, Airtel has taken various initiatives towards deployment of renewable energy solutions in network towers, installation of rooftop solar panels at Main Switching Centres (MSCs) and captive green energy generation through solar / wind energy. It is also committed to operate and provide products and services in an environmentally responsible and sustainable manner. The Health, Safety and Environment (HSE) policy specifies its approach towards protection of the environment; and is applicable for all employees of the Company and its subsidiaries. The emissions or wastes generated by the Company are within the permissible limits given by Central Pollution Control Board (CPCB) and State Pollution Control Boards (SPCBs). As on March 31, 2018, there were 3 notices/ cases received by the organization from pollution control boards and all of them have been resolved to satisfaction.

Details of the Company's environmental initiatives are available in the Natural Capital section of this report and its annual sustainability report at www.airtel.in/sustainability.

Principle 7

Responsible Policy Advocacy

The Company works closely with all industry associations and trade chambers to ensure its public policy positions complement and advance its sustainability and citizenship objective. The Company strives to drive digital inclusion, promote green telecom, advance innovation, enhance competitiveness and increase job creation opportunities. In turn these activities create economic growth and help elevate sustainable standards of living for stakeholders at large. Its policy agenda is centred on the provision of network coverage, affordable access to customers, building transparency and awareness around network radiations. Moreover, it deals with creating adaptability of internet, easing and automating subscriber acquisition, quality of service offerings, tariff and environment protection among others. As these issues continue to be scrutinised and deliberated by a very proactive government, they are likely to have a material impact on the lives of millions.

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

Principle 8

Support Inclusive Growth

As India's leading telecommunication service provider, Airtel has been taking sustained efforts to ensure value creation and sustainable growth of community. It sustainability framework is structured to create a positive impacts on its customers, partners, communities and society, helping them grow together and inclusively. Airtel has empowered millions across the length and breadth of the country through its exhaustive bouquet of innovative services and products that enhance community life and e-governance, by working with the communities and increasing its network reach.

It is widely acknowledged across the world that internet accessibility is vital for enhancing socio-economic well-being. The Government of India, through its 'Digital India' initiative, is focusing on preparing a comprehensive framework for transforming India's economy into a digitally empowered society and knowledge economy. The key objective of the initiative is to help elevate the life of a common citizen in multiple ways and in a cost-effective manner. To support the efforts of the Government and to drive the pursuit of driving digital inclusion, rural connectivity is one of the major focus areas at Airtel.

With over 156.9 Mn mobile customers from rural market, Airtel serves India's largest rural mobile customer base. The rural and emerging markets constitute over 51 % of its customer base and its constant endeavor is to develop tailor-made services and systems to cater to the ever dynamic requirements of its diverse subscriber base.

The Company's philanthropic efforts, employee volunteerism and community outreach initiatives support the desire to be seen as a trusted partner. Its activities are aligned to play an active role in community wellness. It is determined to create a deep-rooted, positive impact on the society at large. It, therefore, proactively applies its competence and partnerships to promote community wellness through initiatives undertaken by the Bharti Foundation, the philanthropic arm of Bharti Enterprises and through its own telecom circles offices at the regional level.

With a vision to help underprivileged children and young people of country realize their potential, Bharti Foundation is committed to implement and support programs in the fields of primary, elementary, senior secondary and higher education. Education being its core focus area, Bharti Foundation has been working steadfast to enable the cognitive, creative and emotional development of students along with the instilling values and attributes of responsible citizens.

The Satya Bharti School Program, the flagship program of Bharti Foundation involves the communities towards operation of schools. The programme actively engages community members in making monetary and tangible contributions to schools and related activities and events. Further details about the initiatives undertaken by Bharti Foundation and by Airtel's regional circle offices are available in the CSR section of the Company's integrated report.

During FY 2017-18, Airtel made significant contributions towards various philanthropic projects, which include:

₹ 207.3 Mn
Bharti Foundation towards furtherance of its objectives.

₹ 70.6 Mn
Other contributions

Principle 9

Providing Customer Value

'Win with Customers' is key business priority for the Company. Through its world-class network, innovative yet affordable services and an exceptional customer experience, the Company aims to win customers for life. The long-term strategic goal of the Company is to innovate and deliver a wide range of cost-effective, secured, timely, and customized services with the best technology. The Company actively seeks customer feedback, act on it, and improve its customer service and in the process improve its products, services, and processes.

At Airtel, the Company believes its customers are also its business partners. They help them to greatly improve and evolve the services it offers. Their ongoing feedback is the greatest stimulus in improving its products, services and processes. Through an integrated end-to-end experience, improving its overall retail store experience and delivering impeccable voice and internet services- the Company strives to increase its customer retention. Airtel relies on various mechanisms such as the Net Promoter Score (NPS), social media mentions, feedback over a call / point of sale, customer grievances, complaint management and exit surveys to measure customer satisfaction score. Holistic tools such as the NPS enables it to gather feedback and ascertain its customers' experiences.

Airtel believes in transparency and empowering users to manage their own Airtel products & services with ease. Airtel has consistently made efforts in this direction whether it is through its Open Network, enriched self-care or ever evolving powerful MyAirtel App. This year, Airtel has successfully implemented various initiatives to increase transparency for its customers and/or reduce the surprises arising due to bill shock during international roaming and lack of awareness about services. Airtel has been communicating mandatory usage information (as specified by the law) regarding enrolment and deactivation, tariff, usage, contact and grievance on its welcome kits, periodic bills, enrolment forms, booklets, websites and point of sales displays.

Airtel works closely with the industry, government, law enforcement and community organizations to help its customers understand and manage the risks associated with the online world. Airtel supports a range of government initiatives to raise awareness, and provide online education and guidance. Some of the measures undertaken in the last few years include:

1. Proactively filtering offensive content available online which is not compliant with the state laws
2. Upgrading technology constantly to reduce threat exposures
3. Associating with Law Enforcement Agencies (LEA) to support investigations by provision of customer information and complying with all requests as per regulatory norms.

In addition to this, Airtel also takes prior consent of all customers at the time of acquisition, collection, transfer and disclosure of personal data details of which can be found in our privacy policy; https://www.airtel.in/forme/privacypolicy. All subscribers have an option to opt-out of usage of customer information for promotional purposes and they can readily opt out at any time through Airtel's website / application including at the time of enrollment.

As on March 31, 2018, 133 consumer cases and around 0.11% of the consumer complaints are at various stages of resolution. In FY 2017-18, no cases have been filed against the company before the Competition Commission of India for anti-competitive behaviour and 2 cases filed are pending resolution as on March 31, 2018. In addition to this 7 complaints were filed before ASCI in the last financial year out of which 5 have been resolved successfully.

Board's Report

Dear Members,

Your Directors have pleasure in presenting the 23rd Board Report on the Company's business and operations, together with audited financial statements and accounts for the financial year ended March 31, 2018.

Company Overview

Bharti Airtel is one of the world's leading providers of telecommunication services with significant presence in 16 countries, representing India, Sri Lanka and 14 countries in Africa.

The Company's diversified service range includes mobile, voice and data solutions, using 2G, 3G and 4G technologies. We provide telecom services under wireless and fixed line technology, national and international long distance connectivity and Digital TV; and complete integrated telecom solutions to our enterprise customers. All these services are rendered under a unified brand 'Airtel' either directly or through subsidiary companies. Airtel Money (known as 'Airtel Payments Bank' in India) extends our product portfolio to further our financial inclusion agenda and offers convenience of payments and money transfers on mobile phones over secure and stable platforms in India, and across all 14 countries in Africa.

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

Financial Results

In compliance with the provisions of the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') the Company has prepared its standalone and consolidated financial statements as per Indian Accounting Standards (Ind AS) for the FY 2017-18. The standalone and consolidated financial highlights of the Company's operations are as follows:

Standalone Financial Highlights (Ind AS)

Particulars	FY 2017-18		FY 2016-17	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenue	536,630	8,327	622,763	9,273
EBITDA before exceptional items	181,529	2,817	242,242	3,607
Cash profit from operations	131,674	2,043	211,891	3,155
Earnings before taxation	(6,812)	(106)	(85,095)	(1,267)
Net Income / (Loss)	792	12	(99,256)	(1,478)

*1 USD = ₹ 64.44 Exchange Rate for the financial year ended March 31, 2018. (1 USD = ₹ 67.16 Exchange Rate for the financial year ended March 31, 2017).

Consolidated Financial Highlights (Ind AS)

Particulars	FY 2017-18		FY 2016-17	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenue	836,879	12,986	954,683	14,214
EBITDA before exceptional items	304,479	4,725	356,206	5,304
Cash profit from operations	227,169	3,525	283,668	4,224
Earnings before taxation	32,669	507	77,233	1,150
Net Income / (Loss)	10,989	171	37,998	566

*1 USD = ₹ 64.44 Exchange Rate for the financial year ended March 31, 2018.
(1 USD = ₹ 67.16 Exchange Rate for the financial year ended March 31, 2017)

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

Secretarial Standards

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Companies Secretaries of India.

Share Capital

During the year, there was no change in the Company's issued, subscribed and paid-up equity share capital. On March 31, 2018, it stood at ₹ 19,987 Mn, divided into 3,997,400,102 equity shares of ₹ 5/- each.

General Reserve

During the year, the Company has transferred ₹ 3,510 Mn into General Reserve from the Share Based Payment Reserve pertaining to gain / loss on exercise / lapse of vested options.

During the year, the Company has created Debenture Redemption Reserve and transferred ₹ 7,500 Mn out of the General Reserve representing 25% of the value of unsecured redeemable non-convertible debentures issued by the Company.

Dividend

Your Directors have recommended a final dividend of ₹ 2.50 per equity share of ₹ 5 each fully paid-up (50.00 % of face value) for FY 2017-18. The total final dividend payout will amount to ₹ 9,993.50 Mn, excluding tax on dividend. The payment of final dividend is subject to the approval of shareholders in the Company's ensuing Annual General Meeting (AGM).

The Register of Members and Share Transfer Books will remain closed from Saturday, August 04, 2018 to Wednesday, August 08, 2018 (both days inclusive) for the purpose of payment of final dividend for the FY 2017-18, if declared at the ensuing AGM.

Dividend Distribution Policy

As per Regulation 43A of the Listing Regulations, top 500 listed companies are required to formulate a dividend distribution policy. Accordingly, the Company has adopted the dividend distribution Policy which sets out the parameters and circumstances to be considered by the Board in determining the distribution of dividend to its shareholders and / or retaining profits earned by the Company. The Policy is enclosed as Annexure A to the Board's Report and is also available on the Company's website at https://s3-ap-southeast-1.amazonaws.com/bsy/iportal/images/Airtel-Dividend_Distribution_Policy_35406A496EEC3AB50D0C777F006C6D41.pdf.

Transfer of amount to Investor Education and Protection Fund

During FY 2017-18, the Company has transferred the unpaid / unclaimed dividend amounting to ₹ 7.42 Mn to the Investors Education and Protection Fund (IEPF) Account established by the Central Government. The Company has also uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 24, 2017 (date of last Annual General Meeting) on the Company's website www.airtel.com.

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the shares on which dividend remains unpaid / unclaimed for seven consecutive years or more shall be transferred to the Investor's Education and Protection Fund (IEPF). Accordingly, during the year Company has transferred 49,273 equity shares to the IEPF. The details of equity shares transferred are available on the Company's website www.airtel.com.

The shareholders whose unpaid dividend / shares are transferred to the IEPF can request the Company / Registrar and Transfer Agent as per the applicable provisions in the prescribed Form for claiming the unpaid dividend / shares from IEPF. The process for claiming the unpaid dividend / shares out of the IEPF is also available on the Company's website at https://www.airtel.in/about-bharti/equity/shares.

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, 2018, 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. As on March 31, 2018, 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, S&P and Moody's rate the Company at BBB-/ Stable, BBB-/Stable and Baa3/Negative, respectively.

As on March 31, 2018, the Company was rated 'Investment Grade' by all three international rating agencies.

Employee Stock Option Plan

At present, the Company has two Employee Stock Options (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 provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 (the ESOP Regulations), a

disclosure with respect to ESOP Schemes of the Company as on March 31, 2018, is available on Company's website at http://www.airtel.in/wps/wcm/connect/c9e25993-5b80-4ebo-9874-37614225b876.

During the year, to make the aforesaid ESOP Schemes more employee friendly, the shareholder's in its meeting dated July 24, 2017 had approved the reduction in the period for transfer of vested / unvested options in the name of legal heir / nominees of deceased employee from 3 months to 1 month. Apart from the aforesaid change, there were no other changes in the ESOP Schemes of the Company.

Further, ESOP Schemes are in compliance with ESOP Regulations. A certificate from Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors of the Company with respect to the implementation of the Company's ESOP schemes, would be placed before the shareholders at the ensuing AGM. A copy of the same will also be available for inspection at the Company's registered office.

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

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

Debentures

During the financial year, your Company raised ₹ 30,000 Mn through issuance of unsecured, listed, rated, non-convertible debentures at face value of ₹ 1 Mn each on private placement basis as per the following details:

- 15,000 Series I debentures at a coupon rate of 8.25% per annum [Tenor: 2 years, 1 month and 7 days];
- 15,000 Series II debentures at a coupon rate of 8.35% per annum. [Tenor: 3 years, 1 month and 7 days].

The aforesaid debentures are listed on National Stock Exchange of India Limited.

Directors and Key Managerial Personnel

Inductions, Re-appointments, Retirements & Resignations

Pursuant to the provisions of the Companies Act, 2013, Mr. Rakesh Bharti Mittal and Ms. Tan Yong Choo, Directors of the Company will retire by rotation at the ensuing AGM and being eligible, have offered themselves for re-appointment. The Board recommends their re-appointment.

Sheikh Faisal Thani Al-Thani, Non-Executive Director resigned from the Company's Board w.e.f. July 25, 2017. Mr. Rashid Fahad O J Al-Noaimi was appointed as a Non-Executive Director on the Board w.e.f. July 25, 2017 and resigned from the Company's Board w.e.f. November 22, 2017.

Mr. Craig Ehrlich, Independent Director will be completing his present term as an independent director of the Company on April 28, 2018. On the recommendation of HR and Nomination Committee, the Board in its meeting held on April 24, 2018, subject to the approval of shareholders by special resolution, has re-appointed Mr. Craig as an Independent Director of the Company for a further term of five years w.e.f. April 29, 2018 to April 28, 2023.

On the recommendation of the HR and Nomination Committee, the Board in its meeting held on April 24, 2018 subject to the amendment in the Articles of Association, had changed the nature of directorship of Mr. Gopal Vittal, Managing Director & CEO (India & South Asia) from director not liable to retire by rotation to a director liable to retire by rotation.

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

The Board in its meeting held on July 18, 2017 has appointed Mr. Pankaj Tewari as the Company Secretary of the Company.

Declaration by Independent Directors

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

Board Diversity and Policy on Director's Appointment and Remuneration

The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board will be able to leverage different skills, qualifications, professional experiences, perspectives and backgrounds, which is necessary for achieving sustainable and balanced development. The policy on 'Nomination, Remuneration and Board Diversity' adopted by the Board sets out the criteria for determining qualifications, positive attributes and independence while evaluating a person for appointment / re-appointment as Director or as KMP, with no discrimination on the grounds of gender, race or ethnicity, nationality or country of origin. The detailed policy is available on the Company's website at http://www.airtel.in/wps/wcm/connect/92b49e0e-8810-497a-9c3e-9b80657a3688/Policy-on-Remuneration-Nomination-and Board-Diversity.pdf?MOD=AJPERES and is also annexed as Annexure B to this report.

Annual Board Evaluation and Familiarisation Programme for Board Members

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

The HR and Nomination Committee has put in place a robust framework for evaluation of the Board, Board Committees and Individual Directors. Customised questionnaires were circulated, responses were analyzed and the results were subsequently discussed by the Board. Recommendations arising from the evaluation process were considered by the Board to optimize its effectiveness. A detailed update on the Board Evaluation 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 eight (8) times during the previous financial year. As on March 31, 2018, the Board has nine committees, namely, the Audit Committee, the Risk Management Committee, the HR and Nomination Committee, the Corporate Social Responsibility ('CSR') Committee, the Stakeholders' Relationship Committee, the Committee of Directors, the Airtel Corporate Council, the Special Committee of Directors (for Monetization of stake in Bharti Infratel Limited) and the Special Committee of Directors (for Restructuring of overseas holding structure).

All the recommendations made by committees of the Board including the Audit Committee were accepted by the Board. A detailed update on the Board, its composition, detailed charter including terms and reference of various Board Committees, number of Board and Committee meetings held during FY 2017-18 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, 2018, your Company has 89 subsidiaries, 6 associates and 8 joint ventures, as set out in note 34 of the Annual Report (for Abridged Annual Report please refer note 17).

During FY 2017-18, Juggernaut Books Private Limited became associate of the Company. Bharti Airtel Ghana Holdings B.V., Airtel Ghana Limited, Airtel Mobile Commerce (Ghana) Limited, Milicom Ghana Company Limited, Mobile Financial Services Limited became joint ventures of the Company.

During FY 2017-18, Bharti Digital Networks Private Limited (formerly known as Tikona Digital Networks Private Limited), Bharti Airtel International (Mauritius) Investments Limited, Airtel Mobile Commerce Nigeria Limited and Tigo Rwanda Limited became subsidiaries of the Company. Bangladesh Infratel Networks Limited, Bharti Infratel Lanka (Private) Limited, Airtel (Ghana) Limited, Airtel Mobile Commerce Ghana Limited, Bharti Airtel DTH Holdings B.V., Bharti Airtel Ghana Holdings B.V., Airtel DTH Services Nigeria Limited, Bharti Airtel Nigeria Holdings B.V., MSI-Celtel Nigeria Limited, Towers Support Nigeria Limited and Zap Trust Company Nigeria Limited ceased to be subsidiaries of the Company.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, a statement containing salient features of financial statements of subsidiary, associate and joint venture companies is annexed to the Abridged and full version Annual Report. The statement also provides the details of performance and financial position of each of the subsidiary, associate and joint venture companies and their contribution to the overall performance of the Company.

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 and pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of each of its subsidiary companies are also available on the Company's website www.airtel.com.

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) Rules, 2014 and Regulation 36 of the Listing Regulations, the Board of Directors has decided to circulate the Abridged Annual Report containing salient features of the balance sheet and statement of profit and loss and other documents to the shareholders for FY 2017-18, who have not registered their e-mail id. The Abridged Annual Report is being circulated to the members excluding Annexures to the Board's Report viz. 'Dividend Distribution Policy', 'Nomination, Remuneration and Board Diversity Policy', 'Secretarial Audit Report', 'Annual Report on Corporate Social Responsibility u/s 135 of the Companies Act, 2013', 'Extract of Annual Return', 'Particulars of Energy

Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo', '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', 'Auditors' Certificate on Corporate Governance'.

Members who desire to obtain the full version of the report may write to the Corporate Secretarial Department 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, Deloitte Haskins & Sells LLP were appointed as the Company's Statutory Auditors by the shareholders in the AGM held on July 24, 2017, for a period of five years i.e. till the conclusion of 27th AGM.

The said appointment is subject to ratification by the members at every AGM. Accordingly, the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, as the Company's Statutory Auditors, is placed for ratification by the members. The Company has received certificate from the Statutory Auditors to the effect that ratification of their appointment, if made, shall be in accordance with the provisions of Section 141 of the Companies Act, 2013. The annual ratification of auditors at the next AGM (to be held in calendar year 2019) for their remaining term, shall be done, if required by the statutory provisions.

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.

Internal Auditors and Internal Assurance Partners

The Board had appointed Group Director - Internal Assurance as the Internal Auditor of the Company and Ernst & Young LLP and ANB & Co., Chartered Accountants, Mumbai as the Internal Assurance Partners to conduct the internal audit basis a detailed internal audit plan which is reviewed each year in consultation with the Internal Audit Group and the Audit Committee.

The Board, on the recommendation of the Audit Committee has re-appointed Ernst & Young LLP and ANB & Co., Chartered Accountants, Mumbai as the Internal Assurance Partners for FY 2018-19.

Cost Auditors

The Board, on the recommendation of the Audit Committee has approved the appointment of R. J. Goel & Co., Cost Accountants, as Cost Auditors, for FY 2018-19. The Cost Auditors will submit their report for FY 2017-18 on or before the due date.

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

Secretarial Auditors

The Board had appointed Chandrasekaran Associates, Company Secretaries, to conduct its Secretarial Audit for the financial year ended March 31, 2018. 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, disclaimer or adverse remark. The Secretarial Audit Report is annexed as Annexure C to this report.

The Board has re-appointed Chandrasekaran Associates, Company Secretaries, New Delhi, as Secretarial Auditors of the Company for FY 2018-19.

Sustainability Journey

We, at Bharti Airtel, strongly believe that power of communication can bring in multi-dimensional transformations, ensuring smooth functioning of life and businesses, and helping society to become sustainable and inclusive. We recognize our role in this sustainable approach in the way we conduct our business by integrating sustainability in our strategies and operations.

Our Vision defines what we aim to do, whereas our Core Values - Alive, Inclusive and Respectful - expound how we aim to embrace the responsible business practices. As the stakeholders have played a crucial role in Airtel's sustained success over the years, Airtel's sustainability approach has been carefully developed through systematic engagement with its stakeholders worldwide. We continuously strive to provide long-term sustainable value to all our stakeholders including investors, customers, employees, business partners and suppliers, government and regulators and communities. This is performed through systematic stakeholder dialogue to

gauge their expectations, share information and sustainability priorities, practices and performance and explore avenues of partnerships to achieve the goals. The Company publishes an annual Sustainability Report in accordance with the Global Reporting Initiative (GRI) framework which can be downloaded from the Company's website www.airtel.in/sustainability.

Corporate Social Responsibility (CSR)

Building upon and scaling up on various interventions initiated in areas as prescribed in our CSR policy, the Company has increased its CSR spending during the previous financial year i.e. from ₹ 55.84 Mn in FY 2016-17 to ₹ 245.37 Mn in FY 2017-18. Additionally, the Company has also contributed ₹ 32.59 Mn towards various other charitable causes. The consolidated contribution of the Company towards various CSR activities during the financial year 2017-18 is ₹ 277.96 Mn (i.e. 0.26% of net profit of last three years).

Company is committed to build its CSR capabilities on a sustainable basis and is also committed to gradually increase its CSR contribution in the coming years. The CSR spending is guided by the vision of creating long-term benefit to the society. The Company through its Board and CSR Committee is determined to beef up its efforts to meet the targeted CSR expenditure. With the strong foundation which has been established during the year along with the proposed scaling up of a number of its CSR Projects, the Company believes that it has made meaningful progress towards reaching the target in the coming financial years.

Further, during the year, Bharti Family has pledged a significant amount towards philanthropy, which will step-up scope and reach of Bharti Foundation's initiatives to create opportunities for the underprivileged and contribute to nation building. Plan is to set up a world-class University namely Satya Bharti University, to offer free education to deserving youth from economically weaker sections of society. During the previous year, Mr. Sunil Bharti Mittal, Chairman had also contributed ₹ 50 Mn towards CSR in his personal capacity.

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.

Integrated Reporting

The Securities and Exchange Board of India (SEBI) vide circular no: SEBI/HO/CFD/CMD/CIR/P/2017/10 dated February 06, 2017 has recommended voluntary adoption of 'Integrated Reporting' (IR) from 2017 - 2018 by the top 500 listed companies in India. In line with its philosophy of being a highly transparent and responsible company and considering IR as a journey, your Company adopts its first 'Integrated Report' in accordance with the framework of the International Integrated Reporting Council (IIRC). The Integrated Report covers capital approach of IIRC Framework as well as the value that your Company creates for its stakeholders. The board acknowledges its responsibility for the integrity of report and information contained therein.

Business Responsibility Report

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

Management Discussion and Analysis Report

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

Risk Management

Risk management is embedded in Bharti Airtel's operating framework. The Company believes that risk resilience is key to achieving higher growth. To this effect, there is a process in place to identify key risks across the Group and prioritize relevant action plans to mitigate these risks.

To have more robust process, the Company during the year, constituted separate Risk Management Committee which shall focus on the risk management including determination of Company's risk appetite, risk tolerance and regular risk assessments (risk identification, risk quantification and risk evaluation) etc. Risk Management framework is reviewed periodically by the Board and Audit & Risk Management Committee / Risk Management Committee, which includes discussing the management submissions on risks, prioritizing key risks and approving action plans to mitigate such risks.

The Company has duly approved a Risk Management Policy. The objective of this Policy is to have a well-defined approach to risk. The policy lays down broad guidelines for timely identification, assessment, and prioritization 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 addressed or mitigated.

The Internal Audit function is responsible to assist the Audit Committee (erstwhile Audit & Risk Management Committee)/ Risk Management Committee on an independent basis with a complete review of the risk assessments and associated management action plans.

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

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

Internal Financial Controls and their adequacy

The Company has established a robust framework for internal financial controls. The Company has in place adequate controls, 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 assessed and no reportable material weaknesses in the design or operation were observed. Accordingly, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2017-18.

Other Statutory Disclosures

Vigil Mechanism

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

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

Extract of Annual Return

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

Significant and material orders

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

Particulars of loans, guarantees and investments

Particulars of loans, guarantees and investments form part of note 10, 23 and 8 respectively to the financial statements provided in the full version of the Annual Report.

Related Party Transactions

A detailed note on the 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 into by the Company with its related parties during the year were in the ordinary course of business and on an arm's length basis. During the year, the Company has not entered into any arrangement / transaction with related parties which could be considered material in accordance with the Company's Policy on Related Party Transactions and accordingly, the disclosure of Related Party Transactions in Form AOC - 2 is not applicable. However, names of Related Parties and details of transactions with them have been included in note 34 of the financial statements provided in the full version of the Annual Report and note 17 of the financial statements provided in abridged version of the Annual Report under Indian Accounting Standards 24.

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

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The details of energy conservation, technology absorption and foreign exchange earnings and outgo as required under Section 134(3) of the Companies Act, 2013, read with the Rule 8 of Companies (Accounts of Companies) Rules, 2014 is annexed as Annexure F to this report.

Particulars of Employees

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

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

Corporate Governance

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

A certificate from Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of the Company, confirming compliance of conditions of Corporate Governance, as stipulated under the Listing Regulations, is annexed as Annexure I to this report.

Directors' Responsibility Statement

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

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

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

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

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

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

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

Acknowledgements

The Board wishes to place on record their appreciation to the Department of Telecommunications (DoT), the Central Government, the State Governments in India, Government of Sri Lanka and Governments in the 14 countries in Africa, Company's bankers and business associates, for the assistance, co-operation and encouragement extended to the Company.

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

For and on behalf of the Board

Place: New Delhi
Date: April 24, 2018

Sunil Bharti Mittal
Chairman

Annexure A
Dividend Distribution Policy

1. Preamble, Objective and Scope

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company is required to formulate a Dividend Distribution Policy which shall be disclosed in its Annual Report and on its website.

To comply with the above requirement and with an endeavor to maintain a consistent approach to dividend pay-out plans, the Board of Directors ('Board') of Bharti Airtel Limited ('the Company') adopts this Dividend Distribution Policy ('Policy').

The objective of this Policy is to:

(i) specify the parameters (including internal and external factors) that shall be considered while declaring the dividend;

(ii) lay down the circumstances under which the shareholders of the Company may or may not expect dividend; and

(iii) provide for the manner of utilization of retained earnings.

2. Dividend Philosophy

The Dividend philosophy of the Company is enshrined in the principle that along with maintaining a reasonably conservative policy in respect of liquidity and leverage, 'surplus' cash in the Company shall be returned to its shareholders when it is concluded by the Board that:

- The Company doesn't / wouldn't have avenues to generate significantly higher returns on such 'surplus' than what a common shareholder can generate himself; or
- By returning such 'surplus', the Company would be able to improve its return on equity, while simultaneously maintaining prudent & reasonably conservative leverage in every respect viz. interest coverage, DSCR (Debt Service Coverage Ratio) Net Debt: EBITDA and Net Debt : Equity etc.

The Company aims to distribute to its shareholders, the entire dividend income (net of taxes) it receives from its subsidiary / associate companies.

3. Parameters / Factors considered by the Company while declaring dividend

In line with the philosophy stated in clause 2 above, the Board of Directors of the Company shall consider the following parameters before declaring or recommending dividend to shareholders:

A) Financial Parameters / Internal Factors:

(a) Financial performance including profits earned (standalone), available distributable reserves etc.;

(b) Impact of dividend payout on Company's return on equity, while simultaneously maintaining prudent and reasonably conservative leveraging in every respect viz. interest coverage, DSCR (Debt Service Coverage Ratio) Net Debt: EBITDA and Net Debt: Equity, including maintaining a targeted rating – domestically and internationally;

(c) Alternate usage of cash viz. acquisition/ Investment opportunities or capital expenditures and resources to fund such opportunities/ expenditures, in order to generate significantly higher returns for shareholders;

(d) Debt repayment schedules;

(e) Fund requirement for contingencies and unforeseen events with financial implications;

(f) Past Dividend trend including Interim dividend paid, if any; and

(g) Any other factor as deemed fit by the Board.

B) External Factors:

(a) Macroeconomic conditions: In the event of uncertain or recessionary economic and business conditions, the Board may consider retaining a larger part of the profits to have sufficient reserves to absorb unforeseen circumstances;

(b) Statutory requirements: Statutory requirements, regulatory conditions or restrictions as applicable including tax laws, The Companies Act, 2013 and SEBI regulations etc.;

(c) Agreements with Lending Institutions: The Board may consider protective covenants in a bond indenture or loan agreement that may include leverage limits & restrictions on payment of cash dividends in order to preserve the Company's ability to service its debt; and

(d) Capital Markets: In favorable market scenarios, the Board may consider for liberal pay – out. However, it may resort to a conservative dividend pay-out in case of unfavorable market conditions.

4. Circumstances under which the shareholders of the Company may or may not expect dividend

In line with Dividend Philosophy of the Company, there may be certain circumstances under which the shareholders of the Company may not expect dividend, including the circumstances where:

(a) The Company has sufficient avenues to generate significantly higher returns on such 'surplus' than what a common shareholder can generate himself;

(b) The Company is in higher need of funds for acquisition/ diversification / expansion / investment opportunities/ deleveraging or capital expenditures;

(c) The Company proposes to utilize surplus cash in entirety for alternative forms of distribution such as buy-back of securities; or

(d) The Company has incurred losses or in the stage of inadequacy of profits.

5. Utilization of retained earnings

The profits retained by the Company (i.e. retained earnings) shall either be used for business purposes/ objects mentioned in its Memorandum & Articles of Association or shall be distributed to the shareholders.

6. Parameters with regard to various classes of shares

Presently, the issued and paid-up share capital of the Company comprises of equity shares only. In case, the Company issues other kind of shares, the Board may suitably amend this Policy.

7. General

This Policy shall be reviewed at least once every 3 years. The Chief Investor Relations Officer and the Company Secretary are jointly authorized to amend the Policy to give effect to any changes / amendments notified by Ministry of Corporate Affairs, Securities and Exchange Board of India or any appropriate authority from time to time. Such amended policy shall be periodically placed before the Board for noting and ratification. Any questions and clarifications relating to this Policy should be addressed to the Company Secretary at compliance.officer@bharti.in.

Annexure B

Nomination, Remuneration and Board Diversity Policy

Preamble

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

Objectives

The main objectives of this Policy are:

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

A. Attributes, Qualifications and Diversity

Directors and Key Managerial Personnel

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

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

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

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

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

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

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

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

Senior Management

While evaluating a person for appointment / re-appointment in a senior management position, the management shall considers various factors including individual's background, competency,

skills, abilities (viz. leadership, ability to exercise sound judgement), educational and professional background, personal accomplishment, age, relevant experience and understanding of related field viz. marketing technology, finance or such other discipline relevant to present and prospective operations of the Company.

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

B. Remuneration Policy

Board Members

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

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

Non-Executive Directors including Independent Directors

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

I. Commission on Net Profit (Calculated as per Section 198 of the Companies Act, 2013)

Amount of Commission per annum:

Subject to availability of sufficient profits and within an overall ceiling of 1% of the net profits for all non-executive directors in the aggregate, the amount of commission payable to:

A. Non-Independent Non-executive directors:

- USD 60,000 for directors not residing in India
- ₹ 3,000,000 for directors residing in India

B. Independent non-executive directors:

- USD 100,000 for directors not residing in India
- ₹ 5,000,000 for those residing in India

The Independent Directors shall also be entitled to following additional commission:

i. Audit Committee:

Chairmanship:

- Not residing in India: USD 50,000/- per annum
- Residing in India: ₹ 3,000,000/- per annum

Membership:

- Not residing in India: USD 10,000/- per annum
- Residing in India: ₹ 500,000/- per annum

ii. HR and Nomination Committee:

Chairmanship:

- Not residing in India: USD 50,000/- per annum
- Residing in India: ₹ 3,000,000/- per annum

Membership:

- Not residing in India: USD 10,000/- per annum
- Residing in India: ₹ 500,000/- per annum

iii. Risk Management Committee:

Chairmanship:

- ₹ 2,000,000/- per annum

Independent Directors will also be entitled to Travel fee of USD 10,000 per meeting if not residing in India.

Frequency of Payment:

The commission is payable annually after the approval of the financial results.

II. Sitting Fees

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

day, he will be paid consolidated sitting fee of ₹ 100,000/- for all such meetings. If the Board appoint any person as an alternate Director to an Independent Director, such person will be entitled to sitting fee for the relevant meeting.

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

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

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

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

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

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

Disclosures by the Company

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

General

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

Annexure C

Secretarial Audit Report

For the financial year ended March 31, 2018

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized 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, 2018 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, 2018 according to the provisions of:

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

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

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

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

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

  a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  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 and

  h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. Not Applicable

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

  a) The Indian Telegraph Act, 1885;

  b) The Telecom Regulatory Authority of India Act, 1997 and Rules and Regulations made thereunder; and

  c) The Indian Wireless Telegraphy Act, 1933.

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

a) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors

and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent least seven days in advance (except in cases where meetings were convened at a shorter notice for which necessary approvals obtained as per applicable provisions), 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 following major events have happened which are deemed to have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. Scheme of amalgamation of Tikona Digital Networks Private Limited with the Company was approved, subject to necessary approvals.
2. Scheme of arrangement between the Company and Telesonic Networks Limited for the demerger of the optical fibre business was approved, subject to necessary approvals.
3. Scheme of arrangement between the Company and Tata Teleservices (Maharashtra) Limited ('TTML') for the demerger of the consumer wireless mobile business of TTML into the company, subject to necessary approvals.
4. Scheme of arrangement between the Company, Bharti Hexacom Limited and Tata Teleservices Limited ('TTSL') for the demerger of the consumer wireless mobile business of TTSL into the company, subject to necessary approvals.
5. Inter-se transfer of 44% stake (96,938,000 equity shares) in Telesonic Networks Limited to Nettle Infrastructure Investments Limited, a wholly owned subsidiary of the Company
6. Secondary sale of 8.14% % stake (15,05,34,392 equity shares) in Bharti Infratel Limited through its wholly owned subsidiary Nettle Infrastructure Investments Limited.
7. The Company has made Private Placement of 30,000 unsecured, rated, redeemable, listed non-convertible debentures of ₹ 10,00,000/- each for an aggregate consideration of ₹ 30,000,000,000.

Chandrasekaran Associates
Company Secretaries

Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS No.: 1644
Certificate of Practice No.: 715

Place: New Delhi
Date: April 24, 2018

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Chandrasekaran Associates
Company Secretaries

Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS No.: 1644
Certificate of Practice No.: 715

Place: New Delhi
Date: April 24, 2018

Annexure D

The Annual Report on Corporate Social Responsibility (CSR) Activities

1. Brief Outline of Company's CSR Policy

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

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

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

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

2. Composition of CSR Committee

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

(₹ Millions)

3. Average net profit before tax of the Company for last three financial years — 107,313.00

4. Prescribed CSR Expenditure (2% of the amount as above) — 2,146.26

5. Details of CSR spent during the year

a) Total amount to be spent for the financial year — 2,146.26

i) Amount spent towards CSR activities — 245.37

ii) Amount spent towards other charitable activities — 32.59

b) Amount Unspent — 1,900.89*

c) Manner in which the amount spend during the financial year is detailed below:

*The Companny has contribued 245.37 Mn as CSR contribution under Section 135 of Companies Act, 2013. In addition the Company has also contributed 32.59 Mn to various other charitable activities. The consolidated contribution of the Company towards various CSR programs during the financial year 2017-18 is 277.96 Mn.

(₹ Millions)

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
Eligible CSR Programs/ Projects							
1	Satya Bharti School Program	Promotion of education	Specified below*	448.80	179.79	1390.90	Bharti Foundation
2	Satya Bharti Abhiyan	Sanitation	Ludhiana & Amritsar, Punjab	120.5	10.81	119.51	Bharti Foundation

(₹ Millions)

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
3	Educate a Child	Promotion of education	Specified below**	70.00	0.00	242.60	Bharti Foundation
4	Nyaya Bharti initiative#	Promoting measures for reducing inequalities faced by economically backward groups	Delhi and NCR region	14.10	5.00	16.55	Bharti Foundation
5	Crop science research and development program	Livelihood enhancement Program	Punjab	20.60	11.72	24.97	Bharti Foundation
6	Magic Bus Foundation	Promotion of education	Delhi and Mumbai	2.50	2.00	4.30	Direct
7	Anubandh - Old Age Home	Setting up and supporting old age homes	Jodhpur, Rajasthan	3.00	3.00	8.00	Direct
8	Partition Museum	Restoration and establishment of building of historical importance	Amritsar, Punjab	5.00	5.00	10.00	Direct
9	Ramadham Old Age home	Setting up and supporting old age homes	Raigad District, Maharashtra	2.50	2.50	2.50	Direct
10	Skill development program for youth and vocational skills for women	Employment enhancing vocation skills	Chhindwara, Madhya Pradesh	13.95	13.95	30.00	Centum Foundation
11	Vocational training program for hearing impaired young adults	Employment enhancing vocation skills to differently abled	Delhi	23.20	11.60	23.20	Centum Foundation
	Total			**722.15**	**245.37**	**1872.53**	
Other Contributions							
1	Miscellaneous	Miscellaneous	Miscellaneous	32.59	32.59	93.23	Direct
	Total			**32.59**	**32.59**	**93.23**	
	Grand Total			**754.74**	**277.96**	**1965.76**	

Program discontinued w.e.f. March 2018.

* District / State wise details of Satya Bharti School Program – Jodhpur, Amer and Neemrana in Rajasthan, Amritsar, Ludhiana and Sangrur in Punjab, Kaithal, Kurukshetra, Rewari, Mahendergarh and Jhajjar in Haryana, Farrukhabad, Shahjahanpur, Sitapur and Bulandhahar in Uttar Pradesh, Murshidabad in West Bengal, Sivaganga in Tamil Nadu. District / State wise details of Satya Bharti Learning Centres Kurukshetra, Rewari, Mahendergarh, Gurgaon and Karnal in Haryana, Bhatinda and Fazikla in Punjab, Barmer, Sawaimadhopur and Udaipur in Rajasthan, Godda, Pakur, Sahibganj, Dhumka and Deoghar in Jharkhand. District /State wise details of Quality Support Program Jodhpur, Barmer Tonk and Ajmer in Rajasthan, Ghazipur in Uttar Pradesh, Rajanna Sircilla in Telangana, Leh, Jammu, Kashmir and Nagrota in Jammu and Kashmir, Kurnool in Andhra Pradesh, Dhumka and Deoghar in Jharkhand, Barwani and Jhabua in Madhya Pradesh, Delhi and Goa.

** Haryana, Delhi and NCR Region, Bihar, Gujarat, Uttar Pradesh, Rajasthan and Madhya Pradesh.

6. Reason for not spending the prescribed 2% amount

Despite the unprecedented challenges and pressure on the telecom industry, the Company had scaled-up various CSR interventions during the FY 2017-18 which resulted into increased CSR spending vis-à-vis previous financial year i.e. from ₹ 55.84 Mn in FY 2016-17 to ₹ 245.37 Mn in FY 2017-18. Additionally, the Company has also contributed ₹ 32.59 Mn towards various other charitable causes (disclosed as 'other contributions' in the above mentioned table) which are not covered within the ambit of the provisions of Section 135 of the Companies Act, 2013. The aggregate CSR spending of the Company for FY 2017-18 (including other contributions) is ₹ 277.96 Mn (i.e. 0.26% of net profit of last three years).

Company is committed to build its CSR capabilities on a sustainable basis and is also committed to gradually increase its CSR contribution in the coming years. The CSR spending is guided by the vision of creating long-term benefit to the society. The Company through its Board and CSR Committee is determined to beef up its efforts to meet the targeted CSR expenditure. With the strong foundation which has been established during the year alongwith the proposed scaling up of a number of its CSR Projects, the Company believes that it has made meaningful progress towards reaching the target in the coming financial years.

Further, during the year, Bharti Family has pledged a significant amount towards philanthropy, which will step-up scope and reach of Bharti Foundation's initiatives to create opportunities for the underprivileged and contribute to nation building. Plan is to set up a world-class University namely Satya Bharti University, to offer free education to deserving youth from economically weaker sections of society. During the previous year, Mr. Sunil Bharti Mittal, Chairman had also contributed ₹ 50 Mn towards CSR in his personal capacity.

Responsibility statement of the CSR Committee

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

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

Rakesh Bharti Mittal
Chairman, CSR Committee

Annexure E

Extract of Annual Return

Form No. MGT-9
as on the financial year ended on March 31, 2018

[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 : +91 011-46666100
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot number 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032, India. Phone : +91 040-67162222

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	85.43%

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

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name of the Company	Address	CIN/Registration No.	% of shares held
Holding Company u/s 2(46) of the Companies Act, 2013				
1	Bharti Telecom Limited	Airtel Centre, Plot No. 16, Udyog Vihar, Phase - IV, Gurgaon, Haryana - 122001	U32039HR1985PLC032091	50.10
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	53.51
4	SmarTx Services Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U64202DL2015PLC285515	53.51
5	Indo Teleports Limited (Formerly known as Bharti Teleports Limited)	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U32204DL2008PLC183976	99.99

Sl. No.	Name of the Company	Address	CIN/Registration No.	% of shares held
6	Bharti Telemedia Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U92200DL2006PLC156075	51
7	Airtel Payments Bank Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U65100DL2010PLC201058	80.1
8	Telesonic Networks Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U64200DL2009PLC325406	95
9	Nxtra Data Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U72200DL2013PLC254747	56
10	Wynk Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U74140DL2015PLC275325	56
11	Nettle Infrastructure Investments Limited (formerly known as Nettle Developers Limited w.e.f. March 14, 2017)	3rd Floor, Worldmark 2 Asset 8, Aerocity, NH-8, New Delhi - 110037	U93000DL2010PLC301236	90
12	Bharti Digital Networks Private Limited (Formerly known as Tikona Digital Networks Private Limited) (w.e.f. August 24, 2017)	Bharti Crescent 1 Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070	U72900DL2008PTC325106	100
13	Bharti Airtel (France) SAS	88, Ter Avenue Général Leclerc – 92100 Boulogne Billancourt	RCS Nanterre 523 035 426	100
14	Bharti Airtel (Hong Kong) Limited	4th Floor, Cheung Hing Industrial Building, 12P Smithfield Road, Kennedy Town, Hong Kong	1080074	100
15	Bharti Airtel (Japan) Private Limited	Shinjuku Park Tower, 30th Floor, 7-1, Nishi Shinjuku 3-chome, Shinjuku-ku, Tokyo	0111-01-055989	100
16	Bharti Airtel (UK) Limited	10, Queen Street Place, London, United Kingdom EC4R 1AG	5917314	100
17	Bharti Airtel (USA) Limited	335 Madison Avenue 12th floor, New York 10017	F-060912000-217	100
18	Bharti Airtel International (Mauritius) Limited	SGG Corporate Services (Mauritius) Ltd., 33, Edith Cavell Street, Port Louis, 11324, Mauritius	094380 CI/GBL	100
19	Bharti Airtel International (Netherlands) B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34387410	100
20	Bharti Airtel Lanka (Private) Limited	Level 11, West Tower, World Trade Centre, Echelon Square, Colombo 1, Sri Lanka	PV10652	100
21	Bharti International (Singapore) Pte. Ltd.	150, Orchard Road, #08-01, Orchard Plaza, Singapore	2010-05788-R	100
22	Bharti Airtel International (Mauritius) Investments Limited (w.e.f. March 26, 2018)	SGG Corporate Services (Mauritius) Ltd., 33, Edith Cavell Street, Port Louis, 11324, Mauritius	154803 C1/GBL	100
23	Network i2i Limited	SGG Corporate Services (Mauritius) Ltd., 33, Edith Cavell Street, Port Louis, 11324, Mauritius	25951/6339	100
24	Africa Towers N.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	50979965	100
25	Africa Towers Services Limited (under liquidation)	Plot Number LR No 209/11880, Parkside Towers, Mombasa Road, PO Box 73146-00200, Nairobi, Kenya	CPR/2011/56039	100
26	Airtel (Seychelles) Limited	Emerald House, PO Box 1358, Providence, Mahe, Seychelles	841930-1	100

Sl. No.	Name of the Company	Address	CIN/Registration No.	% of shares held
27	Airtel Congo S.A.	2ème étage, Immeuble SCI MONTE CRISTO, Rond-point de la Gare, Croisement du Boulevard Denis SASSOU NGUESSO et de l'avenue Orsy, Centre-Ville, B.P. 1038, Brazzaville - République du Congo	CG/BZV/07 B299	90
28	Airtel Gabon S.A.	Rue Pecqueur, Immeuble Libreville Business Square, B.P. 9259, Libreville, Gabon	RG LBV 2001/B01000	90
29	Airtel Madagascar S.A.	Immeuble Kube B, Zone Galaxy, Andraharo, 101 Antananarivo, Madagascar	1997B00392	100
30	Airtel Malawi Limited	Immeuble Kube B Building, Zone Galaxy, Andraharo, Antananarivo 101, Madagascar	5114	100
31	Airtel Mobile Commerce B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34375413	100
32	Airtel Mobile Commerce Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34381129	100
33	Airtel Mobile Commerce (Kenya) Limited	Parkside Towers, Mombasa Road, P.O. Box 73146-00200, Nairobi, Kenya	C 169576	100
34	Airtel Mobile Commerce Limited	Airtel Complex, City Centre, Off Convention Drive, P.O. Box 57, Lilongwe, Malawi	9831	100
35	Airtel Mobile Commerce Madagascar S.A.	Immeuble Kube B Building, Zone Galaxy, Andraharo, Antananarivo 101, Madagascar	2011B00235	100
36	Airtel Mobile Commerce Rwanda Limited	Remera, Gasabo, P.O. Box 4164, Kigali, Rwanda	102933620	100
37	Airtel Mobile Commerce (Seychelles) Limited	Emerald House, P.O. Box 1358, Providence, Mahe, Seychelles	8412656-1	100
38	Airtel Mobile Commerce (Tanzania) Limited	Block 41, Kinondoni, Corner of Ali Hassan Mwinyi & Kawawa Road, P.O. Box 9623, Dar es Salaam, Tanzania	79802	100
39	Airtel Mobile Commerce Tchad S.A.R.L	Immeuble du Cinéma Etoile, Rue du Commandant Galyam Negal, B.P. 5665, N'Djamena, Tchad	TC/NDJ/10B 183	100
40	Airtel Mobile Commerce Uganda Limited	Airtel House, Plot 16-A, Clement Hill Road, P. O. Box 6771, Kampala - Uganda	123833	100
41	Airtel Mobile Commerce Zambia Limited	Airtel House, Corner of Addis Ababa Drive and Great East Road, Stand 2375, P.O. Box 320001, Lusaka, Zambia	80052	100
42	Airtel Money (RDC) S.A.	127, Avenue du Plateau, Commune de la Gombe, République Démocratique du Congo	CD/KIN/RCCM/14-B-6552	100
43	Airtel Money Niger S.A.	2054, Route de l'aéroport, B.P. 11922 Niamey, Niger	NI-NIA-2012-M-2191	90
44	Airtel Money S.A.	Libreville, Centre Ville, Avenue Du Colonel Parrant, B.P. 23 899, Libreville, Gabon	RG LBV 2010B09955	100
45	Airtel Networks Kenya Limited	Parkside Towers, Mombasa Road, P. O. Box 73146-00200, Nairobi, Kenya	C. 140223	100
46	Airtel Networks Limited	Plot L2, Banana Island, Foreshore Estate/ Ikoyi Lagos, Nigeria	398557	83.25
47	Airtel Networks Zambia Plc	Airtel House, Corner of Addis Ababa Drive and Great East Road, Lusaka, Stand 2375, P.O. Box 320001, Lusaka, Zambia	38136	96.36

Sl. No.	Name of the Company	Address	CIN/Registration No.	% of shares held
48	Airtel Rwanda Limited	Remera, Gasabo, P.O. Box 4164, Kigali, Rwanda	102437818	100
49	Airtel Tanzania Public Limited Company	Airtel House, Block 41, Kinondoni, Corner of A.H. Mwinyi Road & Kawawa Road, P.O. Box 9623, Dar es Salaam, Tanzania	41291	60
50	Airtel Tchad S.A.	Immeuble du Cinéma Etoile, Rue du Commandant Galyam Negal, B.P. 5665, N'Djamena, Tchad	TC-NDJ 063/B/99	100
51	Airtel Uganda Limited	Airtel Towers, Plot 16-A, Clement Hill Road, Nakasero P.O. Box 6771, Kampala - Uganda	V-232-36	100
52	Bharti Airtel Africa B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08076497	100
53	Bharti Airtel Burkina Faso Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08077622	100
54	Bharti Airtel Chad Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34125184	100
55	Bharti Airtel Congo Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08077621	100
56	Bharti Airtel Developers Forum Limited	Airtel House, Corner of Addis Ababa Drive and Great East Road, Lusaka, Stand 2375, P.O. Box 320001, Lusaka, Zambia	82795	96.36
57	Bharti Airtel Gabon Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08078528	100
58	Bharti Airtel Kenya B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	38023926	100
59	Bharti Airtel Kenya Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34164357	100
60	Bharti Airtel Madagascar Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34204848	100
61	Bharti Airtel Malawi Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08077659	100
62	Bharti Airtel Mali Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34164359	100
63	Bharti Airtel Niger Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34143743	100
64	Bharti Airtel Nigeria B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34164360	100
65	Bharti Airtel Nigeria Holdings II B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08077623	100
66	Bharti Airtel RDC Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34125193	100
67	Bharti Airtel Services B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08077657	100
68	Bharti Airtel Tanzania B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08078747	100
69	Bharti Airtel Uganda Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08078530	100
70	Bharti Airtel Zambia Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08076501	100

Sl. No.	Name of the Company	Address	CIN/Registration No.	% of shares held
71	Celtel (Mauritius) Holdings Limited	C/o Abax Corporate Services Ltd, 6th floor, Tower A, 1 Cybercity, Ebene, Mauritius	18259/3238 C1/GBL	100
72	Airtel Congo (RDC) S.A.	278, Avenue de'l Equateur, Kinshasa, Gombe, République démocratique du Congo	CD/KNG/RCCM/13-B-01054	98.50
73	Celtel Niger S.A.	2054 Route de l'aéroport, B.P. 11 922, Niamey, Niger	NI-NIM-2007-B 1848	90
74	Channel Sea Management Company (Mauritius) Limited	C/o Abax Corporate Services Ltd., 6th floor, Tower A, 1 Cybercity, Ebene, Mauritius	18258/3237 C1/GBL	100
75	Congo RDC Towers S.A.	Croisement des Avenues du Tchad et du Bas Congo, Commune de la Gombe, Kinshasa, République démocratique du Congo	CD/KIN/RCCM/14-B-4040	100
76	Gabon Towers S.A. (under dissolution)	124 Avenue Bouet / B.P. 9259, Libreville, Gabon	2013B11106	90
77	Indian Ocean Telecom Limited	C/o Minerva Trust & Corporate Services Limited, The Le Gallais Building, 54 Bath Street, St Helier, Jersey, JE1 8SB Channel Islands	70138	100
78	Madagascar Towers S.A.	Immeuble Kube B, Zone Galaxy Andraharo, 101- Antananarivo, Madagascar	2011 B 00184	100
79	Malawi Towers Limited	Airtel Complex, City Centre, Off Convention Drive, P.O. Box 57, Lilongwe, Malawi	10995	100
80	Mobile Commerce Congo S.A.	1er et 2ème étages, Immeuble SCI Monte Cristo, Rond Point de la Gare, Croisement du Boulevard Denis Sassou Nguesso et de l'avenue Orsy, Centre Ville, B.P. 1038, Brazzaville - République du Congo	CG/BZV/09 B 1796	100
81	Montana International	C/o Abax Corporate Services Ltd., 6th floor, Tower A, 1 Cybercity, Ebene, Mauritius	6/97/2593 C2/GBL	100
82	Partnership Investments S.A.R.L	Croisement des Avenues du Tchad et du Bas Congo, Commune de la Gombe, République démocratique du Congo	CD/KIN/RCCM/14-B-4497	100
83	Société Malgache de Telephone Cellulaire S.A.	C/o Abax Corporate Services Ltd., 6th floor, Tower A, 1 Cybercity, Ebene, Mauritius	19022/3479 C1/GBL	100
84	Tanzania Towers Limited	Airtel House, Block 41 Kinondoni, Corner of A.H. Mwinyi Road / Kawawa Road, Kinondoni, Dar es Salaam, Tanzania	84005	60
85	Bharti Airtel Rwanda Holdings Limited	C/o Abax Corporate Services Ltd., 6th floor, Tower A, 1 Cybercity, Ebene, Mauritius	C083311 C1/GBL	100
86	Airtel Money Transfer Limited	Parkside Towers, Mombasa Road, L.R. Nr. 209/11880, P.O. Box 73146-00200 Nairobi, Kenya	CPR/2015/199517	100
87	Airtel Money Tanzania Limited	Airtel House, Block 41 Kinondoni, Corner of A.H. Mwinyi Road / Kawawa Road, Kinondoni, Dar es Salaam, Tanzania	127040	60.04

Sl. No.	Name of the Company	Address	CIN/Registration No.	% of shares held
88	Airtel Mobile Commerce Nigeria Limited (w.e.f. August 31, 2017)	Plot L2, Banana Island, Foreshore Estate/ Ikoyi Lagos, Nigeria	1435923	83.25
89	Tigo Rwanda Limited (w.e.f. January 31, 2018)	6th Floor, West Wing, Kigali Heights, KG7 Ave, Plot 772, Kimihurura, P.O. Box 6979, Kigali, Rwanda	101 775 989	100
Associates u/s 2(6) of the Companies Act, 2013				
1	Seychelles Cable Systems Company Limited	Third Floor, Caravelle House, Victoria, Mahe, Seychelles	846498-1	26
2	Robi Axiata Limited	53, Gulshan South Avenue, Gulshan-1, Dhaka - 1212, Bangladesh	C29552	25
3	Seynse Technologies Private Limited	Villa No. 4, House No. 22/296 Naroo Heights, Opp. Manipal Hospital Dona Paula, North Goa	U74999GA2015PTC007655	20
4	Aban Green Power Private Limited	Anpriya Crest 113, Pantheon Road Egmore, Chennai, Tamil Nadu	U40103TN2013PTC090446	24.88
5	Juggernaut Books Private Limited (w.e.f. December 14, 2017)	118, Shahpur Jat 4th Floor, K.S. House, New Delhi - 110049	U22219DL2015PTC280186	11.32
6	Greenergy Wind Corporation Private Limited	No.3, 2nd Floor Queens Road Cross Near Congress Committee Office, Bangalore, Karnataka - 560052	U40104KA2012PTC062414	20.33
Joint Venture Companies u/s 2(6) of the Companies Act, 2013				
1	Indus Towers Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110070	U92100DL2007PLC170574	22.47
2	Bridge Mobile Pte Limited	750 Chai Chee Road, Technopark@ ChaiChee, The Oasis, #03-02/0, Singapore 469000	200413856E	10
3	Firefly Networks Limited	A-19, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi - 110044	U74999DL2014PLC264417	50
4	Bharti Airtel Ghana Holdings B.V. (w.e.f. October 12, 2017)	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34204633	50
5	Airtel Ghana Limited (w.e.f. October 12, 2017)	Milicom Place, Barnes Road, PMB-TUC, Accra, Ghana	CS0002840316	49.95
6	Airtel Mobile Commerce (Ghana) Limited (w.e.f. October 12, 2017)	Milicom Place, Barnes Road, PMB-TUC, Accra, Ghana	CS050612017	49.95
7	Milicom Ghana Company Limited (w.e.f. October 12, 2017)	Milicom Place, Barnes Road, PMB-TUC, Accra, Ghana	CS417992014	49.95
8	Mobile Financial Services Limited (w.e.f. October 12, 2017)	Milicom Place, Barnes Road, PMB-TUC, Accra, Ghana	CA-72,549	50

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

(i) Category- Wise Share Holding

Sl. No.	Category of shareholders	Number of shares held at the beginning of the year i.e. April 01, 2017				Number of shares held at the end of the year i.e. March 31, 2018				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	**Promoters**									
(1)	**Indian**									
	Individual /HUF	-	-	-	-	-	-	-	-	-
	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
	Bodies Corporate	1,81,79,87,269	-	1,81,79,87,269	45.48	2,00,28,18,452	-	2,00,28,18,452	50.10	4.62
	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total A(1) :	**1,81,79,87,269**	**-**	**1,81,79,87,269**	**45.48**	**2,00,28,18,452**	**-**	**2,00,28,18,452**	**50.10**	**4.62**
(2)	**Foreign**									
	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
	Others - Individual									
	Bodies Corporate	86,56,73,286	-	86,56,73,286	21.66	68,09,63,103	-	68,09,63,103	17.04	(4.62)
	Banks / FI	-	-	-	-	-	-	-	-	-
	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	**86,56,73,286**	**-**	**86,56,73,286**	**21.66**	**68,09,63,103**	**-**	**68,09,63,103**	**17.04**	**(4.62)**
	Total A=A(1)+A(2)	**2,68,36,60,555**	**-**	**2,68,36,60,555**	**67.14**	**2,68,37,81,555**	**-**	**2,68,37,81,555**	**67.14**	**-**
(B)	**Public Shareholding**									
(1)	**Institutions**									
	Mutual Funds	12,84,31,707	-	12,84,31,707	3.21	26,57,39,997	-	26,57,39,997	6.65	3.43
	Financial Institutions /Banks	21,41,271	-	21,41,271	0.05	31,08,671	-	31,08,671	0.08	0.02
	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
	Venture Capital Funds	-	-	-	-	-	-	-	-	-
	Insurance Companies	31,54,20,470	-	31,54,20,470	7.89	22,74,66,498	-	22,74,66,498	5.69	(2.20)
	Foreign Institutional Investors	60,82,26,075	-	60,82,26,075	15.22	73,74,53,635	-	73,74,53,635	18.45	3.23
	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total B(1) :	**1,05,42,19,523**	**-**	**1,05,42,19,523**	**26.37**	**1,23,37,68,801**	**-**	**1,23,37,68,801**	**30.86**	**4.49**
(2)	**Non-Institution**									
	Bodies Corporate									
	(i) Indian	27,21,800	54,44,250	81,66,050	0.20	1,86,57,340	54,44,250	2,41,01,590	0.60	0.40
	(ii) Overseas									
	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	2,47,56,135	7,661	2,47,63,796	0.62	2,45,34,573	6,904	2,45,41,477	0.61	(0.01)
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	45,44,671	-	45,44,671	0.11	1,33,24,375	-	1,33,24,375	0.33	0.22
	Others (Specify)									
	Clearining Members	90,58,391	-	90,58,391	0.23	2536099	-	2536099	0.06	(0.16)
	Foreign Companies	20,31,77,716	-	20,31,77,716	5.08	2532710	-	2532710	0.06	5.02
	NBFC	8,614	-	8,614	-	12,358	-	12,358	-	-
	Non Resident Indians	12,83,871	-	12,83,871	0.03	15,68,737	-	15,68,737	0.04	0.01
	Non Resident Indians (Non-Repatriation)	5,73,389	-	5,73,389	0.01	7,47,080	-	7,47,080	0.02	-
	ESOP Trust	13,45,184	-	13,45,184	0.03	17,19,041	-	17,19,041	0.04	0.01
	Trusts	65,98,342	-	65,98,342	0.17	87,17,006	-	87,17,006	0.22	0.05
	Investor Education and Protection Fund	-	-	-	-	49,273	-	49,273	-	-
	Sub-Total B(2) :	**25,40,68,113**	**54,51,911**	**25,95,20,024**	**6.49**	**7,43,98,592**	**54,51,154**	**7,98,49,746**	**2.00**	**5.54**
	Total Public Shareholding B=B(1)+B(2) :	**1,30,82,87,636**	**54,51,911**	**1,31,37,39,547**	**32.86**	**1,30,81,67,393**	**54,51,154**	**1,31,36,18,547**	**32.86**	**10.04**
	Total (A+B) :	**3,99,19,48,191**	**54,51,911**	**3,99,74,00,102**	**100.00**	**3,99,19,48,948**	**54,51,154**	**3,99,74,00,102**	**100.00**	**10.04**
(C)	**Shares held by custodians for GDR's and ADR's**	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C) :	**3,99,19,48,191**	**54,51,911**	**3,99,74,00,102**	**100.00**	**3,99,19,48,948**	**54,51,154**	**3,99,74,00,102**	**100.00**	

(ii) Shareholding of Promoters

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	Bharti Telecom Limited	1,81,79,87,269	45.48	-	2,00,28,18,452	50.10	-	4.62
2	Pastel Limited	59,13,19,300	14.79	-	59,13,19,300	14.79	-	0.00
3	Indian Continent Investment Limited	26,58,60,986	6.65	-	8,11,50,803	2.03	-	-4.62
4	Viridian Limited	84,93,000	0.21	-	84,93,000	0.21	-	0.00

1. Bharti Telecom Limited is promoter of Bharti Airtel Limited as prescribed in its IPO Prospectus dated February 07, 2002.
2. Pastel Limited qualifies as "deemed promoter" u/r 2(1)(t) of SEBI (Substantial Acquisition and Takeover) Regulations, 2011 but is not having control over the listed company nor is "person acting in concern" with promoter (Bharti Telecom Limited) as specified u/r 2(1) (q) of the Regulations.
3. Indian Continent Investment Limited is person acting in concern with promoter (Bharti Telecom Limited).
4. Viridian Limited is person acting in concern with Pastel Limited. As mentioned above Pastel Limited qualifies as "Deemed Promoter" u/r 2(1)(t) of SEBI (Substantial Acquisition and Takeover) Regulations, 2011 but is not having control over the listed company nor is "person acting in concern" with promoter (Bharti Telecom Limited) as specified u/r 2(1) (q) of the Regulations.

(iii) Change in Promoter Shareholding

Sl. No.	Name of the Promoter	Shareholding at the beginning of the Year		Date	Increase/ Decrease during the year	Reasons	Cumulative Shareholding during the year/Shareholding at the end of the Year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Bharti Telecom Limited	1,81,79,87,269	45.48	August 18, 2017	1,21,000	Inter-se Transfer	1,81,81,08,269	45.48
				November 03, 2017	18,47,10,183		2,00,28,18,452	50.10
2	Indian Continent Investment Limited	26,58,60,986	6.65	November 03, 2017	18,47,10,183		8,11,50,803	2.03

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

Sl. No.	Name of the Shareholder	Shareholding		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	**Life Insurance Corporation of India**				
	At the beginning of the year	211,834,356	5.30	211,834,356	5.30
	Bought during the year	-	-	-	-
	Sold during the year	61,651,493	1.54	150,182,863	3.76
	At the end of the year	150,182,863	3.76	150,182,863	3.76
2	**ICICI Prudential Life Insurance Company Limited**				
	At the beginning of the year	82,165,754	2.06	82,165,754	2.06
	Bought during the year	13,978,109	0.35	96,143,863	2.41
	Sold during the year	44,957,322	1.12	51,186,541	1.28
	At the end of the year	51,186,541	1.28	511,865,41	1.28
3	**Dodge and Cox International Stock Funds**				
	At the beginning of the year	49,441,504	1.24	49,441,504	1.24
	Bought during the year	-	-	-	-
	Sold during the year	49,441,504	1.24	-	-
	At the end of the year	-	-	-	-

Sl. No.	Name of the Shareholder	Shareholding		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
4	**ICICI Prudential Mutual Funds**				
	At the beginning of the year	45,724,712	1.14	45,724,712	1.14
	Bought during the year	54,795,760	1.37	100,520,472	2.51
	Sold during the year	37,303,767	0.93	63,216,705	1.58
	At the end of the year	63,216,705	1.58	63,216,705	1.58
5	**Franklin Templeton Mutual Funds**				
	At the beginning of the year	37,733,651	0.94	37,733,651	0.94
	Bought during the year	13,734,605	0.34	51,468,256	1.29
	Sold during the year	12,622,959	0.32	38,845,297	0.97
	At the end of the year	38,845,297	0.97	38,845,297	0.97
6	**Government Pension Fund Global**				
	At the beginning of the year	9,444,613	0.24	9,444,613	0.24
	Bought during the year	22,807,424	0.57	32,252,037	0.81
	Sold during the year	6,115,767	0.15	26,136,270	0.65
	At the end of the year	26,136,270	0.65	26,136,270	0.65
7	**Capital World Growth and Income Fund**				
	At the beginning of the year	25,940,837	0.65	25,940,837	0.65
	Bought during the year	3,447,439	0.09	29,388,276	0.74
	Sold during the year	17,475,177	0.44	11,913,099	0.3
	At the end of the year	11,913,099	0.3	11,913,099	0.3
8	**Reliance Capital Trustee Co. Ltd.**				
	At the beginning of the year	1,886,546	0.05	1,886,546	0.05
	Bought during the year	33,307,115	0.83	35,193,661	0.88
	Sold during the year	11,332,886	0.28	23,860,775	0.6
	At the end of the year	23,860,775	0.6	23,860,775	0.6
9	**Government of Singapore**				
	At the beginning of the year	11,068,086	0.28	11,068,086	0.28
	Bought during the year	15,261,249	0.38	26,329,335	0.66
	Sold during the year	2,580,760	0.06	23,748,575	0.59
	At the end of the year	23,748,575	0.59	23,748,575	0.59
10	**SBI Mutual Fund**				
	At the beginning of the year	22,475,610	0.56	22,475,610	0.56
	Bought during the year	35,240,792	0.88	57,716,402	1.44
	Sold during the year	4,666,980	0.12	53,049,422	1.33
	At the end of the year	53,049,422	1.33	53,049,422	1.33
11	**Fort Canning Investments Pte. Ltd.**				
	At the beginning of the year	2,859,947	0.07	2,859,947	0.07
	Bought during the year	19,200,170	0.48	22,060,117	0.55
	Sold during the year	-	-	-	-
	At the end of the year	22,060,117	0.55	22,060,117	0.55
12	**Tybourne Equity Master Fund**				
	At the beginning of the year	-	-	-	-
	Bought during the year	21,939,623	0.55	21,939,623	0.55
	Sold during the year	-	-	-	-
	At the end of the year	21,939,623	0.55	21,939,623	0.55
13	**Vangaurd Emerging Markets Stock Index Fund**				
	At the beginning of the year	20,702,111	0.52	20,702,111	0.52
	Bought during the year	24,423,683	0.61	45,125,794	1.13
	Sold during the year	23,741,485	0.59	21,384,309	0.53
	At the end of the year	21,384,309	0.53	21,384,309	0.53
14	**Comgest Growth Plc.**				
	At the beginning of the year	18,484,273	0.46	18,484,273	0.46
	Bought during the year	1,521,866	0.40	20,006,139	0.50
	Sold during the year	12,423,775	0.31	7,582,364	0.19
	At the end of the year	7,582,364	0.19	7,582,364	0.19
15	**Morgan Stanley Mauritius Company Limited**				
	At the beginning of the year	17,564,459	0.44	17,564,459	0.44
	Bought during the year	6,096,985	0.15	23,661,444	0.59
	Sold during the year	22,055,775	0.55	1,605,669	0.04
	At the end of the year	1,605,669	0.04	1,605,669	0.04

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 2017-18 has been provided.

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Director or KMP	Shareholding at the beginning of the Year		Date	Increase / Decrease in share holding	Reasons	Cumulative Shareholding during the year/ Shareholding at the end of the Year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
Key Managerial Personnel								
1	Mr. Gopal Vittal	3,29,885	0.01	August 10, 2017	1,21,000	Market Sale	2,08,885	0.01
				December 01, 2017	30,000	Share	2,38,885	0.01
				December 13, 2017	30,000	allotted	2,68,885	0.01
				January 25, 2018	10,000	under ESOP	2,78,885	0.01
				February 16, 2018	10,000		2,88,885	0.01
				March 05, 2018	10,000		2,98,885	0.01
2	Mr. Nilanjan Roy	-	-	March 05, 2018	13,003	Share allotted under ESOP	13,003	-

Note: No other Director and Key Managerial Personnel hold shares as on March 31, 2018

V. Indebtedness

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

(₹ Millions)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebteness
Indebtedness at the beginning of the financial year				
i) Principal Amount	31	602,240	-	602,271
ii) Interest due but not paid	-	-	-	-
iii) Interest accured but not due	-	2,796	-	2,796
Total (i+ii+iii)	**31**	**605,036**	**-**	**605,067**
Change in indebtedness during the financial year				
Addition	10	520,024	-	520,034
Reduction	12	468,414	-	468,426
Net Change	**(2)**	**51,610**	**-**	**279**
Indebtedness at the end of the financial year				
i) Principal Amount	29	654,129	-	654,159
ii) Interest due but not paid	-	-	-	-
iii) Interest accured but not due	-	23,681	-	23,681
Total (i+ii+iii)	**29**	**677,810**	**-**	**677,840**

VI. Remuneration of Directors and Key Managerial Personnel

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

(₹ Millions)

Sl. No.	Particulars of Remuneration	Name of Managing Director / Whole-time Director / Manager		Total Amount
		Mr. Sunil Bharti Mittal Chairman	Mr. Gopal Vittal Managing Director & CEO (India & South Asia)	
(1)	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	269.78	120.17	389.95
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	10.62	0.03*	10.65
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
(2)	Stock Option**	-	43.29**	43.29
(3)	Sweat Equity	-	-	-
(4)	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
(5)	Others – PF Contribution	21.57	6.24	27.81
	Total (A)	**301.97**	**169.73**	**471.70**
	Ceiling as per the Act	₹ 690.39 Mn. (being 10% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

Note:

> During the year, Mr. Gopal Vittal was granted 105,000 and 30,000 stock options on August 08, 2017 under ESOP Scheme 2005 at an exercise price of ₹ 5 per option, with a vesting period spread over 3 years and 2 years respectively.

> Value of Performance Linked Incentive (PLI) considered above represents incentive which will accrue at 100% performance level for FY 2017-18 and will get paid basis actual performance parameters in the next financial year.

* Value of perquisites u/s 17 (2) Income Tax Act, 1961 does not include perquisite value of ₹ 43.29 Mn towards stock options exercised by Mr. Gopal Vittal during FY 2017-18. The same has been shown separately in point no. (2).

** In accordance with the definition of perquisite under the Income Tax Act, 1961, the value of stock options only on those shares that have been exercised during the period is provided. Accordingly, the value of stock options granted during the financial year is not included.

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

(₹ Millions)

Independent Directors	Fee for attending board / committee meetings	Commission	Total
Mr. Ben Verwaayen	0.30	14.46	14.76
Mr. Craig Ehrlich	0.20	8.47	8.67
Mr. D.K. Mittal	1.30	7.08	8.38
Mr. Manish Kejriwal	0.40	6.34	6.74
Mr. Shishir Priyadarshi	0.50	9.78	10.28
Mr. V.K. Viswanathan	0.80	8.00	8.80
Total B1	**3.50**	**54.13**	**57.63**

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

(₹ Millions)

Other Non-Executive Directors	Fee for attending board / committee meetings	Commission	Total
Mr. Rakesh Bharti Mittal	-	3.00	3.00
Ms. Chua Sock Koong	-	3.91	3.91
Ms. Tan Yong Choo	-	3.91	3.91
Sheikh Faisal Thani Al-Thani	-	1.23	1.23
Mr. Rashed Fahad Al-Noaimi	-	1.29	1.29
Total B2	**-**	**13.34**	**13.34**
Total B = (B1+B2)	**3.50**	**67.47***	**70.97**
Ceiling as per the Act	₹ 69.04 Mn (being 1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		
Total Managerial Remuneration (A+B)	₹ 542.67 Mn		
Total ceiling as per the act (11%)	₹ 759.43 Mn (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

*The shareholders of the Company had approved the limit of 0.5% instead of prescribed limit of 1% of Section 198 net profits, for the payment of commission to non-executive directors. The Commission for the FY 2017-18 will be paid post approval from the shareholders in the ensuing annual general meeting for the amendments in limits of payment of commission from 0.5% to 1% w.e.f. April 01, 2017.

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

(₹ Millions)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Nilanjan Roy Global CFO	Mr. Pankaj Tewari	
(1)	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40.73^	11.78^^	51.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.09*	-	0.09
	(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	-	-	-
(2)	Stock Option**	5.36*	-	5.36
(3)	Sweat Equity	-	-	-
(4)	Commission	-	-	-
	-as % of profit	-	-	-
	-others, specify...	-	-	-
(5)	Others – PF Contribution	1.42	0.46	1.80
	Total (A)	**47.60**	**12.24**	**58.25**

Notes:

> Value of Performance Linked Incentive (PLI) considered above represents incentive which will accrue at 100% performance level for FY 2017-18 and will get paid basis actual performance parameters in the next financial year.

*Value of perquisites u/s 17(2) Income Tax Act, 1961 does not include perquisite value of ₹ 5.36 Mn towards stock options exercised by Mr. Nilanjan Roy during FY 2017-18. The same has been shown separately in point no. (2).

** In accordance with the definition of perquisities under the Income Tax Act, 1961, the value of stock options only on those shares that have been exercised during the period is provided. Accordingly, the value of stock options granted to KMPs viz. 23,952 stock options to Mr. Nilanjan Roy, Global CFO and 3,842 stock options to Mr. Pankaj Tewari, Company Secretary, is not included.

^Salary u/s 17(1) includes value of cash payout of ₹ 14.28 Mn under performance based long term incentive plan.

^^ Mr. Pankaj Tewari had joined the Company w.e.f. June 01, 2017 and was designated as Company Secretary of the Company w.e.f. July 18, 2017. The remuneration above of Mr. Pankaj Tewari is for the FY 2017-18 and includes joining bonus.

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.

Annexure F

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

(A) Conservation of energy

(i) The Company undertook various initiatives to reduce and conserve energy:

a. On Network side:

- Maximizing outdoor – 91% New sites have been deployed as outdoor sites with reduced need of air-conditioners and diesel.
- Sites on shared basis – Our constant endeavour is to promote infrastructure sharing, along with our partners. Our efforts with partners to consolidate passive infrastructure and green initiatives have considerably reduced carbon emission in the entire industry. This initiative not only reduces operational cost for service providers by eliminating operational waste, but also promotes optimal use of resources. In FY 2017-18, over 44% sites were deployed as shared sites, which results in reduction of their energy consumption by 30% as compared to standalone sites
- Airtel partnered with Towercos to convert indoor sites to outdoor sites. Over 66,000 sites have been converted to outdoor till date, reducing the energy consumption by about 25%. Sites are being converted mostly by utilizing technology like low power consuming BTS, Free Cooling Unit (FCU), Natural Cooling Unit (NCU), Micro Cooling Unit (MCU), Solar Cooling Units (SCU), Transmission cooling Unit (TCU) and Power Management Units (PMUs).
- Installed 745 sites own sites with advance VRLA battery banks, Li-ion Battery solutions and other operational measures till date.
- Introduced air-conditioning rationalization over 706 own sites, reducing the consumption by 10%.
- Deployed energy efficient retrofits in BTS sites such as integrated power management systems, efficient DC to AC convertors, efficient aircons.
- Installed energy efficient air-conditioning and LED lighting in core locations.
- Introduced innovative design modifications at sites.
- Designed and installed outdoor small cell sites with ground based mast with Li-ion batteries reducing the energy consumption by with 30-40%.
- Installed sites with auto-TRX shutdown feature, which reduces the energy requirement at non-peak hours.
- Pilot Auto TRX shutdown feature with cell, sector and cluster level on all technologies is progress in four circles for reduction power consumption.
- Reduced the indoor placement of BTS, which reduced the air-conditioning load.
- Deployed SRAN to optimized the energy consumption at sites.

b. Energy efficiency across Data Centres:

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

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

c. Energy efficiency in Airtel facilities:

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

ii) Utilisation of green energy:

1) Rooftop Solar at Main Switching Centres (MSCs): The Company has installed solar power plants at total 17 MSC locations by the end of FY 2017-18, expanding the total installed capacity to 1MWp. Work in progress for 175KWp more on 3 sites.

2) Green Power Wheeling for MSC: To enhance the energy efficiency, the Company implemented the renewable sources of energy at its core locations. Green Power Wheeling Agreements were made agreements

for procuring green energy for 8 locations and are planning to extend the same for 10 more sites over 90 Mn green Units/annum procured through various wheeling arrangements for our core locations.

3) Solar hybrid solution: The Company installed over 4 sites were converted to green sites using the solar and battery hybrid solutions in FY 2017-18.

4) Reduction by using battery back-ups: In FY 2017-18, over 5700 sites were installed with advance VRLA batteries and Li-Ion battery solutions to reduce the running of DG set with our ToCo partners. Few sites were also installed with Li-ion battery banks by utilizing ground based mast designs with lithium ion battery solution.

5) Project Green City was launched with Indus & Infratel few years back; and over 53745 sites have been tagged as green sites till date.

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

Sr. No	Location	Capex (₹ Mn)	Remarks
1	Own sites (Hexacom & Core)	12	(Amount derived from issued P.O.'s, Including ED & CST):
2	TOCO (Indus & Infratel) & SP (Ericsson/ NSN)	831	1) From ToCo: cost of solution to be paid in 60 Installments, which will be built in monthly site rental.
			2) BTS and MW IP 55 cabinet is procured against P.O.'s to SP's
3	Solar Roof to sites	10	170 KWp P.O. are issued in FY 2017-18. Installation and commissioning will be completed in FY 2018-19.
	TOTAL	**853**	

(B) Technology absorption

1. The efforts made towards technology absorption:

With over 460 Mn internet users, India is the second largest online market, ranked only behind China. 90% of the users are using internet service on mobile network. There are 1.18 Bn wireless subscribers as opposed to a mere 23 Mn wire line subscribers.

With an objective to provide best in class mobile broadband experience to our customers and improvement in spectrum efficiency, Airtel envisaged deployment of 100,000 4G sites last year. This was a challenging task as this had to be deployed across India in partnership with multiple vendors. Every tower installation required proper wireless planning, MW planning, transport planning, availability of material, permission, alignment of material with ASP team, MW team, provisioning team. All the deployment was happening on live sites, which made this deployment exercise even more critical.

Data consumption increased by staggering 450%, to meet Increase in Data demand we have planned measures like 1800MHz spectrum refarming to 4G for improved indoor coverage for mobile broadband network, spectrum addition i.e. 20+10 in 4G along with 3CC carrier aggregation, spectrum integration of acquired operators for increasing capacity of 4G networks and increasing efficiency of the scarce spectrum resources.

Airtel network has now become truly heterogeneous. From 2 technology & 3 layers, we have moved to 4 technology & 6 layers, this has made the network very complex. As customers now have to traverse across technologies and layers, maintaining and improving the network experience becomes a challenge. To tackle this, Airtel has embarked on innovative tools for near real time network operation through cutting edge virtualized NOC, optimization through Self Optimization Network (SON), Geo analytical tools and various process automation and analytics tools.

These platforms have enabled automatic optimization of multi-layered networks, thereby reducing drop calls, network blocking, and increasing data throughputs for setting new benchmarks in end user experience.

2. The benefits derived like product improvement, cost reduction, product development or import substitution:

Through meticulous and effective planning and project management, we managed to deploy more than 100,000 4G towers in our network and additional 21,000 Km of fibre across India. We now connect more than 480,000 towns and villages through high speed broadband. We are now 4G provider in all circles.

Airtel became first company in India to launch 3CC carrier aggregation, LTE TD (20+10 MHz) and FD, on a commercial device reaching a speed of 145 Mbps. Airtel launched dual carrier in 2100 MHz in 7 circles reaching a peak speed on 42 Mbps. Low band LTE using dynamic sharing of spectrum were launched in Karnataka. Spectrum sharing done in GSM 1800 & FDD to increase 4G capacity. Implementation of 256 QAM in 4G done to improve user experience. VOLTE launch done in 19 circles now for better Voice experience. Massive MIMO

trails done in IPL matches across India in 8 cities has shown unparalleled performance. 4K+ simultaneous connected users during match hours at Bangalore, nearly 200 mbps of Peak cell throughput clocked during the match hours at Delhi.

This technology adaption and innovation helped us to manage the spectrum efficiently and provide a great broadband experience to our customers.

Airtel has done an alliance with SK Telecom for establishing a network analytics stack. Partnership across several areas including developing bespoke software to dramatically improve network experience, leveraging advanced digital tools including machine learning, big data and building customized tools to improve network planning based on every customer's device experience.

This will develop the capability to identify, monitor and deliver improvements to the network experience on an individual device basis will be a first in India.

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

a. the details of technology imported:

Only telecom equipment is imported, no technology is imported.

b. the year of import:

N.A.

c. whether the technology been fully absorbed:

N.A.

d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof:

N.A.

4. The expenditure incurred on Research and Development:

NIL

The efforts made towards creating a digital airtel;

Airtel has grown by leaps & bounds towards creating a digital organization. We are committed towards delivering a digitally sound experience for our customers, our on ground field force and our employees.

At airtel we ensure that the power of technology is used to disrupt the conventional way of doing things and in return creating a brilliant customer experience. We are building innovations through our digital teams, both in Gurgaon & now in Bangalore – airtel X labs.

The company completely focuses on digitizing customer experience through our myairtel app & website. We are building platforms – like Airtel Home, Online Store, Project Next to ensure a brilliant customer experience. We are revamping existing processes & systems with the customer at the heart of what we do. With our deep data analytics we are building for the airtel of the future.

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

C. Foreign Exchange Earnings and Outgo

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

Total foreign exchange used and earned for the year:

(a) Total Foreign Exchange Earnings ₹ 45,088 Mn
(b) Total Foreign Exchange Outgo ₹ 196,540 Mn

Annexure G

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

i. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during FY 2017-18 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2017-18 are as under:

S. No.	Name of the Director	Remuneration of Director / KMP for FY 2017-18 (in ₹)	Percentage increase in remuneration in FY 2017-18[2]	Ratio of remuneration of each Director to median remuneration of the employees of the Company[2,3]
	Executive Directors			
1.	Mr. Sunil Bharti Mittal, Chairman	301,968,769	0.17	352.44
2.	Mr. Gopal Vittal, Managing Director & CEO (India & South Asia)	126,446,716*	36.13	147.58
	Non-Executive Directors			
3.	Mr. Rakesh Bharti Mittal	3,000,000	-	3.50
4.	Ms. Chua Sock Koong	3,910,500	0.52	4.56
5.	Ms. Tan Yong Choo	3,910,500	0.52	4.56
6.	Sheikh Faisal Thani Al-Thani[5]	1,232,075	(0.62)	4.52
7.	Mr. Rashed Fahad Al-Noaimi[6]	1,285,644	N.A.	4.53
	Independent Directors			
8.	Mr. Ben Verwaayen	14,463,506	(9.38)	16.88
9.	Mr. Craig Ehrlich	8,672,750	(15.19)	10.12
10.	Mr. D.K. Mittal	8,380,822	(0.23)	9.78
11.	Mr. Manish Kejriwal	6,738,356	(2.34)	7.86
12.	Mr. Shishir Priyadarshi	10,276,250	(0.48)	11.99
13.	Mr. V.K. Viswanathan	8,800,000	-	10.27
	Key Managerial Personnel other than Executive Directors			
14.	Mr. Nilanjan Roy, Global Chief Financial Officer	27,962,023#	8.20	-
15.	Mr. Pankaj Tewari, Company Secretary	12,242,883^	N.A.	-

Notes:

1. The value of performance linked incentive (PLI) in remuneration of Key Managerial Personnels (KMPs) represents incentive @ 100% performance level. For effective comparison, the PLI component of their remuneration for FY 2016-17 has also been considered @ 100% performance level.
2. Percentage increase in remuneration is based on annualised remuneration.
3. Remuneration of KMPs does not include perquisite value of stock options exercised during FY 2017-18.
4. Change in remuneration of Non-Executive Directors vis-à-vis previous year, if any, is due to change in their Committee membership, meetings attended, sitting fee paid and change in foreign exchange rates.
5. Sheikh Faisal Thani Al-Thani resigned w.e.f. July 25, 2017.
6. Mr. Rashed Fahad Al-Noaimi was appointed w.e.f. July 25, 2017 and resigned w.e.f. November 22, 2017.

* The remuneration of Mr. Gopal Vittal excludes perquisite value of ₹ 43,286,800 on exercise of stock options during FY 2017-18.

The remuneration of Mr. Nilanjan Roy excludes perquisite value of ₹ 5,355,285 on exercise of stock options and cash payout of ₹ 14,279,481 under performance-based long-term incentive plan of the Company during FY 2017-18.

^ Mr. Pankaj Tewari had joined the Company w.e.f. June 01, 2017 and was designated as Company Secretary of the Company w.e.f. July 18, 2017. The remuneration above of Mr. Pankaj Tewari is for the FY 2017-18 and includes joining bonus.

ii. **The percentage increase in the median remuneration of the employees in the financial year**: There has been an increase of 4.11% in median remuneration of employees in FY 2017-18 as compared to FY 2016-17.

iii. **The number of permanent employees on the roll of the Company**: There were 8,453 employees on the rolls of the Company as on March 31, 2018.

iv. **Average percentage increase already made in the salaries of employees other than the managerial personnel in FY 2017-18 and its comparison with the percentage increase in the managerial remuneration and justification thereof**: The average increase in the remuneration of employees excluding KMPs during FY 2017-18 was 7.1% and the average increase in the remuneration of KMPs was 14.84%. The increase in remuneration of KMP is mainly attributed to the changes in the remuneration of the Managing Director & CEO (India & South Asia) of the Company which was approved by the Board on the recommendation of HR and Nomination Committee on the basis of external benchmarking in relevant peer group to be reflective of the appropriate remuneration level for this position, Company's continued market leadership and his individual performance level. The aforesaid remuneration is within the limits approved by the shareholders in their Annual General Meeting held on August 19, 2016.

Mr. Pankaj Tewari was appointed as Company Secretary of the Company w.e.f. July 18, 2017 and since his last comparable remuneration is not available, the same is not considered for above calculation.

v. **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.

Annexure H

Statement of particulars under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 for the year ended March 31, 2018

Top ten employees in terms of remuneration drawn

(A) Employed Throughout the Financial Year

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment / Designation
1	Ajai Puri	Chief Operating Officer (India & South Asia)	Post Graduation	57	15-May-04	37	Business Head	7,28,88,938	Cargill Foods India / Business Head-India Foods
2	Deven Khanna	Group Director - CMD's Office	CA, B.Com	58	01-Sep-04	32	Finance	4,72,54,002	Triveni Engineering Industries Ltd. / VP-Corp Finance & Planning
3	Gopal Vittal	MD & CEO - India & South Asia	MBA	52	03-Apr-12	27	Business Head	126,446,716*	Hindustan Uniliver Limited / Executive Director
4	Harmeen Mehta	Global CIO	B.E. (Computer Sc. & Engg)	44	24-Oct-13	19	Information Technology	8,44,52,973	BBVA / CIO Global Markets
5	Moti Gyamlani	Director - Global Supply Chain	Masters in International Business Administration	44	17-Dec-12	22	Supply Chain Management	5,72,98,361	GE Energy / Group Vice President - Global Supply Chain
6	Nilanjan Roy	Global CFO	CA	52	01-Mar-06	28	Finance	47,596,789#	Unilever Nv / Plc, Usa / Finance Director
7	Srikanth Balachandran	Global CHRO	CA, B.Com	57	17-Nov-08	37	Human Resources	5,70,70,961	Hindustan Unilever Limited / Programme Leader – Global Finance
8	Sunil Bharti Mittal	Chairman	Graduate	60	01-Oct-01	42	General Management	30,19,68,769	Bharti Cellular Limited / CMD
9	V.M. Raj Pudipeddi	Director- Consumer Business & CMO	MBA	46	06-Feb-17	23	Business Head	4,83,17,675	Procter & Gamble / VP, North America, Oral Care

* Remuneration of Mr. Gopal Vittal does not include perquisite value of ₹ 43,286,800 towards exercise of stock options during FY 2017-18.

Remuneration of Mr. Nilanjan Roy includes perquisite value of ₹ 5,355,285 towards exercise of stock options and ₹ 14,279,481 towards payout under performance based long term incenticve plan during FY 2017-18.

(B) Employed for the Part of Financial Year

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment / Designation
1	Campbell Mcclean	CIO - Non Wireless	Graduate (Royal Military Academy Sandhurst)	54	07-Jul-14	35	Engineering	4,67,06,784	Telefonica / Global Chief Architect

Notes:

1. There are no specific terms and conditions for employment.
2. None of the employees mentioned above is a relative of any Directors of the company except Mr. Sunil Bharti Mittal and Mr. Rakesh Bharti Mittal, who are brothers.
3. None of the employees mentioned above hold 2% or more share capital of the Company.
4. The designation - 'Director' wherever prefixed describing the area of responsibility occurring in the above Statement is not a Board position except that of Mr. Sunil B Mittal and Mr. Gopal Vittal.
5. Nature of employment for all the employees is permanent except for Mr. Sunil Bharti Mittal & Mr. Goptal Vittal which is contractual.

Statement of particulars under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 for the year ended March 31, 2018

(A) Employed Throughout the Financial Year

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment / Designation
1	Abhay Savargaonkar	Director Networks & CTO	B.E / B.Tech	53	5-Aug-06	28	Operations	3,73,20,239	Bharti Infotel Ltd / Chief Technology Officer
2	Aditya Kohli	Head HR - Enabling Functions	PG Diploma	42	13-Oct-14	20	Human Resources	1,97,43,494	Standard Chartered Bank / Head P&R
3	Ajay Chitkara	Director - Global Voice & Data Business	PGDBM	46	1-May-01	24	Business Head	3,21,55,718	Comsat Max Limited / Area Sales Manager
4	Amit Anchal	Head - Business Development and M & A	MBA	41	10-Jun-02	19	Business Development	1,11,07,549	Kucheri & Associates, Mumbai / Audit Assistant
5	Anant Arora	CEO - Strategic Accounts-Airtel Business	B.E / B.Tech	51	11-Apr-03	28	Sales	2,33,63,550	Reliance Infocomm Ltd / Head - Sales Operations
6	Anjani Rathor	CIO - Postpaid Homes & DTH	PGDBM	45	10-Dec-07	21	Engineering	1,97,85,141	Delhi Accenture Boeing / Director, Strategy and Business Development
7	Archana Aggarwal	Head - Media Planning & Buying	MMM, marketing	46	9-Dec-13	23	Marketing	1,16,36,104	Procter & Gamble / Country Media Manager
8	Aruna Pidikiti	Head - Operations (Network)	M.Tech	48	21-Dec-00	27	Network	1,28,50,887	STPI / Dy. Director (Tech)
9	Ashish Arora	CEO - Key Accounts-Airtel Business	MBA	48	3-Apr-07	23	Sales	1,89,92,393	Sify Ltd / National Sales Head
10	Ashish Goenka	Financial Controller - NSG	MBA	39	3-Oct-16	15	Finance	1,54,39,930	Hindustan Unilever Limited / General Manager, Finance
11	Ashok Ganapathy	Director - Airtel Business	PGDBM	52	3-May-13	29	Business Head	2,98,80,354	Reliance Mediaworks / CEO
12	Atul Sachdeva	Head Wireless Planning	PGDBM	45	29-Aug-06	23	Network	1,85,48,856	Tata Teleservices Ltd / Head- BSS, Transmission and Core Planning
13	Badal Bagri	CFO - India & South Asia	CA	46	16-Jan-17	18	Finance	2,41,38,231	Aircel Limited / CFO
14	C Surendran	CEO-Market Operations KK	B.E & MBA	52	4-Nov-03	30	Business Head	2,17,85,974	Modi Xerox / Head-Outsourcing
15	Chamakura Venkatanarasimha varaprasad	Head-Core SAE-Network	B.E	48	29-Apr-10	25	Network	1,82,53,712	Etisalat / AVP
16	Chandrasekar Ramamoorthy	Head - Network Experience	MBA	36	3-Feb-14	13	Network	1,24,83,401	Booz & Company / Senior Associate
17	Deepak Sanghi	Head-Transport Planning-Network	B.E	44	29-Mar-04	23	Network	1,17,43,904	Nortel Networks / Technical Consultant
18	Dharmender Khajuria	CEO-Market Operations-MP&CG	MBA	49	21-Nov-01	26	Business Head	1,63,54,082	National Panasonic / Sr. Sales Officer

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment / Designation
19	Dushyant Kumar	Head - Fiber Factory Operations	B.E / B.Tech	52	2-Nov-98	26	Network	1,61,12,432	Bharti BT Internet Ltd / Manager
20	Gaurav Khandelwal	Group Financial Controller	CA	40	3-Nov-14	17	Finance	2,11,70,307	Hindustan Unilever Limited/Director - Financial Controls
21	Gautam Anand	Head HR - GTM & Market Ops	MBA	41	30-Jul-09	19	Human Resources	1,74,91,247	Citibank / Portfolio Management
22	George Mathen	CEO - Homes	Post Graduation	49	17-Nov-06	27	Business Head	2,77,24,537	Coca Cola India / Head - Sales
23	Hemanth Kumar Guruswamy	CEO-Market Operations - Rajasthan	PGDBM	47	27-Jan-14	23	Marketing	1,24,99,144	Matrimony.com / Sr. VP Retail
24	Kamal Dua	Financial Controller - CB	ICWA	39	8-Mar-07	17	Finance	1,02,27,610	Idea Cellular Limited / Assistant Manager
25	Kartik Sheth	Chief Innovation Officer & CEO Wynk	MBA	40	6-May-13	16	Marketing	2,65,03,247	Lakme Lever Private Limited / Chief Operating Officer
26	Krishnan Govindan	Chief Contact Experience	MBA	50	9-May-16	22	Customer Experience	1,84,87,636	ICICI Bank Limited / JGM
27	Manish Agarwal	Global Head Taxation	CA / CS	44	11-Dec-08	20	Finance	2,09,71,891	HCL TEchnologies, Noida / Deputy General Manager
28	Manoj Murali	CEO-Market Operations-Hexacom Rajasthan	MBA	47	1-Oct-01	23	Business Head	2,17,02,839	Crompton Greaves / Area Sales Manager
29	Manu Sood	CEO-Market Operations-Punjab	MBA	45	13-Jan-12	17	Business Head	3,41,32,883	Hindustan Lever Limited / General Manager - North India
30	Mohan Shukla	Head - External Affairs	B.A.	64	2-Sep-13	34	Corporate Regulatory	1,16,03,702	Carrefour WC&C Indian Pvt Limited / Director - Corporate Affairs
31	Mukesh Bhavnani	Group General Counsel	LL.B., CS	63	42522	40	Legal	4,59,55,608	Vedanta Resources Plc / Group Legal Counsel and Head Compliance
32	Pankaj Sarna	Lead - India Taxation	CA	57	16-Jan-99	33	Finance	1,03,78,043	Modi Xerox Limited / Controller Indirect channels
33	Papiya Banerjee	CLO & Global Head of Talent	MA (PM & IR)	44	1-Feb-16	20	Human Resources	1,36,91,236	Edelweiss Tokio Life Insurance / CHRO
34	Rajiv Mathrani	Chief Brand & Online Officer	MBA	43	1-Sep-15	18	Brand	2,00,74,011	PepsiCo / Senior Marketing Director
35	Ram Kuppuswamy	Chief Global Sourcing Officer	MBA	42	5-Jan-15	19	SCM	2,42,29,603	Microsoft Mobile (China) Investment Company Ltd. / Director Materials Management
36	Ranjan Sharma	Head - Network Sourcing-SCM	B.Tech	43	9-Mar-15	22	SCM	1,27,18,330	ZTE Telecom India Pvt Ltd / Director
37	Rashim Kapoor	Head - Core Operations	B.Tech	45	31-Aug-05	23	Network	1,06,78,437	Reliance Infocomm Ltd / Team Leader
38	Ravi Parkash Gandhi	Chief Regulatory Policies	B.Tech	47	3-Mar-08	26	Legal	2,08,47,730	Reliance Communication Limited Usha / Vice President

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment / Designation
39	Ravindra Singh Negi	CEO-Market Operations-NCR	PGDBM	46	1-Aug-00	23	Business Head	2,62,38,145	Koshika Telecom Ltd. / Product Manager - Prepaid
40	Rohit Marwha	CEO-Market Operations - ROM	PGDBM	42	16-Jul-01	20	Marketing	1,50,94,488	Vijaya Prints & Packs / Director
41	Rohit Relan	Head Market Ops	CA	48	4-Apr-05	23	Customer Experience	1,38,83,500	Tata Teleservices Ltd. / Sr. Manager
42	Sachin Verma	Head - Cloud Operations	B.Tech	42	9-Jul-07	20	Engineering	1,08,72,867	COLT Telecom / Principal Consultant
43	Sameer Batra	CEO - Wynk	PGDM / B.E	42	21-Feb-06	18	Business Head	1,57,68,107	BPL Mobile Ltd / Product Manager
44	Sameer Chugh	Director - Legal	LL.B., PGDBM	44	4-Aug-14	23	Legal	30,906,334	Cummins India Limited / VP - Legal and Secretarial
45	Sameer Kala	Global Head - ACE	MBA	47	6-Jun-16	24	Finance	1,50,04,998	Capgemini Consulting / Vice President - Global Engagements
46	Sameer Kirit Anjaria	CEO-Market Operations-WBO	MMS / B.E	45	3-Dec-12	21	Business Head	1,79,99,661	Nokia Corporation MEA / Head Care Channel Development, IMEA
47	Sandeep Gupta	Head-Wireless SAE-Network	B.Tech	48	30-Nov-12	27	Network	2,01,90,716	Huawei Telecommunications India Pvt. Limited / Director - Wirelsss & PS Solution Sales
48	Sanjiv Mishra	Head - Operations	PGDBM	48	1-Aug-07	26	Sales	1,33,03,052	Becton Dickinson / RSM North
49	Sarang Kanade	Director - Customer Experience & Retail	B.E (Mech.), MMS (Mkg.)	47	2-Mar-10	21	Business Head	3,22,29,182	Spencers Retail Ltd / VP Operation
50	Shailendra Singh	CEO-Market Operations-UP	Post Graduation	52	16-Mar-16	26	Business Head	1,44,35,845	Tata Teleservices / Sr. VP
51	Shefali Malhotra	Global Head Revenue Assurance	CA	45	1-Mar-00	23	Finance	1,23,25,201	Airborne Express / Manager Accounts
52	Shyam P Mardikar	CTO - Wireless	B.E / B.Tech	47	26-Jul-12	25	Network	3,87,04,635	Leara / Chief Technical Officer
53	Swati Kamat	Head - Network Experience	B.E	52	29-Aug-14	31	Network	1,11,54,294	Tech M / Corperate Head Director
54	Vani Venkatesh	Chief Marketing Officer	MBA	43	1-Nov-16	17	Business Head	1,44,08,200	Abbott Healthcare Private Limited / Associate Director - Sales
55	Venkatesh Vijay Raghavan	CEO-Market Operations AP	PGDBM	45	4-Jul-03	23	Business Head	2,19,92,354	Reliance Infocom Ltd. / Product Manager-Marketing
56	Vir Inder Nath	CEO - Retail	PGDBM	45	23-Apr-07	21	Business Head	1,90,44,751	IDEA Cellular / DGM
57	Vivek Manglik	Head - Global Voice VAS & Roaming	PGDBM	47	6-Sep-10	23	Sales	1,53,26,550	Tata Communications Limited / GM Sales

(B) Employed for the Part of Financial Year

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment / Designation
1	A Ganesh	Distribution Head - Market Ops	B.Tech, PGDBM	41	1-Feb-13	17	Sales	73,90,952	Hindustan Unilever Limited / General Manager
2	Anupam Bhat	Sr. VP - Internal Assurance	CA	53	1-Mar-17	27	Finance	1,32,85,031	BAIN B.V / Head - Internal Asurance
3	Arvind Chopra	Group Director - Internal Assurance	B.Com (H), CA	54	30-Sep-15	27	Internal Assurance	3,00,02,141	Essar Services India Pvt Ltd / President - Group Assurance and Cost Control
4	Harjeet Kohli	Group Treasurer	MBA	44	19-Jan-09	20	Finance	2,72,26,317	Citigroup India / Director
5	K C Narendran	CEO-Market Operations- Gujarat	Graduate, Cost Accounting	51	6-Nov-17	27	Business Head	41,84,986	Telenor (India) Communications Pvt Ltd / Sr. Vice President
6	Pankaj Tewari*	Company Secretary	CS	46	1-Jun-17	17	Corp Secretarial & Regulatory	10,674,069	PWC Consulting / Director
7	Ritesh Kumar Singh	CEO-Market Operations- Bihar	B.E	44	16-Nov-16	19	Business Head	46,88,481	Telenor Asia (ROH) Limited / Vice President
8	Santanu Bhattacharya	Chief Data Scientist	Doctor of Phylosophy (PhD)	52	19-Feb-18	30	Engineering	16,85,118	Massachusetts Institute of Technology / Research
9	Satyamoorti Sivasubramanian	Sr VP-Engineering	PhD	60	2-Jun-14	37	Engineering	1,85,68,995	SingTel-Optus / Director, Information Security
10	Sreerama Murthy Chaganti	CEO-Market Operations-Gujarat	PGDBM, B.E	48	10-Apr-14	23	Business Head	2,04,64,031	Aircel / Circle Business Head
11	Srinivas S Vemuri	Head CS - PS Planning	MBA	49	11-Jul-98	27	Network	1,06,78,683	Vizag Steel Plant / Lecturer
12	Subarno Krishna Ghosh	Head FAM & TSS Project	CA	52	1-Mar-12	25	Network	73,41,842	Reliance Communications Ltd. / Head - Netwrok Commercial
13	Subramanian Balasubramanian	Head - Integration Project	CA	52	6-Apr-17	24	Business Head	1,67,04,314	Quess Corporation Limited / Group Chief Financial Officer
14	Sundeep Sahi	Head - Digital Brain	B.Tech (Electrical)	41	10-Jul-17	19	Engineering	1,08,83,510	Indifi Technologies Pvt. Ltd / Cofounder & CTO
15	Tushar Vijay Kamat	CEO - Major Accounts	MBA	44	4-Apr-16	17	Sales	1,97,15,991	SAP India Pvt. Ltd. / Vice President
16	Vidur Rattan	CEO-Market Operations - Maharashtra	PGDBM	40	16-Apr-01	17	Business Head	1,41,08,303	Standard Chartered Bank / Management Trainee
17	Vidyut Gulati	Director - Legal	LL.B.	39	17-Jul-17	16	Legal	1,76,83,926	Cairn India Limited / General counsel & Member Executive Committee

Notes:

1. Gross remuneration comprises of Salary, Allowances, Company's contribution to Provident Fund and taxable value of perquisites.
2. The employee would qualify for being included in Category (A) or (B) on the following basis:
   For (A) if the aggregate remuneration drawn by him during the year was not less than ₹ 10,200,000 p.a.
   For (B) if the aggregate remuneration drawn by him during the part of the year was not less than ₹ 8,50,000 p.m.
3. None of the employees mentioned above is a relative of any Director of the Company.
4. None of the employees mentioned above hold 2% or more share capital of the Company.
5. There are no specific terms and conditions for employment.
6. The designation - 'Director' wherever prefixed describing the area of responsibility occurring in the above Statement is not a Board position.

* Mr. Pankaj Tewari had joined the Company w.e.f. June 01, 2017 and was designated as Company Secretary of the Company w.e.f. July 18, 2017.

Annexure I

Independent Auditor's Certificate on Corporate Governance

To The Members of **Bharti Airtel Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated July 25, 2017.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Bharti Airtel Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2018.

9. We 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 **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

Management Discussion and Analysis

Overview

The Indian Telecom Sector is the second largest in the world and has been growing rapidly. The pace of transformation of the telecom market over the course of years has been staggering. Of the 1.3 Bn addressable population in India, there are only 0.7 Bn unique connections today, presenting a large residual opportunity in the sector. Further, at 58.7%, rural teledensity also has massive potential to grow and enable the masses to realize the Digital India vision.

In a mobile first market like India, with massive data offtake, telecom operators are transforming from pure play mobile to being a digital services provider - integrating connectivity and content across various screens. The role of a smartphone is emerging as more than just a connection. It is leading to a convergence of connectivity, entertainment, education, and banking.

The sector is witnessing exponential data traffic growth led by increased smartphone penetration, cheaper data tariffs, and proliferation of regional content. Though the mobile broadband penetration is ~30% today, it is expected to grow manifold and make India the second largest smartphone market (ahead of US and just behind China). Further, data traffic is expected to grow 7 fold from 2016-2021. To ensure a market leading position, Airtel continues to invest heavily in providing high speed broadband networks in the country and spent ₹ 240,000 Mn this year in capital expenditure.

Large opportunities exist in non-wireless space of the telecom industry as well. With less than 5% of the households connected by fixed broadband, single digit SMB (Small and Medium Businesses) connectivity, large cash based economy, and low digital TV penetration, Airtel with an integrated suite of offerings is very well positioned to catalyse the digital transformation of the country.

FY 2017-18 was a decisive year for the Indian Telecom Sector on numerous counts. Industry revenue table continued to remain under pressure, with the launch of aggressive price offerings by the latest entrant. The continuing disruption hastened consolidation and operators with stretched balance sheets found it difficult to survive. The industry has moved towards a 3+1 structure with early signs of SIM consolidation. In this phase of high competitive intensity, Airtel's priorities center around growing market share, stripping out costs, and improving margins. Putting customers at the heart is the key foundation of our strategy and we continue to maintain network leadership and provide brilliant customer experience to our more than 300 Mn customers.

We believe that the telecom industry in India is going through a once in a lifetime transformation and we are truly well poised to capitalize on this with our industry leading position in customers, revenues, best in class spectrum and network assets.

In Africa, macroeconomic factors turned favorable with stabilization in prices of crude oil and commodities. Airtel remains committed to Africa and with consolidation in 2 countries (Ghana and Rwanda), a better industry structure is emerging. Low banking penetration, ~20% smartphone penetration, and exponential data traffic growth are creating massive opportunities for telecom operators in Africa. Airtel is creating a strong foundation for a solid, sustainable business in Africa. Twin engines of data and mobile money, underpinned by strict cost controls have strengthened our competitive position during the year.

Economic Review

Global Review

Globally, 2017 witnessed strong growth across most advanced and emerging economies aided by rebound in investment and trade, accommodative government policies, improved confidence, favorable financing costs, rising profits, and improved business sentiments. Global growth is projected to be 3.1% during 2018.

Global goods trade volumes have gathered significant momentum since mid-2016, following two years of marked weakness. Momentum was sustained throughout 2017. The recovery in global trade is connected to a cyclical upturn in global manufacturing, which was encouraged by stronger capital spending. Services trade also recovered in 2017, albeit at a slower pace.

Growth in 2017 in advanced economies rebounded to more than 2%, driven by a pickup in capital spending, a turnaround in inventories, and strengthening external demand. In the US, economic data largely printed on a positive note, powering the Fed to raise rates in its last policy meeting by 25bps to 1.50-1.75%. The U.S. tax reform and associated fiscal stimulus are expected to raise U.S. growth going forward. Policy stimulus and strengthening global demand, along with private sector credit growth to respond to the simulative stance of European Central Bank led to markedly stronger than expected improvement in Euro Area. The unemployment rate reached its lowest level since 2009.

Growth in emerging markets rose to ~4.3% in 2017, reflecting firming activity in commodity exporters and continued growth in commodity importers. Most emerging markets benefitted from improvements in exports. East and South Asia accounted for nearly half of the global growth as both regions continued to develop at a rapid pace.

2018 will continue to be a year of broad based economic growth both in Developed and Developing Economies. With easing financial conditions and fiscal support, strong expansion is expected in the world economy.

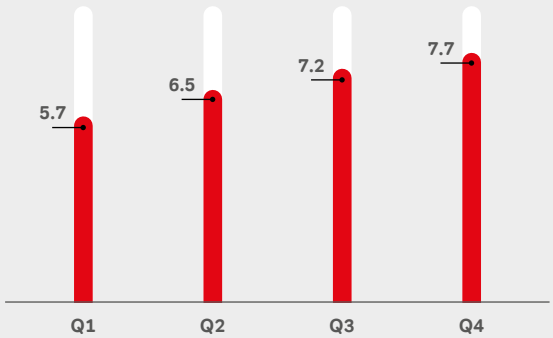
	Actual		Projections	
Global Growth Trend (%)	**2016**	**2017**	**2018**	**2019**
World Output	3.2	3.8	3.9	3.9
Advanced Economies	1.7	2.3	2.5	2.2
Emerging and Developing Economies	4.4	4.8	4.9	5.1
China	6.7	6.9	6.6	6.4
India	7.1	6.7	7.4	7.8
Sub-Saharan Africa	1.4	2.8	3.4	3.7

(Source: IMF April 2018)

Indian Economy

India's macroeconomic fundamentals remained strong throughout the year. India's growth story showcases improving growth dynamics and domestic consumption with supportive tailwinds from global growth and exports. India is expected to be the top three economic powers of the world in next 10-15 years. Going ahead strong private consumption project high growth rate in India.

Quarterly GDP Growth Rate for India FY 2017-18*
(in %)



(Source: CSO)

*GDP growth rates at constant (2011-12) prices

Economic scenario improved with investments in various sectors of the economy. Key events during the year were:

a) **Ratings Upgrade:** Moody's upgraded India's sovereign rating with a stable economic outlook. There was a progress in structural reforms.

b) **Implementation of GST:** GST will help reduce internal barriers to trade, increase efficiency and improve tax compliance.

c) **Bank recapitalization:** To encourage private participation thus boosting growth.

d) **Improved Ranking:** India jumped 30 places to include itself among top 100 companies under World Bank's Ease of Doing Business ranking.

India's Foreign Direct Investment inflows were bullish with maximum contribution from services, computer software and hardware, telecommunication, trading and automobiles. The Union Budget for 2018-19 focuses on uplifting the rural economy and strengthening the agricultural sector, healthcare and quality of education. Make in India initiative to boost the manufacturing sector, and to increase the purchasing power would boost domestic demand further. As per World Bank, private investments in India are expected to grow and overtake private consumption growth and thereby drive the growth in GDP. India is expected to achieve upper middle income status on the back of digitization, globalization and new economic reforms.

Africa Economy

Aided by strong global growth, higher commodity prices, and improved market access, sub-Saharan Africa is expected to grow by 3.4% during 2018 as compared to 2.8% a year ago. Better terms of trade contributed to narrowing of current account deficits in most resource intensive countries, but demand compression also played a role in few resulting in non-uniform growth across the region. Portfolio flows fueled stock markets, however they were restricted to economic hubs. Although growth impetus stems mainly from improved commodity prices, countries are making structural transformations as well.

The upward momentum in global economic growth is likely to be sustained, which will continue to create a supportive environment for commodity prices. The Balance of Payments problems that plagued many of the continent's commodity-exporting countries are mostly behind, partly due to recovering commodity prices and some bold policy measures taken in some countries. There are still signs of long-running structural deficiencies that would likely restrain the medium-term recovery path. But, overall, the outlook for growth in Africa is positive.

There are fundamentally positive dynamics which play in Africa's favour, including a growing labour force, increased urbanisation and advanced technology. Africa has the potential to emerge as one of the world's most productive and dynamic economies where the telecom sector continues to witness a revolution in the areas of data and mobile commerce.

Mobile has become a platform of choice for creating, distributing and consuming innovative digital solutions in Africa. This scenario is also leading to a tech start-up ecosystem in the region. Mobile devices are now the primary means through which about 80% of internet users in sub-Saharan Africa access the internet.

Megatrends that drive our business:

a) Convergence of payments via smartphones is driving financial inclusion. Demonetisation and cashless initiative has pushed the digital payments in India significantly. Telecom industry, with an expansive distribution network is best placed to capture this opportunity. According to a white paper by ACI Worldwide along with AGS Transact Technologies (AGSTTL), digital transactions in India could be worth USD 1 Tn annually by 2025, with four out of every five transactions being done digitally. The user base for digital transactions in India is currently close to 90 Mn, but could triple to 300 Mn by 2020 as new users from rural and semi-urban areas enter the market, the report said.

b) Sub-Saharan Africa is home to 338.4 Mn mobile money accounts which grew by 18.4% YoY. A steady uptick in active customers, transactions and direct revenue are expected to drive the digital transactions further.

c) Increased penetration of affordable devices, combined with cloud computing, analytics and rising consumer expectations is driving the rapid growth of the IOT market. The IOT market in India is poised to reach USD 15 Bn by 2020, accounting for nearly 5% of total global market. Telecom will play a critical role in providing connectivity and solutions in this market. Number of M2M connections in Africa is expected to reach 26 Mn by 2020.

d) Convergence of fixed and wireless technologies is becoming more tangible with improvements in handsets, increased data speed, and development of backhaul.

e) Indian smartphone market witnessed a 14% annual growth with a total shipment of 124 Mn units in 2017, expected to reach 500-600 Mn by 2020.

f) The number of internet users in India will reach 500 Mn by June 2018, rising by 11.34% from 481 Mn users in 2016. Users in urban India grew by 9.66% till December 2017 from December 2016, while users in rural India grew by 14.11% during the same period.

g) The penetration of high-speed mobile broadband in India continues to outpace industry expectations, driven by rapid adoption of low cost smartphones and lower data pricing. A divergent consumer base has led to consumption of video / entertainment in varied patterns (smaller durations and multiple times a day). The increasing usage of digital service will push the consumption through Over the top (OTT) platform in near future.

h) Smartphone connections in sub-Saharan Africa have doubled over the past two years to nearly 200 Mn, accounting for a quarter of mobile connections in 2016. Affordability of new devices and growing second-hand mobile devices market have led to increase in mobile data traffic.

i) By 2020, India is set to become the world's youngest country with 64% of its population in the working age group. This demographic potential will offer India an unprecedented edge with increase in mobile data penetration.

j) With digitization Phase III and IV, DTH operators are likely to benefit from a rising subscriber base and higher market penetration. Innovations in paid TV services, migration from SD to HD boxes have increased consumption of – smart TV's and HD services, offering more opportunities to service operators.

Industry overview

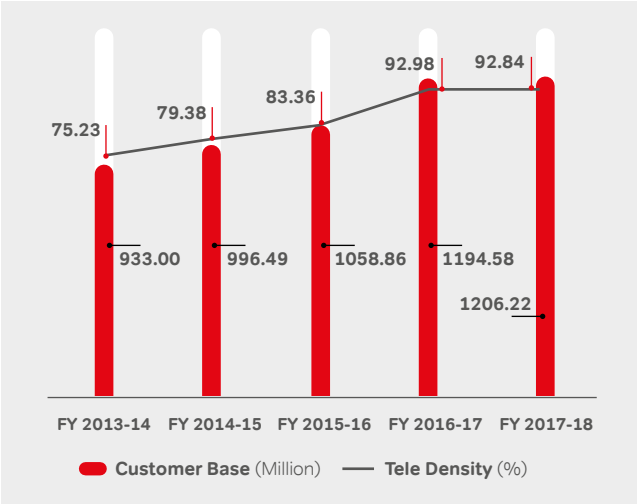
Indian Telecom Sector

India's total customer base stood at 1,206.22 Mn with tele-density of 92.84%, as on March 31, 2018. The year saw financial stress across the industry ultimately leading to hastening of the eventual consolidation in the industry. The year saw a host of operator shut downs and M&A announcements. This has fast tracked the customer consolidation and consequently the customer base has registered a muted growth of 1.0% in FY 2017-18 vis-à-vis 1,194.58 Mn last year and there has been a marginal decline in the tele-density from 92.98% last year.

The sector has witnessed a strong growth of internet users and remains to have world's second highest number of internet users. The wire-line customer base was at 22.81 Mn at the end of March 31, 2018 vis-à-vis 24.40 Mn at the end of March 31, 2017.

Among the service areas excluding metros, Himachal Pradesh has the highest tele-density (135.52%) followed by Tamil Nadu (134.11%), Punjab (123.30%), Kerala (121.61%), Gujarat (112.44%), Karnataka (109.01%), Jammu & Kashmir (108.63%) and Maharashtra (108.46%). Among the three metros, Delhi tops with 252.93% tele-density. On the other hand, the service areas, such as Bihar (63.12%), Madhya Pradesh (66.99%), Uttar Pradesh (71.21%) and Assam (74.63%) have comparatively low tele-density.

Tele Density: India



(Source: Telecom Regulatory Authority of India)

While the rural penetration improved during the year and touched 59.05% as on March 31, 2018 vis-à-vis 56.91% as on March 31, 2017, there is still a strong headroom for growth. With urban tele-density of over 160%, customer service and experience will be the key growth drivers in urban areas. With the government's favourable regulations and policies, the fast changing high-speed 4G ecosystem, India's telecommunication sector is expected to witness a continued surge in data consumption in the coming years.

The financial stress across the industry was further exacerbated by the explosion of voice and data traffic and the need to invest to sustain network capacities. The company continued to invest in capex to enhance data capabilities and better customer experience. It remains best placed to capture the ever growing data market.

African Telecom Sector

Fuelled by improved economic conditions, the African continent continues to present great opportunities in the telecom sector. The liberalization of the sector, the extension of services by multinational conglomerates and the active competition currently have all contributed to the continued expansion of the sector.

The currencies across the continent have remained comparatively stable versus the US dollar over the last 12 months (exit March 31 rates) except for CFA franc (which appreciated by 13%) and Nigeria where the company transitioned from 'administered' to 'market based' exchange rate during the year. In terms of the 12-month average rates, the revenue weighted Y-o-Y currency depreciation has been 3.5%, mainly caused by depreciation in Ugandan Shilling by 5% and Rwandan Franc by 7%.

A population of over a billion people and growing economic potential continue to offer opportunities for the African telecom sector. The company has witnessed robust growth across mobile data and digital economy offerings on the back of sustained customer focus, enhanced capex spends toward data capacities and expansion of its mobile money offering. With the smartphone prices coming down and increase in data adaptability, the African telecom market is at the cusp of its long term profitable growth story.

Development in Regulations

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

India

> **Revision of Mobile Termination Charges (MTC):** In September, 2017 the sector regulator Telecom Regulatory Authority of India (TRAI) came out with final regulation on termination rates for the industry effective from October 1, 2017. The Mobile Termination charge has been reduced from ₹ 0.14 per min to ₹ 0.06 per min. The regulation also lays out a roadmap to phase out these charges completely w.e.f. January 1, 2020.

> **Revision in International call termination charges:** The sector regulator, Telecom Regulatory Authority of India (TRAI) has announced a reduction in International Termination Rate (ITR) from ₹ 0.53 per min to ₹ 0.30 per min w.e.f. February 1, 2018.

> **Implementation of the Goods and Services Tax (GST):** With the enactment of GST Act, 2017, various central and state taxes have been subsumed in a unified Goods & Services tax (GST) w.e.f. July 1, 2017. The GST rate for telecommunication and broadcast services has been fixed at 18%.

> **Re-verification of existing subscribers through Aadhar based e-KYC:** Pursuant to Hon'ble Supreme Court's order dated February 6, 2017 and the subsequent DoT direction dated March 23, 2017, licensees are required to re-verify all existing mobile subscribers (prepaid and postpaid) through Aadhar based E-KYC process. The last date for re-verification has been extended by DoT vide its direction dated March 21, 2018 till the matter is finally heard and the judgement is pronounced by the Hon'ble Supreme Court on its interim order passed on December 15, 2017.

> **Amendment in Unified License Agreement for deployment of Switches and other network elements:** DoT vide its direction dated June 23, 2017 has permitted Telecom Service Providers (TSPs) to deploy its equipment anywhere in India subject to the interconnection points

being located and operated in the respective service areas and meeting the security conditions as mentioned in the license.

- **Regulation on Quality of Service:** TRAI has released an amendment to the Quality of Service regulation w.e.f. October 1, 2017 and key highlights are as below:
  - Methodology for assessment of Drop Call Rate (DCR) has been revised from 'simple average' of call drop across all Base Transceiver Station (BTS) in a month to a 'percentile' based approach which better reflects area-to-area and day-to-day variations.
  - To ensure a technology agnostic performance measurement, the DCR assessment will be done across all technologies (GSM, WCDMA, CDMA, LTE etc.) as a whole.
  - Graded financial disincentives for failing to meet DCR benchmarks have been introduced. Disincentives range up to ₹ 5 lakhs per parameter in the first month.
- **Telecommunication Interconnection Regulations, 2018:** The regulation, effective from February 1, 2018, lays down rules for drafting network connectivity agreements along with norms for initial provisioning of such connectivity, augmentation of Points of Interconnect (PoI), applicable rates or charges, disconnection of ports, and financial disincentive on interconnection issues. The key features are:
  - Post receipt of a request for interconnection, service providers now have a defined time frame of 30 days to enter into a non-discriminatory agreement.
  - A financial disincentive, not exceeding rupees one lakh per day per licensed service area, has been introduced for violation of these regulations and timelines.
- **Regulation on Telecom Tariff Order:** Telecom Regulatory Authority of India (TRAI) notified the "Telecommunication Tariff (63rd amendment) Order, 2018" dated February 16, 2018. The key features are:
  - The term significant market power (SMP) has been defined. Any service provider holding a share of at least thirty percent of total activity (subscriber base or revenue) in a relevant market is now categorized as an SMP.
  - A SMP will be considered to be involved in predatory pricing if it provides services at a price which is below the average variable cost with intent to reduce competition or eliminate the competitors in the relevant market.
  - No service provider can discriminate its offerings between subscribers of the same class and such classification of the subscribers shall not be arbitrary.
  - In case of tariff being found to be predatory, the service provider shall be liable to pay an amount not exceeding fifty lakh rupees per tariff plan for each service area.
  - All segmented offers are required to be reported to TRAI and published on the operator's website as well.

  However, as per TDSAT Interim order dated April 24, 2018, the Hon'ble TDSAT has stayed the reporting requirement and definition of SMP as quoted in TTO 63rd Amendment.

Africa

- **Rwanda:** The Regulator has set a new glide path for Mobile Termination Revenue (MTR) effective from September 1, 2017. The current MTR rate of 20.7 FRW will change to 15 FRW till December 31, 2017, 10 FRW till December 31, 2018 and finally 5 FRW from January 1, 2019.
- **Malawi:**
  - A new Telecommunication Bill has made it mandatory for companies to have 20% local shareholding before August 1, 2018.
  - The Regulator has set a glide path for Mobile Termination Revenue (MTR) effective from January 1, 2018. The current MTR of USD 0.04 has changed to USD 0.02, will become USD 0.012 effective January 1, 2019 and finally USD 0.006 effective January 1, 2020.
  - The Reserve Bank has passed a law in June, 2017 which makes mobile money interoperability mandatory with an implementation timeline of six months.
- **Zambia:**
  - The Regulator has awarded fresh license to Uzi Zambia Limited making it the 4th mobile operator in the market.
  - The Zambian regulator has completed the process of migrating existing licences to a unified licence regime.
- **Tanzania:** The Regulator has set a new glide path for Mobile Termination Revenue (MTR). The current MTR of TZS 26.96 has been changed to TZS 15.60 effective from January 1, 2018. Thereafter the rates will steadily decline every year in January.
- **Uganda:** The regulator has set a new glide path for Mobile Termination Revenue (MTR). The current MTR of 112 UGX will change to UGX 65 effective from July 1, 2018. Thereafter the rates will steadily decline every year in July.
- **Madagascar:** The regulator in Madagascar has issued new Mobile Termination Revenue (MTR) determination terms. The current MTR of Ar 125 has been replaced with operator-wise terms.

SCOT analysis

Strengths

- **Leadership:** #1 telecom player in India and #2 operator in Africa. Market leadership (Rank 1 & 2) in 12 of 14 African countries.
- **Scale:** Largest Revenue and Subscriber Market Share in India.
- **Distribution Platform:** Large distribution platform enabling services like Mobile Money, OTT applications - Wynk Music and Airtel TV.
- **QuadPlay:** Only operator to leverage quad play Mobile, Fixed Voice, Broadband and DTH.
- **Network:** Only player with Pan India 4G/3G spectrum. Highest spectrum market share (~30%). Large deployments of Network Towers and Base Stations.

Opportunities

- **Tele Density:** Low teledensity in India and Africa. Unique users in India ~750 Mn (<60% penetration). 420 Mn unique users in Africa (<50% penetration).
- **Data Usage Growth:** Data explosion with the proliferation of affordable smartphones and Government of India's digital drive. Data usage exploding in Africa.
- **Digital Payments:** India's digital payments space is expected to grow the segment by about five-fold to USD 1 trillion by 2023. Underpenetrated banking opportunity in Africa.
- **Content:** Increased interest in digital content. Video consumption contributes to >70% of data consumption.
- **Active Infra Sharing:** Active infra sharing to lead to reduced expenditures.
- **Other Non-Mobile Businesses:** Low fixed broadband penetration in India (1.4 fixed broadband subscriptions per 100 inhabitants). Digitization phase 3 and 4 to uplift DTH homes. Large SMB's with low connectivity.
- **Consolidation:** Consolidation in the industry with exits of various telcos leading to better industry dynamics and higher/better market share.

Challenges

- **Operations:** Geographically varied presence, integrating operations across India, South Asia and Africa leveraging common platform.
- **Customer Needs:** Understanding evolving customer perceptions in fast-changing multi-cultural and multi-lingual environment.

Threats

- **Competition:** Decline in average revenue per user due to increasing competition.
- **Regulatory:** Political and Economic uncertainties across regions.
- **Currency Exposures:** Volatility in currencies due to global macro-economic uncertainties.

Financial review

Consolidated Figures

Particular	FY 2017-18		FY 2016-17	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenue	8,36,879	12,986	9,54,683	14,214
EBITDA before exceptional items	3,04,479	4,725	3,56,206	5,304
Interest, Depreciation & Others before exceptional items	2,63,878	4,095	2,67,277	3,979
Profit before exceptional items and Tax	40,601	630	88,930	1,324
Profit before tax	32,670	507	77,233	1,150
Tax expense	10,835	168	34,819	518
Profit for the year	10,990	171	37,998	566
Earnings per share (In ₹ / USD)	2.75	0.04	9.51	0.14

*1 USD = ₹ 64.44 Exchange Rate for financial year ended March 31, 2018 (1 USD = ₹ 67.16 for financial year ended March 31, 2017).

Standalone Figures

Particular	FY 2017-18		FY 2016-17	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenue	5,36,630	8,327	6,22,763	9,273
EBITDA before exceptional items	1,81,529	2,817	2,42,242	3,607
Interest, Depreciation & Others before exceptional items	1,82,300	2,829	1,54,629	2,302
Profit before exceptional items and Tax	(771)	(12)	87,613	1,304
Profit before tax	(6,812)	(106)	(85,095)	(1,267)
Tax expense	(7,604)	(118)	14,161	211
Profit for the year	792	12	(99,256)	(1,478)
Earnings per share (In ₹ / USD)	0.20	0.00	(24.84)	(0.37)

*1 USD = ₹ 64.44 Exchange Rate for financial year ended March 31, 2018 (1 USD = ₹ 67.16 for financial year ended March 31, 2017).

The Company's consolidated revenues stood at ₹ 836,879 Mn for the year ended March 31, 2018, as compared to ₹ 954,683 Mn in the previous year, decrease of 12.3% (decrease of 9.8% after normalising for impact of IUC rate cut in India, divested operating units of Africa / Bangladesh and acquisition of Tigo, Rwanda). The revenues for India and South Asia (₹ 644,217 Mn for the year ended March 31, 2018) represented a de-growth of 13.5% compared to that of previous year (de-growth of 11.6% after normalising for impact of IUC rate cut and impact of Bangladesh divestment). The revenues across 14 countries of Africa, in constant currency terms, grew by 4.9% (growth of 4.6% adjusting for the impact of divestment of tower assets and acquisition of Tigo, Rwanda).

The Company incurred operating expenditure (excluding access charges, cost of goods sold, license fees and CSR costs) of ₹ 358,888 Mn representing a decrease of 9.2% over the previous year. Consolidated EBITDA at ₹ 304,479 Mn decreased by 14.5% (decrease of 13.3% after normalising for impact of IUC rate cut in India, divested operating units of Africa / Bangladesh and acquisition of Tigo, Rwanda) over the previous year. The Company's EBITDA margin decreased during the year to 36.4% as compared to 37.3% in the previous year. Depreciation and amortization costs for the year were lower by 2.7% to ₹ 192,430 Mn. Consequently, EBIT for the year at ₹ 110,845 Mn decreased by 29.3% (decrease of 31.1% after normalising for impact of IUC in India and impact of divestments) resulting in margin of

13.2% vis-à-vis 16.4% in the previous year. The cash profits from operations (before derivative and exchange fluctuations) for year ended March 31, 2018 was ₹ 227,169 Mn vis-à-vis ₹ 283,666 Mn in the previous year.

Net finance costs at ₹ 80,712 Mn were higher by ₹ 3,737 Mn, compared to previous year, mainly due to lower investment income by ₹ 3,488 Mn (FY 2017-18 – ₹ 5,117 Mn, FY 2016-17 – ₹ 8,606 Mn). The increase on account of spectrum related debt in India was partially off-set by lower forex losses in current year compared to previous year. Consequently, the consolidated profit before taxes and exceptional items at ₹ 40,601 Mn compared to ₹ 88,930 Mn for the previous year.

The consolidated income tax expense (before the impact on exceptional items) for the full year ending March 31, 2018 was ₹ 14,918 Mn, compared to ₹ 44,230 Mn for the previous year. The decline is primarily led by drop in profits in India. After adjusting for certain losses where no DTA was created, the underlying effective tax rate in India for the year ended March 31, 2018 was at 26.5% vs 29.4% in the previous year. The tax charge in Africa for the full year (excluding divested units) was at USD 159 Mn vs USD 148 Mn in the previous year on account of change in profit mix of the countries.

Net income before exceptional items for the full year came in at ₹ 13,960 Mn as compared to ₹ 38,134 Mn in the previous year. Exceptional items during the year accounted for net impact of ₹ 2,970 Mn. These included impact of gains / losses on divestment of subsidiaries, translation impact in Nigeria due to transition to market based exchange rate, litigation related assessments, operating costs on network re-farming & upgradation programmes and assessment of tax provisions. After accounting for exceptional items, the resultant consolidated net income for the year ended March 31, 2018 came in at ₹ 10,990 Mn as compared to ₹ 37,998 Mn in the previous year.

The capital expenditure for the full year was ₹ 268,176 Mn (USD 4.2 Bn) as compared to ₹ 198,745 Mn in the previous year (an increase of 34.9%). Consolidated operating free cash flow for the year was at ₹ 36,303 Mn as compared to ₹ 157,461 Mn in previous year. Higher investments and continued pricing pressure in India has resulted in decline of Return on Capital Employed (ROCE) to 4.6% from 6.5% in the previous year.

Liquidity and funding

As on March 31, 2018, the Company had cash and cash equivalents of ₹ 47,886 Mn and short-term investments of ₹ 68,978 Mn. During the year ended March 31, 2018, the Company generated operating free cash flow of ₹ 36,303 Mn. The Company's consolidated net debt as on March 31, 2018 increased by USD 517 Mn to USD 14,611 Mn as compared to USD 14,094 Mn last year, mainly on account of increased capital expenditure. The Net Debt - EBITDA ratio (USD terms LTM) as on March 31, 2018 stood at 3.13 times as compared to 2.63 times in the previous year, mainly on account of increased borrowings and reduced EBITDA. The Net Debt-Equity ratio stood at 1.37 times as on March 31, 2018, compared to 1.35 times in the previous year.

During the year, the Company undertook several initiatives to meet its liquidity and funding requirements. The Company completed the secondary sale of its subsidiary Bharti Infratel Limited ("Bharti Infratel") to global fund managers and global tower company investors for a consideration of approx ₹ 25,700 Mn and ₹ 33,250 Mn in Q2'18 and Q3'18 respectively, thereby reducing it's equity stake to 53.51% in Bharti Infratel. These proceeds were primarily used by the Company to reduce its debt. The Company also made its maiden unsecured listed NCD issuance of ₹ 30,000 Mn in Q4'18. The Company continues to maintain its credit ratings and has access to both domestic and international debt capital markets.

Awards and Recognition

- Airtel has won the **'Aon Best Employer India 2017'** award for its innovative people practices and achieving high levels of employer brand, employee engagement and well established people practices.
- Airtel won the **TM Forum's Excellence Award 2017** in the 'Smart Service Provider – Business of the Year' category for accelerating digital transformation in India. TM Forum is a global non-profit industry association for service providers and their suppliers within the telecommunications industry.
- Airtel has won the prestigious **'Golden Peacock Award for Corporate Sustainability – 2017'**. The award assesses the responsiveness of organizational strategy to the needs of different stakeholders, integration of sustainable development issues with corporate functioning and development of innovative partnership models to fulfill social responsibility.
- Airtel is one of the only 3 companies from India to be ranked amongst the **Forbes list of 100 most Innovative Companies in the world** for 2017.
- Airtel won the **'Best Brand Loyalty Marketing Campaign'** and **'Best CSR Initiative Award'** at the Asian Customer Engagement Forum (ACEF) awards. The Forum honors campaigns that display the highest proficiency and creativity in fields of integrated marketing and customer engagement.

- Airtel has been rated as the **fastest mobile network in India** by the global leader in internet speed tests - Ookla for third time in a row.
- Airtel has been ranked as the **'Best Company to Work For'** within the telecom sector and amongst the top 10 across sectors in India by **Business Today – PeopleStrong Survey, 2017.**

Segment-wise Performance

B2C services

Mobile Services: India 

Overview

The year saw a number of impactful regulatory developments and heightened financial stress across the industry. The year began with the implementation of customer verification norms through the Aadhar based e-KYC. This ushered in a paper less and digital activation process which led to improvement in the customer on boarding experience. Goods and Services Tax (GST) was made effective July 1, 2017 and the indirect tax on telecommunication and broadcasting services was fixed at 18%. The sector regulator, Telecom Regulatory Authority of India (TRAI) came out with regulations on the interconnect termination rates. The domestic mobile termination charge (MTC) was reduced from ₹ 0.14 per min to ₹ 0.06 per min effective October 1, 2017 and the international MTC rate was reduced from ₹ 0.53 per min to 0.30 per min effective February 1, 2018. These rate cuts have led to further decline in industry ARPU.

Low priced bundle products with unlimited voice calling benefits and large data download became the norm and consequently, voice and data traffic saw unprecedented levels of growth. The financial stress across the industry ultimately led to the hastening of the eventual consolidation in the industry. The year saw a host of operator shut downs and M&A announcements.

The financial stress across the industry was further exacerbated by the explosion of voice and data traffic, and the need to invest to sustain network capacities. Airtel entered into several M&A transactions to harness operational synergies and scale benefits from consolidation. During the year, the acquisition of Telenor India has also been approved by the Department of Telecommunications (DoT). The company also completed the acquisition of Tikona Digital Networks. The company also entered into agreements with Tata Teleservices Ltd. (TTSL) and Tata Teleservices (Maharashtra) Ltd. (TTML) to merge their Consumer Mobile Business (CMB). The deal is currently under regulatory approvals. The above acquisitions have further strengthened the company's spectrum portfolio and are in line with company's commitment to provide the best network and customer experience.

The company crossed the milestone of 300 Mn customers in India; the latest 100 Mn customers have joined the Airtel family in less than 2 years. As on March 31, 2018, the Company had 304.2 Mn GSM customers. During the year, total minutes on network increased by 45.3% to 1,946.3 Bn. The churn decreased to 3.5% for the current year, compared to 3.7% during the previous year. The Company had 86.1 Mn data customers at the end of March 31, 2018, of which 76.6 Mn were mobile broadband customers. The total MBs on the network for the full year has increased by 432.2% to 3,901.8 Bn MBs. The company has also expanded its reach within the digital space. Wynk music remains the number 1 music app in the country and Airtel TV is now ranked number 3 amongst comparable video OTT apps. It offers more than 350 live channels, 8000+ movies and is available in 14 languages.

During the year, revenues decreased by 18.2% to ₹ 462,639 Mn as compared to ₹ 565,511 Mn in the previous year. The segment witnessed decline in the EBITDA margin to 32.6% during the year, compared to 40.3% in the last year. EBIT margin for the year declined to 4.5%, compared to 18.7% in the last year.

In line with its commitment to provide best network & customer experience to its customers, the company launched a number of innovative offerings to maintain differentiation in a highly competitive market. There were a number of 'industry firsts' through the year such as:

- 'Data rollover': Allows the un-used data of a customer to be carried forward into the next billing cycle;
- 'Project Next': A digital innovation program aimed at transforming customer experience across all of its services and touch points;
- *121#: A digital care platform in 10+ regional languages;
- A digital platform dedicated for B2B customers.

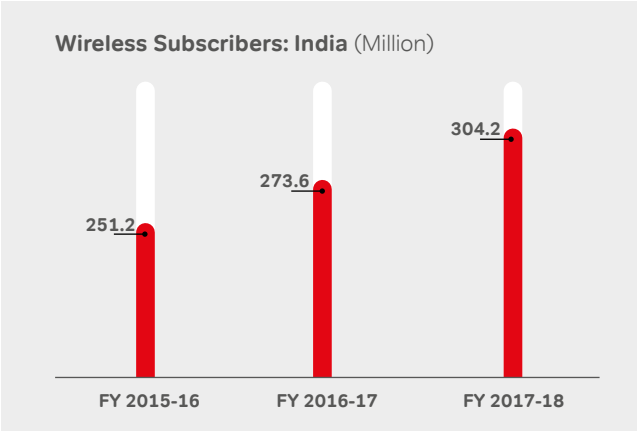
These innovations increased Airtel's innovation premium and made it feature on the Prestigious Forbes' list of 100 most innovative companies in the world for 2017 - one of the only 3 Indian companies to feature on the same.

The company expanded its "project leap" initiative announced last year and continued to invest in building data capabilities and provide a world class network to customers who are on a journey of digital transformation. The capex investment, its highest ever, were almost entirely targeted to this end. These investments resulted in the company being named as the

'fastest mobile network in India' by the global leader in internet speed test – Ookla for three consecutive times in a row.

The Company had 165,748 network towers, compared to 162,046 network towers in the last year. Mobile broadband (MBB) base stations were at 298,014 the end of the year, compared to 190,860 at the end of last year.

Particulars	FY 2017-18	FY 2016-17	Y-O-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	4,62,639	5,65,511	-18%
EBIT	20,829	1,05,484	-80%



Key Highlights

Strategic Alliances & Partnerships: Airtel entered into a host of partnerships with the aim to provide a differentiated customer experience

- Airtel has partnered with Amazon to launch a first-of-its-kind offer for its postpaid customers. Existing and new postpaid customers with an Airtel Infinity Plan of ₹ 499 or above can now get a one year membership of Amazon Prime, worth ₹ 999 at no additional cost. Airtel also partnered with Amazon for Amazon's Fire TV Stick with Voice Remote, which was launched in India. Customers purchasing Amazon Fire TV will get free 100 GB high speed data via Airtel Broadband/Airtel 4G Home Wi-Fi.
- Airtel and Ola (ANI Technologies Pvt. Ltd.) have entered into a partnership that enables a seamless digital experience for customers. Airtel Payments Bank will be integrated with the Ola app to offer payment solutions to Ola's consumers. Ola's digital wallet will be integrated with Airtel to enable payments for mobile, broadband and direct-to-home bills through Ola Money.
- Airtel announced a partnership with Facebook to deploy 20,000 hotspots across India, allowing Express Wi-Fi to reach millions of Indians and provide super-fast and affordable connectivity.
- Airtel has joined hands with Hotstar and ALT Balaji to bring their popular original shows and movies onto the Airtel TV App.
- Airtel announced a strategic partnership with SK Telecom, Korea's largest telecommunications company to leverage the latter's expertise to build the most advanced telecom network in India.
- Airtel launched 'Mera Pehla Smartphone' initiative wherein Airtel and Karbonn Mobiles have announced a partnership to bring an affordable 4G Smartphone to the market. The Android based 4G smartphone comes with full touch screen experience, dual SIM slots and access to all popular apps like YouTube, WhatsApp and Facebook. Airtel further extended a number of partnerships with Google, HMD Global, Motorola, Lava Celkon, Intex, Samsung and Itel to bring highly affordable 'bundled' 4G smartphone options to the market.
- Airtel has partnered with OneWeb, Airbus, Delta and Sprint in a global 'Seamless Alliance' to leverage satellite technology and bring uninterrupted In-Flight connectivity to mobile users.
- Airtel Payments Bank entered into a strategic partnership with Hindustan Petroleum Corporation Limited (HPCL), and enabled all 14,000 HPCL fuel stations across the country to also act as its banking points. Airtel Payments Bank customers will also be able to make secure and convenient digital payments for fuel purchases at all these stations.

Mergers & Acquisitions: Airtel entered into several M&A transactions to harness operational synergies & scale benefits from consolidations.

- Airtel's proposed merger with the Indian unit of Norway's Telenor has been approved by DoT. The Department of Telecommunications has transferred all licenses belonging to the Indian unit of Norway's Telenor, along with its liabilities to Airtel. The transaction will boost the Airtel's 4G spectrum holdings, fortify its network capacity and augment its revenue. The Telenor India acquisition consolidates Airtel's market leadership, further strengthens its network portfolio in key markets and will add to shareholder value.
- Airtel's proposed merger with the consumer business unit of Tata Teleservices (Maharashtra) Ltd. (TTML) and Tata Teleservices Ltd. (TTSL) is under regulatory approvals. Securities and Exchange Board of India (SEBI) has given approval for the TTML merger.

- Airtel has completed the proposed acquisition of shares of Tikona Digital Networks. With the said acquisition, Tikona has become a wholly owned subsidiary of Airtel. Merger is subject to other statutory approvals.

- Airtel (through the subsidiary Company) acquired a strategic stake in Juggernaut Books ('Juggernaut'), a popular digital platform to discover and read high quality, affordable books and to submit amateur writing. This synergizes with Airtel's endeavor to build an open content ecosystem and bring world class digital content to customers.

Successful Divestment/Funding: Airtel (through the subsidiary company) offloaded ₹ 58,950 Mn stake in Bharti Infratel primarily to pare debt & issued ₹ 30,000 Mn worth NCDs to refinance existing debt.

- Bharti Airtel Limited via its wholly owned subsidiary, Nettle Infrastructure Investments Limited, divested 150 Mn shares of its subsidiary Bharti Infratel Limited through secondary share sale in the stock market for a consideration of over ₹ 58,950 Mn.

- Airtel has issued non-convertible debentures worth up to ₹ 30,000 Mn on a private placement basis. The proceeds of the issue will be used for routine treasury activities such as refinancing of existing debt and spectrum liabilities etc.

Network Expansion & Transformation: Airtel took several initiatives to remain lean & Agile and provide a world class network to customers who are on a journey of digital transformation.

- Airtel has signed an agreement with the Department of Telecom (DoT) and the Universal Service Obligation Fund (USOF) in December 2017 for provision of mobile services in identified uncovered villages and national highways in the North Eastern States of Assam, Manipur, Mizoram, Nagaland, Sikkim, Tripura and Arunachal Pradesh. Under the agreement, Airtel will set up over 2,000 mobile towers in more than 2,100 villages over the next 18 months.

- Airtel announced the launch of India's first Telecom Infra Project (TIP) Community Lab. Airtel is among the early members of TIP – a global initiative founded by Facebook, Deutsche Telekom, Intel, Nokia and SK Telecom to create a new approach for building and deploying telecom network infrastructure.

- In an Industry first, Airtel announced the deployment of Massive Multiple-Input Multiple-Output (MIMO) in partnership with Huawei Telecommunication India. Part of Airtel's ongoing network transformation program, Project Leap, this technology will expand existing network capacity and enhance user experience. The first round of deployment has started in Bangalore and Kolkata.

- Airtel launched its VoLTE services in Mumbai, Madhya Pradesh, Andhra Pradesh, Gujarat, Karnataka, Chennai, Maharashtra, Goa and Chhattisgarh. Customers can now enjoy HD quality voice calls and call any mobile, landline network using Airtel VoLTE, which works over 4G.

- Airtel conducted India's first 5G network trial in partnership with Huawei.

Digital Innovations & Customer Delight: Airtel continued its journey of digital innovations to empower the increasingly demanding customers & to maintain differentiation in a highly competitive market.

- Airtel has crossed the 300 mn mobile customer mark in India during the quarter ending March 31, 2018.

- Airtel launched 'Project Next' – a digital innovation program aimed at transforming customer experience across all of its services and touch points. This will entail an investment of upto ₹ 2,000 crores over the next three years to launch several exciting digital innovations to bring a step change in the simplicity and interactivity of the Airtel customer experience. As part of the project, Airtel has launched its first set of digital innovations which include:

    - Next-Gen Airtel Stores which are minimalistic by design to provide a highly interactive customer experience including a digital screen, touch screen table top and entertainment hubs. The first two such stores are operational in Gurgaon, Haryana.

    - New version of the MyAirtel App to enable real time customer experience. With the new version, bill plan change, notifications, self-care and many other services will be enabled with the click of a button.

    - Airtel's postpaid promise (www.airtel.in/postpaid promise) which will get seamlessly delivered through the MyAirtel App. As part of the same, Airtel has introduced 'data roll-over' feature which allows customers to roll over unused data quota to the next billing cycle. To protect customer smartphones against accidental / liquid damage and malwares, Airtel has launched – 'Airtel Secure' a one of its kind solution for smartphones up to two years old.

> Airtel launched its Online Store to bring a range of premium devices at affordable down payments and bundled monthly plans. In a first of its kind digital store, Airtel has introduced the iPhone 7 at just ₹ 7,777.

> In an Industry first, Airtel launched its *121# digital care platform for prepaid customers in Hindi and 10 more regional languages - Punjabi, Marathi, Gujarati, Tamil, Telugu, Malayalam, Kannada, Bangla, Oriya and Assamese. This platform allows Airtel's prepaid customers to get seamless access to a host of information such as balance amount, details of last few transactions as well as ongoing offers without requiring to speak to a customer care executive.

> In an industry first, Airtel Payments Bank launched UPI enabled digital payments which allows for secure digital payments to online / offline merchants and instant money transfers to any bank account in India over smartphones.

Corporate Social Responsibility: Airtel implemented a host of sustainability initiatives across the organization and remains fully committed to keep building upon it.

> Airtel released the latest edition of its India Sustainability Report. Airtel's India Sustainability Report 2017 outlines its impact across all stakeholders. Airtel reported over 81% reduction in CO_2 emissions per TB in network infrastructure over the last five years and committed to reduce carbon footprint by 70% by 2020.

Homes Services

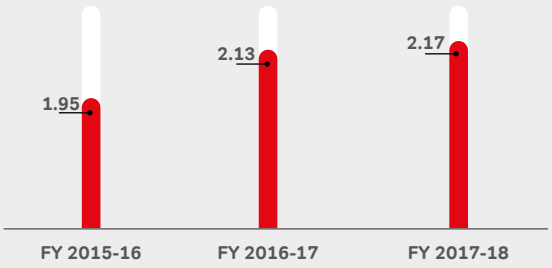
Overview

The Company provides fixed-line telephone and broadband (DSL) services for homes in 89 cities across India. The company expanded 'V-Fiber' technology for its Homes customers after it became the first operator to deploy Vectorization in India; this technology enables the customers to experience internet speeds of up to 100 Mbps. The Homes business had 2.2 Mn customers as on March 31, 2018, representing a growth of 2.0% as compared to 2.1 Mn at the end of previous year. DSL customers now represent 94% of the total Homes customers as compared to 92.3% in the previous year.

Revenues from Homes services stood at ₹ 25,265 Mn for the year ended March 31, 2018, as compared to ₹ 27,518 Mn in the previous year, decrease of 8.2%. EBITDA margin has been slightly decreased during the year to 46.7% as compared to 47.2% in the previous year. During the year data traffic increased by 55.6% to 1,340.8 Bn MBs.

Particulars	FY 2017-18	FY 2016-17	Y-O-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	25,265	27,518	-8%
EBIT	4,717	6,868	-31%

Homes Subscribers: (Million)



Key Highlights

Unrivalled Customer Experience

> Airtel introduced an all new superfast Home broadband plan with speed of up to 300 Mbps over Wi-Fi with free subscription to Airtel's OTT apps - Wynk Music and Airtel TV.

> Further enhancing its value proposition for customers, Airtel introduced 'Data Rollover' feature for its home broadband customers enabling them to carry forward unused monthly data to the next billing cycle. Customers can now accumulate up to 1,000 GB data and easily track their usage and balance data on the My Airtel App.

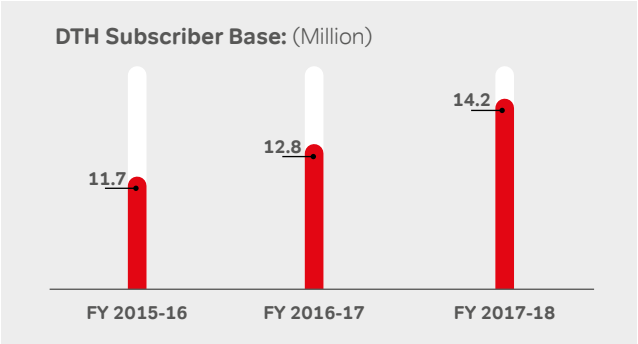
Digital TV Services

Overview

The company served a customer base of 14.2 Mn on its Direct-to-Home platform (Airtel digital TV), as on March 31, 2018, adding 1.4 Mn customers during the year.

The company currently offers both standard and high definition (HD) digital TV services with 3D capabilities and Dolby surround sound. The company currently offer a total of 649 channels including 75 HD channels, 5 international channels and 4 interactive services. Revenues for the year stood at ₹ 37,570 Mn for the year ended March 31, 2018, as compared to ₹ 34,306 Mn in the previous year, increase of 9.5%. Affordability of HD set-top boxes, demand for HD channels and upselling efforts led to ARPU flat at ₹ 231. Operating free cash flow on full year basis at ₹ 3,949 Mn compared to cash flow of ₹ 3,611 Mn during the previous year.

Particulars	FY 2017-18	FY 2016-17	Y-O-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	37,570	34,306	10%
EBIT	5,306	3,577	48%



Key Highlights

Divestment: Airtel beefs up its war chests to fight competition.

> Bharti Airtel announced that an 'affiliate' of Warbug Pincus will acquire an equity stake of up to 20% in Bharti Telemedia Limited – its DTH arm. The transaction is subject to regulatory and statutory approvals. After this transaction, Airtel will own 80% equity stake in Bharti Telemedia Limited.

Awards

> Airtel's Internet TV – India's first 4K hybrid set-top box, powered by Android TV, has won the '**Tech Peripheral of the Year**' award at the NEXA NDTV Gadget Guru Awards.

B2B Services

Airtel Business

Overview

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

Revenues in this segment comprises of: a) Enterprise & Corporates Fixed Line, Data and Voice businesses; and b) Global Business which includes wholesale voice and data. Revenue as per point a) above, together with Enterprise Mobile revenues (included in India Mobile) is at ₹ 95,894 Mn in this year, this is now 15.0% of the total India revenues.

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

Airtel's international infrastructure includes the ownership of i2i submarine cable system, connecting Chennai to Singapore and consortium ownership of submarine cable systems like South East Asia - Middle east - Western Europe - 4 (SWM4), Asia America Gateway (AAG), India - Middle East - 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 22 other cables across various geographies.

Its global network runs across 250,000 Rkms with over 1200 customers, covering 50 countries and five continents and 65 Global PoPs (Point of presence). This is further interconnected to its domestic network in India and direct terrestrial cables to SAARC countries, Myanmar and China helping accelerate India's emergence as a preferred transit hub.

Leveraging the direct presence of Airtel Mobile operations in 16 countries across Asia and Africa, Global Business also offers mobile solutions (ITFS, signalling hubs, messaging), along with managed services and SatCom solutions. Global business is also providing advanced consumers solutions like IOT to global customers.

Particulars	FY 2017-18	FY 2016-17	Y-O-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	1,13,218	1,09,429	3%
EBIT	31,044	22,737	37%

Key Highlights

Digital Transformation & Expansion

> Airtel rolled out a first-of-its-kind dedicated digital platform for B2B customers (including SMEs and startups) to serve their growing connectivity, communication and collaboration requirements. With Airtel's new digital platform on www.airtel.in/business/businessinternet small businesses can buy new communication and collaboration products to enable faster time to market and enhance ease of doing business.

> Airtel has acquired the Indian leg of Gulf Bridge International (GBI) India - Middle East - Europe submarine cable with an aim to consolidate its global network leadership and serve the exploding data demand in emerging markets like India, Gulf and Africa.

Strategic Alliances

> Airtel entered into a strategic alliance with Symantec Corp. to serve the growing cyber security requirements of businesses in India, providing protection and prevention of online threats. As part of the agreement, Airtel will be the exclusive Cyber Security Services partner for Symantec in India, and will distribute Symantec's enterprise security software.

Awards

> Airtel Global Business won the '**Best Wholesale Carrier (Global) Award**' at the Carriers World Awards' 2017 held in London, UK.

Passive tower infrastructure

Overview

A subsidiary of the Company, Bharti Infratel Ltd. (Infratel), is India's leading provider of tower and related infrastructure and it deploys, owns & manages telecom towers and communication structures, for various mobile operators. It holds 42% equity interest in Indus towers, a joint venture with Vodafone India and Aditya Birla Telecom who hold 42% and 16% respectively. The Company's consolidated portfolio of 91,451 telecom towers, which includes 39,523 of its own towers and the balance from its 42% equity interest in Indus Towers, makes it one of the largest tower infrastructure providers in the country with presence in all 22 telecom circles. The company has been the industry pioneer in adopting green energy initiatives for its operations. Infratel is listed on the Indian stock exchanges, NSE and BSE.

Particulars	FY 2017-18	FY 2016-17	Y-O-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	66,284	60,829	9%
EBIT	20,452	17,246	19%

Africa

Overview

Airtel recorded a first full year of profits for its African operations which was a result of a healthy double digit revenue growth, strong cost control through its 'war on waste' program and asset monetisation. Airtel is now one of the top operators in Africa; it holds No.1 position in Zambia, Niger, Madagascar and Malawi and No.2 position in 7 OpCos including Nigeria & Uganda in terms of revenue market share. During the year, Airtel Africa B.V. entered into a Joint Venture with MIC Africa B.V. for its Ghana operations. With this, the company now operates in 14 countries on a standalone basis. Consequently, the financial numbers of Africa have been reinstated to exclude Ghana financials for the period before sale. The transaction for the acquisition of Tigo operations in Rwanda has also been closed effective January 31, 2018 and results for the year also include Tigo for 59 days. The comparable growths have been mentioned as 'Organic' below.

Owing to the underlying economic changes in Nigeria, the company has transitioned from 'administered' to 'market based' exchange rate during the year. The currencies across the continent have remained comparatively stable versus the US dollar over the last 12 months (exit March 31 rates) except for CFA (which appreciated by 13%). In terms of the 12-month average rates, the revenue weighted Y-o-Y currency depreciation has been 3.5%, mainly caused by depreciation in Ugandan Shilling by 5% and Rwandan Franc by 7%. To enable comparison on an underlying basis, all financials up to PBT and all operating metrics mentioned below are in constant currency rates as on March 1, 2017 and are adjusted for divestment of operating units for all the periods i.e. the comparison till PBT has been given below for 14 countries. PBT as mentioned below excludes any realized/ unrealized derivatives and exchange gain or loss for the period.

As on March 31, 2018, the Company had 89.3 Mn customers in Africa across 14 countries as compared to 76.7 Mn customers in previous year, an increase of 16.3%. Its continuous focus on acquiring quality customers has resulted in lower customer churn for the year at 4.4% as compared to 4.9% in the previous year. The total minutes on the network during the year increased by 18.5% to 159.5 Bn. At the end of the year, 24.9 Mn data customers accounted for 27.9% of the total customer base as compared to 22% in the previous year. The total MBs on the network has significantly increased by 89.9% to 237.6 Bn MBs from 125.1 Bn MBs in previous year with usage per customer increasing from 657 MBs to 954 MBs. Overall ARPU in Africa marginally declined from USD 3.25 to USD 3.14. Total sites in Africa as on March 31, 2018 were 19,731 of which 13,725 were 3G sites, representing 69.6% of the total sites.

Airtel Africa revenues grew by 4.9% (organic growth of 4.6%) to USD 3,036 Mn as compared to USD 2,894 Mn in the previous year. The company's continued focus on running the operations efficiently and cost effectively has resulted in EBITDA of USD 1,014 Mn for the year as compared to USD 694 Mn in the previous year, increase of 46.2% (organic growth of 46.0%). Consequently EBITDA margin improved significantly by 9.4% to 33.4% compared to 24.0% in the previous year. EBIT for the year was at USD 551 Mn as compared to USD 136 Mn in the previous year. PBT for the full year was at USD 425 Mn as compared to USD 8 Mn in the previous year. After accounting for full year capex of USD 421 Mn (PY: USD 412 Mn), operating free cash flow was USD 593 Mn as compared to USD 282 Mn in the previous year.

In ₹ Reported Currency

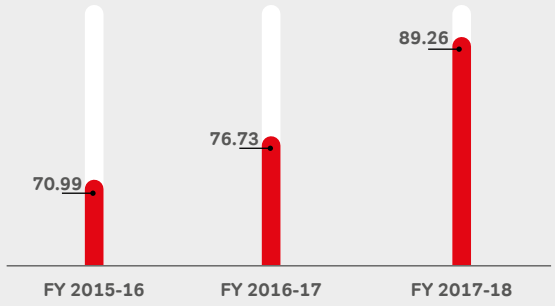
Particulars	FY 2017-18	FY 2016-17	Y-O-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	2,01,564	2,19,568	-8%
EBIT	35,586	10,189	249%

In USD Constant Currency – 14 Countries

Particulars	FY 2017-18	FY 2016-17	Y-O-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	3,036	2,894	5%
EBIT	551	136	306%

Note: During the current financial year, Bharti Airtel Limited divested 1 operating unit in Africa. Accordingly, the above table has been shown for remaining 14 countries only.

Wireless Subscribers: Africa (Million)



across 14 Countries

Key Highlights

Mergers, Acquisitions & Joint Ventures

> Tigo acquisition in Rwanda has been approved by the Rwanda Utilities Regulatory Authority (RURA). Accordingly the financials have been consolidated in Africa performance effective January 31, 2018. The business integration is underway across functions to ensure smooth customer experience and seamless operations management.

> The transaction between Airtel and Millicom International Cellular to combine their telecommunication operations in Ghana has been consummated.

Network Transformation

> Airtel continues to expand its mobile broadband network in Africa by adding 3,391 broadband base stations during the quarter – the highest ever in a single quarter. The quarter saw roll-out of 4G services in 4 countries. Airtel now provides high speed 4G connectivity in 8 countries across the continent.

Digital Innovation

> Airtel Kenya and Safaricom Kenya have launched mobile money interoperability on April 10, 2018. The customers of the two operators are now able to seamlessly transfer or receive money across networks for no extra charge.

Awards & Recognition

> Airtel Nigeria won the **2017 Most Outstanding Customer-centric Telecom Brand Award** at the National Marketing Stakeholders Summit and Brands & Advertising Excellence Awards.

> Airtel Nigeria adjudged as the **Best Company in Recruitment Strategy** during the HR People Magazine Awards in Lagos.

> Airtel Nigeria won the '**Service Excellence in Telecommunication Award'** at the 2017 Commerce & Industry Awards organized by the Lagos Chamber of Commerce and Industry.

> Airtel Nigeria won the **'Payment Innovation Award'** at an award ceremony organized by Interswitch, Africa's leading transaction switching and processing services company. The award recognizes Airtel's transformative use of mobile financial solutions to solve real world customer problems.

> Airtel Ghana won the **'Best Corporate Social Responsibility Initiative Award'** at the 2017 African Carrier Awards. The award recognizes Airtel Ghana's educational initiatives like the School Adoption Programme.

> Airtel Kenya won **the Humanitarian / Corporate Award 2017**, at the Red Cross Volunteer Awards in Nairobi, Kenya. The awards are held in recognition of exemplary service and contribution to Red Cross work of alleviating human suffering.

> Airtel Seychelles won the **'CSR Company of the year'** at the business awards organized by Seychelles Chambers of Commerce and Industry.

> Airtel Nigeria, won the prestigious **'Pitcher Advertiser of the Year Award'** at the creativity week in recognition of its creativity and bold attempts to create fresh and inspiring campaigns.

> The Regulatory Authority for Electronic Communications and Posts (RAECP) awarded Airtel Chad for its **Best quality of network calls and Internet services** in Chad.

South Asia

Overview

The financial numbers of South Asia as mentioned below are not comparable as the previous year includes demerged Bangladesh results for part of the year. Also on account of changes in the MTC rates (Domestic and International) the current figures includes a portion of old rates as well.

Full year revenue of South Asia was at ₹ 4,045 Mn as compared to ₹ 11,743 Mn in the previous year. EBITDA for the year was at ₹ 8 Mn as compared to ₹ 238 Mn in the previous year. EBIT losses for the year reported at ₹ 1,268 Mn as compared to loss of ₹ 4,018 Mn in the previous year. Capex for the year was ₹ 1,235 Mn as compared to ₹ 1,830 Mn in the previous year.

Particulars	FY 2017-18	FY 2016-17	Y-O-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	4,045	11,743	-66%
EBIT	(1,268)	(4,018)	68%

Share of Associates / Joint Ventures

A) Robi Axiata Limited

Robi Axiata Limited is a joint venture between Axiata Group Berhad of Malaysia, Bharti Airtel Limited of India and NTT Docomo Inc. of Japan. Axiata holds 68.7% controlling stake in the entity, Bharti Airtel holds 25% while the remaining 6.3% is held by NTT Docomo.

Robi Axiata Limited is the second largest mobile phone operator of Bangladesh and the first operator to introduce GPRS and 3.5G services in the country.

Key operational and financial performance

Particulars	Unit	Quarter ended			
		Mar-18	Dec-17	Sep-17	Jun-17
Operational Performance					
Customer Base	000's	45,609	42,908	41,211	39,570
Data Customer as % of Customer Base	%	57.8	56.6	57.7	56.1
ARPU	BDT	118	123	131	132
Financial Highlights (proportionate share of Airtel)					
Total Revenues	₹ Mn	3,153	3,605	3,466	3,310
EBIDTA	₹ Mn	679	724	770	526
EBIDTA / Total Revenues	%	21.5	20.1	22.2	15.9
Net Income	₹ Mn	(200)	(261)	(93)	135

Mar-18 financials are as per IFRS 15.

B) Bharti Airtel Ghana Limited

Bharti Airtel Ghana Limited is a joint venture between Bharti Airtel Africa B.V. and MIC Africa B.V. Both the entities effectively hold 49.95% share each in the merged entity.

Key operational and financial performance

Particulars	Unit	Quarter ended	
		Mar-18	Dec-17
Operational Performance			
Customer Base	000's	6,113	6,306
Data Customer as % of Customer Base	%	58.2	57.6
ARPU	BDT	13.2	13.1
Financial Highlights (proportionate share of Airtel)			
Total Revenues	₹ Mn	1,767	1,839
EBIDTA	₹ Mn	262	291
EBIDTA / Total Revenues	%	14.8	15.8
Net Income	₹ Mn	(241)	(373)

Risk & Mitigation Framework

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

1. Regulatory and Political Uncertainties (Legal & Compliance)

Outlook from last year > Stable

Definition

The Company operates in India, Sri Lanka and 14 African countries. Some of these countries (or regions within countries) are affected by political instability, civil unrest and other social tensions. The political systems in a few countries are also fragile, resulting in regime uncertainties; hence, the risk of arbitrary action. Such conditions tend to affect the overall business scenario. In addition regulatory uncertainties and changes, like escalating spectrum prices, call drops penalties, EMF norms among others are potential risks being faced by the business.

Mitigating actions:

> As a responsible corporate citizen, the Company engages proactively with key stakeholders in the countries in which it operates; and continuously assess the impact of the changing political scenario. The Company contributes to the socio-economic growth of the countries in its area of operation through high-quality services to its customers, improved connectivity, providing direct and indirect employment, and contributing to the exchequer. These activities are covered in detail through its annual sustainability report. It also maintains cordial relationships with governments and other stakeholders. The Country MDs and Circle CEOs carry direct accountability for maintaining neutral Government relations. Through its CSR initiatives (Bharti Foundation etc.), it contributes to the social and economic development of community, especially in the field of education.

> The Company actively works with industry bodies like Cellular Operators Association of India (COAI), Confederation of Indian Industry (CII), and Federation of Indian Chambers of Commerce & Industry (FICCI) on espousing industry issues e.g. penalties, right of way, tower sealing amongst others.

> Regulatory team along with legal and networks keeps a close watch on compliances with regulations and laws and ensures the operations of the Company are within the prescribed framework.

2. Economic Uncertainties (Operational)

Outlook from last year > Stable

Definition:

The Company's strategy is to focus on growth opportunities in the emerging and developing markets. These markets are characterised by low to medium mobile penetration, low internet penetration and relatively lower per capita incomes, thus offering more growth potential. However, these markets fall under countries which are 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 might impact its earnings and cash flow. These countries are also affected by economic downturns, primarily due to commodity price fluctuations, reduced financial aid, capital inflows and remittances. Slowing down of economic growth tends to affect consumer spending and might cause a slowdown in telecom sector.

Mitigating actions:

> As a global player with presence across 16 countries, the Company has diversified its risks and opportunities across markets. Its wide service portfolio including voice, data, Airtel Money, Digital Services and value added services helps widen its customer base.

> To mitigate currency risks, it follows a prudent risk management policy, including hedging mechanisms to protect the cash flows. No speculative positions are created; all foreign currency hedges are taken on the back of operational exposures. A prudent cash management

policy ensures that surplus cash is up-streamed regularly to minimise the risks of blockages at times of capital controls. It has specifically renegotiated many operating expenditure / capex Fx contracts in Africa and converted them to local currency, thereby reducing Fx exposure.

> To mitigate interest rate risks, the Company is further spreading its debt profile across local and overseas sources of funds and to create natural hedges. It also enters in interest rate swaps to reduce the interest rate fluctuation risk.

> Finally, the Company adopts a pricing strategy that is based on principles of mark to market, profitability and affordability, which ensures that the margins are protected at times of inflation, and market shares at times of market contraction.

3. Poor quality of networks and information technology including redundancies and disaster recoveries (Operational)

Outlook from last year > Stable

Definition:

The Company's operations and assets are spread across wide geographies. The telecom networks are subject to risks of technical failures, partner failures, human errors, or wilful acts or natural disasters. Equipment delays and failures, spare shortages, energy or fuel shortages, software errors, fibre cuts, lack of redundancy paths, weak disaster recovery fall-back, and partner staff absenteeism, among others are few examples of how network failures happen.

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

Mitigating actions:

> The Company has state-of-the-art Network Operations Centre for both India as well as Africa to monitor real time network activity and to take proactive and immediate action to ensure maximum uptime of network.

> Network Planning is increasingly being done in-house, to ensure that intellectual control on architecture is retained within the Company. As part of the previously announced 'Leap Programme' in India, it continuously seeks to address issues (congestion, indoor coverage, call drops, modernisation and upgrade of data speeds, among others) to ensure better quality of network. Recent efforts also include transformation of the microwave transmission, fibre networks, secondary rings / links and submarine cable networks. The Company consistently eliminates systemic congestion in the network, and removes causes of technical failures through a quality improvement programme, as well as embedding redundancies. Tighter SLAs are reinforced upon network partners for their delivery. The Company's Network Team performance is measured, based on network stability, customer experience and competitor benchmarking. The 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's philosophy is to share infrastructure with other operators, and enter into SLA-based outsourcing arrangements. We have been proactively seeking sharing relationships on towers, fibre, VSAT, data centres and other infrastructure. The disposal of towers in Africa to independent and well-established tower companies and long-term lease arrangements with them will ensure high quality of assets and maintenance on the passive infrastructure. The Company has put in place redundancy plans for power outages, fibre cuts, VSAT breakdowns, and so on, through appropriate backups such as generators, secondary links, among others. Similar approaches are deployed for IT hardware and software capacities; and internal IT architecture teams continuously reassess the effectiveness of IT systems.

> Information Security is managed by dedicated IT professionals, given the huge dependency on automated systems, as well as to ensure that customer privacy is protected.

4. Inadequate Quality of Customer Lifecycle Management (Operational)

Outlook from last year > Expanded

Definition:

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

Customer mind-sets and habits are shifting rapidly, reflected in their ever-rising expectations in terms of quality, variety, features and pricing. The competitive landscape is also changing dramatically, as operators vie with one another to capture customer and revenue market shares which is accelerating customer migration from legacy 2G / 3G networks to high speed 4G networks.

The Company might see heightened competitive intensity in its non-wireless businesses on account of irrational pricing by potential new entrant leading to erosion of revenue & customers. In mobility business, the Company may face a risk of deeply discounted Volte feature phone pricing from new entrant.

Mitigating actions:

- Improved customer acquisition process like monitoring new customer acquisition churn, high acquisition recharge denominations, direct distribution, trade margins structures have been introduced. The Company has also been launching varied bundled offers to provide maximum benefits to the customers at affordable prices.
- 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. Organisational effectiveness is enhanced through appropriate design and creation of leaner and multi-functional teams. Technologies and tools (business intelligence, scientific pricing models) are deployed in managing the customer lifecycle.
- For the non-wireless businesses, the Company is focussing on ring-fencing the existing customers by offering them annual plans with increased value propositions. Focus lies on offering differentiated products to customers like higher speed, content, data roll-over, data borrow etc. The entire GTM plan has been re-invented to acquire & retain high value customers across businesses.
  - In order to protect its feature phone customers from churning to competition, the Company is focussed on upgrading the customers to smart phones at very low cost. Airtel has launched 'My First Smart phone' program which offers smart phones to customers at an effective cost of a feature phone thereby giving him more value at same cost. Airtel has tied up with leading handset manufacturers to offer a bouquet of smartphones at reduced cost to the customers and continues to tie-up with various handset manufactures to provide affordable upgrades to smartphones.
  - The Company has also been the preferred network for high value customers. The Company has strategic programmes for driving down churn through an integrated and end-to-end experience through sharp propositions for high-value customers.
  - The Company has made several measures to transform its telecom networks to improve customer experience of its subscribers. As part of open network initiative, Airtel upgraded its current network infrastructure.
  - Also its unique portfolio beyond wireless consisting of Home Broadband, Airtel Business, and DTH TV continue to grow and deliver significant value to the company.
  - The Company is also investing in building its own digital innovations such Wynk music, Airtel TV and Wynk Games. Wynk music is now the number 1 music app in the country. Earlier this year, it also launched Airtel TV which provides more than 350 live channels and 8000 movies & TV shows in 14 languages. Airtel TV is now among the top 3 TV and movie apps.

5. Non-compliance of subscriber verification norms and KYC regulations (Operational)

Outlook from last year > Stable

Definition

Regulators are introducing stringent subscriber verification and KYC guidelines, including biometric verification and quality of KYC documents.

Mitigating actions:

> The Company has invested significantly in KYC tools, including biometric scanners to improve the quality of subscriber activation and documentation processes as per required legislation. Self-compliance and reinforcing of 'tone at the top' are the key factors which ensure complete control on our compliances. The Company follows strict guidelines on quality of partners and IT systems, staff training, proactive maker-checker controls and internal audits, as well as robust internal MIS to adhere to compliances.

> The Company, in case of any such identified non-compliances, takes immediate and necessary actions as required to remediate the situation. The Company envisages to abide by both the letter and spirit of the regulation and on a timely basis communicates to its employees regarding the necessity to abide by government regulations while being sensitive towards customers.

6. Increase in cost structures ahead of revenues thereby impacting liquidity (Operational / Strategic)

Outlook from last year > Stable

Definition:

Across markets, costs structures have been increasing both from volumes (new sites rollouts, capacity) and/or rate increases (inflation, Fx impacts, wage hikes, energy etc.). With the entry of new operator, market pricing has been dampened putting pressure on margins and cash flows thereby leading to increased debt leverage. Increased investment in network to ensure quality of service, continued spends on distribution and maintaining world class customer service are expected to remain thereby heightening debt levels.

Mitigating actions:

> The Company has institutionalised the War on Waste (WOW) Programme, an enterprise-wide cost-reduction programme. This has been rolled out across all functions, business units and countries. All functions / business units / countries are targeting cost reductions and cost efficiencies. The Company continues to focus on capex optimisation through various programmes like ICR, tower-sharing, fibre sharing through IRU or co-build.

> Digitisation and automation with significant programmes on self-care, paper less acquisition, e-bill penetration, online recharges, Indoor to outdoor conversion, digital customer interactions are continuously monitored through our WoW initiative etc.

> The Company has been progressively maintaining to keep the debt levels at acceptable levels. To this end it has and continues to take decisions on inorganic sources of funding including divestment of Infratel and DTH stakes.

> Inorganic solutions to consolidate operations like Ghana are also being taken to ensure viable business models are created in these geographies. Strategic Investment Group (SIG) has been set up to look at future monetisation of any strategic investments.

7. Lack of Digitisation and Innovations around Digital Content (Strategic)

Outlook from last year > Stable

Definition

Digitization is reshaping the telecom sector and will be a key driver for innovation within the Company as companies compete in a digital ecosystem away from pure connectivity based environment. Further evolving technologies result in change in customer value propositions. Digital content and apps have now become the favourites for mobile customers. Digital Mobile money technologies, innovative mobile apps, Cloud, M2M, SaaS and other technology-based VAS products are also evolving. Such rapid technology evolution may impact the functionality of existing assets and accelerate obsolescence. Keeping pace with changing customer expectations is a big agenda for the telecom sector. Lack of Digitisation of internal business processes may render the company in-able or lethargic in turn to respond to

customer needs. Rapidly evolving technologies like robotics, block chain, app automation for internal processes in Customer, Finance, Supply Chain and HR can render the company slow in decision making and reacting to new and emerging customer, vendor, and partner expectations.

Mitigating actions:

For the last 18 months digitization for the customers has been the prime area of focus, with several digital initiatives being undertaken. Our own digital channels, 'myAirtel app' and 'Airtel.in' have seen tremendous growth in customer interaction over the course of the year, where complete self-care for retail customers is now available through these digital channels, we have also started rolling out digital retail stores which also leverage self-care on 'myAirtel app' for resolving customer issues.

> For digital growth, the Company has adopted a platform centric approach and created new digital platform for attracting millennials and digitally savvy customers. Our new online store (www.airtel.in/onlinestore) was recently launched with very unique offering for the iPhone, with a complete online journey including real-time credit. In the coming years the customers will see increased focus on this as we bring more and more devices on this platform. Homes platform being created as a digital layer on top to provide unique quad play proposition.

> The Company is also investing in building its own digital innovations such 'Wynk music', 'Airtel TV' and 'Wynk Games'. Wynk music is now the number 1 music app in the country. Earlier this year we also launched Airtel TV which provides 300 live channels and 6000 movies & TV shows in 13 languages. Airtel TV is now among the top 5 TV and movie apps.

> The sales & distribution team of out company is one of the most digitized operating team in the entire country & has won several global awards & accolades. This covers complete digitization from the sales team to feet on street, distributors, retailers and entire sales and distribution channel.

> One of the key digital initiatives being run is creating a digital network. This covers network planning, deployment (including TOCOs and MS partners), operations and network quality. In addition the Company also partnered with SKT for creating network Data Lake and building deep analytics and intelligence on top of it.

8. Lack of investment in infrastructure capacity building (Strategic)

Outlook from last year > Stable

Definition:

In order to keep pace with rising data demand of customers and to ensure competitive parity traffic, telecom companies will be required to invest heavily in building data capacities and broadband coverage expansion. Operators are adopting new strategies to provide unlimited voice and significant data benefits to customers. Additionally, today's customers is looking at seamless mobile internet experience while being technology agnostic.

Mitigating actions:

> Airtel is expanding its broadband network footprint to stay abreast with competition and fulfilling customers' expectation. As a part of expansion program, the Company will deploy additional LTE sites with fibre/backhaul readiness and will expand its coverage by strengthening its LTE FDD footprint in order to provide seamless connectivity. The surge in volume will necessitate enhancement of the LTE TDD layer to support additional traffic in select places of high throughput.

> With the explosion in data, Airtel will significantly step-up backhaul readiness on its site along with increased Fiberization and rapidly expand its transmission backbone and aggregation capacity to cater to the additional data load.

> With the increase in voice minutes exponentially, the Company has recently launched VOLTE services offering HD quality calls along with faster call set up time which once scaled up will give a significantly better experience to the customers.

> Technology has been rapidly evolving in Telecom. In the next few years wide scale commercial deployment of 5G is expected to start. In such a scenario, the Company is making its investments future proof and starting to be ready for 5G network deployment.

9. Adverse regulatory or fiscal taxation developments including compliance risks (Legal & Compliance)

Outlook from last year > Diminished

Definition:

Regulatory developments in India, South Asia and Africa can pose several challenges to the telecom sector. The telecom sector is highly taxed with high revenue share-based license fees and significant spectrum acquisition costs in auctions. Introduction of GST has proven to be a landmark decision with wide ranging impact on all businesses. Whilst it has eliminated the cascading effect of indirect taxes in the erstwhile regime, on other hand it has increased the compliance burden significantly.

Mitigating actions:

- The Company has always stood for a fair, transparent and non – discriminatory government policy on telecom regulation. It has insisted governments of all countries that sustainable regulatory regimes will lead to a healthy growth of the sector, leading to higher investments and modernisation, which in turn benefits the industry and society. The Company stands for a regime that promotes healthy, competitive pricing keeping two objectives in mind – customer interests and health of the sector. As a responsible operator, the company participates in government consultation and industry association events, to foster collaboration and knowledge sharing for best industry policies and practices.
- The Company has undertaken state wise registration of its operations and has modified its existing IT systems to deliver reporting in line with necessary compliances. Necessary operational level changes have been revamped to accommodate a state level and GST driven mechanism and processes.

10. Gaps in internal controls (financial and non-financial) (Operational)

Outlook from last year > Stable

Definition:

The Company serves over 412 Mn customers globally with a monthly average of 164 Bn minutes of voice on network and 402 Bn MBs of data carried on wireless networks located at more than 185,000 sites. Gaps in internal controls and / or process compliances not only lead to wastages, frauds and losses, but can also adversely impact the Airtel brand.

Mitigating actions:

- The Company's business philosophy is to ensure compliance with all accounting, legal and regulatory requirements proactively. Compliance is monitored meticulously at all stages of operation. Substantial investments in IT systems and automated workflow processes help minimise human errors.
- Besides internal audits, the Company also have a process of self-validation of several checklists and compliances as well as a 'maker-checker' division of duties to identify and rectify deviations early enough. The Company has also implemented GRC system (Governance, Risk and Compliance) to embed systemic controls.
- The Company has Internal Financial Controls and the Corporate Audit Group has tested such controls. The Audit Group has asserted that the Company has in place adequate tools, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records; and timely preparation of reliable financial information.

Internal Controls

The Company's philosophy towards internal control is based on the principle of healthy growth and proactive approach to risk management. Aligned to this philosophy, the Company has deployed a robust framework of internal controls that facilitates efficient conduct of business operations in compliance with the company policy; fair presentation of our financial results in a manner that is complete, reliable and understandable; ensure adherence to regulatory and statutory compliances; and safeguards investor interest by ensuring the highest level of governance. The Internal Control framework has been set up across the company and is followed at the circle and country level. This framework is assessed periodically and performance of circles and countries are measured via objective metrics and defined scorecards.

Accounting hygiene and audit scores are driven centrally through central financial reporting team and Airtel Centre of Excellence (ACE), both teams responsible for accuracy of books of accounts, preparation of financial statements and reporting the same as per the company's accounting policies. Regulatory and legal requirements, accounting standards, and other pronouncements are evaluated regularly to assess applicability and impact on financial reporting. The relevant financial reporting requirements, documented in the Group Accounting Manuals, are communicated to relevant units and enforced throughout the Group. This, together with the financial reporting calendar evidencing the tasks and timelines, forms the basis of the financial reporting process.

Deloitte Haskins & Sells LLP, the statutory auditors, have done an independent evaluation of key internal controls over financial reporting (ICOFR) and expressed an unqualified opinion stating that the company has, in all material respects, adequate internal control over financial reporting; and such internal controls over financial reporting were operating effectively as on March 31, 2018.

The Company has in place an Internal Assurance (IA) function headed by Group Director - Internal Assurance. EY and ANB & Co (ANB) are the Assurance Partners of the Company who conducts financial, compliance and process improvement audits each year. Audits are categorized into defined assurance tracks with EY responsible to audit finance, customer and technology track and ANB responsible to audit legal and regulatory track. The internal assurance plan for the year is derived from a bottoms-up risk assessment and directional inputs from the Audit Committee. The Audit Committee oversees the scope and coverage of the IA plan, and evaluates the overall results of these audits during the quarterly Audit Committee meetings. The Audit Committee also reviews the effectiveness of the internal control system, and invites functional Directors and senior management personnel to provide updates on operating effectiveness and controls, from time to time. An independent validation was also led by the Internal Assurance function to assess the effectiveness of Internal Financial Controls (IFC) and no reportable material weaknesses in the design or operation were observed.

A CEO and CFO Certificate forming part of the Corporate Governance Report, confirm the existence and effectiveness of internal Controls and reiterate their responsibilities to report deficiencies to the Audit Committee and rectify the same. The Company's code of conduct requires compliance with law and Company policies, and also covers matters such as financial integrity, avoiding conflicts of interest, workplace behavior, dealings with external parties and responsibilities to the community.

The Airtel Centre of Excellence (ACE) based in Gurugram and Bengaluru, is the captive shared service for financial accounting, Revenue Assurance, SCM and HR processes. Its global footprint across 16 countries is bolstered by standardization of all these processes across the organization with inbuilt embedded controls. Digitization of ACE is being aimed as a part of the transformation agenda and includes initiatives like system based reconciliation, reporting processes with vividly defined segregation of duties. ERP integration in Africa into an Oracle Single Instance across all African countries ensures uniformity and standardization in ERP configurations, chart of accounts, finance and SCM processes across countries. Quality of financial reporting and controls continues to show improvement. We continuously examine our governance practices to enhance investor trust and improve the Board's overall effectiveness. Initiatives such as virtual desktop interface for ultimate data security, self-validation checks, desktop reviews and regular physical verification are producing measurable outcomes through substantial improvement in control scores across India and Africa. Oracle Governance Risk & Compliance (GRC) module has been implemented for India and Africa to strengthen existing controls pertaining to access rights for various ERPs, ensuring segregation of duties and preventing possibilities of access conflicts.

Material developments in Human Resources

An overview

The significant role played by our people in sustaining Airtel's growth trajectory in turbulent times was encapsulated in our business strategy of the year, under the theme of 'Win With People'. The strong people agenda was constituted around three pillars of Learn, Lead and Grow. Airtel continued to clinch accolades including emerging among the Best Employers in

the Business Today - People Strong Survey. With over 370,000 followers on LinkedIn, Airtel has also carved a niche for itself in the social media space. At the end of March 2018, Bharti Airtel had 17,263 permanent employees employed in India & South Asia and 3,530 permanent employees employed in Africa.

India

The first pillar – Learn was envisaged to ensure that each employee becomes a 'Master of the Craft' by achieving higher levels of functional proficiencies. Airtel launched a host of marquee functional learning programs such as 'Sales Mindset in Changing Times', training in leadership presence for store employees, problem solving and design thinking for customer experience, etc. The idea behind these interventions was to equip our people to deal with the dynamic market scenario with greater dexterity. Different mediums of digital learning enabled our employees to learn on the go. The Company partnered with Coursera, a global leader in online education and learning to provide its employees with valuable learning and credentials from top universities around the globe. To ensure that employees stay at the forefront of technological innovation, the Company collaborated with Pluralsight – to provide online video training courses in the technology space. To further imbibe a strong learning culture in the organization, it introduced learning in a gamified format launching more than 30 'Airtel 101' courses, which are perfect examples of byte-sized learning, delivering information in nuggets and on the go. The year saw employees earning more than a lakh certifications on Airtel 101. The agenda of gamified micro learning was carried forward by introducing an exciting weekly contest – Fastest Finger First which witnessed an average participation of 1,000 people. It also initiated a learning challenge christened Ironman which witnessed 7000 participants clocking in more than 90,000 learning hours. Across functions, a combined total of more than 27,000 man-days worth of learning has been recorded. The people at Airtel proved to be curious learners, with more than 8,000 learners completing over 2000 online courses and clocking in more than 120,000 hours on iLearn – the Company's learning management system. It also continued to build strong teams in emerging domains like IoT, Product and Data Science.

At Airtel, we believe in creating leaders from within the organization. The second pillar – Lead was envisaged with the thought of people managers demonstrating what it is to 'Lead Right' by role modeling all key leadership behaviours. It instituted two People Leadership Programs, 'Embark' for transforming employees into first time people managers and 'Ascent', which grooms people managers to lead large teams and functions. The results have been overwhelming with more than 200 of our people poised and ready to transform into leaders of tomorrow. The Airtel Leadership Series – a continuation of the Career Fair, saw industry experts from the external world as well as senior leaders from the Company talk about the business challenges and available opportunities. The Company also launched Insight+, a 360 degree feedback tool available on a mobile app for people to seek feedback from their stakeholders and enable them to work on perceived areas of improvement. It also made career coaching real and actionable for our people and empowered them to choose their mentors and seek advice on their career path with Coaching Conversations – a tool available on our intranet platform.

Grooming and cultivating talent is a focus area around which the third pillar – Grow was designed to ensure that Airtel and employees both become 'Future Ready'. Career development programs for different functions were launched to enable and prepare its people to take up larger roles with seven such learning 'academies' being institutionalized, an example being the Retail Leadership Academy. To empower the people to take charge of their own careers and curate their career paths, we launched the My Career app on our internal mobile platform – Hive. The app enables employees to take the next big leap in their career by exploring suitable roles. The aim of these initiatives is for the people to be good navigators of their own career, and even try unconventional paths. These initiatives have resulted into a strong internal succession pipeline that helps us to provide people with growth opportunities. It also continued to focus on attracting dynamic and agile leaders of the future through its prestigious 'Young Leader' and 'Young Technical Leader' campus programs and these vibrant minds continue to infuse youthful energy and expertise.

To improve employee engagement, the Company launched "Workplace by Facebook" for all employees, opening the doors for digital collaboration and communication to all employees, with over 11,500 accounts being claimed so far. It is also keen on listening to the voice of its people, and 8200+ employees have expressed themselves via the Mood-O-Meter App.

The Company continued to strengthen its Diversity Agenda under the 'WE' – Women Empowered platform beginning with celebrating women achievers across functions and circles with the 'We Achieve' programme. It launched 'She For Change' – a compendium of stories documenting personal narratives of transformation by our women employees this Women's Day and also continued with our 'WE Lead' sessions with accomplished women leaders for the industry.

Africa

In Africa, Airtel is focusing on building functional skills within the workforce, specifically in Network & Information Technology, which is the backbone. It has recognized the need to build expertise internally, reducing the dependence on vendor-managed services. To this end, it launched Airtel 101. Through its interactive learning interface, the app provides an enjoyable and engaging learning experience for employees. In addition, Airtel E-Learning platform was revamped to feature a refreshed catalogue of programs, updated with the most current online content in a wide range of cross-functional skills. These e-learning programs are running concurrent to other classroom based and coaching interventions that are in place to enhance skills transfer. The Airtel - Tigo merger in Rwanda was announced and communicated to all employees. To ensure that the new entity molds itself in the Airtel culture, steps were taken to build cohesiveness amongst teams. We implemented a dedicated people focused strategy encompassing all facets of human resources. In Ghana, we operationalized the formation of the joint venture with Tigo.

Giving back to the community has always been one of the key priorities for Airtel in Africa. The "Change Maker awards" provides a platform to our OpCos to showcase best practices in CSR and employee participation. This year's Change Maker Awards were presented to Kenya, Malawi, Madagascar and Tanzania. Driven by the vision of HR being a core business function that lays the road instead of just filling the cracks, harnessing people energies and talent has been a significant factor in the business turnaround. As a business critical function, HR in Africa is keeping pace with the changing workforce trends of adopting technology and mobility.

At Airtel, our endeavor is to create and groom a rich pool of talent across verticals to contribute to our vision of building a vibrant, agile, digital and dynamic organization. As it marches into the future with optimism and zeal, it hopes to groom its people to take on bigger challenges with remarkable adroitness and flair.

Outlook

Indian economy is expected to reclaim the fastest growing economy title in 2018. Strong private consumption and services are expected to continue to provide fillip to India's growth. Government of India's Digital Drive will focus on digital technologies and be the biggest driver in improving quality of education, healthcare and rural sector. The budget proposal to double the allocation to Digital India initiative is a fine booster to transform the digital economy. This will provide enormous opportunity to telecom industry as well and guide telcos to move to next-gen networks efficiently and effectively. This would also work on development of the Internet of Things and machine to machine applications. The high usage of mobile internet during the year has accelerated digital adoption in India, even in rural pockets. The digital industry in India has leapfrogged in the past few years, with the number of smartphone users in the country estimated at ~400 Mn in 2018, and phones accounting for >70% of all internet consumption. Increased internet penetration allows global brands to reach the doorsteps of customers in remote places, adding to the value of investing in India.

Africa's economic pulse has accelerated infusing the continent with a new commercial vibrancy. Telecommunications, banking, and retailing are flourishing. Sub-Saharan Africa's telecom market offers strong revenue growth opportunities in most markets, with more than 1.0 Bn mobile connections and over USD 45 Bn in total service revenue forecasted by 2022. The increased availability of low-cost smartphones and improved coverage of 3G and 4G networks are helping to drive the demand for data connectivity and the take-up of digital services including mobile money which has significantly contributed to changing the financial inclusion landscape.

With convergence of mobility services, entertainment, banking, education, role of a smartphone has expanded enormously. Airtel is the only player with an integrated product portfolio, and wide geographical presence. Bharti Airtel's Network leadership and excellent customer experience delivery will continue to stimulate Company's growth against its competitors.

Report on Corporate Governance

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

The following report on Corporate Governance reflecting ethos of Bharti Airtel Limited (Bharti Airtel / Airtel / the Company) and its continuous commitment to ethical business principles across its operations, lays down the best practices and the procedures adopted by the Company in line with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and internationally followed standards of corporate governance.

Governance Philosophy

At Bharti Airtel, 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.

Our governance philosophy reflect our commitment to disclose timely and accurate information regarding our financial and operational performance, as well as our 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 the best talent and resources to translate our short-term and long-term strategies into a viable business blueprint.

Our Board of Directors ('Board') shapes the long-term vision and policy approach to steadily elevate the quality of governance in our organisation. We follow global standards of Corporate Governance and continuously benchmark ourselves to adopt the best practices. 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. The Board puts a lot of emphasis on creating a global talent pool, compliant ethical business practices and making all our actions consistent with the need to protect the environment by following green practices and technologies.

Our Board represents a confluence of experience and expertise across diverse areas, ranging from global finance, telecommunication, general management, administrative services and consulting.

There is a clear demarcation of duties and responsibilities among the Chairman and Managing Directors & CEOs to ensure best corporate performance and socio-economic value creation.

Our governance conforms to global standards through continuous evaluation and benchmarking. The broad tenets Company follows are:

- Transparent procedures and practices and decisions based on adequate information.
- Compliance with all relevant laws in letter and spirit.
- High levels of disclosures to disseminate corporate, financial and operational information to all stakeholders.
- Policies on tenure of Directors, rotation of Auditors and a Code of Conduct for Directors and Senior Management.
- Constitution of various Committees for Audit, HR and Nomination, Risk Management, Corporate Social Responsibility, Employee Stock Option Plans, Stakeholders' Relationship etc.
- Complete and timely disclosure of relevant financial and operational information to enable the Board to play an effective role in guiding strategies.
- 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 for open and transparent discussions and placing these before the Board and management.
- Formal induction schedule and familiarisation programme for new Board members that enable them to meet individually with the top management team, customers etc.
- Regularly reviews and establishes effective meeting practices that encourage active participation and contribution from all members.
- Independence of Directors in reviewing and approving corporate strategy, major business plans and activities.
- 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.

Bharti Airtel has always followed the highest principles and standards of corporate governance and continually endeavoured to outperform its peers. Bharti Airtel's global recognition, among others by Transparency International, FTI Consulting, Asian Centre for Corporate Governance & Sustainability, The Institute of Directors (Golden Peacock Award for excellence in Corporate Governance) and the Institute of Company Secretaries of India is a grand acknowledgement of the defined and structured framework of Corporate Governance embedded in Bharti Airtel's culture.

Corporate Governance Rating

CRISIL has assigned to Bharti Airtel its Governance and Value Creation (GVC) rating, viz. CRISIL GVC Level 1 for Corporate Governance practices. 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 is fully cognizant that standards are a constantly upwardly moving target. Therefore, it always strives to benchmark itself with the best companies in India and globally and to maintain the highest ratings for its practices.

Governance Structure

Sustaining a culture of integrity along with high performance orientation and an adaptive management style in today's dynamic business environment needs a robust governance structure. The Corporate Governance structure of the Company is multi-tiered, comprising governing / management Boards at various levels, each of which is interlinked in the following manner:

- At the apex level is the Board of Directors and various committees, which collectively direct the highest standards of Corporate Governance and transparency in the Company's functioning. The Board exercises independent judgment in overseeing management performance on behalf of the share owners and other stakeholders, and hence, plays a vital role in the oversight and management of the Company. The Board is chaired by the Chairman, who is responsible for the overall strategy development, alliances, leadership development, international opportunities, strengthening governance practices and enhancing brand value and Airtel's global image and reputation.
- At one level below the Board, strategic co-ordination and direction is provided by the Airtel Corporate Council (ACC). The ACC is headed by the Chairman and comprises the Managing Directors & CEOs and selected senior management personnel as its members. The key role and responsibilities of the ACC are provided later in this report.
- The Managing Director & CEO (India & South Asia) is responsible for strategy deployment and overall business performance of India and South Asia. He is supported by the Airtel Management Board (AMB). The Company's business in India is structured into six business units (BUs) i.e. Mobile Services, Homes, Airtel Business, Global Voice & Data Business, Wynk and Emerging Businesses and Digital TV Services. While the Mobile Services business is headed by the MD & CEO (India & South Asia) himself, the other five businesses are headed by respective CEOs. The Company's operations in India are run in 22 Circles, each headed by Circle CEO or a Chief Operating Officer, each supported by an Executive Committee. The Sri Lankan operations are headed by the Country MD, supported by an Executive Committee.
- 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 Committee (Exco). Each of the operations in the 14 countries in Africa are headed by a Country MD, each supported by an Executive Committee.
- The AMB in India and South Asia, and Exco in Africa provide support relating to the Company's business strategy and also derive operational synergies across business units. They own and drive company-wide processes, systems, policies, and also function as role models for leadership development and as catalysts for imbibing customer centricity and meritocracy in the Company.
- Airtel's governance structure thus helps in clearly determining the responsibilities and entrusted powers of each of the business entities, enabling them to fulfill those responsibilities in the most effective manner. It also allows the Company to retain the organisational DNA, while enabling effective delegation of authority and empowerment at all levels.
- Airtel Payments Bank is an unlisted subsidiary in which the Company owns 80.10%, the remaining 19.90% is held by Kotak Mahindra Bank. The Payment Bank's operations are managed by its MD & CEO, under the supervision of an independent Board.
- The Passive Infrastructure business is deployed, owned and managed by Bharti Infratel Limited (Infratel), a listed subsidiary company. Infratel's operations are managed by its Managing Director & CEO under the supervision of an Independent Board. The business transactions between the Company and Infratel are undertaken on an arms' length basis, since it provides services to other telecom operators as well, on a non-discriminatory basis.

Board of Directors

Composition of the Board

The Company's Board is an optimum mix of Executive, Non-Executive and Independent Directors, and conforms with the provisions of the Companies Act, 2013, Listing Regulations,

FDI guidelines, terms of shareholders' agreement and other statutory provisions. The Board comprises eleven members which includes a Chairman, a Managing Director & CEO (India & South Asia), three Non-Executive Directors and six Independent Directors.

Detailed profile of each of the Directors is available on the Company's website at www.airtel.com in the 'Investors' section.

The Company's Board members are from diverse backgrounds with skills and experience in critical areas like technology, global finance, telecommunication, entrepreneurship, administrative services, consulting and general management. Many of them have worked extensively in senior management positions in global corporations, and others are business leaders of repute with a deep understanding of the global business environment. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory, as well as business requirements.

As per the Company's Policy on Nomination, Remuneration and Board Diversity, selection of a new Board member(s) is the responsibility of the HR and Nomination Committee, which is subsequently approved by the Board. All the appointments are made with unanimous approval. The appointment of such new Director is subsequently approved by the shareholders at the Annual General Meeting (AGM). While the shareholders' representative Directors are proposed by the respective shareholders, Independent Directors are selected from diverse academic, professional or technical background depending upon business needs.

Independent Directors

The Company has a policy on Independent Directors, their roles, responsibilities and duties are consistent with the Listing Regulations and Section 149 of the Companies Act, 2013. It sets out the criteria of independence, age limits, recommended tenure, committee memberships, remuneration and other related terms of appointment. The policy emphasises importance of independence. As per the policy:

a) The Independent Director must meet the baseline definition and criteria on 'independence' as set out in Listing Regulations and Section 149 of the Companies Act, 2013 and other regulations.

b) The Independent Director must not be disqualified from being appointed as Director in terms of Section 164 and other applicable provisions of the Companies Act, 2013.

c) The minimum age is 25 years and the maximum is 70 years.

d) The Independent Directors are not to be on the Board of more than six listed companies. However, pursuant to the Listing Regulations if the Independent Director is serving as a Whole-time Director in any listed company then he shall not serve as an Independent Director in more than three listed companies.

e) The maximum tenure is two terms of five years each. However, the second term is subject to approval by shareholders by way of special resolution.

The Company has issued letters of appointment to all the Independent Directors. This letter inter-alia sets out the roles, functions, duties and responsibilities, details regarding remuneration, training and development and performance evaluation process. The detailed terms and conditions of the appointment of Independent Directors are available on the Company's website i.e. http://www.airtel.in/wps/wcm/connect/2ffaf2d2-d542-44e2-a42a-50225c9245f5/Terms-and-Conditions-of-Appointment-of-Independent-Director.pdf?MOD=AJPERES.

At the time of appointment and thereafter at the beginning of each financial year, the Independent Directors submit a self-declaration, confirming their independence and compliance with various eligibility criteria laid down by the Company among other disclosures and the Company also ensures that its Directors meet the above eligibility criteria. All such declarations are placed before the Board for information.

Lead Independent Director

The Company has for a long time followed the practice of appointing a Lead Independent Director. Mr. Craig Ehrlich is currently designated as the Lead Independent Director and his role and responsibilities, inter-alia, are to:

> Preside over all deliberation sessions of the Independent Directors.

> Provide objective feedback of the Independent Directors as a group to the Board on various matters, including agenda and other matters relating to the Company.

> Undertake such other assignments, as may be requested by the Board from time to time.

Meeting of Independent Directors

The Independent Directors meet separately at least once in a quarter, prior to the commencement of Board meeting, without the presence of any Non-Independent Directors or representatives of management. They meet to discuss and

form an independent opinion on the agenda items, various other Board-related matters, identify areas where they need clarity or information from management and to annually review the performance of Non-Independent Directors, the Board as a whole and the Chairman. The Lead Independent Director updates the Board about the proceedings of the meeting.

In these meetings, the Independent Directors also engage with Statutory Auditors, as well as Internal Assurance Partners at least once a year, to discuss internal audit effectiveness, control environment, internal financial controls and their general feedback. The Lead Independent Director updates the Audit Committee / the Board about the outcome of the meetings and action, if any, required to be taken by the Company.

During FY 2017-18, the Independent Directors met four times i.e. on May 09, 2017, July 25, 2017, October 31, 2017 and January 18, 2018.

Familiarisation programme for Board members

The Company has adopted a well-structured two-day induction programme for orientation and training of Directors at the time of their joining so as to provide them with an opportunity to familiarise themselves with the Company, its management, its operations and the industry in which the Company operates.

The induction programme includes one-to-one interactive sessions with the top management team, business and functional heads among others, and also includes visit to networks centre to understand the operations and technology. Apart from the induction programme, the Company periodically presents updates at the Board/Committee meetings to familiarise the Directors with the Company's strategy, business performance, operations, product offerings, finance, risk management framework, human resources and other related matters. The Board members also visit Airtel outlets and meet customers / other stakeholders for gaining first-hand experience about the products and services of the Company.

The Board has an active communication channel with the executive management, which enable Directors to raise queries, seek clarifications for enabling a good understanding of the Company and its various operations. Quarterly updates, press releases and mid-quarter updates are regularly circulated to the Directors to keep them abreast on significant developments in the Company.

Detailed familiarisation programme for Directors is available on the Company's website at http://www.airtel.in/wps/wcm/connect/ea0152dc-a649-40ae-89d9-b3cec142d249/Familiarisation+Programme+for+Board+Members.pdf?MOD=AJPERES&ContentCache=NONE

Board Evaluation

One of the key functions of the Board is to monitor and review the Board evaluation framework. In compliance with the provisions of the Companies Act, 2013 and the Listing Regulations, the HR and Nomination Committee has approved the process, format, attributes and criteria for the performance evaluation of the Board, Board Committees and Individual Directors including the Chairman and MD & CEO (India and South Asia).

The process provides that the performance evaluation shall be carried out on an annual basis. During the year, the Directors completed the evaluation process, which included evaluation of the Board as a whole, Board Committees and individual Directors including the Chairman and the MD & CEO (India and South Asia). The evaluation process was facilitated by an independent consulting firm.

Performance of the Board and Board Committees was 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, engagement with colleagues on the Board, responsibility towards stakeholders and independent judgement. All the directors were subject to peer-evaluation.

The Chairman and the MD & CEO (India & South Asia) were evaluated on certain additional parameters, such as performance of the Company, leadership, relationships, communication, recognition and awards received by the Company.

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

- Devotion of sufficient time and attention towards professional obligations for independent decision making and for acting in the best interest of the Company.
- Providing strategic guidance to the Company and help determine important policies with a view to ensure long-term viability and strength.
- Bringing external expertise and independent judgement that contributes objectivity in the Board's deliberation, particularly on issues of strategy, performance and conflict management.

All Directors participated in the evaluation process. The results of evaluation were discussed in the Independent Director's meeting, respective Committee meetings and in the Board Meeting held on April 24, 2018. The Board discussed the

performance evaluation reports of the board, board committees, individual directors, Chairman and Managing Directors & CEO (India and South Asia) and also noted the suggestions / inputs of independent directors, HR and Nomination Committee and respective committee Chairman. Recommendations arising from this entire process were deliberated upon by the Board to augment its effectiveness and optimize individual strengths of the Directors.

Board Meeting Schedules and Agenda

The calendar for the Board and Committee meetings, in which the financial results would be considered in the ensuing year, as well as major items of the agenda are fixed in advance for the whole year. The Board Calendar for the financial year 2018-19 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 necessity, additional Board meetings are called.

The Audit Committee and the HR and Nomination Committee meetings are generally held on the same dates as Board meetings. To ensure an immediate update to the Board, the Chairman of the respective committee briefs the Board about the proceedings of the respective committee meetings.

The Company Secretary, in consultation with the Chairman, prepares Board and Committee meeting's agenda. The detailed agenda, along with explanatory notes and annexures, as applicable are sent to the Board and Committee members, at least a week before the meetings except for the meetings called at a shorter notice. 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 to promote objective decision making.

The Board devotes its significant time in evaluation of current and potential strategic issues and reviews Company's business plans, Corporate strategy and risk management issues based on the markets it operates in and in light of global industry trends and developments to help achieve its strategic goals.

Global CFO and other Senior Management members are invited to the Board meetings to present reports on the items being discussed at the meeting. In addition, the functional heads of various business segments / functions are also invited at regular intervals to present updates on their core areas.

Information available to the Board

The Board has complete access to all the relevant information within the Company and to all the employees of the Company. The information shared on a regular basis with the Board specifically includes:

- Annual operating plans, capital budgets and updates therein.
- Quarterly and annual consolidated and standalone results and financial statements of the Company and its operating divisions or business segments.
- Minutes of meetings of the Board and Board Committees, resolutions passed by circulations, and Board minutes of the unlisted subsidiary companies.
- Information on recruitment / remuneration of senior officers just below Board level.
- Material important show cause, demand, prosecution notices and penalty notices, if any.
- Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems, if any.
- Any material default in financial obligations to and by the Company or substantial non-payment for services provided by the Company.
- Any issue which involves possible public or product liability claims of substantial nature, if any.
- Details of any acquisition, joint venture or collaboration agreement.
- Transactions involving substantial payment towards goodwill, brand equity or intellectual property.
- Human resource updates and strategies.
- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly treasury reports.
- Quarterly compliance certificates with the 'Exceptions Reports', which includes non-compliance of any regulatory, statutory nature or listing requirements and shareholders service.
- Disclosures received from Directors.
- Proposals requiring strategic guidance and approval of the Board.

- Related party transactions.
- Regular business updates.
- Update on Corporate Social Responsibility activities.
- Significant transactions and arrangements by subsidiary companies.
- Report on action taken on last Board meeting decisions.

Number of Board Meetings

During FY 2017-18, the Board met eight times i.e. on May 09, 2017, July 18, 2017, July 25, 2017, October 12, 2017, October 31, 2017, December 19, 2017, January 18, 2018 and March 12, 2018. Requisite information, according to the requirements of Regulation 34 of the Listing Regulations is provided below:

Name of Director	Director Identification Number	Category	Number of other directorships[1] and committee[2] memberships and chairmanships			No. of board meetings attended (total held during tenure)	Whether attended last AGM
			Directorships	Committees			
				Chairman	Member		
Mr. Sunil Bharti Mittal	00042491	Chairman	14	Nil	Nil	8(8)	Yes
Mr. Gopal Vittal	02291778	Executive Director	4	Nil	1	7(8)	Yes
Ms. Chua Sock Koong[3]	00047851	Non-Executive Director	1	Nil	Nil	4(8)	Yes
Mr. Rakesh Bharti Mittal	00042494	Non-Executive Director	17	Nil	Nil	8(8)	Yes
Sheikh Faisal Thani Al-Thani[4]	06675785	Non-Executive Director	N.A.	N.A.	N.A.	0(3)	No
Mr. Rashed Fahad Al-Noaimi[5]	07887199	Non-Executive Director	N.A.	N.A.	N.A.	0(2)	N.A.
Ms. Tan Yong Choo	02910529	Non-Executive Director	1	Nil	Nil	7(8)	Yes
Mr. Ben Verwaayen	06735687	Independent Director	Nil	Nil	Nil	3(8)	No
Mr. Craig Ehrlich	02612082	Independent Director	Nil	Nil	Nil	2(8)	Yes
Mr. D.K. Mittal	00040000	Independent Director	11	Nil	4	8(8)	Yes
Mr. Manish Kejriwal	00040055	Independent Director	4	Nil	2	4(8)	No
Mr. Shishir Priyadarshi	03459204	Independent Director	1	Nil	Nil	5(8)	No
Mr. V. K. Viswanathan	01782934	Independent Director	8	4	4	8(8)	Yes

1. The directorships, held by Directors, as mentioned above, do not include the directorships held in foreign body corporates and Bharti Airtel Limited.
2. Committees considered for the purpose are those prescribed under Regulation 26 of the Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited companies other than Bharti Airtel Limited. Committee memberships details provided do not include chairmanship of committees as it has been provided separately.

3. One meeting was attended by Mr. Mark Chong Chin Kok, alternate director and one meeting was attended by Mr. Tao Yih Arthur Lang, alternate director.
4. Sheikh Faisal Thani Al-Thani resigned w.e.f. July 25, 2017.
5. Mr. Rashed Fahad Al-Noaimi was appointed as non-executive director w.e.f. July 25, 2017 and resigned w.e.f. November 22, 2017.
6. Except Mr. Sunil Bharti Mittal and Mr. Rakesh Bharti Mittal, who are brothers, none of the Directors are relatives of any other director.
7. As on March 31, 2018, apart from Mr. Gopal Vittal, Managing Director & CEO (India & South Asia) who holds 298,885 equity shares, no other Director of the Company holds shares in the Company.

Nomination, Remuneration & Board Diversity

In terms of the Listing Regulations and Companies Act, 2013, the Board has approved a Policy on Nomination, Remuneration and Board Diversity for Directors, KMPs and other Senior Management Personnel and includes the criteria of making payments to non-executive directors.

The Company's remuneration policy is directed towards rewarding performance based on a periodic review of the achievements periodically.

The detailed Nomination, Remuneration and Board Diversity Policy is annexed as Annexure B to the Board's Report. The Company affirms that the remuneration paid to the Directors is as per terms laid out in the Nomination, Remuneration and Board Diversity Policy.

Directors' Remuneration

The details of the remuneration of Directors during FY 2017-18 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	--	201,352,623	90,000,000	10,616,146	--	301,968,769
Mr. Gopal Vittal	--	78,911,194	47,500,000	35,522	--	126,446,716
Non-executive directors						
Mr. Rakesh Bharti Mittal	--	--	--	--	3,000,000	3,000,000
Mr. Ben Verwaayen	300,000	--	--	--	14,463,506	14,763,506
Ms. Chua Sock Koong	--	--	--	--	3,910,500	3,910,500
Mr. Craig Ehrlich	200,000	--	--	--	8,472,750	8,672,750
Mr. D.K. Mittal	1,300,000	--	--	--	7,080,822	8,380,822
Mr. Manish Kejriwal	400,000	--	--	--	6,338,356	6,738,356
Ms. Tan Yong Choo	--	--	--	--	3,910,500	3,910,500
Sheikh Faisal Thani Al-Thani	--	--	--	--	1,232,075	1,232,075
Mr. Rashed Fahad Al-Noaimi	--	--	--	--	1,285,644	1,285,644
Mr. Shishir Priyadarshi	500,000	--	--	--	9,776,250	10,276,250
Mr. V.K. Viswanathan	800,000	--	--	--	8,000,000	8,800,000
Total	**3,500,000**	**280,263,817**	**137,500,000**	**10,651,668**	**67,470,403**	**499,385,888**

> 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 2017-18 and will get paid basis actual performance parameters in the next financial year. At 100% performance level, the gross remuneration of Mr. Sunil Bharti Mittal was ₹ 301,968,769 for FY 2017-18 and ₹ 301,442,108 for FY 2016-17 and that of Mr. Gopal Vittal was ₹ 126,446,716 for FY 2017-18 and ₹ 92,884,551 for FY 2016-17. During the year, Mr. Sunil Bharti Mittal and Mr. Gopal Vittal were paid ₹ 105,000,000 and ₹ 38,131,027 respectively as PLI for previous year 2016-17.

- During the year, Mr. Gopal Vittal was granted 105,000 and 30,000 stock options on August 08, 2017 under ESOP Scheme 2005 at an exercise price of ₹ 5 per Option, with vesting period spread over 3 years and 2 years respectively. The above remuneration of Mr. Gopal Vittal does not include perquisite value of ₹ 43,286,800 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 August 19, 2016 and with Mr. Gopal Vittal dated July 24, 2017. These are based on the approval of the shareholders. There are no other contracts with any other director.
- No notice period or severance fee is payable to any director.
- There were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company.

Board Committees

In compliance with the statutory requirements, the Board has constituted various committees with specific terms of reference and scope. The objective is to focus effectively on the issues and ensure expedient resolution of the diverse matters. The committees operate as the Board's empowered agents according to their charter / terms of reference. The Constitution and charter of the Board Committees are available on the Company's website, www.airtel.com, and are also stated herein.

Audit Committee

The Board in their meeting held on January 18, 2018, constituted separate Risk Management Committee and the nomenclature of Audit & Risk Management Committee was changed to Audit Committee. Audit Committee comprises four Directors, three of whom are independent. The Chairman of the Committee, Mr. V. K. Viswanathan, Independent Director is a Chartered Accountant and has sound financial knowledge, as well as many years of experience in general management. All members of the Audit Committee, including the Chairman, have accounting and financial management expertise. The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and the Listing Regulations.

The Company Secretary is the Secretary to the Committee. The Managing Director & CEO (India & South Asia), the Managing Director & CEO (Africa), the Global CFO, the Group Director – Internal Assurance, the Statutory Auditors, Internal Auditors and Internal Assurance Partners are permanent invitees.

The Chairman of the Committee was present at the last AGM, held on July 24, 2017.

Key Responsibilities of the Audit Committee

- Oversee the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statements are correct, sufficient and credible.
- Consider and recommend to the Board, the appointment (including filling of a casual vacancy), resignation or dismissal, remuneration and terms of appointment (including qualification and experience) of the Statutory Auditor, Internal Auditors / Chief Internal Auditor, Cost Auditor and Secretarial Auditor.
- Prior approval of non-audit services that can be provided by the Statutory Auditors and approval of payment of such non-audit services.
- Prior approval of all transactions with related party(ies), subsequent modifications of transactions with related parties and review of the statement of significant related party transactions with specific details of the transactions.
- Discussion with the Statutory Auditor before the commencement of audit about the nature and scope of the audit to be conducted and post-audit discussion to ascertain any areas of concern.
- To call for comments of the Auditors about internal control system, including the observation of the Auditors, review financial statement before their submission to the Board and discussion on any related issues with the Internal and Statutory Auditors and the management of the Company.
- Review, with the Management, the quarterly financial statements before submission to the Board for approval.
- Review, with the Management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' responsibility statement, included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statement.

- Disclosure of all related party transactions.
- Modified opinion(s) in the draft audit report.

- Review the following information:
  - Management Discussion and Analysis of financial condition and results of operations.
  - Management letter / letters of internal control weaknesses issued by the Statutory Auditors.
  - Internal Audit Reports relating to internal control weaknesses.
  - The financial statements, in particular the investments, if any, made by unlisted subsidiary companies.
  - Quarterly compliance certificates confirming compliance with laws and regulations, including any exceptions to these compliances.
- Oversee the functioning of the Vigil Mechanism / Whistle Blower Mechanism.
- Establish the systems for storage, retrieval and display of books of accounts and other financial records in electronic format.
- Review the findings of any internal investigation by the Internal Auditors into matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Review the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.
- Approve the appointment, re-appointment and removal of Company's Chief Financial Officer after assessing the qualifications, experience and background, among others, of the candidate.
- Review the Company's financial and risk management policies, implementation of treasury policies, strategies and status of investor relation activities.
- Ensure that the internal audit function is effective, adequately resourced, and to review coordination between Internal and Statutory Auditors.
- 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 scrutinize the inter-corporate loans and investments.
- Monitor and review with the Management, the statement of uses / application of funds raised through an issue (public issue, right issue and preferential issue, among others), the statement of funds utilised for purposes, other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Valuation of undertakings or assets of the Company, wherever necessary.
- Appointment of a registered valuer of the Company and fixation of their terms and conditions.
- Evaluation of internal financial controls.
- Delegate above said functions to Sub-Committees, whenever required.
- The Audit 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 Regulations and the Companies Act, 2013.

Powers of the Audit 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 Committee

During FY 2017-18, the Committee met six times i.e. on May 09, 2017, July 25, 2017, October 31, 2017, December 19, 2017, January 18, 2018 and March 12, 2018.

Beside the Committee meetings as above, the Committee also holds a conference call before every regular Committee meeting to discuss routine internal audit issues and other matters. This provides an opportunity to the Committee to devote more time on other significant matters in the regular Committee meeting. During FY 2017-18, the Committee had met four times through the conference call i.e. May 02, 2017, July 18, 2017, October 17, 2017 and January 16, 2018.

All recommendations made by the Audit Committee were accepted by the Board.

The composition and the attendance of members at the meetings held during FY 2017-18, are given below:

Name	Category	Number of meetings attended (total held during tenure)	Number of conference calls attended (total conducted during tenure)
Mr. V. K. Viswanathan (Chairman)	Independent Director	6(6)	4(4)
Mr. Craig Ehrlich	Independent Director	2(6)	4(4)
Ms. Tan Yong Choo	Non-Executive Director	5(6)	4(4)
Mr. Dinesh Kumar Mittal	Independent Director	6(6)	3(4)

Audit Committee Report for the year ended March 31, 2018

To the Shareholders of Bharti Airtel Limited

The Audit Committee ("Committee") is pleased to present its report for the year ended March 31, 2018:

1. The Committee presently comprises four members of whom three-fourths, including the Chairman are Independent Directors, as against the requirement of two-thirds prescribed under Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

2. The responsibility for the Company's internal controls and financial reporting processes lies with the Management. The Statutory Auditors have the responsibility of performing an independent audit of the Company's financial statements in accordance with the Indian Accounting Standards (Ind-AS) and issuing a report thereon. The Ombudsperson is responsible for the Company's Whistle Blower Mechanism.

3. The Company has in place an Internal Assurance Group (IAG) headed by a Group Director – Internal Assurance, who acts as the Chief Internal Auditor in accordance with Section 138 of the Companies Act (the incumbent has resigned effective March 8, 2018 and the Company is in the process of identifying a suitable replacement). The Company also has Ernst & Young LLP and ANB & Co., Chartered Accountants, Mumbai as the internal assurance partners which carry out the internal audit basis a detailed internal audit plan which is reviewed each year in consultation with the IAG and the Audit Committee. These audits are based on risk based methodology and inter-alia involve the review of internal controls and governance processes, adherence to management policies and review of statutory compliances. Besides the Committee meetings as above, the Committee also holds a conference call before every regular Committee meeting to specifically discuss internal audit issues. This provides an opportunity to the Committee to devote more time on internal control & audit issues and make the regular Committee meeting time available for other matters within its scope. During FY 2017-18, the Committee met four times through conference calls i.e. May 02, 2017, July 18, 2017, October 17, 2017 and January 16, 2018. All recommendations made by the Audit Committee were accepted by the Board. The Internal Assurance Partners share their findings on an ongoing basis during the year for corrective action.

4. The Audit Committee oversees the work of Statutory Auditors, Internal Auditors, IAG, Internal Assurance Partners and the Ombudsperson. It is also responsible for overseeing the processes related to the financial reporting and information dissemination.

5. In this regard, the Audit Committee reports as follows:

   I. The Committee has discussed with the Company's Internal Auditors (viz. IAG), Internal Assurance Partners and Statutory Auditors the overall scope and plan for their respective audits. The Committee has also discussed the results and effectiveness of the audit, evaluation of the Company's internal controls and the overall quality of financial reporting.

   II. The Management has presented the Company's financial statements to the Committee and affirmed

that the Company's financial statements have been drawn in accordance with Ind-AS. Based on its review and the discussions conducted with the Management and the Statutory Auditors, the Committee believes that the Company's financial statements are fairly presented in conformity with applicable accounting standards in all material aspects. The Committee also considers that the financial statements are true and fair and provide sufficient information. The Committee believes the Company has followed adequate processes to prepare these financial statements.

III. The Committee has reviewed both abridged and unabridged versions of the standalone and consolidated financial statements for the year ended March 31, 2018. It has recommended the same for the Board's approval.

IV. The Committee has reviewed the internal controls for ensuring that the Company's accounts are properly maintained and that the accounting transactions are in accordance with prevailing laws and regulations. In conducting such reviews, the Committee found no material deficiency or weakness in the Company's internal control systems.

V. The Committee reviewed the Company's internal financial controls and risk management systems from time to time. During the year the Company has constituted a separate Risk Management Committee which shall focus on risk management including determination of company's risk appetite, risk tolerance and regular risk assessments (risk identification, risk quantification and risk evaluation) etc.

VI. The Committee reviewed the Ombudsperson's report on the functioning of the Whistle Blower Mechanism for reporting concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's Code of Conduct or ethics policy. The Committee believes that the Company has an effective Whistle Blower Mechanism and nobody has been denied access to this mechanism.

VII. The Committee has reviewed with the Management, the independence and performance of Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of the Company.

VIII. The Committee, along with the Management, reviewed the performance of the Internal Assurance Partners viz. Ernst & Young LLP and ANB & Co., Chartered Accountants, Mumbai during the financial year 2017-18. The Committee has also reviewed the eligibility and independence of Ernst & Young LLP and ANB & Co. and has recommended to the Board the re-appointment of Ernst & Young LLP and ANB & Co. as the internal assurance partners.

IX. The Committee has been vested with the adequate powers to seek support and other resources from the Company. The Committee has access to the information and records as well. It also has the authority to obtain professional advice from external sources, if required.

X. The Audit Committee monitored and approved all related party transactions, including any modification / amendment in any such transactions.

In conclusion, the Audit Committee is sufficiently satisfied that it has complied with the responsibilities as outlined in the Audit Committee's Charter.

Place: New Delhi
Date: April 24, 2018

V. K. Viswanathan
Chairman, Audit Committee

HR and Nomination Committee

The Committee comprises five Non-Executive Directors, of whom three members, including, the Chairman of the Committee are Independent Directors. The composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The Company Secretary acts as the Secretary of the Committee. The Global Chief HR Officer is a permanent invitee to the Committee meetings. Other Senior Management members are also invited to the meeting to present reports relating to items being discussed at the meeting.

Key Responsibilities of the HR and Nomination Committee

HR Related

- Formulation and recommendation to the Board, of a policy relating to remuneration of Directors, Key Managerial Personnel* and other employees.
- Determine the compensation (including salaries and salary adjustments, incentives / benefits, bonuses) and performance targets of the Chairman and of the Managing Directors & CEO's.
- In the event of no profit or inadequate profit, to approve the remuneration payable to managerial persons, taking into account the Company's financial position, industry trend, appointee's qualification, experience, past performance, past remuneration while bringing objectivity in determining the remuneration package, while striking a balance between the Company's interest and shareholders.
- Attraction and retention strategies for employees.
- Review employee development strategies.
- Assess the learning and development needs of the Directors and recommend learning opportunities, which can be used by Directors to meet their needs for development.
- Review all human resource related issues, including succession plan of key personnel.
- The Committee shall also consider any other key issues / matters as may be referred by the Board, or as may be necessary in view of Regulation 19 of the Listing Regulations or any other statutory provisions.

ESOP Related

- Formulation of ESOP plans and decide on future grants;
- Formulation of terms and conditions on following under the present ESOP Schemes of the Company with respect to:
  - Quantum of options to be granted under ESOP Scheme(s) per employee and in the aggregate under a plan.
  - Performance conditions attached to any ESOP Plan.
  - Conditions under which options vested in employees may lapse in case of termination of employment for misconduct.
  - Exercise period within which the employee should exercise the option, and that option would lapse on failure to exercise the option within the exercise period.
  - Specified time period within which the employee must exercise the vested options in the event of termination or resignation of an employee.
  - Right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period.
  - Procedure for making a fair and reasonable adjustment to the number of options and to the exercise price, in case of rights issues, bonus issues and other corporate actions.
  - Grant, vest and exercise of option in case of employees, who are on long leave, and the procedure for cashless exercise of options.
  - Any other matter which may be relevant for administration of ESOP schemes from time to time.
- To frame suitable policies and processes to ensure that there is no violation of SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
- 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.
- Review succession planning for Executive and Non-Executive Directors and other Senior Executives, particularly the Chairman, Managing Directors & CEOs.
- Recommend suitable candidate for the role of Lead Independent Director.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Conduct an annual evaluation of the overall effectiveness of the Board, the Committees of the Board and the performance of each Director.
- Review the Terms of Reference of all committees of the Board, including itself on an annual basis, and recommend any changes to the Board.

*Key Managerial Personnel' means: i) the Chief Executive Officer or the Managing Director or the Manager; ii) the Company Secretary; iii) the Whole-time Director; iv) the Chief Financial Officer.

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

Meetings, Attendance and Composition of HR and Nomination Committee

During FY 2017-18, the Committee met four times i.e. May 09, 2017, July 25, 2017, October 31, 2017 and January 18, 2018.

The composition and the attendance of members at the meetings held during FY 2017-18, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Ben Verwaayen, Chairman	Independent Director	3(4)
Ms. Chua Sock Koong*	Non-Executive Director	2(4)
Mr. Manish Kejriwal	Independent Director	4(4)
Mr. Rakesh Bharti Mittal	Non-Executive Director	4(4)
Mr. Shishir Priyadarshi	Independent Director	4(4)

*Two meetings attended by Mark Chong Chin Kok and Tao Yih Arthur Lang, alternate director(s).

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

Stakeholders' Relationship Committee

In compliance with the Regulation 20 of the Listing Regulations, requirements and provisions of Section 178 of the Companies Act, 2013, the Company has a Stakeholders' Relationship Committee. The Committee comprises four members including two Independent Directors. Mr. Rakesh Bharti Mittal, Non-Executive Director is the Chairman of the Committee. The Company Secretary acts as Secretary to the Committee.

Key Responsibilities of the Stakeholders' Relationship Committee

The key responsibilities of the Stakeholders' Relationship Committee include the following:

- Formulation of procedures, in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time.
- Consider and resolve the complaints / grievances of security holders of the Company, including complaints related to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend.
- Dematerialise or re-materialise the share certificates.
- Approve the transmission of shares or other securities arising as a result of death of the sole / any of joint shareholder.
- Sub-divide, consolidate and / or replace any share or other securities certificate(s) of the Company.
- Issue duplicate share / other security(ies) certificate(s) in lieu of the original share / security(ies) certificate(s) of the Company.

- Approve, register and refuse to register transfer / transmission of shares and other securities.
- To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).
- Oversee & review, all matters connected with the transfer of securities of the Company.
- Oversee the performance of the Company's Registrar and Share Transfer Agent.
- Recommend methods to upgrade the standard of services to the investors.
- To deal with the Company's unclaimed / undelivered shares, as prescribed in the relevant regulation of the Listing Regulations.
- To do all such acts, deeds and things as may be necessary in this regard.

The meetings of the Committee are generally held as and when deemed necessary, to review and ensure that all investor requests / grievances are redressed within stipulated time period.

Meetings, Attendance and Composition of Stakeholders' Relationship Committee

During FY 2017-18, the Committee met seven times i.e. on May 09, 2017, July 25, 2017, October 31, 2017, November 23, 2017, December 19, 2017, January 18, 2018 and March 12, 2018. The composition and the attendance of members at the meetings held during FY 2017-18, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Rakesh Bharti Mittal, Chairman	Non-Executive Director	7(7)
Mr. Manish Kejriwal	Independent Director	4(7)
Mr. Gopal Vittal	Executive Director	6(7)
Mr. D.K. Mittal	Independent Director	7(7)

Compliance Officer

Mr. Rohit Krishan Puri, Dy. Company Secretary, acts as the Compliance Officer of the Company for complying with the requirements of the Listing Regulations and requirements of securities laws, including SEBI (Prohibition of Insider Trading) Regulations, 2015.

Nature of Complaints and Redressal Status

During FY 2017-18, 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 2017-18 are as follows:

Type of complaint	Number	Redressed	Pending on March 31, 2018
Non-receipt of securities	0	0	Nil
Non-receipt of Annual Report	2	2	Nil
Non–receipt of dividend / dividend warrants	1	1	Nil
Miscellaneous	1	1	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 deem necessary to cater to the day to day requirements of the Company.

The Committee comprises four members including two Independent Directors. Mr. Rakesh Bharti Mittal, Non-Executive Director is the Chairman of the Committee. The Company Secretary acts as Secretary to the Committee.

Meetings, Attendance and Composition of Committee of Directors

During FY 2017-18, the Committee met six times i.e. on May 09, 2017, July 25, 2017, October 31, 2017, January 18, 2018, March 9, 2018 and March 13, 2018. The composition and the attendance of members at the meetings held during FY 2017-18, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Rakesh Bharti Mittal, Chairman	Non-Executive Director	6(6)

Name	Category	Number of meetings attended (total held during tenure)
Mr. D.K. Mittal	Independent Director	6(6)
Mr. Manish Kejriwal	Independent Director	4(6)
Mr. Gopal Vittal	Executive Director	6(6)

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

Investment Related

- To grant loans to any body corporate / entity.
- To give guarantee(s) in connection with loan made to any body corporate / entity.
- To negotiate, finalise, amend, modify, approve and accept the terms and conditions with respect to aforesaid loans and / or guarantee(s) from time to time.
- To purchase, sell, acquire, subscribe, transfer or otherwise deal in the shares / securities of any Company, body corporate or other entities.

Treasury Related

- To borrow such sum of money, as may be required by the Company from time to time provided that the money already borrowed, together with the money to be borrowed by the Company does not exceed the limits provided under Section 180 of the Companies Act, 2013 i.e. upto the paid up capital and free reserve of the Company.
- To create security / charge(s) on all or any of the assets of the Company for the purpose of securing credit facility(ies) of the Company.
- To deal in government securities, units of mutual funds, fixed income and money market instruments, fixed deposits and certificate of deposit programme of banks and other instruments / securities / treasury products of banks & financial institutions as per treasury policy of the Company.
- To deal in foreign exchange and financial derivatives linked to foreign exchange and interest rates including, but not limited to foreign exchange spot, forwards, options, currency swaps and interest rate swaps.
- To open, operate, close, change in authorisation for any Bank Account, Subsidiary General Ledger (SGL) Account, Dematerialisation / Depository Account.
- To approve, finalise and authorise the execution of any deed, document, letter or writing in connection with the aforesaid activities, including borrowing / credit facilities, creation of charge.

Allotment of Shares

- Issue and allot shares of the Company in one or more tranches as per the terms of the ESOP Schemes for the time being in force or upon conversion of Foreign Currency Convertible Bonds issued by the Company.
- To seek listing of shares issued as above on one or more Stock Exchanges in India and all such shares being pari-passu with the existing equity shares of the Company in all respects.
- To do all such acts, deeds and things, as may be necessary and incidental to allotment and listing of shares.

General Authorisations

- To open, shift, merge, close any branch office, circle office.
- To approve for participation into any tender, bid, auction by the Company.
- To register the Company with any Central / State Government authorities, Semi-Government authorities, local authorities, tax authorities including sales tax, service tax, value added tax authorities, labour law authorities, administrative authorities, business associations and other bodies.
- To purchase, sell, take on lease / license, transfer or otherwise deal with any property.
- To apply for and surrender any electricity, power or water connection.
- To appoint any Merchant Banker, Chartered Accountant, Advocate, Company Secretary, Engineer, Technician, Consultants and / or Professionals for undertaking any assignment for and on behalf of the Company.
- To constitute, reconstitute, modify, dissolve any trust or association with regard to the administrative matters or employee related matters and to appoint, reappoint, remove, replace the trustees or representatives.
- To authorise one or more employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s) jointly or severally to:
  - represent the Company before Central Government, State Governments, Judicial, Quasi-judicial and other statutory / administrative authorities or any other entity.

- negotiate, finalise, execute, modify, sign, accept, and withdraw all deed, agreements, undertakings, certificates, applications, confirmations, affidavits, indemnity bonds, surety bonds, and all other documents and papers.
- affix common seal of the Company.
- enter into, sign, execute and deliver all contracts for and on behalf of the Company.

- To do all such acts, deeds and things as may be required for the smooth conduct of the operations of the Company and which does not require the specific approval of the Board of the Company or which has specifically been delegated by the Board to any other Committee of the Board or any officer, employee or agent of the Company.
- To perform such other functions as may be authorised / delegated by the Board or as might have been authorised / delegated to the erstwhile Borrowing Committee, Investment Committee, Committee of Director or the Allotment Committee.
- To authorise / delegate any or all of its power to any person, officer, representative.

Special Committee of Directors (Monetization of stake in Bharti Infratel Limited)

The Special Committee of Directors (Monetization of stake in Bharti Infratel Limited) evaluates the proposal for monetization of stake in Bharti Infratel Limited. The Committee meets as and when necessary to explore divestment in Bharti Infratel Limited.

The Committee comprises three members including one independent director. Mr. Rakesh Bharti Mittal, Non-Executive Director is the Chairman of the Committee. The Company Secretary acts as Secretary to the Committee.

Meetings, Attendance and Composition of Special Committee of Directors (Monetization of stake in Bharti Infratel Limited)

During FY 2017-18, the Committee met one time i.e. on October 31, 2017. The composition and the attendance of members at the meetings held during the FY 2017-18, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Rakesh Bharti Mittal, Chairman	Non-Executive Director	1(1)
Ms. Chua Sock Koong	Non-Executive Director	1(1)
Mr. D.K. Mittal	Independent Director	1(1)

Key Responsibilities of the Special Committee of Directors (Monetization of stake in Bharti Infratel Limited)

- To engage and negotiate with the prospective buyers including in relation to the terms of sale provided that the terms shall be subject to the approval of the board of directors and no agreements shall be approved and or executed except after the approval of the board of directors.
- To appoint, terminate, reappoint legal advisors, advisors, consultants, and any other professionals or intermediaries etc. on such terms and conditions as deemed fit.
- To represent the Company before any prospective buyer and any regulatory and / or statutory authorities and departments.
- To delegate all or any of the authorisations conferred as above to any Officer(s) / Authorized Representative(s) of the Company.
- To do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, usual or proper in furtherance of the above.

Special Committee of Directors (Restructuring of overseas holding structure)

The Special Committee of Directors (Restructuring of overseas holding structure) evaluates the proposal for restructuring of overseas holding structure of the Company. The Committee meets as and when necessary.

The Committee comprises three members including one independent director. Mr. Rakesh Bharti Mittal, Non-Executive Director is the Chairman of the Committee. The Company Secretary / Deputy Company Secretary acts as Secretary to the Committee.

Meetings, Attendance and Composition of Special Committee of Directors (Restructuring of overseas holding structure)

During the year no meeting of Special Committee of Directors (Restructuring of overseas holding structure) was convened.

Key Responsibilities of the Special Committee of Directors (Restructuring of overseas holding structure)

- To evaluate the proposal for restructuring of overseas holding structure.
- To appoint, terminate, reappoint legal advisors, advisors, consultants, and any other professionals or intermediaries etc. on such terms and conditions as deemed fit.
- To represent the Company before any regulatory and / or statutory authorities and departments.
- To delegate all or any of the authorisations conferred as above to any Officer(s) / Authorized Representative(s) of the Company.
- To do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper in furtherance of the above.

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. Rakesh Bharti Mittal, Non-Executive Director, is the Chairman of the Committee. The Company Secretary acts as secretary to the Committee.

Key Responsibilities of the CSR Committee

- Formulate, monitor and recommend to the Board CSR Policy and the activities to be undertaken by the Company.
- Recommend the amount of expenditure to be incurred on the activities undertaken.
- Review the Company's performance in the area of CSR.
- Evaluate social impact of the Company's CSR activities.
- Review the Company's disclosure of CSR matters including any annual social responsibility report.
- Review the following, with the Management, before submission to the Board for approval
  - The Business Responsibility (BR) Report
  - CSR Report
  - Annual Sustainability Report
- Formulate and implement the BR policies in consultation with the respective stakeholders.
- Establish a monitoring mechanism to ensure that the funds contributed by the Company are spent by Bharti Foundation, or any other charitable organisation to which the Company makes contributions, for the intended purposes only.
- Approve the appointment or re-appointment of Directors responsible for Business Responsibility.
- Nominate at least one member of the CSR Committee as a trustee of Bharti Foundation.
- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the Listing, Corporate Social Responsibility Voluntary Guidelines, 2009 and the Companies Act, 2013.

On the recommendation of the CSR Committee, the Board had on April 29, 2014, 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 2017-18, the Committee met three times i.e. on May 09, 2017, November 21, 2017 and January 18, 2018. The composition and the attendance of members at the meetings held during the FY 2017 -18, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Rakesh Bharti Mittal, Chairman	Non-Executive Director	3(3)
Mr. D.K. Mittal	Independent Director	3(3)
Mr. Gopal Vittal	Executive Director	2(3)

Corporate Social Responsibility Report for the year ended March 31, 2018

The CSR Report for the year ended March 31, 2018 is annexed as Annexure D to the Board's Report.

Risk Management Committee

The Board in its meeting held on January 18, 2018, constituted separate Risk Management Committee to focus on risk management including determination of Company's risk

appetite, risk tolerance and regular risk assessments (risk identification, risk quantification and risk evaluation) etc.

The Committee comprises seven members viz. Mr. D. K. Mittal, Mr. V.K. Viswanathan, Mr. Rakesh Bharti Mittal, Mr. Gopal Vittal, Mr. Nilanjan Roy, Group Director, Internal Assurance and Mr. Pankaj Tewari. Mr. D.K. Mittal is the Chairman of the Committee. The Company Secretary / Dy. Company Secretary acts as secretary to the Committee.

During the year no Risk Management Committee meeting was held.

Authority

a) Obtain any legal or independent professional advice on matters to be deliberated in the Risk Management Committee.

b) Access sufficient resources to carry out its duties.

Key Responsibilities of the Risk Management Committee

> Formulate and review risk management policy;

> Approve the process for risk identification;

> Assess / Determine risk appetite and monitor risks (including Cyber Security risk);

> Implement, monitor and review the risk management framework, risk management plan and related matters;

> Advise the board on risk strategy;

> Foster an appropriate risk culture; and

> Delegate above said authorities to sub-committees, whenever required.

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 secretary to the Committee.

Key Responsibilities of the ACC Committee

> Strategic Management and supervision of Company's business; CEO Board Report.

> Formulation of Company's annual business plan including objectives and strategies, capex, and investments. Approval of the variation in the Approved Annual Operating Plan up to 5% negative deviation.

> Formulation of organisation policies, systems and processes, concerning the Company's operations.

> Review and recommend for approval of all items / proposals relating to restructuring, new line of business, investments, 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 in relation to the Company and its subsidiaries in India, Africa and SA, as a shareholder.

> Acquisition, disposal, transfer of any immovable property of value exceeding any amount in excess of the duly approved respective DoA's.

> Formation, modification, withdrawal, implementation of systems, policies, control manuals and other policy frameworks for operational efficiency and risk management. The Committee to agree in advance the specific key operational efficiency / risk management matters that business must present at each meeting.

> Approval for contribution to any political party / political trust within the overall limit set by the Board.

> Business Development transaction related updates/next steps.

> Financial Restructuring / Treasury Strategy.

> Review and approval of all strategic consulting assignments.

> Change of Company's brand name, logo, and trade mark. All brand launches (new or rebranding to be presented to ACC, prior to formally committing material expenditure).

Powers of ACC in respect of the Subsidiaries and their step down Subsidiaries (Other than listed subsidiaries)

> Formulation of business plan, including any strategic initiative, investments, capex, borrowing including refinancing and extension, among others.

> Nomination of the respective subsidiaries nominee on Board of other companies.

> Entry into / exit from business / major business activities, in any manner whatsoever, including purchase, sale, lease, franchise, among others.

With respect to overseas subsidiaries and their step down subsidiaries, the power of ACC is confined to performing key shareholder functions.

General Body Meetings

The details of last three Annual General Meetings (AGMs) are as follows:

Financial Year	Location	Date	Time	Special Resolutions passed
2016-2017	Air Force Auditorium, Subroto Park, New Delhi - 110010	July 24, 2017	1530 Hrs. (IST)	1. Re-appointment of Mr. Manish Kejriwal as an Independent Director 2. Amendment in the Employee Stock Option Scheme 2005 of the Company
2015-2016		August 19, 2016	1530 Hrs. (IST)	1. Adoption of new Articles of Association of the Company 2. Alteration of Memorandum of Association of the Company
2014-2015		August 21, 2015	1530 Hrs. (IST)	No Special Resolution Passed

Tribunal Convened Meetings

Pursuant to the Order dt. July 28, 2017 by the Hon'ble Special Bench of the National Company Law Tribunal (Tribunal), the meeting of equity shareholders of the Company was held as per below details:

Location	Date	Time	Special Resolution passed
Sri Sathya Sai International Centre, Pragati Vihar, Bhisham Pitamah Marg, Lodhi Road, New Delhi – 110003	September 19, 2017	0930 Hrs. (IST)	Approval of Scheme of amalgamation between Telenor (India) Communications Private Limited and the Company

Mr. Sanjay Grover of Sanjay Grover and Associates, Company Secretaries, New Delhi (C.P. No. 3850) was appointed as a Scrutinizer by the Tribunal for conducting the poll at the Tribunal Convened Meeting of the equity shareholders.

Details of Poll conducted at the Tribunal Convened meeting:

Details of Agenda	No. of valid votes	Votes cast in favour of the resolution (no. & %)	Votes cast against the resolution (no. & %)
Approval of Scheme of amalgamation between Telenor (India) Communications Private Limited and the Company	3,729,191,826	3,728,392,180 (99.98%)	799,646 (0.02%)

Postal Ballot

The Board had on March 12, 2018 approved the Notice of Postal Ballot / E-Voting for passing of special resolution for Issue of unsecured / secured redeemable Non-Convertible Debentures / Bonds by way of Private Placement.

Person Conducting the Postal Ballot Exercise

Mr. Gopal Vittal, Managing Director & CEO (India & South Asia), Mr. Mukesh Bhavnani, Group General Counsel, Mr. Pankaj Tewari, Company Secretary and Mr. Rohit Krishan Puri, Deputy Company Secretary were appointed as persons responsible for the entire postal ballot / e-voting process. Mr. Sanjay Grover of Sanjay Grover & Associates, Company Secretaries, New Delhi (C.P. No. 3850) was appointed as the Scrutinizer for conducting the postal ballot / e-voting process in a fair and transparent manner.

Procedure followed / to be followed

1. In compliance with the Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108, 110 and other applicable provisions of the Companies Act, 2013, read with the rules made thereunder, the Company

has 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 has the option to vote either by physical ballot or e-voting.

2. The Company has dispatched the postal ballot notice dated March 12, 2018 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, March 30, 2018. The Company has also published a notice in the newspaper declaring the details of completion of dispatch on April 10, 2018 and April 11, 2018 and other requirements as mandated under the Act and applicable rules.

3. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the Scrutinizer on or before the close of business hours on Wednesday, May 09, 2018. The members who opts for the e-voting can vote during Tuesday, April 10, 2018 from 09:00 a.m. and Wednesday, May 09, 2018 till 05:00 p.m. (both days inclusive).

4. The Scrutinizer will submit his report, after the completion of scrutiny.

5. The results of the postal ballot will be announced by the Chairman or any other director authorised by him on Friday, May 11, 2018. The last date specified for receipt of duly completed Postal Ballot Forms and closure of e-voting i.e. May 09, 2018, will be taken as the date of passing the resolution.

6. The result of the postal ballot along with the scrutinizer's report will be displayed at the registered office of the Company, hosted at the Company's website at www.airtel.com and on the website of Karvy i.e. https://evoting.karvy.com and will be communicated to the Stock Exchanges where the Company's shares are listed.

Apart from the above announcement of results, there is no immediate proposal for passing any other special resolution through Postal Ballot on or before ensuing Annual General Meeting.

Code of Conduct

In compliance with Regulation 17 of the Listing Regulations and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct for all Directors and Senior Management personnel. The code is available on the Company's website www.airtel.com. The Code is applicable to all Board members and Senior Management personnel who directly report to the Chairman, the Managing Director & CEO (India & South Asia). The Code is circulated to all Board members and Senior Management Personnel and its compliance is affirmed by them annually.

Besides, the Company also procures a quarterly confirmation of material financial and commercial transactions entered into by Senior Management personnel with the Company that may have a potential conflict of interest.

A declaration signed by the Managing Director & CEO (India & South Asia), regarding affirmation of the compliance with the Code of Conduct by Board Members and Senior Management for the financial year ended March 31, 2018, 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 / self-certifications are conducted across locations to explain and reiterate the importance of adherence to the code.

Disclosures and Policies

Disclosure on Materially Significant Related Party Transactions that may have potential conflict with the interest of Company at large

All transactions entered into with related parties as defined under the Companies Act, 2013 and the Listing Regulations during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

None of the transactions with any of the related parties were in conflict with the interest of the Company rather, they synchronise and synergise with the Company's operations. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 34 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 Committee and to the Board of Directors, on quarterly basis in terms of Regulation 23(3) of the Listing Regulations and other applicable laws for approval / information. Prior omnibus approval is obtained for Related Party Transactions which are of repetitive in nature.

The Company's major related party transactions are generally with its subsidiaries and associates. These transactions are entered into based on consideration of various business exigencies, such as synergy in operations, sectoral specialisation, liquidity and capital resource of subsidiary and associates and all such transactions are on 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 the Listing Regulations. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties. The Policy is posted on the website of the Company at http://www.airtel.in/wps/wcm/connect/36a5305d-f0ba-490c-9eff-152ef6811917/BAL-Policy-on-Related-Party-Transactions.pdf?MOD=AJPERES.

Disclosure on Risk Management

The Company has established an Enterprise-wide Risk Management (ERM) framework to optimally identify and manage risks, as well as to address operational, strategic and regulatory risks. In line with the Company's commitment to deliver sustainable value, this framework aims to provide an integrated and organised approach to evaluate and manage risks. Risk assessment monitoring is included in the Company's annual Internal Audit programme and reviewed by the Audit Committee / Risk Management Committee at regular intervals. In compliance with Regulation 17 and 21 of the Listing Regulations, the Board of Directors has formulated a Risk Management Policy for framing, implementing and monitoring the risk management plan for the Company.

The Board is periodically updated on the key risks, steps and processes initiated for reducing and, if feasible, eliminating various risks. Business risk evaluation and management is an ongoing process within the Company.

Detailed update on risk management framework has been covered under the risk section, forming a part of the Management Discussion and Analysis.

Details of Non-compliance with regard to Capital Markets during the last three years

There have been no instances of non-compliances by the Company and no penalties and / or strictures have been imposed by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

Insider Trading

In compliance with the SEBI regulation on prevention of insider trading, the Company has established systems and procedures to prohibit insider trading activity and has formulated a code on insider trading for designated persons, who may have access to the Company's price sensitive information. The Code lays down procedures to be followed and disclosures to be made, while trading in the Company's shares.

The Company follows highest standards of transparency and fairness in dealing with all stakeholders and ensures that no insider shall use his or her position with or without knowledge of the Company to gain personal benefit or to provide benefit to any third party.

Ombudsperson Policy / Whistle Blower Policy

Bharti Airtel has adopted an Ombudsperson Policy (includes Whistle Blower Policy). It outlines the method and process for stakeholders to voice genuine concerns about unethical conduct that may be in breach with the employees' Code of Conduct. The policy aims to ensure that genuine complainants are able to raise their concerns in full confidence, without any fear of retaliation or victimisation. The Policy also allows for anonymous reporting of complaints. The Ombudsperson administers the entire formal process from reviewing and investigating concerns raised, undertaking all appropriate actions for resolution thereof and regular monitoring of ombuds process to strengthen its effectiveness and adequacy. Instances of serious misconduct dealt with by the Ombudsperson are reported to the Audit 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 Committee.

Auditors' Certificate on Corporate Governance

As required under Regulation 34 of the Listing Regulations, the auditors' certificate on Corporate Governance is annexed as Annexure I to the Board's Report.

CEO and CFO Certification

The certificate required under Regulation 17(8) of the Listing Regulations, duly signed by the CEO and CFO of the Company was placed before the Board. The same is provided as Annexure B to this report.

Subsidiary Companies

The Company monitors performance of subsidiary Companies, inter-alia, by the following means:

- Financial Statements, in particular investments made by unlisted subsidiary companies, are reviewed quarterly by the Audit Committee.

- Minutes of the Board Meetings of unlisted subsidiary companies are regularly placed before the Board.
- A statement containing significant transactions and arrangements entered into by unlisted subsidiary companies is placed before the Board.

Bharti Infratel Limited, the Company's material Indian subsidiary, is listed on Stock Exchanges and therefore, the Company is not required to nominate a Director on the Board of Bharti Infratel Limited.

The Board of Directors have formulated a Policy for determining material subsidiaries pursuant to the provisions of the Listing Regulations. The same is posted on the Company's website at http://www.airtel.in/wps/wcm/connect/7e99add6-9401-4ab3-899a-07572390a956/BAL-Policy-for-determining-Material-Subsidiaries.pdf?MOD=AJPERES.

Compliance with the Mandatory Requirements of the Listing Regulations

The Board of Directors periodically review the compliance of all applicable laws. The Company has complied with all the mandatory requirements of the Code of Corporate Governance as specified in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations. It has obtained a certificate affirming the compliances from Deloitte Haskins & Sells LLP, Chartered Accountants, the Company's Statutory Auditors and the same is attached to the Board's Report.

Details of Compliances with the Non-mandatory Requirements of Regulation 27 of the Listing Regulations.

In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements Regulation 27(1) of the Listing Regulations:

(i) Shareholders' Rights

The Company has a policy of announcement of the audited quarterly results. The results, as approved by the Board of Directors (or Committee thereof) are first submitted to Stock Exchanges within 30 minutes under Regulation 30 of the Listing Regulations of the approval of the results. Once taken on record by the 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.

(ii) Audit Qualifications

Company's financial statements are unqualified.

(iii) Separate posts of Chairman and CEO

The positions of the Chairman of the Board and the Managing Director & Chief Executive Officer of the Company are held by separate individuals.

(iv) Reporting of Internal Auditor / Internal Assurance Partners

The Internal Auditors / Internal Assurance Partners directly reports to the Audit Committee.

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 correspondence / communications through email to those shareholders who have registered their email id with their depository participants / Company's registrar and share transfer agent. In case the shareholders desire to receive a printed copy of such communications, they send a requisition to the Company. The Company forthwith sends a printed copy of the communication to the shareholder.

Status of Dividend Declared

Status of the dividend declared by the Company is as under:

Amount in ₹ Millions

Financial Year	Rate of Dividend per equity share of ₹ 5 each	Total Pay-out	Amount Paid to the shareholders	Amount un-paid to the shareholders
2017-18 (Interim)	₹ 2.84	11,352.62	11,351.68	0.94
2016-17	₹ 1	3,997.40	3,991.24	6.16
2015-16	₹ 1.36	5,436.46	5,427.88	8.59
2014-15	₹ 2.22	8,874.23	8,860.86	13.37
2014-15 (Interim Dividend)	₹ 1.63	6,515.76	6,505.78	9.99
2013-14	₹ 1.80	7,195.32	7,184.27	11.05
2012-13	₹ 1	3,797.53	3,791.06	6.47
2011-12	₹ 1	3,797.53	3,790.80	6.73
2010-11	₹ 1	3,797.53	3,791.16	6.37

The Company constantly endeavours to reduce the unpaid dividend amount. The shareholders, who have not claimed their dividend for the above financial years are requested to contact the Company or its Share Transfer Agent.

Equity Shares in the Suspense Account

In terms of Regulation 34 of the Listing Regulations, the details of the equity shares lying in the suspense accounts, which were issued in physical form, are as follows:

Particulars	Number of Shareholders	Number of equity shares
Number of shareholders and aggregate number of shares as transferred to the Unclaimed Suspense Account outstanding as on April 01, 2017	7	19
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	6	18
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2018	1	1

The voting rights on the share(s) in the suspense account as on March 31, 2018 shall remain frozen till the rightful owners of such share(s) claim the share(s) .

Means of Communication

Quarterly Results: The Company's Quarterly Audited Results are published in prominent daily newspapers, viz. Mint (English daily) and Hindustan (vernacular newspaper) and are also uploaded on the Company's website www.airtel.com.

News releases, presentations: Official news releases and official media releases are sent to Stock Exchanges and uploaded on the Company's website www.airtel.com.

Earning Calls & Presentations to Institutional Investors / Analysts: The Company organises an earnings call with analysts and investors on the next day of announcement of results, which is also broadcast live on the Company's website. The transcript of the earnings call is posted on the website soon after. Any specific presentation made to the analysts / others is also uploaded on the Company's website www.airtel.com.

NSE Electronic Application Processing System (NEAPS)/ BSE Corporate Compliance & Listing Centre: The NEAPS/ BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance fillings, like shareholding pattern, Corporate Governance Report, media releases and other material information is also filed electronically on the designated portals.

Website: Upto 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.

Shareholders Satisfaction Survey: In our constant endeavour to strengthen the shareholder service standards, a Shareholders Satisfaction Survey is conducted through a Shareholders Feedback Form uploaded on the Company's website www.airtel.com under 'Investors' section. Accordingly, members may provide their valuable feedback.

Since the time of listing of shares, Bharti Airtel adopted a practise of releasing a quarterly report, which contains financial and operating highlights, key industry and Company developments, results of operations, stock market highlights non-GAAP information, ratio analysis, summarised financial statements and so on. The quarterly reports are posted on the Company's website and are also submitted to the Stock Exchanges, where the Company's shares are listed.

General Shareholders' Information

23rd Annual General Meeting

Date	:	August 08, 2018
Day	:	Wednesday
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, 2018	:	July 26, 2018, (Thursday)
September 30, 2018	:	October 25, 2018, (Thursday)
December 31, 2018	:	January 17, 2019, (Thursday)
March 31, 2019	:	April 23, 2019 (Tuesday)

Book Closure

Saturday, August 04, 2018 to Wednesday, August 08, 2018 (both days inclusive).

Final Dividend

₹ 2.50 per equity share of ₹ 5/- each (i.e. 50.00% on the face value of the shares).

Dividend Pay-out Date

On or after August 08, 2018 (within the statutory time limit of 30 days i.e. up to September 07, 2018), subject to the approval of the shareholders.

Equity Shares Listing, Stock Code and Listing Fee Payment

Name and address of the Stock Exchange	Scrip code	Status of fee paid for FY 2018-19
National Stock Exchange of India Limited Exchange Plaza, C-1 Block G Bandra Kurla Complex, Bandra, Mumbai – 400001	BHARTIARTL	Paid
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001	532454	Paid

Debentures Listing and Listing Fee Payment

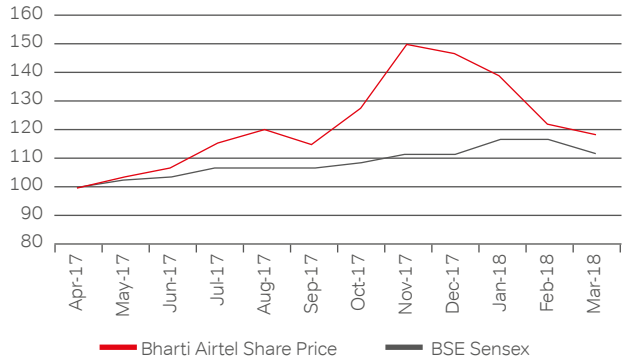
Name and address of the Stock Exchange	Scrip code	Status of fee paid for FY 2018-19
National Stock Exchange of India Limited Exchange Plaza, C-1 Block G Bandra Kurla Complex, Bandra, Mumbai – 400001	BAL20 BAL21	Paid

Stock Market Data for the Period April 01, 2017 to March 31, 2018

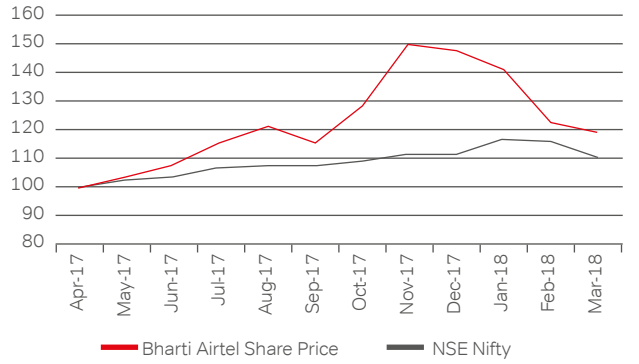
Month	BSE			NSE		
	High	Low	Volume (Nos.)	High	Low	Volume (Nos.)
April 2017	361.35	333.25	47,26,962	361.95	332.75	5,93,38,264
May 2017	381.50	336.95	75,03,227	381.60	336.50	12,36,20,920
June 2017	386.45	361.00	66,39,494	386.35	360.60	6,89,74,184
July 2017	431.00	373.35	97,05,730	431.60	373.35	8,60,41,584
August 2017	438.00	403.70	24,99,266	438.15	403.75	5,45,08,784
September 2017	430.15	370.00	24,80,960	430.45	371.00	7,91,81,681
October 2017	519.35	373.10	95,34,448	519.35	373.15	19,70,62,070
November 2017	565.00	480.00	47,50,82,156	564.80	481.15	22,93,86,228
December 2017	547.20	477.00	1,97,91,369	547.50	476.85	13,20,10,586
January 2018	542.25	422.20	5,39,81,181	542.50	435.05	18,66,10,123
February 2018	449.15	403.00	63,51,520	449.40	403.20	14,22,48,998
March 2018	436.70	391.10	92,19,414	436.60	391.25	11,54,58,421

Source: www.bseindia.com **Source:** www.nseindia.com

Bharti Airtel Share Prices Vs. BSE Sensex



Bharti Airtel Share Price Vs. NSE Nifty



Registrar and Transfer Agent

All the work related to share registry, both in physical and electronic form, is handled by the Company's Registrar and Transfer Agent at the address mentioned in the communication addresses section.

Share Transfer System

As much as 99.86% of the Company's equity shares are in electronic format. These shares can be transferred through the depositories without the Company's involvement.

Transfer of shares in physical form is processed within 15 days from the date of receipt, provided the documents are complete in all respects. All transfers are first processed by the Transfer Agent and are submitted thereafter to the Company, for approval. The Transfer Agent has been authorised to transfer minor shareholding up to 50 shares per instrument without the Company's involvement.

Pursuant to Regulation 40(9) of the Listing Regulations, 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 statutory stipulated period. A copy of the certificates so received is submitted to both Stock Exchanges, where the shares of the Company are listed.

Distribution of Shareholding

By number of shares held as on March 31, 2018

Sl. no.	Category (by no. of shares)	No. of shareholders	% to holders	No. of shares	% of shares
1	1 – 5000	194,871	97.43	15,671,641	0.40%
2	5001 – 10000	2,013	1.01	3,049,839	0.07%
3	10001 – 20000	1,016	0.51	2,968,767	0.07 %
4	20001 – 30000	390	0.19	1,944,855	0.05%
5	30001 – 40000	193	0.09	1,366,884	0.03%
6	40001 – 50000	121	0.06	1,123,232	0.03%
7	50001 – 100000	279	0.14	3,995,395	0.10%
8	100001 – above	1,132	0.57	3,967,279,489	99.25%
Total		**2,00,015**	**100 %**	**3,997,400,102**	**100%**

By category of holders as on March 31, 2018

S. no.	Category	No. of shares	%age of holding
I	**Promoter and Promoter Group**		
(i)	Indian promoters	2,002,818,452	50.10
(ii)	Foreign promoters	680,963,103	17.04
Total Promoters shareholding		2,683,781,555	67.14
II	**Public Shareholding**		
(A)	**Institutional Investors**		
(i)	Mutual Funds and Unit Trust of India	264,178,731	6.60
(ii)	Financial institutions and Banks	3,108,671	0.08
(iii)	Insurance companies	227,466,498	5.70
(iv)	Foreign Institutional Investors	1,262,459	0.03
(v)	Others - Foreign Portfolio Investors	736,191,176	18.42
(B)	**Others**		
(i)	Bodies Corporate (Indian)	24,101,590	0.60
(ii)	Bodies Corporate (Foreign)	2,532,710	0.06
(iii)	Trusts	8,717,006	0.22
(iv)	NRIs / OCBs / Foreign Nationals / QFI	2,315,817	0.06
(v)	Resident Individuals	36,868,027	0.92
(vi)	Indian Public & Others	6,875,862	0.17
Total Public Shareholding		**1,313,618,547**	**32.67**
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 INE397D01024.

The Company's equity shares are frequently traded at the BSE Limited and the National Stock Exchange of India Limited.

Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments as on date.

Disclosure of commodity price risks and commodity hedging activities

The Company follows prudent Board approved risk management policies. A detailed note on commodity price risks and commodity hedging activities is given in Management Discussion and Analysis forming part of Annual Report.

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. Pankaj Tewari** Sr. VP & Company Secretary or **Mr. Rohit Krishan Puri** Dy. Company Secretary & Compliance Officer	compliance.officer@bharti.in	**Bharti Airtel Limited** Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi 110 070 Telephone no. +91 011-46666100 Fax no. +91 11 46666137 Website: www.airtel.com
For queries relating to Financial Statements	**Ms. Komal Sharan** Head - Investor Relations	ir@bharti.in	
For Corporate Communication related matters	**Mr. Raza Khan** Head - Group Corporate Communications	corporate.communications@bharti.in	
Registrar & Transfer Agent	**Karvy Computershare Pvt. Ltd.**	einward.ris@karvy.com	Karvy Selenium Tower B, Plot number 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 Telephone no. +91 040-67162222 Fax No. 040-23001153 Website: www.karvy.com
Debentures Trustee	**Chief Financial Officer** Axis Trustee Services Limited	debenturetrustee@axistrustee.com	Ground Floor, Axis House Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai-400 025 Telephone No. +91 022-62260050/54 Fax No. 022-43253000

Annexure A

Declaration

I hereby confirm that the Company has received from all the members of the Board and Senior Management, for the financial year ended March 31, 2018, a confirmation that they are in compliance with the Company's Code of Conduct.

For **Bharti Airtel Limited**

Date: April 24, 2018
Place: New Delhi

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

Annexure B

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

We, Gopal Vittal, Managing Director & CEO (India & South Asia) and Nilanjan Roy, Global Chief Financial Officer of Bharti Airtel Limited, to the best of our knowledge and belief hereby certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of our knowledge and belief :

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee:

(i) significant changes in internal control over financial reporting during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: New Delhi
Date: April 24, 2018

Nilanjan Roy
Global Chief Financial Officer

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

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 Standalone Balance Sheet as at March 31, 2018, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act,2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

In conducting 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Standalone Financial Statements.

We believe that the audit evidence obtained by us 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 aforesaid 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 23(i)(f)(v) 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 charges.

Our opinion is not modified in respect of this matter.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with Ind AS included in these Standalone Financial Statements have been audited by the predecessor auditor. The report of the predecessor auditor on comparative financial statements for the year ended and as at March 31, 2017 dated May 9, 2017 expressed an unqualified opinion. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 purposes 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Cash Flows and Standalone Statement of Changes in Equity 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 Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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.

      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.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

Annexure "A" to the Independent Auditor's Report

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

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

We have audited the internal financial controls over financial reporting of Bharti Airtel Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal

financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 , based on the criteria for internal control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars with respect to most of its fixed assets, and is in the process of updating quantitative and situation details with respect to certain fixed assets in the records maintained by the Company.

b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us, the records examined by us and based on examination of property tax receipts, utility bills, lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed or court orders approving schemes of arrangements / amalgamations provided to us, we report that, the title in respect of self-constructed buildings and the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

In respect of immovable properties that have been taken on lease and disclosed as property, plant and equipment in the financial statements, based on our examination of the lease agreements or court orders approving the schemes of arrangement or amalgamations, we report that the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

ii. As explained to us, the inventories, except for those lying with the third parties, were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

iii. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable.

v. According to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable.

vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Services Tax, Customs Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the provisions relating to duty of excise are not applicable to the Company.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Value Added Tax, Service Tax, Goods and Services Tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) There are no dues of Goods and Service Tax, cess which have not been deposited on account of any dispute. Details of dues of Income-tax, Sales Tax, Value Added Tax, Service Tax and Customs Duty which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of the Statutes	Nature of the Dues	Amount Disputed (in ₹ Million)	Period to Which the amount Relates	Forum where the dispute is pending
Andhra Pradesh VAT Act, 2005	Sales Tax	87	2004-13	Tribunal
Andhra Pradesh VAT Act, 2005	Sales Tax	52	2013-15	Deputy Commissioner (Appeals)
Bihar VAT Act, 2005	Sales Tax	0*	2015-16	Assistant Commissioner
Bihar VAT Act, 2005	Sales Tax	2	2006-07	Commercial Tax Officer
Bihar VAT Act, 2005	Sales Tax	1	2016-17	Deputy Commissioner
Bihar VAT Act, 2005	Sales Tax	22	2015-17	Joint Commissioner (Appeal)
Bihar VAT Act, 2005	Sales Tax	139	2005-15	Tribunal
Chhattisgarh VAT Act, 2003	Sales Tax	0*	2006-07	Assistant Commissioner
Delhi VAT Act, 2004	Sales Tax	6	2011-14	Assistant Commissioner
The Gujarat VAT Act, 2003	Sales Tax	1	2005-07	Assistant Commissioner
The Karnataka VAT Act, 2003	Sales Tax	291	2005-06	Assistant Commissioner
The Karnataka VAT Act, 2003	Sales Tax	0*	2012-13	Deputy Commissioner
The Karnataka VAT Act, 2003	Sales Tax	2	2016-17	Joint Commissioner (Appeal)
The Kerala VAT Act, 2003	Sales Tax	1	2005-17	Commercial Tax Officer
The Kerala VAT Act, 2003	Sales Tax	0*	2016-17	Intelligence Officer Ernakulum
Kerala Sales Tax Act	Sales Tax	0*	2005-11	Commercial tax Officer
Kerala Sales Tax Act	Sales Tax	16	2005-10	Deputy Commissioner, Appeal
Kerala Sales Tax Act	Sales Tax	0*	2008-10	Intelligence Officer Squad
Kerala Sales Tax Act	Sales Tax	1	2002-05	Tribunal
The Kerala VAT Act, 2003	Sales Tax	71	2006-07	High Court of Kerala
The Kerala VAT Act, 2003	Sales Tax	44	2007-12	Asst. Commissioner, Spl Circle III, Ernakulam
The Kerala VAT Act, 2003	Sales Tax	0*	2015-16	Intelligence Inspector, Squad No. I, Tellichery
The Kerala VAT Act, 2003	Sales Tax	0*	2015-16	Intelligence Inspector, Squad No. 3, Ernakulam
The Madhya Pradesh VAT Act, 2002	Sales Tax	7	2008-10,2012-13	Tribunal
The Madhya Pradesh VAT Act, 2002	Sales Tax	0*	2004-08	Commercial Tax Officer
The Madhya Pradesh VAT Act, 2002	Sales Tax	1	2008-10	Deputy Commissioner
The Madhya Pradesh VAT Act, 2002	Sales Tax	22	1997-04	Deputy Commissioner, Appeal
The Madhya Pradesh VAT Act, 2002	Sales Tax	0*	2005-06	Assistant Commissioner
The Maharashtra VAT Act, 2002	Sales Tax	0*	2003-04	Joint Commissioner, Appeal
Punjab VAT Act, 2005	Sales Tax	1	2009-17	Deputy Excise and Taxation Commissioner
Punjab VAT Act, 2005	Sales Tax	30	2003-04	High Court
Punjab VAT Act, 2005	Sales Tax	1	2002-03	Jt. Director(Enforcement)
Punjab VAT Act, 2005	Sales Tax	1	2008-10	Tribunal
Rajasthan VAT Act, 2003	Sales Tax	2	2015-16	Commercial Tax Officer
The Tamil Nadu VAT Act, 2003	Sales Tax	0*	2010-11	Deputy Commissioner

Name of the Statutes	Nature of the Dues	Amount Disputed (in ₹ Million)	Period to Which the amount Relates	Forum where the dispute is pending
The Uttar Pradesh VAT Act, 2008	Sales Tax	11	2005-13	Assessing officer
The Uttar Pradesh VAT Act, 2008	Sales Tax	21	2002-05	Assistant Commissioner
The Uttar Pradesh VAT Act, 2008	Sales Tax	0*	2017-18	Commercial Tax Officer
The Uttar Pradesh VAT Act, 2008	Sales Tax	1	2007-08	Joint Commissioner
The Uttar Pradesh VAT Act, 2008	Sales Tax	6	2008-10	High court
The Uttar Pradesh VAT Act, 2008	Sales Tax	2	2003-10	Joint Commissioner, Appeal
The Uttar Pradesh VAT Act, 2008	Sales Tax	9	2005-13	Tribunal
The Uttar Pradesh VAT Act, 2008	Sales Tax	1	2015-16	Additional Commissioner
The Uttar Pradesh VAT Act, 2008	Sales Tax	9	2003-17	Deputy Commissioner
The West Bengal VAT Act, 2003	Sales Tax	0*	1996-97	The Deputy Commissioner of Commercial Taxes
The West Bengal VAT Act, 2003	Sales Tax	0*	1995-98	Commercial Tax Officer
The West Bengal VAT Act, 2003	Sales Tax	9	2005-06	Revision Board
The West Bengal VAT Act, 2003	Sales Tax	3	1997-12	Tribunal
Sub Total (A)		**877**		
Finance Act, 1994 (Service tax provisions)	Service Tax	278	1995-08	Supreme Court
Finance Act, 1994 (Service tax provisions)	Service Tax	7	2002-07	High court
Finance Act, 1994 (Service tax provisions)	Service Tax	7,226	1995-16	Tribunal
Finance Act, 1994 (Service tax provisions)	Service Tax	571	1999-13	Commissioner of Service Tax
Sub Total (B)		**8,082**		
Custom Act, 1962	Custom Act	4,128	2001-05	Supreme Court
Custom Act, 1962	Custom Act	755	2003-15	Tribunal
Sub Total (C)		**4,883**		
Income Tax Act, 1961	Income Tax	128	2001-03, 2004-08	Supreme Court
Income Tax Act, 1961	Income Tax	10,519	1996-97, 2003-10	High Court
Income Tax Act, 1961	Income Tax	24,338	1995-2015	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	607	1998-2015	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	638	1996-97; 2004-17	Assessing Officer
Sub Total (D)		**36,230**		
Grand Total(A+B+C+D):		**50,071**		

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 327 Mn, Service Tax is 472 Mn, Income Tax is 10,968 Mn and Custom Duty is 2,141 Mn.

* Amount less than million are appearing as '0'.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

ix. During the current year, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013, except that the commission of ₹ 67.64 million to non-executive directors is in excess by ₹ 33.12 million, basis the lower limits approved by the Shareholders of the Company. As informed, the Company would be seeking Shareholders' approval for the said excess amount at the ensuing Annual General Meeting.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company, directors of subsidiary company or directors of associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

Balance Sheet As at 31st March 2018

(All amounts are in millions of Indian Rupees)

	Notes	As of 31 March 2018	As of 31 March 2017
Assets			
Non-current assets			
Property, plant and equipment	6	476,911	381,176
Capital work-in-progress	6	27,387	11,818
Intangible assets	7	749,183	734,052
Intangible assets under development	7	28,040	84,184
Investment in subsidiaries and joint ventures	8	481,219	459,538
Financial assets			
- Investments	8	63	52
- Derivative instruments	9	80	213
- Loans and security deposits	10	10,290	10,389
- Others	11	260	556
Income tax assets		19,595	16,164
Deferred tax assets	12	14,244	8,808
Other non-current assets	13	27,142	42,596
		1,834,414	**1,749,546**
Current assets			
Inventories		63	39
Financial assets			
- Derivative instruments	9	195	634
- Trade receivables	14	43,196	32,118
- Cash and cash equivalents	15	4,626	1,087
- Other bank balances	15	825	647
- Loans	10	72,496	72,081
- Others	11	11,837	13,200
Other current assets	13	81,721	33,295
Assets-held-for-sale	5	-	13,729
		214,959	**166,830**
Total assets		**2,049,373**	**1,916,376**
Equity and liabilities			
Equity			
Share capital	16	19,987	19,987
Other equity		1,008,622	992,086
		1,028,609	**1,012,073**
Non-current liabilities			
Financial liabilities			
- Borrowings	18	544,681	503,421
- Derivative instruments	9	124	186
- Others	19	19,354	21,881
Deferred revenue		18,371	18,321
Provisions	20	1,830	2,330
		584,360	**546,139**
Current liabilities			
Financial liabilities			
- Borrowings	18	80,680	65,478
- Current maturities of long-term borrowings	18	28,797	32,048
- Derivative instruments	9	228	1,662
- Trade payables	22	176,990	149,698
- Others	19	92,529	62,149
Deferred revenue		30,242	30,311
Provisions	20	1,262	1,291
Current tax liabilities		2,447	3,885
Other current liabilities	21	23,229	11,642
		436,404	**358,164**
Total liabilities		**1,020,764**	**904,303**
Total equity and liabilities		**2,049,373**	**1,916,376**

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date

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

Hemant M. Joshi
Partner
Membership No: 38019

Place: **New Delhi**
Date: **April 24, 2018**

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

Sunil Bharti Mittal
Chairman
DIN: 00042491

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

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Statement of Profit and Loss for the year ended 31st March 2018

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

	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
Income			
Revenue from operations	24	536,630	622,763
Other income		2,356	1,843
		538,986	**624,606**
Expenses			
Network operating expenses	25	139,512	145,360
Access charges		78,944	80,505
License fee / spectrum charges (revenue share)		55,630	69,416
Employee benefits expense	26	17,209	17,385
Sales and Marketing expenses	27	30,519	32,320
Other expenses	28	36,171	38,524
		357,985	**383,510**
Profit from operating activities before depreciation, amortisation and exceptional items		**181,001**	**241,096**
Depreciation and amortisation	29	130,486	122,034
Finance costs	30	59,107	52,546
Finance income	30	(8,417)	(23,421)
Non-operating expenses		596	2,324
(Loss) /profit before exceptional items and tax		**(771)**	**87,613**
Exceptional items	31	6,041	172,708
Loss before tax		**(6,812)**	**(85,095)**
Tax expense / (credit)			
Current tax	12	(2,204)	(45)
Deferred tax	12	(5,400)	14,206
Profit / (loss) for the year		**792**	**(99,256)**
Other comprehensive income ('OCI')			
Items not to be reclassified to profit or loss :			
- Re-measurement gains / (losses) on defined benefit plans	26	87	(36)
- Tax (charge) / credit	12	(30)	11
Other comprehensive income / (loss) for the year		**57**	**(25)**
Total comprehensive income / (loss) for the year		**849**	**(99,281)**
Earnings per share (Face value : ₹5 each) (In Rupees)			
Basic and Diluted	32	0.20	(24.84)

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date

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

Hemant M. Joshi
Partner
Membership No: 38019

Place: **New Delhi**
Date: **April 24, 2018**

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

Sunil Bharti Mittal
Chairman
DIN: 00042491

Nilanjan Roy
Global Chief Financial Officer

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

Pankaj Tewari
Company Secretary

Standalone Statement of Changes in Equity

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

	Share capital		Other equity - Reserves and Surplus								
	No of shares (in '000)	Amount	Securities premium account	Retained earnings	General reserve	Business restructuring reserve	Debenture redemption reserve	Share - based payment reserve	Capital reserve	Total	Total equity
As of April 1, 2016	**3,997,400**	**19,987**	**106,650**	**934,735**	**27,030**	**16,313**	**-**	**3,825**	**8,751**	**1,097,304**	**1,117,291**
Loss for the year	-	-	-	(99,256)	-	-	-	-	-	(99,256)	(99,256)
Other comprehensive loss	-	-	-	(25)	-	-	-	-	-	(25)	(25)
Total comprehensive loss	**-**	**-**	**-**	**(99,281)**	**-**	**-**	**-**	**-**	**-**	**(99,281)**	**(99,281)**
Transaction with owners of equity											
Employee share-based payment expense	-	-	-	-	-	-	-	298	-	298	298
Exercise of share options	-	-	-	-	-	-	-	(144)	-	(144)	(144)
Dividend paid (including tax)	-	-	-	(5,456)	-	-	-	-		(5,456)	(5,456)
Merger of subsidiary	-	-	530	(720)	(445)	-	-	-	-	(635)	(635)
As of Marchch 31, 2017	**3,997,400**	**19,987**	**107,180**	**829,278**	**26,585**	**16,313**	**-**	**3,979**	**8,751**	**992,086**	**1,012,073**
Profit for the year	-	-	-	792	-	-	-	-	-	792	792
Other comprehensive income	-	-	-	57	-	-	-	-	-	57	57
Total comprehensive profit	**-**	**-**	**-**	**849**	**-**	**-**	**-**	**-**	**-**	**849**	**849**
Transaction with owners of equity											
Employee share-based payment expense	-	-	-	-	-	-	-	337	-	337	337
Exercise of share options	-	-	-	-	3,510	-		(3,646)	-	(136)	(136)
Creation of debenture redemption reserve	-	-	-	-	(7,500)	-	7,500	-	-	-	-
Dividend paid (including tax)	-	-	-	(15,350)	-	-	-	-	-	(15,350)	(15,350)
Common control transactions*	-	-	-	30,836	-				-	30,836	30,836
As of March 31, 2018	**3,997,400**	**19,987**	**107,180**	**845,613**	**22,595**	**16,313**	**7,500**	**670**	**8,751**	**1,008,622**	**1,028,609**

*This includes gains of ₹2,335 due to regulatory changes in the funding arrangements as to previous year transactions

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date

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

Hemant M. Joshi
Partner
Membership No: 38019

Place: **New Delhi**
Date: **April 24, 2018**

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

Sunil Bharti Mittal
Chairman
DIN: 00042491

Nilanjan Roy
Global Chief Financial Officer

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

Pankaj Tewari
Company Secretary

Standalone Statement of Cash Flows

(All amounts are in millions of Indian Rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash flows from operating activities		
Loss before tax	**(6,812)**	**(85,095)**
Adjustments for:		
Depreciation and amortisation	130,486	122,034
Finance costs	59,107	52,546
Finance income	(8,417)	(23,421)
Exceptional items	5,688	152,405
Employee share-based payment expenses	337	298
Other non-cash items	8,351	8,143
Operating cash flow before changes in working capital	**188,740**	**226,910**
Changes in working capital		
Trade receivables	(19,814)	(7,500)
Trade payables	14,546	24,929
Inventories	(24)	14
Provisions	(95)	180
Other financial and non-financial liabilities	8,413	2,388
Other financial and non-financial assets	(29,819)	(20,827)
Net cash generated from operations before tax	**161,947**	**226,094**
Income tax paid	(2,404)	(14,439)
Net cash generated from operating activities (a)	**159,543**	**211,655**
Cash flows from investing activities		
Purchase of property, plant and equipment	(193,180)	(156,143)
Proceeds from sale of property, plant and equipment	4,886	3,053
Purchase of intangible assets	(28,855)	(170,135)
Payment towards Spectrum - Deferred payment liability *	(9,909)	(9,804)
Net proceeds from current investments	35	47
Proceeds from buyback of share by subsidiary	-	12,350
Proceeds from sale of investment of subsidiaries	65,933	146,223
Investment in subsidiaries	(41,814)	(74,283)
Loan given to subsidiaries	(72,135)	(98,797)
Loan repayment by subsidiaries	71,512	82,288
Dividend received	4,200	16,511
Interest received	4,911	5,858
Net cash used in investing activities (b)	**(194,416)**	**(242,832)**

Standalone Statement of Cash Flows

(All amounts are in millions of Indian Rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash flows from financing activities		
Proceeds from borrowings	149,422	140,419
Repayment of borrowings	(57,313)	(122,391)
Net proceeds / repayment of short-term borrowings	(33,794)	32,832
Interest and other finance charges paid	(4,291)	(10,850)
Proceeds from exercise of share options	3	3
Dividend paid (including tax)	(15,350)	(5,456)
Net cash generated from financing activities (c)	**38,677**	**34,557**
Net increase in cash and cash equivalents during the year (a+b+c)	**3,804**	**3,380**
Add : Cash and cash equivalents as at the beginning of the year	822	(2,558)
Cash and cash equivalents as at the end of the year (refer Note 15)	**4,626**	**822**

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

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date

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

Hemant M. Joshi
Partner
Membership No: 38019

Place: **New Delhi**
Date: **April 24, 2018**

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

Sunil Bharti Mittal
Chairman
DIN: 00042491

Nilanjan Roy
Global Chief Financial Officer

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

Pankaj Tewari
Company Secretary

Notes to Standalone Financial Statements

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

1. Corporate information

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

The Company is principally engaged in provision of telecommunication services in India. The details as to the services provided by the Company are further provided in note 33. For details as to the group entities, refer note 34.

2. Summary of significant accounting policies

2.1 Basis of preparation

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

The financial statements are authorised for issue by the Company's Board of Directors on April 24, 2018.

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

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or '₹') and are rounded to the nearest million, except per share data and unless stated otherwise. Further, amounts which are less than a million are appearing as '0'.

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

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Company, to all the periods presented in the said financial statements. Further, previous year figures have been re-grouped, wherever necessary to conform to current year's classification.

2.2 Basis of measurement

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

Fair value measurement

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

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

Notes to Standalone Financial Statements

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

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

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets
Level 2: Significant inputs to the fair value measurement are directly or indirectly observable
Level 3: Significant inputs to the fair value measurement are unobservable.

2.3 Foreign currency transactions

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

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

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

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

2.4 Current versus non-current classification

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

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

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

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

Separated embedded derivatives are classified basis the host contract.

2.5 Common control transactions

Business Combinations arising from transfers of interest in entities that are under the common control, are accounted at historical cost. The difference between any consideration paid /received and the aggregate historical carrying amounts of assets and liabilities of the interest acquired / disposed is recorded in retained earnings.

2.6 Property, plant and equipment ('PPE')

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), assets retirement obligations (refer note 2.17 (b)) and any directly attributable cost of bringing the asset to its working condition and location for its intended use.

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

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

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

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

Categories	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 and Equipment	
Network Equipment (including passive infrastructure)	3 - 20
Computer	3
Office equipment	2 - 5
Furniture and fixtures	5
Vehicles	5

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

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

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

2.7 Intangible assets

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

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

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

a. Softwares

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

b. Bandwidth

Bandwidth is amortised over the period of the agreement.

c. Licenses (including spectrum)

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

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

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

d. Other acquired intangible assets

Other acquired intangible assets include the following:

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

Customer base: Over the estimated life of such relationships.

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

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

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

2.8 Impairment of non-financial assets

PPE, intangible assets and Intangible assets under development

PPE (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Intangible assets under development is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired.

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

Reversal of impairment losses

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

2.9 Financial instruments

a. Recognition, classification and presentation

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

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

The Company recognises its investment in subsidiaries, joint ventures and associates at cost less any impairment losses. The said investments are tested for impairment, at-least annually and whenever circumstances indicate that their carring values may exceed the recoverable amount (viz. higher of the fair value less costs to sell and the value-in-use).

The Company classifies its financial assets in the following categories: a) those to be measured subsequently at fair value through profit or loss, and b) those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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

The entire hybrid contract, financial assets with embedded derivatives, are considered in their entirety for determining

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

the contractual terms of the cash flow and accordingly the embedded derivatives are not separated. However, derivatives embedded in non-financial instrument / financial liabilities (measured at amortised cost) host contracts are classified as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts.

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

b. Measurement – Non-derivative financial instruments

I. Initial measurement

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

II. Subsequent measurement - financial assets

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

i. Financial assets measured at amortised cost

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

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

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

Impairment

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

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

III. Subsequent measurement - financial liabilities

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

c. Measurement – derivative financial instruments

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

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d. Derecognition

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

2.10 Leases

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

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

Operating lease receipts / payments are recognised as an income / expense on a straight-line basis over the lease term unless the lease payments increase in line with expected general inflation.

a. Company as a lessee

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

b. Company as a lessor

Assets leased to others under finance lease are recognised as receivables at an amount equal to the net investment in the leased assets. Finance lease income is aloocated to periods so as to reflect a constant rate of return on the net investment outstanding in respect of the finance lease.

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

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

2.11 Taxes

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

a. Current tax

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

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

b. Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax are not recognised if it arises

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

from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

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

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

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

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

2.12 Inventories

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

2.13 Cash and cash equivalents

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

2.14 Non-current assets held for sale

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

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

Loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative loss previously recognised.

2.15 Share capital / securities premium account

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

2.16 Employee benefits

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

a. Defined contribution plans

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

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

b. Defined benefit plans

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

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

The obligation towards the said benefits is recognised in the balance sheet, at the present value of the defined benefit obligations. The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

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

c. Other long-term employee benefits

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

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

d. Share-based payments

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

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

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

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

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

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

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

Where an equity-settled award is cancelled (including due to non-vesting conditions not being met), it is treated as if it is vested thereon, and any un-recognised expense for the award is recognised immediately.

2.17 Provisions

a. General

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

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

b. Asset retirement obligation ('ARO')

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

2.18 Contingencies

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

2.19 Revenue recognition

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

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

a. Service revenues

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

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

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

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

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b. Multiple element arrangements

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

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

c. Equipment sales

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

d. Capacity swaps

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

e. Interest income

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

f. Dividend income

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

2.20 Borrowing costs

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

2.21 Exceptional items

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

2.22 Non-operating expense

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

2.23 Dividends paid

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

2.24 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS data.

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

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

3. Critical accounting estimates, assumptions and judgements

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

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

3.1 Critical accounting estimates and assumptions

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

a. Impairment reviews

PPE (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Similarly, intangible assets under development is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired. For details as to the impairment policy, refer note 2.8. Accordingly the Company has performed impairment reviews for the above assets. However, the said reviews did not result in any impairment charge.

In calculating the value in use, the Company is required to make significant judgements, estimates and assumptions inter-alia concerning the growth in EBITDA, long-term growth rates and discount rates to reflect the risks involved.

The Company operates in developing market and in such market, 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 Company uses ten year plans for the purpose of impairment testing.

b. Taxes

Deferred tax assets are recognised for the unused tax losses and minimum alternative tax credits for which there is probability of utilisation against the taxable profit. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments.

c. Property, plant and equipment

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

During the year ended March 31, 2017, the Company had reassessed useful life of certain categories of network assets due to technological developments and accordingly had revised the estimate of its useful life in respect of those assets. Out of those assets, the additional depreciation charge of ₹2,920 on assets for which the revised useful life had expired by March 31, 2016 had been recognised and disclosed as 'exceptional income / (expenses), net' and additional depreciation charge of ₹6,276 for other assets has been recognised within 'Depreciation and amortisation'. The impact of above change on the depreciation charge for the future years after March 31, 2018 is as follows:

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

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d. Allowance for impairment of trade receivables

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

e. Contingent liability

Refer note 23 for details of contingent liability.

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

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

Ind AS 115, 'Revenue from Contracts with Customers'

In March 2018, MCA has notified the Ind AS 115, Revenue from Contract with Customers. As a consequence of issuance of Ind AS 115, relevant paragraphs have been inserted / amended in various other standards.

The Standard establishes a new five-step model that will apply to revenue arising from contracts with customers. Under this standard, 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 Ind AS 115 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 Ind AS. The effective date of Ind AS 115 is annual periods beginning on or after April 1, 2018. The Company does not expect that the adoption of the said standard and related amendments will have any significant impact on the financial statements per se.

5. Significant transactions / new developments

(i) During the year ended March 31, 2018, the Company has transferred its 100% equity stake in Bharti Airtel (Hong Kong) Limited and 37.03% equity stake in Bharti Airtel (UK) Limited to Bharti International (Singapore) Pte. Limited ('BISPL'), an indirect subsidiary of the Company against a consideration of ₹429 and ₹1,806 respectively and 44% stake in Bharti Telemedia Limited, a subsidiary of the Company to Nettle Infrastructure Investments Limited, another subsidiary of the Company, against a consideration of ₹47,632. Accordingly the excess of cost of investments over the proceeds amounting to ₹28,498 has been recognised in other equity.

(ii) During the year ended March 31, 2018, the Company has increased its equity investment in Indo Teleports Limited from 95% to 100% for a consideration of ₹23.

(iii) During the year ended March 31, 2018, an understanding for demerger of consumer mobile businesses of Tata Teleservices Limited and Tata Teleservices Maharashtra Limited into the Company was entered into. Further, the board of directors have approved the scheme(s) of arrangement under section 230 to section 232 of the Companies Act, 2013 for the said demerger. The said transaction is subject to requisite regulatory approvals.

(iv) During the year ended March 31, 2018, the Board of Directors approved a scheme of arrangement, under section 230 to section 232 of the Companies Act, 2013, for the transfer of the optical fiber cable business to the Telesonic Networks Limited, a wholly owned subsidiary of the Company. The said transaction is subject to requisite regulatory approvals.

(v) During the year ended March 31, 2018, the Company has completed the acquisition of 100% equity stake and compulsorily convertible debentures of Tikona Digital Networks Pvt Ltd ('TDNPL') as all necessary closing conditions have been fulfilled and filed an application under section 230 to section 232 of the Companies Act, 2013 before the Delhi bench of the National Company Law Tribunal for the merger of TDNPL with the Company.

Notes to Standalone Financial Statements

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

(vi) During the year ended March 31, 2017, the Company had entered into an agreement to sell the investment in subsidiaries Bharti Airtel International (Netherlands) B.V. ('BAIN'), Bharti International (Singapore) Pte Ltd ('BISPL') and Bharti Airtel International (Mauritius) Limited ('BAIML') to its wholly owned subsidiary Network i2i Limited. However, sale of investment in BISPL is subject to certain customary closing conditions, hence had not consummated. The same was classified as assets-held-for-sale. Accordingly, the excess of cost of investment over sales consideration, amounting to ₹118,582 and ₹14,906 pertaining to BAIN / BAIML and BISPL respectively was recognised as loss under exceptional items.

Further, during the year ended March 31, 2018, the transaction of BISPL stake transfer to Network i2i has been consummated.

(vii) During the year ended March 31, 2017, the Company had entered into a scheme of amalgamation for the merger of Telenor (India) Communication Private Limited with the Company. The said transaction is subject to requisite regulatory approvals and other closing conditions.

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

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

(x) During the year ended March 31, 2017, Bharti Infratel Limited ('BIL'), a subsidiary of the Company had bought back approx. 47.05 Mn shares against a consideration of ₹425 per share. Out of which the Company had tendered approx. 29.10 Mn shares and received the consideration of ₹12,368 and accordingly, the excess of proceeds (net of associated costs, taxes and levies) over the cost of investment amounting to ₹1,687 was recognised as gain and disclosed as other income.

(xi) During the year ended March 31, 2017, the Company acquired rights to use spectrum in the 1800 MHz band for six circles against a consideration of ₹46,530 from Videocon Telecommunications Limited.

(xii) During the year ended March 31, 2017, the Company acquired rights to use spectrum in the 2300 MHz band for seven circles against a consideration of ₹34,840 from Aircel Limited and its subsidiaries Dishnet Wireless Limited.

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

(xiv) During the year ended March 31, 2017, the Company had acquired 100% equity stake of Augere Wireless Broadband India Private Limited ('AWBPL'). Further, with effect from February 15, 2017, AWBPL had merged with the Company through the scheme of arrangement under Sections 391 to 394 of the Companies Act, 1956. Accordingly, AWBPL had ceased to exist and had merged with the Company. Accordingly entire assets (mainly spectrum amounting to ₹899), liabilities and the differential value of equity in the books of AWBPL; have been recognised by the Company as the date of the transaction at same carrying values as in the books of AWBPL. The difference of ₹445 between the share capital and the carrying values of investment in AWBPL in the books of the Company had been adjusted with general reserve.

Notes to Standalone Financial Statements

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

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

The following table presents the reconciliation of changes in the carrying value of PPE for the year ended March 31, 2018 and 2017:

₹ in millions

	Leasehold improvement	Building	Land	Plant and equipment	Furniture & fixture	Vehicles	Office equipment	Computer	Total
Gross carrying value									
As of April 1, 2016	**4,674**	**6,381**	**1,766**	**722,156**	**1,714**	**293**	**4,250**	**22,792**	**764,026**
Additions / capitalisation	221	29	44	147,104	98	34	531	3,039	151,100
Acquisition through business combinations^	-	-	-	489	-	-	-	-	489
Disposals / adjustments	(1)	(64)	-	(15,384)	(13)	(46)	(52)	173	(15,387)
As of March 31, 2017	**4,894**	**6,346**	**1,810**	**854,365**	**1,799**	**281**	**4,729**	**26,004**	**900,228**
Balance as of April 1, 2017	**4,894**	**6,346**	**1,810**	**854,365**	**1,799**	**281**	**4,729**	**26,004**	**900,228**
Additions / capitalisation	242	46	66	172,815	209	40	315	7,252	180,985
Disposals / adjustments	(12)	(29)	(22)	(22,652)	(14)	(22)	(38)	(61)	(22,850)
As of March 31, 2018	**5,124**	**6,363**	**1,854**	**1,004,528**	**1,994**	**299**	**5,006**	**33,195**	**1,058,363**
Accumulated depreciation									
As of April 1, 2016	**3,624**	**2,463**	**42**	**420,196**	**1,430**	**234**	**2,898**	**20,466**	**451,353**
Charge*	393	309	3	76,174	116	20	593	1,727	79,335
Disposals / adjustments	(3)	(26)	-	(11,784)	(4)	(30)	(46)	257	(11,636)
As of March 31, 2017	**4,014**	**2,746**	**45**	**484,586**	**1,542**	**224**	**3,445**	**22,450**	**519,052**
			-						
Balance as of April 1, 2017	**4,014**	**2,746**	**45**	**484,586**	**1,542**	**224**	**3,445**	**22,450**	**519,052**
Charge*	286	248	4	77,148	124	21	565	2,843	81,239
Disposals / adjustments	(6)	(9)	(9)	(18,732)	(11)	(13)	(22)	(37)	(18,839)
As of March 31, 2018	**4,294**	**2,985**	**40**	**543,002**	**1,655**	**232**	**3,988**	**25,256**	**581,452**
			-						
Net carrying value			-						
As of March 31, 2017	880	3,600	1,765	369,779	257	57	1,284	3,554	381,176
As of March 31, 2018	830	3,378	1,814	461,526	339	67	1,018	7,939	476,911

* It includes exceptional item of ₹1,176 and ₹1,672 for the year ended March 31, 2018 and 2017 with respect to plant and equipment (refer note 31 (i) a and (ii) a,b,c

^ Refer note 5 (xiv)

Refer note 23(ii)(a) for assets given on operating lease.

The carrying value of capital work-in-progress as at March 31, 2018 and 2017 is ₹27,387 and ₹11,818, respectively, mainly pertains to plant and equipment.

Notes to Standalone Financial Statements

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

The following table summarises the detail of the significant assets taken on finance lease:

₹ in millions

	As of 31 March, 2018	As of 31 March, 2017
Leasehold land		
Grossing carrying Value	411	411
Accumulated depreciation	51	46
Net carrying value	**360**	**365**

7. Intangible assets

The following table presents the reconciliation of changes in the carrying value of intangible assets for the year ended March 31, 2018 and 2017:

	Software	Bandwidth	Licenses (including spectrum)	Others	Total
Gross carrying value					
As of April 1, 2016	**13,814**	**25,811**	**650,864**	**2,172**	**692,661**
Additions / capitalisation	2,657	2,687	160,346	5,366	171,056
Acquisition through business combinations	-	-	899	-	899
Disposals / adjustments	(138)	(85)	(8)	-	(231)
As of March 31, 2017	**16,333**	**28,413**	**812,101**	**7,538**	**864,385**
Balance as of April 1, 2017	**16,333**	**28,413**	**812,101**	**7,538**	**864,385**
Additions / capitalisation	3,472	2,960	59,122	-	65,554
Disposals / adjustments	(21)	(962)	-	-	(983)
As of March 31, 2018	**19,784**	**30,411**	**871,223**	**7,538**	**928,956**
Accumulated amortisation					
As of April 1, 2016	**10,132**	**10,667**	**64,413**	**867**	**86,079**
Charge	2,502	1,863	38,249	1,757	44,371
Disposals / adjustments	(138)	28	(7)	-	(117)
As of March 31, 2017	**12,496**	**12,558**	**102,655**	**2,624**	**130,333**
Balance as of April 1, 2017	**12,496**	**12,558**	**102,655**	**2,624**	**130,333**
Charge	2,567	1,505	44,393	1,958	50,423
Disposals / adjustments	(21)	(962)	-	-	(983)
As of March 31, 2018	**15,042**	**13,101**	**147,048**	**4,582**	**179,773**
Net carrying value					
As of March 31, 2017	3,837	15,855	709,446	4,914	734,052
As of March 31, 2018	4, 742	17,310	724,175	2,956	749,183

^ Refer note 5(xiv)

Weighted average remaining amortisation period of licenses as of March 31, 2018 and March 31, 2017 is 16.03 and 16.85 years respectively.

The carrying value of intangible assets under development as at March 31, 2018 and March 31, 2017 is ₹28,040 and ₹84,184 respectively, which pertains to spectrum.

During the year ended March 31, 2018 and 2017 the Company has capitalised borrowing cost of ₹2,992 and ₹2,748 respectively.

Notes to Standalone Financial Statements

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

8. Investments

Detail of investments in subsidiaries, joint ventures and other investments are as below:

	As of 31 March, 2018	As of 31 March, 2017
Investment in Subsidiaries		
Bharti Hexacom Limited : 175,000,000 equity shares of ₹10 each	5,718	5,718
Bharti Airtel Services Limited : 100,000 equity shares of ₹10 each	1	1
Bharti Airtel (USA) Limited : 300 equity shares of USD .0001 each	1,997	1,997
Bharti Airtel (UK) Limited : Nil equity shares of GBP 1 each (March 31, 2017 -123,663 equity shares of GBP 1 each)	-	1,777
Bharti Airtel (Hongkong) Limited : Nil equity shares of HKD 1 each (March 31, 2017 - 4,959,480 equity shares of HKD 1 each)	-	454
Network i2i Limited : 1,267,427.896 equity shares of USD 1 each (March 31, 2017 - 817,427,896 equity shares of USD 1 each)	87,909	58,750
Bharti Infratel Limited: 930,898,728 equity shares of ₹10 each*	341,111	341,111
Bharti Telemedia Limited : 260,202,000 equity shares of ₹10 each (March 31, 2017 - 484,689,995 equity shares of ₹10 each)	22,183	41,320
Bharti Airtel Lanka (Private) Limited : 50,200,221,771 equity shares of SLR 10 each (March 31, 2017 - 27,146,471,771 equity shares of SLR 10 each)-net of provision	4,527	-
Airtel Payments Bank Limited : 805,025,128 equity shares of ₹10 each (March 31, 2017 - 796,499,995 equity shares of ₹10 each)	8,050	7,965
Bharti Airtel International (Netherlands) B.V. : 1 equity shares of EURO 1 each	0	0
Telesonic Networks Limited : 89,230,796 equity shares of ₹10 each	91	91
Nxtra Data Limited : 5,050,000 equity shares of ₹10 each	309	309
Indo Teleports Limited : 22,999,000 equity shares of ₹10 each (March 31, 2017 - 21,850,000 equity shares of ₹10 each)	308	-
Wynk Limited : 50,000 equity shares of ₹10 each	1	1
Nettle Infrastructure Investments Limited : 45,000 equity shares of ₹10 each	0	0
Bharti Digital Networks Private Limited (formerly known as Tikona Digital Networks Ltd) : 2,103,023 equity share of ₹10 each (March 31, 2017 - Nil equity share of ₹10 each)	8,970	-
Investment in Subsidiaries (A)	**481,175**	**459,494**
Investment in joint Ventures		
Bridge Mobile PTE Limited : 800,000 equity shares of USD 1 each	34	34
Firefly Networks Limited : 1,000,000 equity shares of ₹10 each	10	10
Investment in Ventures (B)	**44**	**44**
Investment in subsidiarise and joint venture (A+B)	**481,219**	**459,538**
Other Investments (FVTPL)		
Equity instruments	61	50
National Savings Certificates	2	2
	63	**52**
Aggregate book value of unquoted investments	140,171	118,479
Aggregate book value of quoted investments	341,111	341,111
Aggregate market value of quoted investments**	313,015	302,961

** All the above investments are unquoted except Bharti Infratel Limited.

Detail of significant investments in subsidiaries are as below:

				31 March, 2018	31 March, 2017
S. No.	Name of the Subsidiaries	Place of incorporation	Principal activities	% of shareholding	
1	Bharti Hexacom Limited	India	Telecomunication Services	70.00	70.00
2	Bharti Infratel Limited	India	Infrastucture sharing services	50.30	50.30
3	Bharti Telemedia Limited	India	Direct To Home services	51.00	95.00
4	Airtel Payment Bank Limited	India	Mobile Commerce services	80.10	80.10
5	Network i2i Limited	Mauritius	Submarine Cable System	100.00	100.00
6	Bharti Internatinal (Singapore) Pte. Ltd	Singapore	Telecommunication services	-	100.00
7	Bharti Digital Networks Private Limited (formerly known as Tikona Digital Networks Limited)	India	Telecommunication services	100.00	-

*Refer Note 5 (vi)

Notes to Standalone Financial Statements

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

9. Derivative financial instruments

The details of derivative financial instruments are as follows:-

	As of 31 March, 2018	As of 31 March, 2017
Assets		
Currency swaps, forward and option contracts	195	187
Interest swaps	80	106
Embedded derivatives	-	554
	275	**847**
Liabilities		
Currency swaps, forward and option contracts	352	1,848
	352	**1,848**
Non-current derivative financial assets	80	213
Current derivative financial assets	195	634
Non-current derivative financial liabilities	(124)	(186)
Current derivative financial liabilities	(228)	(1,662)
	(77)	**(1,001)**

10. Loans and security deposits

Unsecured, considered good	As of 31 March, 2018	As of 31 March, 2017
Non - Current		
Loan to related parties (refer note 34)	692	623
Security deposits*	9,598	9,766
	10,290	**10,389**
Current		
Loans to related parties (refer note 34)	**72,496**	**72,081**

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

11. Financial assets – others

Non-current

	As of 31 March, 2018	As of 31 March, 2017
Finance lease receivable	65	172
Rent Equalisation	55	49
Others	140	335
	260	**556**

Current

	As of 31 March, 2018	As of 31 March, 2017
Unbilled revenue	11,160	12,576
Claims recoverable	474	451
Interest accrued on investments	25	24
Finance lease receivable	178	149
	11,837	**13,200**

Notes to Standalone Financial Statements

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

12. Income taxes

The major components of Income Tax (Credit)/expense are:

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Current Income tax		
For the Year	29	95
Adjustments for prior periods	(2,233)	(140)
	(2,204)	**(45)**
Deferred tax		
Origination and reversal of temporary differences	(4,737)	17,455
Effect of change in tax rate	425	-
Adjustments for prior periods	(1,088)	(3,249)
	(5,400)	14,206
Income tax (credit)/expense	**(7,604)**	**14,161**

The reconciliation between the amount computed by applying the statutory income tax rate to the (loss) / profit before tax and income tax (credit) / expense in summarised below:

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Loss before tax	(6,812)	(85,095)
Enacted tax rates in India	34.61%	34.61%
Tax expense @ 34.608%	(2,358)	(29,450)
Effect of:		
Tax holiday	(251)	(144)
Effect of changes in tax rate	425	-
Adjustments in respect to previous years	(3,321)	(3,389)
Tax for which no credit is allowed	472	469
(Income) / expense not (taxable) / deductible (net)	(2,600)	46,380
Others	29	295
Income tax (credit) / expense	**(7,604)**	**14,161**

The analysis of deferred tax assets / (liabilities) is as follow:

	As of 31 March, 2018	As of 31 March, 2017
Deferred tax asset / (liability)		
Provision for impairment of debtors / advances	13,669	10,520
Carry forward losses	20,301	1,575
Employee benefits	1,073	1,044
Minimum alternate tax ('MAT') credit	57,429	57,429
Lease rent equalisation	6,608	6,478
Fair valuation of financial instruments and exchange differences	6,647	5,791
Depreciation / amortisation on PPE / intangible assets	(92,961)	(76,574)
Rates and taxes	1,431	1,527
Others	47	1,018
Net deferred tax asset	**14,244**	**8,808**

Notes to Standalone Financial Statements

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

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Deferred tax income / (expense)		
Provision for impairment of debtors / advances	3,149	2,542
Carry forward losses	18,726	1,575
Employee benefits	58	204
MAT credit	(68)	1,218
Lease rent equalisation	130	289
Fair valuation of financial instruments and exchange differences	857	926
Depreciation / amortisation on PPE / intangible assets	(16,387)	(22,498)
Rates and taxes	(96)	1,527
Others	(969)	11
Net deferred tax income / (expense)	**5,400**	**(14,206)**

The movement in deferred tax assets/(liabilities) during the year is as follows:

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Opening balance	**8,808**	**23,070**
Tax (credit)/expense recognised in profit or loss	5,400	(14,206)
Tax (credit)/expense recognised in OCI	(30)	11
Others	66	(67)
Closing balance	**14,244**	**8,808**

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry forward of losses/credits (including capital losses) can be utilised. Accordingly, the company has not recognised deferred tax assets in respect of carry forward of capital tax losses/credits of ₹330,358 Mn and ₹317,344 Mn as of March 31, 2018 and March 31, 2017, respectively as it is not probable that capital taxable profits will be available in future.

Above balance of capital tax losses as of March 31, 2018 and March 31, 2017 expires unutilised as follows:

Expiry date	As of 31 March, 2018	As of 31 March, 2017
Above five years	330,358	317,344

13. Other non-financial assets

Non-current

	As of 31 March, 2018	As of 31 March, 2017
Advances (net)#	24,404	25,749
Prepaid expense	1,156	1,328
Taxes recoverable	-	14,139
Capital advances	600	1,033
Others*	982	347
	27,142	**42,596**

#Advances represent payments made to various Government authorities under protest and are disclosed net of provision (refer note 20).
*It mainly includes advances given to Bharti Airtel Welfare Trust.

Notes to Standalone Financial Statements

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

Current

	As of 31 March, 2018	As of 31 March, 2017
Taxes recoverable	65,218	20,404
Advances to suppliers (net)	12,200	9,579
Prepaid expenses	2,365	1,960
Others*	1,938	1,352
	81,721	**33,295**

* It mainly includes security deposits given towards rented premises, cell sites, interconnect ports and other miscellaneous deposits.

Taxes recoverable primarily pertains to goods & service tax ('GST'), customs duty, excise duty, service tax and sales tax.

Advances to suppliers are disclosed net of provision of ₹1,683 and ₹1,092 as of March 31, 2018 and March 31, 2017 respectively.

14. Trade receivables

	As of 31 March, 2018	As of 31 March, 2017
Unsecured		
Considered good*	43,196	32,118
Considered doubtful	33,590	25,530
Less: Provision for doubtful receivables	(33,590)	(25,530)
	43,196	**32,118**

*It includes amount due from related parties (refer note 34).
Refer note 35 (iv) for credit risk

The movement in allowances for doubtful debts is as follows:

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Opening balance	25,530	18,181
Additions	8,773	7,678
Write off (net of recovery)	(713)	(329)
	33,590	**25,530**

15. Cash and bank balance

Cash and cash equivalents ('C&CE')

	As of 31 March, 2018	As of 31 March, 2017
Balances with banks		
- On current accounts	2,491	1,030
- Bank deposits with original maturity of 3 month or less	2,000	-
Cheques on hand	66	6
Cash on hand	69	51
	4,626	**1,087**

Other bank balances

	As of 31 March, 2018	As of 31 March, 2017
Earmaked bank balances - unpaid dividend	70	50
Term deposits with bank	105	-
Margin money deposits*	675	621
	850	**671**
Interest accured but not due (refer note 11)	(25)	(24)
	825	**647**

Notes to Standalone Financial Statements

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

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

	As of 31 March, 2018	As of 31 March, 2017
C & CE as per balance sheet	4,626	1,087
Bank overdraft (refer note 18)	-	(265)
	4,626	**822**

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

16. Share capital

	As of 31 March, 2018	As of 31 March, 2017
Authorised shares		
5,500,000,000 (March 31, 2017 - 5,500,000,000) equity Shares of ₹5/- each	**27,500**	**27,500**
Issued, Subscribed and fully paid-up shares		
3,997,400,102 equity shares of ₹5/- each	19,987	19,987
	19,987	**19,987**

a. Terms / rights attached to equity shares

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

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

	As of 31 March, 2018		As of 31 March, 2017	
	No. of shares '000	% holding	No. of shares '000	% holding
Equity shares of ₹5/- each fully paid up				
Bharti Telecome Limited	2,002,818	50.10%	1,871,987	45.48%
Pastel Limited	591,319	14.79%	591,319	14.79%
Indian Continent Investment Limited	81,151	2.03%	265,861	6.65%
LIC of India Child Fortune Plus Balanced Fund	150,181	3.76%	211,832	5.30%
Three Pillar Pte Limited	-	-	199,870	5.00%

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

	As of 31 March, 2018		As of 31 March, 2017	
	Shares'000	Amount	Shares'000	Amount
Opening balance	1,345	367	1,882	524
Purchased during the year	906	424	-	-
Excercise during the year	(532)	(149)	(537)	(157)
	1,719	**642**	**1,345**	**367**

Notes to Standalone Financial Statements

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

Dividend

	As of 31 March, 2018	As of 31 March, 2017
A Declared and paid during the year		
Interim dividend for 2017-18 : ₹2.84 per share (including dividend distribution tax @ 20.36% of ₹2,311)*	13,664	-
Final dividend for 2016-17 : ₹1.00 per share (including dividend distribution tax @ 20.36% of ₹814)*	4,811	-
Final dividend for 2015-16 : ₹1.36 per share (including dividend distribution tax @ 20.36% of ₹1,107)*	-	6,543
	18,475	**6,543**
B Proposed dividend		
Final dividend for 2017-18: ₹2.50 per share (2016-17 : ₹1.00 per share)	9,993	3,997
Dividend distribution tax @ 20.56% (2016-17 @ 20.36%)	2,034	814
	12,027	**4,811**

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

*However against this, the Company has availed credit of ₹3,125 and ₹1,087 during the year ended March 31, 2018 and March 31, 2017 respectively, on account of dividend distribution tax on dividend received from subsidiary companies.

17. Reserve and surplus

a) **Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Company, and re-measurement differences on defined benefit plans and gains / (losses) on common control transactions and any transfer from general reserve.

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

Further, on exercise of the stock options, the difference between the consideration (i.e. the exercise price and the related amount of share-based payment reserve) and the cost (viz. related amount of loan provided to Bharti Airtel Welfare Trust) of the corresponding stock options, is transferred to general reserve.

The difference between the share capital and the carrying values of the investment pursuant to the scheme of arrangement under sections 391 to 394 of the Companies Act, 1956 with respect to the amalgamation of Augere Wireless Broadband Private Limited has been recognised in general reserve.

c) **Business restructuring reserve:** It represents mainly the excess of the fair values over the original book values of the assets transferred to one of its subsidiary Bharti Infratel Limited pursuant to the scheme of arrangement under sections 391 to 394 of the Companies Act, 1956.

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

e) **Capital reserve:** It mainly includes capital reserve acquired pursuant to the scheme of arrangement under sections 391 to 394 of the Companies Act, 1956 with respect to the amalgamation (pooling of interest) of Airtel Broadband Services Private Limited.

Note: In absence of any specific provision under Ind AS with respect to court schemes, and the fact that the court schemes are part of the law, accounting prescribed therein will continue to prevail.

Notes to Standalone Financial Statements

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

18. Borrowings

Non-current

	As of 31 March, 2018	As of 31 March, 2017
Secured		
Vehicle loans*	29	31
	29	**31**
Less: Current portion (A)	(15)	(15)
	14	**16**
Unsecured		
Term loans	45,587	32,584
Non-convertible debentures**	30,069	-
Non-convertible bonds	65,413	64,082
Deferred payment liabilities ***	455,602	439,205
Finance lease obligations	391	2,097
	597,062	**537,968**
Less : Interest accured but not due (refer note 19)	(23,613)	(2,530)
Less: Current portion (B)	(28,782)	(32,033)
	544,667	**503,405**
	544,681	**503,421**
Current maturities of long-term borrowings (A+B)	**28,797**	**32,048**

*These loans are secured by hypothecation of the vehicles.

**During the year ended March 31, 2018, the Company has issued 30,000 listed, unsecured, rated, redeemable, Non - Convertible Debentures ('NCDs'), Series I and series II of face value of ₹10 Lakhs each, at par aggregating to ₹30,000 on private placement basis, carrying interest rates 8.25% p.a. and 8.35% p.a. (payable annually) and principal repayable in year 2020 and 2021, respectively.

*** During the year ended March 31, 2018, the Government of India has provided one time option to elect higher number of annual instalments prospectively (upto a maximum of 16 instalments) towards the repayment of spectrum liability viz-a-viz currently allowed 10 instalments. Accordingly, the Company has exercised the option, increasing the remaining number of instalments by 6 annual instalments for all its existing deferred payment liabilities.

Current

	As of 31 March, 2018	As of 31 March, 2017
Unsecured		
Term loans	51,654	50,676
Commercial papers	29,094	14,820
Bank over draft	-	265
	80,748	**65,761**
Less: Interest accured but not due (refer note 19)	(68)	(283)
	80,680	**65,478**

18.1Analysis of borrowings

The details given below are gross of debt origination cost.

Notes to Standalone Financial Statements

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

18.1.1 Repayment terms of borrowings

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

	As of March 31, 2018						
	Interest rate (range)	Frequency of installments	Number of installments outstanding per facility (range)*	Within one year	Between one and two years	Between two and five years	Over five years
Vehicle loans	7.95% - 9.50%	Monthly	6 - 33	15	11	3	
Term loans	2.56%-3.20%	Half yearly	11 - 14	4,290	4,359	13,078	4,499
	7.70% - 7.95%	One time	1	51,600	-	-	-
	8.40%	Quarterly	15	-	5,336	14,664	-
Commercial papers	8.05%	One time	1	29,094	-	-	-
Non-convertible bonds	4.38%	One time	1	-	-	-	64,829
Non-convertible debentures	8.25% - 8.35%	One time	1	-	-	30,000	-
Deferred payment liabilities	9.30% - 10.00%	Annual	13 - 16	24,511	12,217	51,543	345,023
Finance lease obligations	10.25%	Monthly / Annual	8 - 21 / 2	253	134	4	-
				109,763	**22,057**	**109,292**	**414,351**

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

	As of March 31, 2017						
	Interest rate (range)	Frequency of installments	Number of installments outstanding per facility (range)*	Within one year	Between one and two years	Between two and five years	Over five years
Vehicle loans	9.25% - 9.48%	Monthly	2 - 35	15	12	5	-
Term loans	1.45% - 2.57%	Half yearly	1 -16	6,055	4,850	13,013	8,744
	0.63%	One time	1 - 1	3,891	-	-	-
	6.35% - 7.95%	One time	1 - 1	46,538	-	-	-
Commercial papers	6.35%	One time	1	14,820	-	-	-
Non-convertible bonds	4.38%	One time	1	-	-	-	64,466
Deferred payment liabilities	9.30 - 10.00%	Annual	7 - 10	26,814	35,991	78,331	298,032
Finance lease obligations	10.25%	Monthly / Annual	7 - 25 / 3	934	977	186	-
Bank Overdraft	7.60% - 8.15%	On demand	N/A	265	-	-	-
				99,332	**41,830**	**91,535**	**371,242**

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

18.1.2 Interest rate and currency of borrowings

	Weighted average rate of interest	Total borrowings	Floating rate borrowing	Fixed rate borrowing
INR	9.46%	564,407	71,600	492,807
USD	3.93%	91,055	26,226	64,829
March 31, 2018		**655,462**	**97,826**	**557,636**
INR	9.60%	502,918	46,765	456,153
USD	3.58%	101,021	36,555	64,466
March 31, 2017		**603,939**	**83,320**	**520,619**

18.1.3 Unused lines of credit *

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

	As of 31 March, 2018	As of 31 March, 2017
Unsecured*	150,071	172,646

* Excludes non-fund based facilities.

Notes to Standalone Financial Statements

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

19. Financial liabilities - others

Non-current

	As of 31 March, 2018	As of 31 March, 2017
Lease rent equalisation	19,288	19,541
Others	66	2,340
	19,354	**21,881**

Current

	As of 31 March, 2018	As of 31 March, 2017
Payables against capital expenditures	53,197	44,304
Interest accrued but not due	23,681	2,812
Security deposit*	3,284	2,538
Employee payables	2,034	2,290
Payable against business / asset acquisitions@	9,739	9,179
Others#	594	1,026
	92,529	**62,149**

*It includes deposits received from subscriber / channel partners which are repayable on disconnection after adjusting the outstanding amount thereby, if any.
@It includes payable to Qualcomm Asia Pacific Pte. Limited of ₹4,104 towards purchase of balance equity shares upon satisfaction of certain conditions as per the share purchase agreement for acquisition and other acquisitions during the year.
#It mainly includes non-interest bearing advance received from customers / international operators and liability towards cash settled employee share based plan.

20. Provisions

Non-current

	As of 31 March, 2018	As of 31 March, 2017
Assets retirement obligations	410	921
Gratuity	1,344	1,329
Other employee benefit plans	76	80
	1,830	**2,330**

Current

	As of 31 March, 2018	As of 31 March, 2017
Gratuity	513	498
Other employee benefit plans	749	793
	1,262	**1,291**

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

	As of 31 March, 2018	As of 31 March, 2017
Opening Balance	921	921
Net (reversal) / additions	(362)	22
Net interest costs	(149)	(22)
	410	**921**

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

Notes to Standalone Financial Statements

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

The movement of provision towards subjudice matters is as below:

	As of 31 March, 2018	As of 31 March, 2017
Opening Balance	94,820	75,196
Net additions	21,248	19,624
	116,068	**94,820**

The said provision has been disclosed under:

	As of 31 March, 2018	As of 31 March, 2017
Other non-financial assets - non - current (refer note 13)	45,539	40,985
Other non-financial liabilities - Current (refer note 21)	683	674
Trade payables (refer note 22)	69,846	53,161
	116,068	**94,820**

The said provisions pertain to payable / paid under protest for spectrum usage charges / licence fees (trade payable / other non-financial assets) and payable for certain levies (other non-financial liabilities).

21. Other non-financial liabilities

	As of 31 March, 2018	As of 31 March, 2017
Current		
Taxes payable	23,200	11,501
Others	29	141
	23,229	**11,642**

Taxes payable mainly pertains to GST, service tax, sales tax and other taxes payable and provision towards sub judice matters (refer note 20).

22. Trade payables

	As of 31 March, 2018	As of 31 March, 2017
Due to Micro and Small enterprises	16	10
Trade payables*	176,974	149,688
	176,990	**149,698**

* It includes amount due to to related parties (refer note 34) and provision towards sub judice matters (refer note 20).

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

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

Sr No.		For the year ended 31 March, 2018	For the year ended 31 March, 2017
1	Principal amount and the interest due thereon [₹ Nil (March 31, 2017 – ₹ Nil)] remaining unpaid to any supplier as at the end of each accounting year	16	10
2	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	140	96
3	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	Amount of interest accrued and remaining unpaid at the end of each accounting year	0	0
5	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	-	-

Notes to Standalone Financial Statements

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

23 Contingent liabilities and commitments

(i) Contingent liabilities

Claims against the Company not acknowledged as debt:

	As of 31 March, 2018	As of 31 March, 2017
(i) Taxes, duties and other demands (under adjudication / appeal / dispute)		
-Sales Tax and Service Tax	8,738	11,245
-Income Tax	9,951	12,527
-Customs Duty	4,883	4,317
-Entry Tax	6,010	5,509
-Stamp Duty	404	404
-Municipal Taxes	121	121
-Department of Telecom ('DoT') demands	40,344	36,540
-Other miscellaneous demands	1,385	962
(ii) Claims under legal cases including arbitration matters		
-Access charges / Port charges	10,021	8,733
-Others	599	599
	82,456	**80,957**

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

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

a) Sales and Service Tax

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

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

b) Income Tax demand

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

c) Access charges / Port charges

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

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

(iii) BSNL challenged before TDSAT the port charges reduction contemplated by the regulations issued by TRAI in 2007 which passed its judgment in favour of BSNL. The said judgment has been challenged by the private operators in Hon'ble Supreme Court. Pending disposal of the said appeal, in the interim, private operators were allowed to continue paying BSNL as per the revised rates i.e. TRAI regulation issued in 2007, subject to the bank guarantee being provided for the disputed amount. The rates were further reduced by TRAI in 2012 which was challenged by BSNL before the

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

Hon'ble Delhi High Court. The Hon'ble Delhi High Court, in the interim, without staying the rate revision, directed the private operators to secure the difference between TRAI regulation of 2007 and 2012 rates by way of bank guarantee pending final disposal of appeal.

d) Customs Duty

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

e) Entry Tax

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

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

f) DoT demands

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

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

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

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

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

(iv) Post the Hon'ble Supreme Court judgment in 2011, on components of AGR for computation of license fee, based on the legal advice, the Company believes that the foreign exchange gain should not be included in AGR for computation of license fee thereon. Further as per TDSAT judgement in 2015, foreign exchange fluctuation does not have any bearing on the license fees. Accordingly, the license fee on foreign exchange gain has not been provided in the financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences', the license fee impact on such exchange differences is not quantifiable. The matter is currently pending adjudication by Hon'ble Supreme Court.

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

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

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 matter is currently pending with the Hon'ble High Court of Bombay. The Company, based on independent legal opinions, till date has not given any effect to the above demand.

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

Guarantees:

Guarantees outstanding as of March 31, 2018 and March 31, 2017 amounting to ₹123,796 and ₹123,614 respectively have been issued by banks and financial institutions on behalf of the Company. These guarantees include certain financial bank guarantees which have been given for subjudice matters/compliance with licensing requirements, the amount with respect to these have been disclosed under capital commitments, contingencies and liabilities, as applicable, in compliance with the applicable accounting standards.

(ii) Commitments

Capital commitments

The Company has contractual commitments towards capital expenditure (net of related advances) of ₹105,618 and ₹69,623 as of March 31, 2018 and March 31, 2017 respectively.

Lease commitments

a) Operating lease

The future minimum lease payments ('FMLP') obligations are as follows:-

As Lessee

	As of 31 March, 2018	As of 31 March, 2017
Not later than one year	77,510	72,725
later than one year but not later than five years	273,717	277,273
Later than five years	58,971	90,895
	410,198	**440,893**
Lease rentals (including lease equalisation adjustment)	66,386	70,638

The above lease arrangements are mainly pertaining to passive infrastructure. Certain of these lease agreements have escalation clause upto 25% and includes option of renewal from 1 to 15 years.

As lessor

(i) The Company has entered into non–cancellable lease arrangements to provide dark fiber on indefeasible right of use ('IRU') basis. Due to the nature of the transaction, it is not possible to compute gross carrying amount, depreciation for the year and accumulated depreciation of the asset given on operating lease as of March 31, 2018 and accordingly, the related disclosures are not provided.

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(ii) The FMLP receivables against assets (other than above IRU assets) are as follows:

As Lessor

	As of 31 March, 2018	As of 31 March, 2017
Not later than one year	208	221
Later than one year but not later than five year	984	929
Lather than five years	114	430
	1,306	**1,580**

The above lease arrangements are mainly pertaining to premises given to group companies.

b) Finance lease

As lessee

Finance lease obligation of the Company as of March 31, 2018 is as follows:-

	Future minimum lease payments	Interest	Present value
Not later than one year	282	29	253
Later than one year but not later than five years	148	10	138
	430	**39**	**391**

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

	Future minimum lease payments	Interest	Present value
Not later than one year	1,044	111	933
Later than one year but not later than five years	1,387	223	1,164
	2,431	**334**	**2,097**

The above lease arrangements are mainly pertaining to various items of plant and equipment.

As lessor

The future minimum lease payments receivable of the Company as of March 31, 2018 is as follows:-

	Future minimum lease payments	Interest	Present value
Not later than one year	176	16	160
Later than one year but not later than five years	89	6	83
	265	**22**	**243**

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

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

The above lease arrangements are mainly pertaining to various network equipments.

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

24. Revenue from operations

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Service revenue	536,287	622,637
Sale of product	343	126
	536,630	**622,763**

25. Network operating expenses

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Passive infrastructure charges	64,410	68,451
Power and fuel	45,647	45,526
Repare and maintenance	16,227	21,240
Internet, bandwidth and leasedline charges	7,061	4,834
Others*	6,167	5,309
	139,512	**145,360**

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

26. Employee benefits expense

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Salaries and bonus	14,844	14,731
Contribution to provident and other funds	668	672
Staff welfare expenses	542	611
Define benefit plan / other long-term benefits	448	557
Share base payment expense		
Equity-settled plans	337	298
Cash-settled plans	12	157
Others*	358	359
	17,209	**17,385**

*It includes recruitment expenses and training expenses.

26.1 Share-based payment plans

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

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

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

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

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

	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Number of share options ('000)	Weighted average exercise price (₹)	Number of share options ('000)	Weighted average exercise price (₹)
2006 Plan				
Outstanding at beginning of year	205	5.00	305	5.00
Granted	-	-	-	-
Exercised	(90)	5.00	(100)	5.00
Forfeited / expired	-	-	-	-
Outstanding at end of year	115	5.00	205	5.00
Exercisable at end of year	2	5.00	36	5.00
2008 Plan & AGP				
Outstanding at beginning of year	-	-	639	402.50
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited / expired	-	-	(639)	402.50
Outstanding at end of year	-	-	-	-
Exercisable at end of year	-	-	-	-
PSP 2009 Plan				
Outstanding at beginning of year	6	5.00	53	5.00
Granted	-	-	-	-
Exercised	(3)	5.00	(37)	5.00
Forfeited / expired	(3)	5.00	(10)	5.00
Outstanding at end of year	-	-	6	5.00
Exercisable at end of year	-	-	5	5.00
Special ESOP & RSU Plan				
Outstanding at beginning of year	34	5.00	126	5.00
Granted	-	-	-	-
Exercised	(33)	5.00	(91)	5.00
Forfeited / expired	(1)	5.00	(1)	5.00
Outstanding at end of year	-	-	34	5.00
Exercisable at end of year	-	-	34	5.00
LTI Plans				
Outstanding at beginning of year	2,002	5.00	1,709	5.00
Granted	1,571	-	820	-
Exercised	(406)	5.00	(308)	5.00
Forfeited / expired	(189)	5.00	(219)	5.00
Outstanding at end of year	2,978	5.00	2,002	5.00
Exercisable at end of year	567	5.00	358	5.00
Performance Unit Plans				
Outstanding at beginning of year	1,401	-	3,118	-
Granted	(0)	-	9	-
Exercised	(966)	-	(1,257)	-
Forfeited / expired	(37)	-	(469)	-
Outstanding at end of year	398	-	1,401	-
Exercisable at end of year	-	-	-	-

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

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

Weighted average	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Remaining contractual life for the options outstanding as of (years)	0.35 to 6.37	0.10 to 5.65
Fair value for the options granted during the year ended (₹)	338.54 to 409.76	338.50 to 379.25
Share price for the options exrcised during the year ended (₹)	367.14 to 457.41	296.90 to 466.38

The carrying value of cash settled plans liability is ₹66 and ₹141 as of March 31, 2018 and March 31, 2017, respectively.

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

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Risk free interest rates	6.3% to 6.78%	5.79% to 6.86%
Expected life	10 to 60 months	4 to 60 months
Volatility	25.91% to 30.16%	27.08% to 27.59%
Dividend yield	0.24% to 0.25%	0.39% to 0.63%
Wtd average excercise price (₹)	0-5	0-5

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

26.2 Employee benefits

The details of significant employee benefits are as follows:

	For the year ended 31 March, 2018		For the year ended 31 March, 2017	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Obligation				
Balance as at beginning of the year	1827	789	1668	730
Current service cost	244	138	256	150
Interest cost	135	58	133	58
Benefits paid	(241)	(106)	(273)	(113)
Transfers	(21)	(3)	7	4
Remeasurements	(87)	(127)	36	(40)
Present value of obligation	**1,857**	**749**	**1,827**	**789**
Current portion	513	749	498	789
Non-current portion	1,344	-	1,329	-

The expected contribution for the year ended March 31, 2018 and 2017 for gratuity plan is ₹391 and ₹389 respectively.

Amount recognised in other comprehensive income

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Experience (gains) / losses	(15)	15
Losses / (gains) from change in demographic assumptions	15	(20)
(Gains) / losses from change in financial assumptions	(87)	41
Remeasurements on liability	**(87)**	**36**

Notes to Standalone Financial Statements

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

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

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

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

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

	As of 31 March, 2018	As of 31 March, 2017
Discount rate	7.85%	7.40%
Rate of return on plan assets	N.A.	N.A.
Rate of salary increase	9.00%	10.00%
Rate of attrition	20% to 24%	21% to 29%
Retirement age	58	58

Sensitivity analysis

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

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

		As of 31 March, 2018		As of 31 March, 2017	
	Change in assumption	Gratuity	Compensated absences	Gratuity	Compensated absences
Discount Rate	+1%	(61)	(32)	(59)	(33)
	-1%	67	34	64	36
Salary Growth Rate	+1%	65	34	62	(33)
	-1%	(61)	(32)	(59)	36

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

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

	As of 31 March, 2018	As of 31 March, 2017
Within one year	513	498
Within one - three years	535	569
within three - five years	318	327
Above five Years	489	433
Weighted average duration (in years)	3.82	3.42

27. Sales and marketing expenses

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Sales commission and distribution	22,211	21,957
Advertisement and marketing	5,787	7,200
Business and promotion	1,516	1,706
Other ancillary expenses	1,005	1,457
	30,519	**32,320**

Notes to Standalone Financial Statements

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

28. Other expenses

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Content costs	5,698	5,934
Customer care expenses	4,668	3,540
IT expenses	3,764	4,754
Collection and recovery expenses	3,690	3,955
Legal and professional fees^	2,653	3,171
Provision for doubtful debts	8,060	7,349
Travelling and conveyance	888	1,084
Bad debts written off	713	329
Cost of good sold	277	58
Charity and donation*	528	1,146
Others#	5,232	7,204
	36,171	**38,524**

* As per the requirements of section 135 of the Companies Act, 2013, the Company was required to spend an amount of ₹2,145 and ₹2,079 for the year ended March 31, 2018 and 2017 on corporate social responsibility expenditure. During the year ended March 31, 2018 and 2017, the Company has spent in cash an amount of ₹245 and ₹56 towards education and sanitation respectively. Further, amount paid to Prudent Electoral Trust (formerly known as Satya Electoral Trust) for political purpose amounting to ₹250 and ₹170 during the year ended March 31, 2018 and 2017 respectively.
# It includes rent, printing and stationary, security, rent and communication expenses etc.

^ Details of Auditor's remuneration which included in legal and professional fees:

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
- Audit fee*	66	76
- Reimbursement of expenses	5	6
- Other services*	13	9
	84	**91**

* Excluding service tax / goods and service tax

29. Depreciation and amortisation

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Depreciation	80,063	77,663
Amortisation	50,423	44,371
	130,486	**122,034**

30. Finance costs and income

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Finance costs		
Interest expense	47,553	42,902
Net loss on derivative financial instruments	1,959	2,244
Other finance charges*	9,595	7,400
	59,107	**52,546**
Finance income		
Dividend income	4,200	16,511
Interest income	3,360	1,731
Net gain on FVTPL investments	35	1,725
Net exchange gain	822	3,454
	8,417	**23,421**

*It includes bank charges, trade finance charges, charges relating to derivative instruments and interest charges towards sub judice matters.

Notes to Standalone Financial Statements

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

31. Exceptional items

Exceptional items comprise of the following:

(i) For the year ended March 31, 2018:

a. Charge of ₹1,572 towards operating costs on network re-farming and up-gradation program
b. Provision of ₹720 towards one major delinquent receivable balance
c. Charge of ₹3,749 mainly due to levies and taxes pertaining to internal restructuring

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

a. Charge of ₹2,396 towards operating costs (including accelerated depreciation) on network re-farming and up-gradation program
b. Charge of ₹2,920 resulting from reassessment of the useful life of certain categories of network assets of the Company due to technological advancements
c. Net charge aggregating to ₹7,506 pertaining to regulatory levies related assessment / provisions, settlement of tax related contingent liability and reconciliation of balances
d. Loss of ₹159,886 pertains to internal restructuring and divestment

Tax expense includes:

(a) Tax benefit of ₹2,129 and ₹5,864 for the year ended March 31, 2018 and 2017 respectively, on above exceptional items

(b) Tax benefit of Nil and ₹1,892 for the year ended March 31, 2018 and 2017 respectively, on account of re-assessment of tax provisions for previous periods

32. Earnings per share ('EPS')

The details used in computation of basic and diluted EPS:

	As of 31 March, 2018	As of 31 March, 2017
Weighted average Shares outstanding ('000) for basic / diluted EPS	3,997,400	3,997,400
Profit / (loss) for the year	792	(99,256)

Notes to Standalone Financial Statements

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

33. Segment reporting

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

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

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

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

The reporting segments of the Company are as below:

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

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

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

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

Notes to Standalone Financial Statements

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

Summary of the segmental information for the year ended and as of March 31, 2018 is as follows:

Particulars	Mobile Services	Airtel Business	Homes Services	Unallocated	Eliminations	Total
Revenue from external customers	420,208	91,899	24,523	-	-	536,630
Inter-segment revenue	20,947	8,655	177	-	(29,779)	-
Total revenues	**441,155**	**100,554**	**24,700**	**-**	**(29,779)**	**536,630**
Segment results	21,563	26,193	4,398	(1,639)	-	50,515
Less:						
Finance costs						59,107
Finance income						(8,417)
Non-operating expenses						596
Exceptional items						6,041
Profit before tax						**(6,812)**
Other segment items						
Capital expenditure	188,011	7,474	10,210	6,481	(7,457)	204,719
Depreciation and amortisation	121,385	10,041	6,939	12	(7,891)	130,486
As of March 31, 2018						
Segment assets*	1,356,580	101,826	43,059	617,272	(69,364)	2,049,373
Segment liabilities*	303,670	38,625	20,276	727,557	(69,364)	1,020,764

* Effective April 1, 2017, individual segments exclude inter-segment balances and allocated borrowings. This has no impact on total assets and liabilities.

Notes to Standalone Financial Statements

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

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

Particulars	Mobile Services	Airtel Business	Homes Services	Unallocated	Eliminations	Total
Revenue from external customers	505,670	90,421	26,672	-	-	622,763
Inter-segment revenue	21,075	7,979	198	-	(29,252)	-
Total revenue	**526,745**	**98,400**	**26,870**	**-**	**(29,252)**	**622,763**
Segment result	94,680	19,469	6,331	(1,418)	-	119,062
Less:						
Finance costs						52,546
Finance income						(23,421)
Non-operating expense						2,324
Exceptional items						172,708
Loss before tax						(85,095)
Other segment items						
Capital expenditure	362,700	14,058	19,286	1,633	(20,862)	376,815
Depreciation and amortisation	113,230	9,737	5,951	12	(6,896)	122,034
As of March 31, 2017						
Segment assets	1,541,193	233,317	296,014	625,502	(779,650)	1,916,376
Segment liabilities	736,333	151,419	231,935	564,266	(779,650)	904,303

Notes to Standalone Financial Statements

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

Geographical information*:

(a) Revenue from external customers:

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
India	492,486	575,319
Others	44,144	47,444
	536,630	**622,763**

(b) Non-current assets:

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
India	1,269,732	1,198,282
Others	12,389	13,981
	1,282,121	**1,212,263**

*Basis location of the customers / assets

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

34 Related party disclosures

i. Subsidiaries

- Indian

Airtel Payments Bank Limited
Bharti Airtel Services Limited
Bharti Hexacom Limited
Bharti Infratel Limited
Bharti Telemedia Limited
Indo Teleports Limited
Nxtra Data Limited
Wynk Limited
Smartx Services Limited
Telesonic Networks Limited
Nettle Infrastructure Investments Limited
Bharti Digital Networks Private Limited (formerly known as Tikona Digital Networks Private Limited,subsidiary w.e.f August 24, 2017)

- Foreign

Africa Towers N.V.
Africa Towers Services Limited ##
Airtel (Seychelles) Limited
Airtel Congo (RDC) S.A.
Airtel Congo S.A.
Airtel DTH Services Nigeria Limited #
Airtel Gabon S.A.
Airtel Ghana Limited (ceased to be subsidiary w.e.f. October 12, 2017)
Airtel Madagascar S.A.
Airtel Malawi Limited
Airtel Mobile Commerce (Ghana) Limited (ceased to be subsidiary w.e.f. October 12, 2017)
Airtel Mobile Commerce (Kenya) Limited
Airtel Mobile Commerce (Seychelles) Limited

Notes to Standalone Financial Statements

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

Airtel Mobile Commerce (Tanzania) Limited
Airtel Mobile Commerce B.V.
Airtel Mobile Commerce Holdings B.V.
Airtel Mobile Commerce Nigeria Limited (incorporated w.e.f August 31, 2017)
Airtel Mobile Commerce Limited, Malawi
Airtel Mobile Commerce Madagascar S.A.
Airtel Mobile Commerce Rwanda Limited
Airtel Mobile Commerce Tchad S.a.r.l.
Airtel Mobile Commerce Uganda Limited
Airtel Mobile Commerce Zambia Limited
Airtel Money (RDC) S.A.
Airtel Money Niger S.A.
Airtel Money S.A. (Gabon)
Airtel Money Transfer Limited
Airtel Money Tanzania Limited
Airtel Networks Kenya Limited
Airtel Networks Limited
Airtel Networks Zambia Plc
Airtel Rwanda Limited
Airtel Tanzania Public Limited (formerly known as Airtel Tanzania Limited)
Airtel Tchad S.A.
Airtel Uganda Limited
Bangladesh Infratel Networks Limited #
Bharti Airtel (France) SAS
Bharti Airtel (Hong Kong) Limited
Bharti Airtel (Japan) Private Limited
Bharti Airtel (UK) Limited
Bharti Airtel (USA) Limited
Bharti Airtel Africa B.V.
Bharti Airtel Burkina Faso Holdings B.V.
Bharti Airtel Chad Holdings B.V.
Bharti Airtel Congo Holdings B.V.
Bharti Airtel Developers Forum Limited
Bharti Airtel DTH Holdings B.V.#
Bharti Airtel Gabon Holdings B.V.
Bharti Airtel Ghana Holdings B.V. (ceased to be subsidiary w.e.f. October 12, 2017)
Bharti Airtel International (Mauritius) Limited
Bharti Airtel International (Mauritius) Investment Limited (incorporated on March 26, 2018)
Bharti Airtel International (Netherlands) B.V.
Bharti Airtel Kenya B.V.
Bharti Airtel Kenya Holdings B.V.
Bharti Airtel Lanka (Private) Limited
Bharti Infratel Lanka (Private) Limited #
Bharti Airtel Madagascar Holdings B.V.
Bharti Airtel Malawi Holdings B.V.
Bharti Airtel Mali Holdings B.V.
Bharti Airtel Niger Holdings B.V.
Bharti Airtel Nigeria B.V.
Bharti Airtel Nigeria Holdings B.V. #
Bharti Airtel Nigeria Holdings II B.V.
Bharti Airtel RDC Holdings B.V.
Bharti Airtel Rwanda Holdings Limited
Bharti Airtel Services B.V.
Bharti Airtel Tanzania B.V.
Bharti Airtel Uganda Holdings B.V.

Notes to Standalone Financial Statements

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

Bharti Airtel Zambia Holdings B.V.
Bharti International (Singapore) Pte. Ltd
Celtel (Mauritius) Holdings Limited
Celtel Niger S.A.
Channel Sea Management Company (Mauritius) Limited
Congo RDC Towers S.A.
Gabon Towers S.A. ##
Indian Ocean Telecom Limited
Madagascar Towers S.A.
Malawi Towers Limited
Mobile Commerce Congo S.A.
Montana International
MSI-Celtel Nigeria Limited #
Network i2i Limited
Partnership Investment S.a.r.l.
Société Malgache de Téléphone Cellulaire S.A.
Tanzania Towers Limited
Towers Support Nigeria Limited #
Zap Trust Company Nigeria Limited #
Tigo Rwanda Limited (w.e.f January 31, 2018)

ii. Ultimate controlling entity (w.e.f. November 3, 2017)*

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

iii. Entities having control over the Company (w.e.f. November 3, 2017)*

-Indian
Bharti Telecom Limited

*Significant influence until November 2, 2017

iv. Entities having significant influence over the Company

- Foreign
Singapore Telecommunications Limited
Pastel Limited

v. Associates

- Indian
Seynse Technologies Private Limited
Juggernaut Books Private Limited (acquired on November 29, 2017)

- Foreign
Seychelles Cable Systems Company Limited
Robi Axiata Limited

vi. Joint Ventures

- Indian
Indus Towers Limited
FireFly Networks Limited

- Foreign

Bridge Mobile Pte Limited
Bharti Airtel Ghana Holdings B.V (w.e.f October 12, 2017)

Notes to Standalone Financial Statements

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

Airtel Ghana Limited (w.e.f October 12, 2017)
Airtel Mobile Commerce (Ghana) Limited (w.e.f October 12, 2017)
Milicom Ghana Company Limited (w.e.f October 12, 2017)
Mobile Financial Services Limited (w.e.f October 12, 2017)

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

a. Fellow companies (subsidiaries / joint ventures / associates other than that of the Company)

Subsidiaries
- Indian
Bharti Enterprises Limited
Cedar Support Services Limited
Bharti Insurance Holding Private Limited
Bharti Axa General Insurance Company Limited
Bharti Axa Life Insurance Company Limited

Associates
- Indian
Bharti Life Ventures Private Limited
Bharti General Private Limited

b. Others related parties *

Entities where Key Management Personnel and their relatives exercise significant influence
- Indian
Bharti Foundation
Bharti Airtel Employees Welfare Trust
Hike Private Limited (formerly known as Hike Limited)

Others
- Indian
Brightstar Telecommunication India Limited
Bharti Realty Holdings Limited
Bharti Realty Limited
Deber Technologies Private Limited
Hike Messenger Limited
Centum Learning Limited
Fieldfresh Foods Private Limited
Indian Continent Investment Limited
Jersey Airtel Limited
Nile Tech Limited
Bharti Support Services Private Limited (formerly known as Atrium Restaurants India Private Limited)
Bharti Land Limited
Centum Work skills India Limited
Oak Infrastructure Developers Limited
Gourmet Investments Private Limited

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

viii. Key Management Personnel ('KMP')

Sunil Bharti Mittal
Gopal Vittal

Liquidated during the financial year 2017-18
Under liquidation.

Notes to Standalone Financial Statements

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

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

	For the year ended March 31, 2018					For the year ended March 31, 2017				
	Subsidiaries	Joint ventures	Associates	Entitys having significant influence	ORP / FC#	Subsidiaries	Joint ventures	Associates	Entitys having significant influence	ORP / FC#
Purchase of fixed assets / bandwidth	4,951	-	-	-	2,476	4,119	-	-	-	2,705
Sale of fixed assets / IRU given	1,237	-	-	-	-	799	-	-	-	-
Investments*	42,912	-	-	-	-	85,425	-	-	-	-
Sale of investments	47,632	-	-	-	-	96,809	-	-	-	-
Rendering of services	30,643	37	2	993	296	22,680	49	3	1,383	285
Receiving of services	56,019	38,142	50	-	3,263	48,818	40,423	12	211	2,729
Fund transferred / expenses incurred on behalf of others	2,451	8	-	-	-	2,647	11	-	-	0
Donation	-	-	-	-	202	-	-	-	-	921
Loans given	71,993	3	-	-	273	98,566	-	-	-	-
Repayment of loans given	71,512	-	-	-	-	91,562	-	-	-	156
Reimbursement of energy expenses	13,680	25,317	-	-	-	13,742	24,614	-	-	-
Guarantees and collaterals given	24,767	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	9,809	501	-	-	-	3,255	364
Dividend income	4,200	-	-	-	-	16,512	-	-	-	-

Other related parties / fellow companies
* It includes loan converted into equity investments.

Notes to Standalone Financial Statements

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

The significant related party transactions are summarized below:

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
(i) Rendering of services		
Subsidiaries		
Bharti Hexacom Limited	17,414	9,802
Bharti Airtel (UK) Ltd.	9,559	9,597
(ii) Receiving of services		
Subsidiaries		
Bharti Hexacom Limited	8,709	4,526
Bharti Infratel Limited	20,404	20,543
Bharti Airtel (UK) Limited	11,481	9,366
Telesonic Networks Limited	3,781	4,408
Joint venture		
Indus Towers Limited	38,046	40,369
(iii) Reimbursement of energy expenses		
Subsidiary		
Bharti Infratel Limited	13,680	13,742
Joint Venture		
Indus Towers Limited	25,317	24,614
(iv) Fund transferred / expenses incurred on behalf of others		
Subsidiary		
Bharti Hexacom Limited	1,292	1,458
(v) Loans given		
Subsidiaries		
Bharti Telemedia Limited	-	23,357
Nettle Infrastructure Investments Limited	50,604	68,140
Tikona Digital Networks Private Limited	10,538	-
Bharti Airtel (Services) Limited	5,658	3,292
(vi) Repayment of loans given		
Subsidiaries		
Bharti Telemedia Limited	-	42,563
Bharti Airtel International (netherlands) B.V.	-	33,788
Bharti International (Singapore) Pte Limited*	-	9,357
Bharti Airtel (Services) Limited	4,883	3,034
Nettel Infrastructure Investments Limited	62,087	-
* loan conversion into equity		
(vii) Purchase of investments		
Subsidiaries		
Bharti Airtel International (Mauritius) Limited	-	14,620
Network i2i Limited	29,159	50,825
(viii) Sale of investment		
Subsidiaries		
Bharti Telemedia Ltd.	47,632	-
Nettle Infrastructure Investments Limited	-	68,060
(ix) Dividend income		
Subsidiaries		
Bharti Hexacom Limited	476	1,348
Bharti Infratel Limited	3,724	15,164
(x) Dividend paid		
Entities having control over the Company/entities having significant influence over the Company		
Bharti Telecom Limited	7,506	2,451
Pastel Limited	2,271	804
(xi) Guarantees and collaterals given		
Subsidiary		
Network i2i Limited	24,767	-

Notes to Standalone Financial Statements

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

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

	Subsidiaries	Joint ventures	Associates	Entitys having significant influence	ORP / FC#
As of March 31, 2018					
Trade payables	(10,108)	(10,353)	(22)	0	(194)
Trade receivables	1,592	0	0	31	77
Loans (including accrued interest)	73,180	8	0	0	625
Security deposit	2,606	3,746	0	0	944
Guarantees and collaterals given (including performance guarantees)	729,881	-	-	-	-
As of March 31, 2017					
Trade payables	(5,342)	(10,563)	(10)	(223)	(410)
Trade receivables	748	1	0	0	69
Loans (including accrued interest)	72,699	5	0	0	352
Security deposit	2,602	3,717	0	0	931
Guarantees and collaterals given (including performance guarantees)	709,615	-	-	-	-

Other related parties / fellow companies

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

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

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Short-term employee benefits	263	250
Performance linked incentive ('PLI')#	138	118
Post-employment benefit	28	26
Share-based payment	62	62
	491	**456**

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 ₹21 and ₹28 has been recorded in the books towards PLI for the year ended March 31, 2018 and March 31, 2017 respectively. During the year ended March 31, 2018 and 2017, PLI of ₹143 and ₹116 respectively, pertaining to previous year has been paid.

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

In addition to above, ₹1,122 thousand and ₹313 thousand have been paid as dividend to key management personnel during the year ended March 31, 2018 and March 31, 2017 respectively.

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

Notes to Standalone Financial Statements

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

The details of loans and advances as required by schedule V of SEBI (listing obligation and disclosure requirement Regulation, 2015 are given in the table below.

	March 31, 2018		March 31, 2017	
Name of the Company	Outstanding balance	Maximum amount outstanding during the year	Outstanding balance	Maximum amount outstanding during the year
Subsidiaries				
Bharti Telemedia Limited	-	-	-	21,033
Bharti International (Netherlands) B. V.	-	-	-	34,797
Bharti Teleports Limited	692	730	623	623
Bharti International (Singapore) Pte Limited	-	-	-	9,476
Nxtra Data Limited	3,941	4,323	3,160	3,270
Bharti Airtel Services limited	1,320	1,717	545	811
Wynk Limited	33	525	231	321
Augere Wireless Broadband India Private Limited	-	-	-	997
Nettle Infrastructure Investment Limited	56,657	68,140	68,140	68,140
Bharti Digital Networks Private Limited (formerly known as Tikona Digital Networks Private Limited)	10,538	10,538	-	-
Joint Venture				
FireFly Networks Limited	8	8	5	5
	73,189	**85,981**	**72,704**	**139,473**

35. Financial and capital risk

1. Financial risk

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

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

(i) Foreign currency risk

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

The foreign exchange risk management policy of the Company requires it to manage the foreign exchange risk by transacting as far as possible in the functional currency. Moreover, the Company monitors the movements in currencies in which the borrowings / capex vendors are payable and manage any related foreign exchange risk, which inter-alia include entering into foreign exchange derivative contracts - as considered appropriate and whenever necessary. For further details as to foreign currency borrowings, refer note 18. Further, for the details as to the fair value of various outstanding derivative financial instruments, refer note 36.

Notes to Standalone Financial Statements

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

Foreign currency sensitivity

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

	Change in currency exchange rate	Effect on profit before tax	Effect on equity (OCI)
For the year ended March 31, 2018			
US Dollars	+5%	(5,013)	-
	-5%	5,013	-
Others	+5%	15	-
	-5%	(15)	-
For the year ended March 31, 2017			
US Dollars	+5%	(5,244)	-
	-5%	5,244	-
Others	+5%	(2)	-
	-5%	2	-

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

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

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

(ii) Interest rate risk

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

Borrowings

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

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

Notes to Standalone Financial Statements

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

Interest rate sensitivity of borrowings

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

Interest rate sensitivity	Increase / decrease (basis points)	Effect on profit before tax
For the year ended March 31, 2018		
INR - borrowings	+100	(716)
	-100	716
US Dollar - borrowings		
	+25	(66)
	-25	66
For the year ended March 31, 2017		
INR - borrowings	+100	(468)
	-100	468
US Dollar - borrowings		
	+25	(57)
	-25	57

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

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

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

(iii) Price risk

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

(iv) Credit risk

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

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

Trade receivables

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

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

Notes to Standalone Financial Statements

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

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

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

	Neither past due nor impaired	Past due but not impaired				Total
		Less than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
March 31, 2018	18,320	14,119	5,207	4,052	1,498	**43,196**
March 31, 2017	15,997	8,624	3,970	3,203	324	**32,118**

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

Financial instruments and cash deposits

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

(v) Liquidity risk

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

Moreover, the Company's senior management regularly monitors the rolling forecasts of the entities' liquidity reserve (comprising of the amount of available un-drawn credit facilities and Cash and cash equivalents) and the related requirements, to ensure they have sufficient cash on an on-going basis to meet operational needs while maintaining sufficient headroom at all times on its available un-drawn committed credit facilities, so that there is no breach of borrowing limits or relevant covenants on any of its borrowings. For details as to the Borrowings, refer note 18.

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

Notes to Standalone Financial Statements

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

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

	As of March 31, 2018						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings*#	677,839	0	111,946	55,395	72,856	910,420	**1,150,617**
Other financial liabilities*	88,202	3,284	65,564	-	-	19,354	**88,202**
Trade payables#	176,990	-	176,990	-	-	-	**176,990**
Financial liabilities (excluding derivatives)	**943,031**	**3,284**	**354,500**	**55,395**	**72,856**	**929,774**	**1,415,809**
Derivative assets	275	-	152	43	80	-	**275**
Derivative liabilities	(352)	-	(83)	(145)	(107)	(17)	**(352)**
Net derivatives	**(77)**	**-**	**69**	**(102)**	**(27)**	**(17)**	**(77)**

	As of March 31, 2017						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings*#	600,947	265	72,941	31,725	70,808	732,139	**907,878**
Other financial liabilities*	84,030	2,538	51,724	5,075	-	21,881	**81,218**
Trade payables#	149,698	-	149,698	-	-	-	**149,698**
Financial liabilities (excluding derivatives)	**834,675**	**2,803**	**274,363**	**36,800**	**70,808**	**754,020**	**1,138,794**
Derivative assets	847	-	536	98	44	169	**847**
Derivative liabilities	(1,848)	-	(1,319)	(343)	(58)	(128)	**(1,848)**
Net derivatives	**(1,001)**	**-**	**(783)**	**(245)**	**(14)**	**41**	**(1,001)**

* It includes contractual interest payment based on interest rate prevailing at the end of the reporting period after adjustment for the impact of interest swaps, over the tenor of the borrowings.
# Interest accrued but not due has been included in interest bearing borrowings and excluded from other financial liabilities.

The Company from time to time in its usual course of business guarantees certain indebtedness of its subsidiaries. Accordingly, as of March 31, 2018 and March 31, 2017 Company has issued corporate guarantee for debt / advance aaggregating to ₹353,114 and ₹340,855, respectively. The outflow in respect of these guarantees arises only on any default/ non-performance of the subsidiary with respect to the guaranteed debt / advance and substantial amount of such loans are due for payment after two years from the reporting date.

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

Balance Sheet caption	Statement of cash flows line item	April 1, 2017	Cash flows	Interest expense	Foreign exchange movement	Others	March 31, 2018
Borrowings*	Proceeds / repayments of borrowings (Including Short term)	160,783	58,315	-	298	1,077	220,473
Interest accrued but not due / derivative instruments	Interest and other finance charges paid	3,813	(4,291)	34,204	-	(9,968)	23,758

* It does not include deferred payment liabilities, finance lease obligation and bank overdraft.

Notes to Standalone Financial Statements

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

2. Capital risk

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

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

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

	As of 31 March, 2018	As of 31 March, 2017
Borrowing	654,158	600,947
Less: Cash and cash equivalents	4,626	1,087
Less: Term deposits with bank	105	-
Net debt	**649,427**	**599,860**
Equity	1,028,609	1,012,073
Total capital	**1,028,609**	**1,012,073**
Capital and Net debt	**1,678,036**	**1,611,933**
Gearing Ratio	**38.7%**	**37.2%**

36. Fair value of financial assets and liabilities

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

	Level	Carrying Value as of		Fair Value as of	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial Assets					
FVTPL					
Derivatives					
- Currency swaps, forward and option contracts	Level 2	195	187	195	187
- Interest rate swaps	Level 2	80	106	80	106
- Embedded derivatives	Level 2	-	554	-	554
Investments	Level 2	63	52	63	52
Amortised cost					
Loans and security deposits	Level 2	82,786	82,470	82,786	82,470
Trade receivables	Level 2	43,196	32,118	43,196	32,118
Cash and cash equivalents	Level 1	4,626	1,087	4,626	1,087
Other bank balances	Level 1	825	647	825	647
Other financial assets	Level 2	12,097	13,756	12,097	13,756
		143,868	**130,977**	**143,868**	**130,977**
Financial Liabilities					
FVTPL					
Derivatives					
- Currency swaps, forward and option contracts	Level 2	352	1,848	352	1,848
Amortised cost					
Borrowings- fixed rate	Level 1	94,423	64,082	92,984	65,008
Borrowings- fixed rate	Level 2	433,714	454,750	473,800	488,848
Borrowings- floating rate	Level 2	126,021	82,115	126,021	82,115
Trade payables	Level 2	176,990	149,698	176,990	149,698
Other financial liabilities	Level 2	111,883	84,030	111,883	84,030
		943,383	**836,523**	**982,030**	**871,547**

Notes to Standalone Financial Statements

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

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

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

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

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

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

During the year ended March 31, 2018 and March 31, 2017, there were no transfers between Level 1 and Level 2 fair value measurements. None of the financial assets and financial liabilities are in Level 3.

The following table describes the key inputs used in the valuation (basis discounted cash flow technique) of the Level 2 financial assets / liabilities as of March 31, 2018 and March 31, 2017:

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

37 Other matters

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

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

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

Consolidated Financial Statements

Independent Auditor's Report

TO THE MEMBERS OF

BHARTI AIRTEL LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **BHARTI AIRTEL LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"),which includes the Group's share of profit/loss in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date and a summary of significant accounting policies and other explanatory notes (hereinafter referred to as "Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associates and Joint ventures in accordance with the Indian Accounting Standards (Ind AS) prescribed under section133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the consolidated financial statements by the directors of the company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

In conducting 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 specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated 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 Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

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 report of the other auditor on separate financial statements

of the joint venture referred to below in the Other Matters paragraph, the aforesaid Consolidated 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2018, their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 24(i)(f)(v) to the Consolidated Financial Statements which describes the uncertainties related to the legal outcome of Department of Telecommunications demand with respect to one time spectrum charges.

Our opinion is not modified in respect of this matter.

Other Matters

i. The Consolidated Financial Statements include the Group's share of profit of ₹11,816 Million and total comprehensive income of ₹11,817 Million for the year ended March 31, 2018, as considered in the Consolidated Financial Statements, in respect of Indus Towers Limited (joint venture), whose financial statements have not been audited by us. These financial statements have been audited by the other auditor whose report has been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture is based solely on the report of the other auditor. Our opinion on the statement is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

ii. The comparative financial information of the Group, its associates and joint ventures for the year ended and as at March 31, 2017 prepared in accordance with Ind AS included in these Consolidated Financial Statements have been audited by the predecessor auditor. The report of the predecessor auditor on comparative financial statements for the year ended and as at March 31, 2017 dated May 9, 2017 expressed an unqualified opinion. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditor on separate financial statements of joint venture company incorporated in India, referred in the Other Matter paragraph above we report, to the extent applicable, that:

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

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

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Company, subsidiary companies, associate companies

and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.

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

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

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

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Bharti Airtel Limited ("the Company") and its subsidiary companies, its associates companies and joint venture companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company , its subsidiary companies, its associate companies and joint venture companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, its subsidiary companies, its associate companies and its joint venture companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below the Company, its subsidiary companies, its associate companies and joint venture companies , which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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

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

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

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

Consolidated Balance Sheet

As at March 31, 2018

(All amounts are in millions of Indian Rupees)

	Notes	As of March 31, 2018	As of March 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	6	706,079	620,088
Capital work-in-progress	6	52,089	23,942
Goodwill	7	328,070	338,082
Other intangible assets	7	837,855	824,181
Intangible assets under development	7	45,423	84,443
Investment in joint ventures and associates	8	86,839	82,277
Financial assets			
- Investments	10	5,769	44,187
- Derivative instruments	11	2,031	4,732
- Security deposits	12	9,703	9,630
- Others	13	5,814	16,653
Income tax assets (net)		25,505	22,716
Deferred tax assets (net)	14	29,330	26,195
Other non-current assets	15	36,319	53,488
		2,170,826	**2,150,614**
Current assets			
Inventories		693	488
Financial assets			
- Investments	10	68,978	16,923
- Derivative instruments	11	8,941	2,060
- Trade receivables	16	58,830	47,402
- Cash and cash equivalents	17	47,886	12,817
- Other bank balances	17	18,820	38,166
- Others	13	27,462	19,737
Other current assets	15	103,380	44,445
		334,990	**182,038**
Total assets		**2,505,816**	**2,332,652**
Equity and Liabilities			
Equity			
Share capital	18	19,987	19,987
Other equity		675,357	654,576
Equity attributable to owners of the Parent		**695,344**	**674,563**
Non-controlling interests ('NCI')		88,139	68,750
		783,483	**743,313**
Non-current liabilities			
Financial liabilities			
- Borrowings	20	849,420	896,373
- Derivative instruments	11	5,409	2,726
- Others	21	44,547	15,681
Deferred revenue		22,117	22,335
Provisions	22	7,212	7,471
Deferred tax liabilities (net)	14	10,606	9,429
Other non-current liabilities	23	623	727
		939,934	**954,742**
Current liabilities			
Financial liabilities			
- Borrowings	20	129,569	129,442
- Current maturities of long-term borrowings	20	134,346	47,062
- Derivative instruments	11	283	2,335
- Trade payables		277,675	268,537
- Others	21	140,605	90,212
Deferred revenue		48,666	48,785
Provisions	22	2,384	2,215
Current tax liabilities (net)		11,058	11,239
Other current liabilities	23	37,813	34,770
		782,399	**634,597**
Total liabilities		**1,722,333**	**1,589,339**
Total equity and liabilities		**2,505,816**	**2,332,652**

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

As per our report of even date

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

Hemant M. Joshi
Partner
Membership No: 38019

Place: **New Delhi**
Date: **April 24, 2018**

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

Sunil Bharti Mittal
Chairman
DIN: 00042491

Nilanjan Roy
Global Chief Financial Officer

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

Pankaj Tewari
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

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

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
Revenue	25	836,879	954,683
Other income		2,488	1,206
		839,367	**955,889**
Expenses			
Network operating expenses	26	197,520	209,154
Access charges		90,446	102,786
License fee / spectrum charges (revenue share)		75,558	92,760
Employee benefits expense	27	39,771	43,032
Sales and marketing expenses	28	55,766	66,732
Other expenses	29	77,027	86,921
		536,088	**601,385**
Profit from operating activities before depreciation, amortisation and exceptional items		**303,279**	**354,504**
Depreciation and amortisation	30	192,431	197,730
Finance costs	31	93,255	95,466
Finance income	31	(12,540)	(18,492)
Non-operating expenses (net)		141	1,319
Share of results of joint ventures and associates	8	(10,609)	(10,449)
Profit before exceptional items and tax		**40,601**	**88,930**
Exceptional items	32	7,931	11,697
Profit before tax		**32,670**	**77,233**
Tax expense / (credit)			
Current tax	14	18,230	21,240
Deferred tax	14	(7,395)	13,579
Profit for the year		**21,835**	**42,414**
Other comprehensive income ('OCI')			
Items to be reclassified subsequently to profit or loss :			
Net losses due to foreign currency translation differences		(7,181)	(41,424)
Net losses on net investment hedge		(8,024)	(10,330)
Net gains on cash flow hedge		809	857
Net gains on fair value through OCI investments		129	107
Tax charge	14	(122)	(16)
		(14,389)	**(50,806)**
Items to be reclassified subsequently to profit or loss :			
Re-measurement gains / (losses) on defined benefit plans		205	(73)
Share of OCI of joint ventures and associates	8	18	(9)
Tax (charge) / credit		(29)	20
		194	**(62)**
Other comprehensive loss for the year		**(14,195)**	**(50,868)**
Total comprehensive income / (loss) for the year		**7,640**	**(8,454)**
Profit for the year attributable to :		**21,835**	**42,414**
Owners of the Parent		10,990	37,998
Non-controlling interests		10,845	4,416
Other comprehensive loss for the year attributable to :		**(14,195)**	**(50,868)**
Owners of the Parent		(13,445)	(48,655)
Non-controlling interests		(750)	(2,213)
Total comprehensive income / (loss) for the year attributable to :		**7,640**	**(8,454)**
Owners of the Parent		(2,455)	(10,657)
Non-controlling interests		10,095	2,203
Earnings per share (Face value : ₹5 each) (In Rupees)			
Basic	33	2.75	9.51
Diluted	33	2.75	9.51

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

As per our report of even date

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

Hemant M. Joshi
Partner
Membership No: 38019

Place: **New Delhi**
Date: **April 24, 2018**

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

Sunil Bharti Mittal
Chairman
DIN: 00042491

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

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Consolidated Statement of Changes in Equity

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

Particulars	Equity attributable to owners of the Parent										Non-controlling interests	Total equity
	Share capital		Other equity									
			Reserves and surplus						Other components of equity (Note 19)	Total		
	No of shares (in '000)	Amount	Securities premium account	Retained earnings	General reserves	Debenture redemption reserve	Share-based payment reserve	NCI reserve				
As of April 1, 2016	**3,997,400**	**19,987**	**123,456**	**453,279**	**27,030**	**-**	**5,169**	**51,165**	**(12,393)**	**647,706**	**54,981**	**722,674**
Profit for the year	-	-	-	37,998	-	-	-	-	-	37,998	4,416	42,414
Other comprehensive loss	-	-	-	(62)	-	-	-	-	(48,593)	(48,655)	(2,213)	(50,868)
Total comprehensive income / (loss)	**-**	**-**	**-**	**37,936**	**-**	**-**	**-**	**-**	**(48,593)**	**(10,657)**	**2,203**	**(8,454)**
Transaction with owners of equity												
Employee share-based payment expense	-	-	-	-	-	-	328	-	-	328	10	338
Exercise of share options	-	-	-	-	-	-	(1,432)	-	157	(1,275)	(1,236)	(2,511)
Transaction with NCI	-	-	-	-	-	-	-	26,051	-	26,051	26,303	52,354
Dividend paid (including tax) to Company's shareholders	-	-	-	(6,543)	-	-	-	-	-	(6,543)	-	(6,543)
Dividend paid (including tax) to NCI	-	-	-	-	-	-	-	-	-	-	(12,869)	(12,869)
Movement on account of court approved schemes	-	-	-	(1,034)	-	-	-	-	-	(1,034)	(642)	(1,676)
As of March 31, 2017	**3,997,400**	**19,987**	**123,456**	**483,638**	**27,030**	**-**	**4,065**	**77,216**	**(60,829)**	**654,576**	**68,750**	**743,313**
Profit for the year	-	-	-	10,990	-	-	-	-	-	10,990	10,845	21,835
Other comprehensive income / (loss)	-	-	-	194	-	-	-	-	(13,639)	(13,445)	(750)	(14,195)
Total comprehensive income / (loss)	**-**	**-**	**-**	**11,184**	**-**	**-**	**-**	**-**	**(13,639)**	**(2,455)**	**10,095**	**7,640**
Transaction with owners of equity												
Employee share-based payment expense	-	-	-	-	-	-	392	-	-	392	21	413
Purchase of treasury shares	-	-	-	-	-		-		(424)	(424)	-	(424)
Exercise of share options	-	-	-	-	3,510	-	(3,675)	-	149	(16)	(13)	(29)
Transaction with NCI	-	-	-	-	-	-	-	42,625	-	42,625	13,812	56,437
Creation of debenture redemption reserve	-	-	-	-	(7,500)	7,500	-	-	-	-	-	-
Dividend paid (including tax) to Company's shareholders	-	-	-	(18,475)	-	-	-	-	-	(18,475)	-	(18,475)
Dividend paid (including tax) to NCI	-	-	-	-	-	-	-	-	-	-	(3,933)	(3,933)
Movement on account of court approved schemes	-	-	-	(866)	-	-	-	-	-	(866)	(593)	(1,459)
As of March 31, 2018	**3,997,400**	**19,987**	**123,456**	**475,481**	**23,040**	**7,500**	**782**	**119,841**	**(74,743)**	**675,357**	**88,139**	**783,483**

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

As per our report of even date

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

Hemant M. Joshi
Partner
Membership No: 38019

Place: **New Delhi**
Date: **April 24, 2018**

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

Sunil Bharti Mittal
Chairman
DIN: 00042491

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

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Consolidated Statement of Cash Flows

(All amounts are in millions of Indian Rupees)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flows from operating activities		
Profit before tax	32,670	77,233
Adjustments for :		
Depreciation and amortisation	192,431	197,730
Finance costs	93,255	95,466
Finance income	(12,540)	(18,492)
Share of results of joint ventures and associates	(10,609)	(10,449)
Exceptional items	325	(276)
Employee share-based payment expense	413	338
Other non-cash items	10,410	7,910
Operating cash flow before changes in working capital	**306,355**	**349,450**
Changes in working capital		
Trade receivables	(24,474)	5,366
Trade payables	15,122	7,640
Inventories	(202)	948
Provisions	154	(26)
Other financial and non financial liabilities	51,205	3,558
Other financial and non financial assets	(35,899)	(52,550)
Net cash generated from operations before tax	**312,261**	**314,386**
Income tax paid	(13,723)	(31,587)
Net cash generated from operating activities (a)	**298,538**	**282,799**
Cash flows from investing activities		
Purchase of property, plant and equipment	(245,259)	(223,030)
Proceeds from sale of property, plant and equipment	5,655	4,462
Purchase of intangible assets *	(17,749)	(1,55,673)
Payment towards Spectrum - Deferred payment liability *	(9,909)	(9,804)
Net movement in current investments	(50,259)	5,785
Purchase of non-current investments	-	(89,073)
Sale of non-current investments	36,495	82,557
Investment in subsidiary, net of cash acquired / associate	(19,498)	(283)
Sale of subsidiaries	-	59,604
Sale of tower assets	4,869	7,120
Investment in associate	(60)	(250)
Proceeds from sale of interest in associate / joint venture	-	447
Dividend received	10,377	9,789
Interest received	5,662	2,305
Net cash used in investing activities (b)	**(279,676)**	**(306,044)**
Cash flows from financing activities		
Proceeds from borrowings	197,664	258,584
Repayment of borrowings	(130,717)	(274,608)
Net proceeds from short-term borrowings	(26,874)	25,377
Proceeds from sale and finance leaseback of towers	2,958	6,277
Repayment of finance lease liabilities	(3,932)	(3,899)
Purchase of treasury shares	(424)	-
Interest and other finance charges paid	(44,041)	(58,566)
Proceeds from exercise of share options	13	65
Dividend paid (including tax)	(32,652)	(9,168)
Proceeds from issuance of equity shares to NCI (refer note 5)	21	1,245
Sale of interest in a subsidiary (refer Note 5)	57,189	61,863
Purchase of shares from NCI (refer note 5)	-	(10,684)
Net cash generated from / (used in) financing activities (c)	**19,205**	**(3,514)**
Net increase / (decrease) in cash and cash equivalents during the year (a+b+c)	**38,067**	**(26,759)**
Effect of exchange rate on cash and cash equivalents	281	(756)
Cash and cash equivalents as at beginning of the year	(9,880)	17,635
Cash and cash equivalents as at end of the year (Note 17)	**28,468**	**(9,880)**

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

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

As per our report of even date

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

Hemant M. Joshi
Partner
Membership No: 38019

Place: **New Delhi**
Date: **April 24, 2018**

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

Sunil Bharti Mittal
Chairman
DIN: 00042491

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

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Notes to Consolidated Financial Statements

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

1. Corporate information

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

The Company together with its subsidiaries (hereinafter referred to as 'the Group') has presence in India, Africa and South Asia. The principal activities of the Group, its joint ventures and associates consist of provision of telecommunication services, tower infrastructure services and direct-to-home digital television services. The details as to the services provided by the Group are further provided in note 36. For details as to the Group structure, refer note 39.

2. Summary of significant accounting policies

2.1 Basis of preparation

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

The financial statements are authorised for issue by the Company's Board of Directors on April 24, 2018.

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

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or '₹') and are rounded to the nearest million, except per share data and unless stated otherwise. Further, amounts which are less than a million are appearing as '0'.

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

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by all the group entities, to all the periods presented in the said financial statements. Further, previous year figures have been re-grouped, wherever necessary to conform to current year's classification.

2.2 Basis of measurement

The financial statements have been prepared on the accrual and going concern basis, and the historical cost convention except where the Ind AS requires a different accounting treatment. The principal variations from the historical cost convention relate to financial instruments classified as fair value through profit or loss or through other comprehensive income (refer note 2.10 (b)), liability for cash-settled awards (refer note 2.17), the component of carrying values of recognised liabilities that are designated in fair value hedges (refer note 2.10 (d)) - which are measured at fair value.

Fair value measurement

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

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

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

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

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

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

Notes to Consolidated Financial Statements

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

2.3 Basis of consolidation

a. Subsidiaries

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

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

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

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

b. Joint ventures and associates

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

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

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

c. Method of consolidation

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

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

The Group's investments in its joint ventures and associates are accounted for using the equity method. Accordingly, the investments are carried at cost less any impairment losses, as adjusted for post-acquisition changes in the Group's share of the net assets of

Notes to Consolidated Financial Statements

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

investees. Any excess of the cost over the Group's share of net assets in its joint ventures / associates at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment. The un-realised gains / losses resulting from transactions with joint ventures and associates are eliminated against the investment to the extent of the Group's interest in the investee. However, un-realised losses are eliminated only to the extent that there is no evidence of impairment.

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

2.4 Business combinations

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

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

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

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

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

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with Ind AS 18 'Revenue'.

2.5 Foreign currency transactions

a. Functional and presentation currency

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

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

b. Transactions and balances

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

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

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

c. Foreign operations

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

2.6 Current versus non-current classification

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

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

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

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

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

2.7 Property, plant and equipment ('PPE')

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), assets retirement obligations (refer note 2.18 (b)) and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Further, it includes assets installed on the premises of customers as the associated risks, rewards and control remain with the Group.

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

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

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

Categories	Years
Leasehold improvement	Period of lease or 10-20 years, as applicable, whichever is less
Leasehold land	Period of lease
Buildings	20
Plant and equipment	
- Network equipment (inclusive passive infrastructure)	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
Furniture & fixture and Office equipment	2 - 5
Vehicles	3 - 5

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

The cost of capital work-in-progress ('CWIP') is presented separately in the balance sheet.

2.8 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 measured reliably.

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

The intangible assets that are acquired in a business combination are recognised at its fair value thereat. Other intangible assets are recognised at cost. These assets having finite useful life are carried at cost less accumulated amortisation and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life of intangible assets.

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

a. Software

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

b. Bandwidth

Bandwidth is amortised over the period of the agreement.

c. Licenses (including spectrum)

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

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

d. Other acquired intangible assets

Other acquired intangible assets include the following:

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

Distribution network: One year to two years

Customer base: Over the estimated life of such relationships which ranges from one year to five years.

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

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

Further, the cost of intangible assets under development includes the amount of spectrum allotted to the Group and related costs (including borrowing costs that are directly attributable to the acquisition or construction of qualifying assets) (refer note 2.21), if any, for which services are yet to be rolled out and are presented separately in the balance sheet.

2.9 Impairment of non-financial assets

a. Goodwill

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

Impairment occurs when the carrying value of a CGU / CGUs including the goodwill, exceeds the estimated recoverable amount of the CGU / CGUs. The

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recoverable amount of a CGU / CGUs is the higher of its fair value less costs to sell and its value in use. Value-in-use is the present value of future cash flows expected to be derived from the CGU / CGUs.

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

b. PPE, Intangible assets and Intangible assets under development

PPE, (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Intangible assets under development is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired.

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

Reversal of impairment losses

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

2.10 Financial instruments

a. Recognition, classification and presentation

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

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

The Group classifies its financial assets in the following categories: a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and b) those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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

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

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

b. Measurement - Non-derivative financial instruments

I. Initial measurement

At initial recognition, the Group measures the non-derivative financial instruments at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Otherwise transaction costs are expensed in the statement of profit and loss.

II. Subsequent measurement - financial assets

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

i. Financial assets measured at amortised cost

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

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ii. Financial assets at fair value through other comprehensive income ('FVTOCI')

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

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

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

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

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

Impairment

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

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

III. Subsequent measurement - financial liabilities

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

c. Measurement - derivative financial instruments

Derivative financial instruments, including separated embedded derivatives, that are not designated as hedging instruments in a hedging relationship are classified as financial instruments at fair value through profit or loss - Held for trading. Such derivative financial instruments are initially recognised at fair value. They are subsequently measured at their fair value, with changes in fair value being recognised in the statement of profit and loss within finance income / finance costs.

d. Hedging activities

I. Fair value hedge

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

II. Cash flow hedge

Some of the group entities use certain types of derivative financial instruments (viz. foreign currency forwards, options, swaps) to manage / mitigate their exposure to foreign exchange and price risk. Further, the Group designates certain such derivative financial instruments (or its components) as hedging instruments for hedging the exchange rate fluctuation risk attributable to is either to an recognised item or a highly probable forecast transaction ('Cash flow hedge'). The effective portion of changes in the fair value of Derivative financial instruments (or its components) that are designated and qualify as Cash flow hedges, are recognised in

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the Other comprehensive income and held in Cash flow hedge reserve ('CFHR') - a component of Equity. Any gains / (losses) relating to the ineffective portion, are recognised immediately in the statement of profit and loss within finance income / finance costs. The amounts accumulated in Equity are re-classified to the statement of profit and loss in the periods when the hedged item affects profit / (loss).

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

III. Net investment hedge

The Group hedges its certain net investment in foreign subsidiaries which are accounted for similar to cash flow hedges. Accordingly, any foreign exchange differences on the hedging instrument (viz. borrowings) relating to the effective portion of the hedge is recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR') - a component of equity, so as to offset the change in the value of the net investment being hedged. The ineffective portion of the gain or loss on these hedges is immediately recognised in the statement of profit and loss. The amounts accumulated in equity are included in the statement of profit and loss when the foreign operation is disposed or partially disposed.

e. Derecognition

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

2.11 Leases

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

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

Operating lease receipts / payments are recognised as an income / expense on a straight-line basis over the lease term unless the lease payments increase in line with expected general inflation.

Contingent rents are recognised as income / expense in the period in which they are earned / incurred.

a. Group as a lessee

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

Sale and leaseback transaction involves the sale and the leasing back of the same asset. In case it results in a finance lease, any profit or loss is not recognised, instead the asset leased back is retained at its carrying value. However, in case it results in an operating lease, any profit or loss is recognised immediately provided the transaction occurs at fair value.

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. Finance lease income is allocated to periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

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

The Group enters into 'Indefeasible right to use' ('IRU') arrangement wherein the assets are given on lease over the substantial part of the asset life. However,

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the title to the assets and significant risk associated with the operation and maintenance of these assets remains with the Group. Hence, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the balance sheet.

2.12 Taxes

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

a. Current tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date in the respective countries where the group entities operate and generate taxable income. The payment made in excess / (shortfall) of the respective group entities' income tax obligation for the period are recognised in the balance sheet under non-current income tax assets / liabilities.

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

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 on the basis of amounts expected to be paid to the tax authorities.

b. Deferred tax

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

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Moreover, deferred tax is recognised on temporary differences arising on investments in subsidiaries, joint ventures and associates - unless the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

2.13 Inventories

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

2.14 Cash and cash equivalents

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

2.15 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

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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 except for assets such as deferred tax assets, financial assets that are carried at fair value. Non-current assets are not depreciated or amortised while they are classified as held for sale.

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

Loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative loss previously recognised.

If the criteria for the held for sale are no longer met, it ceases to be classified as held for sale and are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation / amortisation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

2.16 Share capital / Securities premium account / Treasury shares

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

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

2.17 Employee benefits

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

a. Defined contribution plans

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

b. Defined benefit plans

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

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

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

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

c. Other long-term employee benefits

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

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

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d. Share-based payments

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

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

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

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

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

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

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

Where an equity-settled award is cancelled (including due to non-vesting conditions not being met), it is treated as if it is vested thereon, and any un-recognised expense for the award is recognised immediately.

2.18 Provisions

a. General

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

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

b. Asset retirement obligations ('ARO')

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

2.19 Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised and disclosed only where an inflow of economic benefits is probable.

2.20 Revenue recognition

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

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

a. Service revenues

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

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

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

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

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

b. Multiple element arrangements

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

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

c. Equipment sales

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

d. Capacity swaps

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

e. Interest income

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

f. Dividend income

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

2.21 Borrowing costs

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

2.22 Exceptional items

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

2.23 Non-operating expense / income

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

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

2.24 Dividends paid

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

2.25 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS data.

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

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

3. Critical accounting estimates, assumptions and judgements

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

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

3.1 Critical accounting estimates and assumptions

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

a. Impairment reviews

PPE (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Similarly, goodwill and intangible assets under development is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired. For details as to the impairment policy, refer note 2.9. Accordingly the Company has performed impairment reviews for the above assets. However, the said reviews did not result in any impairment charge.

In calculating the value in use, the Group is required to make significant judgements, estimates and assumptions inter-alia concerning the growth in EBITDA, long-term growth rates and discount rates to reflect the risks involved. Also, judgement is involved in determining the CGU /grouping of CGUs for allocation of the goodwill.

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

b. Taxes

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

Deferred tax assets are recognised for the unused tax losses and minimum alternate tax credits for which there is probability of utilisation against the future taxable profit. Significant management judgement

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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.

c. Property, plant and equipment

Refer note 2.7 and 6 for the estimated useful life and carrying value of property, plant and equipment respectively.

During the year ended March 31, 2017, the Group had reassessed useful life of certain categories of network assets due to technological developments and accordingly, had revised the estimate of its useful life in respect of those assets. Out of those assets, the additional depreciation charge of ₹3,258 on assets for which the revised useful life had expired by March 31, 2016 has been recognised and disclosed as 'exceptional items' and additional depreciation charge of ₹6,969 for other assets has been recognised within 'Depreciation and amortisation' during the year ended March 31, 2017. The impact of above change on the depreciation charge for the future years after March 31, 2018 is as follows:

	Year Ended		Future
	March 31, 2019	March 31, 2020	period till end of life
Impact on future depreciation charge	(2,765)	(1,133)	16,988

d. Allowance for impairment of trade receivables

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

e. Contingent liability

Refer note 24 (i) for details of contingent liability.

3.2 Critical judgement's in applying the Group's accounting policies

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

a. Revenue recognition and presentation

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

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

b. Determination of functional currency

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

c. Taxes

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

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

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

Ind AS 115, 'Revenue from Contracts with Customers'

In March 2018, MCA has notified the Ind AS 115, Revenue from Contract with Customers. As a consequence of issuance of Ind AS 115, relevant paragraphs have been inserted / amended in various other standards.

The Standard establishes a new five-step model that will apply to revenue arising from contracts with customers. Under this standard, 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 Ind AS 115 provide a more

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structured approach to measure and recognise revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under Ind AS. The effective date of Ind AS 115 is annual periods beginning on or after April 1, 2018. The Group does not expect that the adoption of the said standard and related amendments will have any significant impact on the consolidated financial statements per se.

5. Significant transactions / new developments

a) During the year ended March 31, 2018, the Group has entered into an agreement to sell 15% equity stake in Bharti Telemedia Limited, a subsidiary of the Company. The said transaction is subject to requisite regulatory approvals and other closing conditions.

b) i. During the year ended March 31, 2018, the Group had entered into a share purchase agreement with Millicom International Cellular S.A. to acquire 100% equity interest in Tigo Rwanda Limited. The acquisition will make the Group the second largest mobile operator in Rwanda. The difference of ₹362 between the purchase consideration (including contingent consideration) aggregating to ₹3,200 and provisional fair value of net assets has been recognised as goodwill. The said goodwill is mainly attributable to the acquired customer base and economies of scale expected from combining the operations of the Group.

The contingent consideration arrangement requires the Group to pay between Nil to ₹554 (undiscounted basis) which is contingent on the achievement of meeting a target performance and is essentially an earn out condition. As at the acquisition date, the fair value of the said consideration was ₹339 determined using the discounted cash flow and estimated probability of payout.

The initial accounting for the acquisition has only been provisionally determined at the end of the reporting period. At the date of finalisation of these consolidated financial statements, the necessary deferred tax related implications and calculations thereto had not been finalised and they have therefore only been provisionally determined based on the management's best estimate.

From the date of acquisition, the acquired entities have contributed for the year ended March 31, 2018, revenue of ₹473 and loss of ₹85 to the revenue and profit of the Group respectively, Management estimates if the said business combination had taken place at the beginning of the year, the statement of profit and loss would show pro-forma revenue of ₹839,816 and the profit of ₹20,209.

ii. During the year ended March 31, 2018, the Group had entered into a share purchase agreement with seller of Tikona Digital Networks Private Limited ('TDNPL') to acquire 100% equity interest in TDNPL. The difference of ₹739 Mn between the purchase consideration and fair value of net assets has been recognised as goodwill. The said goodwill is mainly attributable to synergies expected from the combined operation of the Group and TDNPL.

iii. The fair value of the assets and liabilities recognised at the date of acquisition for the above acquisitions are as follows:

	Tigo	Tikona	Total
Non-current assets			
Property, plant and equipment (including CWIP)	4,634	206	4,840
Intangible assets	945	17,258	18,203
Non-current liabilities			
Borrowings	1,786	10,538	12,324
Defferred tax liabilities	-	1,709	1,709
Working capital	(955)	3,014	2,059
Net assets acquired	**2,838**	**8,231**	**11,069**

c) During the year ended March 31, 2017, the Group signed a definitive agreement to enter into 50-50 joint venture between Bharti Airtel Ghana Holdings B.V. and MIC Africa B.V. against consideration of their respective ownership interest of operations in Ghana. Further during the year ended March 31, 2018, as the closing conditions for consummation of the transaction have been fulfilled, the Group and Millicom International Cellular have formed a joint venture to combine their telecommunication operations in Ghana.

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The details of consideration received (determined on provisional basis), assets and liabilities over which control was lost and gain on disposal (recorded as exceptional item) is as follows:

		(₹ millions) As of October 12, 2017
A.	**Consideration received**	
	Fair value of consideration received	7,663
B.	**Net assets disposed off**	
	Non-current assets	
	Property, plant and equipment	5,776
	Goodwill and other intangible assets	7,962
	Others	47
	Current Assets	
	Cash and cash equivalents	135
	Trade receivables	640
	Other current assets	570
	Total Assets (a)	**15,130**
	Non-current liabilities	
	Others	862
	Current liabilities	
	Borrowings	4,278
	Trade payable	2,065
	Others	895
	Total Liabilities (b)	**8,100**
	Net assets disposed off (a-b)	**7,030**
C.	**Gain on disposal***	312
D.	**Net cash inflow on disposal**	
	Consideration received in cash and cash equivalent	-
	Less: cash and cash equivalents held by the entity	(135)
		(135)

*Gain on disposal has been computed after adjusting FCTR reclassified to Statement of profit and loss and provision towards future contractual settlements.

d) During the year ended March 31, 2018, an understanding for demerger of consumer mobile businesses of Tata Teleservices Limited and Tata Teleservices Maharashtra Limited into the Company / Bharti Hexacom Limited (subsidiary of the Company) was entered into. Further, the board of directors have approved the scheme(s) of arrangement under section 230 to section 232 of the Companies Act, 2013 for the said demerger. The said transaction is subject to requisite regulatory approvals.

e) During the year ended March 31, 2017, Bharti Infratel Limited ('BIL'), a subsidiary of the Company had bought back its approx. 47 Mn shares against a consideration of ₹425 per share aggregating to ₹20,000, wherein the Company and other shareholders had tendered the shares in the ratio of 62% and 38% approximately. Accordingly, the shareholding of the Company in BIL had increased by 0.25%, and hence the consideration paid to NCI over and above the reduction in their carrying value amounting ₹1,514 had been recognised in NCI reserve, a component of equity.

Further, the Group has sold approx. 150.5 Mn equity shares and 190.6 Mn equity shares of BIL during the year ended March 31, 2018 and March 31, 2017 respectively. The excess of proceeds (net of associated transaction costs, taxes and regulatory levies) over the change in NCI amounting to ₹42,598 and ₹39,241 during the year ended March 31, 2018 and March 31, 2017 has been recognised directly in NCI reserve, a component of equity.

f) During the year ended March 31, 2017, the Group had entered into a scheme of amalgamation for the merger of Telenor (India) Communication Private Limited with the Company. The said transaction is subject to requisite regulatory approvals and other closing conditions.

g) During the year ended March 31, 2017, Bharti Telemedia Limited ('BTL'), a subsidiary of the Company allotted 500 Mn shares, against a consideration of ₹10 per share aggregating to ₹5,000, to the Company and Bharti Enterprises Limited ('BEL') in the ratio of their existing shareholding (viz. 95:5). Accordingly, the Group

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had allocated BEL's share of accumulated losses in BTL to the extent of capital contribution received from BEL.

h) During the year ended March 31, 2017, the Group acquired rights to use spectrum in the 1800 MHz band for six circles against a consideration of ₹46,530 from Videocon Telecommunications Limited.

i) During the year ended March 31, 2017, the Group acquired rights to use spectrum in the 2300 MHz band for eight circles against a consideration of ₹35,000 from Aircel Limited and its subsidiaries Dishnet Wireless Limited.

j) During the year ended March 31, 2017, the Group acquired 24.89% of shares in Airtel Ghana Limited by subscribing to the right issue through the conversion of existing shareholder loans hereby, increasing its shareholding to 99.89%. The excess of consideration over the carrying value of the interest acquired, ₹9,130, had been recognised in transaction with NCI reserve, a component of equity.

k) During the year ended March 31, 2017, the Group acquired 4.20% equity stake in Airtel Networks Limited, thereby, increasing its shareholding to 83.25%. The excess of consideration paid to NCI over the carrying value of the interest acquired, ₹3,923, had been recognised in transaction with NCI reserve, a component of equity.

l) (i) During the year ended March 31, 2017, the Group merged its business operations in Bangladesh with Robi Axiata Limited and accordingly lost control over Airtel Bangladesh Limited and acquired 25% stake in the merged entity (viz. Robi Axiata Limited) as an associate of the Group.

(ii) During the year ended March 31, 2017, the Group had sold Group's operations in Burkina Faso and Sierra Leone.

The details of consideration received, assets and liabilities over which control was lost and gain on disposals (recorded as exceptional item) is as follows:

		As of		
		June 22, 2016	July 19, 2016	November 16, 2016
		Burkina Faso	Sierra Leone	Bangladesh
A.	**Consideration received**			
	Fair value of consideration received	39,554	22,185	25,956
B.	**Net assets disposed off**			
	Non-current assets			
	Property, plant and equipment	6,922	4,110	18,661
	Goodwill and other intangible assets	25,232	8,972	16,765
	Others	1,203	1,014	720
	Current Assets			
	Cash and cash equivalents	1,017	402	426
	Trade receivables	1,153	132	689
	Other current assets	3,953	629	1,752
	Total Assets (a)	**39,480**	**15,259**	**39,013**
	Non-current liabilities			
	Others	1,018	153	961
	Current liabilities			
	Borrowings	1,074	73	7,445
	Trade payable	9,090	904	4,681
	Others	1,096	69	2,812
	Total Liabilities (b)	**12,278**	**1,199**	**15,899**
	Net assets disposed off (a-b)	**27,202**	**14,060**	**23,114**

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		As of		
		June 22, 2016	July 19, 2016	November 16, 2016
		Burkina Faso	Sierra Leone	Bangladesh
C.	**Gain on disposal ***	8,404	1,778	2,038
D.	**Net cash inflow on disposal**			
	Consideration received in cash and cash equivalent (net of transaction tax)	39,554	20,820	-
	Less: cash and cash equivalents held by the entity	58	(402)	(426)
		39,612	**20,418**	**(426)**

*Gain on disposal has been computed after adjusting FCTR reclassified to statement of profit and loss, transactional taxes, deferred gains on account of transaction with associate and provision towards future contractual settlements.

m) During the year ended March 31, 2017, the Group has been allotted 172 MHz spectrum across 1800 / 2100 / 2300 MHz. Consequently, the Group had paid amount of ₹74,018 upfront and opted the deferred payment option for ₹66,764.

n) During the year ended March 31, 2017, the Group had sold its entire stake in its African associate, Tanzania Telecommunications Company Limited and recognised gain of ₹443 on disposal as exceptional item.

o) During the year ended March 31, 2017, the Group had acquired 100% equity stake of Augere Wireless Broadband India Private Limited ('AWBPL'). On June 7, 2016, on fulfillment of the relevant conditions the transactions has been consummated and goodwill of ₹150 has been recognised. Subsequently, with effect from February 15, 2017, AWBIPL had merged with the Company through the scheme of arrangement under Sections 391 to 394 of the Companies Act, 1956.

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

The following table presents the reconciliation of changes in the carrying value of PPE for the year ended March 31, 2018 and 2017:

	Leasehold improvement	Building	Land	Plant and equipment	Furniture & fixture	Vehicles	Office equipment	Computer	Total
Gross carrying value									
As of April 1, 2016	**9,163**	**11,873**	**3,687**	**1,230,511**	**3,661**	**2,414**	**9,212**	**85,745**	**1,356,266**
Additions / capitalisation	378	86	351	202,705	710	157	981	4,309	209,677
Disposals / adjustments	(471)	(153)	(241)	(28,714)	(361)	(151)	(1,496)	(3,136)	(34,723)
Sale of subsidiaries / towerco operation^	(130)	(610)	(97)	(69,400)	(970)	(115)	(328)	(4,777)	(76,427)
Net transfers to / from assets-held-for-sale	-	-	-	4,990	-	-	-	-	4,990
Exchange differences	(537)	(788)	(262)	(53,624)	(317)	(131)	(942)	(10,635)	(67,236)
As of March 31, 2017	**8,403**	**10,408**	**3,438**	**1,286,468**	**2,723**	**2,174**	**7,427**	**71,506**	**1,392,547**
Additions / capitalisation	318	147	123	220,354	389	57	798	7,688	229,874
Acquisition through business combinations^	15	157	-	3,996	-	19	-	510	4,697
Disposals / adjustments	229	(498)	520	(38,517)	(29)	(52)	(547)	119	(38,775)
Sale of subsidiaries^	(82)	(66)	-	(9,184)	(145)	(4)	(114)	(1,345)	(10,940)
Exchange differences	127	9	131	(4,665)	59	88	(54)	(141)	(4,446)
As of March 31, 2018	**9,010**	**10,157**	**4,212**	**1,458,452**	**2,997**	**2,282**	**7,510**	**78,337**	**1,572,957**
Accumulated depreciation									
As of April 1, 2016	**6,674**	**2,841**	**127**	**651,301**	**2,493**	**1,977**	**6,791**	**73,554**	**745,758**
Charge#	804	570	5	136,400	561	177	1,040	6,474	146,031
Disposals / adjustments	(503)	677	5	(26,576)	688	(151)	(2,278)	(3,332)	(31,470)
Sale of subsidiaries / towerco operation^	(98)	(152)	-	(38,421)	(900)	(96)	(268)	(3,949)	(43,884)
Net transfers to / from assets-held-for-sale	-	-	-	1,374	-	-	-	-	1,374
Exchange differences	(392)	(245)	(9)	(33,975)	(491)	(94)	(621)	(9,523)	(45,350)
As of March 31, 2017	**6,485**	**3,691**	**128**	**690,103**	**2,351**	**1,813**	**4,664**	**63,224**	**772,459**
Charge#	533	495	18	128,189	429	176	1,028	6,154	137,022
Disposals / adjustments	228	(384)	(33)	(32,400)	(3)	(28)	(170)	119	(32,671)
Sale of subsidiaries^	(60)	(27)	-	(4,168)	(134)	(3)	(90)	(1,222)	(5,704)
Exchange differences	122	5	11	(4,318)	13	72	(42)	(91)	(4,228)
As of March 31, 2018	**7,308**	**3,780**	**124**	**777,406**	**2,656**	**2,030**	**5,390**	**68,184**	**866,878**
Net carrying value									
As of March 31, 2017	1,918	6,717	3,310	596,365	372	361	2,763	8,282	620,088
As of March 31, 2018	1,702	6,377	4,088	681,046	341	252	2,120	10,153	706,079

^Refer note 5 (e), (i) & (o).

#It includes ₹3,672 (March 31, 2017 ₹2,936) on account of exceptional item with respect to plant and equipment (refer note 32 (i) a & (ii) b, c, d) and ₹387 (March 31, 2017 ₹510) on account of court approved scheme / arrangements.

@Refer note 24 (ii) (a) for assets given on operating lease

The carrying value of CWIP as at March 31, 2018 and 2017 is ₹52,089 and ₹23,942 respectively, which mainly pertains to plant and equipment.

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The following table summarises the detail of the significant assets taken on finance lease:

	As of March 31, 2018	As of March 31, 2017
Plant and equipment		
Gross carrying value@	36,453	37,165
Accumulated depreciation	19,898	18,757
Net carrying value	16,555	18,408

@During the year ended March 31, 2017, sale and lease back of 1,510 towers in two of the African countries was completed for a consideration of ₹13,193. The portion leased back which have been classified as finance lease, has been retained at the carrying value of ₹5,430 and the finance lease obligation has been recorded at ₹5,855, being the fair value of the leased back portion.

For details towards pledge of the above assets refer note 20.

7. Intangible assets

The following table presents the reconciliation of changes in the carrying value of goodwill and other intangible assets for the year ended March 31, 2018 and 2017:

		Other intangible assets				
	Goodwill #	Software	Bandwidth	Licenses (including spectrum)	Other acquired intangibles	Total
Gross carrying value						
As of April 1, 2016	**431,018**	**16,218**	**19,901**	**771,197**	**4,405**	**811,721**
Additions / capitalisation	-	2,783	4,903	205,372	5,463	2,18,521
Acquisition through business combinations^	150	-	-	1,250	-	1,250
Disposals / adjustments@	-	(92)	(86)	(1,095)	-	(1,273)
Sale of subsidiaries / towerco operation^	(44,066)	(944)	(182)	(19,015)	-	(20,141)
Exchange differences	(46,383)	17	(954)	(24,497)	(91)	(25,525)
As of March 31, 2017	**340,719**	**17,982**	**23,582**	**933,212**	**9,777**	**984,553**
Additions / capitalisation	-	3,637	7,451	64,352	6	75,446
Acquisition through business combinations^	1,084	-	-	321	632	953
Disposals / adjustment@	-	(140)	(824)	(10,362)	(389)	(11,715)
Sale of subsidiaries^	(6,310)	-	(463)	(16,112)	-	(16,575)
Exchange differences	(4,783)	2	(71)	(2,830)	102	(2,797)
As of March 31, 2018	**330,710**	**21,481**	**29,675**	**968,581**	**10,128**	**1,029,865**
Accumulated amortisation						
As of April 1, 2016	**-**	**12,027**	**5,342**	**108,011**	**2,302**	**127,682**
Charge	-	2,780	1,507	48,611	2,247	55,145
Disposals / adjustments@	-	36	(82)	(1,127)	(100)	(1,273)
Sale of subsidiaries / towerco operation^	-	(792)	(68)	(8,849)	-	(9,709)
Exchange differences	-	13	(79)	(11,344)	(63)	(11,473)
As of March 31, 2017	**-**	**14,064**	**6,620**	**135,302**	**4,386**	**160,372**
Charge	-	2,731	1,663	52,612	2,462	59,468
Disposals / adjustments		(140)	(824)	(10,362)	(389)	(11,667)
Sale of subsidiaries^	-	-	(53)	(14,868)	-	(14,921)
Exchange differences	-	2	(9)	(1,295)	108	(1,194)
As of March 31, 2018	**-**	**16,657**	**7,397**	**161,389**	**6,567**	**192,010**
Net carrying value						
As of March 31, 2017	**3,38,082**	**3,918**	**16,962**	**7,97,910**	**5,391**	**8,24,181**
As of March 31, 2018	**328,070**	**4,824**	**22,278**	**807,192**	**3,561**	**837,855**

#Net carrying value of goodwill includes accumulated impairment of ₹2,640.

^Refer note 5 (b), (c), (i) & (o)

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

Notes to Consolidated Financial Statements

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

The carrying value of Intangible assets under development as at March 31, 2018 and March 31, 2017 is ₹45,423 and ₹84,443 respectively, which pertains to spectrum.

During the year ended March 31, 2018 and 2017 the Group has capitalised borrowing cost of ₹3,037 and ₹2,750 respectively.

Weighted average remaining amortization period of licenses as of March 31, 2018 and March 31, 2017 is 15.88 years and 16.60 years respectively.

For details towards pledge of the above assets refer note 20.

Impairment review

The Group tests goodwill for impairment annually on December 31. During the year ended March 31, 2018, the testing did not result in any impairment in the carrying amount of goodwill.

The carrying amount of goodwill is attributable to the following CGU / group of CGUs:

	As of March 31, 2018	As of March 31, 2017
Mobile Services - Africa	281,182	291,959
Mobile Services - India	40,413	39,676
Airtel business	6,131	6,103
Homes services	344	344
	328,070	**338,082**

The recoverable amount of the above CGUs are based on value-in-use, which is determined based on ten year business plans that have been approved by management for internal purposes. The said planning horizon reflects the assumptions for short-to-mid term market developments. The 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 the internal / external sources of information.

The key assumptions used in value-in-use calculations are as follows:

- Earnings before interest, taxes, depreciation and amortisation ('EBITDA') margins
- Discount rate
- Growth rates
- Capital expenditures

EBITDA margins: The 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 competitive scenario. Margins will be positively impacted from the efficiencies and cost rationalisation / others initiatives driven by the Company; whereas, factors like higher churn, increased cost of operations may impact the margins negatively.

Discount rate: Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs and estimated based on the weighted average cost of capital for respective CGU / group of CGUs. Post-tax discount rates used are 18.20% / 10.60% for Mobile Services – Africa / other CGUs respectively, for the year ended March 31, 2018 and 17.55% / 9.13% for Mobile Services – Africa / other CGUs respectively, for the year ended March 31, 2017. The post-tax discount rates as grossed up for tax impact during the projection period (marginal tax rates are mainly in the range of 30% to 40%) are the pre-tax discount rates used for discounting the cash flows.

Growth rates: The growth rates used are in line with the long-term average growth rates of the respective industry and country in which the entity operates and are consistent with the internal / external sources of information. The average growth rates used in extrapolating cash flows beyond the planning period ranged from 3.5% to 4.0% for March 31, 2018 and ranged from 3.5% to 4.0% for March 31, 2017.

Capital expenditures: The cash flow forecasts of capital expenditure are based on past experience after considering the additional capital expenditure required for roll out of incremental coverage requirements and to provide enhanced voice and data services.

Notes to Consolidated Financial Statements

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

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use for Homes Services, Mobile Services - India CGU group (as of December 31, 2016) and Airtel Business, no reasonably possible change in any of the above key assumptions would have caused the carrying amount of these units to exceed their recoverable amount.

In case of Mobile Services - India CGU group, the recoverable amount exceeds the carrying amount by ₹3,49,671 (25.5%) as of December 31, 2017. An increase of 1.78% in discount rate shall equate the recoverable amount with the carrying amount of the Mobile Services – India CGU group as of December 31, 2017. Further, no reasonably possible change in the terminal growth rate beyond the planning horizon would cause the carrying amount to exceed the recoverable amount.

In case of Mobile Services - Africa CGU group, the recoverable amount exceeds the carrying amount by ₹54,087 (15.2%) as of December 31, 2017 and ₹33,103 (8.1%) as of December 31, 2016. An increase of 2.4% (December 31, 2016: 0.9%) in pre-tax discount rate shall equate the recoverable amount with the carrying amount of the Mobile Services – Africa CGU group as of December 31, 2017. Further, no reasonably possible change in the terminal growth rate beyond the planning horizon would cause the carrying amount to exceed the recoverable amount.

8. Investment in joint ventures and associates

Details of joint ventures:

S. no.	Name of joint ventures	Principal place of business	Principal activities	Ownership interest	
				% As of March 31, 2018	% As of March 31, 2017
1	Indus Towers Limited*	India	Passive infrastructure services	22.49	25.91
2	Airtel Ghana Limited$	Ghana	Telecommunication services	49.95	-
3	Milicom Ghana Company Limited$	Ghana	Telecommunication services	49.95	-
4	Airtel Mobile Commerce Ghana Limited$	Ghana	Mobile commerce services	49.95	-
5	Mobile Financial Services Limited$	Ghana	Mobile commerce services	49.95	-
6	Bharti Airtel Ghana Holdings B.V.$	Netherlands	Investment company	50	-
7	Bridge Mobile Pte Limited	Singapore	Provision of regional mobile services	10	10
8	FireFly Networks Limited	India	Telecommunication services	50	50

*Bharti Infratel Limited, in which the Group has 53.54% equity interest (61.68% as of March 31, 2017), owns 42% of Indus Towers Limited.
$ w.e.f. October 12, 2017, refer note 5 (C)

Details of associates:

S. no.	Name of associates	Principal place of business	Principal activities	Ownership interest	
				% As of March 31, 2018	% As of March 31, 2017
1	Seychelles Cable Systems Company Limited	Seychelles	Submarine cable system	26	26
2	Robi Axiata Limited (refer note 5 (l))	Bangladesh	Telecommunication services	25	25
3	Seynse Technologies Private Limited	India	Financial services	22.54	22.54
4	Juggernaut Books Private Limited (w.e.f. November 29, 2017)	India	Digital books publishing services	10.71	-

Notes to Consolidated Financial Statements

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

The amounts recognised in the balance sheet are as follows:

	As of March 31, 2018	As of March 31, 2017
Joint ventures	64,714	59,461
Associates	22,125	22,816
	86,839	**82,277**

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Recognised in profit and loss		
Joint ventures	10,715	11,091
Associates	(106)	(642)
	10,609	**10,449**
Recognised in other comprehensive income		
Joint ventures	1	(9)
Associates	17	-
	18	**(9)**

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

Summarised balance sheet

	As of				
	Joint ventures			Associate	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2018	March 31, 2017
	Indus Towers Limited		Bharti Airtel Ghana Holdings B.V.*	Robi Axiata Limited	
Assets					
Non current assets	**201,576**	**207,357**	**12,102**	**104,308**	**95,480**
Current assets					
Cash and cash equivalents ('C&CE')	1,063	1,121	1,759	1,111	1,507
Other current assets (excluding 'C&CE')	33,534	17,182	2,120	8,899	6,904
Total current assets	**34,597**	**18,303**	**3,879**	**10,010**	**8,411**
Liabilities					
Non current liabilities					
Borrowings	9,556	10,589	4,122	6,078	8,578
Other liabilities	31,751	30,294	716	2,836	2,706
Total non current liabilities	**41,307**	**40,883**	**4,838**	**8,914**	**11,284**
Current liabilities					
Borrowings	30,683	24,090	869	22,177	11,620
Other liabilities	32,233	28,522	12,283	37,396	33,521
Total current liabilities	**62,916**	**52,612**	**13,152**	**59,573**	**45,141**
Equity	**131,950**	**132,165**	**(2,009)**	**45,831**	**47,466**
Percentage of Group's ownership interest	42%	42%	50%	25%	25%
Interest in joint venture / associate	55,419	55,509	(1,005)	11,458	11,867
Consolidation adjustment (inlcuding goodwill) / accounting policy alignment*	2,691	3,900	7,548	10,162	10,700
Carrying amount of investment	**58,110**	**59,409**	**6,543**	**21,620**	**22,567**

*Based on Consolidated financial statements of the entity

Notes to Consolidated Financial Statements

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

Summarised information on statement of profit and loss

	For the year / period ended				
	Joint ventures			Associate	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2018	March 31, 2017
	Indus Towers Limited		Bharti Airtel Ghana Holdings B.V.*	Robi Axiata Limited	
Revenue	187,424	174,817	5,612	52,635	19,901
Depreciation and amortisation	27,766	26,116	1,388	11,574	7,958
Finance income	995	376	-	66	52
Finance cost	5,053	5,440	789	1,343	479
Income tax expense	16,593	15,273	3	1,385	(1,814)
Profit / (loss) for the year / period	**31,013**	28,451	**(1,092)**	**(1,668)**	(4,932)
OCI / loss for the year / period	3	(22)	-	76	-
Percentage of Group's ownership interest	42%	42%	50%	25%	25%
Group's share in profit / (loss) for the year	13,025	11,949	(546)	(417)	(1,233)
Group's share in OCI / (loss) for the year / period	1	(9)	-	19	-
Consolidation adjustments / accounting policy alignment	(1,209)	(867)	(564)	135	51
Group's share in profit / (loss) recognised@	11,816	11,083	(1,110)	(282)	(1,182)
Dividend received from joint venture / associate	10,010	9,510	-	-	-

*Based on Consolidated financial statements of the entity

@ During the year ended March 31, 2017 loss of ₹540 has been recognised as exceptional item for Robi Axiata Limited (refer note 32 (ii) (f)).

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

	As of March 31, 2018	As of March 31, 2017
Carrying amount of investments	61	52

Group's share in joint ventures	For the year ended March 31, 2018	For the year ended March 31, 2017
Net profit	9	8
Total comprehensive income	9	8

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

	As of March 31, 2018	As of March 31, 2017
Carrying amount of investments	505	249
Cumulative unrecognised losses	-	90

Group's share in associates'	For the year ended March 31, 2018	For the year ended March 31, 2017
Net profit	176	0
Total comprehensive income	176	0
Unrecognised losses	-	46

Refer note 24 for Group's share of joint venture's and associate's commitments and contingencies.

Notes to Consolidated Financial Statements

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

9. Investments in subsidiaries

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

S. no.	Principal activity	Principal place of business	Number of wholly-owned subsidiaries	
			As of March 31, 2018	As of March 31, 2017
1	Telecommunication services	India	4	3
2	Telecommunication services	Africa	8	7
3	Telecommunication services	South Asia	1	1
4	Telecommunication services	Others	6	6
5	Mobile commerce services	India	-	-
6	Mobile commerce services	Africa	13	14
7	Infrastructure services	Africa	4	4
8	Infrastructure services	South Asia	-	2
9	Direct to home services	Africa	-	1
10	Submarine cable	Mauritius	1	1
11	Investment company	Netherlands	22	25
12	Investment company	Mauritius	7	6
13	Investment company	Others	3	4
14	Others	India	2	1
			71	**75**

S. no.	Principal activity	Principal place of business	Number of non-wholly-owned subsidiaries	
			As of March 31, 2018	As of March 31, 2017
1	Telecommunication services	India	2	2
2	Telecommunication services	Africa	7	8
3	Mobile commerce services	India	1	1
4	Mobile commerce services	Africa	3	3
5	Infrastructure services	India	1	1
6	Infrastructure services	Africa	2	3
7	Direct to home services	India	1	1
8	Investment company	Africa	1	1
9	Others	India	-	1
			18	**21**

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

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

Notes to Consolidated Financial Statements

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

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

Summarised balance sheet

	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Networks Limited	
	As of March 31, 2018	As of March 31, 2017	As of March 31, 2018	As of March 31, 2017	As of March 31, 2018	As of March 31, 2017
Assets						
Non current assets	135,827	178,274	94,539	89,157	53,692	63,174
Current assets	76,121	47,118	8,931	6,984	465	5,343
Liabilities						
Non current liabilities	14,613	14,705	2,628	3,560	32,288	37,798
Current liabilities	18,159	43,952	35,949	25,753	37,573	43,049
Equity	**179,176**	**166,735**	**64,893**	**66,828**	**(15,704)**	**(12,330)**
% of ownership interest held by NCI	46.46%	38.32%	30.00%	30.00%	16.75%	16.75%
Accumulated NCI	83,245	63,893	19,468	20,049	(2,630)	(2,064)

Summarised statement of profit and loss

	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Networks Limited	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue	64,751	60,178	44,181	51,313	66,781	69,543
Net profit / (loss)	22,651	25,624	(1,119)	6,601	(2,927)	(22,173)
Other comprehensive income / (loss)	24	84	2	(1)	(450)	(2,010)
Total comprehensive income / (loss)	22,675	25,708	(1,117)	6,600	(3,377)	(24,183)
Profit / (loss) allocated to NCI	9,530	7,242	(335)	2,007	(566)	(4,810)

Summarised statement of cash flows

	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Networks Limited	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
Net cash inflow from operating activities	34,694	28,662	9,882	15,162	20,141	13,605
Net cash outflow from investing activities	(18,551)	(2,434)	(14,884)	(16,443)	(9,213)	(10,291)
Net cash (outflow) / inflow from financing activities	(35,548)	(26,648)	2,883	49	(13,270)	(6,497)
Net cash outflow	**(19,405)**	**(420)**	**(2,119)**	**(1,232)**	**(2,342)**	**(3,183)**
Dividend paid to NCI (including tax)	3,411	1,873	246	695	-	-

*Based on consolidated financial statements of the entity (refer note 5 (e)).

Notes to Consolidated Financial Statements

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

10 Investments

Non-current

	As of March 31, 2018	As of March 31, 2017
Investment at FVTPL		
Government securities	292	38,783
Equity instruments	2,672	2,648
Mutual funds	334	308
Preference shares	318	316
	3,616	**42,055**
Investment at FVTOCI		
Bonds	2,153	2,132
	2,153	**2,132**
	5,769	**44,187**

Current

	As of March 31, 2018	As of March 31, 2017
Investment at FVTPL		
Mutual funds	51,038	221
Government securities	11,798	13,089
Corporate deposits	-	1,425
Bonds	1,001	-
Non-convertible debenture	997	-
	64,834	**14,735**
Investment at FVTOCI		
Government securities	3,904	1,711
Commercial paper	240	477
	4,144	**2,188**
	68,978	**16,923**
Aggregate book / market value of quoted investments		
Non-current	2,777	41,222
Current	65,074	15,466
Aggregate book value of unquoted investments		
Non-current	2,992	2,965
Current	3,904	1,457

Notes to Consolidated Financial Statements

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

11 Derivative financial instruments

	As of March 31, 2018	As of March 31, 2017
Assets		
Currency swaps, forward and option contracts	8,541	814
Interest swaps	2,101	4,963
Embedded derivatives	330	1,015
	10,972	**6,792**
Liabilities		
Currency swaps, forward and option contracts	474	3,412
Interest swaps	5,210	880
Embedded derivatives	8	769
	5,692	**5,061**
Non-current derivative financial assets	2,031	4,732
Current derivative financial assets	8,941	2,060
Non-current derivative financial liabilities	(5,409)	(2,726)
Current derivative financial liabilities	(283)	(2,335)
	5,280	**1,731**

12 Security deposits

	As of March 31, 2018	As of March 31, 2017
Considered good*	9,703	9,630
Considered doubtful	1,357	1,464
Less: provision for doubtful deposits	(1,357)	(1,464)
	9,703	**9,630**

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

*It includes amount due from related party refer note 35.

For details towards pledge of the above assets refer note 20.

13 Financial assets – others

Non-current

	As of March 31, 2018	As of March 31, 2017
Rent equalisation	4,164	4,183
Tower sale receivable	-	10,323
Bank deposits	950	744
Margin money deposits	419	554
Claims recoverable	74	73
Others	207	776
	5,814	**16,653**

The details of interest accrued on above items (which is included within 'interest accrued on deposits' under current other financial assets) is provided in the table given below:

	As of March 31, 2018	As of March 31, 2017
Bank deposits	30	25
Margin money depostis	8	0
Tower sale receivable	-	474
	38	**499**

Notes to Consolidated Financial Statements

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

Current

	As of March 31, 2018	As of March 31, 2017
Unbilled revenue	16,136	15,880
Claims recoverable	1,180	2,007
Receivable on sale of business / tower assets*	8,736	-
Interest accrued on investments / deposits	870	1,447
Others#	540	403
	27,462	**19,737**

*Interest accrued on tower sale receivable amount to ₹150 and is included within 'interest accrued on deposits' above.

#It includes finance lease receivables and amounts due from related party (refer note 35).

For details towards pledge of the above assets refer note 20

14 Income tax

The major components of the income tax expense are:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current income tax		
- For the year	21,082	21,332
- Adjustments for prior periods	(2,852)	(92)
	18,230	**21,240**
Deferred tax		
- Origination and reversal of temporary differences	(4,536)	18,436
- Effect of change in tax rate	411	-
- Adjustments for prior periods	(3,270)	(4,857)
	(7,395)	**13,579**
Income tax expense	**10,835**	**34,819**

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax	32,672	77,233
Tax expense @ company's domestic tax rate of 34.608%	11,307	26,728
Effect of:		
Share of profits in associates and joint ventures	(3,985)	(3,618)
Tax holiday	303	778
Adjustments in respect of previous years	(6,125)	(4,967)
Effect of changes in tax rate	411	-
Additional taxes / taxes for which no credit is allowed	2,339	4,466
Difference in overseas tax rates	(77)	(465)
Items subject to different tax rate	452	(4,311)
(Income) / expense (net) not taxable / deductible	(551)	1,065
Tax on undistributed retained earnings	2,434	2,184
Items for which no deferred tax asset was recognised	4,662	12,311
Settlements of various disputes	(395)	369
Others	60	279
Income tax expense	**10,835**	**34,819**

Notes to Consolidated Financial Statements

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

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

Deferred tax assets (net)

	As of March 31, 2018	As of March 31, 2017
a) Deferred tax liability due to		
Depreciation / amortisation on PPE / intangible assets	(86,565)	(66,798)
b) Deferred tax asset arising out of		
Provision for impairment of debtors / advances	16,291	13,004
Carry forward losses	23,424	3,382
Unearned income	576	385
Employee benefits	1,285	1,133
Minimum alternative tax ('MAT') credit	57,484	57,465
Lease rent equalisation	7,093	6,983
Fair valuation of financial instruments and exchange differences	8,210	7,748
Rates and taxes	1,431	1,527
Others	101	1,366
	29,330	**26,195**

Deferred tax liabilities (net)

	As of March 31, 2018	As of March 31, 2017
a) Deferred tax liability due to		
Lease rent equalisation (net)	3,639	4,076
Fair valuation of financial instruments and exchange differences	(569)	691
Depreciation / amortisation on PPE / intangible assets	6,242	4,112
Undistributed retained earnings	3,541	2,987
Others	115	187
b) Deferred tax asset arising out of		
Provision for impairment of debtors / advances	(1,652)	(1,389)
Carry forward losses	(498)	(720)
Unearned income	7	(301)
Employee benefits	(219)	(214)
	10,606	**9,430**

Deferred tax expense

	For the year ended March 31, 2018	For the year ended March 31, 2017
Provision for impairment of debtors / advances	2,604	2,858
Carry forward losses	19,575	(99)
Unearned income	(497)	23
Employee benefits	162	235
MAT credit	(47)	1,223
Lease rent equalisation (net)	658	789
Fair valuation of financial instruments & exchange difference	864	2,377
Rates and taxes	(96)	1,527
Depreciation / amortisation on property, plant and equipment / intangible assets	(16,178)	(22,496)
Undistributed retained earnings	(549)	(259)
Others	899	243
Net deferred tax expense	**7,395**	**(13,579)**

Notes to Consolidated Financial Statements

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

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance	**16,766**	**34,226**
Tax expense / (credit) recognised in statement of profit or loss	7,395	(13,579)
Tax income recognised in equity	-	1,426
Tax expense on Business combination	(1,709)	-
Tax expense recognised in OCI:		
- on net investments hedge	(122)	(10)
- on fair value through OCI investments	(29)	(6)
Exchange differences and others	(3,577)	(5,291)
Closing balance	**18,724**	**16,766**

The deferred tax assets are recognised for carry-forward losses and credits, to the extent that the realisation of the related tax benefit is probable. Accordingly, deferred tax assets are recognised for the entire credits and certain carry-forward losses, since the Group estimates that the realisation of the related tax benefit in future, through adjustment against future taxable profits and reversal of deferred tax liabilities in the relevant tax jurisdictions, is probable. Further, the Group has not recognised deferred tax assets in respect of deductible temporary differences, carry forward of unabsorbed depreciation and unused tax losses of ₹509,731 and ₹484,266 as of March 31, 2018 and March 31, 2017 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, 2018 and March 31, 2017, tax losses, unabsorbed depreciation and deductible temporary differences to the extent of ₹70,508 and ₹58,861 respectively have an indefinite carry forward period and the balance amount expires unutilised as follows:

	As of March 31, 2018	As of March 31, 2017
Expiry Date		
Within one-three years	52,694	38,289
Within three-five years	31,265	44,242
Above Five years	355,264	342,874
	439,223	**425,405**

Moreover, deferred tax liability has not been recognised in respect of temporary differences pertaining to the investment in its certain subsidiaries, as where Group is in a position to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The temporary differences associated with respect to such investment in subsidiaries are represented by their retained earnings and other reserves (on the basis of their standalone financial statements), aggregating to ₹130,715 and ₹129,808 as of March 31, 2018 and March 31, 2017 respectively. In case of distribution of the same as dividend, it is expected to attract tax in the range of 10% to 21% depending on the tax rates applicable as of March 31, 2018 in the relevant jurisdiction. Further, the Group has been substantially availing the tax credit and believes that it would continue to avail the tax credit, for the dividend distribution tax payable by the subsidiaries on its dividend distribution.

Notes to Consolidated Financial Statements

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

15 Other non-financial assets

Non-current

	As of March 31, 2018	As of March 31, 2017
Advances (net)#	32,267	32,980
Capital advances	1,147	2,961
Prepaid expenses	1,600	1,783
Taxes recoverable	-	15,092
Others	1,305	672
	36,319	**53,488**

#Advances represent payments made to various government authorities under protest and are disclosed net of provision (refer note 22).

Capital advances includes advance payment of Nil and ₹1,720 towards spectrum as at March 31, 2018 and March 31, 2017 respectively.

Current

	As of March 31, 2018	As of March 31, 2017
Taxes recoverable	74,004	13,524
Advances to suppliers (net)	17,642	17,054
Prepaid expenses	9,275	11,490
Others*	2,459	2,377
	103,380	**44,445**

*It mainly includes security deposits given towards rented premises, cell sites, interconnect ports and other miscellaneous deposits.

Taxes recoverable primarily include Goods and service tax ('GST'), customs duty, excise duty, service tax and sales tax.

Advance to suppliers are disclosed net of provision of ₹2,680 and ₹2,128 as of March 31, 2018 and March 31, 2017 respectively

16 Trade receivables

	As of March 31, 2018	As of March 31, 2017
Unsecured		
Considered good*	58,830	47,402
Considered doubtful	51,579	42,258
Less: provision for doubtful receivables	(51,579)	(42,258)
	58,830	**47,402**

*It includes amount due from related party refer note 35.

Refer note 36 (iv) for credit risk.

The movement in allowances for doubtful debts is as follows:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance	42,258	35,080
Additions*	11,257	8,509
Write off (net of recovery)	(1,156)	(873)
Exchange differences	(780)	(458)
Closing balance	**51,579**	**42,258**

*Includes exceptional item of ₹1,094 (refer note 32 (i) (c)) for the year ended March 31, 2018.

For details towards pledge of the above assets refer note 20.

Notes to Consolidated Financial Statements

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

17 Cash and bank balances

Cash and cash equivalents ('C&CE')

	As of March 31, 2018	As of March 31, 2017
Balances with banks		
- On current accounts	8,218	9,871
- Bank deposits with original maturity of 3 months or less	37,862	2,532
Cheques on hand	986	16
Cash on hand	820	398
	47,886	**12,817**

Other bank balances

	As of March 31, 2018	As of March 31, 2017
Restricted cash*	15,289	11,408
Earmarked bank balances - unpaid dividend	70	22,250
Term deposits with bank	2,119	3,360
Margin money deposits	1,342	1,148
	18,820	**38,166**

*It represents cash received from subscriber of mobile commerce services.

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

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

	As of March 31, 2018	As of March 31, 2017
Cash and cash equivalents		
- Bank deposits with original maturity 3 months or less	1	2
	1	2
Other bank balance		
- Margin money depostis	33	31
- Term deposits with bank	124	69
	157	100
	158	**102**

For the purpose of the consolidated cash flow statement, C&CE are as following:

	As of March 31, 2018	As of March 31, 2017
C&CE as per balance sheet	47,886	12,817
Bank overdraft	(19,418)	(22,697)
	28,468	**(9,880)**

18 Share capital

	As of March 31, 2018	As of March 31, 2017
Issued, subscribed and fully paid-up shares		
3,997,400,102 equity shares of ₹5 each	19,987	19,987
	19,987	**19,987**

Notes to Consolidated Financial Statements

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

a. Terms / rights attached to equity shares

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

b. Treasury shares

	For the year ended			
	March 31, 2018		March 31, 2017	
	No. of shares ('000')	Amount	No. of shares ('000')	Amount
Opening balance	1,345	367	1,882	524
Purchased during the year	906	424	-	-
Excercised during the year	(532)	(149)	(537)	(157)
Closing balance	**1,719**	642	**1,345**	367

c. Dividend

	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Declared and paid during the year:		
Interim dividend for 2017-18 : ₹2.84 per share*	13,658	-
Dividend on treasury shares*	6	-
*(including dividend distribution tax @ 20.36% of ₹2,311)		
Final dividend for 2016-17 : Re. 1 per share#	4,810	-
Dividend on treasury shares#	1	-
#(including dividend distribution tax of ₹814 @ 20.36%)		
Final dividend for 2015-16 : ₹1.36 per share^	-	6,541
Dividend on treasury shares^	-	2
^(including dividend distribution tax ₹1,107 @ 20.36%)		
	18,475	**6,543**
B. Proposed dividend		
Final dividend for 2017-18: ₹2.50 per share (2016-17 : ₹1 per share)	9,993	3,997
Dividend distribution tax for 2017-18 @ 20.56% (for 2016-17 @ 20.36%)	2,054	814
	12,047	**4,811**

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

19 Other equity

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

The Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities at their respective fair values from Bharti Infratel Ventures Limited (erstwhile subsidiary company), Vodafone Infrastructure Limited, Idea Cellular Tower Infrastructure Limited to its joint venture Indus Towers Limited, was approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 and filed with the Registrar of Companies on June 11, 2013 with appointed date April 1, 2009 and hence was accounted retrospectively with effect from April 01, 2009. Similarly, pursuant to the Scheme of Arrangement of the Company under sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of the Company was transferred to one of its subsidiary Bharti Infratel Limited during the year ended March 31, 2008.

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

Notes to Consolidated Financial Statements

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

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

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

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

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

Other components of equity

	FCTR*	CFHR	FVTOCI reserve	Treasury shares	Total
As of April 1, 2016	**(11,149)**	**(724)**	**4**	**(524)**	**(12,393)**
Net losses due to foreign currency translation differences	(42,134)	-	-	-	(42,134)
Net losses on net investment hedge	(7,402)	-	-	-	(7,402)
Net gains on cash flow hedge	-	857	-	-	857
Net gains on fair value through OCI investments	-	-	86	-	86
Exercise of share options	-	-	-	157	157
As of March 31, 2017	**(60,685)**	**133**	**90**	**(367)**	**(60,829)**
Net losses due to foreign currency translation differences	(7,056)	-	-	-	(7,056)
Net losses on net investment hedge	(7,508)	-	-	-	(7,508)
Net gains on cash flow hedge	-	810	-	-	810
Net gains on fair value through OCI investments	-	-	115	-	115
Purchase of treasury shares	-	-	-	(424)	(424)
Exercise of share options	-	-	-	149	149
As of March 31, 2018	**(75,249)**	**943**	**205**	**(642)**	**(74,743)**

*During the year ended March 31, 2018 and 2017, the Group has reclassified gain of ₹60 and loss ₹2,073 respectively, from FCTR to statement of profit and loss on sale of foreign subsidiaries (refer note 5).

Notes to Consolidated Financial Statements

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

20 Borrowings

Non-current

	As of March 31, 2018	As of March 31, 2017
Secured		
Term loans	16,836	11,474
Vehicle loans*	29	31
	16,865	**11,505**
Less: Current portion (A)	(14,498)	(4,322)
Less: Interest accrued but not due (refer note 21)	(111)	(130)
	2,256	**7,053**
Unsecured		
Term loans#	71,011	69,067
Non-convertible bonds@	389,558	373,765
Non-convertible debentures^	30,068	-
Deferred payment liabilities**	455,602	439,204
Finance lease obligations	48,831	57,089
	995,070	**939,125**
Less: Current portion (B)	(119,848)	(42,740)
Less: Interest accrued but not due (refer note 21)	(28,058)	(7,065)
	847,164	**889,320**
	849,420	**896,373**
Current maturities of long-term borrowings (A + B)	134,346	47,062

Current

	As of March 31, 2018	As of March 31, 2017
Secured		
Bank overdraft	5,060	663
	5,060	**663**
Unsecured		
Term loans	76,816	92,084
Comercial papers	33,507	14,820
Bank overdraft	14,358	22,034
	124,681	**128,948**
Less: Interest accrued but not due(refer note 21)	(172)	(169)
	129,569	**129,442**

*These loans are secured by hypothecation of the vehicles.

#It includes re-borrowable term loans of ₹3,331 and ₹9,810 as of March 31, 2018 and March 31, 2017 respectively which have daily prepayment flexibility.

@It includes impact of fair value hedge refers note 36 (ii).

^During the year ended March 31, 2018, the Group has issued 30,000 listed, unsecured, rated, redeemable, Non - Convertible Debentures ('NCDs'), Series I and series II of face value of ₹10 Lakhs each, at par aggregating to ₹30,000 on private placement basis, carrying interest rates 8.25% p.a. and 8.35% p.a. (payable annually) and principal repayable in year 2020 and 2021 respectively.

**During the year ended March 31, 2018, the Government of India has provided one time option to elect higher number of annual instalments prospectively (upto a maximum of 16 instalments) towards the repayment of spectrum liability viz-a-viz currently allowed 10 instalments. Accordingly, the Company has exercised the option, increasing the remaining number of instalments by 6 annual instalments for all its existing deferred payment liabilities.

Notes to Consolidated Financial Statements

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

20.1 Analysis of borrowings

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

20.1.2 Repayment terms of borrowings

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

As of March 31, 2018:

	Interest rate (range)	Frequency of installments	Number of installments outstanding per facility (range)*	Within one year	Between one and two years	Between two and five years	Over five years
Vehicle loans	7.95% - 9.50%	Monthly	6 - 33	15	11	3	-
Term loans	3.38%	Monthly	10	2,716	-	-	-
	4.95% - 5.00%	Quaterly	10 - 11	472	472	264	-
	2.56% - 5.02%	Half yearly	1 - 14	8,181	6,465	13,078	4,424
	2.72% - 4.32%	Annual	1	19,625	-	-	-
	6.00% - 8.98%	Quaterly	3 - 15	5,263	7,363	15,763	-
	7.85% - 8.40%	Half yearly	3 - 9	863	2,725	11,743	-
	7.90%	Annual	2	880	880	-	-
	7.70% - 8.35%	One time	1	63,800	-	-	-
Commercial papers	7.05% - 8.05%	One time	1	33,507	-	-	-
Non-convertible bonds	3.00% - 5.35%	One time	1	80,144	23,842	157,688	129,978
Non-convertible debentures	8.25% - 8.35%	One time	1	-	-	30,000	-
Deferred payment liabilities	9.30% - 10.00%	Annual	13 - 16	24,511	12,217	51,543	345,023
Finance lease obligations	8.05% - 10.30%	Monthly / Annual	8 - 119 / 2	4,858	5,194	18,573	20,151
Bank overdraft	3.88% - 10.65%	Payable on demand	N/A	16,684	-	-	-
	14.00% - 19.00%	Payable on demand	N/A	2,734	-	-	-
				264,253	**59,169**	**298,655**	**499,576**

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

As of March 31, 2017:

	Interst rate (range)	Frequency of installments	Number of installments outstanding per facility (range)*	Within one year	Between one and two years	Between two and five years	Over five years
Vehicle loans	9.25% - 9.48%	Monthly	2 - 35	15	12	5	-
Term loans	0.63%	One time	1	3,891	-	-	-
	1.68% - 1.97%	On demand	N/A	28,372	-	-	-
	4.26% - 4.28%	Quarterly	14 - 15	1,029	1,029	1,573	
	1.45% - 4.52%	Half yearly	1 - 16	10,810	9,069	15,327	8,746
	2.30%	Annual	1	3,243	-	-	-
	7.00% - 8.00%	Quarterly	3 - 12	2,525	2,554	2,450	-
	6.25% - 8.35%	Half yearly	1 - 9	983	3,513	15,988	1,750
	8.00%	Annual	3	1,630	880	880	-
	7.85% - 8.75%	One time	1	55,250	-	-	-
	11.25% - 12.20%	One time	1	1,209	-	-	-
	16.90%	Quarterly	14	182	182	272	-
	23.11%	Half yearly	1	97	-	-	-
Commercial papers	6.35%	One time	1	14,820	-	-	-
Non-convertible bonds	3.00% - 5.35%	One time	1	-	69,328	74,414	226,691
Deferred payment liabilities	9.30 - 10.00%	Annual	7 - 10	26,814	35,991	78,331	298,031
Finance lease obligations	9.77% - 10.25%	Monthly / Annual	7 - 119 / 3	5,360	5,835	17,828	27,524
Bank overdraft	1.54% - 8.80%	Payable on demand	N/A	17,851	-	-	-
	9.90% - 16.50%	Payable on demand	N/A	4,582	-	-	-
	26.70%	Payable on demand	N/A	265	-	-	-
				178,928	**128,393**	**207,068**	**562,742**

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

Notes to Consolidated Financial Statements

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

20.1.3 Interest rate and currency of borrowings

Currency	Average rate of Interest	Total borrowings	Floating rate borrowings	Fixed rate borrowings
INR	9.27%	603,522	106,298	497,223
USD	3.93%	337,319	58,572	278,747
Euro	3.73%	139,954	-	139,954
CHF	3.00%	23,843	-	23,843
XAF	6.61%	4,691	-	4,691
XOF	6.80%	7,047	1,421	5,626
Others	8.48% to 19.00%	5,278	2,799	2,479
March 31, 2018		**1,121,654**	**169,090**	**952,564**
INR	9.48%	542,731	86,577	456,154
USD	5.05%	372,361	88,598	283,763
Euro	3.73%	121,037	-	121,037
CHF	3.00%	22,705	-	22,705
XAF	6.56%	5,893	-	5,893
XOF	7.10%	5,180	-	5,180
Others	11.06% to 25.74%	7,224	4,886	2,338
March 31, 2017		**1,077,131**	**180,061**	**897,070**

20.2 Security details

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

Entity	Outstanding loan amount		Security detail
	As of March 31, 2018	As of March 31, 2017	
Bharti Airtel Ltd.	29	31	Hypothecation of vehicles
Bharti Airtel Africa BV and its subsidiaries	21,838	12,128	Pledge of all fixed and floating assets - Kenya, Nigeria, Tanzania, Uganda and DRC.
	21,867	**12,159**	

Africa operations acquisition related borrowing:

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

The Euro bonds due in 2018 and USD bonds due in 2023 issued by BAIN contain certain covenants relating to limitation on indebtedness. All notes carry a restriction on incurrence of any lien on its assets other than as permitted under the agreement, unless the bonds and guarantee are ranked pari-pasu with such indebtedness. The limitation on indebtedness covenant on Euro bonds due in 2018 and USD bonds due in 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.

20.3 Unused lines of credit*

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

	As of March 31, 2018	As of March 31, 2017
Secured	1,542	57
Unsecured	171,531	194,592
	173,073	**194,649**

*Excludes non-fund based facilities

Notes to Consolidated Financial Statements

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

21 Financial liabilities - others

Non-current

	As of March 31, 2018	As of March 31, 2017
Lease rent equalisation	14,496	13,377
Payable towards acquisition @	1,440	-
Security deposits	1,294	1,237
Others*	27,317	1,067
	44,547	**15,681**

*It includes advance amounting to ₹26,077 as on March 31, 2018, received against an agreement to sell certain investment, at a future date and is subject to certain customary closing conditions.

@Refer note 5 (b)

Current

	As of March 31, 2018	As of March 31, 2017
Payables against capital expenditure	80,940	65,860
Interest accrued but not due	28,341	7,364
Payable against business / asset acquisition @	13,523	4,104
Employees payables	5,879	5,364
Security deposit^	4,372	4,148
Others#	7,550	3,373
	140,605	**90,212**

@It includes payable to Qualcomm Asia Pacific Pte. Limited for ₹4,104 (towards purchase of balance equity shares upon satisfaction of certain conditions as per the share purchase agreement for acquisition of erstwhile Airtel Broadband Services Private Limited) and other acquisitions during the year.

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

#It includes account balances of customers and distributors of payments bank, non-interest bearing advance received from customers / international operators and liability towards cash settled employee share based payment plans.

22 Provisions

Non-current

	As of March 31, 2018	As of March 31, 2017
Asset retirement obligations	4,523	5,359
Gratuity	2,006	1,956
Other employee benefit plans	683	156
	7,212	**7,471**

Current

	As of March 31, 2018	As of March 31, 2017
Gratuity	662	616
Other employee benefit plans	1,722	1,599
	2,384	**2,215**

Notes to Consolidated Financial Statements

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

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance	5,359	5,064
Net (reversal) / additions	(868)	823
Interest cost	37	248
Disposal of subsidiries / tower operations (refer note 5)	(5)	(776)
Closing balance	**4,523**	**5,359**

Refer note 27 for movement of provision towards various employee benefits.

The movement of provision towards subjudice matters is as below:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance	131,061	113,436
Net Additions	20,738	17,625
Closing Balance	**151,799**	**131,061**

The said provision has been disclosed under:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Other non-financial assets (refer note 15)	53,910	48,915
Other non-financial liabilities (refer note 23)	4,685	4,619
Trade payables	93,204	77,527
	151,799	**131,061**

The said provisions pertain to payable / paid under protest spectrum usage charges / licenses fees (trade payable / other non-financial assets) and payable for certain levies (other non-financial liabilities).

23 Other non - financial liabilities

Non-current

	As of March 31, 2018	As of March 31, 2017
Deferred rent	623	727
	623	**727**

Current

	As of March 31, 2018	As of March 31, 2017
Taxes payable	37,376	25,961
Others#	437	8,809
	37,813	**34,770**

#As of March 31, 2017 it includes dividend payable by one of the subsidiary to its NCI amounting to ₹8,512.

Taxes payable mainly pertains to GST, service tax, sales tax, other taxes payable and provision towards subjudice matters (refer note 22).

Notes to Consolidated Financial Statements

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

24 Contingent liabilities and commitments

(i) Contingent liabilities

Claims against the Company not acknowledged as debt

	As of March 31, 2018	As of March 31, 2017
(i) Taxes, duties and other demands		
(under adjudication / appeal / dispute)		
-Sales Tax and Service Tax	31,560	39,085
-Income Tax	15,712	20,150
-Customs Duty	7,646	5,899
-Entry Tax	9,878	9,252
-Stamp Duty	596	596
-Municipal Taxes	1,488	1,276
-Department of Telecom ('DoT') demands	40,778	37,560
-Other miscellaneous demands	5,164	8,000
(ii) Claims under legal cases including arbitration matters		
-Access charges / Port charges	10,733	9,371
-Others	2,708	3,631
	126,263	**134,820**

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

In addition to the above, the Group's share of joint ventures and associates contingent liabilities is ₹21,816 and ₹17,507 as of March 31, 2018 and March 31, 2017 respectively.

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

a) Sales and Service Tax

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

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

b) Income Tax demand

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

c) Access charges / Port charges

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

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

(iii) BSNL challenged before TDSAT the port charges reduction contemplated by the regulations issued by TRAI in 2007 which passed its judgment in favour of BSNL. The said judgment has been challenged by the private operators in Hon'ble Supreme Court. Pending disposal of the said appeal, in the interim, private operators were allowed to continue paying BSNL as per the revised rates i.e. TRAI regulation issued in 2007, subject to the bank guarantee being provided for the disputed amount. The rates were further reduced by TRAI in 2012 which was challenged by BSNL before the Hon'ble Delhi High Court. The Hon'ble

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Delhi High Court, in the interim, without staying the rate revision, directed the private operators to secure the difference between TRAI regulation of 2007 and 2012 rates by way of bank guarantee pending final disposal of appeal.

d) Customs Duty

The custom authorities, in some states, demanded custom duty for the imports of special software on the ground that this would form part of the hardware on which it was pre-loaded at the time of import. The view of the Group is that such imports should not be subject to any custom duty as it is operating software exempt from any custom duty. In response to the application filed by the Group, the Hon'ble Central Excise and Service Tax Appellate Tribunal ('CESTAT') has passed an order in favour of the custom authorities. The Group has filed an appeal with Hon'ble Supreme Court against the CESTAT order.

e) Entry Tax

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

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

f) DoT demands

(i) Demand for license fees pertaining to computation of Adjusted Gross Revenue ('AGR') and the interest thereon, due to difference in its interpretation. The definition of AGR is sub-judice and under dispute since 2005 before the TDSAT. TDSAT had pronounced its judgment in 2015, quashed all demands raised by DoT and directed DoT to rework the demands basis the principles enunciated in its judgment. Subsequently, the Union of India ('UOI') and the Company and one of its subsidiaries along with various other operators have filed appeals / cross appeals before the Hon'ble Supreme Court of India against the TDSAT judgment. In 2016, all the appeals were tagged together and Hon'ble Supreme Court has permitted DOT to raise demands with a direction not to enforce any demand till the final adjudication of the matter by Hon'ble Supreme Court. Accordingly, DoT has raised the demand basis special audit done by DoT and Comptroller and Auditor General of India. The contingent liability includes such demand and interest thereto (excluding certain contentious matters, penalty and interest thereto) for the financial years for which demand have been received.

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

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

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

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

(iv) Post the Hon'ble Supreme Court judgment in 2011, on components of AGR for computation of license fee, based on the legal advice, the Company believes that the foreign exchange gain should not be included in AGR for computation of license fee thereon. Further as per TDSAT judgement in 2015, foreign exchange fluctuation does not have any bearing on the license fees. Accordingly, the license fee on foreign exchange gain has not been provided in the financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences', the license fee impact on such exchange differences is not quantifiable. The matter is currently pending adjudication by Hon'ble Supreme Court.

(v) On January 8, 2013, DoT issued a demand on the Company and one of its subsidiaries for ₹52,013 towards levy of one time spectrum charge. The demand includes a retrospective charge of ₹9,090 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 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 and one of its subsidiaries, 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 and one of its subsidiaries, the Hon'ble High Court

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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 matter is currently pending with Hon'ble High Court of Bombay,. The Company, based on independent legal opinions, till date has not given any effect to the above demand.

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

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 since 2010 been a subsidiary of Bharti Airtel Nigeria B.V. ('BANBV'), which is an indirect subsidiary of Bharti Airtel Limited. Airtel Networks and / or BANBV have since 2010 been defending cases filed by Econet Wireless Limited ('EWL') where EWL was claiming, amongst others, a breach of its alleged pre-emption rights against erstwhile and current shareholders.

EWL inter alia commenced arbitral proceedings in Nigeria contesting the acquisition by Celtel Nigeria B.V. (now, Bharti Airtel Nigeria B.V. – 'BANBV') of the controlling stake in Airtel Networks Limited in 2006, wherein BANBV was one of the defendants. The Final Award ('FA') by the Arbitral Tribunal as to the same was pronounced in 2014. Subsequently, various applications were filed to challenge / enforce the FA in the High Court and the Supreme Court of Nigeria by BANBV and Econet respectively. Further, EWL had filed conservatory attachment proceedings in the Netherlands against BANBV for enforcement of the Final Award, and also pursuing a claim for compensation against BANBV's parent (Bharti Airtel Nigeria Holdings II B.V.) and Grandparent (Bharti Airtel Africa B.V.) alleging that these entities acted unlawfully and induced breach of contract by the selling shareholders. Separately, Airtel Networks Limited was a defendant in an action where EWL was claiming entitlement to 5% of the issued share capital of Airtel Networks Limited.

Under the 2010 share purchase agreement, the Group had certain indemnities from Zain BV in relation to these proceedings. In 2016, the Group had initiated arbitration against Zain B.V. and its guarantor, Mobile Telecommunications Company in relation to the said indemnities under the share purchase agreement.

During the year ended March 31, 2017, Zain and Company has entered into an agreement to settle these matters along with other tax cases covered under indemnities. Separately, the Company and EWL have entered into an agreement to settle all these disputes and consequent withdrawal of all the proceedings in all courts across all jurisdictions. The net settlement amount as adjusted for the related indemnification assets and provisions resulted in a loss of ₹732 which has been recognised and disclosed as an exceptional item.

Guarantees:

Guarantees outstanding as of March 31, 2018 and March 31, 2017 amounting to ₹129,565 and ₹129,131 respectively, have been issued by banks and financial institutions on behalf of the Group. These guarantees include certain financial bank guarantees which have been given for subjudice matters / compliance with licensing requirementies, the amount with respect to these have been disclosed under capital commitments, contingencies and liabilities, as applicable, in compliance with the applicable accounting standards.

In addition to the above the Group's share of guarantees of joint ventures and associates is ₹891 and ₹396 as of March 31, 2018 and March 31, 2017 respectively.

(ii) Commitments

Capital commitments

The Group has contractual commitments towards capital expenditure (net of related advance) of ₹137,280 and ₹102,008 as of March 31, 2018 and March 31, 2017 respectively.

In addition to the above, the Group's share of capital commitments of joint ventures and associates is ₹4,126 and ₹4,684 as of March 31, 2018 and March 31, 2017 respectively.

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Lease commitments

a) Operating lease

The future minimum lease payments ('FMLP') are as follows:-

As lessee

	As of March 31, 2018	As of March 31, 2017
Not later than one year	70,692	65,945
Later than one year but not later than five years	244,153	244,475
Later than five years	70,652	92,978
	385,497	**403,398**
Lease rentals (including lease equalisation adjustments)	70,875	70,833

The above lease arrangements are mainly pertaining to passive infrastructure and premises / land. Certain of these lease agreements have escalation clause upto 25% and include option of renewal from 1 to 15 years.

The FMLP obligation disclosed above include the below FMLP obligations payable to joint ventures, which mainly pertain to amounts payable under the agreement entered by the parent and its subsidiaries, with a joint venture of the Group.

	As of March 31, 2018	As of March 31, 2017
Not later than one year	45,156	41,639
Later than one year but not later than five years	149,465	159,691
Later than five years	15,253	31,677
	209,874	**233,007**

As lessor

(i) The Group has entered into non-cancellable lease arrangements to provide dark fiber on indefeasible right to use ('IRU') basis. Due to the nature of the transaction, it is not possible to compute gross carrying amount, depreciation for the year and accumulated depreciation of the asset given on operating lease as of March 31, 2018 and accordingly, the related disclosures are not provided.

(ii) The FMLP receivables against assets (other than above IRU assets) are as follows:

	As of March 31, 2018	As of March 31, 2017
Not later than one year	21,933	21,574
Later than one year but not later than five years	68,228	86,447
Later than five years	37,574	38,430
	127,735	**146,451**

The above lease arrangements are mainly pertaining to passive infrastructure. Certain of these lease agreements have escalation clause upto 2.5%.

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b) Finance lease

As lessee

Finance lease obligation of the Group as of March 31, 2018 is as follows:

	Future minimum lease payments	Interest	Present value
Not later than one year	9,930	5,053	4,877
Later than one year but not later than five years	38,989	14,702	24,287
Later than five years	23,335	3,723	19,612
	72,254	**23,478**	**48,776**

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

	Future minimum lease payments	Interest	Present value
Not later than one year	10,792	5,446	5,346
Later than one year but not later than five years	40,117	16,449	23,668
Later than five years	33,221	5,689	27,533
	84,130	**27,584**	**56,547**

The above lease arrangements are mainly pertaining to passive infrastructure.

As lessor

The FMLP receivable of the Group as of March 31, 2018 is as follows:

	Future minimum lease payments	Interest	Present value
Not later than one year	176	16	160
Later than one year but not later than five years	89	6	83
Later than five years	-	-	-
	265	**22**	**243**

The FMLP receivable of the Group as of March 31, 2017 is as follows:

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

The above lease arrangements are mainly pertaining to various network equipments.

25 Revenue

	For the year ended March 31, 2018	For the year ended March 31, 2017
Service revenue	833,019	951,213
Sale of products	3,860	3,470
	836,879	**954,683**

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

26 Network operating expenses

	For the year ended March 31, 2018	For the year ended March 31, 2017
Passive infrastructure charges	79,636	78,490
Power and fuel	69,082	72,946
Repair and maintenance	34,667	45,612
Internet, bandwidth and leasedline charges	9,932	7,785
Others*	4,203	4,321
	197,520	**209,154**

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

27 Employee benefits expense

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries	34,185	37,300
Contribution to provident and other funds	2,104	1,746
Staff welfare expenses	1,313	1,617
Defined benefit plan / other long term benefits	693	887
Employee share-based payment expense		
- Equity-settled plans	630	337
- Cash-settled plans	(36)	61
Others*	882	1,084
	39,771	**43,032**

*It includes recruitment and training expenses.

27.1 Share based payment plans

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

Scheme	Plan	Vesting period (years)	Contractual term (years)
Equity settled Plans			
Scheme I	2006 Plan	1 - 5	7
Scheme 2005	2008 Plan & Annual Grant Plan (AGP)	1 - 3	7
Scheme 2005	Performance Share Plan (PSP) 2009 Plan	3 - 4	7
Scheme 2005	Special ESOP & Restricted Share Units (RSU) Plan	1 - 5	7
Infratel plan	Infratel 2008 Plan	1 - 5	7
Scheme 2005	Long Term Incentive (LTI) Plan	1 - 3	7
Infratel plan	Infratel LTI plans	1 - 3	7
Airtel Payments Bank Limited ('APBL') Plan	APBL Plan	1 - 4	8
Cash settled Plans			
Performance Unit Plan (PUP)	PUP 2013 - PUP 2017	1 - 5	3-5
Infratel plan	PUP	1 - 3	7

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

Notes to Consolidated Financial Statements

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

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

	For the year ended			
	March 31, 2018		March 31, 2017	
	Number of share options ('000)	Weighted average exercise price (₹)	Number of share options ('000)	Weighted average exercise price (₹)
2006 Plan				
Outstanding at beginning of year	205	5.00	305	5.00
Granted	-	-	-	-
Exercised	(90)	5.00	(100)	5.00
Forfeited / expired	-	-	-	-
Outstanding at end of year	115	5.00	205	5.00
Exercisable at end of year	2	5.00	36	5.00
2008 Plan & AGP				
Outstanding at beginning of year	-	-	639	402.50
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited / expired	-	-	(639)	402.50
Outstanding at end of year	-	-	-	-
Exercisable at end of year	-	-	-	-
PSP 2009 Plan				
Outstanding at beginning of year	6	5.00	53	5.00
Granted	-	-	-	-
Exercised	(3)	5.00	(37)	5.00
Forfeited / expired	(3)	5.00	(10)	5.00
Outstanding at end of year	-	-	6	5.00
Exercisable at end of year	-	5.00	6	5.00
Special ESOP & RSU Plan				
Outstanding at beginning of year	34	5.00	126	5.00
Granted	-	-	-	-
Exercised	(33)	5.00	(91)	5.00
Forfeited / expired	(1)	5.00	(1)	5.00
Outstanding at end of year	-	-	34	5.00
Exercisable at end of year	-	-	34	5.00
Infratel 2008 Plan				
Outstanding at beginning of year	158	109.67	732	109.67
Granted	-	-	-	-
Exercised	(49)	109.67	(564)	109.67
Forfeited / expired	(1)	109.67	(10)	109.67
Outstanding at end of year	108	109.67	158	109.67
Exercisable at end of year	108	109.67	158	109.67

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	For the year ended			
	March 31, 2018		March 31, 2017	
	Number of share options ('000)	Weighted average exercise price (₹)	Number of share options ('000)	Weighted average exercise price (₹)
LTI Plans				
Outstanding at beginning of year	2,002	5.00	1,709	5.00
Granted	1,571	-	820	-
Exercised	(406)	5.00	(308)	5.00
Forfeited / expired	(189)	5.00	(219)	5.00
Outstanding at end of year	2,977	5.00	2,002	5.00
Exercisable at end of year	567	5.00	358	5.00
Infratel LTI plans				
Outstanding at beginning of year	175	10.00	94	10.00
Granted	115	10.00	105	10.00
Exercised	(36)	10.00	(19)	10.00
Expired	-	-	-	-
Forfeited / expired	(15)	10.00	(5)	10.00
Outstanding at end of year	238	10.00	175	10.00
Exercisable at end of year	31	10.00	11	10.00
Airtel Payment Bank Limited Plan*				
Outstanding at beginning of year	-	-	-	-
Granted	14,063	-	-	-
Exercised	-	-	-	-
Forfeited / expired	(3,359)	-	-	-
Outstanding at end of year	10,704	-	-	-
Exercisable at end of year	-	-	-	-
Performance Unit Plans				
Outstanding at beginning of year	2,369	-	5,231	-
Granted	690	-	366	-
Exercised	(1,336)	-	(1,442)	-
Expired		-	-	-
Forfeited / expired	(322)	-	(1,786)	-
Outstanding at end of year	1,401	-	2,369	-
Exercisable at end of year	23	-	25	-

*The exercise period is 3 years from vesting date or 1 year from IPO listing (whichever is later). Eligible employees will be able to exercise the option at a price of 50% of fair market value (determined at the end of previous financial year) or ₹10 whichever, is higher. Employee can exercise the unexercised options within 3 months / 1 month from the date of retirement / resignation from the Group.

Notes to Consolidated Financial Statements

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

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Risk free interest rates	6.17% to 7.18%	5.79% to 7.1%
Expected life	10 to 96 months	4 to 76 months
Volatility	25.91% to 40%	27.08% to 38.94%
Dividend yield	0.24% to 3.99%	0.39% to 1.83%

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

For details as to exercise price, refer table above.

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

Weighted average	For the year ended March 31, 2018	For the year ended March 31, 2017
Remaining contractual life for the options outstanding as of (years)	0.35 to 8.44	0.10 to 5.90
Fair value for the options granted during the year ended (₹)	4.36 to 409.76	304.34 to 338.50
Share price for the options exercised during the year ended (₹)	367.14 to 457.41	316.50 to 486.77

The carrying value of cash settled plans liability is ₹235 and ₹752 as of March 31, 2018 and March 31, 2017 respectively.

27.2 Employee benefits

The details of significant employee benefits are as follows:

	For the year ended			
	March 31, 2018		March 31, 2017	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Obligation:				
Balance as at beginning of the year	2,618	1,158	2,656	1,127
Current service cost	377	218	412	234
Interest cost	194	86	207	84
Benefits paid	(424)	(169)	(541)	(163)
Transfers	5	2	(189)	(79)
Remeasurements	(86)	(180)	73	(45)
Present value of funded obligation	**2,684**	**1,115**	**2,618**	**1,158**
Assets:				
Balance as at beginning of year	46	-	66	-
Interest income	3	-	5	-
Benefits paid	(32)	-	(25)	-
Remeasurements	(1)	-	(0)	-
Fair value of plan assets	**16**	**-**	**46**	**-**
Liability recognised in the balance sheet	**2,668**	**1,115**	**2,572**	**1,158**
Current portion	662	1,115	616	1,158
Non-current portion	2,006	-	1,956	-

The expected contribution for the year ended March 31, 2018 and 2017 for Gratuity plan is ₹588 and ₹583 respectively

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Amount recognised in other comprehensive income for the above plans

	For the year ended March 31, 2018	For the year ended March 31, 2017
Experience losses	18	41
Gains from change in demographic assumptions	26	(31)
Losses from change in financial assumptions	(130)	63
Remeasurements on liability	**(86)**	**73**
Return on plan assets, excluding interest income	(1)	(0)
Remeasurements on plan assets	**(1)**	**(0)**
Net remeasurements recognised in OCI	**(85)**	**73**

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

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

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

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

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

	As of March 31, 2018	As of March 31, 2017
Discount rate	7.85%	7.40%
Rate of return on plan assets	7.85%	7.40%
Rate of salary increase	10.00%	10.00%
Rate of attrition	20% to 24%	21% to 29%
Retirement age	58	58

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

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

		As of March 31, 2018		As of March 31, 2017	
	Change in assumption	Gratuity	Compensated absence	Gratuity	Compensated absence
Discount rate	+1%	(96)	(51)	(89)	(49)
	-1%	105	55	96	54
Salary growth rate	+1%	103	54	93	52
	-1%	(96)	(50)	(88)	(48)

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

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

	As of March 31, 2018	As of March 31, 2017
Within one year	678	662
Within one-three years	736	709
Within three-five years	456	413
above five years	814	834
	2,684	**2,618**
Weighted average duration (in years)	**3.61**	**3.42**

28 Sales and marketing expenses

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sales commission and distribution	40,434	43,920
Advertisement and marketing	10,682	14,440
Business promotion	2,587	4,812
Other ancilliary expenses	2,063	3,560
	55,766	**66,732**

29 Other expenses

	For the year ended March 31, 2018	For the year ended March 31, 2017
Content cost	21,067	21,507
Cost of good sold	9,994	9,073
IT expenses	7,771	10,012
Customer care expenses	6,797	7,357
Legal and professional fees	5,072	6,535
Provision for doubtful debts	9,007	7,635
Collection and recovery expenses	3,607	3,987
Travelling and conveyance	2,113	2,989
Bad debts written off	1,156	873
Charity and donation*	1,204	1,702
(Reversal of earlier provision) / provision for diminution in value of inventory	(282)	170
Others#	9,521	15,081
	77,027	**86,921**

*It includes ₹330 and ₹220 paid to Prudent Electoral Trust (formerly known as Satya Electoral Trust) for political purpose for the year ended March 31, 2018 and 2017 respectively.

#It includes printing and stationary, security, rent and communication expenses etc.

30 Depreciation and amortisation

	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation	132,963	142,585
Amortisation	59,468	55,145
	192,431	**197,730**

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31 Finance costs and income

	For the year ended March 31, 2018	For the year ended March 31, 2017
Finance costs		
Interest expense	64,692	67,131
Net loss on derivative financial instruments	8,506	13,231
Net loss on FVTPL investments*	1,416	-
Net exchange loss	1,882	3,624
Other finance charges#	16,759	11,480
	93,255	**95,466**
Finance income		
Dividend from mutual funds	367	279
Interest income@	6,150	3,207
Net gains on FVTPL investments*	-	5,154
Net fair value gain on financial instruments (fair value hedges)	6,023	9,852
	12,540	**18,492**

*Net loss / gain on fair value changes on FVTPL investments includes loss / gains of ₹1,709 and ₹5,962 pertaining to investments sold during the year ended March 31, 2018 and 2017 respectively.

#It includes bank charges, trade finance charges, charges relating to derivative instruments and interest charges towards subjudice matters. Further it includes ₹143 and ₹110 for the years ended March 31, 2018 and 2017 respectively, towards unwinding of discount on other financial liabilities (carried at amortised cost).

@It includes ₹43 and ₹46 towards unwinding of discount on security deposits (carried at amortised cost) and ₹415 and ₹309 from investment measured at FVTOCI for the years ended March 31, 2018 and 2017 respectively.

32 Exceptional items

Exceptional items comprise of the following:

(i) For the year ended March 31, 2018:

a. Charge of ₹4,372 mainly towards operating costs on network re-farming and up-gradation program

b. Net charge of ₹3,457 relating to the translation impact in Nigeria due to transition from the administered to market based exchange rate given the underlying economic changes and other developments

c. Provision of ₹1,094 taken against one major delinquent receivable

d. Charge of ₹3,535 due to levies and taxes pertaining to internal restructuring and litigation related assessment

e. Gain of ₹4,527 mainly pertaining to one of the earlier divestments

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

a. Net gain of ₹10,157 pertaining to the divestment of Group's operations in Burkina Faso and Sierra Leone, telecom towers in DRC and Niger and an African associate (viz. Tanzania Telecommunications Company Limited) (refer note 5 (l) and (n))

b. Net charge of ₹6,881 due to settlement of past litigations, regulatory levies, vendor claims, reconciliation of balances, restructuring activities and tax related contingent liability

c. Charge of ₹3,356 towards operating costs (including accelerated depreciation) on network re-farming and up-gradation program

d. Charge of ₹3,258 resulting from reassessment of the useful life of certain categories of network assets of the Group due to technological advancements (refer note 3.1.c.)

e. Net charge of ₹9,460 relating to the translation impact in Nigeria due to the new flexible exchange rate regime

f. Net gain of ₹1,641 (net of related expenses) pertaining to the divestment of stake in Bangladesh and charge of ₹540 due to share in the post-merger restructuring activities (refer note 5 (l) (i))

Notes to Consolidated Financial Statements

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

Tax expenses include:

(a) Tax benefit of ₹2,305 and ₹5,163 during the year ended March 31, 2018 and 2017 respectively on above exceptional items

(b) Tax benefit of ₹1,779 on account of re-assessment of tax provisions for previous periods during the year ended March 31, 2018

(c) Tax benefit of ₹4,248 during the year ended March 31, 2017 on account of recognition of deferred tax on earlier business combination and re-assessment of tax provisions for previous periods

Profit / (loss) attributable to non-controlling interests include benefit of ₹878 and ₹2,147 during the year ended March 31, 2018 and 2017 respectively, relating to the above exceptional items.

33 Earnings per share ('EPS')

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

	As of March 31, 2018	As of March 31, 2017
Weighted average shares outstanding for basic EPS	3,996,067	3,995,817
Effect of dilution due to employee share options	1,721	1,359
Weighted average shares outstanding for diluted EPS	**3,997,788**	**3,997,176**

Profit attributable to equity holders for basic and diluted EPS is ₹10,990 and ₹37,998 for the year ended March 31, 2018 and 2017 respectively.

34 Segment reporting

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

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

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

Segment assets / liabilities comprise assets / liabilities directly managed by each segment. Segment assets primarily include receivables, PPE, CWIP, intangibles assets, intangible assets under development, inventories, cash and cash equivalents. Segment liabilities primarily include operating liabilities. Segment capital expenditure comprises additions to PPE, CWIP intangible assets, intangible assets under development and capital advances.

The reporting segments of the Group are as below:

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

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

Notes to Consolidated Financial Statements

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

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

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

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

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

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

Others: It includes administrative and support services provided to other segments and also include Airtel payment bank Operations.

Unallocated items include expenses / results, assets and liabilities primarily of corporate headquarters of the Group, current taxes, deferred taxes, borrowings and certain financial assets and liabilities, not allocated to the operating segments.

Notes to Consolidated Financial Statements

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

Summary of the segmental information for the year ended and as of March 31, 2018 is as follows:

	Mobile Services India	Mobile Services Africa	Mobile Services South Asia	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others	Unallocated	Eliminations/ Adjustments	Total
Revenue from external customers	441,295	196,565	3,783	98,244	33,221	25,056	37,505	1,199	-	11	836,879
Inter-segment revenue	21,344	4,999	262	14,974	33,063	209	65	2,810	-	(77,726)	-
Total revenue	**462,639**	**201,564**	**4,045**	**113,218**	**66,284**	**25,265**	**37,570**	**4,009**	**-**	**(77,715)**	**836,879**
Share of results of joint ventures and associates	6	(905)	(282)	-	13,025	3	-	(29)	-	(1,209)	10,609
Segment results	20,835	34,758	(1,550)	31,044	33,477	4,720	5,306	(2,706)	(1,678)	(2,749)	121,457
Less:											
Finance costs											93,255
Finance income											(12,540)
Non-operating income, (net)											141
Exceptional items (refer Note 32)											7,931
Profit before tax											**32,670**
Other segment items											
Capital expenditure	198,280	29,954	2,066	12,675	11,307	11,129	10,277	267	6,257	(7,498)	274,714
Depreciation and amortisation	129,545	30,672	1,276	11,179	11,801	7,057	8,915	55	1	(8,070)	192,431
As of March 31, 2018											
Segment assets*	1,515,169	516,476	28,459	153,051	199,273	44,251	26,120	11,082	88,578	(76,643)	2,505,816
Segment liabilities*	317,043	115,149	2,622	76,284	22,400	19,866	33,964	8,312	1,210,172	(83,479)	1,722,333
Investment in joint ventures and associates (included in segment assets above)	57	6,769	21,620	-	58,110	3	-	280	-	-	86,839

*Effective April 1, 2017, individual segments exclude inter-segment balances and allocated borrowings. This has no impact on total assets and liabilities.

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

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

	Mobile Services India	Mobile Services Africa	Mobile Services South Asia	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others	Unallocated	Eliminations/ Adjustments	Total
Revenue from external customers	543,901	214,093	11,198	94,855	28,384	27,223	34,240	718	-	71	954,683
Inter-segment revenue	21,610	5,475	545	14,574	32,445	295	66	3,018	-	(78,028)	-
Total revenue	**565,511**	**219,568**	**11,743**	**109,429**	**60,829**	**27,518**	**34,306**	**3,736**	**-**	**(77,957)**	**954,683**
Share of results of joint ventures and associates	9	-	(642)	-	11,949	-	-	-	-	(867)	10,449
Segment results	105,494	10,189	(4,660)	22,737	29,195	6,868	3,577	(2,481)	(1,433)	(2,263)	167,223
Less:											
Finance costs											95,466
Finance income											(18,492)
Non-operating income, (net)											1,319
Exceptional items (refer Note 32)											11,697
Profit before tax											**77,233**
Other segment items											
Capital expenditure	380,011	25,235	1,801	17,142	9,829	19,649	8,608	19	1,597	(21,204)	442,687
Depreciation and amortisation	121,189	41,894	4,256	11,024	11,658	6,080	8,642	49	0	(7,062)	197,730
As of March 31, 2017											
Segment assets	1,642,949	556,281	29,048	331,833	210,023	311,890	22,935	9,327	120,032	(901,666)	2,332,652
Segment liabilities	722,363	226,314	7,968	180,624	47,535	246,864	28,341	5,083	1,044,215	(919,968)	1,589,339
Investment in joint ventures and associates (included in segment assets above)	52	-	22,567	-	59,409	-	-	249	-	-	82,277

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

Geographical information*:

(a) Revenue from external customers:

	For the year ended March 31, 2018	For the year ended March 31, 2017
India	619,000	708,462
Africa	196,565	214,093
Others	21,314	32,128
	836,879	**954,683**

(b) Non-current assets:

	For the year ended March 31, 2018	For the year ended March 31, 2017
India	1,503,452	1,411,798
Africa	448,314	466,775
Others	18,897	15,123
	1,970,663	**1,893,696**

*Basis location of entity.

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

35 Related party disclosures

(a) List of related parties

i. Ultimate controlling entity (w.e.f. November 3, 2017)

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

ii. Entities having control over the Company (w.e.f. November 3, 2017)*

Bharti Telecom Limited
*significant influence untill November 2, 2017

iii. For list of subsidiaries, joint venture and associates refer note no. 39.

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

- Entities having significant influence over the Company

  Singapore Telecommunications Limited
  Pastel Limited

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

  a) Subsidiaries

  Bharti Enterprises Limited
  Cedar support Services Limited
  Bharti Insurance Holdings Private Limited
  Bharti Axa General Insurance Company Limited
  Bharti Axa Life Insurance Company Limited

Notes to Consolidated Financial Statements

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

b) Associates

Bharti Life Ventures Private Limited
Bharti General Private Limited

- Other related parties*

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

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

(b) Others

Brightstar Telecommunication India Limited
Bharti Realty Holdings Limited
Bharti Realty Limited
Deber Technologies Private Limited
Hike Messenger Limited
Centum Learning Limited
Fieldfresh Foods Private Limited
Indian Continent Investment Limited
Jersey Airtel Limited
Nile Tech Limited
Bharti Support Services Private Limited (formerly known as Atrium Restaurants India Private Limited)
Bharti Land Limited
Centum Work Skills India Limited
Oak Infrastructure Developers Limited
Gourmet Investments Private Limited

- Key Management Personnel ('KMP')

Sunil Bharti Mittal
Gopal Vittal
Christian D. Faria (until December 31, 2016)
Raghunath Mandava (w.e.f. January 1, 2017)

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

Notes to Consolidated Financial Statements

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

In the ordinary course of business, there are some transactions among the group entities. However, the intra-group transactions and balances, and the income and expenses arising from such transactions, are eliminated on consolidation. The significant transactions with balance related parties for the years ended March 31, 2018 and 2017 respectively, are described below:

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

Relationship	For the year ended March 31, 2018				For the year ended March 31, 2017			
	Significant influence entities	Associates	Joint ventures	ORP/ FC*	Significant influence entities	Associates	Joint ventures	ORP/ FC*
Purchase of assets	-	-	-	(2,761)	-	-	-	(3,329)
Sale / rendering of services	1,022	-	44	343	1,433	6	77	294
Purchase of goods / receiving of services	(217)	(50)	(39,977)	(3,504)	(496)	(9)	(42,385)	(3,220)
Reimbursement of energy expenses	-	-	(26,869)	-	-	-	(26,090)	(3)
Dividend paid	(9,777)	-		(496)	(3,255)	-	-	(362)
Dividend received	-	-	10,010	-	-	-	9,510	-

*Other related parties / fellow companies

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

	Significant influence entities	Associates	Joint ventures	ORP/FC*
As of March 31, 2018				
Trade payables	(117)	(31)	(11,193)	(139)
Trade receivables	-	-	-	102
Security deposit	-	-	3,934	1,070
As of March 31, 2017				
Trade payables	(490)	(4)	(11,310)	(532)
Trade receivables	129	-	1	216
Security deposit	-	-	3,903	1,050

*Other related parties / fellow companies

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

(2) In addition to the above, ₹410 and ₹1,227 donation has been given to Bharti Foundation during the year ended March 31, 2018 and 2017 respectively.

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Short-term employee benefits	317	305
Performance linked incentive ('PLI')#	160	168
Post-employment benefits	28	26
Share-based payment	62	62
	567	**561**

#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 ₹21 and ₹28 has been recorded in the books towards PLI for the year ended March 31, 2018 and 2017 respectively. During the year ended March 31, 2018, PLI of ₹164 (March 31, 2017: ₹150) pertaining to previous year has been paid.

In addition to above ₹1,122 thousand and ₹313 thousand for the year ended March 31, 2018 and 2017 respectively have been paid as dividend to key management personnel.

Notes to Consolidated Financial Statements

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

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

36 Financial and Capital risk

1. Financial risk

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

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

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

(i) Foreign currency risk

Foreign exchange risk arises on all recognised monetary assets and liabilities, and any highly probable forecasted transactions, which are denominated in a currency other than the functional currency of the transacting group entity. The Group, through its parent entity, several intermediary entities and subsidiaries; operates across multiple geographies in the Africa and Asia continent. Accordingly, the Group is exposed to translation risk on the net investment in foreign subsidiaries. The Group has foreign currency trade payables, receivables and borrowings (internal as well as external). However, foreign exchange exposure mainly arises from borrowings and trade payables denominated in foreign currencies and certain net investment in foreign currency. Consequently, the Group is mainly exposed to foreign exchange risks related to USD / Euro vis-à-vis the functional currencies and the translation risk related to USD to ₹ and USD to XAF-XOF (pegged to Euro).

The foreign exchange risk management policy of the Group requires it to manage the foreign exchange risk by transacting as far as possible in the functional currency. Moreover, the Group monitors the movements in currencies in which the borrowings / capex vendors are payable and manage any related foreign exchange risk, which inter-alia include entering into foreign exchange derivative contracts - as considered appropriate and whenever necessary. For further details as to foreign currency borrowings, refer note 20. Further, for the details as to the fair value of various outstanding derivative financial instruments designated in a hedge relationship or otherwise refer note 11.

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

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

a) Cash flow hedge

	March 31, 2018		March 31, 2017	
Currency exchange risk hedged	Euro to USD	CHF to USD	Euro to USD	CHF to USD
Nominal amount of hedging instruments	Euro 870 Mn	CHF 350 Mn	Euro 870 Mn	CHF 350 Mn
Maturity date	December 2018	March 2020	December 2018	March 2020
Weighted average forward price	1 Euro: 1.12 USD	1 CHF: 1.12 USD	1 Euro: 1.12 USD	1 CHF: 1.12 USD
Carrying value of derivative instruments (assets)	7,377	399	131	-
Carrying value of derivative instruments (liabilities)	-	60	908	620
Change in fair value during the year				
Hedged item	(6,928)	(677)	3,534	1,141
Hedging instrument	6,928	677	(3,534)	(1,141)
CFHR for continuing Hedge	410	533	214	(82)
Hedging gain / (loss) recognised during the year	6,928	677	(3,534)	(1,141)
(Loss) / Gain reclassification during the year to P&L	(6,732)	(62)	4,079	1,453

b) Net investment hedge

	March 31, 2018		March 31, 2017	
Currency exchange risk hedged	Euro to USD	USD to INR	Euro to USD	USD to INR
Nominal amount of hedging instruments	Euro 460 Mn	USD 1453 Mn	Euro 400 Mn	USD 1578 Mn
Carrying value of hedging instruments (borrowings)	36,870	94,721	27,738	102,308
Maturity date	May 2021	June 2025 - February 2028	May 2021	June 2025 - September 2026
Change in fair value during the year				
Hedged item	4,231	3,793	(2,232)	12,562
Hedging instrument	(4,231)	(3,793)	2,232	(12,562)
FCTR (loss) / gain for continuing Hedge (net of tax and NCI)	(5,109)	(15,869)	(878)	(12,596)
Hedging gain/ (loss) recognised during the year	(4,231)	(3,793)	2,232	(12,562)
Loss reclassification during the year to P&L under exceptional items	-	-	581	-

Foreign currency sensitivity

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

	Change in currency exchange rate	Effect on profit before tax	Effect on equity (OCI)
For the year ended March 31, 2018			
US Dollar	+5%	(8,823)	(8,796)
	-5%	8,823	8,796
Euro	+5%	(1,712)	(1,844)
	-5%	1,712	1,844
Others	+5%	1	-
	-5%	(1)	-
For the year ended March 31, 2017			
US Dollar	+5%	(8,955)	(8,375)
	-5%	8,955	8,375
Euro	+5%	(1,716)	(1,387)
	-5%	1,716	1,387
Others	+5%	(26)	-
	-5%	26	-

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

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

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

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

(ii) Interest rate risk

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

Borrowings

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

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

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

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

	March 31, 2018		March 31, 2017	
Interest rate risk covered for currency	USD	Euro	USD	Euro
Nominal amount of Hedging instruments	USD 2900 Mn		USD 2900 Mn	
Carrying value of hedging instruments (derivative assets)	19		1,568	
Carrying value of hedging instruments (derivative liabilities)	4,258		851	
Maturity date	March 2023 - June 2025		March 2023 - June 2025	
Carrying value of hedged item (borrowings)	189,008		188,065	
Change in fair value during the year				
Hedged item	5,802		9,768	
Hedging instrument	(5,025)		(11,118)	
Hedge ineffectiveness recognised in finance Income/cost during the year	777		(1,349)	
Cumulative change in fair value of hedged Item	6,366		476	
Unamortised potion of fair value hedge adjustment		(175)		(396)

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

Interest rate sensitivity of borrowings

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

Interest rate sensitivity	Increase / decrease in basis points	Effect on profit before tax
For the year ended March 31, 2018		
INR - borrowings	+100	(1,063)
	-100	1,063
USD -borrowings	+25	(654)
	-25	654
Other Currency -borrowings	+100	(42)
	-100	42
For the year ended March 31, 2017		
INR - borrowings	+100	(866)
	-100	866
USD -borrowings	+25	(657)
	-25	657
Other Currency -borrowings	+100	(49)
	-100	49

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

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

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

(iii) Price risk

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

Debt investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenor of money market instruments and the underlying portfolio in liquid schemes, these do not pose any significant price risk. On the duration investment balance, an increase / decrease of 25 basis points in market yields (parallel shift of the yield curves), will result in decrease / increase in the marked to market value of the investments by ₹176 and ₹808 as on March 31, 2018 and March 31, 2017 respectively.

(iv) Credit risk

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

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

Trade receivables

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

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

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

The Group uses a provision matrix to measure the expected credit loss of trade receivables, which comprise a very large numbers of small balances. Refer note 16 for details on the impairment of trade receivables. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are credit impaired if the payments are more than 90 days past due.

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

	Neither past due nor impaired	Past due but not impaired				Total
		Less than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
March 31, 2018	21,182	17,294	7,835	6,201	6,318	58,830
March 31, 2017	17,115	11,653	6,612	5,966	6,056	47,402

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

Financial instruments and cash deposits

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

(v) Liquidity risk

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

Moreover, the GSM regularly monitors the rolling forecasts of the entities' liquidity reserve (comprising of the amount of available un-drawn credit facilities and cash and cash equivalents) and the related requirements, to ensure they have sufficient cash on an on-going basis to meet operational needs while maintaining sufficient headroom at all times on its available un-drawn committed credit facilities, so that there is no breach of borrowing limits or relevant covenants on any of its borrowings. For details as to the borrowings, refer note 20.

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

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

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

	As of March 31 , 2018						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings*#	1,141,676	19,419	152,197	176,076	126,576	1,231,162	**1,705,430**
Other financial liabilities#	156,811	4,874	108,656	-	161	43,120	**156,811**
Trade payables	277,675	-	277,675	-	-	-	**277,675**
Financial liabilities (excluding derivatives)	**1,576,162**	**24,293**	**538,528**	**176,076**	**129,737**	**1,274,282**	**2,139,916**
Derivative assets	10,972	-	1,333	7,608	968	1,063	**10,972**
Derivative liabilities	(5,692)	-	(117)	(168)	(203)	(5,204)	**(5,692)**
Net derivatives	**5,280**	**-**	**1,216**	**7,440**	**765**	**(4,141)**	**5,280**

	As of March 31 , 2017						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings*#	1,078,384	22,697	135,951	50,646	176,532	1,100,524	**1,486,350**
Other financial liabilities#	100,386	4,148	80,557	-	540	15,141	**100,386**
Trade payables	268,537	-	268,537	-	-	-	**268,537**
Financial liabilities (excluding derivatives)	**1,447,307**	**26,845**	**485,045**	**50,646**	**177,072**	**1,115,665**	**1,855,273**
Derivative assets	6,792	-	1,010	1,050	1,743	2,989	**6,792**
Derivative liabilities	(5,061)	-	(1,992)	(343)	(1,092)	(1,634)	**(5,061)**
Net derivatives	**1,731**	**-**	**(982)**	**707**	**651**	**1,355**	**1,731**

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

#Interest accrued but not due has been included in interest bearing borrowings and excluded from other financial liabilities.

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

				Non-cash movements					
	Statement of cash flow line item	April 1, 2017	Cash flows	Interest expense	Foreign exchange	Fair value changes	FCTR	Others	March 31, 2018
Borrowings*	Proceeds / repayment of borrowing (including short term)	610,282	36,141	-	11,480	-	883	1,420	660,206
Interest accrued but not due and derivative instruments	Interest and other finance charges paid	5,633	(44,041)	29,470	-	8,506	2,588	20,905	23,061

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

2. Capital risk

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

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

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

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

	As of March 31, 2018	As of March 31, 2017
Borrowings	1,113,335	1,072,877
Less: cash and cash equivalents	47,886	12,817
Less: term deposits with bank	2,119	3,360
Net debt	**1,063,330**	**1,056,700**
Equity	695,344	674,563
Total capital	**695,344**	**674,563**
Capital and net debt	**1,758,674**	**1,731,263**
Gearing ratio	**60.5%**	**61.0%**

37 Fair value of financial assets and liabilities

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

		Carrying value as of		Fair value as of	
	Level	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial assets					
FVTPL					
Derivatives					
- Currency swaps, forward and option contracts	Level 2	8,541	814	8,541	814
- Interest swaps	Level 2	2,101	4,963	2,101	4,963
- Embedded derivatives	Level 2	330	1,005	330	1,005
- Embedded derivatives	Level 3	-	10	-	10
Investments - quoted	Level 1	65,460	52,402	65,460	52,402
Investments - unquoted	Level 2	2,992	4,389	2,992	4,389
FVTOCI					
Investments - quoted	Level 1	2,391	2,609	2,391	2,609
Investments - unquoted	Level 2	3,904	1,711	3,904	1,711
Amortised cost					
Security deposits	Level 2	9,703	9,630	9,703	9,630
Trade receivables	Level 2	58,830	47,402	58,830	47,402
Cash and cash equivalents	Level 1	47,886	12,817	47,886	12,817
Bank deposits	Level 1	18,820	38,166	18,820	38,166
Other financial assets	Level 2	33,276	36,390	33,276	36,390
		254,234	**212,308**	**254,234**	**212,308**
Financial liabilities					
FVTPL					
Derivatives					
- Currency swaps, forward and option contracts	Level 2	474	3,412	474	3,412
- Interest rate swaps	Level 2	5,210	880	5,210	880
- Embedded derivatives	Level 2	8	571	8	571
- Embedded derivatives	Level 3	-	198	-	198
Amortised cost					
Borrowings - fixed rate	Level 1	414,407	368,913	427,293	386,739
Borrowings - fixed rate	Level 2	512,404	526,542	555,413	562,306
Borrowings - floating rate	Level 2	186,525	178,826	186,525	178,826
Trade payables	Level 2	277,675	268,537	277,675	268,537
Other financial liabilities	Level 2	185,152	105,893	185,152	105,893
		1,581,855	**1,453,772**	**1,637,750**	**1,507,362**

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

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

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

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

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

During the year ended March 31, 2018 and 2017, 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.

Following table describes the key input in the valuation (basis discounted cash flow technique) of level 2 financial assets / liabilities as of March 31, 2018 and March 31, 2017:

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

Level 3 financial instruments

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance	(188)	51
Gain recognised in consolidated statement of profit and loss (including settlements)		
-Recognised in finance costs / finance income*	276	(215)
Transferred on account of sale of subsidiary	-	(22)
Exchange difference recognised in OCI	(88)	(2)
Closing balance	**-**	**(188)**

*Out of these gains / (losses), Nil and loss of ₹213 year ended March 31, 2018 and 2017 respectively relates to assets/liabilities held at the end of respective periods.

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Valuation process, techniques and inputs used: The Group has entered into certain contracts under which payouts are linked to revenue of the period to which payout relates. The portion of the payout are payable at predetermined fixed foreign exchange rate and 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 either engages external, independent and qualified valuers or internally values the embedded derivative categorised within level 3. Discounted cash flow model is used to value the embedded derivative wherein major inputs are expected future payouts to vendors, forward foreign currency exchange rates and relevant interest rates. The value of embedded derivative is the present value of the differential of future payouts on the reporting date, over that determined based on the forward rates prevailing at the inception of the contract.

Sensitivity 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%. Expected future payouts to vendor ranging from Nil and USD 12 to USD 17 per quarter as of March 31, 2018 and March 31, 2017 respectively.

38 Other matters

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

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

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

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39 Additional information as required under Schedule III of the Companies Act 2013

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

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2018 and 2017 (Refer note 1 and 2)	Principal place of operation / country of incorporation	For the year ended March 31, 2018					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
	Parent								
	-Telecommunication services								
1	Bharti Airtel Limited	100%	India	131.29%	1,028,609	7.21%	792	-34.58%	849
	Subsidiaries								
	A. Indian								
	-Telecommunication services								
1	Bharti Hexacom Limited	70%	India	8.28%	64,893	-10.18%	(1,119)	45.51%	(1,117)
2	Nxtra Data Limited	100%	India	0.02%	183	2.14%	235	-9.65%	237
3	Smartx Services Limited	53.5% ^	India	0.00%	19	0.03%	3	-0.12%	3
4	Telesonic Networks Limited	100%	India	0.08%	617	2.13%	234	-9.05%	222
5	Wynk Limited	100%	India	0.07%	551	1.29%	141	-5.76%	141
6	Bharti Digital Networks Private Limited (Formerly known as Tikona Digital Networks Private Limited; subsidiary w.e.f. August 24, 2017)	100%	India	-1.76%	(13,808)	-1.44%	(158)	6.44%	(158)
	- Direct To Home services								
1	Bharti Telemedia Limited	95%	India	-3.19%	(24,995)	25.74%	2,829	-115.36%	2,832
	- Infrastructure sharing services								
1	Bharti Infratel Limited	53.5% ^	India	14.23%	111,515	119.36%	13,118	-535.32%	13,142
	- Investment Company								
1	Nettle Infrastructure Investments Limited	100%	India	-2.19%	(17,145)	7.61%	837	-355.57%	8,729
	- Mobile commerce services								
1	Airtel Payments Bank Limited	80.10%	India	0.29%	2,306	-24.81%	(2,726)	111.05%	(2,726)
	- Other								
1	Bharti Airtel Services Limited	100%	India	-0.04%	(312)	6.26%	688	-28.32%	695

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

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				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
	- Uplinking channels for broadcasters								
1	Indo Teleports Limited	100% ^^	India	-0.07%	(560)	-1.01%	(111)	4.54%	(111)
	B. Foreign								
	- Direct To Home services								
1	Airtel DTH Services Nigeria Limited #	100%	Nigeria	-	-	-	-	-	-
	- Infrastructure sharing services								
1	Africa Towers Services Limited ##	100%	Kenya	0.00%	1	0.00%	0	-0.02%	0
2	Bangladesh Infratel Networks Limited #	100%	Bangladesh	-	-	-	-	-	-
3	Bharti Infratel Lanka (Private) Limited #	100%	Sri Lanka	-	-	-	-	-	-
4	Congo RDC Towers S.A.	100%	Democratic Republic of Congo	-0.07%	(565)	-2.74%	(301)	12.25%	(301)
5	Gabon Towers S.A. ##	90%	Gabon	0.00%	(1)	0.02%	2	-0.10%	2
6	Madagascar Towers S.A.	100%	Madagascar	0.04%	320	0.71%	78	-3.20%	78
7	Malawi Towers Limited	100%	Malawi	-0.25%	(1,920)	-4.45%	(489)	19.92%	(489)
8	Tanzania Towers Limited	60%	Tanzania	0.00%	(31)	0.00%	(0)	0.01%	(0)
9	Towers Support Nigeria Limited #	83.25%	Nigeria	-	-	0.01%	1	-0.02%	1
	- Investment Company								
1	Africa Towers N.V.	100%	Netherlands	-0.06%	(445)	-0.45%	(49)	2.01%	(49)
2	Airtel Mobile Commerce B.V.	100%	Netherlands	-0.01%	(77)	-0.09%	(10)	0.40%	(10)
3	Airtel Mobile Commerce Holdings B.V.	100%	Netherlands	0.00%	1	-	-	-	-
4	Bharti Airtel Africa B.V.	100%	Netherlands	11.20%	87,717	18.95%	2,083	-84.84%	2,083
5	Bharti Airtel Burkina Faso Holdings B.V.	100%	Netherlands	5.81%	45,513	0.00%	(0)	0.00%	(0)
6	Bharti Airtel Chad Holdings B.V.	100%	Netherlands	-0.06%	(462)	-3.09%	(340)	13.83%	(340)

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

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2018 and 2017 (Refer note 1 and 2)	Principal place of operation / country of incorporation	For the year ended March 31, 2018					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
7	Bharti Airtel Congo Holdings B.V.	100%	Netherlands	0.79%	6,171	0.84%	92	-3.74%	92
8	Bharti Airtel Developers Forum Limited	96.36%	Zambia	-	-	-	-	-	-
9	Bharti Airtel DTH Holdings B.V. #	100%	Netherlands	-	-	-	-	-	-
10	Bharti Airtel Gabon Holdings B.V.	100%	Netherlands	1.09%	8,574	0.46%	50	-2.04%	50
11	Bharti Airtel Ghana Holdings B.V. (Refer note 5 (c))	100%	Netherlands	-	-	-8.93%	(981)	39.97%	(981)
12	Bharti Airtel International (Mauritius) Limited	100%	Mauritius	1.97%	15,449	1.76%	193	-9.77%	240
13	Bharti Airtel International (Netherlands) B.V.	100%	Netherlands	24.65%	193,134	-171.27%	(18,823)	766.73%	(18,823)
14	Bharti Airtel Kenya B.V.	100%	Netherlands	-1.80%	(14,087)	-15.88%	(1,745)	71.09%	(1,745)
15	Bharti Airtel Kenya Holdings B.V.	100%	Netherlands	-0.34%	(2,671)	-0.86%	(95)	3.86%	(95)
16	Bharti Airtel Madagascar Holdings B.V.	100%	Netherlands	-0.31%	(2,421)	-2.19%	(240)	9.78%	(240)
17	Bharti Airtel Malawi Holdings B.V.	100%	Netherlands	0.05%	410	0.69%	76	-3.09%	76
18	Bharti Airtel Mali Holdings B.V.	100%	Netherlands	0.01%	100	-0.14%	(16)	0.64%	(16)
19	Bharti Airtel Niger Holdings B.V.	100%	Netherlands	1.47%	11,555	14.00%	1,539	-62.68%	1,539
20	Bharti Airtel Nigeria B.V.	100%	Netherlands	-7.78%	(60,964)	-40.46%	(4,446)	181.11%	(4,446)
21	Bharti Airtel Nigeria Holdings B.V. #	100%	Netherlands	-	-	-	-	-	-
22	Bharti Airtel Nigeria Holdings II B.V.	100%	Netherlands	-0.01%	(107)	0.09%	10	-0.42%	10
23	Bharti Airtel RDC Holdings B.V.	100%	Netherlands	0.23%	1,780	-17.73%	(1,949)	79.38%	(1,949)
24	Bharti Airtel Rwanda Holdings Limited	100%	Mauritius	0.02%	187	-0.02%	(2)	0.09%	(2)
25	Bharti Airtel Services B.V.	100%	Netherlands	-0.06%	(443)	-0.48%	(53)	2.16%	(53)
26	Bharti Airtel Tanzania B.V.	100%	Netherlands	-0.60%	(4,697)	-8.15%	(896)	36.48%	(896)
27	Bharti Airtel Uganda Holdings B.V.	100%	Netherlands	-1.26%	(9,900)	-33.71%	(3,705)	150.92%	(3,705)
28	Bharti Airtel Zambia Holdings B.V.	100%	Netherlands	3.81%	29,834	25.14%	2,763	-112.55%	2,763
29	Celtel (Mauritius) Holdings Limited	100%	Mauritius	0.30%	2,346	-1.36%	(150)	6.09%	(150)

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				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
30	Channel Sea Management Company (Mauritius) Limited	100%	Mauritius	0.00%	33	-0.01%	(1)	0.06%	(1)
31	Indian Ocean Telecom Limited	100%	Jersey	0.10%	798	-0.03%	(3)	0.14%	(3)
32	Montana International	100%	Mauritius	0.00%	(14)	-0.01%	(1)	0.04%	(1)
33	MSI-Celtel Nigeria Limited #	100%	Nigeria	-	-	-	-	-	-
34	Partnership Investments Sprl	100%	Democratic Republic of Congo	-	-	-	-	-	-
35	Société Malgache de Téléphone Cellulaire S.A.	100%	Mauritius	0.02%	121	-0.02%	(2)	0.07%	(2)
36	Bharti Airtel International (Mauritius) Investments Limited (incorporated on March 26, 2018)	100%	Mauritius	0.00%	(1)	-0.01%	(1)	0.02%	(1)
	- Mobile commerce services								
1	Airtel Mobile Commerce (Ghana) Limited (Refer note 5 (c))	99.89%	Ghana	-	-	-	-	-	-
2	Airtel Mobile Commerce (Kenya) Limited	100%	Kenya	0.00%	0	-	-	-	-
3	Airtel Mobile Commerce (Seychelles) Limited	100%	Seychelles	0.00%	(29)	-0.01%	(1)	0.06%	(1)
4	Airtel Mobile Commerce (Tanzania) Limited	100%	Tanzania	0.00%	0	-	-	-	-
5	Airtel Mobile Commerce Limited	100%	Malawi	0.00%	0	0.00%	-	0.00%	-
6	Airtel Mobile Commerce Madagascar S.A.	100%	Madagascar	-0.06%	(499)	-0.14%	(15)	0.61%	(15)
7	Airtel Mobile Commerce Rwanda Limited	100%	Rwanda	0.00%	1	-	-	-	-
8	Airtel Mobile Commerce Tchad S.a.r.l.	100%	Chad	0.00%	0	-	-	-	-
9	Airtel Mobile Commerce Uganda Limited	100%	Uganda	0.00%	0	-	-	-	-

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

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

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2018 and 2017 (Refer note 1 and 2)	Principal place of operation / country of incorporation	For the year ended March 31, 2018					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
10	Airtel Mobile Commerce Zambia Limited	100%	Zambia	-0.07%	(551)	-0.02%	(3)	0.11%	(3)
11	Airtel Money (RDC) S.A.	100%	Democratic Republic of Congo	0.02%	168	1.23%	135	-5.50%	135
12	Airtel Money Niger S.A.	90%	Niger	-	-	-	-	-	-
13	Airtel Money S.A. (Gabon)	100%	Gabon	0.04%	335	3.14%	345	-14.06%	345
14	Airtel Money Transfer Limited	100%	Kenya	-	-	-	-	-	-
15	Mobile Commerce Congo S.A.	100%	Congo Brazzaville	0.00%	1	-	-	-	-
16	Zap Trust Company Nigeria Limited #	100%	Nigeria	-	-	-	-	-	-
17	Airtel Money Tanzania Limited	60.04%	Tanzania	0.00%	(1)	-0.01%	(1)	0.03%	(1)
18	Airtel Mobile Commerce Nigeria Limited (incorporated on August 31, 2017)	83.25%	Nigeria	-	-	-	-	-	-
	- Submarine Cable System								
1	Network i2i Limited	100%	Mauritius	13.90%	108,870	25.71%	2,826	-115.11%	2,826
	-Telecommunication services								
1	Airtel (Seychelles) Limited	100%	Seychelles	0.10%	793	2.20%	242	-9.85%	242
2	Airtel Congo (RDC) S.A.	98.50%	Democratic Republic of Congo	-7.11%	(55,695)	-27.37%	(3,008)	122.51%	(3,008)
3	Airtel Congo S.A.	90%	Congo Brazzaville	-1.14%	(8,898)	11.36%	1,248	-50.85%	1,248
4	Airtel Gabon S.A.	90%	Gabon	-0.69%	(5,431)	29.75%	3,270	-133.18%	3,270
5	Airtel Ghana Limited (Refer note 5 (c))	99.89%	Ghana	-	-	-5.05%	(555)	22.61%	(555)
6	Airtel Madagascar S.A.	100%	Madagascar	-0.84%	(6,555)	-9.12%	(1,002)	40.83%	(1,002)
7	Airtel Malawi Limited	100%	Malawi	0.24%	1,902	14.82%	1,629	-66.36%	1,629

Notes to Consolidated Financial Statements

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

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

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2018 and 2017 (Refer note 1 and 2)	Principal place of operation / country of incorporation	For the year ended March 31, 2018					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
8	Airtel Networks Kenya Limited @	100%	Kenya	-3.33%	(26,094)	-17.80%	(1,956)	79.67%	(1,956)
9	Airtel Networks Limited	83.25%	Nigeria	-2.07%	(16,195)	-22.95%	(2,522)	102.73%	(2,522)
10	Airtel Rwanda Limited	100%	Rwanda	-1.56%	(12,234)	-16.86%	(1,853)	75.47%	(1,853)
11	Airtel Tanzania Public Limited Company (Formerly known as Airtel Tanzania Limited)	60%	Tanzania	-3.44%	(26,931)	-14.58%	(1,602)	65.27%	(1,602)
12	Airtel Tchad S.A.	100%	Chad	-0.65%	(5,124)	13.82%	1,519	-61.87%	1,519
13	Airtel Uganda Limited	100%	Uganda	0.11%	859	41.78%	4,591	-187.03%	4,591
14	Bharti Airtel (France) SAS	100%	France	0.04%	340	1.51%	166	-6.78%	166
15	Bharti Airtel (Hong Kong) Limited	100%	Hong Kong	0.00%	14	1.23%	135	-5.50%	135
16	Bharti Airtel (Japan) Private Limited	100%	Japan	0.00%	6	0.01%	1	-0.05%	1
17	Bharti Airtel (UK) Limited	100%	United Kingdom	0.07%	543	0.58%	63	-2.63%	64
18	Bharti Airtel (USA) Limited	100%	United States of America	0.09%	674	1.97%	217	-8.83%	217
19	Bharti Airtel Lanka (Private) Limited	100%	Sri Lanka	0.17%	1,295	-18.14%	(1,993)	81.20%	(1,993)
20	Bharti International (Singapore) Pte. Ltd.	100%	Singapore	2.08%	16,298	4.77%	525	-21.37%	525
21	Celtel Niger S.A.	90%	Niger	0.40%	3,168	20.69%	2,274	-92.64%	2,274
22	Airtel Networks Zambia Plc	96.36%	Zambia	0.22%	1,717	29.69%	3,263	-132.93%	3,263
23	Tigo Rwanda Limited (Subsidiary w.e.f. January 31, 2018)	100%	Rwanda	-0.16%	(1,276)	-0.83%	(92)	3.73%	(92)
	Minority Interests in all subsidiaries			11.25%	88,139	-98.67%	(10,845)	411.19%	(10,095)

Notes to Consolidated Financial Statements

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

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

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2018 and 2017 (Refer note 1 and 2)	Principal place of operation / country of incorporation	For the year ended March 31, 2018					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
	Associates (Investment as per the equity method)								
	A. Indian								
	- Financial Services								
1	Seynse Technologies Private Limited	22.54%	India	0.03%	222	-0.25%	(27)	1.12%	(27)
	- Others								
1	Juggernaut Books Private Limited (acquired on November 29, 2017)	10.71%	India	0.01%	58	-0.02%	(2)	0.08%	(2)
	B. Foreign								
	- Submarine cable system								
1	Seychelles Cable Systems Company Limited	26%	Seychelles	0.03%	226	1.87%	205	-8.37%	205
	- Telecommunication services								
1	Robi Axiata Limited	25%	Bangladesh	2.76%	21,620	-2.57%	(282)	10.72%	(263)
	Joint Ventures (Investment as per the equity method)								
	A. Indian								
	- Passive infrastructure services								
1	Indus Towers Limited	22.5% ^^^	India	7.42%	58,110	107.51%	11,816	-481.35%	11,817
	- Telecommunication services								
1	FireFly Networks Limited	50%	India	0.00%	3	0.03%	3	-0.13%	3
	B. Foreign								
	- Provision of regional mobile services								
1	Bridge Mobile Pte Limited	10%	Singapore	0.01%	58	0.06%	6	-0.26%	6

Notes to Consolidated Financial Statements

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

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

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2018 and 2017 (Refer note 1 and 2)	Principal place of operation / country of incorporation	For the year ended March 31, 2018					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
	- Investment Company								
1	Bharti Airtel Ghana Holdings B.V. (Refer note 5 (c))	50%	Netherlands	0.48%	3,756	-	-	-	-
	- Mobile commerce services								
1	Airtel Mobile Commerce (Ghana) Limited (Refer note 5 (c))	49.95%	Ghana	-0.02%	(145)	-0.61%	(67)	2.74%	(67)
2	Mobile Financial Services Limited (Refer note 5 (c))	50%	Ghana	0.01%	54	-0.02%	(3)	0.11%	(3)
	- Telecommunication services								
1	Airtel Ghana Limited (Refer note 5 (c))	49.95%	Ghana	-0.17%	(1,362)	-2.83%	(311)	12.66%	(311)
2	Millicom Ghana Company Limited (Refer note 5 (c))	49.95%	Ghana	-0.12%	(952)	-1.96%	(216)	8.79%	(216)
	Inter-company eliminations / adjustments on consolidation				(814,885)		15,515		(6,723)
	Total			**100%**	**783,483**	**100%**	**10,990**	**100%**	**(2,455)**

Notes to Consolidated Financial Statements

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

Table 2 - Details pertaining to share in other comprehensive income

S. No.	Name of the entity	% of shareholding as at March 31, 2018 and 2017 (Refer note 1 and 2)	Principal place of operation / country of incorporation	For the year ended March 31, 2018	
				Share in other comprehensive income ('OCI')	
				As % of OCI	Amount
	Parent				
	Telecommunication services				
1	Bharti Airtel Limited	100%	India	-0.42%	57
	Subsidiaries				
	- Indian				
	- Telecommunication services				
1	Bharti Hexacom Limited	70%	India	-0.01%	2
2	Nxtra Data Limited	100%	India	-0.01%	2
3	Telesonic Networks Limited	100%	India	0.09%	(12)
4	Wynk Limited	100%	India	0.00%	(0)
	- Direct To Home services				
1	Bharti Telemedia Limited	95%	India	-0.02%	3
	- Infrastructure sharing services				
1	Bharti Infratel Limited	53.5% ^	India	-0.18%	24
	- Investment Company				
1	Nettle Infrastructure Investments Limited	100%	India	-58.70%	7,892
	- Other				
1	Bharti Airtel Services Limited	100%	India	-0.05%	7
	- Foreign				
	- Telecommunication services				
1	Bharti Airtel (Japan) Private Limited	100%	Japan	0.00%	0
2	Bharti Airtel (UK) Limited	100%	United Kingdom	-0.01%	1
3	Bharti Airtel (Hong Kong) Limited	100%	Hong Kong	0.00%	(0)
	- Investment Company				
1	Bharti Airtel International (Mauritius) Limited	100%	Mauritius	-0.35%	47
	Minority Interests in all subsidiaries			-5.58%	750
	Associates (Investment as per the equity method)				
	A. Foreign				
	- Telecommunication services				
1	Robi Axiata Limited	25%	Bangladesh	-0.14%	19
	Joint Ventures (Investment as per the equity method)				
	A. Indian				
	- Passive infrastructure services				
1	Indus Towers Limited	22.5% ^^^	India	-0.01%	1
	Inter-company eliminations / adjustments on consolidation				(22,238)
	Total			**100%**	**(13,445)**

Notes:

1 - Changes in shareholding during the year ended March 31, 2018:
^ The Company has reduced its shareholding to 53.5% (61.68% in March 31, 2017) during the year ended March 31, 2018.
^^ The Company has increased its shareholding to 100% (95% in March 31, 2017) during the year ended March 31, 2018.
^^^ The Company has reduced its shareholding to 22.5% (25.91% in March 31, 2017) during the year ended March 31, 2018.

2 - Others

Liquidated during the year ended March 31, 2018
Under liquidation
@ The Group also holds 100% preference shareholding in the Company. The preference shares do not carry any voting rights.
The figures which are appearing as '0' are result of rounding off

Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2018, pursuant to Section 129 (3) of the Companies Act 2013

Part A - Subsidiaries

₹ in Millions

S No.	Name of the Subsidiary	Date on which subsidiary was acquired / incorporated	Country of Registration	Reporting Currency	Reporting Period	Financial Year End	Exchange Rate as of March 31, 2018	Share Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend **	Capital Expenditure during the reporting period @	Community Contribution @ ^	% of shareholding
1	Airtel Payments Bank Limited	April 1, 2010	India	INR	Apr'17 to Mar'18	March 31, 2018	1.000	10,050	(7,744)	9,362	7,056	3,905	1591^^	(2,726)	-	(2,726)	-	260	-	80.10%
2	Bharti Airtel (France) SAS	June 9, 2010	France	EUR	Apr'17 to Mar'18	March 31, 2018	80.153	1	340	1,309	968	-	1,878	195	42	153	-	605	-	100%
3	Bharti Airtel (Hong Kong) Limited	October 12, 2006	Hong Kong	HKD	Apr'17 to Mar'18	March 31, 2018	8.306	41	(27)	399	385	-	619	142	6	136	-	33	-	100%
4	Bharti Airtel (Japan) Private Limited	April 5, 2010	Japan	JPY	Apr'17 to Mar'18	March 31, 2018	0.613	0	6	33	27	-	28	(1)	(3)	2	-	-	-	100%
5	Bharti Airtel Services Limited	March 26, 2001	India	INR	Apr'17 to Mar'18	March 31, 2018	1.000	1	(313)	5,307	5,619	-	4,877	596	(92)	688	-	125	-	100%
6	Bharti Airtel (UK) Limited	August 29, 2006	United Kingdom	GBP	Apr'17 to Mar'18	March 31, 2018	91.459	31	512	4,199	3,656	-	23,844	67	7	60	-	171	-	100%
7	Bharti Airtel (USA) Limited	September 12, 2006	United States of America	USD	Apr'17 to Mar'18	March 31, 2018	65.175	0*	674	1,282	608	-	1,472	300	80	220	-	122	-	100%
8	Bharti International (Singapore) Pte Ltd	March 18, 2010	Singapore	USD	Apr'17 to Mar'18	March 31, 2018	65.175	127,985	(112,738)	38,140	22,893	24,972	6,024	644	116	528	-	1,045	-	100%
9	Bharti Airtel International (Mauritius) Limited	April 6, 2010	Mauritius	INR	Apr'17 to Mar'18	March 31, 2018	65.175	234,954	(219,505)	15,454	5	-	123	121	3	118	-	-	-	100%
10	Bharti Airtel Lanka (Private) Limited	March 29, 2007	Sri Lanka	LKR	Apr'17 to Mar'18	March 31, 2018	0.419	22,937	(21,642)	6,737	5,442	-	4,032	(1,964)	20	(1,984)	-	-	-	100%
11	Bharti Hexacom Limited	May 18, 2004	India	INR	Apr'17 to Mar'18	March 31, 2018	1.000	2,500	62,393	103,470	38,577	0	44,083	(1,761)	(642)	(1,119)	-	13,198	100	70%
12	Indo Teleports Limited	March 4, 2009	India	INR	Apr'17 to Mar'18	March 31, 2018	1.000	230	(790)	453	1,013	-	296	(111)	-	(111)	-	3	-	100%
13	Bharti Infratel Limited	November 30, 2006	India	INR	Apr'17 to Mar'18	March 31, 2018	1.000	18,496	158,758	202,040	24,786	63,226	66,180	32,270	8,131	24,139	31,166	11,223	294	53.5%
14	Smatrx Services Limited	September 21, 2015	India	INR	Apr'17 to Mar'18	March 31, 2018	1.000	30	5	226	191	-	32	7	2	5	-	139	-	53.5%
15	Bharti Telemedia Limited	June 5, 2007	India	INR	Apr'17 to Mar'18	March 31, 2018	1.000	5,102	(30,097)	26,460	51,455	-	37,570	2,829	-	2,829	-	10,345	5	95%
16	Network i2i Limited	September 28, 2007	Mauritius	USD	Apr'17 to Mar'18	March 31, 2018	65.175	82,605	26,417	161,639	52,617	-	4,327	2,964	89	2,875	-	2,220	-	100%
17	Telesonic Networks Limited	February 5, 2013	India	INR	Apr'17 to Mar'18	March 31, 2018	1.000	939	(322)	4,490	3,873	-	7,161	357	123	234	-	36	7	100%
18	Nxtra Data Limited	July 2, 2013	India	INR	Apr'17 to Mar'18	March 31, 2018	1.000	90	93	5,531	5,348	4	3,202	365	130	235	-	1,133	-	100%
19	Wynk Limited	January 13, 2015	India	INR	Apr'17 to Mar'18	March 31, 2018	1.000	1	550	1,810	1,259	-	2,812	216	75	141	-	23	-	100%
20	Nettle Infrastructure Investments Limited (formerly known as Nettle Developers Limited)	March 14, 2017	India	INR	Apr'17 to Mar'18	March 31, 2018	1.000	1	(17,146)	39,652	56,797	310	838	837	-	837	-	-	-	100%
21	Bharti Airtel International (Mauritius) Investments Limited	March 26, 2018	Mauritius	USD	Apr'17 to Mar'18	March 31, 2018	65.175	0	(1)	-	1	-	-	1	-	1	-	-	-	100%
22	Bharti Digital Networks Private Limited (Formerly known as Tikona Digitel Networks Private Limited)	August 24, 2017	India	INR	Apr'17 to Mar'18	March 31, 2018	1.000	21	6,035	17,099	11,043	-	798	(1,084)	0	(1,084)	-	550	-	100%
23	Bharti Airtel International (Netherlands) B.V.	March 19, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	142,773	(138,282)	408,346	403,855	2,925	2,062	(19,135)	(4,814)	(14,321)	-	26	-	100%

Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2018, pursuant to Section 129 (3) of the Companies Act 2013

Part A - Subsidiaries

₹ in Millions

S No.	Name of the Subsidiary	Date on which subsidiary was acquired / incorporated	Country of Registration	Reporting Currency	Reporting Period	Financial Year End	Exchange Rate as of March 31, 2018	Share Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend **	Capital Expenditure during the reporting period @	Community Contribution @ ^	% of shareholding
24	Bharti Airtel Africa B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	44	52,400	391,024	338,580	10,441	-	(41,567)	-	(41,567)	-	-	-	100%
25	Bharti Airtel Burkina Faso Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	45,524	45,525	-	-	-	10	-	10	-	-	-	100%
26	Bharti Airtel Chad Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	594	14,188	13,593	-	-	(343)	-	(343)	-	-	-	100%
27	Airtel Tchad S.A.	June 8, 2010	Chad	XAF	Jan'17 to Dec'17	December 31, 2017	0.122	3,397	(9,561)	25,888	32,052	-	8,823	(415)	132	(547)	-	1,350	21	100%
28	Bharti Airtel Gabon Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	8,773	10,653	1,879	-	-	51	-	51	-	-	-	100%
29	Airtel Gabon S.A.	June 8, 2010	Gabon	XAF	Jan'17 to Dec'17	December 31, 2017	0.122	733	(9,695)	10,081	19,043	-	9,771	1,006	98	908	-	249	-	90%
30	Bharti Airtel Congo Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	6,464	13,090	6,625	-	-	94	-	94	-	-	-	100%
31	Airtel Congo S.A.	June 8, 2010	Congo Brazzavile	XAF	Jan'17 to Dec'17	December 31, 2017	0.122	635	(9,168)	11,382	19,915	-	11,038	603	124	479	-	981	-	90%
32	Bharti Airtel RDC Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	3,413	58,639	55,225	-	-	(1,971)	-	(1,971)	-	-	-	100%
33	Airtel Congo (RDC) S.A.	June 8, 2010	Democratic Republic of Congo	CDF	Jan'17 to Dec'17	December 31, 2017	0.040	4	(49,220)	53,988	1,03,204	-	13,929	(22,295)	141	(22,436)	-	1,525	-	98.50%
34	Bharti Airtel Mali Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	200	647	446	-	-	(16)	-	(16)	-	-	-	100%
35	Bharti Airtel Kenya Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	(2,640)	70,514	73,153	-	-	(96)	-	(96)	-	-	-	100%
36	Bharti Airtel Kenya B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	(8,013)	62,503	70,515	-	-	(1,765)	-	(1,765)	-	-	-	100%
37	Airtel Networks Kenya Limited #	June 8, 2010	Kenya	KES	Jan'17 to Dec'17	December 31, 2017	0.645	16,283	(39,171)	17,022	39,910	-	10,813	(3,839)	-	(3,839)	-	588	2	100%
38	Bharti Airtel Malawi Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	502	5,036	4,533	-	-	77	-	77	-	-	-	100%
39	Airtel Malawi Limited	June 8, 2010	Malawi	MWK	Jan'17 to Dec'17	December 31, 2017	0.090	0	1,571	13,314	11,743	-	7,610	1,775	648	1,127	-	1,182	-	100%
40	Bharti Airtel Niger Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	11,876	12,416	539	-	-	1,542	-	1,542	-	-	-	100%
41	Celtel Niger S.A.	June 8, 2010	Niger	XOF	Jan'17 to Dec'17	December 31, 2017	0.122	183	4,457	21,505	16,865	-	12,225	2,339	911	1,428	-	374	7	90%
42	Airtel Networks Zambia Plc	June 8, 2010	Zambia	ZMW	Jan'17 to Dec'17	December 31, 2017	6.877	7	3,185	15,368	12,176	-	15,100	3,126	623	2,503	-	2,168	-	96.36%
43	Bharti Airtel Uganda Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	(9,691)	1,554	11,244	-	-	(3,720)	-	(3,720)	-	-	-	100%
44	Airtel Uganda Limited	June 8, 2010	Uganda	UGS	Jan'17 to Dec'17	December 31, 2017	0.018	222	4,024	23,023	18,777	-	20,398	6,667	2,340	4,327	-	1,631	0	100%
45	Bharti Airtel Tanzania B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	(4,145)	33,349	37,493	-	-	(906)	-	(906)	-	-	-	100%
46	Airtel Tanzania Public Limited Company (formerly known as Airtel Tanzania Limited)	June 8, 2010	Tanzania	TZS	Jan'17 to Dec'17	December 31, 2017	0.029	1,183	(27,666)	15,436	41,919	-	14,151	(3,125)	42	(3,167)	-	482	-	60%
47	Bharti Airtel Madagascar Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	(1,630)	14,385	16,014	-	-	(468)	-	(468)	-	-	-	100%
48	Channel Sea Management Company (Mauritius) Limited	June 8, 2010	Mauritius	USD	Jan'17 to Dec'17	December 31, 2017	65.175	1	33	35	1	-	-	(2)	-	(2)	-	-	-	100%

Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2018, pursuant to Section 129 (3) of the Companies Act 2013

Part A - Subsidiaries

₹ in Millions

S No.	Name of the Subsidiary	Date on which subsidiary was acquired / incorporated	Country of Registration	Reporting Currency	Reporting Period	Financial Year End	Exchange Rate as of March 31, 2018	Share Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend **	Capital Expenditure during the reporting period @	Community Contribution @ ^	% of shareholding
49	Bharti Airtel Rwanda Holdings Limited	June 8, 2010	Mauritius	USD	Jan'17 to Dec'17	December 31, 2017	65.175	3	178	14,253	14,072	-	-	(2)	-	(2)	-	-	-	100%
50	Montana International	June 8, 2010	Mauritius	USD	Jan'17 to Dec'17	December 31, 2017	65.175	0	(13)	3	16	-	-	(1)	-	(1)	-	-	-	100%
51	Airtel Madagascar S.A.	June 8, 2010	Madagascar	MGA	Jan'17 to Dec'17	December 31, 2017	0.020	60	(5,908)	9,453	15,301	-	3,488	727	18	709	-	380	2	100%
52	Bharti Airtel Nigeria Holdings II B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	(108)	138,876	138,983	-	-	10	-	10	-	-	-	100%
53	Bharti Airtel Nigeria B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	(48,685)	90,333	139,017	-	-	(4,497)	-	(4,497)	-	-	-	100%
54	Bharti Airtel Services B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	322	708	385	-	54	-	-	-	-	-	-	100%
55	Airtel Networks Limited	June 8, 2010	Nigeria	NGN	Jan'17 to Dec'17	December 31, 2017	0.181	36	(16,233)	51,448	67,645	-	57,112	(27)	1,034	(1,061)	-	7,889	11	83.25%
56	Bharti Airtel Zambia Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	31,945	31,946	-	-	-	2,794	-	2,794	-	-	-	100%
57	Airtel Mobile Commerce Limited	June 8, 2010	Malawi	MWK	Jan'17 to Dec'17	December 31, 2017	0.090	0	20	635	615	-	-	18	-	18	-	-	-	100%
58	Airtel Mobile Commerce (Kenya) Limited	June 8, 2010	Kenya	KES	Jan'17 to Dec'17	December 31, 2017	0.645	0	-	811	811	-	-	-	-	-	-	-	-	100%
59	Celtel (Mauritius) Holdings Limited	June 8, 2010	Mauritius	USD	Jan'17 to Dec'17	December 31, 2017	65.175	1	2,622	10,558	7,935	-	-	180	33	147	-	-	-	100%
60	Airtel Mobile Commerce Zambia Limited	June 8, 2010	Zambia	ZMW	Jan'17 to Dec'17	December 31, 2017	6.877	14	(555)	543	1,084	-	174	3	1	2	-	5	-	100%
61	Airtel Mobile Commerce Tchad S.a.r.l.	June 8, 2010	Chad	XAF	Jan'17 to Dec'17	December 31, 2017	0.122	0	1	101	100	-	2	1	1	-	-	-	-	100%
62	Airtel Mobile Commerce B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	(47)	257	303	-	-	(10)	-	(10)	-	-	-	100%
63	Airtel Money S.A. (Gabon)	October 26, 2010	Gabon	XAF	Jan'17 to Dec'17	December 31, 2017	0.122	1	33	2,523	2,489	-	1,360	422	97	325	-	-	-	100%
64	Malawi Towers Limited	December 15, 2010	Malawi	MWK	Jan'17 to Dec'17	December 31, 2017	0.090	1	(1,798)	4,931	6,728	-	685	(372)	(107)	(265)	-	95	-	100%
65	Airtel Money Niger S.A.	June 8, 2010	Niger	XOF	Jan'17 to Dec'17	December 31, 2017	0.122	160	(181)	1,336	1,357	-	93	(21)	1	(22)	-	-	-	90%
66	Société Malgache de Téléphone Cellulaire S.A.	June 8, 2010	Mauritius	USD	Jan'17 to Dec'17	December 31, 2017	65.175	3	(19)	3	19	-	-	(164)	-	(164)	-	-	-	100%
67	Airtel Mobile Commerce Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	(0)	1	-	-	-	-	-	-	-	-	-	100%
68	Indian Ocean Telecom Limited	October 19, 2010	Jersey	USD	Jan'17 to Dec'17	December 31, 2017	65.175	163	786	959	10	-	-	(3)	-	(3)	-	-	-	100%
69	Airtel (Seychelles) Limited	August 27, 2010	Seychelles	SCR	Jan'17 to Dec'17	December 31, 2017	4.835	174	517	1,951	1,260	242	1,551	343	167	176	-	83	1	100%
70	Airtel Mobile Commerce (Tanzania) Limited	November 11, 2010	Tanzania	TZS	Jan'17 to Dec'17	December 31, 2017	0.029	0	-	3,221	3,221	-	-	-	-	-	-	-	-	100%
71	Airtel Mobile Commerce Uganda Limited	October 7, 2010	Uganda	UGS	Jan'17 to Dec'17	December 31, 2017	0.018	0	-	4,361	4,361	-	-	-	-	-	-	-	-	100%
72	Africa Towers N.V.	October 5, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	4	(449)	1,663	2,108	-	-	(51)	-	(51)	-	-	-	100%
73	Madagascar Towers S.A.	March 15, 2011	Madagascar	MGA	Jan'17 to Dec'17	December 31, 2017	0.020	0	474	4,120	3,646	-	1,360	147	70	77	-	2	-	100%
74	Mobile Commerce Congo S.A.	June 8, 2010	Congo Brazzaville	XAF	Jan'17 to Dec'17	December 31, 2017	0.122	1	-	277	276	-	-	-	-	-	-	-	-	100%
75	Tanzania Towers Limited	March 15, 2011	Tanzania	TZS	Jan'17 to Dec'17	December 31, 2017	0.029	0	(31)	-	31	-	-	(1)	-	(1)	-	-	-	60%

Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2018, pursuant to Section 129 (3) of the Companies Act 2013

Part A - Subsidiaries

₹ in Millions

S No.	Name of the Subsidiary	Date on which subsidiary was acquired / incorporated	Country of Registration	Reporting Currency	Reporting Period	Financial Year End	Exchange Rate as of March 31, 2018	Share Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend **	Capital Expenditure during the reporting period @	Community Contribution @ ^	% of shareholding
76	Airtel Money (RDC) S.A.	June 8, 2010	Democratic Republic of Congo	CDF	Jan'17 to Dec'17	December 31, 2017	0.040	91	(1,575)	1,909	3,393	-	737	(347)	36	(383)	-	19	-	100%
77	Congo RDC Towers S.A.	April 5, 2011	Democratic Republic of Congo	CDF	Jan'17 to Dec'17	December 31, 2017	0.040	4	(463)	3,051	3,510	-	-	(385)	4	(397)	-	-	-	100%
78	Gabon Towers S.A. ##	May 17, 2011	Gabon	XAF	Jan'17 to Dec'17	December 31, 2017	0.122	1	(6)	1	6	-	1	0	(0)	0	-	-	-	90%
79	Airtel Mobile Commerce Madagascar S.A.	April 5, 2011	Madagascar	MGA	Jan'17 to Dec'17	December 31, 2017	0.020	0	(495)	1,067	1,562	-	88	75	33	42	-	-	-	100%
80	Airtel Rwanda Limited	September 2, 2011	Rwanda	RWF	Jan'17 to Dec'17	December 31, 2017	0.076	8	(12,284)	3,910	16,186	-	1,226	(1,619)	-	(1,619)	-	69	0	100%
81	Africa Towers Services Limited ##	September 8, 2011	Kenya	KES	Jan'17 to Dec'17	December 31, 2017	0.645	0	(0)	126	126	-	-	(1)	-	(1)	-	-	-	100%
82	Airtel Mobile Commerce Rwanda Limited	February 22, 2013	Rwanda	RWF	Jan'17 to Dec'17	December 31, 2017	0.076	1	-	96	95	-	-	-	-	-	-	-	-	100%
83	Airtel Mobile Commerce (Seychelles) Limited	August 9, 2013	Seychelles	SCR	Jan'17 to Dec'17	December 31, 2017	4.835	5	(34)	10	39	-	0	(2)	-	(2)	-	-	-	100%
84	Airtel Money Tanzania Limited	June 10, 2016	Tanzania	TZS	Jan'17 to Dec'17	December 31, 2017	0.029	0	(1)	0	1	-	-	(0)	-	-	-	-	-	60.04%
85	Tigo Rwanda Limited ###	January 31, 2018	Rwanda	RWF	Jan'17 to Dec'17	December 31, 2017	0.076	2,474	(17,021)	5,570	20,117	-	3,436	(1,237)	-	(1,237)	-	752	-	100%
86	Airtel Mobile Commerce Nigeria Limited	August 31, 2017	Nigeria	NGN	Jan'17 to Dec'17	December 31, 2017	0.181	-	-	-	-	-	-	-	-	-	-	-	-	83.25%

Notes:

1. The above financial information is basis audited / unaudited financial statements / financial information considered for the purpose of consolidated audited Ind AS financial statements.
2. The figures which are appearing as '0' are result of rounding off.

^ Financial information has been extracted from the submission considered for the purpose of consolidated audited Ind AS financial statements.
^^ It includes INR 1,109 Mn of Commission income for the year ended March 31, 2018 (INR 680 Mn for March 31, 2017).
# Share capital includes preference share capital.
The subsidiary is under liquidation as at March 31, 2018.
The group has acquired the subsidiary on January 31, 2018. However, the financial information is pertaining to the period prior to the acquisition date.
* Investments exclude investments in subsidiaries.
** Proposed dividend includes dividend distribution tax.
@ Voluntary disclosure.

Other details:
Subsidiaries yet to commence operations

1 Partnership investments Sprl
2 Bharti Airtel Developers Forum Limited
3 Airtel Money Transfer Limited

Subsidiaries have been liquidated / sold during the year

1 Bharti Airtel DTH Holdings B.V.
2 Airtel DTH Services Nigeria Limited
3 Bharti Airtel Nigeria Holdings B.V.
4 MSI-Celtel Nigeria Limited
5 Towers Support Nigeria Limited
6 Zap Trust Company Nigeria Limited
7 Bharti Airtel Ghana Holdings B.V. @@
8 Airtel Ghana Limited @@
9 Airtel Mobile Commerce (Ghana) Limited @@
10 Bangladesh Infratel Networks Limited
11 Bharti Infratel Lanka (Private) Limited

@@ Refer note 5 (c) of the consolidated financial statements included in the Annual Report.

Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2018, pursuant to Section 129 (3) of the Companies Act 2013

Part B - Associates and Joint Ventures

₹ in Millions

S No.	Name of the Associate / Joint Venture	Date on which Associate / Joint Venture was associated or acquired	Latest audited Balance Sheet date	Share of Associates / Joint Ventures held by the company as of March 31, 2018			Description of how there is significant influence / joint control	Net Worth attributable to shareholders as per latest audited Balance Sheet	Profit / (loss) for the year ended March 31, 2018	
				Number of shares	Amount of Investment in Associate / Joint Venture	Extent of holding %			Considered in consolidation	Not Considered in consolidation
	Associates									
1	Robi Axiata Limited	November 16, 2016	December 31, 2017	1,178,535,001	21,620	25%	by virtue of shareholding	11,491	(282)	-
2	Seynse Technologies Private Limited	February 21, 2017	March 31, 2017	6,824	222	22.54%		72	(27)	-
3	Seychelles Cable Systems Company Limited	June 8, 2010	June 30, 2017	260	226	26%		252	205	-
4	Juggernaut Books Private Limited *	November 26, 2017	March 31, 2017	1,039,649	58	10.71%	by virtue of shareholder agreement	NA*	(2)	-
	Joint Ventures									
1	Bridge Mobile Pte Limited	November 3, 2004	March 31, 2017	800,000	58	10%	by virtue of shareholding	52	6	-
2	Indus Towers Limited **	December 7, 2007	March 31, 2018	500,504	58,110	22.5%		29,676	11,816	-
3	FireFly Networks Limited	February 4, 2014	March 31, 2017	1,000,000	3	50%		(0)	3	-
4	Bharti Airtel Ghana Holdings B.V. #	October 12, 2017	March 31, 2017	18,000	8,948	50%		NA#	-	-
5	Airtel Mobile Commerce (Ghana) Limited #	October 12, 2017	December 31, 2016	2,497,500	(145)	49.95%		NA#	(67)	-
6	Mobile Financial Services Limited *	October 12, 2017	December 31, 2016	2,500,000	54	50%		NA*	(3)	-
7	Airtel Ghana Limited #	October 12, 2017	December 31, 2016	440,709,862	(1,362)	49.95%		NA#	(311)	-
8	Milicom Ghana Company Limited *	October 12, 2017	December 31, 2016	249,750	(952)	49.95%		NA*	(216)	-

* The group has acquired the stake in the entity during the year ended March 31, 2018. However, the latest audited balance sheet is pertaining to the period prior to the acquisition date.

** Profit / (loss) considered for consolidation is based on direct shareholding of Bharti Infratel Limited as against effective shareholding of the Company.

Refer note 5 (c) of the consolidated financial statements included in the Annual report.

Notes :

Amount of investment in joint venture / associate is based on the carrying value of investments in the consolidated financial statements of Bharti Airtel Limited.

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

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director
& CEO (India & South Asia)
DIN: 02291778

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Place : **New Delhi**
Date : **April 24, 2018**

Notes

Notes

Notes

Circle Offices

Andhra Pradesh

1-8-437, 438&445, Splendid Towers
Opp begumpet Police Station,
Huda Road, Begumpet,
Hyderabad- 500016,
Telangana

Assam & North East States

Bharti House, Six Mile,
Khanapara, Srimanta Sankardev Path,
Guwahati - 781022,
Assam

Bihar & Jharkhand

Airtel Campus, Plot no 18,
Patliputra Industrial Area,
Patna - 800013,
Bihar

Delhi NCR

Plot No. 16, NH-8
Udyog Vihar, Phase-IV,
Gurgaon - 122015,
Haryana

Gujarat

2nd Floor, Zodiac Square,
Opp. Gurudwara, S. G. Highway,
Ahmedabad - 380054
Gujarat

Haryana, Punjab, Himachal and J&K

Plot No. 21, Rajiv Gandhi
Chandigarh Technology Park,
Chandigarh - 160101

Karnataka

Divyasree Towers, No.55,
Bannerghatta Main Road,
Opp Jayadeva Hospital,
Bangalore - 560029,
Karnataka

Kerala & Tamil Nadu

Oceanic Tower,
101, Santhome High Road,
Santhome, Chennai - 600028,
Tamil Nadu

Madhya Pradesh & Chhattisgarh

3rd & 4th Floor, Scheme No. 54,
Metro Tower, AB Road,
Indore - 452010,
Madhya Pradesh

Maharashtra & Goa

Vega Centre, A - Building,
2nd Floor, Shankarsheth Road,
Next to Income tax office
Swargate, Pune - 411037,
Maharashtra

Mumbai

6th & 7th Floor,
Interface Building No. 7,
Mindspace, Malad Link Road,
Malad (W), Mumbai - 400064,
Maharashtra

Rajasthan

K-21, Sunny House,
Malviya Marg, C-Scheme,
Jaipur - 302001,
Rajasthan

Uttar Pradesh & Uttaranchal

TCG - 7/7 Vibhuti Khand,
Gomti Nagar,
Lucknow - 226010,
Uttar Pradesh

West Bengal & Odisha

1st, 5th, 6th & 7th Floor, Infinity Building,
Salt Lake Electronics Complex,
Block GP, Sector V, Kolkata-700091
West Bengal

bharti

Registered & Corporate Office

Bharti Airtel Limited

Bharti Crescent, 1, Nelson Mandela Road,
Vasant Kunj, Phase II, New Delhi - 110 070, India.
CIN No.: L74899DL1995PLC070609
Telephone No.: +91 11 46666100
Fax No.: +91 11 46666137
Email: compliance.officer@bharti.in
Website: www.airtel.com

a K&A creation | www.kalolwala.co.in



airtel

2017-18

Integrated Report and Annual Accounts

Bharti Airtel Limited

Creating a digitally connected world

About this Report

Bharti Airtel Limited is pleased to present its first Integrated Report. With this, we begin a journey aimed to showcase the value we create for all our stakeholders.

As we take strides to strengthen our value creation philosophy through 'Integrated Reporting' in the coming years, for now we shall continue to disclose in-depth analysis of the material impact of our business operations on economic, social and environmental indicators across the stakeholder fraternity through our Sustainability Report, which shall be published separately.

Reporting scope and period

The Integrated Report covers information on business operations of Bharti Airtel Limited, aptly disclosed through six capitals as defined by International Integrated Reporting Council (IIRC). All the six capitals (except financial capital) cover information on India operations excluding Bharti Infratel Limited and Airtel Payments Bank Limited. The parameters for financial capital covered in this report are in relation to 'Bharti Airtel Limited' on standalone basis.

The Integrated Report considers the primary reporting period as April 01, 2017 to March 31, 2018. However, some of the sections of the report represent facts and figures of previous years to provide a comprehensive view to the stakeholders.

Reporting framework

The report follows the International <IR> Framework as developed by IIRC (www.integratedreporting.org) and should be read in conjunction with the financial statements included herein and the notes thereto. The financial and statutory data presented is in accordance with the requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable laws.

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

For the online version of the Annual Report please log on to http://www.airtel.com

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Key company information

Bharti Airtel Limited
ISIN: INE397D01024
BSE Code: 532454
NSE Code: BHARTIARTL
CIN: L74899DL1995PLC070609

Assurance

To ensure the integrity of facts and information, the Board of Directors and management have reviewed the Integrated Report and Ernst & Young LLP (EY) has carried out the independent assurance on sustainability disclosures presented in the report. The 'Independent Assurance Statement' issued by EY is available on our website www.airtel.com.

The statutory auditors, Deloitte Haskins & Sells LLP, Chartered Accountants have provided assurance on the financial statements and the 'Independent Auditor's Report' has been duly incorporated as a part of this report.



Sunil Bharti Mittal
Chairman



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



Raghunath Mandava
Managing Director & CEO
(Africa)

Read Inside

006 056 Integrated Report

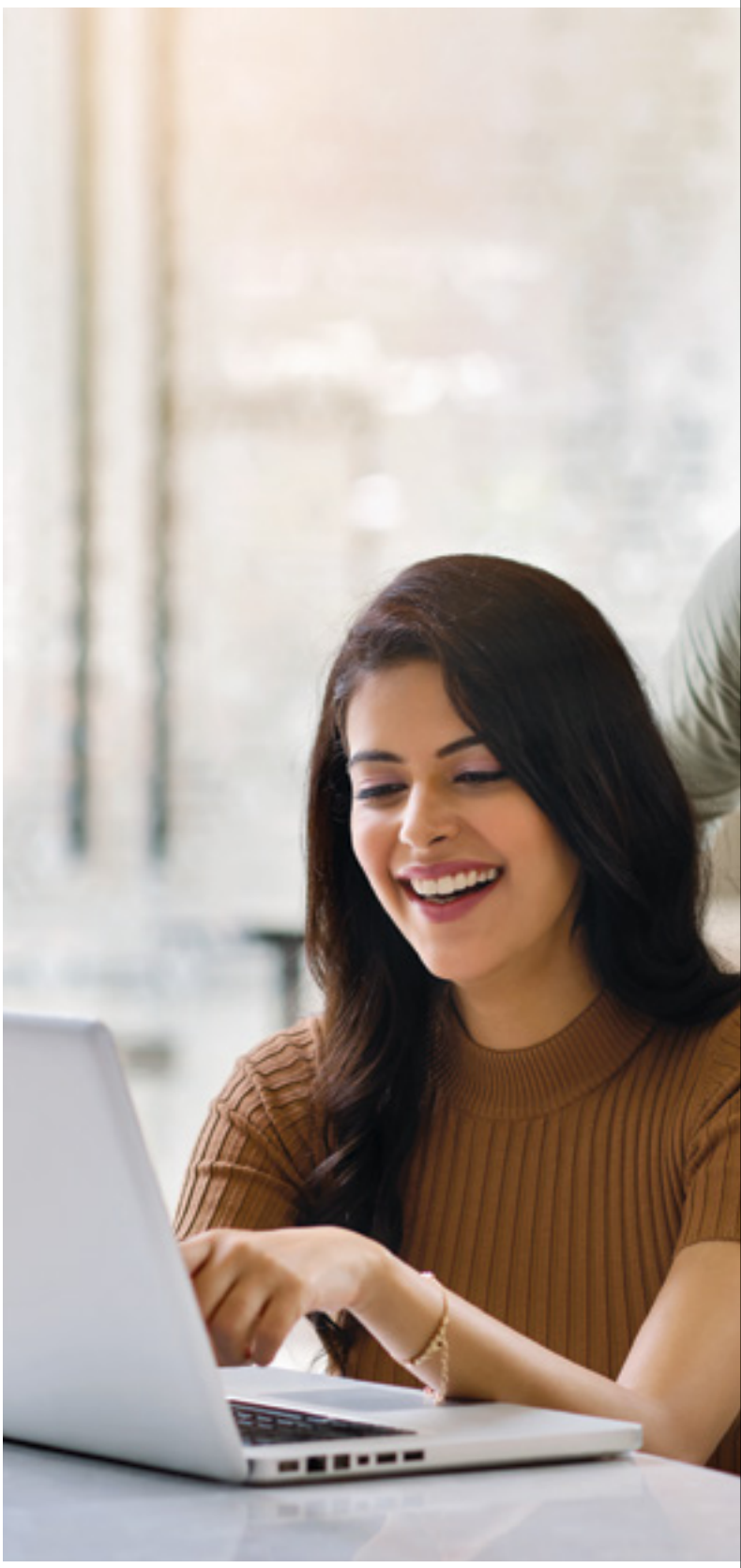
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Corporate Information



Board of Directors

Mr. Sunil Bharti Mittal, Chairman
Mr. Ben Verwaayen
Ms. Chua Sock Koong
Mr. Craig Edward Ehrlich
Mr. Dinesh Kumar Mittal
Mr. Manish Kejriwal
Mr. Rakesh Bharti Mittal
Mr. Shishir Priyadarshi
Ms. Tan Yong Choo
Mr. V. K. Viswanathan
Mr. Gopal Vittal, Managing Director & CEO (India & South Asia)

Managing Director & CEO (Africa)

Bharti Airtel International (Netherlands) B.V.

Mr. Raghunath Mandava

Chief Financial Officer

Mr. Nilanjan Roy

Company Secretary

Mr. Pankaj Tewari

Statutory Auditors

Deloitte Haskins & Sells LLP
Chartered Accountants

Internal Assurance Partners

Ernst & Young LLP
ANB & Co., Chartered Accountants

Cost Auditors

R.J. Goel & Co.
Cost Accountants

Secretarial Auditors

Chandrasekaran Associates
Company Secretaries

Registered & Corporate Office

Bharti Crescent, 1, Nelson Mandela Road,
Vasant Kunj, Phase – II, New Delhi – 110 070, India
CIN: L74899DL1995PLC070609

Website

http://www.airtel.com





Every monumental year for an industry brings with it certain decisive turn of priorities that change its landscape, for good. The same has been true for telecommunication this year. FY'18 has been quite disruptive for the industry in India for more reasons than one – and hence quite transformational as well. A highly competitive intensity reigned, and amidst all that we chose to keep our eyes less on the downward spiral of obstacles and more on the rising graph of possibilities – the greatest of which has been venturing beyond being purely mobile oriented to a comprehensive digital service provider.

India has always been a mobile first market, and with the role of a smartphone extending beyond just a communication device has further expedited a massive rollout of networks on the part of the providers – including us, which led to the creation of a high speed broadband network in India. The penetration of affordable handsets has increased; convergence of Payments via smartphones and the demonetization and cashless drive has acted as a catalyst for the growth of digital payments in India and the convergence of telecom services like connectivity, entertainment, education, and banking has led to a greater level of convenience and freedom for our customers as they are now able to run their day to day lives from the gadget in their hand.

As per IAMAI, the number of internet users in India will grow significantly in 2018 – the growth being visible in both urban and rural areas. The high-speed mobile broadband penetration in India has been at an all time high, and there has been a major shift in the data consumption trends of both the individual and group nature. And to top it all, by 2020, India will be the world's youngest country with 64% of its population in the working age group – which will be an unprecedented edge, considering the crucial relevance of mobile data usage in this demographic for learning, financial transactions, healthcare, shopping and so on.

Hence, at Airtel, we are keeping pace with the rapidly shifting landscape of telecom in modern India by deepening our roots and extending our reach in the digital services arena. As always, we are committed to making the lives of our millions of customers easier by staying one step ahead, envisioning their present as well as future needs and being ready to provide them with it all

by creating a digitally connected world.

About Us

Bharti Airtel Limited is a leading global telecommunications company with operations in 16 countries across Asia and Africa. Headquartered in New Delhi, India, the Company ranks among the top three 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 home broadband, DTH, enterprise services including national & international long distance services to carriers. In the rest of the geographies, it offers 2G, 3G, 4G wireless services and mobile commerce. Bharti Airtel had over 413 million customers across its operations at the end of March 2018.

Diversified service portfolio

Wireless Services

We offer postpaid, prepaid, international roaming, data connectivity and other value-added services to our customers.

Homes Services

We offer fixed-line telephone and broadband (DSL) services across pan-India.

Digital TV Services

Our Direct-To-Home (DTH) platform offers both standard and high definition (HD) digital TV services with 3D capabilities and Dolby surround sound.

Airtel Business

We are India's leading and most trusted provider of ICT services with a diverse portfolio of services to enterprises, governments, carriers and small and medium businesses.

Payments Bank

India's first payments bank with active operations across 29 states in India.

Tower Infrastructure

We own and operate more than 39,523 telecom towers under our subsidiary Bharti Infratel Limited (on a standalone basis) with presence across all 22 telecom circles.

World population

24%*

of the total population covered

* Based on UN Report dated January 1, 2013

Recognized brand

airtel

Talented people

20,793

Employees

17,263
India & South Asia

3,530
Africa

Indian population coverage

95.3%

Africa presence

14 countries

Shareholding as on March 31, 2018



1 > Promoter and Promoter group **67.14%**

2 > Mutual Funds and Units Trust of India **6.61%**

3 > Financial Institutions, Banks and Foreign Institutions **18.53%**

4 > Insurance Companies **5.69%**

5 > Others **2.03%**

Vision

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

Values

Alive, Inclusive, Respectful.

Objectives

Grow market share. Grow revenue. Drive down cost.

How we will win

Win the 4G Game decisively	> Win the primary SIM slot and wrest back share. > Win every market and channel through brilliant micro marketing and a re-energized GTM. > Drive upgrades through device partnerships and offers. > Lock-in customers through postpaid, loyalty program and more products.
Win with Brilliant Network Experience	> Fix network quality through discipline, ownership, right measurement and digitization. > Future proof the network across access, transport and core layers by investing smartly.
Build New Revenues	> Rapidly grow homes through broadband and DTH expansion. > Accelerate SME through GTM re-invention and going deeper in large accounts. > Leverage Customer 360, training and touch points to drive the right recommendation at the right time. > Build the largest Music and TV service of India. > Launch homes, office and payments platforms to drive new revenues. > Build the largest payments bank through dramatic increase in users and financial services use cases. > Drive new revenue streams in the areas of IoT, Cybersecurity and DCs.
Win with War on Waste	> Drive down cost through end to end process re-engineering and digitization.
Win with People	> Drive passion and teamwork while building an Airtel of the future.

Segment wise Performance

Wireless services

> Bundled plans with unlimited voice packs
> First to launch 4G in India
> Postpaid plans
  > MyPlan - customized plans as per customer usage
  > Infinity - Options with unlimited benefits
> Pocket-friendly data packs
> Recognized as the smartphone network

Mobile India



Y-o-Y Revenues -18% ↓ EBITDA -34% ↓ (₹ Mn)

Mobile Africa*



Y-o-Y Revenues 5% ↑ EBITDA 46% ↑ (USD Mn)

* on constant currency, 14 countries operations

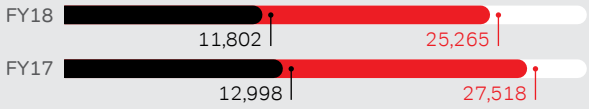
Homes services

Landline

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

Internet

> Introduced 'V-Fiber' technology
> Up to 100 Mbps speed



Y-o-Y Revenues -8% ↓ EBITDA -9% ↓ (₹ Mn)

Digital TV services

> Android TV
> Universal Remote
> MyPlan Customized
> Interactive services



Y-o-Y Revenues 10% ↑ EBITDA 16% ↑ (₹ Mn)

Airtel Business

> Diverse portfolio of services - voice, data, video, network integration, data centres, managed services, enterprise mobility applications and digital media
> Strategically located submarine cables and satellite network
> Global network running across 250,000 Rkms, covering 50 countries and 5 continents



Y-o-Y Revenues 3% ↑ EBITDA 25% ↑ (₹ Mn)

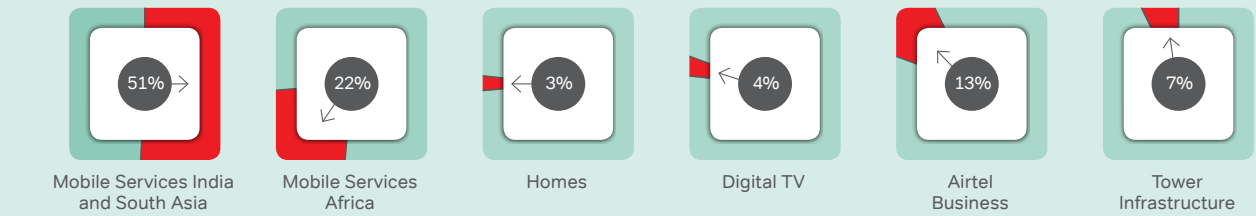
Tower Infrastructure

> One of the world's largest passive infrastructure providers
> Over 91,451 towers (including proportionate share of Indus)



Y-o-Y Revenues 9% ↑ EBITDA 12% ↑ (₹ Mn)

Revenue Mix FY 2017-18



Performance Highlights

	Units	Financial Year Ended March 31				
		IFRS		Ind AS**		
		2014	2015	2016	2017	2018
Operating Highlights						
Total Customer Base	000's	2,95,948	3,24,368	3,57,428	3,72,354	4,13,822
Mobile Services	000's	2,83,580	3,10,884	3,42,040	3,55,673	3,95,722
Homes Services*	000's	1,654	1,679	1,949	2,129	2,172
Digital TV Services	000's	9,012	10,073	11,725	12,815	14,168
Airtel Business*	000's	1,702	1,732	1,714	1,736	1,760
Consolidated Financials (₹ Mn)						
Total revenues	₹ Mn	8,57,461	9,20,394	9,65,321	9,54,683	8,36,879
EBITDA (before exceptional items)	₹ Mn	2,78,430	3,14,517	3,41,682	3,56,206	3,04,479
Cash Profit from Operations before Derivative and Exchange Fluctuation (before exceptional items)	₹ Mn	2,41,813	2,85,280	2,89,083	2,83,668	2,27,169
Earnings Before Tax	₹ Mn	78,643	1,07,130	1,28,463	77,233	32,669
Net Profit	₹ Mn	27,727	51,835	60,767	37,998	10,989
Consolidated Financials (₹ Mn)						
Shareholder's Equity	₹ Mn	5,97,560	6,19,564	6,67,693	6,74,563	6,95,322
Net Debt	₹ Mn	6,05,416	6,68,417	8,35,106	9,13,999	9,52,285
Capital Employed	₹ Mn	12,02,976	12,87,981	15,02,799	15,88,562	16,47,607
Key Ratios						
Capex Productivity	%	72.91	77.40	69.89	65.34	49.88
Opex Productivity	%	45.05	43.63	42.75	41.38	42.88
EBITDA Margin	%	32.47	34.17	35.40	37.31	36.38
EBIT Margin	%	14.22	17.23	17.22	16.42	13.25
Return on Shareholder's Equity	%	5.04	8.52	9.44	5.66	1.60
Return on Capital employed	%	6.65	8.05	8.32	6.45	4.64
Net Debt to EBITDA	Times	2.19	2.08	2.46	2.66	3.19
Interest Coverage ratio	Times	7.58	8.43	7.06	5.20	4.37
Book Value Per Equity Share	₹	149.49	154.99	167.03	168.77	173.96
Net Debt to Shareholders' Equity	Times	1.01	1.08	1.25	1.35	1.37
Earnings Per Share (Basic)	₹	7.02	12.97	15.21	9.51	2.75

* Effective FY 2016-17, the company has realigned the reporting of its corporate fixed line voice and fixed line data business with Airtel Business and accordingly Telemedia Services renamed to Homes Services. Hence, the customer base of 'Broadband and Telephone Services' is now represented as 'Homes' and 'Airtel Business'.

** With effect from April 01, 2016, the company has applied Ind AS for the preparation of its financial statements. The transition is carried out from accounting principles generally accepted in India with the transition date being April 01, 2015.

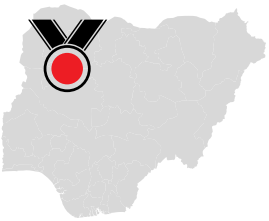
All figures are based on Consolidated Financial Statements.

Looking Back at the Year

Quarter 1
April – June 2017

Received a formal approval from Securities and Exchange Board of India (SEBI) for the **acquisition of Telenor India** (an enterprise of Telenor South Asia Investments Pte Limited)

Won **Aon Best Employer India 2017** for achieving high levels of employer brand, employee engagement and well established human resource practices



Airtel Nigeria won the 2017 **Most Outstanding Customer-centric Telecoms Brand Award** at the National Marketing Stakeholders Summit and Brands and Advertising Excellence Awards

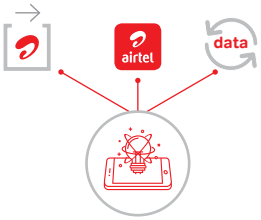
Won the TM Forum's Excellence Award 2017 in the **'Smart Service Provider - Business of the Year'** category for accelerating digital transformation in India

Quarter 2
July - September 2017

Completed the acquisition of Tikona Digital Networks making **Tikona a wholly owned subsidiary of Airtel**

Announced strategic partnership with **SK Telecom (Korea's largest telecommunications company)** to leverage their expertize in improving network experience, machine learning, big data and better customer experience

Airtel launched **'Project Next'**, aiming to transform customer experience across its services and touch points. This included first set of digital innovations with introduction of **Next Gen Airtel Store**, New version of **My Airtel App** and Airtel's postpaid promise with **'data rollover feature'**





Announced the deployment of **Massive Multiple-Input Multiple-Output (MIMO)** in partnership with Huawei Telecommunication India as a part of Airtel's ongoing network transformation program

One of the three companies from India to be covered in the Forbes list of **'The World's Most Innovative Companies 2017'**

Airtel Payments Bank launched UPI enabled digital payments allowing secure digital payments to online/offline merchants and instant money transfers to any bank account in India through smartphones

Quarter 3

October - December 2017

Entered into a definitive agreement with **Tata Teleservices Ltd. and Tata Teleservices (Maharashtra) Ltd.** for acquisition of their Consumer Mobile Businesses (CMB)

Airtel Rwanda completed the formalities of acquisition for **Millicom International Cellular** to combine their telecommunication operations in Ghana

Announced the sale of **20% equity stake in Bharti Telemedia Limited** (its DTH arm) to an affiliate of Warbug Pincus subject to regulatory and statutory approvals

Bharti Airtel Limited via its wholly owned subsidiary, Nettle Infrastructure Investments Limited, divested **150 Mn shares** of subsidiary Bharti Infratel Limited through secondary share sale in the stock market for a consideration of over

₹ 58,950 Mn

Launched '**Mera Pehla Smartphone**' initiative in **partnership with Karbonn Mobiles** to introduce affordable 4G Smartphone in the Indian market

Signed an agreement with the Department of Telecom (DoT) and the Universal Service Obligation Fund (USOF) for introducing provision for mobile services in identified uncovered villages and national highways in the North Eastern States of Assam, Manipur, Mizoram, Nagaland, Sikkim, Tripura and Arunachal Pradesh



Quarter 4

January - March 2018

Tigo acquisition in Rwanda approved by the Rwanda Utilities Regulatory Authority (RURA)

Board of Directors of Bharti Airtel International (Netherlands) B.V. (a wholly owned subsidiary), initiated non-binding exploratory discussion with various banks/ intermediaries to explore the possibility/feasibility of listing of its shares on an internationally recognized stock exchange



Crossed the **300 Mn** mobile subscribers mark in India during the quarter

Acknowledged as the **fastest mobile network in India** by the global leader in internet speed tests - Ookla for the third time in a row

Ranked as the **'Best Company to Work For'** within the telecom sector and **amongst the top 10 across sectors in India** by Business Today – PeopleStrong Survey, 2017

Message from the Chairman



"Affordable smartphones, which have become the predominant gateway to internet for customers across age groups and geographies, and rapidly proliferating 4G networks helped accelerate market transformation during the year."

Aggressive network rollout continued to be an overriding priority for us as a record

110,000

mobile sites were rolled out during the year to strengthen our 4G footprint

Dear Shareholders,

Aided by strong growth in most advanced and emerging markets, global economy stayed on course in its rebound mode during the year. Overall, our company experienced favorable economic environments in both India and Africa. While India recovered remarkably well from the prolonged dissonance caused by demonetization, which was undertaken in FY 17, and the teething troubles of Goods and Service Tax (GST) introduced during the current year, African economies benefited from stability in currencies and commodity prices, which resulted in healthy balance of payment situation in many countries.

Digital technologies and internet are pivotal to transformation happening around us – social, industrial, economic. Global telecommunications industry, which lies at the heart of this transformation, too is undergoing a metamorphosis of sorts; operators are transforming from pure play telecom to being digital services providers – integrating connectivity and content across multiple screens. New technologies like IOT, AI, Block chain and big data analytics are likely to make these networks the primary facilitator of change in future. Affordable smartphones, which have become the predominant gateway to internet for customers across age groups and geographies, and rapidly proliferating 4G networks helped accelerate market transformation during the year. It was particularly evident in India where average data consumption per user went up by nearly six times to over 6GB per month in Q4 (FY18) from about 1GB in Q4 (FY17). African markets too exhibited buoyancy where average usage on our networks expanded by about 90%.

The telecom industry faced an extraordinarily turbulent year in India through unprecedented disruption. Extreme pricing pressure accelerated market exits and industry consolidation, which evolved towards a 3+1 structure (3 private telcos + 1 public sector telco). Even though the transition is turning out to be stressful entailing massive dislocation in the short run, the new industry structure will ultimately prove beneficial for the sector. We have done well to capitalize on emergent opportunities from this industry shakeup. While we completed the acquisitions of Tikona and Telenor, the proposed merger with the consumer business of Tata Teleservices Maharashtra and Tata Teleservices is under regulatory approval.

Our strategy of growing our share of high ARPU customers and improving customer stickiness by offering new products and content services helped us increase our revenue market share in a rapidly consolidating market undergoing significant

revenue shrinkage. It was gratifying to see the way we held ourselves as pressure mounted on the topline of our mobility business. Aggressive network rollout continued to be an overriding priority for us as a record 110,000 mobile sites were rolled out during the year to strengthen our 4G footprint. This will help us stay ahead of competition through enhanced data capabilities and better customer service.

Acceleration in non-wireless businesses remained an unmistakable bright spot for us during the year. DTH and B2B business registered healthy double digit topline growth, thus highlighting the inherent advantages of a diversified business portfolio. The Payments Bank had a good start but faced issues in KYC authentication leading to disruption in acquiring new customers. The Bank with a new CEO and enhanced preparedness is now geared to get back on track towards the goal of driving financial inclusion in the Country.

Sharply improved EBITDA margins in Africa to

33.4%

in FY 2017-18 from 24% last year

In Africa, it turned out to be a defining year for us. Sharply improved EBITDA margins to 33.4% from 24% last year enabled us to achieve full year PAT for the first time since acquisition.

Modernized data networks - 3G networks in all 14 countries and 4G networks in 8 countries (6 of them rolled out this year) - facilitated a surge in data consumption in different African markets. Simplified voice and data bundles coupled with robust distribution and a refined cost model helped us achieve operational excellence in different markets. Data revenues expanded by over 22% during the year. Airtel Money too continued to be a key revenue pillar growing by 47% during this period.

In-country consolidation with a clear intent to become No. 1 or No. 2 operator continued to be a strategic imperative for us. While we merged operations with Millicom in Ghana to form a 50:50 joint venture, we acquired Millicom's business in Rwanda to become a viable No. 2 in the market.

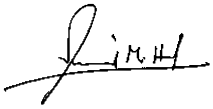
We undertook several initiatives to raise capital to support our business plans. During the year, we divested around 150 million shares in our subsidiary Bharti Infratel through secondary sale for a consideration of over ₹ 5,895 crores. We also issued non-convertible debentures worth up to ₹ 3,000 crores on a private placement basis. I am pleased to inform you that the board of Bharti Airtel International (Netherlands) B.V. has authorized the management to initiate non-binding exploratory discussions with various intermediaries to evaluate the possibility of listing the Africa operations on an internationally recognized stock exchange.

Bharti Foundation, our group philanthropic arm extended the reach of its activities significantly during the year. Its school education programs are today cumulatively reaching out to nearly 250,000 students across 13 states in India. I am particularly delighted to inform you that during the year Bharti Foundation embarked upon its most ambitious Higher education initiative till date to set up Satya Bharti University, a world class institution to offer free education to deserving youth from economically weaker sections of society. The sanitation program, which is already serving over 90,000 beneficiaries, moved into its second phase under which the Foundation is providing financial assistance to beneficiaries to construct household toilets. Airtel Africa's 'Adopt-a-School' Program is now supporting over 32,000 underprivileged children in 58 adopted schools in different countries. The Company has also scaled up its Internet for Schools initiative to benefit over 300,000 students in Kenya and Zambia. We plan to scale this up significantly over the next year.

Personally, it turned out to be an exciting year for me in my concurrent global roles - Chairman, ICC and Chairman, GSMA.

As a business entity, we have always believed in staying ahead of the curve with regard to adopting best practices in transparency and corporate governance. In line with this philosophy, we have embraced Integrated Reporting (IR) and the present report is the first Integrated Report for us.

Telecom markets across emerging economies are in transition. While life cycles of 2G and 3G are getting truncated, 4G is taking rapid strides. Market structures are getting reshaped with fewer players to facilitate these investments. With our strong balance sheet and robust spectrum portfolio across markets, we are well positioned to make the best of this transition to come out stronger.



Sunil Bharti Mittal

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



Dear Shareholders,

The FY 2017-18 was a transformational year for the telecom industry. Because of the brutal price war, there was an unprecedented consolidation from 8 operators to only 3 private operators in the market. This price war also led to a rapid shift in consumer behavior from voice to entertainment that led to explosion of data usage and ultimately, massive network investments. Airtel continued to make robust investments despite eroding profitability in order to stay in the leadership position. Even during this turbulent period, Airtel maintained its leadership position and remained focused on its vision to win customers for life. Our brand continued to remain in a strong position winning several accolades including the 'Buzziest Brand' award in telecom category. All of this was enabled through solid execution across all the pillars of our GPS.

To **grow share of high ARPU customers**, we focussed on i) grabbing increased share of 4G devices through alliances & simplified pricing, ii) driving data consumption through intense focus on sim consolidation led by bundled pricing plans and iii) accelerating postpaid.'Mera Pehla Smartphone' program was a major initiative where we stitched alliances with several handset OEMs across all price bands to offer cashback options to customers purchasing a new smartphone bundled with Airtel. Further, 'Airtel Online Store' went live with Apple and Samsung devices to sell them with financing options to customers. The Postpaid business was completely revamped with innovative propositions to offer more value to the customers (e.g. handset security, free music & TV, free Amazon prime membership etc.) beyond the traditional services. As part of the project 'Next' program, we introduced the 'data roll over' functionality for postpaid customers.

To improve customer stickiness by offering them **more products & services**, we focused on cross selling our portfolio of telco products and gaining adoption of our digital services. A dedicated 'Homes' channel was set-up to sell postpaid and DTH connections to our existing broadband customers. Airtel TV was rejuvenated with a rich content library of live channels, movies, premium OTT content etc., which enabled it to garner 25Mn+ active users. Wynk music became India's #1 app in terms of consumption. On the B2B side, we did a strategic partnership with Symantec to offer cyber security solutions to corporate and government organizations.

Delivering **brilliant customer experience** continued to be our key priority. We made heavy investments in network, the core of our business. A record 110,000 mobile sites were rolled out in the last year to expand our 4G footprint across the country. We created a strategic partnership with SK Telecom to leverage its expertize in improving network experience and create a future ready network. To enrich voice calling experience, we launched VoLTE. Re-engineering and digitization of customer care processes were completed to offer better resolution to customer queries. We also launched next generation 'digital' stores in marquee locations to enhance customer experience in our stores.

While the mobility business was under competitive pricing pressure, **acceleration in non-wireless businesses** played a strong role in driving the growth of the company. Broadband business was completely re-launched with first of its kind propositions like data roll-over, data borrow from postpaid mobile etc. DTH and B2B business registered healthy double digit topline growth with strong margins on the back of simplified pricing and aggressive Go-to market initiatives.

We continued our emphasis on identifying and **stripping out waste** from our business through process redesign and automation. This is demonstrated by the fact that we delivered a decline in operating expenditures last year.

Finally, we remain committed to ensure growth & well-being of **our people**, the most valuable asset of our Company. We have constantly striven to be amongst the preferred places to work for the smartest in the industry. This year, Airtel was ranked 10th 'Best Company to Work for' across all companies and the best employer in Telecom in India.

As an organization we continue to be committed to sustainable and inclusive growth. Our Sustainability Report spells out our initiatives for environment sustainability. Bharti Foundation, with full support from our employees, has been doing remarkable work in engaging parents and the community to spread awareness about education and empowerment of girl child. These initiatives have made our corporate citizenship more meaningful.

As we look ahead, we remain excited about the massive opportunity in India. With three large private operators serving 1.3 Bn people, the industry is poised for sustained long term growth. While there will be pricing pressure in the short term, the long term remains promising. We believe your company is well poised to exploit this future. With massive investments, an iconic brand, and a team that is obsessed about serving customers we are confident that Airtel will remain a force to reckon with.

As we enter a new era of telecom industry in the country, I would like to thank our customers, our people, our partners and our shareholders for their support and faith in us. We seek your continued guidance in our journey.



Gopal Vittal

Message from Managing Director & CEO (Africa)



FY 2017-18 has been a watershed year for Airtel in Africa. Along with decent revenue growth quarter on quarter, absolute opex declined by 9.2%, thereby helping EBITDA margins improve to 33.4% from 24%. This has helped Airtel Africa achieve a full year positive PAT for the first time since acquisition.

Good progress has been made across the key focus areas set about at the beginning of the year: which were enhancing distribution excellence to gain more customers, winning more with our existing customers, delivering network excellence, building the right cost model and enhancing people productivity and performance.

Over the last year, the Customer KYC registration locations grew by over 50% to 180,000, enabling a higher new customer addition. This led to growing the customer base to 89 Mn through an addition of 12.5 Mn customers during the year (including 3 Mn through the acquisition of TIGO Rwanda). In addition, over 10,000 exclusive mini shops and kiosks were introduced across the key operating countries to build a robust Airtel money infrastructure and provide assured float availability to customers.

Mobile data has been a big growth driver across the 14 operating companies and the network has been modernized through U-900 (3G service in 900 MHZ spectrum) in 11 Countries and 4G launched in 6 additional countries, taking the total countries with 4G to 8. With this our customers will get a best in class data network experience.

During the year, simplified voice and data bundles were introduced in most of the operating companies with a clear focus on ARPU enhancement. The Data Customer base has grown by 48% and Airtel Money Customer base increased by 31%. There has also been an encouraging increase in data and voice bundle penetration across all the operating units.

With an enhanced sales and distribution coverage, modernized network and simplified product bundles, the data usage has surged by 90%, data revenue has grown by 22.5% and Airtel Money revenue increased by 47%.

On the people front, the Company invested in functional and skill based training focusing on digitized delivery methods. Closer and tighter co-working between the operating countries and the Headquarters in Nairobi has helped build collaboration through building trust and fostering joint accountability.

With the intent of being No. 1 or No. 2 in each country, the Company merged operations with Millicom in Ghana into a 50:50 joint venture and acquired Millicom's business in Rwanda to become a clear No. 2 operator. The merger and the acquisition respectively will enable the Company to build scale and run a profitable enterprise that can invest for the future to benefit customers of the two Countries.

Airtel has undertaken several initiatives to contribute towards addressing social challenges. The Company has focused on Technology and Partnerships with various organizations to drive social change and inclusive growth of the under privileged people in the Society. It has scaled up its internet for schools programs in Kenya and Zambia to benefit over 300,000 students and will continue to drive this initiative at a larger scale. Under the pan African educational program, 'Adopt a School', the Company has adopted 58 schools, supporting over 32,000 underprivileged children.

The Company's Board has authorized management to initiate non-binding exploratory discussions with various intermediaries to evaluate the possibility of listing on an internationally recognized stock exchange.

Airtel Africa is poised for continued subscriber and revenue growth, building on the significant potential for mobile data and Airtel money in the operating countries, while continually investing in the network and distribution infrastructure.



Raghunath Mandava

Moving ahead on India's Digitalization Journey

At Airtel X labs, our work fundamentally transforms the way people communicate and businesses operate. Since our early days in the mobile era, we have rallied relentlessly to break down communication barriers. Today, our work goes beyond telecom – we build products that entertain and inform, connect devices to the internet, and enable businesses to securely harness the power of their data. Our focus, however, has remained to deliver solutions that truly enrich the lives of our customers.

On Track with Digital Affordability: The Online Store (airtel.in/onlinestore)

To unlock affordability for customers, to enable them to buy their aspirational handsets like the apple iphone, samsung and nokia, we launched the Airtel Online Store. This is an intricate ecosystem of lenders, logistics companies & distributors to offer these handsets at an affordable price at the customer's doorstep.

This unique proposition allows customers to purchase aspirational mobile phones, moving away from the limited credit card schemes or conventional paper lending. On the online store, we are working with multiple lenders across India to solve the affordability issue by innovative digital lending methodologies that allow credit to be given to people without a credit rating through loans from banks we have tied up with. It is a partnership led model of 100% digital lending.

Making Lives Easier: Airtel Home

To enhance customer experience by enabling one single billing across postpaid, telemedia and DTH, and discounts on bundles, we have built the Airtel Home.

One Home, One Bill: The digital platform transforms customer experience by enabling bundling of multiple Airtel services within the home – broadband, fixed line, postpaid mobile and digital TV. Customers also get one bill, premium customer support and enjoy up to 10% discount on their total bill.

'Airtel Home' allows customers to bundle multiple Airtel relationships – home broadband (and fixed line), postpaid mobile and digital TV* as a single account with a unified interface on My Airtel app and enjoy amazing convenience, peace of mind and loads of other benefits.

Single Bill for all Airtel services: With 'Airtel Home', customers are liberated from the hassle of making multiple payments across multiple bill cycles for different Airtel connections within the family. No need to remember multiple payment dates from now on. Airtel Home offers the convenience of a single bill for all services. What's more you can add Airtel connections from any location in the country.

- **Premium Customer Support:** 'Airtel Home' users will get access to premium customer care.
- **Discounts of up to 10% on the unified bill:** Get up to 10% discount based on number of connections bundled.

* Airtel Digital TV will be made live on the 'Airtel Home' proposition soon

The creation of 'Airtel Home' allows customers to bundle their postpaid, broadband & DTH to for app and web journeys for existing broadband and existing/new postpaid customers has been completed. A comprehensive self-care for Homes is also being integrated; at the same time, a Decision Tree (DT) has been created to provide a superior experience for our customers. A pilot is underway in AP circle and a full rollout will follow subsequently.

Hitting the Bull's eye: Network Deployment Process & Analytics

With an objective to digitize all network processes: deployment, planning, quality – including iWAN site & fiber deployment; drive increased self-care and online resolution of customer complaints; and add network experience to the customer profile for better targeting of offers, we created the Bull's Eye portal for internal usage – for deployment process and analytics.

Airtel and South Korea telecom have partnered to create a big data analytics platform that can gather large amounts of network telemetry data to assess the quality of the network at a granular level in order to take smarter investment planning decisions and optimize the network for better customer experience.

Enriching Customer Experience: Broadband digitization

Our aim is to bring out a better customer experience & significant cost savings by simplifying and digitizing the broadband journeys of acquisition, installation, fault repair, shifting; and to enable digital care for customers on the app and web, as well as through advisors. We have digitized the journeys end to end. We have also built predictive capabilities to diagnose the issues of the customer & auto detecting them.

Engaging Socially: Lighthouse

The platform helps us build capability for Listening, Engagement and Care across social and digital media, enabling faster response & care and assisting in benchmarking and managing brand tonality and engagement – all in the bid to ensure better experience for our customers on social media.

We have upgraded to the new platform, Sprinklr, which is also integrated with Airtel Business Support Systems [BSS] to capture and provide a 360-degree view of the customer.

Marking insights Real-Time: DARTS (Digital Analytics and Real-Time Strategy)

To enable contextually relevant marketing campaigns, insights to business for growth initiatives as well as manage customer experience, DARTS is a unified customer analytics platform that aggregates data from CRMs, billing systems, network, in store visits, DTH, Telemedia, WYNK, My Airtel etc to prepare near real time insights for the customers. This platform serves as foundation for revenue assurance as well as use cases such as Airtel Secure, data rollover, proactive experience management, credit line for customers, recharge information on DT 2.0.

Making Business Savvy: Global Business voice portal

Airtel Business rolled out the first-of-its-kind carrier digital platform for wholesale voice. The innovative digital platform offers paperless sign-up, quick voice interconnects and real-time traffic analytics for global carriers across the world, along with allowing customers to buy voice termination services from Airtel and also enabling them to propose sell rates for their target markets.

With on-boarding time reduced to a few hours, the platform also offers live rates for routes across the world enabling faster decision making for traffic exchange. The voice platform, designed on the basis of extensive customer insights, will empower global carriers with ease of business and enhanced efficiency.

With the first successful step in place we plan to soon provision a single window on the digital platform for product discovery, on-boarding, billing, payment, enquiry, and support across multiple B2B data products.

Making Care Simpler: Self-care for customers & Decision Tree

My Airtel app and airtel.in as self-care channels were developed with fully digital journeys to enable the customer to manage Airtel products i.e. Mobile, Homes (Broadband) and Direct-To-Home. The roll out an intelligent Decision Tree (DT) as a tool for diagnosis and resolution has transformed the way our advisors work at our contact centers.

To deliver an enhanced care experience for our customers across all channels, we have developed decision trees. Decision tree ensures that our customer care advisors & store representatives have access to the same information about the customer, leading to a delightful experience across all touch points.

Digital self-care has enabled our customers to actively engage on our digital properties to manage their Airtel numbers. Powered by diagnostic capabilities through decision tree (DT), the self care obviates the need for customers to call the contact centers for service related issues.

My Airtel App

My Airtel app is meant to be the all-purpose Swiss-knife for our (potential) users. And to get this done, the team has been working on enabling personalization in the true sense, using the recommendation engine which is work in progress. And to enable acquiring new users, so that they can see true value the app has to offer, and to incentivize loyal users, the team has also built a coupon engine platform which can be used to enable closed-loop discounts/incentives (which return to our system), thus also helping in retention.

The My Airtel app team is also working on building a generic referral system in place, which can leverage the coupon platform to reduce S&D cost, by having our loyal customers acquire for us. The digital platform is also making payments democratized, so that new users can be acquired who prefer other payment modes, like 3rd party wallets. One of the core focus for the app team is to make it super easy for the users to maximize the usage of all the services they pay for, so that we can then get to upselling more effectively.

The app team is also leveraging the network-side feasibility APIs, to better target new connection acquisition. The app will also enable easy of discovery of features and user requests using global search in the app.

Digital Brain

The Digital Brain (customer 360) is one of the most powerful intelligent and predictive platforms of its kind. It will understand each customer personally and contextually and enable us to engage with customers how they want, where they want and when they want for our own services as well as with the string of partnerships we develop. Leveraging AI it will also allow us to give our customers the best experience on our network in real time and allow us to predict problems and resolve them. It is a game changer.

Redefining Digital Banking Ecosystem

Our passion to drive financial inclusion and digitize cash is driven by solutions that are innovative and technology-led. At Bharti Airtel, we continue to leverage innovation in financial technology, adapting to new age developments to facilitate a future that is digital and secure.

Launched on January 12, 2017, Airtel Payments Bank* (hereinafter referred to as 'bank') is India's first payments bank that has brought millions into banking network. Aligning to the Government's vision of building a nation that is digital, Airtel Payments Bank reaches out to a divergent customer base, driving digital and financial inclusion.

In our endeavor to build a digitally connected world, the bank offers solutions reinforced by convenience. Leveraging the Airtel's wide retail network of more than 536,000 customer touch points, the bank offers a range of basic banking services to a wider customer base. With the use of technology, wide distribution scale and a brand that people trust, we have been successful in reaching out to the undeserved people in society while expanding the formal financial banking system at the same time.

*The Payments Bank operations in India are carried out through our subsidiary Company, Airtel Payments Bank Limited.



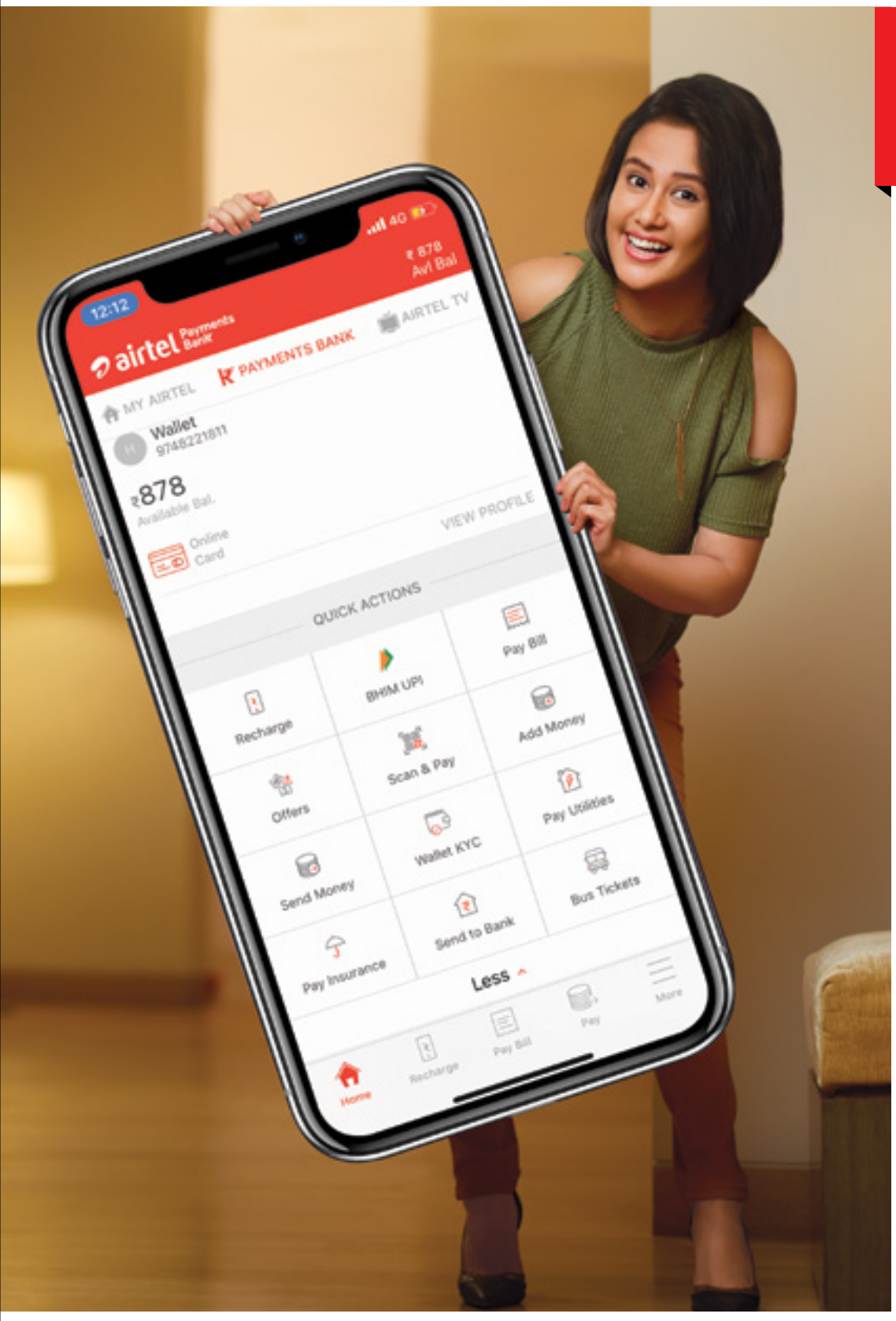
Service offerings that make a difference

With a promise to serve the rural households and increase access to formal financial mechanism, the bank provides a host of services including Savings Account, Semi-Closed Prepaid Payment Instrument, assisted utility payments and Domestic Remittance services, among others, to the customers.

- Airtel's mobile number is the account number
- Free personal accident insurance cover worth ₹ 1 Lac
- Open account within minutes using e-KYC (through Aadhaar card)
- Transfer funds within Airtel Payments Bank accounts and third party accounts
- Easy withdrawal and deposit of cash through merchant partners, including grocers, kirana stores, pharmacies and restaurants, among others
- Attractive interest rate on deposits

In association with Master Card, we launched Online Debit Card for our customers. Unlike any other wallet or payment banks, we are the first in the country to introduce an online debit card, enabling customers to make transactions with any merchant sites for online payments.





airtel Payments Bank

₹66,605 Mn
Domestic remittances in FY 2017-18 from ₹ 39,718 Mn in FY 2016-17

₹23,550 Mn
Payment using semi-closed prepaid payment instruments in FY 2017-18 from ₹ 14,174 Mn in FY 2016-17

24x7
Dedicated customer care in 12 regional languages

~300 Mn
Airtel's customer base as potential customer base for the bank

56.8 %
Of total accounts opened till date in rural / unbanked areas to ensure financial inclusion

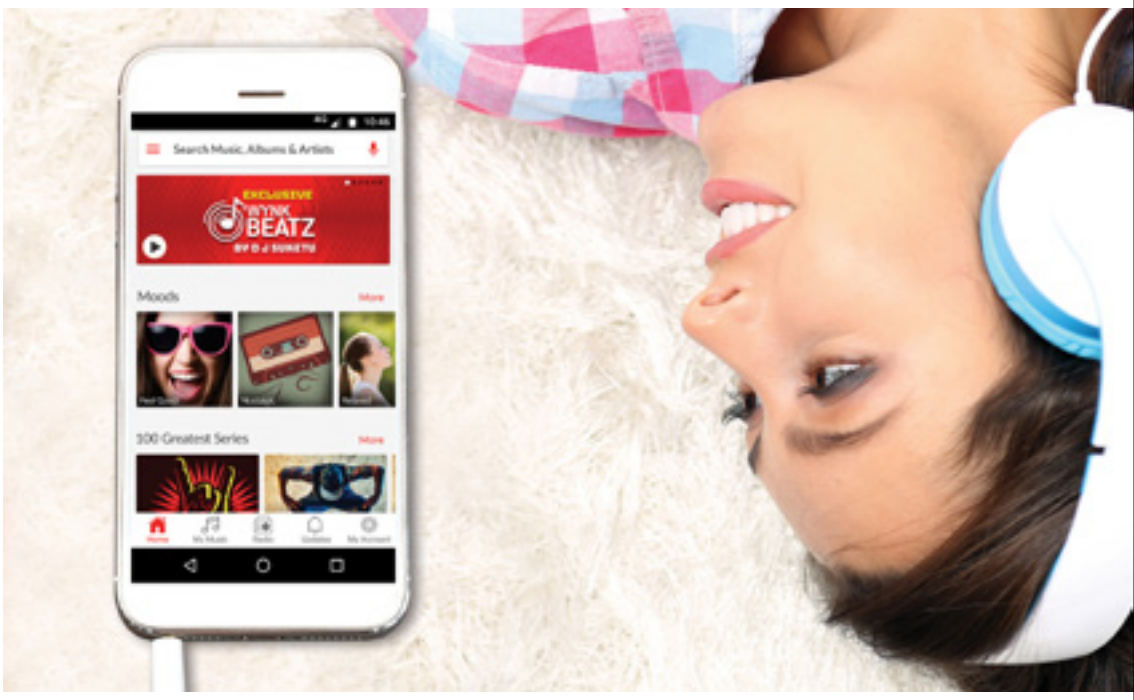
~2.3 Mn
Merchant touch points across India

536,000
Airtel's retail customer touch points (March'18)

Music to the Ears

Wynk Music claimed the top spot among Indian OTT music streaming apps with the highest share of category time, and crossed the 100 Mn installs milestone in June 2018.

In a journey of firsts, Airtel became the first telco to launch an OTT entertainment app in September 2014- Wynk Music. Driven by an imperative to create content delivery platforms made for the Indian market and for the unique needs of Indian customers, Wynk Music was designed to operate at scale and create a differentiated value proposition for Airtel customers. Four years later, Wynk Music is today India's No. 1 music streaming app with the highest share of category time.



The Road to No. 1

With a clear focus on consumer needs, we have solved for problems unique to India- Price sensitivity, data access, varying network speeds and no precedence of paid subscription for music. Also, in the face of pre-established players and a volatile market- we ensured agility and faster decision-making by setting up and operating Wynk as a start-up within Airtel.

Strong alliances with the biggest music labels in the music industry, unique promotional tie-ups with individual artists and music publishers, and an expansive library of songs in 14 Indian languages have helped us carve a niche in an overcrowded market-leading to high engagement rates, high average stream time per user on the app and significant impact on customer churn.

Wynk Music Revamp

As we prepare for the next phase of growth on Wynk Music, a spanking new version of the music App is being shipped with industry-first features packaged into a highly intelligent product that understands user music preferences and customizes the experience for them using Machine Learning and AI. Key highlights for the upcoming year are:

- Technology integrations and alliances to create a seamless, multi-platform music streaming experience that caters to the latest trends in Music Listening
- Build social communities among users and artists
- Investment in original and exclusive content
- Introduction of vernacular interfaces and expansion of regional content library
- A simplified version of the app to be launched to capture the side-loading market and increase rural penetration

Wynk Music

Key Highlights (As on March 31, 2018)

90 Mn+
Total App Installs

1.4 Bn+
Monthly song plays

100%
Growth in regional language streams in CY '17

The Making of a Blockbuster

Airtel TV became the most downloaded app on the Playstore between Jan-Mar '18. Over 2000 years' worth of watch-time per month on the app.



airtel TV

Key Highlights
(As on March 31, 2018)

50 Mn+
Total App Installs

1 Bn+
Minutes Streamed Monthly

With over 350+ Live Channels, 10,000+ Movies & TV Shows and a range of good quality content, Airtel TV is among India's leading OTT entertainment platforms. Re-launched with a full blast 360 degree campaign in December 2017, **it became the most downloaded video app in the first quarter of CY '18, clocking 4x user growth**. Strategic tie-ups with leading video content providers, premium streaming apps and broadcasters gives Airtel TV users access to the best of on-the-go entertainment content.

Innovations that Fueled Growth

- Introduction of 350+ Live TV channels that allowed users to watch live content on the go
- The best of movies and TV shows from HOOQ, Eros Now, Sony Liv, ALT Balaji, among others
- Content in 14 languages including Bhojpuri, Assamese and Gujarati
- Bundling of Amazon Prime Video membership for high-value customers
- 360 degree marketing campaign coupled with a robust GTM strategy

Airtel TV 2.0

Powered by a robust product strategy, Airtel TV has grown from strength to strength. Airtel TV will enter into a new phase of growth in the FY 2018-19 with deep focus on:

- Stronger partnerships with premium video content providers to unlock further value for our customers
- Live sports streaming- cricket, football world cup, among others
- Expanding the regional content library
- Integrating rich and exclusive content across genres, languages
- Tech innovations for a more immersive experience

Mobile Money – Banking the Unbanked

All around the world, mobile phones have gone beyond just being a communication device. From being used for voice and data to becoming a technology platform that allows the development of other services, cellular technology has changed the face of Africa.



Mobile money has become very popular to both the unbanked and banked population in Africa due to the safety of money and convenience it provides. It has turned out to be particularly useful in countries where the majority of the population is migrant in nature, where people work in cities and sending money. The most popular services are cash in, cash out, transfer, utility payment and buying airtime and bundles.

11.4 Mn

Uganda, Tanzania, Rwanda, Malawi, DRC, Gabon, Kenya and Madagascar represent 93% of the total active base

As at March 31, 2018, Airtel Money had 11.4 Mn active subscribers using the service every month for different services including sending money, receiving money, buying airtime, cash withdrawals and many more.

Distribution Network Airtel Money

For Mobile Money to succeed, a strong network of agents with adequate mobile money float and cash is required. Airtel Money has been able to grow its footprint of agents across the countries where it operates. Customers can deposit money as well as withdraw money from their mobile money wallets. As at March 31, 2018, there were over 240K active agents serving customers; a growth of 49% over the previous year.

Additionally, an aggressive plan to rollout exclusive Airtel Money kiosks/mini-shops kicked off in early 2017 to increase availability of float and cash to customers. Over 10,000 kiosks and mini-shops have been rolled out so far across 13 countries.

Utilities Bill Payment

Paying for regular utilities without leaving the comfort of one's home has been made a reality by Airtel Money. Customers can pay for a wide range of utilities such as electricity, water, fixed data and PayTv along with Telecom services of post-paid bill payments & recharge purchases.

USD 1 Bn

Total amount used for paying different bills in FY 2017-18

Access to Loans

Financial inclusion has always been one of the top priorities for Airtel and the organization continues to traverse the path by giving access to micro loans to all Airtel Money customers, using the Airtel Money Wallets. Customers simply have to dial the Airtel Money USSD code and they will be able to instantly access loans based on their credit rating. Mobile money loans are currently available in 5 countries and during the FY 2017-18, a total of USD 14.6 Mn was disbursed to over one million customers.





Merchant Payments

Still in its nascent stage, Airtel Money has enabled businesses to receive money electronically for goods and services they sell to their customers. In Gabon, Tanzania, Madagascar and Malawi customers are able to purchase goods and services using the Airtel money merchant pay service. The payment service provides businesses the opportunity to reduce the risk of handling cash as well as increase reconciliation efficiency while enhancing convenience and safety to customers.

36 Mn

Transaction count in FY 2017-18

International Money Transfers

Airtel customers in Zambia and Malawi can send money to each other, thanks to the IMT product, active in both countries. A partnership with Terrapay will enable expansion of the service to other markets, including Tanzania and Congo Brazzaville. A total of 42K transactions were completed during FY 2017-18, at a value USD 2.4 Mn.

Partnerships with Banks

Banks play an integral part in the Mobile Money ecosystem. In each operating country, a trust bank account is opened in preferred banks, where the E-value in the Airtel Money system has to be backed by actual cash. To enable a faster flow of value between the Trust bank and the channel partners, automation has been embarked on in all Airtel Money Operations. The automation is already enabled in 6 countries including Tanzania, Madagascar, Zambia, Malawi, Rwanda & Kenya. Airtel is in the process of expanding the automated allocation of float in the above countries as well as finalize the process in other operations, which include DRC, Gabon and Uganda.

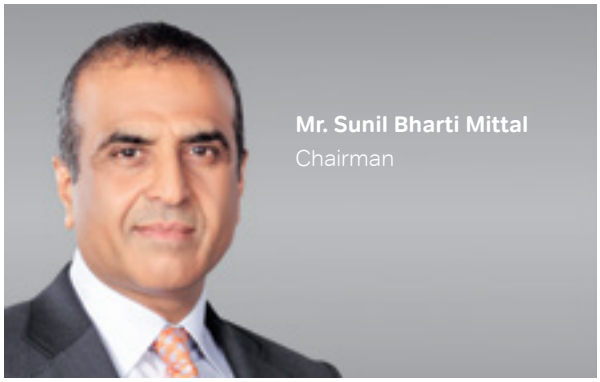
There are also various partnerships at a retail level with banks, which allow smooth flow of money from the banks to the wallet and vice versa.

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

Robust Airtel Money Platform

Airtel has modernized its Airtel Money platform to enhance system capacity, stability, incorporate standard APIs for third party integration and improved reporting.

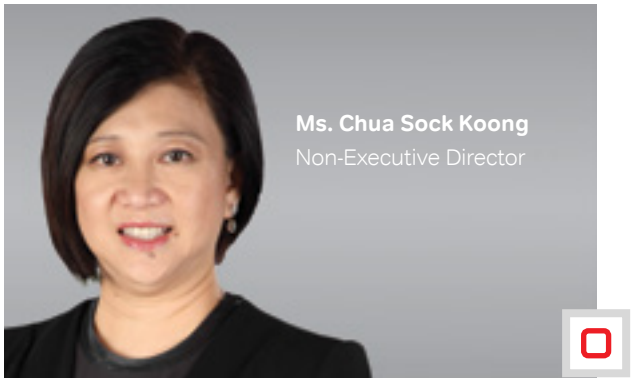
Board of Directors



Mr. Sunil Bharti Mittal
Chairman



Mr. Ben Verwaayen
Independent Director



Ms. Chua Sock Koong
Non-Executive Director



Mr. Craig Edward Ehrlich
Independent Director



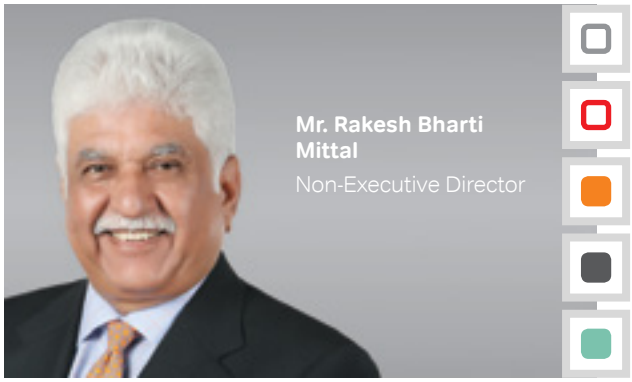
Mr. D. K. Mittal
Independent Director



Mr. Gopal Vittal
MD & CEO
(India & South Asia)



Mr. Manish Kejriwal
Independent Director



Mr. Rakesh Bharti Mittal
Non-Executive Director



Mr. Shishir Priyadarshi
Independent Director



Ms. Tan Yong Choo
Non-Executive Director



Mr. V. K. Viswanathan
Independent Director

Chairman	Member	Committees
■	□	Audit Committee
■	□	Risk Management Committee
■	□	HR & Nomination Committee
■	□	Stakeholders' Relationship Committee
■	□	Corporate Social Responsibility Committee
■	□	Committee of Directors

Risk Management

At Bharti Airtel, we have thrived globally by building a culture of innovation and high performance. We explore new markets and business models across the world, evolve new ways of customer and stakeholder engagement, enter into new strategic partnerships. Also, we adopt new technologies and build exponential efficiencies in existing systems.

While these initiatives unveil a universe of possibilities, potential risks and uncertainties arise in a volatile business environment. The distress signals need to be addressed with urgency for smooth operations Therefore, we have created a robust risk management that caters to strategic, legal, financial, operational and climate risks that caters to strategic, legal, financial, operational and climate risks. We have a sound practice to identify key risks across the Group and prioritize relevant action plans for mitigation.

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

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

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

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

Risk identification process



	Potential risks	Risk definition
1	Regulatory and political uncertainties	Uncertainties pertaining to political instability, civil unrest and other social tensions in India, Sri Lanka and 14 African countries.
2	Economic uncertainties	The volatility in economies with factors like capital controls, inflation, interest rates and currency fluctuations may impact the earnings and operations of the Company.
3	Poor quality of networks and information technology including redundancies and disaster recoveries	Risks in Network subject to technical failures, human errors and natural disasters. Erratic IT connectivity may affecting service delivery. Changing of systems landscapes into newer version.
4	Inadequate quality of customer lifecycle management	Heightened competitive intensity on account of irrational pricing by new entrant leading to erosion of revenue & customers. Ever-rising customer expectations in terms of quality, variety, features and pricing.
5	Non-compliance of subscriber verification norms and KYC regulations	Stringent subscriber verification and KYC guidelines, including biometric verification and quality of KYC documents.
6	Increase in cost structures ahead of revenues thereby impacting liquidity	Increase in cost structures from volumes (new sites rollouts, capacity) and/or rate increases (inflation, Fx impacts, wage hikes, energy etc.).
7	Adverse regulatory or fiscal taxation developments including compliance risks	Regulatory and tax developments in India, South Asia and Africa can pose several challenges to the telecom sector.
8	Lack of Digitization and Innovations around Digital Content	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.
9	Lack of investment in infrastructure capacity building	Telecom companies will be required to invest heavily in building data capacities and broadband coverage expansion.
10	Gaps in internal controls (financial and non-financial)	Gaps in internal controls and / or process compliances not only lead to wastages, frauds and losses, but can also adversely impact the Airtel brand.

[Read more on page 122.]



Integrated Strategy for Value Creation

Financial Capital

Intellectual Capital

Human Capital

Manufactured Capital

Social & Relationship Capital

Natural Capital

Materiality Assessment

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 prioritize 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 2017-18, Airtel revisited the Materiality Analysis process and performed a detailed stakeholder surveys to identify material issues/ sustainability concerns with the highest relevance and impact. In order to streamline the process, identification and categorization 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 Organizations (NGOs) and 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 stakeholders' concerns, fetched the sustainability issues that demanded enhanced strategic and operational attention.

Detailed Materiality Analysis process and Stakeholder Engagement shall form a part of Sustainability Report of the Company at www.airtel.in/sustainability

Stakeholder Profiles and Mapping





Our Business and Value Creation Model

Source	Inputs	Business Model
Financial Capital Our prudent management of finances and diligent allocation of funds help capitalize long-term opportunities and ensure sustainable economic growth.	▸ **₹1,028,609 Mn** Equity ▸ **₹649,432 Mn** Long-term debt	**Brilliant Network** We acquire the best spectrum and invest in cutting edge network infrastructure, automation tools and optimization techniques to provide best network experience to our customers.
Intellectual Capital Our procedures, governance, knowledge, technologies and highly experienced people support our focus on new product launches to enhance customer experience and drive long-term sustainability.	▸ Deep experience in digital innovation ▸ Bold, audacious & honest communication approach ▸ Host of key strategic partnerships	**Obsession with Customers - Digital Airtel** We focus on serving our customers digitally in one touch error free manner through extensive adoption of digital tools.
Human Capital We strive to provide an energizing and rewarding work environment for our employees to learn, lead and grow.	▸ **15,000+** Employees on rolls ▸ **42,500+** Contractual employees ▸ **₹99 Mn** Spent on training	**Scientific Sales & Distribution** We carry out scientific micro marketing through our pan India sales & distribution backbone (of channels partners, retailers and owned stores) to efficiently serve our 300+ Mn customers. This three tiered machinery is managed digitally to ensure uninterrupted services to our customers.
Manufactured Capital The expansion and enrichment of our customer base depends on our network building initiatives, and hence we make extensive investments to meet the said objective.	▸ **165,748** Mobile Network Towers ▸ **298,014** Mobile Broadband Base Stations ▸ **237,893** Optic Fiber Network (RKms) ▸ **~9 Mn** Home Passes deployed ▸ **7** Submarine Cable Systems ▸ **65** Global Points of Presence	**Cost Frugality** We are obsessed with stripping out waste and driving cost efficiencies. We are pioneers in infrastructure sharing and have developed a prudent cost operational model through focus on smart procurement and process optimization.
Social & Relationship Capital Being a socially responsible company is one of our fundamental business objectives and we reflect that in all our business actions and decisions.	▸ **₹388 Mn** spent on social activities ▸ **4800+** suppliers ▸ **18,000+** Pan India Distributors ▸ **16,400+** Exclusive contact centre agents ▸ **200,000+** Shareholders ▸ **320+ Mn** Customers	**Driving Innovation while managing complexities** We are able to successfully run and scale up key business activities (Mobility, DTH, Broadband and Airtel Business) alongwith growing new lines (Wynk, Airtel TV etc.) despite different challenges associated.
Natural Capital In our pursuit towards excellence, we remain vigilant towards usage of natural resources and are responsible regarding reducing the impact on environment.	▸ **3.3 Mn MWh*** of electricity consumed ▸ **314.5 Mn Litres*** of diesel consumed * Figures for electricity and diesel are w.r.t. our network infrastructure	**Open Telecom Platform - New Businesses** We are in the process of transforming Airtel into an open platform of tomorrow to seamlessly connect our customers to the best brands and thus, create value for entire ecosystem.

Outputs

Data Traffic:
3901.8 Bn MBs (Mobile)
1340.8 Bn MBs (Homes)

Total minutes on Network:
2225.4 Bn Mins (Gross)

Customers:
304.2 Mn Mobile
2.2 Mn Homes
1.8 Mn Airtel Business
14.2 Mn Digital TV
32.5 Mn Digital Apps

Avg time spent on digital apps per customer per day:
48.2 Mins on Wynk Music
18.8 Mins on Airtel TV

Key Products & Customer Segments

Mobile Services
Voice & Data on 2G, 3G, 4G technology

Homes Services
Fixed-line telephone and broadband

Airtel Business
Connectivity, MPLS, IPLC, VoIP, wholesale voice and data etc.

Digital TV Services
Direct to Home TV

Digital Apps
Wynk Music, Airtel TV

Outcomes

33.83% EBITDA margin
₹792 Mn Profit After Tax
₹1,594,562 Mn Market Capitalization (BSE)
₹206,045 Mn Paid to Exchequer
2.65% Return on Capital Employed
₹18,475 Mn Dividend paid (Including interim)

Highest Ever Scores On key brand metrics
₹896,261 Mn Intangible assets and goodwill
Numerous Digital Innovations
India's Buzziest Brand Awarded by Afaqs in Telecom category

228,120 Man hours of training
79.4% Employee engagement score
77.7% Succession rate in Middle and Top management
~₹3 Mn Gross Revenue per employee per month
'Best Company to Work for' In Telecom and among top 10 employers across sectors in India

Mobile Services:
95.3% Population coverage
Fastest Mobile Network#
Homes Services:
89 Cities covered
Digital TV Services:
639 Districts covered
100% Population coverage
Airtel Business:
111,176 Data Links deployed

41 NPS for FY 2017-18
₹697,154 Mn Paid to suppliers
4 Investor complaints
2+ Mn Community members impacted (cumulative) through social activities of Bharti Foundation

>128,000 GJ* Reduction in energy consumption
~76%* Reduction in carbon emissions per terabyte
~2,900 Tonnes E-waste recycled
53,745 Green energy sites
~23 Mn* Litres Diesel saved

Rated by global leader in internet speed tests - Ookla for third time in a row.
* Figures for energy, carbon emission and diesel are w.r.t. network infrastructure as compared to FY 2016-17.
NPS - Net Promoter Score | **GJ** - Gigajoules

For more details on capitals, please refer page no. 032 to 045 of the report.

Financial Capital

To create sustainable value for all stakeholders, at Airtel we manage our financial capital in an astute, optimum and diligent manner, thereby harnessing opportunities for long-term value creation.

Source

Financial capital (includes shareholders' equity and debt) is a critical input in executing our business activities and in generating, accessing and deploying other forms of capital.

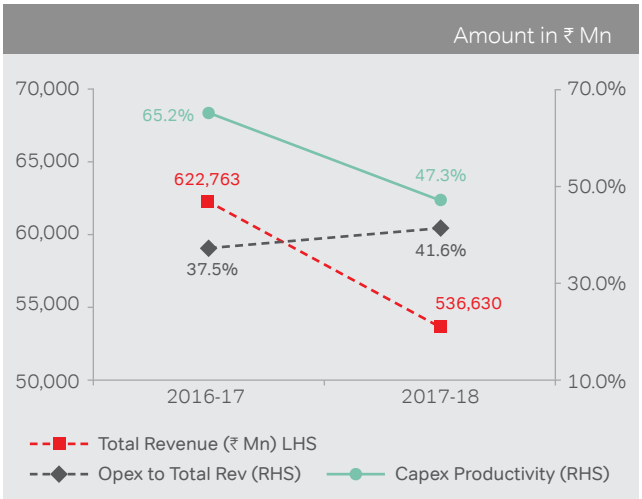
Inputs

Our financial strength is based on the primary sources of financial capital such as shareholders equity, internally generated cash flows and debt raised from capital market. These resources serve us to maintain our network, functional units, fund expansion and modernization & pay dividends to our shareholders. The components of the debt portfolio are determined by the Company's senior management in a manner which enables the Company to achieve an optimum debt-mix for its overall objectives and future market expectations.

Bharti's three line graph - Key enabler for driving value creation

At the core of the value creation process is Bharti's three line graph which measures:

Total Revenue	Opex Productivity	Capex Productivity
Absolute turnover/ sales	Operating expenses/ revenues	Revenue/ cumulative capex



Outcomes

Value Creation

EBITDA Margin (%)	PAT (Amount in ₹ Mn)	Return on Capital Employed (%)
33.83	792	2.65
38.90	-ve 99,256	-ve 4.79

FY 2017-18 FY 2016-17

Contribution to Stakeholders

Amount in ₹ Mn

Dividend	Market Capitalization (BSE)	Contribution to Exchequer
18,475	1,594,562	206,045
6,543	1,399,289	292,323

FY 2017-18 FY 2016-17



Intellectual Capital

Our Intellectual Capital consists of our strong brand, highly experienced people, world - class technology and robust processes and systems. The intellectual capital underpins our vision to 'win customers for life'. We consistently strive to innovate with new offerings, technologies and accessibility to bring brilliant customer experience in an evolving industry landscape.

Brand Airtel: Innovative, Bold & Honest

Brand 'Airtel' stands for its bold & audacious communication approach and yet at the same time being honest & transparent with its customers. The brand has always been known for its industry first initiatives like Open network, wherein we opened our network information to customer's scrutiny & in turn established a stronger connect with them. During the last year, we also strengthened our innovation & category leader credentials with initiatives like "Postpaid Promise" - wherein we redefined the postpaid category, "Launch of Airtel TV" in OTT space & campaigns like "Sab Kuch Try Karo, Phir Sahi Chuno" (Try everything and choose what is right for you). These campaigns have helped us to further fortify the 'Airtel' brand which is reflected with highest-ever scores# on key brand metrics of Saliency and Consideration.

6.6%
Salience - Y-o-Y increase as per March 2018 exit scores

5.8%
Consideration - Y-o-Y increase as per March 2018 exit scores

The strength of brand 'Airtel' was further demonstrated by the fact that Airtel was declared India's second largest brand in terms of brand valuation i.e. $10.2 Bn by Kantar Milwardbrown 2017 report*. Not only this, for our various campaigns across different media and consumer segments, the brand received many awards and accolades.



Recognition of our brand initiatives

- MOBEXX Gold Award for Mobile Advertising in programmatic campaign for Airtel Postpaid 2017
- Ad: Tech Digixx 2018 Gold Award for Digital Marketing in Telecom Category
- Afaqs Buzziest Brand Winner in Telecom Category
- Olive Crown Awards: Silver in "Out of Home" category for Airtel Starry Nights
- Smarties Bronze Award for Innovation Media plan for Airtel Postpaid 2017

*Source:
http://www.millwardbrown.com/brandz/top-indian-brands/2017

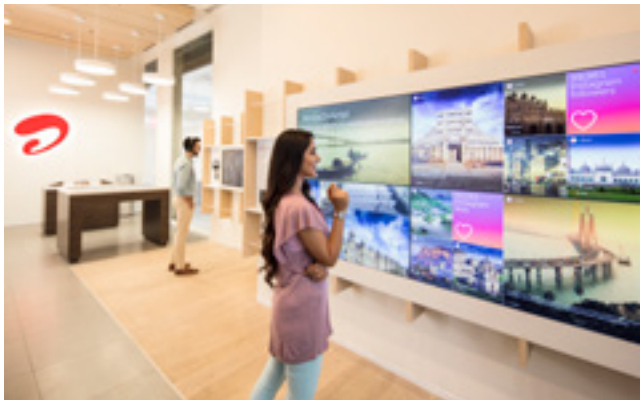
#Data collected by Market Research agency - Ipsos Research Private Limited

Digital Innovation

The digital sphere is the new norm that businesses today cannot overlook. At Airtel, digital innovation across our operations has been essential in helping us stay ahead of the curve and deliver value to our customers. Our digital innovation team develops quality services that focus on creating better experiences for our customers.

Project Next

Airtel's 'Project Next' is a digital innovation program aimed at transforming customer experience. A bouquet of digital innovative services under this project is expected to enrich Airtel's customer experience. Some of the services introduced were:



Next-Gen Airtel Stores: Highly interactive customer relationship centres with digital screen, touch screen table top and entertainment hub.

Online Store: Launched in October 2017, Airtel's online store www.airtel.in/onlinestore offers a range of premium smartphones with affordable down payment, instant credit verification and financing and bundled monthly plans.

Airtel Secure: As a key differentiator from the market, Airtel launched handset damage protection as an additional service for the postpaid customers.



Airtel Postpaid Promise: A first of its kind 'Data Rollover' feature for postpaid customers to carry forward unused data to next billing cycle.

My Airtel App: An updated version with exciting new features for better customer experience was launched.

Project Leap

With a total investment of ₹ 600,000 Mn, Project Leap was introduced in 2015 to help Airtel emerge as the most preferred smartphone network in India.

5G At Airtel, we have always believed in pioneering innovation for our customers. To empower our customers with next generation of mobile internet connectivity, offering faster speeds and more reliable connections on smartphone, we have already conducted trial for India's first 5G network.

[Read more about our operational achievements on page 116.]



Strategic Partnerships

At Airtel, we have always believed in the philosophy of 'win customers for life.' Anticipating future market trends, we entered into several strategic partnerships to enrich our service offerings.

Exclusive Online Content

Digitization continues to gain traction with technology reshaping the consumer experience. With people increasingly consuming more content, we have partnered with leading online content providers to bring our customers closer to best of content across different genres. Our partnership with Hotstar, Amazon and ALT Balaji are first-of-its kind partnerships in the industry, that have helped us strengthen our competitiveness.

Expanding Smartphone Reach

Mera Pehla Smartphone

Aligning to the Government of India's 'Digital India' campaign, Airtel entered into exclusive partnership with global players (including Google, Motorola, Samsung and Itel) to bring smartphones within the reach of more people and enable unconnected people to get online.

Other Technology Partnerships

Technology continues to play a critical role in a dynamic industry like ours. Airtel partnered with SK Telecom, Symantec Corp, OneWeb, Airbus, Delta and Huawei etc. to leverage their technical excellence and integrate the same into its product portfolio. Some of these partnerships have helped create a stronger security platform amidst the evolving digital landscape:

Enhanced cyber security

To serve the growing cyber security requirements, Airtel's partnership with Symantec Corp makes it an exclusive Cyber Security Services partner for Symantec in India and aims to leverage Airtel's strength in India's Business to Business (B2B) segment by helping them address the challenges of the Cloud Generation with Symantec's innovative Integrated Cyber Defense Platform.

Telecom Infra Project (TIP) Community Lab

Airtel announced the launch of India's first Telecom Infra Project (TIP) Community Lab. Airtel is among the early members of TIP - a global initiative founded by Facebook, Deutsche Telekom, Intel, Nokia and SK Telecom to create a new approach for building and deploying telecom network infrastructure.

Massive MIMO

An industry first approach aligned to Project Leap, Massive Multiple-Input Multiple-Output (MIMO) technology in partnership with Huawei Telecommunications is aimed to expand our existing network capacity and enhance user experience.

[Read more about 'Strategic Partnerships' on page 115.]

Highly Skilled and Experienced Workforce

We believe in empowering our employees by building a culture of excellence in our operating environment. Our business sustainability is built upon our experienced, engaged, skilled and talented workforce. Our in-house researchers, technologists, engineers and innovators act as 'think tanks' and deliver relentlessly to help Airtel create long term value for its stakeholders.

381

Digital Talent base as on March 31, 2018

[Read more about our Human Capital on page 036.]

Human Capital

At Bharti Airtel, we consider 'Win With People' to be one of our key business priorities and firmly believe that Airtel's success is a true reflection of its culture of pride, ownership and sense of belongingness. Our 'People Agenda' is linked with the organizational strategy where we partner with our employees for building a world class environment and helping them learn, lead and grow.

A Structured HR Framework underpinned by Digital Culture

We believe our employees are a differentiating factor that has contributed to our growth and leadership in India and led us to become the third largest telecom service provider in the world (in terms of subscriber base). Under the overarching strategy of 'Win With People', the people development philosophy during the year 2017-18 was centered around 'Learn, Lead and Grow'.

We aim to create a 'best in class' and seamless employee experience by coalescing employee journey with a digital culture, right from onboarding to acquiring functional excellence and leadership.



15,000+
Total number of employees

30%
Employees under the age of 30

34 years
Average age of our employees

124
Differently-abled employees in our Company

Learn

We curated a learning path and curve for each employee with a host of digitized learning solutions, (e-enabled, mobile-enabled or gamified) launched to enable employees to become a **'Master of the Craft'** by achieving higher levels of functional proficiencies. Some of the learning initiatives were:

Pluralsight: A partnership to provide online video training courses in technology and innovation.

100+
Certifications

600+
Courses

Airtel 101: Gamified content in byte sized modules to enhance the functional knowhow of the employee about the Company and the industry. This was supplemented by an exciting weekly contest – **'Fastest Finger First'.**

30+
Courses

Skills on demand with Lynda & Coursera:
We partnered with leading universities across the globe to offer certifications via mobile compatible and self-paced exhaustive catalogues on new age skills to groom employees.

iLearn: During the year, more than 8,000 learners completed over 2,000 courses and recorded more than 120,000 hours on iLearn.

The telecom industry has seen a paradigmatic shift in the last few months. Pricing simplification, bundled offers, e-KYC activations and many other factors have contributed to a shift in the way we expect employees to operate. With a view to re-invent mindsets, processes, collaboration, compliance and more, various functional and behavioural trainings were conducted throughout the year to equip our people with the required skills and knowledge.

Functional Training:
Including induction and functional knowledge/ skill building viz. sales mindset in changing times and customer centricity.

171,655
No. of man hours of training

2,404
Training interventions

Behavioural Training:
Including collaborative relationships, problem solving, design thinking and communication.

20,249
No. of man hours of training

289
Training interventions

Lead

Leaders at every organization, set the pace and nurture the right mindset. At Bharti Airtel, we believe in grooming leaders of tomorrow who act as role models for the entire organization and make a difference especially in challenging times. Under this pillar, people managers are nurtured and expected to demonstrate what it is to 'Lead Right' by role modeling all key leadership behaviours, including 'Leading Self' and 'Leading Others and Teams'. Some of the leadership initiatives were:

Feedback on fingertips: A 360-degree feedback application that allows to seek real-time feedback from all stakeholders (within Airtel) to enable them work on their perceived areas of improvement.

2,000+

Feedbacks initiated

Coaching Conversations (Leaders as Coaches): A tool available on the intranet platform that makes coaching real and actionable for the employees. The platform empowers each employee to identify his/ her own coach.

Ascent: A leadership experience workshop for 'Manager of Managers' to help them build bandwidth, credibility and capability to transform as 'Leader as a Coach' for their teams. The workshop was centered on educating about different leadership styles, creating self-awareness, identifying different roles as leaders and developing a coaching framework.

44

Managers covered

Embark: A workshop to equip first time managers with practical skills needed to succeed in the 'People Leadership' role. The objective of the workshop was to help the employees strengthen their emotional intelligence and performance management abilities.

193

Managers covered

Airtel Leadership Series: Airtel Leadership Series in 2017-18 saw a galaxy of speakers comprising of internal leaders and external experts from different industries such as healthcare, startup, consulting etc. sharing their valuable learning and experiences with our team. They shared insights on important topics spanning across technology, digital future, business partnering, brand value and transformation among others. The employees got a chance to interact with experts on several topics giving them a perspective of different organizations and experiences.

Leadership Training: To groom managers to become future leaders.

24,655

No. of man hours of training

162

Training interventions

77.7%

Succession rate in Middle and Top Management in FY 2017-18

Grow

Career Fair

The year 2017-18 witnessed Career Fair 2.0 in May, which centered on the importance of "Owning My Development" along with building a career. With a host of distinguished speakers across industry, the idea around the Career Fair 2.0 was to narrate career journeys as examples, stress the need to take ownership of one's own career and have meaningful career conversations by being able to answer the following questions:

1. "I know what skills I need to do my current job well"
2. "What are the possible roles I can aspire for and what skills are needed to succeed in these?"
3. "How can I build these skills?"



Campus Programs: Under two key programs viz. Young Leader Program (YL) and Young Technical Leader Program (YTL), Airtel hires the best minds from the country's top management schools and engineering campuses and grooms them for future leadership and world class technical leaders' roles.

146
Recruits from YL and YTL Programs in FY 2017-18

30+
Campuses visited

Career App: We launched the updated version of the MyCareer App, enabling skill based mapping of all roles within the organization for the employees.

8,000+
Unique accesses initiated

Gender Diversity and Equal Opportunity

At Bharti Airtel, we consider 'Diversity' to be a key enabler for business and continuously put in efforts to build a team which represents the society at large. Our flagship diversity program, "WE- Women Empowered", under its umbrella, focuses on empowering its women employees to curate their career journeys at Airtel via focused interventions including WE Mentorship, WE Chit Chat, WE Achieve and WE Lead. All these efforts have also culminated into the launch of **'She For Change'** - our compendium featuring narratives of Airtel women employees on personal or professional impact brought in their ecosystem.

SHE FOR CHANGE

24
Impact stories shared under 'She For Change'

Fostering an Engaging Work Environment

Employee connect has always been an integral part of our culture at Airtel. We foster an engaging work environment by leveraging various channels of communication. Some of the initiatives undertaken were:

> Workplace by Facebook: To enable digital collaboration and communication among all employees and foster greater Leader-People connect.

> HIVE: An information sharing platform empowered with easy-to-use tools to deliver insight across the entire employee lifecycle.

> Mood-o-Meter: A mobile based app enabling employees to share their views and feedback for a better working environment.

79.4%
Employee engagement score

Provide Safe and Healthy Work Conditions

We are committed to ensure a secure work environment. We have in place stringent workplace health and safety policies including Workplace Safety Policy, Health Safety and Environment Policy, Domestic Travel Safety and Security Policy and Policy for Safety of Women amongst others. To ensure occupational health and safety throughout our operations, a dedicated safety team, led by a Safety Officer, is in place to monitor and maintain safe, healthy and injury-free working conditions.

14,000+
Employees underwent safety trainings in FY 2017-18

Awards and Recognitions

We believe in recognizing and rewarding our employees for their sustained efforts towards organizational growth. With the 'Kudos' program, we have been able to build a culture of recognition to celebrate the success of our team members by awarding them with various category of awards including Instant Awards, Planned Awards in the nature of Silver, Gold and Diamond Awards and Long Service Awards etc.



8,306
Instant Awards

2,764
Long Service Awards

2,693
Planned Awards (Silver, Gold and Diamond)

Manufactured Capital

In telecom industry the infrastructure assets define the quality of service provided to the customers. A superior quality quotient is a result of sustained investments in building a strong infrastructure base.

Our ability to serve customers rests on the foundation of a strong network infrastructure that delivers brilliant network experience. The industry table has declined over the year and moved towards an effective 3+1 market structure. Given the changes in the telecom landscape which have necessitated unprecedented network rollouts with emerging opportunities, at Airtel, our strategy is to sustain market leadership by setting up an integrated network infrastructure and enhancing the value for our customers.

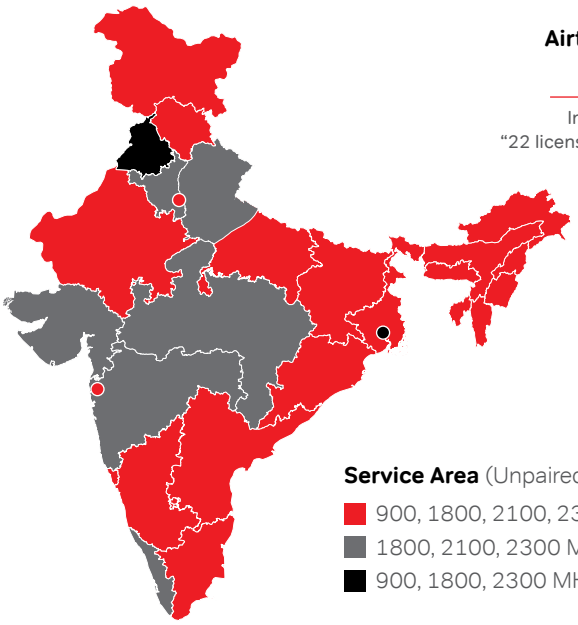
Sustained Capital Investments

Aligning to the Government of India's vision of a 'Digital India', at Airtel we are making sustained investments to strengthen our network infrastructure. Our tower infrastructure, spectrums and other related assets form a strong manufactured capital base for the Company. The surging data traffic has made it imperative for us to have a stronger presence across the different spectrum bandwidth to widen our customer base.

We have invested significantly till date in increasing our presence in spectrum portfolio bandwidth. A growing customer base in key areas across our multiple product segments is adequately supported by our strong spectrum bandwidth. We realize that the investments we make today will have a lasting impact on the near future.

Airtel's Spectrum Snapshot

India is divided into "22 licensed service areas"



250.00 MHz
Spectrum in 2100 MHz Band

232.80 MHz
Spectrum in 900 MHz Band

449.30 MHz
Spectrum in 1800 MHz Band

570.00 MHz
Spectrum in 2300 MHz Band

The above spectrums does not include spectrum acquisition of Telenor.

Investments Resulting in a Growing Customer Base

Airtel is a leading global telecommunications company with a portfolio of services that includes voice and data solutions over fixed, wireless and internet platform, DTH and enterprise solutions. We are the only telecom company in the Country to offer an array of services that enhance lives of our customers. Our sustained investments in expanding our asset base have empowered millions of customers with accessibility to our innovative services.

Customers

304.2 Mn
Wireless Services

14.2 Mn
Digital TV Services

2.2 Mn
Homes Services

1.8 Mn
Airtel Business

Our Infrastructure Presence

Mobile Services

7,899
Census Towns

95.3%
Population Coverage

237,893 RKms
Optic Fibre Network

165,748
Mobile Network Towers

786,043
Non-Census Towns and Villages

298,014
Total Mobile Broadband Base Stations

1,946.3 Bn
Minutes on Network

3,901.8 Bn MBs
Data Traffic

India's Fastest Mobile Network
Rated by global leader in internet speed tests - Ookla for third time in a row

Homes Services

89
Cities covered

1,340.8 Bn MBs
Data Traffic

Digital TV Services

639
Districts covered

100%
Population Coverage

Airtel Business

Airtel's international infrastructure includes the ownership of i2i submarine cable system, connecting Chennai to Singapore and consortium ownership of submarine cable systems like South East Asia - Middle East - Western Europe - 4 (SWM4), Asia America Gateway (AAG), India - Middle East - 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 of 22 other cables across various geographies.

Its global network runs across 250,000 RKms with over 1,200 customers, covering 50 countries and five continents and 65 Global PoPs (Point of Presence).

7
Submarine cable systems



Enabling Connectivity

With almost all the towns at a height of 3000 meters that extend from The Great Himalayas to the Kulum with the temperature ranging from - 30° Celsius in Leh and Kargil to - 50° Celsius in Drass in winters, Ladakh is the one of the toughest geographies in India and in the World. For most part of the winters, all these towns are cut-off from rest of the country/state leading to a serious crunch in basic amenities including communication. The data service was far from reality as there was huge dependency on high quality fiber and the terrain, weather and passes made it impossible to lay fibre. Airtel J&K team took this challenge on themselves to make this possible - the entire project of laying around 1000 kms fibre to connect Srinagar to Manali via the rooftop of world (Ladakh) was divided in 2 phases:

> Phase 1 - Leh & Kargil connectivity to Srinagar
> Phase 2 - Leh to Manali

Airtel becomes the first operator to launch 3G/4G in Ladakh region in spite of toughest weather & unfavorable terrains. Ladakh was put on to the Digital Superhighway with launch of 66 new sites in Leh & Kargil districts with 4G technology.

It is testimony of sheer grit & commitment from 'Team Airtel' bringing the smiles on faces of people & brave hearts of Indian Army!

Social & Relationship Capital

At Airtel, we believe being a responsible corporate entails us to creating a shared economic and social value for our stakeholders. As we prepare to step up our business for next level growth, value creation for key stakeholders remains our priority.

Engage Effectively

Inclusive governance and engagement approach is a part of our value-creation philosophy at Airtel. We continuously strive towards strengthening the relationship quotient with our stakeholders. Our leadership team takes active participation in maintaining a robust communication system with all our stakeholders.

Customers

Everything that we do is geared towards improving our service for an enhanced customer experience. Our actions are driven by our strategy to 'win customers for life', as we lead the change in an evolving digital landscape. During the year, we made unflagging efforts to keep our customers delighted. Some of the initiatives were:

Stepping Up Engagement through Digital Platforms

Decision Tree: We strengthened 'care' quotient for our customers and relationship advisors with launch of Decision Tree functionality. The 'Decision Tree' enabled the advisors to derive accurate resolution across our business verticals with maximum '3 clicks'. On the other hand, the 'Help & Support' section at My Airtel app gave the customers holistic self-care solutions for their concerns.

Enhanced Retail Store Experience: We launched more than 20 Next-Gen Stores across the country with several new digital experience zones. The 'Create' touchscreen table, 'Share' and 'Network' wall were set-up that brought customers closer to brand 'Airtel' and its knowhow.

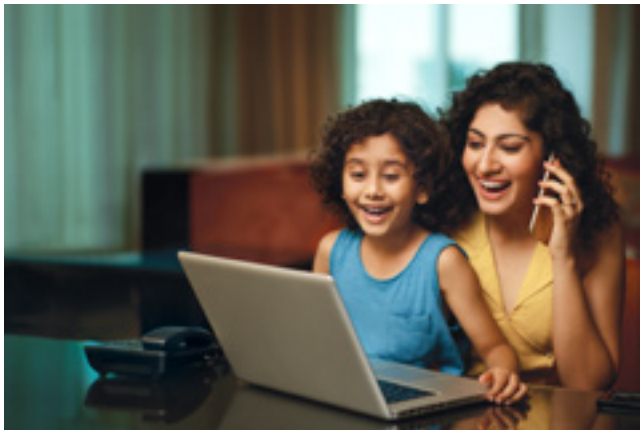


Everest: An advanced digital managed services tool for our corporate customers, giving them advanced network related capabilities (like comprehensive visibility, real time monitoring and auto-ticketing).

Happy Code: A digital network complaint resolution for our Homes customers (fixed-line telephone and broadband) to close their complaints, wherein they share a code (a specific SMS code) with the engineer.

Konnect App: A dedicated app for our on-field force to serve our multiple businesses enabling them to serve customer queries efficiently.

Online Experience: Created one-stop solution across web and app platform for our customers across different service offerings.



e-KYC: We successfully increased the wireless activations through Aadhaar for Prepaid and Postpaid customers. In FY 2017-18, we also launched the Broadband customer activation through Aadhaar. This has significantly reduced the paper usage in our operations and enhanced the customer experience by enabling faster onboarding process.

~96%

Prepaid activations in wireless business through Aadhaar

Maintain Transparency and Ethical Governance Standards

Suppliers

At Airtel, our business strategy revolves around fostering mutually beneficial relationships for a common sustainable goal and partnering with the best. We treat our partners with integrity and respect with transparency in all engagements with them. Over the years, we have significantly strengthened our collaborative relationships with the suppliers. While on-boarding and on periodic basis, our partners go through a detailed screening to adhere to compliance, regulations and standards. Airtel's 'Partner World', a one stop online portal for end to end partner management enables the suppliers to share information, interact/ collaborate, and ultimately form closer relationships with its external supply base. The Annual Confluence, a partnership event, provides opportunities for our partners to interact with the top management and align towards achieving long-term goals of Airtel. Continuous Online Surveys and Strategic Partner Satisfaction Survey with our partners help us identify areas that have scope for improvement and necessary actions.

7.9

Strategic Partner Satisfaction Survey Rating

Ensure Compliance with Rules and Regulations

Government

At Airtel, we ensure compliance to the rules, laws and regulations set by the regulatory bodies in the countries we operate, in letter and spirit. The management is responsible for implementation of our policies in compliant to the legislative framework. In the course of our business operations, we engage with several regulatory authorities, maintaining high governance standards with transparent and timely communication.

Aligning to the government's vision of Digital India, we have stepped up our efforts to provide internet accessibility and drive inclusive growth of all sections of the society. We are making investments towards setting up a comprehensive infrastructure framework, partnering with government's institutions for empowering farmers in agricultural sector with IFFCO Kisan Sanchar Limited (IKSL) initiative.

Investors

We value the relationship with our wide investor fraternity, continuously improving the relationship quotient and aligning our business goals with their expectations. A regular engagement process, driven by our investor relations team provides all the updates and information on our operations, and strategies and helps addresses any queries/ doubts.

4

Investor complaints received and timely resolved during FY 2017-18

Socio-economic Activities Participation

Our business philosophies capture our socio-economic intent to create value for stakeholders. We take proactive measures to reduce our impact on both environment and our stakeholders, particularly on communities that need special attention. Our actions towards creating value for stakeholders determine our brand recall and our acceptance as a brand in the society.

Social Contribution by our Circle Offices

To widen the reach of our social impact, the employees at our circle offices, across the country, focused on activities to create value in the local communities of the urban landscape. Some of the initiatives undertaken by them were:

1.	Blood donation camps	5.	Share to care
2.	Safety workshops	6.	ACT (A Caring Touch)
3.	Distributing school bags and stationery	7.	Disaster management
4.	Life saving skills training		

ACT (A Caring Touch)

An employee payroll giving program for Bharti Group of Companies, ACT encourages employees to make a contribution (in terms of money, time, skills or knowledge) and improve lives of the underprivileged.

₹4.58 Mn
ACT Employee Contribution*

₹5.80 Mn
ACT Employer Contribution*

*Companies included are Bharti Airtel Limited, Bharti Airtel Services Limited and Telesonic Networks Limited.



Bettering Societal State

Helping the Disadvantaged

We continued the scholarship and skill development program for underprivileged students of Chhindwara District, Madhya Pradesh. We expanded the horizons of the program by including digital literacy, adult literacy and livelihood enhancement/ vocational skills for women in the program. During the year we have trained students from various domains on employability skills helping them to become corporate ready. Over 1,300 underprivileged students and women were granted scholarship during the FY 2017-18. Under the program, we also imparted coaching to the underserved youth for competitive exams helping them get selected for central/ state government jobs. Additionally, we run self-employed tailoring course for women empowerment program in the tribal areas of Chhindwara.

Caring for the Elderly

During the year, we have increased our contribution towards well-being and up keeping of senior citizens. Ramadham Old Age Home, Khapoli Village, Maharashtra and Anubandh, situated on the outskirts of Jodhpur, help senior citizens who are deserted by their families. We partnered and supported Anubandh and Ramadham in furtherance of their initiatives.

Protection and Maintenance of Site of Historical Importance

We, as a socially responsible company, have extended our contribution towards establishment of Partition Museum in the city of Amritsar for the purpose of commemorating the partition of India and for fostering a greater understanding of the forces and circumstances that shaped the momentous and historic event. It is the first of its kind museum in India.

Enhancement of Vocational Skills in Hearing Impaired Adults

Aimed at providing high-quality leadership and management skills training program and empowering environment, the Company extended its support for vocational training program to 400 hearing impaired adults. The program and training will collectively equip them to become "Deaf Change Makers" in their communities and thrive as vibrant citizens within society.

Airtel and Magic Bus

The main area of focus of this project supported by Airtel is to empower 1,722 children (722 children in Mumbai and 1,000 children in Delhi) in the area of right to education, gender equity, awareness on health and hygiene, right to play, life skills and leadership through Magic Bus Sports based and mentorship program "Sports for Development". The aim of the project is to bring about a positive change in the attitude and behaviour of children.

Bharti Foundation

Bharti Foundation, the philanthropic arm of Bharti Enterprises, drives our approach in building positive community relations. Through its various programs, we reach out to societies in rural India, empowering lives of the underprivileged through education with a focus on girl child and sanitation among others. Our programs have created a positive impact in the society:

1.	Satya Bharti School Program	4.	Satya Bharti Abhiyan
2.	Satya Bharti Quality Support Program	5.	Higher Education
3.	Satya Bharti Learning Centre Program		

[Read more in detail about our social engagements in corporate responsibility report on page 048.]

Natural Capital

As one of the world's leading telecommunication companies, we remain steadfast to responsible environment governance to ensure our operations have minimum impact on the surrounding environment. Our approach towards environment protection and conservation of natural resources is guided by our internal policies and applicable external standards.

Our environment policies and actions are aimed at reducing the impact of our operations on environment. At Airtel, we focus on understanding and managing our environmental impact with three focus areas.

1. Reducing the impact of telecom infrastructure on the environment
2. Reducing the carbon footprint in our facilities and data centres
3. Resource and waste optimization

Reducing the Impact of Telecom Infrastructure on the Environment

We work closely with our tower infrastructure partners to reduce the environmental impact of their business operations. As technology continues to evolve, we make sincere efforts and investments in energy-efficient equipment and utilization of green energy technologies. Our collaborative efforts have led to conversion of several conventional DGs and battery operated telecom tower sites into energy efficient towers through adoption of renewable energy sources.

Our Milestones

Action: We have installed Rooftop Solar plants at Main Switching Centres, expanding the total installed capacity over 1MWp across the several locations in the last 5 years.

Impact: Rooftop Solar plants helped us save over 2,300 tonnes of CO_2 emission in the last 5 years.

Action: We have procured over 90 Mn green units per annum through various power wheeling agreements.

Impact: Green energy procurement helped us save over 73,000 tonnes of CO_2 emission per annum.

Action: We deployed low-power consuming Base Transceiver Stations (BTS).

Impact: 30% reduction in power consumption in last 4-5 years.

Action: Our pioneering effort of telecom passive infrastructure sharing has helped reduce energy consumption.

Impact: In FY 2017-18, over 44% sites were deployed as shared sites.

Action: We deployed 91% outdoor BTS sites in FY 2017-18.

Impact: 25% reduced energy requirements.

Action: We implemented battery hybrid solutions to eradicate use of diesel.

Impact: 4 hybrid tower sites implemented in FY 2017-18.

Action: We converted sites to outdoor mostly by utilizing technology like FCU (Free Cooling Unit), NCU (Natural Cooling Unit), TCU (Transmission Cooling Unit), SCU (Solar Cooling Unit), MCU (Micro Cooling Unit), low power consuming BTS etc. to reduce the energy consumption in the past 4-5 years.

Impact: Over 62,000 sites converted with 25% reduced energy requirements.

Climate Change – An Emerging Area of Focus

With strong scientific evidence supporting the disruptive nature of Climate Change, it has become a global challenge that will impact every business. Countries are taking up individual emission reduction targets and these targets will cascade down to individual sector and companies.

- Substitution of existing energy sources with lower emissions options and cost perceived to transition to lower technology emissions will be vital in the coming years.
- Increased severity of extreme weather events such as cyclones, floods, rising sea levels and precipitation can cause disruption in the Company's network system thus interrupting smooth delivery of services to customers.

This has a considerable impact on our operation which include:

- Increased Capital investment and operating costs due to higher compliances, increased insurance premiums.
- Technological obsolescence and/or write-offs, asset impairments and early retirement of existing assets.

Airtel has taken various measures over the years, in response to climate change, the details of which are given in this section and shall also form a part of the annual sustainability report.



Reducing the Carbon Footprint in Our Facilities and Data Centres

At Airtel, we recognize the significance of safeguarding climate and make efforts that promote the containment and reduction of carbon footprint in our operations. We pursue this objective through sustained investments in assets backed by periodic assessments of emissions to meet the set targets.

2,568 MWh

Units of electricity saved in FY 2017-18 in our facilities

17.66%

Reduction in CO_2 emission per rack in our data centres as compared to FY 2016-17

Our Milestones

Action: We installed energy efficient lighting at workplace to optimize light consumption.

We retrofitted old technologies with energy solutions.

We optimized energy consumption through improving chiller efficiency, controlling heating / air conditioning and HVAC optimization.

We installed Enisaver (Quasar Enviro) smart high-tech devices and energy efficient cooling systems for our offices.

We installed collective control system in lifts such as "Duplexor" to help in reducing power consumption.

Impact*:

KWH emission reduction



1. Lighting Optimization (adjusting light intensity, use of natural light, LED installation) - **8%**
2. Energy Optimization (UPS optimization, improving chiller efficiency) - **19%**
3. Innovative Solutions - **8%**
4. HVAC upgradation for efficient heating and cooling - **65%**

* above figures relate to impact made at our facilities.



Resource and Waste Optimization

We have installed specific systems and processes to manage both our hazardous and non-hazardous waste in compliance with our waste management guidelines. Through innovative technologies, reusing and recycling, we have managed to reduce waste generated and reduced its impact on the environment.

Our Milestones

Action: We encouraged electronic billing and online payment methodologies for our customers.

Impact: Over 1,600 Mn sheets of paper saved since 2011-12.

Action: Increasingly adopted verification process through Aadhaar thereby eliminating paper work.

Impact: ~96% of prepaid connections through Aadhaar.

Our Achievements

Equipped all our facilities to reduce water consumption and augment rainwater harvesting.

Sewage treatment plants are installed at our facilities for handling domestic waste water.

We installed efficient water fixtures, sensors and other gears to reduce water utilization.

A dedicated team works to trace end-to-end handling and recycling of e-waste in accordance with Waste Electrical and Electronic Equipment (WEEE) guidelines and post clearance from Central/ State Pollution Control Board(s).

~2900 Tonnes

E-waste from IT and network infrastructure was recycled in FY 2017-18

340,000+

DTH units refurbished in FY 2017-18

The Crowning Moments

Financial Capital

- Bharti Airtel bagged 'The Corporate Treasurer Award' for 'Asia's Best Treasury and Finance Strategies, 2016' under the 'Best Hedging Strategy' category.
- Bharti Airtel was **ranked second** in the 'Brand Finance India 100 (2017)'- an annual report on the most valuable Indian brands. According to the report, the Company's brand was valued at US$ 7,722 Mn.

Intellectual Capital

- Bharti Airtel was ranked amongst the top 100 firms in the list of **'Most Innovative Companies'** in the world (2017) by Forbes.
- Bharti Airtel won the 'Best Risk Management Practice Award' in the 'Telecom' category at the 'India Risk Management Awards' (2017) instituted by CNBC TV18 and ICICI Lombard.
- Bharti Airtel was ranked second in the **'BrandZ Top 50 Most Valuable Indian Brands 2017'** report. According to the study, Company's brand was valued at US$ 10.2 Bn.
- Airtel Global Business won in two categories: **'Best Voice Services Innovation – Emerging Market'** and **'Best SMS Innovation'** at 'Global Carrier Awards' in London.

Human Capital

- Bharti Airtel was honoured with 'Aon Best Employer India 2017' award at the 'Aon Best Employers India 2017 Learning Conference and Awards' ceremony.
- Bharti Airtel was ranked the 'Best Company to Work For' in the 'Telecom & Allied Sector' in the 'Business Today - PeopleStrong Survey' (2017).
- Bharti Airtel Network Infra team won an award for **excellence in fire security** at the 'IFSEC Awards 2017'.
- Airtel Lanka won the **'Best Employer Brand', 'Best HR Strategy'** and **'Best HR Strategy in line with Business'** awards at the '12th Employer Branding Awards' (2017) in Colombo.
- Airtel Nigeria adjudged the Company with best recruitment strategy at the 'HR People Magazine Awards' (2017) in Lagos.

Manufactured Capital

- Bharti Airtel was ranked second in Business World 'Most Respected Companies' survey (2017).
- Bharti Airtel's Broadband Team and Open Network Team were awarded under **'Broadband Product'** and '**Marketing Campaign' categories** respectively at the 'Economic Times Telecom awards, 2017'.
- Bharti Airtel was rated as the fastest mobile network in India by 'Ookla' - the global leader in speedtest. This is the third time in a row that Ookla ranked Airtel as India's fastest network.
- Nxtra Data, a subsidiary of 'Bharti Airtel' was awarded the **'CIO Choice Award 2018'** for 'Data Center & Infrastructure Vendor' in the category of 'Co-location Services'.
- Bharti Airtel's Internet TV won the 'Tech Peripheral of the Year' award at the 'NEXA NDTV Gadget Guru Awards' 2017.
- Airtel Global Business won in 'Best Emerging Market Initiative' category at the 7th 'Asia Communication Awards' (2017) held in Singapore.
- Airtel Global Business won in the **'Best Wholesale Carrier (Global)'** category at the 'Carriers World Awards' 2017 held in London, UK.

Social & Relationship Capital

- Bharti Airtel was honoured in the categories of 'Best Brand Loyalty Marketing Campaign' and 'Best CSR Initiative' at the 'Asian Customer Engagement Forum and Awards' (2017).
- Airtel Nigeria bagged the 'Most Outstanding Customer-Centric Telecoms Brand of the Year' award at the Marketing Edge's 'National Marketing Stakeholders Summit and Brands & Advertising Excellence Award' (2017).
- Airtel Seychelles was awarded the **'Corporate Social Responsibility of the Year 2017'** at the 5th edition of the 'Business Awards' organized by the 'Seychelles Chamber of Commerce and Industries' (SCCI).
- Airtel Kenya won in the 'Humanitarian/Corporate Award 2017' at the 5th edition of the annual 'Kenya Red Cross Volunteer Awards'.

Natural Capital

- Bharti Airtel bagged the **'Golden Peacock Award for Corporate Sustainability'** for the year 2017.

Note: The above include awards and recognitions at India and global level.



Airtel Global Business - Asia Communication Awards, 2017



Airtel Nigeria - HR People Magazine Awards, 2017



Bharti Airtel - Business Today-PeopleStrong survey, 2017



Bharti Airtel - India Risk Management Awards, 2017



Airtel Kenya - Kenya Red Cross Volunteer Awards, 2017



Bharti Airtel - Aon Best Employer India, 2017



Airtel Lanka - Employer Branding Awards, 2017



Airtel Nigeria - Marketing Edge's 'National Marketing Stakeholders Summit and Brands & Advertising Excellence Award', 2017



Airtel Seychelles - 'Business Awards' organized by the 'Seychelles Chamber of Commerce and Industries' (SCCI), 2017

Corporate Social Responsibility Report

At Bharti Airtel sustainability is defined in the context of operating our business responsibly. Operating in 16 countries with more than 4 Bn customers, it is our endeavour to make a difference in our communities.

Our approach to sustainability is guided by our values and principles. Our employees across the globe make sincere efforts to leave a positive impact on the lives of people that need aid. We empower the stakeholders through several initiatives in the field of education, women empowerment, sanitation, employment generation and healthcare, among others.



India

At Bharti Airtel, we strive to inspire and empower people to create a financially secure and sustainable future. Over the course of the year, we worked towards achieving socio-economic growth through our programs. We stepped up our efforts during the year through several programmes that bring about life-lasting changes in the lives of the people.

Bharti Foundation

Bharti Foundation is the philanthropic arm of Bharti Enterprises. The Foundation provides free and quality education to underprivileged children with a focus on the girl child, across rural India through its flagship initiative - the Satya Bharti School Program. Post completion of 10 successful years in 2016, the Foundation's education focus is being scaled up by transferring learning and best practices of the Satya Bharti School Program to Government schools through the Satya Bharti Quality Support Program. The Foundation has also made significant contributions in the field of secondary education through its higher education programs in partnership with renowned institutions like Indian Institute of Technology (IIT) – Delhi & Mumbai, Indian School of Business – Mohali, University of Cambridge – UK and Newcastle University – UK. Since 2014, the Foundation has extended its service beyond education to improve sanitation in Ludhiana, as well as in Amritsar with the initiation of Satya Bharti Abhiyan.

Education

Satya Bharti School Program



The Satya Bharti School Program is the flagship initiative of Bharti Foundation. This rural education initiative provides quality education to underprivileged children, completely free of cost, with a special focus on the girl child. The program envisions transforming students into educated, confident, responsible and self-reliant employable citizens of India with a deep sense of commitment to their society. The program's reach is multi-pronged: encouraging active involvement of the rural community, parents of students and other organizations working in the field of education in India. Making a lasting and sustainable impact on the community where schools are present and finding innovative solutions

through its primary and senior secondary schools, the Satya Bharti School Program is being implemented with the intent to arrive at replicable and scalable components of quality education which may be adapted by the Government and other like-minded organizations. Reaching out to thousands of underprivileged children, the program, through its focus on holistic development, aims to bring forth a new generation of citizens eager to usher in positive change.

Key Achievements, 2017-18

National level

> 23 students from Satya Bharti School were winners (Eight Gold, Eight Silver, Seven Bronze) at 'Natural Capital Olympiad' (Environment based competition)

> 35 students secured admission in Jawahar Navodaya Vidyalayas (JNVs) - complete residential schools for gifted students in India supported by the Ministry of Human Resource Development, Government of India

> Two Satya Bharti School teachers were declared winners by Centre for Teacher Accreditation (CENTA - a hallmark of teaching excellence)

> Exemplary performance by students of Satya Bharti Schools at India Art National level Painting Competition 'Khula Aasmaan', receiving 11 medals and 87 honorable mentions

> Nine Satya Bharti students among the coveted Top 100 at the 'Design For Change' contest that recognizes impactful community campaigns addressing social change

> Three students were declared winners at 'Pramerica Spirit of Community Awards' celebrating volunteer community program in India

International level

> Satya Bharti Adarsh Senior Secondary School, Rauni, Punjab was awarded at 'School Enterprise Challenge', an international initiative that promotes entrepreneurship

> 14 Satya Bharti Schools students were declared winners at 'Inspire Aspire' Poster Making Competition 2017



Students of Satya Elementary School, Dhulka, Punjab: Narinderpal Singh (15 yrs old), Simranjot Kaur (13 yrs old), Sanehdeep Kaur (12 yrs old), Daljit Singh (10 yrs old), Arshdeep Singh (10 yrs old)

Agents of Change: The road connecting the villages of Jharunangal and Dhulka in District Amritsar, Punjab had deteriorated causing several road accidents and injuries to people. Satya Elementary School, Dhulka started witnessing a steady decline in attendance rates of students due to challenges faced by students by the worsening condition of the road.

The students of Satya Elementary School, Dhulka, along with the active support of their teachers, resolved to change the situation. It spurred them to initiate a road safety project. The children went door to door, approached the village sarpanch, community members and the students of nearby schools, informing them about the situation. The determination of the students led to a change, inspiring the community to pitch in by providing construction materials and labour. Within a short time-frame of less than a month, the students' efforts led to a repaired road that was safe for use.

254
Schools

06
States

45,388
Students

1,617
Teachers

50%
Percentage of girls

76%
Percentage of students from SC/ST/OBC communities

70%
Percentage of female teachers

All data as on March 31, 2018

Satya Bharti Quality Support Program



The Satya Bharti Quality Support Program is an education initiative with Government Schools. Through this Program, Bharti Foundation engages the school leadership, teachers, students and the surrounding communities towards enhancing the schooling experience and strive for excellence. The approach is to identify, integrate and optimize best practices from Satya Bharti Schools with the intent of encouraging innovation, participation and ownership to facilitate sustainable change.

398
Schools (in ten states*)

50%
Girls

159,298
Students

69%
SC/ST/OBC communities

5,982
Teachers

*Program Footprint across 10 states of India: Delhi, Goa, Haryana, Jammu & Kashmir, Punjab, Rajasthan, Andhra Pradesh, Telangana, Uttar Pradesh & Jharkhand



Program Approach:

Optimize use of existing resources, policies and systems	→	Collaborate with school leadership and staff to maximize usage
Support schools leaders to achieve higher goals and bridge existing gaps	→	Facilitate, support and enhance school resources, processes and efforts

Key Achievements, 2017-18

- The remediation program has helped increase the learning levels of 3,817 students thereby improving their English language and Math across 151 schools
- Leadership positions at clubs were led by girls witnessing more than 60% girls at the helm compared to 31% last year
- A total of 558 awards won by schools at different levels with five students winning National Means-cum-Merit scholarship awarded by Ministry of Human Resource Development; two winning All India Kung Fu championship and one gold medal in wrestling at 4th Indo-Nepal Golden Cup Youth Rural Games 2017-18
- Leadership training organized for 104 schools to empower the school leadership (Principals and senior staff). Also, capacity building exposure trips organized for Army Goodwill Schools' staff (100 participants) to Satya Bharti Adarsh Senior Secondary Schools in Ludhiana
- Schools connect with communities increased with average number of meetings of School Management Committee up from two in FY 2016-17 to five by end of FY 2017-18
- Increased Parent-Teacher Meetings per school from two to three over previous year. Average attendance increased from 35% to 48% witnessing a rise of more than 1,300 basis points
- Three girl students were felicitated by the then President of India, Hon'ble Sh. Pranab Mukherjee in Sohna for exceptional roles and leadership skills in club activities under Rashtrapati Bhavan's secretariat's 'Smartgram' project

All data as on March 31, 2018

"Bharti Foundation's Quality Support Program has benefitted us in various ways and it has helped us in improving overall development of students. Their focus on innovative activities like library week, art and craft workshops, study skills workshops and celebration of national day have created an impact on students' lives."

Mrs. Poonam Nijhawan, *Government School Principal*
Sarvodaya Senior Secondary School, Pitam Pura, Delhi

"We would like to express our gratitude to Bharti Foundation for their tireless contribution in changing the overall atmosphere of our school. Their initiatives like Lecture Series, Students Competitions, Student-Teacher Excursions, Teacher Training and Club Formation are priceless contributions in development of a child's future. Apart from this we highly appreciate the role of the Foundation in streamlining Parent Teacher Meetings and community connect."

Mrs. Santosh Kumari, *Government School Principal*
Govt. Girls Higher Secondary School, Kandoli, Nagrota, J&K

Satya Bharti Learning Centre Program (2013 to 2018)*



This remedial/bridge courses program run by the Foundation, aims to bridge the education gap of Out-of-School Children to mainstream them into regular schools. The first phase of the program, started in 2013 and deployed in partnership with the Government of Rajasthan was scaled up to Madhya Pradesh and Jharkhand, thereby extending program reach to the remote blocks of all three states.

Till March 2018, following have been the major achievements of the program:

49%
Percentage of girls

33,353
Students mainstreamed

1,522
Centres operational since program inception

98%
Percentage of SC/ST/OBC students

All data as on March 31, 2018

Key Achievements, 2017-18

- 9,265 students were mainstreamed in year FY 2017-18
- 15 blocks (Nine in Rajasthan and Six in Jharkhand) declared Out-of-School Children free by the Education departments. In these 15 blocks, Bharti Foundation contributed by operating 846 School Learning Centres and mainstreamed 18,646 students
- Nearly 1,600 Education Volunteers (EV) worked in this program, which has generated trained human resource for remedial teaching at the village level
- 1,522 Satya Bharti School Learning Centres have been operated and closed successfully
- Education Department, at all block and district levels have formally appreciated and acknowledged Bharti Foundation's contribution for identifying Out-of-School Children, remedial teaching and mainstreaming them in government schools
  - 79 EVs appreciated by Education Department in Rajasthan
  - Rajasthan Council of Elementary Education appreciated the program
  - Over 250 appreciation letters and formal recognitions received from government officials
  - Over 200 print and electronic media reports came about Bharti Foundation's School Learning Centres program
  - MP Shri Nishikant Dubey appreciated the work of Bharti Foundation
  - Secretary, MHRD, Government of India appreciated Bharti Foundation's work to reopen a school

*From April 2018, this program has been integrated with the Satya Bharti Quality Support Program for the comprehensive support of Government schools.

- Bharti Foundation nominated in the 13 member core Education reformation committee team at Pakur, Jharkhand
- Many students in this program (erstwhile Out-of-School Children) went on to be selected in Jawahar Navodaya Vidyalaya (JNV), Eklavya Vidyalaya and Kasturba Gandhi Balika Vidyalaya (KGBV), besides 16 students completing class 5 with over 60% marks (first division)
- Three centres have been awarded 'Swachh Vidyalay Purashkar' (one in Category green band and the other two in category blue band by MHRD, GOI)
- MLAs from constituency of Barmer, Ramsar, and Sawai Madhopur visited centres and appreciated Bharti Foundation's work with government schools
- MLA from constituency of Dahua in Jharkhand visited the Centre and appreciated the program

State Wise Achievement (since inception)

States	No of Centers	No of Children Mainstreamed	No of Children Impacted
Rajasthan	1,114	23,070	26,273
Jharkhand	320	8,373	8,758
Madhya Pradesh	88	1,910	2,469
Total	**1,522**	**33,353**	**37,500**

A role model



Bokrabandh, is a village approximately 400 kms north of Ranchi, falling under Sunderpahari block of Godda district. This remote village (the nearest station is Bhagalpur Railway Station which is 94 kms away) has a population of around 600 people, primarily belonging to a tribal community. The only Government school in Bokraband was closed for years due to lack of infrastructure and basic facilities.

Lukas Hansda, a youth from a tribal village pledged to bring the change that mattered. Working as an Education Volunteer with Bharti Foundation, Lukas Hansda, followed the processes under Satya Bharti Learning Center Program. The first challenging task was to get Out-of-School Children back into school. After a lot of hard work and persuasion, 24 children underwent the remedial course in Satya Bharti Learning Centers.

The Satya Bharti Learning Center provided remedial courses for Out-of-School Children and Satya Bharti Quality Support Program, helped the school to set up co-scholastic processes such as School Management Committee, Community Volunteering Program, Students' Council, Parent Teacher Meeting, School Development Plan etc. Government teachers were encouraged and persuaded to attend the school regularly. The activity based learning approach and healthy teacher-student's relationship helped in enriching the overall schooling experience for all stakeholders. Today the village has a fully functional school and has institutionalized key processes that make the initiative sustainable with Lukas motivating another 20 students to join in 2017-18 academic year.

"We appreciate Bharti Foundation's Satya Bharti Learning Centre Program and their collaboration with Government of Rajasthan in identifying Out-of-School Children and mainstreaming them in government schools. We would like to highlight Bharti Foundation's support in achieving the goal of 100% mainstreaming of drop out children. We hope that Bharti Foundation will continue this commendable work across all districts of Rajasthan".

Dr. Priya Balram Sharma, *Deputy Commissioner (REI)*
Rajasthan Council of Elementary Education, Jaipur

"Wonderful initiative by Bharti Foundation in Naxal-hit district of Jharkhand to bring back Out-of-School Children. Such public–private partnerships can help transform education. The need now is to scale such efforts and expand nexus of good work".

Sh. Anil Swarup, *Secretary, MHRD*
Government of India
(Courtesy: Twitter)

Sanitation

Satya Bharti Abhiyan

On August 18, 2014, Bharti Foundation launched the Satya Bharti Abhiyan, an initiative to improve sanitation facilities with rural Ludhiana as a focus area. Phase one of the program has been completed with individual toilets constructed and handed over across rural and urban Ludhiana. In addition, 14 Government schools, identified by Punjab Education Development Board, have been provided a separate toilet for girls in rural Ludhiana. In the urban areas of Ludhiana district, 201 households in a list provided by the Punjab Municipal Infrastructure Development Company (PMIDC), that did not have a toilet, have been provided one.

On July 15, 2017, the Foundation announced the expanded outreach of the sanitation initiative with the launch of the Abhiyan in Amritsar. An MoU was signed with the Department of Water Supply and Sanitation (DWSS), Punjab in September 2017 for providing financial assistance to beneficiaries for the construction of toilets as identified by the DWSS.

90,276
Total beneficiaries

18,286
Toilets constructed (rural & urban Ludhiana and rural Amritsar)

14
Girls' toilets (government schools)

1,010
Villages surveyed

792
Villages (toilets constructed)

11
Urban local bodies (toilets constructed)

* Data as of March 31, 2018, with total figures from inception in August 2014

Key Highlights, 2017-18

- Reduction in open defecation enabling better health and wellbeing. A survey of usage of toilets provided to the beneficiaries, revealed 98.54% being used
- Ludhiana district (rural), one of the largest and most populated districts of Punjab became the second self-declared "Open Defecation Free" district in the state in November 2016. Amritsar district (rural) has achieved self-declared Open Defecation Free (ODF) status on March 28, 2018 and Punjab (rural) on March 30, 2018
- Satya Bharti Abhiyan received 'CORPORATE TRAILBLAZER' Award at 'India Today Safaigiri Summit & Awards 2017'
- The program has been appreciated at the village, district, state as well as National level of governance. On January 24, 2018, Hon'ble Prime Minister, Shri Narendra Modi lauded Bharti Foundation's sanitation initiative during a CEO meet at the World Economic Forum in Davos



Commemoration ceremony for completion of Abhiyan in Ludhiana graced by then Minister of Finance and Corporate affairs, Govt. of India, Shri Arun Jaitley, Shri Manpreet Badal, Finance Minister Govt. of Punjab, Shri Tript Rajinder Singh Bajwa, then Cabinet Minister for Department of Water Supply and Sanitation, Govt of Punjab, and Mr. Rakesh Bharti Mittal, Co-Chairman, Bharti Foundation. Event joined by many government officials, political fraternity and industry officials

Higher Education

Bharti Foundation has also partnered with premier National and International Institutes in the sphere of Higher Education:

The Bharti School of Telecommunication Technology and Management at Indian Institute of Technology (IIT), Delhi, established as a premier institute developing 'Young Telecom Leaders'. The Airtel IIT Delhi Centre of Excellence in Telecommunications (AICET) was established to bring about a sustained growth and progress in the Telecom sector through various innovative initiatives.

The Bharti Centre for Communication at IIT, Bombay is dedicated to being a contributor in expanding the frontiers of knowledge through research and education in the telecommunication industry.

The Bharti Institute of Public Policy, Mohali was set up in a partnership between Indian School of Business (ISB) and Bharti Enterprises with Fletcher School of Law and Diplomacy, Tufts University (USA) as its partner school.

Key partnerships

Partnerships with University of Cambridge (UK):

The University of Cambridge and Bharti Foundation, signed a Memorandum of Understanding ("MoU") on September 12, 2016 to conduct a baby corn crop improvement research program in India. The program is being funded through a grant from Bharti Foundation to the University of Cambridge. The grant supports a three-year research program carried out between Cambridge's Department of Plant Sciences and the Cambridge Centre for Crop Science (3CS), Punjab Agricultural University and FieldFresh Foods.

Manmohan Singh Bursary Fund:

Begun in 2010, this scholarship program enables high school students of remarkable caliber to pursue their education at the University of Cambridge University, thus removing the financial barrier.

Partnership with University of Newcastle (UK):

Bharti Foundation and Newcastle University, UK signed and MoU in March 2018 to extend cooperation in the area of student's internship and joint academic research. The students from Newcastle University, UK, will make a visit to the remote villages in India and conduct their research on various educational reform projects run by Bharti Foundation. The findings of their research will be used to further develop and enhance the ongoing programs.



Satya Bharti University Announcement

In November 2017, Bharti Foundation announced its plans to set up Satya Bharti University with the vision of "Being a global leader in creating and disseminating cutting-edge knowledge that transforms lives and creates a brighter future".

Airtel Connect

Airtel Delhi Half Marathon

The Airtel Delhi Half Marathon (ADHM) continues to be bring together corporates, individuals, employees and students of schools and colleges, giving them the opportunity to increase their awareness about the Satya Bharti School Program, help raise funds and enjoy the marathon run.

Young Leader Programme

The Young Leader Programme is a two-week initiative (part of corporate induction program) to engage new team members of Bharti Airtel as volunteers to support various initiatives of Bharti Foundation.

53

Number of Youth Leaders

ACT (A Caring Touch)

It is an employee payroll giving programme encouraging employees to give back to society in terms of money, time, skills or knowledge. In FY 2017-18 more than 4,145 employees (from Bharti Airtel Limited, Bharti Airtel Services Limited and Telesonic Networks Limited) participated contributing ₹ 4.58 Mn, while the employer contribution was ₹ 5.80 Mn.

Africa

We operate in a complex and dynamic environment, with economic controls, technological progressions and increasing focus on digitization. As a responsible corporate, we align our business growth with social and economic wellbeing of the communities where we operate. Our programs are executed at local level through our employees, thereby directing contributions to areas of greatest impact in the particular regions.



Education

Adopt-a-School: Our flagship program in Africa, through 'Adopt-a-School' initiative we have created an impact in lives of more than 32,000 under-privileged children. We have helped schools rebuild infrastructure, provide reading materials, support feeding programs and promote e-learning.

Internet for School: Airtel Kenya partnered with more than 315 schools in 36 counties across the country with its flagship program 'Airtel Internet for Schools'. The program has provided internet accessibility to several school students who cannot afford cost of connection. Till date more than 300,000 students have been impacted through the initiative.

Internet hubs: Airtel Zambia employees scaled up their efforts to bridge the digital gap in the country through donation of computers and providing internet accessibility by setting up dedicated 'internet hubs' across the country. Through partnerships with the British Council, Samsung Electronics, Huawei and the Ministry of Education, Airtel is helping students to realize their full potential and contribute to national development. The hubs helped students and teachers to use the computers for improving their Internet and Communication Technology (ICT) capabilities.

300,000

Students benefitted through Internet for School program

7,000

Students used internet hubs created by Airtel Zambia

Disaster management

Fight against plague: Airtel Madagascar partnered with World Health Organization (WHO) and Malagasy Government in implementing a strategy and response plan to help people fight the plague outbreak that affected more than 23 Mn in August 2017. Airtel Madagascar provided a short code number so that all subscribers would have free access to information, creating awareness to prevention, symptoms, transmission and treatment of the plague from WHO. Around 40,000 calls were received on a daily basis. The initiative received a commendation from the WHO (World Health Organization). Our employees set up.

40,000+

Calls received daily for information on plague

Health

Health Centre by Phone: Airtel Malawi is part of "Chipatala cha Pa Foni" (CCPF) or 'Health Centre by phone. The toll free health and nutrition program in partnership with NGO Village Reach and Ministry of Health has helped the subscribers reach out to trained health professionals for advice to any health related issue. Originally focused on women and children, the hotline now covers all health topics, including nutrition, HIV, and TB, youth-friendly service and content.

12,000+

Annual calls received from subscribers seeking healthcare advice



Youth empowerment

Train my generation: Train My Generation project was initiated to train young Gabonese students in New Information and Communication Technology (ICT). Airtel Gabon signed the partnership agreement with UNESCO at the UNESCO Headquarters in November 2014. A first of its kind agreement between UNESCO and a private company, the initiative helped improve digital literacy in centres by training more than 5,000 students between the age of 17-35 years. Airtel opened 13 such training centres across Gabon with 62 teachers being imparted training by African Institute of Information and Technology.

On March 29, 2018, the graduation ceremony for the "Train My Generation Program" was conducted with Audrey Hazouley, the Managing Director of UNESCO and the President of Gabon were present as guests at the ceremony and commended Airtel for this ground-breaking initiative.

"With changes in the education system that have seen more students turning to the Internet for learning resources, the organization continues to harness the strength of the Company's technology to drive change in the community. Airtel Africa is committed to support schools across the continent connect to the Internet."

Raghunath Mandava
Message from MD and CEO (Africa)

Business Responsibility Report

Section A

General Information about the Company

Corporate Identity Number (CIN) of the Company	L74899DL1995PLC070609
Name of the Company	Bharti Airtel Limited
Registered Address	Bharti Crescent 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070
Website	www.airtel.com
Email ID	compliance.officer@bharti.in
Financial Year reported	2017-18
Sector(s) that the Company is engaged in (Industrial activity code-wise)	> Telecommunication Services – mobile telecommunication, fixed line services and telecommunication enterprise solutions. > Direct-to-Home Services (through subsidiary company) > Payments Bank (through subsidiary company)
Key products / services that the Company manufactures / provides (as in balance sheet)	> Mobile Services > Broadband Services > Enterprise Services > Direct to Home (DTH) Services
Total number of locations where business activity is undertaken	Number of international locations (major 5): Operations in 16 countries including India and Sri Lanka. Number of national locations: Headquartered in New Delhi, the Company has business in all 22 licensed telecom service areas.
Markets served by the Company- Local / State / National / International	Besides India, operations in Africa and South Asia

Section B

Financial Details of the Company

1.	Paid up capital (₹ Millions)	19,987
2.	Total turnover (₹ Millions)	536,630
3.	Total profit after taxes (₹ Millions)	792
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of average Net Profit of the Company for last 3 financial years (%)	0.26*
5.	List of activities in which expenditure in point (4 above) has been incurred	> Education promotion > Higher and technical education > Community development > Employability and entrepreneurship > Sanitation > Restoration and establishment of building of historical importance

* Please refer Annexure D of the Board's Report viz. the Annual Report on CSR activities for details

Section C

Other Details

1. **Does the Company have any Subsidiary Company/ Companies?**

   Bharti Airtel Limited (hereinafter referred as Airtel) has 14 direct and 75 indirect subsidiary companies, as on March 31, 2018.

2. **Does the Subsidiary Company / Companies participate in the Business Responsibility (BR) initiatives of the parent company?**

   Nearly all subsidiary companies, either directly themselves or jointly with Airtel, participate in the BR initiatives.

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

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

Section D

Business Responsibility Information

1.0 Details of Director / Directors responsible for BR

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

DIN Number	00042494
Name	Mr. Rakesh Bharti Mittal
Designation	Director

(b) Details of the BR head

DIN Number	N.A.
Name	Mr. Sameer Chugh
Designation	Director - Legal & Regulatory
Telephone Number	+91 124 4243188
E-mail ID	sustainability@airtel.com

2.0 Principle-wise (as per NVGs) BR Policy / Policies

Principle 1

Ethics, Transparency and Accountability

Businesses should conduct and govern themselves with ethics, transparency and accountability

Principle 2

Products Lifecycle Sustainability

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

Principle 3

Employees' Well-being

Businesses should promote the well-being of all employees

Principle 4

Stakeholder Engagement

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

Principle 5

Human Rights

Businesses should respect and promote human rights

Principle 6

Protection of the Environment

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

Principle 7

Responsible Policy Advocacy

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

Principle 8

Support Inclusive Growth

Businesses should support inclusive growth and equitable development

Principle 9

Providing Customer Value

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

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

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for...?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders? (A)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words) (A)	Y	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? (B)	Y	N	N	Y	N	Y	N	N	N
5.	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy? (B)	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online? (C)	Y	N	N	Y	Y	N	N	Y	N
7.	Has the policy been formally communicated to all relevant internal and external stakeholders? (D)	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy / policies? (E)	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redress mechanism related to the policy/policies to address stakeholders' grievances related to the policy / policies? (F)	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	N	N	Y	Y	N	Y

(A) The policies are formulated with detailed consultation with relevant stakeholders and benchmarking across the industry. They are developed and aligned to applicable legal and regulatory requirements, and guidelines, SEBI listing regulation and its internal mandates.

(B) All policies are administered under the overall supervision of the Airtel Management Board (AMB) of the Company, headed by the Managing Director and Chief Executive Officer. The Audit Committee of the Board along with other Board Committees reviews implementation of policies.

(C) The following policies can be viewed on website www.airtel.com and www.bharti.com

1. Code of Conduct Policy
2. Code of Conduct Policy for Partners
3. CSR Policy
4. Ombudsperson Policy and Process
5. Stakeholder Engagement Framework
6. Human Rights Policy
7. Environment Health and Safety Policy
8. Tax Policy

(D) Except policies listed above, all other policies are meant for internal consumption of employees and are available on the Company's intranet. All policies have been periodically communicated to the relevant internal and external stakeholders.

(E) All policies are owned by the respective AMB member and their senior leadership teams are responsible for the effective implementation policy.

(F) Any clarifications for grievances related to either of the policies are addressed by the respective leadership team member and if not addressed to satisfaction can be escalated to the Ombudsperson.

Governance related to BR

> Performance assessment frequency of BR

The CSR Committee and Board assess and review the BR performance annually and give a strategic direction to Airtel's BR initiatives, as required.

> Details of BR and Sustainability Report

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

Section E - Principle-wise performance

Principle 1

Ethics, Transparency and Accountability

Airtel is committed to achieving the highest principles of integrity and ethics. Its Code of Conduct (COC / Code) outlines the Company's expected standards of ethical conduct and behaviour. Airtel's core values represent mutual respect, trust and personal growth for all. The Code of Conduct extends to employees at all levels and other individuals working with the Company, its subsidiaries, associates, suppliers, contractors, service providers, channel partners and explicitly prohibits bribes, kickbacks, improper payments and direct them to ensure ethical business conduct.

For effective implementation of the above mentioned Code of Conduct, the Company has established the office of the ombudsperson, which is an independent forum for employees and stakeholders of the Company. It is fully accessible to all stakeholders who have grievances with regard to the conduct of any employee / individual representing the Company. A formal process of reviewing and investigating any concern is undertaken by the Ombudsperson and appropriate action is taken to resolve the matter in accordance with the Consequence Management Policy. The instances of such misconduct are periodically reported to the Audit Committee. All employees are required to undergo an annual e-certification on Code of Conduct to reinforce their commitment to the Code. During 2017-18, 24 allegations of corruption or bribery were received. Investigations were completed in 22 cases. The remaining 2 cases are under various stages of investigation. The allegations were substantiated in 7 cases and suitable actions initiated, as per Consequence Management Policy.

Principle 2

Product Lifecycle Sustainability

While evaluating the impact of business operations, Airtel aims to reduce any fallouts during the lifecycle of its products and services across the value chain. The Company is leveraging its existing services such as Mobile DTH, Payments Bank, Fixed line and Broadband and Enterprise solutions to provide basic life services. It is helping enhance financial inclusion, health and education along with raising awareness around agriculture. 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. In FY 2017-18, over 99% of the base stations audited by TRAI were found compliant with emission norms. The Company in partnership with the Cellular Operators Association of India (COAI) conducts various programmes, workshops, seminars and stakeholder engagements. 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 in the organization's latest Sustainability report at www.airtel.in/sustainability.

The most substantial waste generated from 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. Airtel has also implemented various awareness strategies to reduce waste by promoting extended use of network and IT based equipment. The Company adheres to the Government of India's (GoI) guidelines to recycle the waste generated from its source, due to technology up gradation or any other reason. In FY 2017-18, around 2,900 tons of e-waste generated from IT and network infrastructure was recycled through authorised recycling partners.

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 use of its services. The Company is strongly committed to building a responsive and sustainable supply chain. The Company carries out a due diligence process including outlining contract clauses before enlisting any supplier which includes

certain sustainability and statutory aspects like environmental protection, health and safety, human rights and child labour, and ethics. In addition to this we target to empanel 100% of our suppliers through contract clauses of sustainability parameters by 2020. Regular assessments of suppliers are conducted through the vendor compliance monitoring process, on statutory and sustainability requirements like minimum compensation, benefits, labour issues etc. and the non-compliances identified are promptly remediated. To optimise resources, reduce adverse environmental impact and promote indigenous entrepreneurship, Airtel promotes local procurement from India based suppliers. In FY 2017-18 of the 4800+ suppliers Airtel engaged with, 96% were based in India which constituted over 58% of its procurement spent. In addition to this the Company strives for a minimum of 98% of procurement from India based suppliers by 2020. Airtel constantly encourages its suppliers to adhere to international standards like ISO 9001:2008, ISO 14001, OHSAS 18001, ISO 27000 and target atleast 50% of its procurement through suppliers holding one of these certification by 2020. The Company has been continually working to consolidate its supply chain to make its socio-economic engagements 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.

Principle 3

Employees' Well-being

'Win with People' is one of the key business priorities of Airtel. The Company believes that its success depends on its ability to develop knowledge, skills and expertise of its employees. This belief translates in ensuring that every business vertical is equipped with right talent, which is both competent and engaged. The Company achieved this objective by undertaking various initiatives for talent development, employee engagement and communication.

This approach has helped the Company in building an inclusive organisation, driven by entrepreneurship providing equal opportunity to all. Airtel has consistently tried to create and promote an inclusive work environment for employees from diverse backgrounds to help them realise their full potential. The objective is to ensure that the strong workforce of ~15,500 employees are both skilled and engaged.

The Company is fully committed to the promotion of diversity across all levels of the organisation. There were 1,412 permanent women employees, which represented around 9.1% of the total workforce. A total of 124 people with special abilities were employed at various Company locations. To nurture workforce diversity, with a particular focus on gender, the Company has implemented practices and support systems that specifically address the requirements of its female employees. This is backed by stringent policies and procedures, which ensures the workplace environment free from sexual harassment.

In addition, the Company had 42,558 sub-contracted employees for calendar year 2017, employed at its various sites. During the period, the Company did not engage any temporary or casual staff in the organisation. Airtel currently does not have any employee associations in the organisation however, employees have full access to raise their concerns with the management without fear or coercion which are addressed and resolved satisfactorily.

Airtel's aspiration is a zero injury / accident workplace. Its commitment to health and safety is driven by the stringent workplace health and safety policies that provides a comprehensive framework for ensuring safe and incidence-free workplace, effective investment in health promotion and disease prevention activities at all levels of the business.

To ensure occupational health and safety throughout the operations, a dedicated safety team, led by a Safety officer, was setup up to monitor and maintain a safe, healthy and injury-free working conditions. The Company's commitment to health and safety is driven by the various stringent health and safety policies. These provide a comprehensive framework for ensuring a safe and incident-free workplace and effective investment in health promotion and disease prevention activities at all levels of its business. In FY 2017-18, more than 14,000 employees attended the safety trainings including over 2,000 women employees and 31 specially abled employees.

The Bharti Code of Conduct ensures to build a workplace culture that fully reflects Bharti's values of trust, mutual respect and inclusive growth for all. The Code encompasses a wide array of issues pertaining to harassment, workplace conduct, labour conditions, and community responsibility. The Ombudsperson administers a formal process to review and investigate all concerns and undertakes appropriate actions required to resolve the reported matters. In FY 2017-18 nine cases regarding sexual harassment at the workplace were reported and investigated. In six of these cases, the allegations were substantiated and the accused personnel were released from their services. Airtel received no complaints regarding child labour, forced labour and discriminatory employment in the year under review.

Principle 4

Stakeholder Engagement

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 prioritize 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 2017-18 Airtel revisited the Materiality Analysis process and performed a detailed 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 Organizations (NGOs) and 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.

The Company has identified the disadvantaged, vulnerable and marginalised stakeholders through Bharti Foundation, the philanthropic arm of Bharti Enterprises. The foundation's beneficiaries include economically-challenged and disadvantaged groups, especially girls. Bharti Foundation touches all aspects of stakeholder empowerment through multiple community initiatives in the realm of education, employment generation, sanitation along with healthcare, and disaster management. Conducting need-based training for key stakeholders forms a significant part of the foundation's empowerment and financial inclusion strategy. Please refer to the CSR section of the annual report and the sustainability report for details on the Company's intervention through Bharti Foundation.

Principle 5

Human Rights

Bharti's Code of Conduct, Airtel's Human Rights Policy and various HR Polices demonstrates its commitment toward protection of Human Rights across value chain and upholding the highest levels of ethical business practices. Strong commitment to performance with integrity, and human rights are embedded in the Company's policies, which lays down acceptable behaviour on various aspects including human rights. Where the Human Rights policy is applicable to all employees across the organization and the code of conduct for associates and the vendor compliance policy details acceptable standards and statutory obligations expected from the partners and suppliers. Detailed monitoring is conducted internally through its group wide compliance monitoring initiative to track performance of each site on human rights risks such as labour rights, work place standards, compensation, privacy and more in line with the legal requirements of the country and standards. The process involves identification of risks, identification of vulnerable groups monitoring like child labour, forced labour etc., mitigation plans for identified risks and reporting on an ongoing basis to the management through its enterprise compliance monitoring system. Corrective actions if any range from process changes, feedback and disciplinary action for violations to even suspension in line with the consequence management policy of the organization.

In addition to this to prevent sexual harassment in workplace, the company has set up Internal Complaints Committees across geographies comprising a Presiding officer who is a senior level woman employee, one member with legal knowledge or experience in social work, one member from the Ombudsperson's office and one independent member from outside the organization who expertise in dealing with such matters and has the relevant knowledge and experience. The Committee is responsible for dealing with all matters related to the subject. The committee constitution has been communicated to all employees and also prominently displayed in the public areas of all offices.

In the statutory compliance assessments on the above parameters, conducted for all offices in India, no material violations have been reported in the previous financial year. In addition to this an independent audit is conducted periodically to assess the statutory risks pertaining to Human rights and any observations are promptly remediated. No incidences of discrimination was reported to the ombudsman office in FY 2017-18. The details of complaints related to sexual harassment and labour rights and the subsequent actions taken have been detailed in Principle 3 of this report.

Principle 6

Protection of the Environment

Airtel along with its network-infrastructure partners resolved to re-invent and reduce the environmental footprint of their business and operations. Along its journey towards path of

sustainability, the Company explored and implemented several green solutions to curb emissions. It is also continuously in search of more energy efficient technologies and innovative solutions for a greener future.

In today's fast moving world, the network infrastructure needs to be at its optimal best at all times. The non-availability of reliable power is a critical factor for remote network sites. DGs and batteries are usually used as alternatives to keep the equipment running in absence of grid power supply. Through its persistent efforts, along with its network partners, the Company has been able to upgrade and convert the existing telecom towers into energy efficient towers, reducing the reliance on electricity from grid or diesel. The next step is maximizing the adoption of green wheeling for sourcing power from renewable sources and in the process, reducing its carbon footprint significantly.

In addition to this, Airtel has taken various initiatives towards deployment of renewable energy solutions in network towers, installation of rooftop solar panels at Main Switching Centres (MSCs) and captive green energy generation through solar / wind energy. It is also committed to operate and provide products and services in an environmentally responsible and sustainable manner. The Health, Safety and Environment (HSE) policy specifies its approach towards protection of the environment; and is applicable for all employees of the Company and its subsidiaries. The emissions or wastes generated by the Company are within the permissible limits given by Central Pollution Control Board (CPCB) and State Pollution Control Boards (SPCBs). As on March 31, 2018, there were 3 notices/ cases received by the organization from pollution control boards and all of them have been resolved to satisfaction.

Details of the Company's environmental initiatives are available in the Natural Capital section of this report and its annual sustainability report at www.airtel.in/sustainability.

Principle 7

Responsible Policy Advocacy

The Company works closely with all industry associations and trade chambers to ensure its public policy positions complement and advance its sustainability and citizenship objective. The Company strives to drive digital inclusion, promote green telecom, advance innovation, enhance competitiveness and increase job creation opportunities. In turn these activities create economic growth and help elevate sustainable standards of living for stakeholders at large. Its policy agenda is centred on the provision of network coverage, affordable access to customers, building transparency and awareness around network radiations. Moreover, it deals with creating adaptability of internet, easing and automating subscriber acquisition, quality of service offerings, tariff and environment protection among others. As these issues continue to be scrutinised and deliberated by a very proactive government, they are likely to have a material impact on the lives of millions.

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

Principle 8

Support Inclusive Growth

As India's leading telecommunication service provider, Airtel has been taking sustained efforts to ensure value creation and sustainable growth of community. It sustainability framework is structured to create a positive impacts on its customers, partners, communities and society, helping them grow together and inclusively. Airtel has empowered millions across the length and breadth of the country through its exhaustive bouquet of innovative services and products that enhance community life and e-governance, by working with the communities and increasing its network reach.

It is widely acknowledged across the world that internet accessibility is vital for enhancing socio-economic well-being. The Government of India, through its 'Digital India' initiative, is focusing on preparing a comprehensive framework for transforming India's economy into a digitally empowered society and knowledge economy. The key objective of the initiative is to help elevate the life of a common citizen in multiple ways and in a cost-effective manner. To support the efforts of the Government and to drive the pursuit of driving digital inclusion, rural connectivity is one of the major focus areas at Airtel.

With over 156.9 Mn mobile customers from rural market, Airtel serves India's largest rural mobile customer base. The rural and emerging markets constitute over 51 % of its customer base and its constant endeavor is to develop tailor-made services and systems to cater to the ever dynamic requirements of its diverse subscriber base.

The Company's philanthropic efforts, employee volunteerism and community outreach initiatives support the desire to be seen as a trusted partner. Its activities are aligned to play an active role in community wellness. It is determined to create a deep-rooted, positive impact on the society at large. It, therefore, proactively applies its competence and partnerships to promote community wellness through initiatives undertaken by the Bharti Foundation, the philanthropic arm of Bharti Enterprises and through its own telecom circles offices at the regional level.

With a vision to help underprivileged children and young people of country realize their potential, Bharti Foundation is committed to implement and support programs in the fields of primary, elementary, senior secondary and higher education. Education being its core focus area, Bharti Foundation has been working steadfast to enable the cognitive, creative and emotional development of students along with the instilling values and attributes of responsible citizens.

The Satya Bharti School Program, the flagship program of Bharti Foundation involves the communities towards operation of schools. The programme actively engages community members in making monetary and tangible contributions to schools and related activities and events. Further details about the initiatives undertaken by Bharti Foundation and by Airtel's regional circle offices are available in the CSR section of the Company's integrated report.

During FY 2017-18, Airtel made significant contributions towards various philanthropic projects, which include:

₹ 207.3 Mn
Bharti Foundation towards furtherance of its objectives.

₹ 70.6 Mn
Other contributions

Principle 9

Providing Customer Value

'Win with Customers' is key business priority for the Company. Through its world-class network, innovative yet affordable services and an exceptional customer experience, the Company aims to win customers for life. The long-term strategic goal of the Company is to innovate and deliver a wide range of cost-effective, secured, timely, and customized services with the best technology. The Company actively seeks customer feedback, act on it, and improve its customer service and in the process improve its products, services, and processes.

At Airtel, the Company believes its customers are also its business partners. They help them to greatly improve and evolve the services it offers. Their ongoing feedback is the greatest stimulus in improving its products, services and processes. Through an integrated end-to-end experience, improving its overall retail store experience and delivering impeccable voice and internet services- the Company strives to increase its customer retention. Airtel relies on various mechanisms such as the Net Promoter Score (NPS), social media mentions, feedback over a call / point of sale, customer grievances, complaint management and exit surveys to measure customer satisfaction score. Holistic tools such as the NPS enables it to gather feedback and ascertain its customers' experiences.

Airtel believes in transparency and empowering users to manage their own Airtel products & services with ease. Airtel has consistently made efforts in this direction whether it is through its Open Network, enriched self-care or ever evolving powerful MyAirtel App. This year, Airtel has successfully implemented various initiatives to increase transparency for its customers and/or reduce the surprises arising due to bill shock during international roaming and lack of awareness about services. Airtel has been communicating mandatory usage information (as specified by the law) regarding enrolment and deactivation, tariff, usage, contact and grievance on its welcome kits, periodic bills, enrolment forms, booklets, websites and point of sales displays.

Airtel works closely with the industry, government, law enforcement and community organizations to help its customers understand and manage the risks associated with the online world. Airtel supports a range of government initiatives to raise awareness, and provide online education and guidance. Some of the measures undertaken in the last few years include:

1. Proactively filtering offensive content available online which is not compliant with the state laws
2. Upgrading technology constantly to reduce threat exposures
3. Associating with Law Enforcement Agencies (LEA) to support investigations by provision of customer information and complying with all requests as per regulatory norms.

In addition to this, Airtel also takes prior consent of all customers at the time of acquisition, collection, transfer and disclosure of personal data details of which can be found in our privacy policy; https://www.airtel.in/forme/privacypolicy. All subscribers have an option to opt-out of usage of customer information for promotional purposes and they can readily opt out at any time through Airtel's website / application including at the time of enrollment.

As on March 31, 2018, 133 consumer cases and around 0.11% of the consumer complaints are at various stages of resolution. In FY 2017-18, no cases have been filed against the company before the Competition Commission of India for anti-competitive behaviour and 2 cases filed are pending resolution as on March 31, 2018. In addition to this 7 complaints were filed before ASCI in the last financial year out of which 5 have been resolved successfully.

Board's Report

Dear Members,

Your Directors have pleasure in presenting the 23rd Board Report on the Company's business and operations, together with audited financial statements and accounts for the financial year ended March 31, 2018.

Company Overview

Bharti Airtel is one of the world's leading providers of telecommunication services with significant presence in 16 countries, representing India, Sri Lanka and 14 countries in Africa.

The Company's diversified service range includes mobile, voice and data solutions, using 2G, 3G and 4G technologies. We provide telecom services under wireless and fixed line technology, national and international long distance connectivity and Digital TV; and complete integrated telecom solutions to our enterprise customers. All these services are rendered under a unified brand 'Airtel' either directly or through subsidiary companies. Airtel Money (known as 'Airtel Payments Bank' in India) extends our product portfolio to further our financial inclusion agenda and offers convenience of payments and money transfers on mobile phones over secure and stable platforms in India, and across all 14 countries in Africa.

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

Financial Results

In compliance with the provisions of the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') the Company has prepared its standalone and consolidated financial statements as per Indian Accounting Standards (Ind AS) for the FY 2017-18. The standalone and consolidated financial highlights of the Company's operations are as follows:

Standalone Financial Highlights (Ind AS)

Particulars	FY 2017-18		FY 2016-17	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenue	536,630	8,327	622,763	9,273
EBITDA before exceptional items	181,529	2,817	242,242	3,607
Cash profit from operations	131,674	2,043	211,891	3,155
Earnings before taxation	(6,812)	(106)	(85,095)	(1,267)
Net Income / (Loss)	792	12	(99,256)	(1,478)

*1 USD = ₹ 64.44 Exchange Rate for the financial year ended March 31, 2018. (1 USD = ₹ 67.16 Exchange Rate for the financial year ended March 31, 2017).

Consolidated Financial Highlights (Ind AS)

Particulars	FY 2017-18		FY 2016-17	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenue	836,879	12,986	954,683	14,214
EBITDA before exceptional items	304,479	4,725	356,206	5,304
Cash profit from operations	227,169	3,525	283,668	4,224
Earnings before taxation	32,669	507	77,233	1,150
Net Income / (Loss)	10,989	171	37,998	566

*1 USD = ₹ 64.44 Exchange Rate for the financial year ended March 31, 2018.
(1 USD = ₹ 67.16 Exchange Rate for the financial year ended March 31, 2017)

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

Secretarial Standards

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Companies Secretaries of India.

Share Capital

During the year, there was no change in the Company's issued, subscribed and paid-up equity share capital. On March 31, 2018, it stood at ₹ 19,987 Mn, divided into 3,997,400,102 equity shares of ₹ 5/- each.

General Reserve

During the year, the Company has transferred ₹ 3,510 Mn into General Reserve from the Share Based Payment Reserve pertaining to gain / loss on exercise / lapse of vested options.

During the year, the Company has created Debenture Redemption Reserve and transferred ₹ 7,500 Mn out of the General Reserve representing 25% of the value of unsecured redeemable non-convertible debentures issued by the Company.

Dividend

Your Directors have recommended a final dividend of ₹ 2.50 per equity share of ₹ 5 each fully paid-up (50.00 % of face value) for FY 2017-18. The total final dividend payout will amount to ₹ 9,993.50 Mn, excluding tax on dividend. The payment of final dividend is subject to the approval of shareholders in the Company's ensuing Annual General Meeting (AGM).

The Register of Members and Share Transfer Books will remain closed from Saturday, August 04, 2018 to Wednesday, August 08, 2018 (both days inclusive) for the purpose of payment of final dividend for the FY 2017-18, if declared at the ensuing AGM.

Dividend Distribution Policy

As per Regulation 43A of the Listing Regulations, top 500 listed companies are required to formulate a dividend distribution policy. Accordingly, the Company has adopted the dividend distribution Policy which sets out the parameters and circumstances to be considered by the Board in determining the distribution of dividend to its shareholders and / or retaining profits earned by the Company. The Policy is enclosed as Annexure A to the Board's Report and is also available on the Company's website at https://s3-ap-southeast-1.amazonaws.com/bsy/iportal/images/Airtel-Dividend_Distribution_Policy_35406A496EEC3AB50D0C777F006C6D41.pdf.

Transfer of amount to Investor Education and Protection Fund

During FY 2017-18, the Company has transferred the unpaid / unclaimed dividend amounting to ₹ 7.42 Mn to the Investors Education and Protection Fund (IEPF) Account established by the Central Government. The Company has also uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 24, 2017 (date of last Annual General Meeting) on the Company's website www.airtel.com.

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the shares on which dividend remains unpaid / unclaimed for seven consecutive years or more shall be transferred to the Investor's Education and Protection Fund (IEPF). Accordingly, during the year Company has transferred 49,273 equity shares to the IEPF. The details of equity shares transferred are available on the Company's website www.airtel.com.

The shareholders whose unpaid dividend / shares are transferred to the IEPF can request the Company / Registrar and Transfer Agent as per the applicable provisions in the prescribed Form for claiming the unpaid dividend / shares from IEPF. The process for claiming the unpaid dividend / shares out of the IEPF is also available on the Company's website at https://www.airtel.in/about-bharti/equity/shares.

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, 2018, 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. As on March 31, 2018, 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, S&P and Moody's rate the Company at BBB-/ Stable, BBB-/Stable and Baa3/Negative, respectively.

As on March 31, 2018, the Company was rated 'Investment Grade' by all three international rating agencies.

Employee Stock Option Plan

At present, the Company has two Employee Stock Options (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 provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 (the ESOP Regulations), a

disclosure with respect to ESOP Schemes of the Company as on March 31, 2018, is available on Company's website at http://www.airtel.in/wps/wcm/connect/c9e25993-5b80-4ebo-9874-37614225b876.

During the year, to make the aforesaid ESOP Schemes more employee friendly, the shareholder's in its meeting dated July 24, 2017 had approved the reduction in the period for transfer of vested / unvested options in the name of legal heir / nominees of deceased employee from 3 months to 1 month. Apart from the aforesaid change, there were no other changes in the ESOP Schemes of the Company.

Further, ESOP Schemes are in compliance with ESOP Regulations. A certificate from Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors of the Company with respect to the implementation of the Company's ESOP schemes, would be placed before the shareholders at the ensuing AGM. A copy of the same will also be available for inspection at the Company's registered office.

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

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

Debentures

During the financial year, your Company raised ₹ 30,000 Mn through issuance of unsecured, listed, rated, non-convertible debentures at face value of ₹ 1 Mn each on private placement basis as per the following details:

- 15,000 Series I debentures at a coupon rate of 8.25% per annum [Tenor: 2 years, 1 month and 7 days];
- 15,000 Series II debentures at a coupon rate of 8.35% per annum. [Tenor: 3 years, 1 month and 7 days].

The aforesaid debentures are listed on National Stock Exchange of India Limited.

Directors and Key Managerial Personnel

Inductions, Re-appointments, Retirements & Resignations

Pursuant to the provisions of the Companies Act, 2013, Mr. Rakesh Bharti Mittal and Ms. Tan Yong Choo, Directors of the Company will retire by rotation at the ensuing AGM and being eligible, have offered themselves for re-appointment. The Board recommends their re-appointment.

Sheikh Faisal Thani Al-Thani, Non-Executive Director resigned from the Company's Board w.e.f. July 25, 2017. Mr. Rashid Fahad O J Al-Noaimi was appointed as a Non-Executive Director on the Board w.e.f. July 25, 2017 and resigned from the Company's Board w.e.f. November 22, 2017.

Mr. Craig Ehrlich, Independent Director will be completing his present term as an independent director of the Company on April 28, 2018. On the recommendation of HR and Nomination Committee, the Board in its meeting held on April 24, 2018, subject to the approval of shareholders by special resolution, has re-appointed Mr. Craig as an Independent Director of the Company for a further term of five years w.e.f. April 29, 2018 to April 28, 2023.

On the recommendation of the HR and Nomination Committee, the Board in its meeting held on April 24, 2018 subject to the amendment in the Articles of Association, had changed the nature of directorship of Mr. Gopal Vittal, Managing Director & CEO (India & South Asia) from director not liable to retire by rotation to a director liable to retire by rotation.

Brief resume, nature of expertise, details of directorships held in other companies of the Directors proposed to be re-appointed, along with their shareholding in the Company, as stipulated under Secretarial Standard 2 and Regulation 36 of the Listing Regulations, is appended as an Annexure to the Notice of the ensuing AGM.

The Board in its meeting held on July 18, 2017 has appointed Mr. Pankaj Tewari as the Company Secretary of the Company.

Declaration by Independent Directors

The Company has received declarations from all Independent Directors of the Company confirming that they continue to meet the criteria of independence, as prescribed under Section 149 of the Companies Act, 2013 and Regulation 25 of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's code of conduct.

Board Diversity and Policy on Director's Appointment and Remuneration

The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board will be able to leverage different skills, qualifications, professional experiences, perspectives and backgrounds, which is necessary for achieving sustainable and balanced development. The policy on 'Nomination, Remuneration and Board Diversity' adopted by the Board sets out the criteria for determining qualifications, positive attributes and independence while evaluating a person for appointment / re-appointment as Director or as KMP, with no discrimination on the grounds of gender, race or ethnicity, nationality or country of origin. The detailed policy is available on the Company's website at http://www.airtel.in/wps/wcm/connect/92b49e0e-8810-497a-9c3e-9b80657a3688/Policy-on-Remuneration-Nomination-and Board-Diversity.pdf?MOD=AJPERES and is also annexed as Annexure B to this report.

Annual Board Evaluation and Familiarisation Programme for Board Members

A note on the familiarisation programme adopted by the Company for orientation and training of the Directors, and the Board evaluation process undertaken in compliance with the provisions of the Companies Act, 2013 and the Listing Regulations is provided in the Report on Corporate Governance, which forms part of this Report.

The HR and Nomination Committee has put in place a robust framework for evaluation of the Board, Board Committees and Individual Directors. Customised questionnaires were circulated, responses were analyzed and the results were subsequently discussed by the Board. Recommendations arising from the evaluation process were considered by the Board to optimize its effectiveness. A detailed update on the Board Evaluation 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 eight (8) times during the previous financial year. As on March 31, 2018, the Board has nine committees, namely, the Audit Committee, the Risk Management Committee, the HR and Nomination Committee, the Corporate Social Responsibility ('CSR') Committee, the Stakeholders' Relationship Committee, the Committee of Directors, the Airtel Corporate Council, the Special Committee of Directors (for Monetization of stake in Bharti Infratel Limited) and the Special Committee of Directors (for Restructuring of overseas holding structure).

All the recommendations made by committees of the Board including the Audit Committee were accepted by the Board. A detailed update on the Board, its composition, detailed charter including terms and reference of various Board Committees, number of Board and Committee meetings held during FY 2017-18 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, 2018, your Company has 89 subsidiaries, 6 associates and 8 joint ventures, as set out in note 34 of the Annual Report (for Abridged Annual Report please refer note 17).

During FY 2017-18, Juggernaut Books Private Limited became associate of the Company. Bharti Airtel Ghana Holdings B.V., Airtel Ghana Limited, Airtel Mobile Commerce (Ghana) Limited, Milicom Ghana Company Limited, Mobile Financial Services Limited became joint ventures of the Company.

During FY 2017-18, Bharti Digital Networks Private Limited (formerly known as Tikona Digital Networks Private Limited), Bharti Airtel International (Mauritius) Investments Limited, Airtel Mobile Commerce Nigeria Limited and Tigo Rwanda Limited became subsidiaries of the Company. Bangladesh Infratel Networks Limited, Bharti Infratel Lanka (Private) Limited, Airtel (Ghana) Limited, Airtel Mobile Commerce Ghana Limited, Bharti Airtel DTH Holdings B.V., Bharti Airtel Ghana Holdings B.V., Airtel DTH Services Nigeria Limited, Bharti Airtel Nigeria Holdings B.V., MSI-Celtel Nigeria Limited, Towers Support Nigeria Limited and Zap Trust Company Nigeria Limited ceased to be subsidiaries of the Company.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, a statement containing salient features of financial statements of subsidiary, associate and joint venture companies is annexed to the Abridged and full version Annual Report. The statement also provides the details of performance and financial position of each of the subsidiary, associate and joint venture companies and their contribution to the overall performance of the Company.

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 and pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of each of its subsidiary companies are also available on the Company's website www.airtel.com.

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) Rules, 2014 and Regulation 36 of the Listing Regulations, the Board of Directors has decided to circulate the Abridged Annual Report containing salient features of the balance sheet and statement of profit and loss and other documents to the shareholders for FY 2017-18, who have not registered their e-mail id. The Abridged Annual Report is being circulated to the members excluding Annexures to the Board's Report viz. 'Dividend Distribution Policy', 'Nomination, Remuneration and Board Diversity Policy', 'Secretarial Audit Report', 'Annual Report on Corporate Social Responsibility u/s 135 of the Companies Act, 2013', 'Extract of Annual Return', 'Particulars of Energy

Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo', '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', 'Auditors' Certificate on Corporate Governance'.

Members who desire to obtain the full version of the report may write to the Corporate Secretarial Department 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, Deloitte Haskins & Sells LLP were appointed as the Company's Statutory Auditors by the shareholders in the AGM held on July 24, 2017, for a period of five years i.e. till the conclusion of 27th AGM.

The said appointment is subject to ratification by the members at every AGM. Accordingly, the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, as the Company's Statutory Auditors, is placed for ratification by the members. The Company has received certificate from the Statutory Auditors to the effect that ratification of their appointment, if made, shall be in accordance with the provisions of Section 141 of the Companies Act, 2013. The annual ratification of auditors at the next AGM (to be held in calendar year 2019) for their remaining term, shall be done, if required by the statutory provisions.

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.

Internal Auditors and Internal Assurance Partners

The Board had appointed Group Director - Internal Assurance as the Internal Auditor of the Company and Ernst & Young LLP and ANB & Co., Chartered Accountants, Mumbai as the Internal Assurance Partners to conduct the internal audit basis a detailed internal audit plan which is reviewed each year in consultation with the Internal Audit Group and the Audit Committee.

The Board, on the recommendation of the Audit Committee has re-appointed Ernst & Young LLP and ANB & Co., Chartered Accountants, Mumbai as the Internal Assurance Partners for FY 2018-19.

Cost Auditors

The Board, on the recommendation of the Audit Committee has approved the appointment of R. J. Goel & Co., Cost Accountants, as Cost Auditors, for FY 2018-19. The Cost Auditors will submit their report for FY 2017-18 on or before the due date.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration payable to the Cost Auditors is required to be ratified by the shareholders, the Board recommends the same for approval by shareholders at the ensuing AGM.

Secretarial Auditors

The Board had appointed Chandrasekaran Associates, Company Secretaries, to conduct its Secretarial Audit for the financial year ended March 31, 2018. 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, disclaimer or adverse remark. The Secretarial Audit Report is annexed as Annexure C to this report.

The Board has re-appointed Chandrasekaran Associates, Company Secretaries, New Delhi, as Secretarial Auditors of the Company for FY 2018-19.

Sustainability Journey

We, at Bharti Airtel, strongly believe that power of communication can bring in multi-dimensional transformations, ensuring smooth functioning of life and businesses, and helping society to become sustainable and inclusive. We recognize our role in this sustainable approach in the way we conduct our business by integrating sustainability in our strategies and operations.

Our Vision defines what we aim to do, whereas our Core Values - Alive, Inclusive and Respectful - expound how we aim to embrace the responsible business practices. As the stakeholders have played a crucial role in Airtel's sustained success over the years, Airtel's sustainability approach has been carefully developed through systematic engagement with its stakeholders worldwide. We continuously strive to provide long-term sustainable value to all our stakeholders including investors, customers, employees, business partners and suppliers, government and regulators and communities. This is performed through systematic stakeholder dialogue to

gauge their expectations, share information and sustainability priorities, practices and performance and explore avenues of partnerships to achieve the goals. The Company publishes an annual Sustainability Report in accordance with the Global Reporting Initiative (GRI) framework which can be downloaded from the Company's website www.airtel.in/sustainability.

Corporate Social Responsibility (CSR)

Building upon and scaling up on various interventions initiated in areas as prescribed in our CSR policy, the Company has increased its CSR spending during the previous financial year i.e. from ₹ 55.84 Mn in FY 2016-17 to ₹ 245.37 Mn in FY 2017-18. Additionally, the Company has also contributed ₹ 32.59 Mn towards various other charitable causes. The consolidated contribution of the Company towards various CSR activities during the financial year 2017-18 is ₹ 277.96 Mn (i.e. 0.26% of net profit of last three years).

Company is committed to build its CSR capabilities on a sustainable basis and is also committed to gradually increase its CSR contribution in the coming years. The CSR spending is guided by the vision of creating long-term benefit to the society. The Company through its Board and CSR Committee is determined to beef up its efforts to meet the targeted CSR expenditure. With the strong foundation which has been established during the year along with the proposed scaling up of a number of its CSR Projects, the Company believes that it has made meaningful progress towards reaching the target in the coming financial years.

Further, during the year, Bharti Family has pledged a significant amount towards philanthropy, which will step-up scope and reach of Bharti Foundation's initiatives to create opportunities for the underprivileged and contribute to nation building. Plan is to set up a world-class University namely Satya Bharti University, to offer free education to deserving youth from economically weaker sections of society. During the previous year, Mr. Sunil Bharti Mittal, Chairman had also contributed ₹ 50 Mn towards CSR in his personal capacity.

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.

Integrated Reporting

The Securities and Exchange Board of India (SEBI) vide circular no: SEBI/HO/CFD/CMD/CIR/P/2017/10 dated February 06, 2017 has recommended voluntary adoption of 'Integrated Reporting' (IR) from 2017 - 2018 by the top 500 listed companies in India. In line with its philosophy of being a highly transparent and responsible company and considering IR as a journey, your Company adopts its first 'Integrated Report' in accordance with the framework of the International Integrated Reporting Council (IIRC). The Integrated Report covers capital approach of IIRC Framework as well as the value that your Company creates for its stakeholders. The board acknowledges its responsibility for the integrity of report and information contained therein.

Business Responsibility Report

As stipulated under the Listing Regulations, the Business Responsibility Report, describing the initiatives taken by the Company from environmental, social and governance perspective forms a part of the Annual Report.

Management Discussion and Analysis Report

Pursuant to Regulation 34 of the Listing Regulations the Management Discussion and Analysis Report for the year under review, is presented in a separate section, forming part of the Annual Report.

Risk Management

Risk management is embedded in Bharti Airtel's operating framework. The Company believes that risk resilience is key to achieving higher growth. To this effect, there is a process in place to identify key risks across the Group and prioritize relevant action plans to mitigate these risks.

To have more robust process, the Company during the year, constituted separate Risk Management Committee which shall focus on the risk management including determination of Company's risk appetite, risk tolerance and regular risk assessments (risk identification, risk quantification and risk evaluation) etc. Risk Management framework is reviewed periodically by the Board and Audit & Risk Management Committee / Risk Management Committee, which includes discussing the management submissions on risks, prioritizing key risks and approving action plans to mitigate such risks.

The Company has duly approved a Risk Management Policy. The objective of this Policy is to have a well-defined approach to risk. The policy lays down broad guidelines for timely identification, assessment, and prioritization 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 addressed or mitigated.

The Internal Audit function is responsible to assist the Audit Committee (erstwhile Audit & Risk Management Committee)/ Risk Management Committee on an independent basis with a complete review of the risk assessments and associated management action plans.

Operationally, risk is being managed at the top level by Management Boards in India and South Asia and in Africa (AMB and Africa Exco) and at operating level by Executive Committees of Circles in India and Operating Companies in the international operations.

Detailed discussion on Risk Management forms part of Management Discussion & Analysis under the section 'Risks and Concerns', which forms part of this Annual Report. At present, in the opinion of the Board of Directors, there are no risks which may threaten the existence of the Company.

Internal Financial Controls and their adequacy

The Company has established a robust framework for internal financial controls. The Company has in place adequate controls, 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 assessed and no reportable material weaknesses in the design or operation were observed. Accordingly, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2017-18.

Other Statutory Disclosures

Vigil Mechanism

The Code of Conduct and vigil mechanism applicable to Directors and Senior Management of the Company is available on the Company's website at http://www.airtel.in/about-bharti/investor-relations/corporate-governance.

A brief note on the highlights of the Whistle Blower Policy and compliance with Code of Conduct is also provided in the report on Corporate Governance, which forms part of this Annual Report.

Extract of Annual Return

In terms of provisions of Section 92, 134(3)(a) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, the extracts of Annual Return of the Company in form MGT-9 is annexed herewith as Annexure E to this report.

Significant and material orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Particulars of loans, guarantees and investments

Particulars of loans, guarantees and investments form part of note 10, 23 and 8 respectively to the financial statements provided in the full version of the Annual Report.

Related Party Transactions

A detailed note on the 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 into by the Company with its related parties during the year were in the ordinary course of business and on an arm's length basis. During the year, the Company has not entered into any arrangement / transaction with related parties which could be considered material in accordance with the Company's Policy on Related Party Transactions and accordingly, the disclosure of Related Party Transactions in Form AOC - 2 is not applicable. However, names of Related Parties and details of transactions with them have been included in note 34 of the financial statements provided in the full version of the Annual Report and note 17 of the financial statements provided in abridged version of the Annual Report under Indian Accounting Standards 24.

The Policy on the Related Party Transactions is available on the Company's website at http://www.airtel.in/wps/wcm/connect/36a5305d-f0ba-490c-9eff-152ef6811917/BALPolicy-on-Related-Party Transactions.pdf?MOD=AJPERES.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The details of energy conservation, technology absorption and foreign exchange earnings and outgo as required under Section 134(3) of the Companies Act, 2013, read with the Rule 8 of Companies (Accounts of Companies) Rules, 2014 is annexed as Annexure F to this report.

Particulars of Employees

Disclosures relating to remuneration of Directors u/s 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure G to this report.

The information, as required to be provided in terms of Section 197(12) of the Companies Act, 2013, read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as Annexure H to this report.

Corporate Governance

A detailed report on Corporate Governance, pursuant to the requirements of Regulation 34 of the Listing Regulations, forms part of the Annual Report.

A certificate from Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of the Company, confirming compliance of conditions of Corporate Governance, as stipulated under the Listing Regulations, is annexed as Annexure I to this report.

Directors' Responsibility Statement

Pursuant to Section 134 of the Companies Act, 2013, the Directors, to the best of their knowledge and belief, confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed, along with proper explanation relating to material departures;

b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors had prepared the annual accounts on a going concern basis;

e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgements

The Board wishes to place on record their appreciation to the Department of Telecommunications (DoT), the Central Government, the State Governments in India, Government of Sri Lanka and Governments in the 14 countries in Africa, Company's bankers and business associates, for the assistance, co-operation and encouragement extended to the Company.

The Directors also extend their appreciation to the employees for their continuing support and unstinting efforts in ensuring an excellent all-round operational performance. The Directors would like to thank various partners, viz., Bharti Telecom Limited, Singapore Telecommunications Ltd. and other shareholders for their support and contribution. We look forward to their continued support in future.

For and on behalf of the Board

Place: New Delhi
Date: April 24, 2018

Sunil Bharti Mittal
Chairman

Annexure A
Dividend Distribution Policy

1. Preamble, Objective and Scope

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company is required to formulate a Dividend Distribution Policy which shall be disclosed in its Annual Report and on its website.

To comply with the above requirement and with an endeavor to maintain a consistent approach to dividend pay-out plans, the Board of Directors ('Board') of Bharti Airtel Limited ('the Company') adopts this Dividend Distribution Policy ('Policy').

The objective of this Policy is to:

(i) specify the parameters (including internal and external factors) that shall be considered while declaring the dividend;

(ii) lay down the circumstances under which the shareholders of the Company may or may not expect dividend; and

(iii) provide for the manner of utilization of retained earnings.

2. Dividend Philosophy

The Dividend philosophy of the Company is enshrined in the principle that along with maintaining a reasonably conservative policy in respect of liquidity and leverage, 'surplus' cash in the Company shall be returned to its shareholders when it is concluded by the Board that:

- The Company doesn't / wouldn't have avenues to generate significantly higher returns on such 'surplus' than what a common shareholder can generate himself; or
- By returning such 'surplus', the Company would be able to improve its return on equity, while simultaneously maintaining prudent & reasonably conservative leverage in every respect viz. interest coverage, DSCR (Debt Service Coverage Ratio) Net Debt: EBITDA and Net Debt : Equity etc.

The Company aims to distribute to its shareholders, the entire dividend income (net of taxes) it receives from its subsidiary / associate companies.

3. Parameters / Factors considered by the Company while declaring dividend

In line with the philosophy stated in clause 2 above, the Board of Directors of the Company shall consider the following parameters before declaring or recommending dividend to shareholders:

A) Financial Parameters / Internal Factors:

(a) Financial performance including profits earned (standalone), available distributable reserves etc.;

(b) Impact of dividend payout on Company's return on equity, while simultaneously maintaining prudent and reasonably conservative leveraging in every respect viz. interest coverage, DSCR (Debt Service Coverage Ratio) Net Debt: EBITDA and Net Debt: Equity, including maintaining a targeted rating – domestically and internationally;

(c) Alternate usage of cash viz. acquisition/ Investment opportunities or capital expenditures and resources to fund such opportunities/ expenditures, in order to generate significantly higher returns for shareholders;

(d) Debt repayment schedules;

(e) Fund requirement for contingencies and unforeseen events with financial implications;

(f) Past Dividend trend including Interim dividend paid, if any; and

(g) Any other factor as deemed fit by the Board.

B) External Factors:

(a) Macroeconomic conditions: In the event of uncertain or recessionary economic and business conditions, the Board may consider retaining a larger part of the profits to have sufficient reserves to absorb unforeseen circumstances;

(b) Statutory requirements: Statutory requirements, regulatory conditions or restrictions as applicable including tax laws, The Companies Act, 2013 and SEBI regulations etc.;

(c) Agreements with Lending Institutions: The Board may consider protective covenants in a bond indenture or loan agreement that may include leverage limits & restrictions on payment of cash dividends in order to preserve the Company's ability to service its debt; and

(d) Capital Markets: In favorable market scenarios, the Board may consider for liberal pay – out. However, it may resort to a conservative dividend pay-out in case of unfavorable market conditions.

4. Circumstances under which the shareholders of the Company may or may not expect dividend

In line with Dividend Philosophy of the Company, there may be certain circumstances under which the shareholders of the Company may not expect dividend, including the circumstances where:

(a) The Company has sufficient avenues to generate significantly higher returns on such 'surplus' than what a common shareholder can generate himself;

(b) The Company is in higher need of funds for acquisition/ diversification / expansion / investment opportunities/ deleveraging or capital expenditures;

(c) The Company proposes to utilize surplus cash in entirety for alternative forms of distribution such as buy-back of securities; or

(d) The Company has incurred losses or in the stage of inadequacy of profits.

5. Utilization of retained earnings

The profits retained by the Company (i.e. retained earnings) shall either be used for business purposes/ objects mentioned in its Memorandum & Articles of Association or shall be distributed to the shareholders.

6. Parameters with regard to various classes of shares

Presently, the issued and paid-up share capital of the Company comprises of equity shares only. In case, the Company issues other kind of shares, the Board may suitably amend this Policy.

7. General

This Policy shall be reviewed at least once every 3 years. The Chief Investor Relations Officer and the Company Secretary are jointly authorized to amend the Policy to give effect to any changes / amendments notified by Ministry of Corporate Affairs, Securities and Exchange Board of India or any appropriate authority from time to time. Such amended policy shall be periodically placed before the Board for noting and ratification. Any questions and clarifications relating to this Policy should be addressed to the Company Secretary at compliance.officer@bharti.in.

Annexure B

Nomination, Remuneration and Board Diversity Policy

Preamble

The Board of Directors (the "Board") on the recommendation of the HR & Remuneration Committee (the "Committee") has approved and adopted this Nomination, Remuneration and Board Diversity Policy (the "Policy") in compliance with the provisions of Section 178 of the Companies Act, 2013 and rules made thereunder, and Clause 49 of the Listing Agreements with the Stock Exchanges.

Objectives

The main objectives of this Policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive including Independent Directors), Key Managerial Personnel ("KMP") and persons who may be appointed in Senior Management positions.
- To lay down criteria for determining the Company's approach to ensure adequate diversity in its Board.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage for the Company.
- To determine remuneration of Directors, KMPs and other senior management personnel's, keeping in view all relevant factors including industry trends and practices.
- To provide for rewards linked directly to their effort, performance, dedication and achievement of the Company's target.

A. Attributes, Qualifications and Diversity

Directors and Key Managerial Personnel

The Committee shall be responsible for identifying a suitable candidate for appointment as Director or as KMP of the Company.

The Board shall consist of such number of Directors as is necessary to effectively manage the Company of the size and nature as of Bharti Airtel, subject to a minimum of 3 and maximum of 15, including woman Directors. The Board shall have an appropriate combination of Executive, Non-Executive and Independent Directors. The Board shall appoint a Chairman and a Managing Director or CEO and the roles of Chairman and Managing Director or CEO shall not be exercised by the same individual.

While evaluating a person for appointment / re-appointment as Director or as KMP, the Committee shall consider and evaluate number of factors including but not limited to background, knowledge, skills, abilities (ability to exercise sound judgement), professional experience & functional expertise, educational and professional background, personal accomplishment, age, experience, understanding of the telecommunication sector / industry, marketing, technology, finance and other disciplines relevant to the business etc. and such other factors that the Committee might consider relevant and applicable from time to time towards achieving a diverse Board.

The Committee shall ensure that the proposed Director satisfies the following additional criteria:

- Eligible for appointment as a Director on the Board of the Company and is not disqualified in terms of Section 164 and other applicable provisions of the Companies Act, 2013, and the Listing Agreements.
- Has attained minimum age of 25 years and is not older than 70 years.
- Does not hold directorship in more than 20 companies (including private and public limited companies) or 10 public limited companies incorporated in India.
- Will be able to devote sufficient time and efforts in discharge of duties and responsibilities effectively.

While evaluating a person for appointment / re-appointment as an Independent Director, the Committee shall ensure that the proposed appointee satisfies the following additional criteria:

- Meet the baseline definition and criteria of "independence" as set out in Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreements and other applicable laws.
- Should not hold the position of Independent Director in more than six Indian listed companies and if serving as Whole-time Director in any Indian listed company then in not more than three Indian listed companies.
- Should not hold any Board / employment position with a competitor in the geographies where the Company is operating. However, the Board may in special circumstances waive this requirement.

The re-appointment / extension of term of any Board members shall be on the basis of their performance evaluation report.

Senior Management

While evaluating a person for appointment / re-appointment in a senior management position, the management shall considers various factors including individual's background, competency,

skills, abilities (viz. leadership, ability to exercise sound judgement), educational and professional background, personal accomplishment, age, relevant experience and understanding of related field viz. marketing technology, finance or such other discipline relevant to present and prospective operations of the Company.

Senior Management means personnel of the Company who are members of its core management team excluding Board of Directors and shall comprise of all members of management one level below the Executive Directors, including all functional heads.

B. Remuneration Policy

Board Members

The overall limits of remuneration of the Board members including Executive Board members (i.e. Managing Director, Whole-time Director, Executive Directors etc.) are governed by the provisions of Section 197 of the Companies Act, 2013, rules made thereunder and shall be approved by the shareholders of the Company and shall be subject to availability of profits of the Company.

Within the overall limit approved by the shareholders, on the recommendation of the Committee, the Board shall determine the remuneration. The Board can determine different remuneration for different Directors on the basis of their role, responsibilities, duties, time involvement etc.

Non-Executive Directors including Independent Directors

Pursuant to the provisions of Section 197 of the Companies Act, 2013, rules made thereunder and the shareholders' approval, the Board has approved the following remuneration for Non-Executive Directors (including Independent Directors):

I. Commission on Net Profit (Calculated as per Section 198 of the Companies Act, 2013)

Amount of Commission per annum:

Subject to availability of sufficient profits and within an overall ceiling of 1% of the net profits for all non-executive directors in the aggregate, the amount of commission payable to:

A. Non-Independent Non-executive directors:

- USD 60,000 for directors not residing in India
- ₹ 3,000,000 for directors residing in India

B. Independent non-executive directors:

- USD 100,000 for directors not residing in India
- ₹ 5,000,000 for those residing in India

The Independent Directors shall also be entitled to following additional commission:

i. Audit Committee:

Chairmanship:

- Not residing in India: USD 50,000/- per annum
- Residing in India: ₹ 3,000,000/- per annum

Membership:

- Not residing in India: USD 10,000/- per annum
- Residing in India: ₹ 500,000/- per annum

ii. HR and Nomination Committee:

Chairmanship:

- Not residing in India: USD 50,000/- per annum
- Residing in India: ₹ 3,000,000/- per annum

Membership:

- Not residing in India: USD 10,000/- per annum
- Residing in India: ₹ 500,000/- per annum

iii. Risk Management Committee:

Chairmanship:

- ₹ 2,000,000/- per annum

Independent Directors will also be entitled to Travel fee of USD 10,000 per meeting if not residing in India.

Frequency of Payment:

The commission is payable annually after the approval of the financial results.

II. Sitting Fees

In addition to the profit linked commission, the Independent Directors will also be entitled to sitting fee of ₹ 100,000/- for all Board meetings and all Committee meetings held in a single day. For avoidance of doubt, in case an Independent Director attends more than one Board and / or Committee meeting in a

day, he will be paid consolidated sitting fee of ₹ 100,000/- for all such meetings. If the Board appoint any person as an alternate Director to an Independent Director, such person will be entitled to sitting fee for the relevant meeting.

Executive Board Members (Managing Director, Whole-time Director, Executive Directors etc.)

The remuneration (including revision in the remuneration) of Executive Board members shall be approved by the Board on the basis of the recommendation of the HR and Nomination Committee.

The remuneration payable to Executive Board members shall consist of (a) Fixed Pay, which is payable monthly, and shall include basic pay, contributions to retirement benefits, house rent allowance or company-leased accommodation and other allowances as per the Company's policy (b) Variable Pay (paid at the end of Financial Year) directly linked to the performance of the individual employee (i.e. achievement against pre-determined KRAs), his / her respective Business Unit and the overall Company's performance (c) Long term incentive / ESOPs as may be decided by the HR & Nomination Committee from time to time.

Remuneration to Key Managerial Personnel (other than Managing Director and Whole-time Director), Senior Management and other employees

The remuneration of Key Managerial Personnel (other than Managing Director and Whole-time Director), shall be as per the compensation and appraisal policy of the Company.

The remuneration payable to key managerial personnel (other than Managing Director and Whole-time Director), senior management and other employees shall consist of (a) Fixed Pay, which is payable monthly and include basic pay, contributions to retirement benefits, house rent allowance or company-leased accommodation and other allowances as per the Company's policy (b) Variable Pay (paid at the end of Financial Year) directly linked to the performance of the individual employee (i.e. achievement against pre-determined KRAs), his / her respective business unit and the overall Company performance (c) Long term incentive / ESOPs as may be decided by the Committee from time to time.

Disclosures by the Company

This Policy shall be disclosed in the Company's Annual Report.

General

The Group Director – HR and the Company Secretary are jointly authorised to amend the Policy to give effect to any changes / amendments notified by Ministry of Corporate Affairs or Security Exchange Board of India w.r.t. Directors' any matter covered by this policy. The amended policy shall be placed before the Board for noting and ratification. Any questions and clarifications relating to this Policy should be addressed to the Group General Counsel and Company Secretary at compliance.officer@bharti.in.

Annexure C

Secretarial Audit Report

For the financial year ended March 31, 2018

The Members,
Bharti Airtel Limited
Bharti Crescent, 1, Nelson Mandela Road,
Vasant Kunj, Phase-II,
New Delhi – 110070

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bharti Airtel Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized 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, 2018 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, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  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 and

  h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. Not Applicable

(vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their Sectors/Businesses are:

  a) The Indian Telegraph Act, 1885;

  b) The Telecom Regulatory Authority of India Act, 1997 and Rules and Regulations made thereunder; and

  c) The Indian Wireless Telegraphy Act, 1933.

We have also examined compliance with the applicable clauses of the following:

a) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors

and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent least seven days in advance (except in cases where meetings were convened at a shorter notice for which necessary approvals obtained as per applicable provisions), 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 following major events have happened which are deemed to have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. Scheme of amalgamation of Tikona Digital Networks Private Limited with the Company was approved, subject to necessary approvals.
2. Scheme of arrangement between the Company and Telesonic Networks Limited for the demerger of the optical fibre business was approved, subject to necessary approvals.
3. Scheme of arrangement between the Company and Tata Teleservices (Maharashtra) Limited ('TTML') for the demerger of the consumer wireless mobile business of TTML into the company, subject to necessary approvals.
4. Scheme of arrangement between the Company, Bharti Hexacom Limited and Tata Teleservices Limited ('TTSL') for the demerger of the consumer wireless mobile business of TTSL into the company, subject to necessary approvals.
5. Inter-se transfer of 44% stake (96,938,000 equity shares) in Telesonic Networks Limited to Nettle Infrastructure Investments Limited, a wholly owned subsidiary of the Company
6. Secondary sale of 8.14% % stake (15,05,34,392 equity shares) in Bharti Infratel Limited through its wholly owned subsidiary Nettle Infrastructure Investments Limited.
7. The Company has made Private Placement of 30,000 unsecured, rated, redeemable, listed non-convertible debentures of ₹ 10,00,000/- each for an aggregate consideration of ₹ 30,000,000,000.

Chandrasekaran Associates
Company Secretaries

Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS No.: 1644
Certificate of Practice No.: 715

Place: New Delhi
Date: April 24, 2018

Note: This report is to be read with our letter of even date which is annexed as Annexure-A to this report 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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Chandrasekaran Associates
Company Secretaries

Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS No.: 1644
Certificate of Practice No.: 715

Place: New Delhi
Date: April 24, 2018

Annexure D

The Annual Report on Corporate Social Responsibility (CSR) Activities

1. Brief Outline of Company's CSR Policy

At Bharti Airtel, business success is not just about profits and shareholder returns. We believe in pursuing wider socio-economic and cultural objectives and have always endeavoured to not just live up to it, but to try and exceed the expectations of the communities in which we operate.

The CSR policy of the Company which is available on its website, was adopted by the Board of Directors on April 29, 2014. The Company's CSR activities focus on promoting education with special emphasis on girl child, livelihood enhancement education programs, eradicating hunger, promoting preventive health care and sanitation and providing legal assistance to underprivileged under-trials. Bharti Airtel's CSR activities are committed to create and support programs that bring about sustainable changes through education.

The detailed CSR Policy of the Company is available on Company's website at: http://www.airtel.in/wps/wcm/connect/fd7b3172-02e5-4e25-af7e-51d64cc17534/CSR+Policy.pdf?MOD=AJPERES&ContentCache=NONE.

The overview of various CSR projects and programs undertaken by the Company has been provided in the Corporate Social Responsibility Report section of this Annual Report.

2. Composition of CSR Committee

Name	Category
Mr. Rakesh Bharti Mittal, Chairman	Non-Executive Director
Mr. D. K. Mittal	Independent Director
Mr. Gopal Vittal	Managing Director & CEO (India & South Asia)

(₹ Millions)

3. Average net profit before tax of the Company for last three financial years — 107,313.00

4. Prescribed CSR Expenditure (2% of the amount as above) — 2,146.26

5. Details of CSR spent during the year

a) Total amount to be spent for the financial year — 2,146.26

i) Amount spent towards CSR activities — 245.37

ii) Amount spent towards other charitable activities — 32.59

b) Amount Unspent — 1,900.89*

c) Manner in which the amount spend during the financial year is detailed below:

*The Companny has contribued 245.37 Mn as CSR contribution under Section 135 of Companies Act, 2013. In addition the Company has also contributed 32.59 Mn to various other charitable activities. The consolidated contribution of the Company towards various CSR programs during the financial year 2017-18 is 277.96 Mn.

(₹ Millions)

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
Eligible CSR Programs/ Projects							
1	Satya Bharti School Program	Promotion of education	Specified below*	448.80	179.79	1390.90	Bharti Foundation
2	Satya Bharti Abhiyan	Sanitation	Ludhiana & Amritsar, Punjab	120.5	10.81	119.51	Bharti Foundation

(₹ Millions)

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
3	Educate a Child	Promotion of education	Specified below**	70.00	0.00	242.60	Bharti Foundation
4	Nyaya Bharti initiative#	Promoting measures for reducing inequalities faced by economically backward groups	Delhi and NCR region	14.10	5.00	16.55	Bharti Foundation
5	Crop science research and development program	Livelihood enhancement Program	Punjab	20.60	11.72	24.97	Bharti Foundation
6	Magic Bus Foundation	Promotion of education	Delhi and Mumbai	2.50	2.00	4.30	Direct
7	Anubandh - Old Age Home	Setting up and supporting old age homes	Jodhpur, Rajasthan	3.00	3.00	8.00	Direct
8	Partition Museum	Restoration and establishment of building of historical importance	Amritsar, Punjab	5.00	5.00	10.00	Direct
9	Ramadham Old Age home	Setting up and supporting old age homes	Raigad District, Maharashtra	2.50	2.50	2.50	Direct
10	Skill development program for youth and vocational skills for women	Employment enhancing vocation skills	Chhindwara, Madhya Pradesh	13.95	13.95	30.00	Centum Foundation
11	Vocational training program for hearing impaired young adults	Employment enhancing vocation skills to differently abled	Delhi	23.20	11.60	23.20	Centum Foundation
	Total			**722.15**	**245.37**	**1872.53**	
Other Contributions							
1	Miscellaneous	Miscellaneous	Miscellaneous	32.59	32.59	93.23	Direct
	Total			**32.59**	**32.59**	**93.23**	
	Grand Total			**754.74**	**277.96**	**1965.76**	

Program discontinued w.e.f. March 2018.

* District / State wise details of Satya Bharti School Program – Jodhpur, Amer and Neemrana in Rajasthan, Amritsar, Ludhiana and Sangrur in Punjab, Kaithal, Kurukshetra, Rewari, Mahendergarh and Jhajjar in Haryana, Farrukhabad, Shahjahanpur, Sitapur and Bulandhahar in Uttar Pradesh, Murshidabad in West Bengal, Sivaganga in Tamil Nadu. District / State wise details of Satya Bharti Learning Centres Kurukshetra, Rewari, Mahendergarh, Gurgaon and Karnal in Haryana, Bhatinda and Fazikla in Punjab, Barmer, Sawaimadhopur and Udaipur in Rajasthan, Godda, Pakur, Sahibganj, Dhumka and Deoghar in Jharkhand. District /State wise details of Quality Support Program Jodhpur, Barmer Tonk and Ajmer in Rajasthan, Ghazipur in Uttar Pradesh, Rajanna Sircilla in Telangana, Leh, Jammu, Kashmir and Nagrota in Jammu and Kashmir, Kurnool in Andhra Pradesh, Dhumka and Deoghar in Jharkhand, Barwani and Jhabua in Madhya Pradesh, Delhi and Goa.

** Haryana, Delhi and NCR Region, Bihar, Gujarat, Uttar Pradesh, Rajasthan and Madhya Pradesh.

6. Reason for not spending the prescribed 2% amount

Despite the unprecedented challenges and pressure on the telecom industry, the Company had scaled-up various CSR interventions during the FY 2017-18 which resulted into increased CSR spending vis-à-vis previous financial year i.e. from ₹ 55.84 Mn in FY 2016-17 to ₹ 245.37 Mn in FY 2017-18. Additionally, the Company has also contributed ₹ 32.59 Mn towards various other charitable causes (disclosed as 'other contributions' in the above mentioned table) which are not covered within the ambit of the provisions of Section 135 of the Companies Act, 2013. The aggregate CSR spending of the Company for FY 2017-18 (including other contributions) is ₹ 277.96 Mn (i.e. 0.26% of net profit of last three years).

Company is committed to build its CSR capabilities on a sustainable basis and is also committed to gradually increase its CSR contribution in the coming years. The CSR spending is guided by the vision of creating long-term benefit to the society. The Company through its Board and CSR Committee is determined to beef up its efforts to meet the targeted CSR expenditure. With the strong foundation which has been established during the year alongwith the proposed scaling up of a number of its CSR Projects, the Company believes that it has made meaningful progress towards reaching the target in the coming financial years.

Further, during the year, Bharti Family has pledged a significant amount towards philanthropy, which will step-up scope and reach of Bharti Foundation's initiatives to create opportunities for the underprivileged and contribute to nation building. Plan is to set up a world-class University namely Satya Bharti University, to offer free education to deserving youth from economically weaker sections of society. During the previous year, Mr. Sunil Bharti Mittal, Chairman had also contributed ₹ 50 Mn towards CSR in his personal capacity.

Responsibility statement of the CSR Committee

The Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

Gopal Vittal
Managing Director & CEO (India & South Asia)

Rakesh Bharti Mittal
Chairman, CSR Committee

Annexure E

Extract of Annual Return

Form No. MGT-9
as on the financial year ended on March 31, 2018

[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 : +91 011-46666100
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot number 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032, India. Phone : +91 040-67162222

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	85.43%

Note: * As per National Industrial Classification – Ministry of Statistics and Programme Implementation.

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name of the Company	Address	CIN/Registration No.	% of shares held
Holding Company u/s 2(46) of the Companies Act, 2013				
1	Bharti Telecom Limited	Airtel Centre, Plot No. 16, Udyog Vihar, Phase - IV, Gurgaon, Haryana - 122001	U32039HR1985PLC032091	50.10
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	53.51
4	SmarTx Services Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U64202DL2015PLC285515	53.51
5	Indo Teleports Limited (Formerly known as Bharti Teleports Limited)	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U32204DL2008PLC183976	99.99

Sl. No.	Name of the Company	Address	CIN/Registration No.	% of shares held
6	Bharti Telemedia Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U92200DL2006PLC156075	51
7	Airtel Payments Bank Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U65100DL2010PLC201058	80.1
8	Telesonic Networks Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U64200DL2009PLC325406	95
9	Nxtra Data Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U72200DL2013PLC254747	56
10	Wynk Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110 070	U74140DL2015PLC275325	56
11	Nettle Infrastructure Investments Limited (formerly known as Nettle Developers Limited w.e.f. March 14, 2017)	3rd Floor, Worldmark 2 Asset 8, Aerocity, NH-8, New Delhi - 110037	U93000DL2010PLC301236	90
12	Bharti Digital Networks Private Limited (Formerly known as Tikona Digital Networks Private Limited) (w.e.f. August 24, 2017)	Bharti Crescent 1 Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070	U72900DL2008PTC325106	100
13	Bharti Airtel (France) SAS	88, Ter Avenue Général Leclerc – 92100 Boulogne Billancourt	RCS Nanterre 523 035 426	100
14	Bharti Airtel (Hong Kong) Limited	4th Floor, Cheung Hing Industrial Building, 12P Smithfield Road, Kennedy Town, Hong Kong	1080074	100
15	Bharti Airtel (Japan) Private Limited	Shinjuku Park Tower, 30th Floor, 7-1, Nishi Shinjuku 3-chome, Shinjuku-ku, Tokyo	0111-01-055989	100
16	Bharti Airtel (UK) Limited	10, Queen Street Place, London, United Kingdom EC4R 1AG	5917314	100
17	Bharti Airtel (USA) Limited	335 Madison Avenue 12th floor, New York 10017	F-060912000-217	100
18	Bharti Airtel International (Mauritius) Limited	SGG Corporate Services (Mauritius) Ltd., 33, Edith Cavell Street, Port Louis, 11324, Mauritius	094380 CI/GBL	100
19	Bharti Airtel International (Netherlands) B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34387410	100
20	Bharti Airtel Lanka (Private) Limited	Level 11, West Tower, World Trade Centre, Echelon Square, Colombo 1, Sri Lanka	PV10652	100
21	Bharti International (Singapore) Pte. Ltd.	150, Orchard Road, #08-01, Orchard Plaza, Singapore	2010-05788-R	100
22	Bharti Airtel International (Mauritius) Investments Limited (w.e.f. March 26, 2018)	SGG Corporate Services (Mauritius) Ltd., 33, Edith Cavell Street, Port Louis, 11324, Mauritius	154803 C1/GBL	100
23	Network i2i Limited	SGG Corporate Services (Mauritius) Ltd., 33, Edith Cavell Street, Port Louis, 11324, Mauritius	25951/6339	100
24	Africa Towers N.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	50979965	100
25	Africa Towers Services Limited (under liquidation)	Plot Number LR No 209/11880, Parkside Towers, Mombasa Road, PO Box 73146-00200, Nairobi, Kenya	CPR/2011/56039	100
26	Airtel (Seychelles) Limited	Emerald House, PO Box 1358, Providence, Mahe, Seychelles	841930-1	100

Sl. No.	Name of the Company	Address	CIN/Registration No.	% of shares held
27	Airtel Congo S.A.	2ème étage, Immeuble SCI MONTE CRISTO, Rond-point de la Gare, Croisement du Boulevard Denis SASSOU NGUESSO et de l'avenue Orsy, Centre-Ville, B.P. 1038, Brazzaville - République du Congo	CG/BZV/07 B299	90
28	Airtel Gabon S.A.	Rue Pecqueur, Immeuble Libreville Business Square, B.P. 9259, Libreville, Gabon	RG LBV 2001/B01000	90
29	Airtel Madagascar S.A.	Immeuble Kube B, Zone Galaxy, Andraharo, 101 Antananarivo, Madagascar	1997B00392	100
30	Airtel Malawi Limited	Immeuble Kube B Building, Zone Galaxy, Andraharo, Antananarivo 101, Madagascar	5114	100
31	Airtel Mobile Commerce B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34375413	100
32	Airtel Mobile Commerce Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34381129	100
33	Airtel Mobile Commerce (Kenya) Limited	Parkside Towers, Mombasa Road, P.O. Box 73146-00200, Nairobi, Kenya	C 169576	100
34	Airtel Mobile Commerce Limited	Airtel Complex, City Centre, Off Convention Drive, P.O. Box 57, Lilongwe, Malawi	9831	100
35	Airtel Mobile Commerce Madagascar S.A.	Immeuble Kube B Building, Zone Galaxy, Andraharo, Antananarivo 101, Madagascar	2011B00235	100
36	Airtel Mobile Commerce Rwanda Limited	Remera, Gasabo, P.O. Box 4164, Kigali, Rwanda	102933620	100
37	Airtel Mobile Commerce (Seychelles) Limited	Emerald House, P.O. Box 1358, Providence, Mahe, Seychelles	8412656-1	100
38	Airtel Mobile Commerce (Tanzania) Limited	Block 41, Kinondoni, Corner of Ali Hassan Mwinyi & Kawawa Road, P.O. Box 9623, Dar es Salaam, Tanzania	79802	100
39	Airtel Mobile Commerce Tchad S.A.R.L	Immeuble du Cinéma Etoile, Rue du Commandant Galyam Negal, B.P. 5665, N'Djamena, Tchad	TC/NDJ/10B 183	100
40	Airtel Mobile Commerce Uganda Limited	Airtel House, Plot 16-A, Clement Hill Road, P. O. Box 6771, Kampala - Uganda	123833	100
41	Airtel Mobile Commerce Zambia Limited	Airtel House, Corner of Addis Ababa Drive and Great East Road, Stand 2375, P.O. Box 320001, Lusaka, Zambia	80052	100
42	Airtel Money (RDC) S.A.	127, Avenue du Plateau, Commune de la Gombe, République Démocratique du Congo	CD/KIN/RCCM/14-B-6552	100
43	Airtel Money Niger S.A.	2054, Route de l'aéroport, B.P. 11922 Niamey, Niger	NI-NIA-2012-M-2191	90
44	Airtel Money S.A.	Libreville, Centre Ville, Avenue Du Colonel Parrant, B.P. 23 899, Libreville, Gabon	RG LBV 2010B09955	100
45	Airtel Networks Kenya Limited	Parkside Towers, Mombasa Road, P. O. Box 73146-00200, Nairobi, Kenya	C. 140223	100
46	Airtel Networks Limited	Plot L2, Banana Island, Foreshore Estate/ Ikoyi Lagos, Nigeria	398557	83.25
47	Airtel Networks Zambia Plc	Airtel House, Corner of Addis Ababa Drive and Great East Road, Lusaka, Stand 2375, P.O. Box 320001, Lusaka, Zambia	38136	96.36

Sl. No.	Name of the Company	Address	CIN/Registration No.	% of shares held
48	Airtel Rwanda Limited	Remera, Gasabo, P.O. Box 4164, Kigali, Rwanda	102437818	100
49	Airtel Tanzania Public Limited Company	Airtel House, Block 41, Kinondoni, Corner of A.H. Mwinyi Road & Kawawa Road, P.O. Box 9623, Dar es Salaam, Tanzania	41291	60
50	Airtel Tchad S.A.	Immeuble du Cinéma Etoile, Rue du Commandant Galyam Negal, B.P. 5665, N'Djamena, Tchad	TC-NDJ 063/B/99	100
51	Airtel Uganda Limited	Airtel Towers, Plot 16-A, Clement Hill Road, Nakasero P.O. Box 6771, Kampala - Uganda	V-232-36	100
52	Bharti Airtel Africa B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08076497	100
53	Bharti Airtel Burkina Faso Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08077622	100
54	Bharti Airtel Chad Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34125184	100
55	Bharti Airtel Congo Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08077621	100
56	Bharti Airtel Developers Forum Limited	Airtel House, Corner of Addis Ababa Drive and Great East Road, Lusaka, Stand 2375, P.O. Box 320001, Lusaka, Zambia	82795	96.36
57	Bharti Airtel Gabon Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08078528	100
58	Bharti Airtel Kenya B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	38023926	100
59	Bharti Airtel Kenya Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34164357	100
60	Bharti Airtel Madagascar Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34204848	100
61	Bharti Airtel Malawi Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08077659	100
62	Bharti Airtel Mali Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34164359	100
63	Bharti Airtel Niger Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34143743	100
64	Bharti Airtel Nigeria B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34164360	100
65	Bharti Airtel Nigeria Holdings II B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08077623	100
66	Bharti Airtel RDC Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34125193	100
67	Bharti Airtel Services B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08077657	100
68	Bharti Airtel Tanzania B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08078747	100
69	Bharti Airtel Uganda Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08078530	100
70	Bharti Airtel Zambia Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	08076501	100

Sl. No.	Name of the Company	Address	CIN/Registration No.	% of shares held
71	Celtel (Mauritius) Holdings Limited	C/o Abax Corporate Services Ltd, 6th floor, Tower A, 1 Cybercity, Ebene, Mauritius	18259/3238 C1/GBL	100
72	Airtel Congo (RDC) S.A.	278, Avenue de'l Equateur, Kinshasa, Gombe, République démocratique du Congo	CD/KNG/RCCM/13-B-01054	98.50
73	Celtel Niger S.A.	2054 Route de l'aéroport, B.P. 11 922, Niamey, Niger	NI-NIM-2007-B 1848	90
74	Channel Sea Management Company (Mauritius) Limited	C/o Abax Corporate Services Ltd., 6th floor, Tower A, 1 Cybercity, Ebene, Mauritius	18258/3237 C1/GBL	100
75	Congo RDC Towers S.A.	Croisement des Avenues du Tchad et du Bas Congo, Commune de la Gombe, Kinshasa, République démocratique du Congo	CD/KIN/RCCM/14-B-4040	100
76	Gabon Towers S.A. (under dissolution)	124 Avenue Bouet / B.P. 9259, Libreville, Gabon	2013B11106	90
77	Indian Ocean Telecom Limited	C/o Minerva Trust & Corporate Services Limited, The Le Gallais Building, 54 Bath Street, St Helier, Jersey, JE1 8SB Channel Islands	70138	100
78	Madagascar Towers S.A.	Immeuble Kube B, Zone Galaxy Andraharo, 101- Antananarivo, Madagascar	2011 B 00184	100
79	Malawi Towers Limited	Airtel Complex, City Centre, Off Convention Drive, P.O. Box 57, Lilongwe, Malawi	10995	100
80	Mobile Commerce Congo S.A.	1er et 2ème étages, Immeuble SCI Monte Cristo, Rond Point de la Gare, Croisement du Boulevard Denis Sassou Nguesso et de l'avenue Orsy, Centre Ville, B.P. 1038, Brazzaville - République du Congo	CG/BZV/09 B 1796	100
81	Montana International	C/o Abax Corporate Services Ltd., 6th floor, Tower A, 1 Cybercity, Ebene, Mauritius	6/97/2593 C2/GBL	100
82	Partnership Investments S.A.R.L	Croisement des Avenues du Tchad et du Bas Congo, Commune de la Gombe, République démocratique du Congo	CD/KIN/RCCM/14-B-4497	100
83	Société Malgache de Telephone Cellulaire S.A.	C/o Abax Corporate Services Ltd., 6th floor, Tower A, 1 Cybercity, Ebene, Mauritius	19022/3479 C1/GBL	100
84	Tanzania Towers Limited	Airtel House, Block 41 Kinondoni, Corner of A.H. Mwinyi Road / Kawawa Road, Kinondoni, Dar es Salaam, Tanzania	84005	60
85	Bharti Airtel Rwanda Holdings Limited	C/o Abax Corporate Services Ltd., 6th floor, Tower A, 1 Cybercity, Ebene, Mauritius	C083311 C1/GBL	100
86	Airtel Money Transfer Limited	Parkside Towers, Mombasa Road, L.R. Nr. 209/11880, P.O. Box 73146-00200 Nairobi, Kenya	CPR/2015/199517	100
87	Airtel Money Tanzania Limited	Airtel House, Block 41 Kinondoni, Corner of A.H. Mwinyi Road / Kawawa Road, Kinondoni, Dar es Salaam, Tanzania	127040	60.04

Sl. No.	Name of the Company	Address	CIN/Registration No.	% of shares held
88	Airtel Mobile Commerce Nigeria Limited (w.e.f. August 31, 2017)	Plot L2, Banana Island, Foreshore Estate/ Ikoyi Lagos, Nigeria	1435923	83.25
89	Tigo Rwanda Limited (w.e.f. January 31, 2018)	6th Floor, West Wing, Kigali Heights, KG7 Ave, Plot 772, Kimihurura, P.O. Box 6979, Kigali, Rwanda	101 775 989	100
Associates u/s 2(6) of the Companies Act, 2013				
1	Seychelles Cable Systems Company Limited	Third Floor, Caravelle House, Victoria, Mahe, Seychelles	846498-1	26
2	Robi Axiata Limited	53, Gulshan South Avenue, Gulshan-1, Dhaka - 1212, Bangladesh	C29552	25
3	Seynse Technologies Private Limited	Villa No. 4, House No. 22/296 Naroo Heights, Opp. Manipal Hospital Dona Paula, North Goa	U74999GA2015PTC007655	20
4	Aban Green Power Private Limited	Anpriya Crest 113, Pantheon Road Egmore, Chennai, Tamil Nadu	U40103TN2013PTC090446	24.88
5	Juggernaut Books Private Limited (w.e.f. December 14, 2017)	118, Shahpur Jat 4th Floor, K.S. House, New Delhi - 110049	U22219DL2015PTC280186	11.32
6	Greenergy Wind Corporation Private Limited	No.3, 2nd Floor Queens Road Cross Near Congress Committee Office, Bangalore, Karnataka - 560052	U40104KA2012PTC062414	20.33
Joint Venture Companies u/s 2(6) of the Companies Act, 2013				
1	Indus Towers Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110070	U92100DL2007PLC170574	22.47
2	Bridge Mobile Pte Limited	750 Chai Chee Road, Technopark@ ChaiChee, The Oasis, #03-02/0, Singapore 469000	200413856E	10
3	Firefly Networks Limited	A-19, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi - 110044	U74999DL2014PLC264417	50
4	Bharti Airtel Ghana Holdings B.V. (w.e.f. October 12, 2017)	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	34204633	50
5	Airtel Ghana Limited (w.e.f. October 12, 2017)	Milicom Place, Barnes Road, PMB-TUC, Accra, Ghana	CS0002840316	49.95
6	Airtel Mobile Commerce (Ghana) Limited (w.e.f. October 12, 2017)	Milicom Place, Barnes Road, PMB-TUC, Accra, Ghana	CS050612017	49.95
7	Milicom Ghana Company Limited (w.e.f. October 12, 2017)	Milicom Place, Barnes Road, PMB-TUC, Accra, Ghana	CS417992014	49.95
8	Mobile Financial Services Limited (w.e.f. October 12, 2017)	Milicom Place, Barnes Road, PMB-TUC, Accra, Ghana	CA-72,549	50

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category- Wise Share Holding

Sl. No.	Category of shareholders	Number of shares held at the beginning of the year i.e. April 01, 2017				Number of shares held at the end of the year i.e. March 31, 2018				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	**Promoters**									
(1)	**Indian**									
	Individual /HUF	-	-	-	-	-	-	-	-	-
	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
	Bodies Corporate	1,81,79,87,269	-	1,81,79,87,269	45.48	2,00,28,18,452	-	2,00,28,18,452	50.10	4.62
	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total A(1) :	**1,81,79,87,269**	**-**	**1,81,79,87,269**	**45.48**	**2,00,28,18,452**	**-**	**2,00,28,18,452**	**50.10**	**4.62**
(2)	**Foreign**									
	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
	Others - Individual									
	Bodies Corporate	86,56,73,286	-	86,56,73,286	21.66	68,09,63,103	-	68,09,63,103	17.04	(4.62)
	Banks / FI	-	-	-	-	-	-	-	-	-
	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	**86,56,73,286**	**-**	**86,56,73,286**	**21.66**	**68,09,63,103**	**-**	**68,09,63,103**	**17.04**	**(4.62)**
	Total A=A(1)+A(2)	**2,68,36,60,555**	**-**	**2,68,36,60,555**	**67.14**	**2,68,37,81,555**	**-**	**2,68,37,81,555**	**67.14**	**-**
(B)	**Public Shareholding**									
(1)	**Institutions**									
	Mutual Funds	12,84,31,707	-	12,84,31,707	3.21	26,57,39,997	-	26,57,39,997	6.65	3.43
	Financial Institutions /Banks	21,41,271	-	21,41,271	0.05	31,08,671	-	31,08,671	0.08	0.02
	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
	Venture Capital Funds	-	-	-	-	-	-	-	-	-
	Insurance Companies	31,54,20,470	-	31,54,20,470	7.89	22,74,66,498	-	22,74,66,498	5.69	(2.20)
	Foreign Institutional Investors	60,82,26,075	-	60,82,26,075	15.22	73,74,53,635	-	73,74,53,635	18.45	3.23
	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total B(1) :	**1,05,42,19,523**	**-**	**1,05,42,19,523**	**26.37**	**1,23,37,68,801**	**-**	**1,23,37,68,801**	**30.86**	**4.49**
(2)	**Non-Institution**									
	Bodies Corporate									
	(i) Indian	27,21,800	54,44,250	81,66,050	0.20	1,86,57,340	54,44,250	2,41,01,590	0.60	0.40
	(ii) Overseas									
	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	2,47,56,135	7,661	2,47,63,796	0.62	2,45,34,573	6,904	2,45,41,477	0.61	(0.01)
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	45,44,671	-	45,44,671	0.11	1,33,24,375	-	1,33,24,375	0.33	0.22
	Others (Specify)									
	Clearining Members	90,58,391	-	90,58,391	0.23	2536099	-	2536099	0.06	(0.16)
	Foreign Companies	20,31,77,716	-	20,31,77,716	5.08	2532710	-	2532710	0.06	5.02
	NBFC	8,614	-	8,614	-	12,358	-	12,358	-	-
	Non Resident Indians	12,83,871	-	12,83,871	0.03	15,68,737	-	15,68,737	0.04	0.01
	Non Resident Indians (Non-Repatriation)	5,73,389	-	5,73,389	0.01	7,47,080	-	7,47,080	0.02	-
	ESOP Trust	13,45,184	-	13,45,184	0.03	17,19,041	-	17,19,041	0.04	0.01
	Trusts	65,98,342	-	65,98,342	0.17	87,17,006	-	87,17,006	0.22	0.05
	Investor Education and Protection Fund	-	-	-	-	49,273	-	49,273	-	-
	Sub-Total B(2) :	**25,40,68,113**	**54,51,911**	**25,95,20,024**	**6.49**	**7,43,98,592**	**54,51,154**	**7,98,49,746**	**2.00**	**5.54**
	Total Public Shareholding B=B(1)+B(2) :	**1,30,82,87,636**	**54,51,911**	**1,31,37,39,547**	**32.86**	**1,30,81,67,393**	**54,51,154**	**1,31,36,18,547**	**32.86**	**10.04**
	Total (A+B) :	**3,99,19,48,191**	**54,51,911**	**3,99,74,00,102**	**100.00**	**3,99,19,48,948**	**54,51,154**	**3,99,74,00,102**	**100.00**	**10.04**
(C)	**Shares held by custodians for GDR's and ADR's**	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C) :	**3,99,19,48,191**	**54,51,911**	**3,99,74,00,102**	**100.00**	**3,99,19,48,948**	**54,51,154**	**3,99,74,00,102**	**100.00**	

(ii) Shareholding of Promoters

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	Bharti Telecom Limited	1,81,79,87,269	45.48	-	2,00,28,18,452	50.10	-	4.62
2	Pastel Limited	59,13,19,300	14.79	-	59,13,19,300	14.79	-	0.00
3	Indian Continent Investment Limited	26,58,60,986	6.65	-	8,11,50,803	2.03	-	-4.62
4	Viridian Limited	84,93,000	0.21	-	84,93,000	0.21	-	0.00

1. Bharti Telecom Limited is promoter of Bharti Airtel Limited as prescribed in its IPO Prospectus dated February 07, 2002.
2. Pastel Limited qualifies as "deemed promoter" u/r 2(1)(t) of SEBI (Substantial Acquisition and Takeover) Regulations, 2011 but is not having control over the listed company nor is "person acting in concern" with promoter (Bharti Telecom Limited) as specified u/r 2(1) (q) of the Regulations.
3. Indian Continent Investment Limited is person acting in concern with promoter (Bharti Telecom Limited).
4. Viridian Limited is person acting in concern with Pastel Limited. As mentioned above Pastel Limited qualifies as "Deemed Promoter" u/r 2(1)(t) of SEBI (Substantial Acquisition and Takeover) Regulations, 2011 but is not having control over the listed company nor is "person acting in concern" with promoter (Bharti Telecom Limited) as specified u/r 2(1) (q) of the Regulations.

(iii) Change in Promoter Shareholding

Sl. No.	Name of the Promoter	Shareholding at the beginning of the Year		Date	Increase/ Decrease during the year	Reasons	Cumulative Shareholding during the year/Shareholding at the end of the Year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Bharti Telecom Limited	1,81,79,87,269	45.48	August 18, 2017	1,21,000	Inter-se Transfer	1,81,81,08,269	45.48
				November 03, 2017	18,47,10,183		2,00,28,18,452	50.10
2	Indian Continent Investment Limited	26,58,60,986	6.65	November 03, 2017	18,47,10,183		8,11,50,803	2.03

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Shareholder	Shareholding		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	**Life Insurance Corporation of India**				
	At the beginning of the year	211,834,356	5.30	211,834,356	5.30
	Bought during the year	-	-	-	-
	Sold during the year	61,651,493	1.54	150,182,863	3.76
	At the end of the year	150,182,863	3.76	150,182,863	3.76
2	**ICICI Prudential Life Insurance Company Limited**				
	At the beginning of the year	82,165,754	2.06	82,165,754	2.06
	Bought during the year	13,978,109	0.35	96,143,863	2.41
	Sold during the year	44,957,322	1.12	51,186,541	1.28
	At the end of the year	51,186,541	1.28	511,865,41	1.28
3	**Dodge and Cox International Stock Funds**				
	At the beginning of the year	49,441,504	1.24	49,441,504	1.24
	Bought during the year	-	-	-	-
	Sold during the year	49,441,504	1.24	-	-
	At the end of the year	-	-	-	-

Sl. No.	Name of the Shareholder	Shareholding		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
4	**ICICI Prudential Mutual Funds**				
	At the beginning of the year	45,724,712	1.14	45,724,712	1.14
	Bought during the year	54,795,760	1.37	100,520,472	2.51
	Sold during the year	37,303,767	0.93	63,216,705	1.58
	At the end of the year	63,216,705	1.58	63,216,705	1.58
5	**Franklin Templeton Mutual Funds**				
	At the beginning of the year	37,733,651	0.94	37,733,651	0.94
	Bought during the year	13,734,605	0.34	51,468,256	1.29
	Sold during the year	12,622,959	0.32	38,845,297	0.97
	At the end of the year	38,845,297	0.97	38,845,297	0.97
6	**Government Pension Fund Global**				
	At the beginning of the year	9,444,613	0.24	9,444,613	0.24
	Bought during the year	22,807,424	0.57	32,252,037	0.81
	Sold during the year	6,115,767	0.15	26,136,270	0.65
	At the end of the year	26,136,270	0.65	26,136,270	0.65
7	**Capital World Growth and Income Fund**				
	At the beginning of the year	25,940,837	0.65	25,940,837	0.65
	Bought during the year	3,447,439	0.09	29,388,276	0.74
	Sold during the year	17,475,177	0.44	11,913,099	0.3
	At the end of the year	11,913,099	0.3	11,913,099	0.3
8	**Reliance Capital Trustee Co. Ltd.**				
	At the beginning of the year	1,886,546	0.05	1,886,546	0.05
	Bought during the year	33,307,115	0.83	35,193,661	0.88
	Sold during the year	11,332,886	0.28	23,860,775	0.6
	At the end of the year	23,860,775	0.6	23,860,775	0.6
9	**Government of Singapore**				
	At the beginning of the year	11,068,086	0.28	11,068,086	0.28
	Bought during the year	15,261,249	0.38	26,329,335	0.66
	Sold during the year	2,580,760	0.06	23,748,575	0.59
	At the end of the year	23,748,575	0.59	23,748,575	0.59
10	**SBI Mutual Fund**				
	At the beginning of the year	22,475,610	0.56	22,475,610	0.56
	Bought during the year	35,240,792	0.88	57,716,402	1.44
	Sold during the year	4,666,980	0.12	53,049,422	1.33
	At the end of the year	53,049,422	1.33	53,049,422	1.33
11	**Fort Canning Investments Pte. Ltd.**				
	At the beginning of the year	2,859,947	0.07	2,859,947	0.07
	Bought during the year	19,200,170	0.48	22,060,117	0.55
	Sold during the year	-	-	-	-
	At the end of the year	22,060,117	0.55	22,060,117	0.55
12	**Tybourne Equity Master Fund**				
	At the beginning of the year	-	-	-	-
	Bought during the year	21,939,623	0.55	21,939,623	0.55
	Sold during the year	-	-	-	-
	At the end of the year	21,939,623	0.55	21,939,623	0.55
13	**Vangaurd Emerging Markets Stock Index Fund**				
	At the beginning of the year	20,702,111	0.52	20,702,111	0.52
	Bought during the year	24,423,683	0.61	45,125,794	1.13
	Sold during the year	23,741,485	0.59	21,384,309	0.53
	At the end of the year	21,384,309	0.53	21,384,309	0.53
14	**Comgest Growth Plc.**				
	At the beginning of the year	18,484,273	0.46	18,484,273	0.46
	Bought during the year	1,521,866	0.40	20,006,139	0.50
	Sold during the year	12,423,775	0.31	7,582,364	0.19
	At the end of the year	7,582,364	0.19	7,582,364	0.19
15	**Morgan Stanley Mauritius Company Limited**				
	At the beginning of the year	17,564,459	0.44	17,564,459	0.44
	Bought during the year	6,096,985	0.15	23,661,444	0.59
	Sold during the year	22,055,775	0.55	1,605,669	0.04
	At the end of the year	1,605,669	0.04	1,605,669	0.04

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 2017-18 has been provided.

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Director or KMP	Shareholding at the beginning of the Year		Date	Increase / Decrease in share holding	Reasons	Cumulative Shareholding during the year/ Shareholding at the end of the Year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
Key Managerial Personnel								
1	Mr. Gopal Vittal	3,29,885	0.01	August 10, 2017	1,21,000	Market Sale	2,08,885	0.01
				December 01, 2017	30,000	Share	2,38,885	0.01
				December 13, 2017	30,000	allotted	2,68,885	0.01
				January 25, 2018	10,000	under ESOP	2,78,885	0.01
				February 16, 2018	10,000		2,88,885	0.01
				March 05, 2018	10,000		2,98,885	0.01
2	Mr. Nilanjan Roy	-	-	March 05, 2018	13,003	Share allotted under ESOP	13,003	-

Note: No other Director and Key Managerial Personnel hold shares as on March 31, 2018

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ Millions)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebteness
Indebtedness at the beginning of the financial year				
i) Principal Amount	31	602,240	-	602,271
ii) Interest due but not paid	-	-	-	-
iii) Interest accured but not due	-	2,796	-	2,796
Total (i+ii+iii)	**31**	**605,036**	**-**	**605,067**
Change in indebtedness during the financial year				
Addition	10	520,024	-	520,034
Reduction	12	468,414	-	468,426
Net Change	**(2)**	**51,610**	**-**	**279**
Indebtedness at the end of the financial year				
i) Principal Amount	29	654,129	-	654,159
ii) Interest due but not paid	-	-	-	-
iii) Interest accured but not due	-	23,681	-	23,681
Total (i+ii+iii)	**29**	**677,810**	**-**	**677,840**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

(₹ Millions)

Sl. No.	Particulars of Remuneration	Name of Managing Director / Whole-time Director / Manager		Total Amount
		Mr. Sunil Bharti Mittal Chairman	Mr. Gopal Vittal Managing Director & CEO (India & South Asia)	
(1)	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	269.78	120.17	389.95
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	10.62	0.03*	10.65
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
(2)	Stock Option**	-	43.29**	43.29
(3)	Sweat Equity	-	-	-
(4)	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
(5)	Others – PF Contribution	21.57	6.24	27.81
	Total (A)	**301.97**	**169.73**	**471.70**
	Ceiling as per the Act	₹ 690.39 Mn. (being 10% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

Note:

> During the year, Mr. Gopal Vittal was granted 105,000 and 30,000 stock options on August 08, 2017 under ESOP Scheme 2005 at an exercise price of ₹ 5 per option, with a vesting period spread over 3 years and 2 years respectively.

> Value of Performance Linked Incentive (PLI) considered above represents incentive which will accrue at 100% performance level for FY 2017-18 and will get paid basis actual performance parameters in the next financial year.

* Value of perquisites u/s 17 (2) Income Tax Act, 1961 does not include perquisite value of ₹ 43.29 Mn towards stock options exercised by Mr. Gopal Vittal during FY 2017-18. The same has been shown separately in point no. (2).

** In accordance with the definition of perquisite under the Income Tax Act, 1961, the value of stock options only on those shares that have been exercised during the period is provided. Accordingly, the value of stock options granted during the financial year is not included.

B. Remuneration to Non-Executive Directors including Independent Directors:

(₹ Millions)

Independent Directors	Fee for attending board / committee meetings	Commission	Total
Mr. Ben Verwaayen	0.30	14.46	14.76
Mr. Craig Ehrlich	0.20	8.47	8.67
Mr. D.K. Mittal	1.30	7.08	8.38
Mr. Manish Kejriwal	0.40	6.34	6.74
Mr. Shishir Priyadarshi	0.50	9.78	10.28
Mr. V.K. Viswanathan	0.80	8.00	8.80
Total B1	**3.50**	**54.13**	**57.63**

B. Remuneration to Non-Executive Directors including Independent Directors:

(₹ Millions)

Other Non-Executive Directors	Fee for attending board / committee meetings	Commission	Total
Mr. Rakesh Bharti Mittal	-	3.00	3.00
Ms. Chua Sock Koong	-	3.91	3.91
Ms. Tan Yong Choo	-	3.91	3.91
Sheikh Faisal Thani Al-Thani	-	1.23	1.23
Mr. Rashed Fahad Al-Noaimi	-	1.29	1.29
Total B2	**-**	**13.34**	**13.34**
Total B = (B1+B2)	**3.50**	**67.47***	**70.97**
Ceiling as per the Act	₹ 69.04 Mn (being 1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		
Total Managerial Remuneration (A+B)	₹ 542.67 Mn		
Total ceiling as per the act (11%)	₹ 759.43 Mn (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

*The shareholders of the Company had approved the limit of 0.5% instead of prescribed limit of 1% of Section 198 net profits, for the payment of commission to non-executive directors. The Commission for the FY 2017-18 will be paid post approval from the shareholders in the ensuing annual general meeting for the amendments in limits of payment of commission from 0.5% to 1% w.e.f. April 01, 2017.

C. Remuneration to Key Managerial Personnel other than Managing Director / Whole-time Director / Manager:

(₹ Millions)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Nilanjan Roy Global CFO	Mr. Pankaj Tewari	
(1)	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40.73^	11.78^^	51.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.09*	-	0.09
	(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	-	-	-
(2)	Stock Option**	5.36*	-	5.36
(3)	Sweat Equity	-	-	-
(4)	Commission	-	-	-
	-as % of profit	-	-	-
	-others, specify...	-	-	-
(5)	Others – PF Contribution	1.42	0.46	1.80
	Total (A)	**47.60**	**12.24**	**58.25**

Notes:

> Value of Performance Linked Incentive (PLI) considered above represents incentive which will accrue at 100% performance level for FY 2017-18 and will get paid basis actual performance parameters in the next financial year.

*Value of perquisites u/s 17(2) Income Tax Act, 1961 does not include perquisite value of ₹ 5.36 Mn towards stock options exercised by Mr. Nilanjan Roy during FY 2017-18. The same has been shown separately in point no. (2).

** In accordance with the definition of perquisities under the Income Tax Act, 1961, the value of stock options only on those shares that have been exercised during the period is provided. Accordingly, the value of stock options granted to KMPs viz. 23,952 stock options to Mr. Nilanjan Roy, Global CFO and 3,842 stock options to Mr. Pankaj Tewari, Company Secretary, is not included.

^Salary u/s 17(1) includes value of cash payout of ₹ 14.28 Mn under performance based long term incentive plan.

^^ Mr. Pankaj Tewari had joined the Company w.e.f. June 01, 2017 and was designated as Company Secretary of the Company w.e.f. July 18, 2017. The remuneration above of Mr. Pankaj Tewari is for the FY 2017-18 and includes joining bonus.

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.

Annexure F

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

(A) Conservation of energy

(i) The Company undertook various initiatives to reduce and conserve energy:

a. On Network side:

- Maximizing outdoor – 91% New sites have been deployed as outdoor sites with reduced need of air-conditioners and diesel.
- Sites on shared basis – Our constant endeavour is to promote infrastructure sharing, along with our partners. Our efforts with partners to consolidate passive infrastructure and green initiatives have considerably reduced carbon emission in the entire industry. This initiative not only reduces operational cost for service providers by eliminating operational waste, but also promotes optimal use of resources. In FY 2017-18, over 44% sites were deployed as shared sites, which results in reduction of their energy consumption by 30% as compared to standalone sites
- Airtel partnered with Towercos to convert indoor sites to outdoor sites. Over 66,000 sites have been converted to outdoor till date, reducing the energy consumption by about 25%. Sites are being converted mostly by utilizing technology like low power consuming BTS, Free Cooling Unit (FCU), Natural Cooling Unit (NCU), Micro Cooling Unit (MCU), Solar Cooling Units (SCU), Transmission cooling Unit (TCU) and Power Management Units (PMUs).
- Installed 745 sites own sites with advance VRLA battery banks, Li-ion Battery solutions and other operational measures till date.
- Introduced air-conditioning rationalization over 706 own sites, reducing the consumption by 10%.
- Deployed energy efficient retrofits in BTS sites such as integrated power management systems, efficient DC to AC convertors, efficient aircons.
- Installed energy efficient air-conditioning and LED lighting in core locations.
- Introduced innovative design modifications at sites.
- Designed and installed outdoor small cell sites with ground based mast with Li-ion batteries reducing the energy consumption by with 30-40%.
- Installed sites with auto-TRX shutdown feature, which reduces the energy requirement at non-peak hours.
- Pilot Auto TRX shutdown feature with cell, sector and cluster level on all technologies is progress in four circles for reduction power consumption.
- Reduced the indoor placement of BTS, which reduced the air-conditioning load.
- Deployed SRAN to optimized the energy consumption at sites.

b. Energy efficiency across Data Centres:

The Company puts emphasis on optimising the data center facilities, operations for energy conservation, improved space utilisation and enhanced performance. Some of the initiatives undertaken:

- Use of cold aisle containment a physical barrier to reduce the mixing of cold supply air and hot exhaust air in data center aisles. This delivers lower energy consumption and more efficient cooling.
- Installed Variable Frequency Drives (VFDs) in for the HVAC systems, which helps to automatically reduce the motor's speed and power driven.
- Performed identification and rectification of hot spots and optimized lighting and aircon usage.
- Maintained an average Power Utilization Efficiency to improve efficiency across all Data Centres.

c. Energy efficiency in Airtel facilities:

- Use of Variable Frequency Drive for HVAC system.
- Retrofitted the various buildings with energy efficient air-conditioning and LED lights.
- Introduced UPS optimisation at its technology centers.
- Installed Automatic Power Factor Controller, (APFC) at office across Pan India.

ii) Utilisation of green energy:

1) Rooftop Solar at Main Switching Centres (MSCs): The Company has installed solar power plants at total 17 MSC locations by the end of FY 2017-18, expanding the total installed capacity to 1MWp. Work in progress for 175KWp more on 3 sites.

2) Green Power Wheeling for MSC: To enhance the energy efficiency, the Company implemented the renewable sources of energy at its core locations. Green Power Wheeling Agreements were made agreements

for procuring green energy for 8 locations and are planning to extend the same for 10 more sites over 90 Mn green Units/annum procured through various wheeling arrangements for our core locations.

3) Solar hybrid solution: The Company installed over 4 sites were converted to green sites using the solar and battery hybrid solutions in FY 2017-18.

4) Reduction by using battery back-ups: In FY 2017-18, over 5700 sites were installed with advance VRLA batteries and Li-Ion battery solutions to reduce the running of DG set with our ToCo partners. Few sites were also installed with Li-ion battery banks by utilizing ground based mast designs with lithium ion battery solution.

5) Project Green City was launched with Indus & Infratel few years back; and over 53745 sites have been tagged as green sites till date.

iii) The capital investment on energy conservation equipment is shown below:

Sr. No	Location	Capex (₹ Mn)	Remarks
1	Own sites (Hexacom & Core)	12	(Amount derived from issued P.O.'s, Including ED & CST):
2	TOCO (Indus & Infratel) & SP (Ericsson/ NSN)	831	1) From ToCo: cost of solution to be paid in 60 Installments, which will be built in monthly site rental.
			2) BTS and MW IP 55 cabinet is procured against P.O.'s to SP's
3	Solar Roof to sites	10	170 KWp P.O. are issued in FY 2017-18. Installation and commissioning will be completed in FY 2018-19.
	TOTAL	**853**	

(B) Technology absorption

1. The efforts made towards technology absorption:

With over 460 Mn internet users, India is the second largest online market, ranked only behind China. 90% of the users are using internet service on mobile network. There are 1.18 Bn wireless subscribers as opposed to a mere 23 Mn wire line subscribers.

With an objective to provide best in class mobile broadband experience to our customers and improvement in spectrum efficiency, Airtel envisaged deployment of 100,000 4G sites last year. This was a challenging task as this had to be deployed across India in partnership with multiple vendors. Every tower installation required proper wireless planning, MW planning, transport planning, availability of material, permission, alignment of material with ASP team, MW team, provisioning team. All the deployment was happening on live sites, which made this deployment exercise even more critical.

Data consumption increased by staggering 450%, to meet Increase in Data demand we have planned measures like 1800MHz spectrum refarming to 4G for improved indoor coverage for mobile broadband network, spectrum addition i.e. 20+10 in 4G along with 3CC carrier aggregation, spectrum integration of acquired operators for increasing capacity of 4G networks and increasing efficiency of the scarce spectrum resources.

Airtel network has now become truly heterogeneous. From 2 technology & 3 layers, we have moved to 4 technology & 6 layers, this has made the network very complex. As customers now have to traverse across technologies and layers, maintaining and improving the network experience becomes a challenge. To tackle this, Airtel has embarked on innovative tools for near real time network operation through cutting edge virtualized NOC, optimization through Self Optimization Network (SON), Geo analytical tools and various process automation and analytics tools.

These platforms have enabled automatic optimization of multi-layered networks, thereby reducing drop calls, network blocking, and increasing data throughputs for setting new benchmarks in end user experience.

2. The benefits derived like product improvement, cost reduction, product development or import substitution:

Through meticulous and effective planning and project management, we managed to deploy more than 100,000 4G towers in our network and additional 21,000 Km of fibre across India. We now connect more than 480,000 towns and villages through high speed broadband. We are now 4G provider in all circles.

Airtel became first company in India to launch 3CC carrier aggregation, LTE TD (20+10 MHz) and FD, on a commercial device reaching a speed of 145 Mbps. Airtel launched dual carrier in 2100 MHz in 7 circles reaching a peak speed on 42 Mbps. Low band LTE using dynamic sharing of spectrum were launched in Karnataka. Spectrum sharing done in GSM 1800 & FDD to increase 4G capacity. Implementation of 256 QAM in 4G done to improve user experience. VOLTE launch done in 19 circles now for better Voice experience. Massive MIMO

trails done in IPL matches across India in 8 cities has shown unparalleled performance. 4K+ simultaneous connected users during match hours at Bangalore, nearly 200 mbps of Peak cell throughput clocked during the match hours at Delhi.

This technology adaption and innovation helped us to manage the spectrum efficiently and provide a great broadband experience to our customers.

Airtel has done an alliance with SK Telecom for establishing a network analytics stack. Partnership across several areas including developing bespoke software to dramatically improve network experience, leveraging advanced digital tools including machine learning, big data and building customized tools to improve network planning based on every customer's device experience.

This will develop the capability to identify, monitor and deliver improvements to the network experience on an individual device basis will be a first in India.

3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a. the details of technology imported:

Only telecom equipment is imported, no technology is imported.

b. the year of import:

N.A.

c. whether the technology been fully absorbed:

N.A.

d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof:

N.A.

4. The expenditure incurred on Research and Development:

NIL

The efforts made towards creating a digital airtel;

Airtel has grown by leaps & bounds towards creating a digital organization. We are committed towards delivering a digitally sound experience for our customers, our on ground field force and our employees.

At airtel we ensure that the power of technology is used to disrupt the conventional way of doing things and in return creating a brilliant customer experience. We are building innovations through our digital teams, both in Gurgaon & now in Bangalore – airtel X labs.

The company completely focuses on digitizing customer experience through our myairtel app & website. We are building platforms – like Airtel Home, Online Store, Project Next to ensure a brilliant customer experience. We are revamping existing processes & systems with the customer at the heart of what we do. With our deep data analytics we are building for the airtel of the future.

Due to all these advanced developments, Airtel has won the prestigious Global TM forum digital award for Outstanding Contribution to Improved Business Agility Award – Communications Industry.

C. Foreign Exchange Earnings and Outgo

Activities relating to initiatives taken to increase exports; development of new export markets for products and services, and export plans.

Total foreign exchange used and earned for the year:

(a) Total Foreign Exchange Earnings ₹ 45,088 Mn
(b) Total Foreign Exchange Outgo ₹ 196,540 Mn

Annexure G

Statement of Disclosure of Remuneration under Section 197(12) of Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during FY 2017-18 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2017-18 are as under:

S. No.	Name of the Director	Remuneration of Director / KMP for FY 2017-18 (in ₹)	Percentage increase in remuneration in FY 2017-18[2]	Ratio of remuneration of each Director to median remuneration of the employees of the Company[2,3]
	Executive Directors			
1.	Mr. Sunil Bharti Mittal, Chairman	301,968,769	0.17	352.44
2.	Mr. Gopal Vittal, Managing Director & CEO (India & South Asia)	126,446,716*	36.13	147.58
	Non-Executive Directors			
3.	Mr. Rakesh Bharti Mittal	3,000,000	-	3.50
4.	Ms. Chua Sock Koong	3,910,500	0.52	4.56
5.	Ms. Tan Yong Choo	3,910,500	0.52	4.56
6.	Sheikh Faisal Thani Al-Thani[5]	1,232,075	(0.62)	4.52
7.	Mr. Rashed Fahad Al-Noaimi[6]	1,285,644	N.A.	4.53
	Independent Directors			
8.	Mr. Ben Verwaayen	14,463,506	(9.38)	16.88
9.	Mr. Craig Ehrlich	8,672,750	(15.19)	10.12
10.	Mr. D.K. Mittal	8,380,822	(0.23)	9.78
11.	Mr. Manish Kejriwal	6,738,356	(2.34)	7.86
12.	Mr. Shishir Priyadarshi	10,276,250	(0.48)	11.99
13.	Mr. V.K. Viswanathan	8,800,000	-	10.27
	Key Managerial Personnel other than Executive Directors			
14.	Mr. Nilanjan Roy, Global Chief Financial Officer	27,962,023#	8.20	-
15.	Mr. Pankaj Tewari, Company Secretary	12,242,883^	N.A.	-

Notes:

1. The value of performance linked incentive (PLI) in remuneration of Key Managerial Personnels (KMPs) represents incentive @ 100% performance level. For effective comparison, the PLI component of their remuneration for FY 2016-17 has also been considered @ 100% performance level.
2. Percentage increase in remuneration is based on annualised remuneration.
3. Remuneration of KMPs does not include perquisite value of stock options exercised during FY 2017-18.
4. Change in remuneration of Non-Executive Directors vis-à-vis previous year, if any, is due to change in their Committee membership, meetings attended, sitting fee paid and change in foreign exchange rates.
5. Sheikh Faisal Thani Al-Thani resigned w.e.f. July 25, 2017.
6. Mr. Rashed Fahad Al-Noaimi was appointed w.e.f. July 25, 2017 and resigned w.e.f. November 22, 2017.

* The remuneration of Mr. Gopal Vittal excludes perquisite value of ₹ 43,286,800 on exercise of stock options during FY 2017-18.

The remuneration of Mr. Nilanjan Roy excludes perquisite value of ₹ 5,355,285 on exercise of stock options and cash payout of ₹ 14,279,481 under performance-based long-term incentive plan of the Company during FY 2017-18.

^ Mr. Pankaj Tewari had joined the Company w.e.f. June 01, 2017 and was designated as Company Secretary of the Company w.e.f. July 18, 2017. The remuneration above of Mr. Pankaj Tewari is for the FY 2017-18 and includes joining bonus.

ii. **The percentage increase in the median remuneration of the employees in the financial year**: There has been an increase of 4.11% in median remuneration of employees in FY 2017-18 as compared to FY 2016-17.

iii. **The number of permanent employees on the roll of the Company**: There were 8,453 employees on the rolls of the Company as on March 31, 2018.

iv. **Average percentage increase already made in the salaries of employees other than the managerial personnel in FY 2017-18 and its comparison with the percentage increase in the managerial remuneration and justification thereof**: The average increase in the remuneration of employees excluding KMPs during FY 2017-18 was 7.1% and the average increase in the remuneration of KMPs was 14.84%. The increase in remuneration of KMP is mainly attributed to the changes in the remuneration of the Managing Director & CEO (India & South Asia) of the Company which was approved by the Board on the recommendation of HR and Nomination Committee on the basis of external benchmarking in relevant peer group to be reflective of the appropriate remuneration level for this position, Company's continued market leadership and his individual performance level. The aforesaid remuneration is within the limits approved by the shareholders in their Annual General Meeting held on August 19, 2016.

Mr. Pankaj Tewari was appointed as Company Secretary of the Company w.e.f. July 18, 2017 and since his last comparable remuneration is not available, the same is not considered for above calculation.

v. **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.

Annexure H

Statement of particulars under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 for the year ended March 31, 2018

Top ten employees in terms of remuneration drawn

(A) Employed Throughout the Financial Year

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment / Designation
1	Ajai Puri	Chief Operating Officer (India & South Asia)	Post Graduation	57	15-May-04	37	Business Head	7,28,88,938	Cargill Foods India / Business Head-India Foods
2	Deven Khanna	Group Director - CMD's Office	CA, B.Com	58	01-Sep-04	32	Finance	4,72,54,002	Triveni Engineering Industries Ltd. / VP-Corp Finance & Planning
3	Gopal Vittal	MD & CEO - India & South Asia	MBA	52	03-Apr-12	27	Business Head	126,446,716*	Hindustan Uniliver Limited / Executive Director
4	Harmeen Mehta	Global CIO	B.E. (Computer Sc. & Engg)	44	24-Oct-13	19	Information Technology	8,44,52,973	BBVA / CIO Global Markets
5	Moti Gyamlani	Director - Global Supply Chain	Masters in International Business Administration	44	17-Dec-12	22	Supply Chain Management	5,72,98,361	GE Energy / Group Vice President - Global Supply Chain
6	Nilanjan Roy	Global CFO	CA	52	01-Mar-06	28	Finance	47,596,789#	Unilever Nv / Plc, Usa / Finance Director
7	Srikanth Balachandran	Global CHRO	CA, B.Com	57	17-Nov-08	37	Human Resources	5,70,70,961	Hindustan Unilever Limited / Programme Leader – Global Finance
8	Sunil Bharti Mittal	Chairman	Graduate	60	01-Oct-01	42	General Management	30,19,68,769	Bharti Cellular Limited / CMD
9	V.M. Raj Pudipeddi	Director- Consumer Business & CMO	MBA	46	06-Feb-17	23	Business Head	4,83,17,675	Procter & Gamble / VP, North America, Oral Care

* Remuneration of Mr. Gopal Vittal does not include perquisite value of ₹ 43,286,800 towards exercise of stock options during FY 2017-18.

Remuneration of Mr. Nilanjan Roy includes perquisite value of ₹ 5,355,285 towards exercise of stock options and ₹ 14,279,481 towards payout under performance based long term incenticve plan during FY 2017-18.

(B) Employed for the Part of Financial Year

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment / Designation
1	Campbell Mcclean	CIO - Non Wireless	Graduate (Royal Military Academy Sandhurst)	54	07-Jul-14	35	Engineering	4,67,06,784	Telefonica / Global Chief Architect

Notes:

1. There are no specific terms and conditions for employment.
2. None of the employees mentioned above is a relative of any Directors of the company except Mr. Sunil Bharti Mittal and Mr. Rakesh Bharti Mittal, who are brothers.
3. None of the employees mentioned above hold 2% or more share capital of the Company.
4. The designation - 'Director' wherever prefixed describing the area of responsibility occurring in the above Statement is not a Board position except that of Mr. Sunil B Mittal and Mr. Gopal Vittal.
5. Nature of employment for all the employees is permanent except for Mr. Sunil Bharti Mittal & Mr. Goptal Vittal which is contractual.

Statement of particulars under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 for the year ended March 31, 2018

(A) Employed Throughout the Financial Year

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment / Designation
1	Abhay Savargaonkar	Director Networks & CTO	B.E / B.Tech	53	5-Aug-06	28	Operations	3,73,20,239	Bharti Infotel Ltd / Chief Technology Officer
2	Aditya Kohli	Head HR - Enabling Functions	PG Diploma	42	13-Oct-14	20	Human Resources	1,97,43,494	Standard Chartered Bank / Head P&R
3	Ajay Chitkara	Director - Global Voice & Data Business	PGDBM	46	1-May-01	24	Business Head	3,21,55,718	Comsat Max Limited / Area Sales Manager
4	Amit Anchal	Head - Business Development and M & A	MBA	41	10-Jun-02	19	Business Development	1,11,07,549	Kucheri & Associates, Mumbai / Audit Assistant
5	Anant Arora	CEO - Strategic Accounts-Airtel Business	B.E / B.Tech	51	11-Apr-03	28	Sales	2,33,63,550	Reliance Infocomm Ltd / Head - Sales Operations
6	Anjani Rathor	CIO - Postpaid Homes & DTH	PGDBM	45	10-Dec-07	21	Engineering	1,97,85,141	Delhi Accenture Boeing / Director, Strategy and Business Development
7	Archana Aggarwal	Head - Media Planning & Buying	MMM, marketing	46	9-Dec-13	23	Marketing	1,16,36,104	Procter & Gamble / Country Media Manager
8	Aruna Pidikiti	Head - Operations (Network)	M.Tech	48	21-Dec-00	27	Network	1,28,50,887	STPI / Dy. Director (Tech)
9	Ashish Arora	CEO - Key Accounts-Airtel Business	MBA	48	3-Apr-07	23	Sales	1,89,92,393	Sify Ltd / National Sales Head
10	Ashish Goenka	Financial Controller - NSG	MBA	39	3-Oct-16	15	Finance	1,54,39,930	Hindustan Unilever Limited / General Manager, Finance
11	Ashok Ganapathy	Director - Airtel Business	PGDBM	52	3-May-13	29	Business Head	2,98,80,354	Reliance Mediaworks / CEO
12	Atul Sachdeva	Head Wireless Planning	PGDBM	45	29-Aug-06	23	Network	1,85,48,856	Tata Teleservices Ltd / Head- BSS, Transmission and Core Planning
13	Badal Bagri	CFO - India & South Asia	CA	46	16-Jan-17	18	Finance	2,41,38,231	Aircel Limited / CFO
14	C Surendran	CEO-Market Operations KK	B.E & MBA	52	4-Nov-03	30	Business Head	2,17,85,974	Modi Xerox / Head-Outsourcing
15	Chamakura Venkatanarasimha varaprasad	Head-Core SAE-Network	B.E	48	29-Apr-10	25	Network	1,82,53,712	Etisalat / AVP
16	Chandrasekar Ramamoorthy	Head - Network Experience	MBA	36	3-Feb-14	13	Network	1,24,83,401	Booz & Company / Senior Associate
17	Deepak Sanghi	Head-Transport Planning-Network	B.E	44	29-Mar-04	23	Network	1,17,43,904	Nortel Networks / Technical Consultant
18	Dharmender Khajuria	CEO-Market Operations-MP&CG	MBA	49	21-Nov-01	26	Business Head	1,63,54,082	National Panasonic / Sr. Sales Officer

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment / Designation
19	Dushyant Kumar	Head - Fiber Factory Operations	B.E / B.Tech	52	2-Nov-98	26	Network	1,61,12,432	Bharti BT Internet Ltd / Manager
20	Gaurav Khandelwal	Group Financial Controller	CA	40	3-Nov-14	17	Finance	2,11,70,307	Hindustan Unilever Limited/Director - Financial Controls
21	Gautam Anand	Head HR - GTM & Market Ops	MBA	41	30-Jul-09	19	Human Resources	1,74,91,247	Citibank / Portfolio Management
22	George Mathen	CEO - Homes	Post Graduation	49	17-Nov-06	27	Business Head	2,77,24,537	Coca Cola India / Head - Sales
23	Hemanth Kumar Guruswamy	CEO-Market Operations - Rajasthan	PGDBM	47	27-Jan-14	23	Marketing	1,24,99,144	Matrimony.com / Sr. VP Retail
24	Kamal Dua	Financial Controller - CB	ICWA	39	8-Mar-07	17	Finance	1,02,27,610	Idea Cellular Limited / Assistant Manager
25	Kartik Sheth	Chief Innovation Officer & CEO Wynk	MBA	40	6-May-13	16	Marketing	2,65,03,247	Lakme Lever Private Limited / Chief Operating Officer
26	Krishnan Govindan	Chief Contact Experience	MBA	50	9-May-16	22	Customer Experience	1,84,87,636	ICICI Bank Limited / JGM
27	Manish Agarwal	Global Head Taxation	CA / CS	44	11-Dec-08	20	Finance	2,09,71,891	HCL TEchnologies, Noida / Deputy General Manager
28	Manoj Murali	CEO-Market Operations-Hexacom Rajasthan	MBA	47	1-Oct-01	23	Business Head	2,17,02,839	Crompton Greaves / Area Sales Manager
29	Manu Sood	CEO-Market Operations-Punjab	MBA	45	13-Jan-12	17	Business Head	3,41,32,883	Hindustan Lever Limited / General Manager - North India
30	Mohan Shukla	Head - External Affairs	B.A.	64	2-Sep-13	34	Corporate Regulatory	1,16,03,702	Carrefour WC&C Indian Pvt Limited / Director - Corporate Affairs
31	Mukesh Bhavnani	Group General Counsel	LL.B., CS	63	42522	40	Legal	4,59,55,608	Vedanta Resources Plc / Group Legal Counsel and Head Compliance
32	Pankaj Sarna	Lead - India Taxation	CA	57	16-Jan-99	33	Finance	1,03,78,043	Modi Xerox Limited / Controller Indirect channels
33	Papiya Banerjee	CLO & Global Head of Talent	MA (PM & IR)	44	1-Feb-16	20	Human Resources	1,36,91,236	Edelweiss Tokio Life Insurance / CHRO
34	Rajiv Mathrani	Chief Brand & Online Officer	MBA	43	1-Sep-15	18	Brand	2,00,74,011	PepsiCo / Senior Marketing Director
35	Ram Kuppuswamy	Chief Global Sourcing Officer	MBA	42	5-Jan-15	19	SCM	2,42,29,603	Microsoft Mobile (China) Investment Company Ltd. / Director Materials Management
36	Ranjan Sharma	Head - Network Sourcing-SCM	B.Tech	43	9-Mar-15	22	SCM	1,27,18,330	ZTE Telecom India Pvt Ltd / Director
37	Rashim Kapoor	Head - Core Operations	B.Tech	45	31-Aug-05	23	Network	1,06,78,437	Reliance Infocomm Ltd / Team Leader
38	Ravi Parkash Gandhi	Chief Regulatory Policies	B.Tech	47	3-Mar-08	26	Legal	2,08,47,730	Reliance Communication Limited Usha / Vice President

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment / Designation
39	Ravindra Singh Negi	CEO-Market Operations-NCR	PGDBM	46	1-Aug-00	23	Business Head	2,62,38,145	Koshika Telecom Ltd. / Product Manager - Prepaid
40	Rohit Marwha	CEO-Market Operations - ROM	PGDBM	42	16-Jul-01	20	Marketing	1,50,94,488	Vijaya Prints & Packs / Director
41	Rohit Relan	Head Market Ops	CA	48	4-Apr-05	23	Customer Experience	1,38,83,500	Tata Teleservices Ltd. / Sr. Manager
42	Sachin Verma	Head - Cloud Operations	B.Tech	42	9-Jul-07	20	Engineering	1,08,72,867	COLT Telecom / Principal Consultant
43	Sameer Batra	CEO - Wynk	PGDM / B.E	42	21-Feb-06	18	Business Head	1,57,68,107	BPL Mobile Ltd / Product Manager
44	Sameer Chugh	Director - Legal	LL.B., PGDBM	44	4-Aug-14	23	Legal	30,906,334	Cummins India Limited / VP - Legal and Secretarial
45	Sameer Kala	Global Head - ACE	MBA	47	6-Jun-16	24	Finance	1,50,04,998	Capgemini Consulting / Vice President - Global Engagements
46	Sameer Kirit Anjaria	CEO-Market Operations-WBO	MMS / B.E	45	3-Dec-12	21	Business Head	1,79,99,661	Nokia Corporation MEA / Head Care Channel Development, IMEA
47	Sandeep Gupta	Head-Wireless SAE-Network	B.Tech	48	30-Nov-12	27	Network	2,01,90,716	Huawei Telecommunications India Pvt. Limited / Director - Wirelsss & PS Solution Sales
48	Sanjiv Mishra	Head - Operations	PGDBM	48	1-Aug-07	26	Sales	1,33,03,052	Becton Dickinson / RSM North
49	Sarang Kanade	Director - Customer Experience & Retail	B.E (Mech.), MMS (Mkg.)	47	2-Mar-10	21	Business Head	3,22,29,182	Spencers Retail Ltd / VP Operation
50	Shailendra Singh	CEO-Market Operations-UP	Post Graduation	52	16-Mar-16	26	Business Head	1,44,35,845	Tata Teleservices / Sr. VP
51	Shefali Malhotra	Global Head Revenue Assurance	CA	45	1-Mar-00	23	Finance	1,23,25,201	Airborne Express / Manager Accounts
52	Shyam P Mardikar	CTO - Wireless	B.E / B.Tech	47	26-Jul-12	25	Network	3,87,04,635	Leara / Chief Technical Officer
53	Swati Kamat	Head - Network Experience	B.E	52	29-Aug-14	31	Network	1,11,54,294	Tech M / Corperate Head Director
54	Vani Venkatesh	Chief Marketing Officer	MBA	43	1-Nov-16	17	Business Head	1,44,08,200	Abbott Healthcare Private Limited / Associate Director - Sales
55	Venkatesh Vijay Raghavan	CEO-Market Operations AP	PGDBM	45	4-Jul-03	23	Business Head	2,19,92,354	Reliance Infocom Ltd. / Product Manager-Marketing
56	Vir Inder Nath	CEO - Retail	PGDBM	45	23-Apr-07	21	Business Head	1,90,44,751	IDEA Cellular / DGM
57	Vivek Manglik	Head - Global Voice VAS & Roaming	PGDBM	47	6-Sep-10	23	Sales	1,53,26,550	Tata Communications Limited / GM Sales

(B) Employed for the Part of Financial Year

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment / Designation
1	A Ganesh	Distribution Head - Market Ops	B.Tech, PGDBM	41	1-Feb-13	17	Sales	73,90,952	Hindustan Unilever Limited / General Manager
2	Anupam Bhat	Sr. VP - Internal Assurance	CA	53	1-Mar-17	27	Finance	1,32,85,031	BAIN B.V / Head - Internal Asurance
3	Arvind Chopra	Group Director - Internal Assurance	B.Com (H), CA	54	30-Sep-15	27	Internal Assurance	3,00,02,141	Essar Services India Pvt Ltd / President - Group Assurance and Cost Control
4	Harjeet Kohli	Group Treasurer	MBA	44	19-Jan-09	20	Finance	2,72,26,317	Citigroup India / Director
5	K C Narendran	CEO-Market Operations- Gujarat	Graduate, Cost Accounting	51	6-Nov-17	27	Business Head	41,84,986	Telenor (India) Communications Pvt Ltd / Sr. Vice President
6	Pankaj Tewari*	Company Secretary	CS	46	1-Jun-17	17	Corp Secretarial & Regulatory	10,674,069	PWC Consulting / Director
7	Ritesh Kumar Singh	CEO-Market Operations- Bihar	B.E	44	16-Nov-16	19	Business Head	46,88,481	Telenor Asia (ROH) Limited / Vice President
8	Santanu Bhattacharya	Chief Data Scientist	Doctor of Phylosophy (PhD)	52	19-Feb-18	30	Engineering	16,85,118	Massachusetts Institute of Technology / Research
9	Satyamoorti Sivasubramanian	Sr VP-Engineering	PhD	60	2-Jun-14	37	Engineering	1,85,68,995	SingTel-Optus / Director, Information Security
10	Sreerama Murthy Chaganti	CEO-Market Operations-Gujarat	PGDBM, B.E	48	10-Apr-14	23	Business Head	2,04,64,031	Aircel / Circle Business Head
11	Srinivas S Vemuri	Head CS - PS Planning	MBA	49	11-Jul-98	27	Network	1,06,78,683	Vizag Steel Plant / Lecturer
12	Subarno Krishna Ghosh	Head FAM & TSS Project	CA	52	1-Mar-12	25	Network	73,41,842	Reliance Communications Ltd. / Head - Netwrok Commercial
13	Subramanian Balasubramanian	Head - Integration Project	CA	52	6-Apr-17	24	Business Head	1,67,04,314	Quess Corporation Limited / Group Chief Financial Officer
14	Sundeep Sahi	Head - Digital Brain	B.Tech (Electrical)	41	10-Jul-17	19	Engineering	1,08,83,510	Indifi Technologies Pvt. Ltd / Cofounder & CTO
15	Tushar Vijay Kamat	CEO - Major Accounts	MBA	44	4-Apr-16	17	Sales	1,97,15,991	SAP India Pvt. Ltd. / Vice President
16	Vidur Rattan	CEO-Market Operations - Maharashtra	PGDBM	40	16-Apr-01	17	Business Head	1,41,08,303	Standard Chartered Bank / Management Trainee
17	Vidyut Gulati	Director - Legal	LL.B.	39	17-Jul-17	16	Legal	1,76,83,926	Cairn India Limited / General counsel & Member Executive Committee

Notes:

1. Gross remuneration comprises of Salary, Allowances, Company's contribution to Provident Fund and taxable value of perquisites.
2. The employee would qualify for being included in Category (A) or (B) on the following basis:
   For (A) if the aggregate remuneration drawn by him during the year was not less than ₹ 10,200,000 p.a.
   For (B) if the aggregate remuneration drawn by him during the part of the year was not less than ₹ 8,50,000 p.m.
3. None of the employees mentioned above is a relative of any Director of the Company.
4. None of the employees mentioned above hold 2% or more share capital of the Company.
5. There are no specific terms and conditions for employment.
6. The designation - 'Director' wherever prefixed describing the area of responsibility occurring in the above Statement is not a Board position.

* Mr. Pankaj Tewari had joined the Company w.e.f. June 01, 2017 and was designated as Company Secretary of the Company w.e.f. July 18, 2017.

Annexure I

Independent Auditor's Certificate on Corporate Governance

To The Members of **Bharti Airtel Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated July 25, 2017.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Bharti Airtel Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2018.

9. We 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 **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

Management Discussion and Analysis

Overview

The Indian Telecom Sector is the second largest in the world and has been growing rapidly. The pace of transformation of the telecom market over the course of years has been staggering. Of the 1.3 Bn addressable population in India, there are only 0.7 Bn unique connections today, presenting a large residual opportunity in the sector. Further, at 58.7%, rural teledensity also has massive potential to grow and enable the masses to realize the Digital India vision.

In a mobile first market like India, with massive data offtake, telecom operators are transforming from pure play mobile to being a digital services provider - integrating connectivity and content across various screens. The role of a smartphone is emerging as more than just a connection. It is leading to a convergence of connectivity, entertainment, education, and banking.

The sector is witnessing exponential data traffic growth led by increased smartphone penetration, cheaper data tariffs, and proliferation of regional content. Though the mobile broadband penetration is ~30% today, it is expected to grow manifold and make India the second largest smartphone market (ahead of US and just behind China). Further, data traffic is expected to grow 7 fold from 2016-2021. To ensure a market leading position, Airtel continues to invest heavily in providing high speed broadband networks in the country and spent ₹ 240,000 Mn this year in capital expenditure.

Large opportunities exist in non-wireless space of the telecom industry as well. With less than 5% of the households connected by fixed broadband, single digit SMB (Small and Medium Businesses) connectivity, large cash based economy, and low digital TV penetration, Airtel with an integrated suite of offerings is very well positioned to catalyse the digital transformation of the country.

FY 2017-18 was a decisive year for the Indian Telecom Sector on numerous counts. Industry revenue table continued to remain under pressure, with the launch of aggressive price offerings by the latest entrant. The continuing disruption hastened consolidation and operators with stretched balance sheets found it difficult to survive. The industry has moved towards a 3+1 structure with early signs of SIM consolidation. In this phase of high competitive intensity, Airtel's priorities center around growing market share, stripping out costs, and improving margins. Putting customers at the heart is the key foundation of our strategy and we continue to maintain network leadership and provide brilliant customer experience to our more than 300 Mn customers.

We believe that the telecom industry in India is going through a once in a lifetime transformation and we are truly well poised to capitalize on this with our industry leading position in customers, revenues, best in class spectrum and network assets.

In Africa, macroeconomic factors turned favorable with stabilization in prices of crude oil and commodities. Airtel remains committed to Africa and with consolidation in 2 countries (Ghana and Rwanda), a better industry structure is emerging. Low banking penetration, ~20% smartphone penetration, and exponential data traffic growth are creating massive opportunities for telecom operators in Africa. Airtel is creating a strong foundation for a solid, sustainable business in Africa. Twin engines of data and mobile money, underpinned by strict cost controls have strengthened our competitive position during the year.

Economic Review

Global Review

Globally, 2017 witnessed strong growth across most advanced and emerging economies aided by rebound in investment and trade, accommodative government policies, improved confidence, favorable financing costs, rising profits, and improved business sentiments. Global growth is projected to be 3.1% during 2018.

Global goods trade volumes have gathered significant momentum since mid-2016, following two years of marked weakness. Momentum was sustained throughout 2017. The recovery in global trade is connected to a cyclical upturn in global manufacturing, which was encouraged by stronger capital spending. Services trade also recovered in 2017, albeit at a slower pace.

Growth in 2017 in advanced economies rebounded to more than 2%, driven by a pickup in capital spending, a turnaround in inventories, and strengthening external demand. In the US, economic data largely printed on a positive note, powering the Fed to raise rates in its last policy meeting by 25bps to 1.50-1.75%. The U.S. tax reform and associated fiscal stimulus are expected to raise U.S. growth going forward. Policy stimulus and strengthening global demand, along with private sector credit growth to respond to the simulative stance of European Central Bank led to markedly stronger than expected improvement in Euro Area. The unemployment rate reached its lowest level since 2009.

Growth in emerging markets rose to ~4.3% in 2017, reflecting firming activity in commodity exporters and continued growth in commodity importers. Most emerging markets benefitted from improvements in exports. East and South Asia accounted for nearly half of the global growth as both regions continued to develop at a rapid pace.

2018 will continue to be a year of broad based economic growth both in Developed and Developing Economies. With easing financial conditions and fiscal support, strong expansion is expected in the world economy.

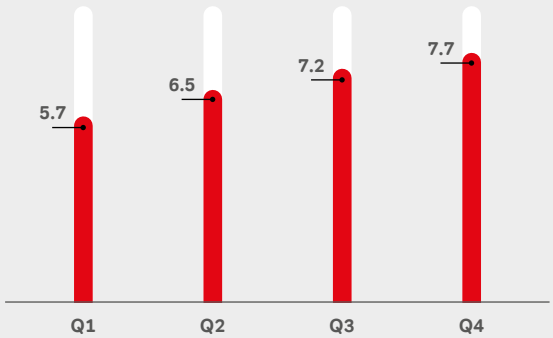
	Actual		Projections	
Global Growth Trend (%)	**2016**	**2017**	**2018**	**2019**
World Output	3.2	3.8	3.9	3.9
Advanced Economies	1.7	2.3	2.5	2.2
Emerging and Developing Economies	4.4	4.8	4.9	5.1
China	6.7	6.9	6.6	6.4
India	7.1	6.7	7.4	7.8
Sub-Saharan Africa	1.4	2.8	3.4	3.7

(Source: IMF April 2018)

Indian Economy

India's macroeconomic fundamentals remained strong throughout the year. India's growth story showcases improving growth dynamics and domestic consumption with supportive tailwinds from global growth and exports. India is expected to be the top three economic powers of the world in next 10-15 years. Going ahead strong private consumption project high growth rate in India.

Quarterly GDP Growth Rate for India FY 2017-18*
(in %)



(Source: CSO)

*GDP growth rates at constant (2011-12) prices

Economic scenario improved with investments in various sectors of the economy. Key events during the year were:

a) **Ratings Upgrade:** Moody's upgraded India's sovereign rating with a stable economic outlook. There was a progress in structural reforms.

b) **Implementation of GST:** GST will help reduce internal barriers to trade, increase efficiency and improve tax compliance.

c) **Bank recapitalization:** To encourage private participation thus boosting growth.

d) **Improved Ranking:** India jumped 30 places to include itself among top 100 companies under World Bank's Ease of Doing Business ranking.

India's Foreign Direct Investment inflows were bullish with maximum contribution from services, computer software and hardware, telecommunication, trading and automobiles. The Union Budget for 2018-19 focuses on uplifting the rural economy and strengthening the agricultural sector, healthcare and quality of education. Make in India initiative to boost the manufacturing sector, and to increase the purchasing power would boost domestic demand further. As per World Bank, private investments in India are expected to grow and overtake private consumption growth and thereby drive the growth in GDP. India is expected to achieve upper middle income status on the back of digitization, globalization and new economic reforms.

Africa Economy

Aided by strong global growth, higher commodity prices, and improved market access, sub-Saharan Africa is expected to grow by 3.4% during 2018 as compared to 2.8% a year ago. Better terms of trade contributed to narrowing of current account deficits in most resource intensive countries, but demand compression also played a role in few resulting in non-uniform growth across the region. Portfolio flows fueled stock markets, however they were restricted to economic hubs. Although growth impetus stems mainly from improved commodity prices, countries are making structural transformations as well.

The upward momentum in global economic growth is likely to be sustained, which will continue to create a supportive environment for commodity prices. The Balance of Payments problems that plagued many of the continent's commodity-exporting countries are mostly behind, partly due to recovering commodity prices and some bold policy measures taken in some countries. There are still signs of long-running structural deficiencies that would likely restrain the medium-term recovery path. But, overall, the outlook for growth in Africa is positive.

There are fundamentally positive dynamics which play in Africa's favour, including a growing labour force, increased urbanisation and advanced technology. Africa has the potential to emerge as one of the world's most productive and dynamic economies where the telecom sector continues to witness a revolution in the areas of data and mobile commerce.

Mobile has become a platform of choice for creating, distributing and consuming innovative digital solutions in Africa. This scenario is also leading to a tech start-up ecosystem in the region. Mobile devices are now the primary means through which about 80% of internet users in sub-Saharan Africa access the internet.

Megatrends that drive our business:

a) Convergence of payments via smartphones is driving financial inclusion. Demonetisation and cashless initiative has pushed the digital payments in India significantly. Telecom industry, with an expansive distribution network is best placed to capture this opportunity. According to a white paper by ACI Worldwide along with AGS Transact Technologies (AGSTTL), digital transactions in India could be worth USD 1 Tn annually by 2025, with four out of every five transactions being done digitally. The user base for digital transactions in India is currently close to 90 Mn, but could triple to 300 Mn by 2020 as new users from rural and semi-urban areas enter the market, the report said.

b) Sub-Saharan Africa is home to 338.4 Mn mobile money accounts which grew by 18.4% YoY. A steady uptick in active customers, transactions and direct revenue are expected to drive the digital transactions further.

c) Increased penetration of affordable devices, combined with cloud computing, analytics and rising consumer expectations is driving the rapid growth of the IOT market. The IOT market in India is poised to reach USD 15 Bn by 2020, accounting for nearly 5% of total global market. Telecom will play a critical role in providing connectivity and solutions in this market. Number of M2M connections in Africa is expected to reach 26 Mn by 2020.

d) Convergence of fixed and wireless technologies is becoming more tangible with improvements in handsets, increased data speed, and development of backhaul.

e) Indian smartphone market witnessed a 14% annual growth with a total shipment of 124 Mn units in 2017, expected to reach 500-600 Mn by 2020.

f) The number of internet users in India will reach 500 Mn by June 2018, rising by 11.34% from 481 Mn users in 2016. Users in urban India grew by 9.66% till December 2017 from December 2016, while users in rural India grew by 14.11% during the same period.

g) The penetration of high-speed mobile broadband in India continues to outpace industry expectations, driven by rapid adoption of low cost smartphones and lower data pricing. A divergent consumer base has led to consumption of video / entertainment in varied patterns (smaller durations and multiple times a day). The increasing usage of digital service will push the consumption through Over the top (OTT) platform in near future.

h) Smartphone connections in sub-Saharan Africa have doubled over the past two years to nearly 200 Mn, accounting for a quarter of mobile connections in 2016. Affordability of new devices and growing second-hand mobile devices market have led to increase in mobile data traffic.

i) By 2020, India is set to become the world's youngest country with 64% of its population in the working age group. This demographic potential will offer India an unprecedented edge with increase in mobile data penetration.

j) With digitization Phase III and IV, DTH operators are likely to benefit from a rising subscriber base and higher market penetration. Innovations in paid TV services, migration from SD to HD boxes have increased consumption of – smart TV's and HD services, offering more opportunities to service operators.

Industry overview

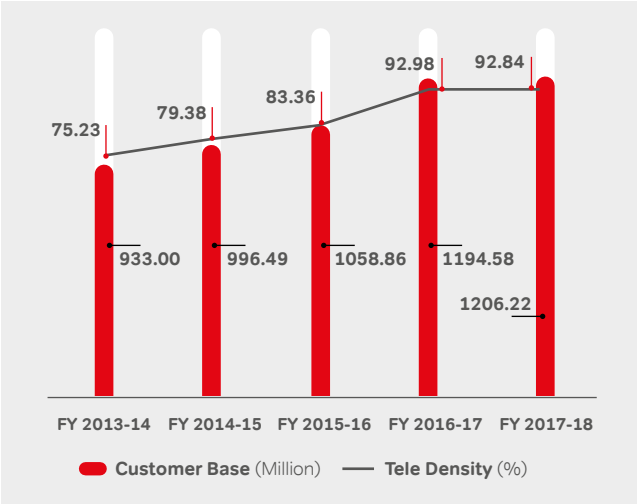
Indian Telecom Sector

India's total customer base stood at 1,206.22 Mn with tele-density of 92.84%, as on March 31, 2018. The year saw financial stress across the industry ultimately leading to hastening of the eventual consolidation in the industry. The year saw a host of operator shut downs and M&A announcements. This has fast tracked the customer consolidation and consequently the customer base has registered a muted growth of 1.0% in FY 2017-18 vis-à-vis 1,194.58 Mn last year and there has been a marginal decline in the tele-density from 92.98% last year.

The sector has witnessed a strong growth of internet users and remains to have world's second highest number of internet users. The wire-line customer base was at 22.81 Mn at the end of March 31, 2018 vis-à-vis 24.40 Mn at the end of March 31, 2017.

Among the service areas excluding metros, Himachal Pradesh has the highest tele-density (135.52%) followed by Tamil Nadu (134.11%), Punjab (123.30%), Kerala (121.61%), Gujarat (112.44%), Karnataka (109.01%), Jammu & Kashmir (108.63%) and Maharashtra (108.46%). Among the three metros, Delhi tops with 252.93% tele-density. On the other hand, the service areas, such as Bihar (63.12%), Madhya Pradesh (66.99%), Uttar Pradesh (71.21%) and Assam (74.63%) have comparatively low tele-density.

Tele Density: India



(Source: Telecom Regulatory Authority of India)

While the rural penetration improved during the year and touched 59.05% as on March 31, 2018 vis-à-vis 56.91% as on March 31, 2017, there is still a strong headroom for growth. With urban tele-density of over 160%, customer service and experience will be the key growth drivers in urban areas. With the government's favourable regulations and policies, the fast changing high-speed 4G ecosystem, India's telecommunication sector is expected to witness a continued surge in data consumption in the coming years.

The financial stress across the industry was further exacerbated by the explosion of voice and data traffic and the need to invest to sustain network capacities. The company continued to invest in capex to enhance data capabilities and better customer experience. It remains best placed to capture the ever growing data market.

African Telecom Sector

Fuelled by improved economic conditions, the African continent continues to present great opportunities in the telecom sector. The liberalization of the sector, the extension of services by multinational conglomerates and the active competition currently have all contributed to the continued expansion of the sector.

The currencies across the continent have remained comparatively stable versus the US dollar over the last 12 months (exit March 31 rates) except for CFA franc (which appreciated by 13%) and Nigeria where the company transitioned from 'administered' to 'market based' exchange rate during the year. In terms of the 12-month average rates, the revenue weighted Y-o-Y currency depreciation has been 3.5%, mainly caused by depreciation in Ugandan Shilling by 5% and Rwandan Franc by 7%.

A population of over a billion people and growing economic potential continue to offer opportunities for the African telecom sector. The company has witnessed robust growth across mobile data and digital economy offerings on the back of sustained customer focus, enhanced capex spends toward data capacities and expansion of its mobile money offering. With the smartphone prices coming down and increase in data adaptability, the African telecom market is at the cusp of its long term profitable growth story.

Development in Regulations

The year saw several regulatory changes and developments. The significant regulatory changes were:

India

> **Revision of Mobile Termination Charges (MTC):** In September, 2017 the sector regulator Telecom Regulatory Authority of India (TRAI) came out with final regulation on termination rates for the industry effective from October 1, 2017. The Mobile Termination charge has been reduced from ₹ 0.14 per min to ₹ 0.06 per min. The regulation also lays out a roadmap to phase out these charges completely w.e.f. January 1, 2020.

> **Revision in International call termination charges:** The sector regulator, Telecom Regulatory Authority of India (TRAI) has announced a reduction in International Termination Rate (ITR) from ₹ 0.53 per min to ₹ 0.30 per min w.e.f. February 1, 2018.

> **Implementation of the Goods and Services Tax (GST):** With the enactment of GST Act, 2017, various central and state taxes have been subsumed in a unified Goods & Services tax (GST) w.e.f. July 1, 2017. The GST rate for telecommunication and broadcast services has been fixed at 18%.

> **Re-verification of existing subscribers through Aadhar based e-KYC:** Pursuant to Hon'ble Supreme Court's order dated February 6, 2017 and the subsequent DoT direction dated March 23, 2017, licensees are required to re-verify all existing mobile subscribers (prepaid and postpaid) through Aadhar based E-KYC process. The last date for re-verification has been extended by DoT vide its direction dated March 21, 2018 till the matter is finally heard and the judgement is pronounced by the Hon'ble Supreme Court on its interim order passed on December 15, 2017.

> **Amendment in Unified License Agreement for deployment of Switches and other network elements:** DoT vide its direction dated June 23, 2017 has permitted Telecom Service Providers (TSPs) to deploy its equipment anywhere in India subject to the interconnection points

being located and operated in the respective service areas and meeting the security conditions as mentioned in the license.

- **Regulation on Quality of Service:** TRAI has released an amendment to the Quality of Service regulation w.e.f. October 1, 2017 and key highlights are as below:
  - Methodology for assessment of Drop Call Rate (DCR) has been revised from 'simple average' of call drop across all Base Transceiver Station (BTS) in a month to a 'percentile' based approach which better reflects area-to-area and day-to-day variations.
  - To ensure a technology agnostic performance measurement, the DCR assessment will be done across all technologies (GSM, WCDMA, CDMA, LTE etc.) as a whole.
  - Graded financial disincentives for failing to meet DCR benchmarks have been introduced. Disincentives range up to ₹ 5 lakhs per parameter in the first month.
- **Telecommunication Interconnection Regulations, 2018:** The regulation, effective from February 1, 2018, lays down rules for drafting network connectivity agreements along with norms for initial provisioning of such connectivity, augmentation of Points of Interconnect (PoI), applicable rates or charges, disconnection of ports, and financial disincentive on interconnection issues. The key features are:
  - Post receipt of a request for interconnection, service providers now have a defined time frame of 30 days to enter into a non-discriminatory agreement.
  - A financial disincentive, not exceeding rupees one lakh per day per licensed service area, has been introduced for violation of these regulations and timelines.
- **Regulation on Telecom Tariff Order:** Telecom Regulatory Authority of India (TRAI) notified the "Telecommunication Tariff (63rd amendment) Order, 2018" dated February 16, 2018. The key features are:
  - The term significant market power (SMP) has been defined. Any service provider holding a share of at least thirty percent of total activity (subscriber base or revenue) in a relevant market is now categorized as an SMP.
  - A SMP will be considered to be involved in predatory pricing if it provides services at a price which is below the average variable cost with intent to reduce competition or eliminate the competitors in the relevant market.
  - No service provider can discriminate its offerings between subscribers of the same class and such classification of the subscribers shall not be arbitrary.
  - In case of tariff being found to be predatory, the service provider shall be liable to pay an amount not exceeding fifty lakh rupees per tariff plan for each service area.
  - All segmented offers are required to be reported to TRAI and published on the operator's website as well.

  However, as per TDSAT Interim order dated April 24, 2018, the Hon'ble TDSAT has stayed the reporting requirement and definition of SMP as quoted in TTO 63rd Amendment.

Africa

- **Rwanda:** The Regulator has set a new glide path for Mobile Termination Revenue (MTR) effective from September 1, 2017. The current MTR rate of 20.7 FRW will change to 15 FRW till December 31, 2017, 10 FRW till December 31, 2018 and finally 5 FRW from January 1, 2019.
- **Malawi:**
  - A new Telecommunication Bill has made it mandatory for companies to have 20% local shareholding before August 1, 2018.
  - The Regulator has set a glide path for Mobile Termination Revenue (MTR) effective from January 1, 2018. The current MTR of USD 0.04 has changed to USD 0.02, will become USD 0.012 effective January 1, 2019 and finally USD 0.006 effective January 1, 2020.
  - The Reserve Bank has passed a law in June, 2017 which makes mobile money interoperability mandatory with an implementation timeline of six months.
- **Zambia:**
  - The Regulator has awarded fresh license to Uzi Zambia Limited making it the 4th mobile operator in the market.
  - The Zambian regulator has completed the process of migrating existing licences to a unified licence regime.
- **Tanzania:** The Regulator has set a new glide path for Mobile Termination Revenue (MTR). The current MTR of TZS 26.96 has been changed to TZS 15.60 effective from January 1, 2018. Thereafter the rates will steadily decline every year in January.
- **Uganda:** The regulator has set a new glide path for Mobile Termination Revenue (MTR). The current MTR of 112 UGX will change to UGX 65 effective from July 1, 2018. Thereafter the rates will steadily decline every year in July.
- **Madagascar:** The regulator in Madagascar has issued new Mobile Termination Revenue (MTR) determination terms. The current MTR of Ar 125 has been replaced with operator-wise terms.

SCOT analysis

Strengths

- **Leadership:** #1 telecom player in India and #2 operator in Africa. Market leadership (Rank 1 & 2) in 12 of 14 African countries.
- **Scale:** Largest Revenue and Subscriber Market Share in India.
- **Distribution Platform:** Large distribution platform enabling services like Mobile Money, OTT applications - Wynk Music and Airtel TV.
- **QuadPlay:** Only operator to leverage quad play Mobile, Fixed Voice, Broadband and DTH.
- **Network:** Only player with Pan India 4G/3G spectrum. Highest spectrum market share (~30%). Large deployments of Network Towers and Base Stations.

Opportunities

- **Tele Density:** Low teledensity in India and Africa. Unique users in India ~750 Mn (<60% penetration). 420 Mn unique users in Africa (<50% penetration).
- **Data Usage Growth:** Data explosion with the proliferation of affordable smartphones and Government of India's digital drive. Data usage exploding in Africa.
- **Digital Payments:** India's digital payments space is expected to grow the segment by about five-fold to USD 1 trillion by 2023. Underpenetrated banking opportunity in Africa.
- **Content:** Increased interest in digital content. Video consumption contributes to >70% of data consumption.
- **Active Infra Sharing:** Active infra sharing to lead to reduced expenditures.
- **Other Non-Mobile Businesses:** Low fixed broadband penetration in India (1.4 fixed broadband subscriptions per 100 inhabitants). Digitization phase 3 and 4 to uplift DTH homes. Large SMB's with low connectivity.
- **Consolidation:** Consolidation in the industry with exits of various telcos leading to better industry dynamics and higher/better market share.

Challenges

- **Operations:** Geographically varied presence, integrating operations across India, South Asia and Africa leveraging common platform.
- **Customer Needs:** Understanding evolving customer perceptions in fast-changing multi-cultural and multi-lingual environment.

Threats

- **Competition:** Decline in average revenue per user due to increasing competition.
- **Regulatory:** Political and Economic uncertainties across regions.
- **Currency Exposures:** Volatility in currencies due to global macro-economic uncertainties.

Financial review

Consolidated Figures

Particular	FY 2017-18		FY 2016-17	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenue	8,36,879	12,986	9,54,683	14,214
EBITDA before exceptional items	3,04,479	4,725	3,56,206	5,304
Interest, Depreciation & Others before exceptional items	2,63,878	4,095	2,67,277	3,979
Profit before exceptional items and Tax	40,601	630	88,930	1,324
Profit before tax	32,670	507	77,233	1,150
Tax expense	10,835	168	34,819	518
Profit for the year	10,990	171	37,998	566
Earnings per share (In ₹ / USD)	2.75	0.04	9.51	0.14

*1 USD = ₹ 64.44 Exchange Rate for financial year ended March 31, 2018 (1 USD = ₹ 67.16 for financial year ended March 31, 2017).

Standalone Figures

Particular	FY 2017-18		FY 2016-17	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenue	5,36,630	8,327	6,22,763	9,273
EBITDA before exceptional items	1,81,529	2,817	2,42,242	3,607
Interest, Depreciation & Others before exceptional items	1,82,300	2,829	1,54,629	2,302
Profit before exceptional items and Tax	(771)	(12)	87,613	1,304
Profit before tax	(6,812)	(106)	(85,095)	(1,267)
Tax expense	(7,604)	(118)	14,161	211
Profit for the year	792	12	(99,256)	(1,478)
Earnings per share (In ₹ / USD)	0.20	0.00	(24.84)	(0.37)

*1 USD = ₹ 64.44 Exchange Rate for financial year ended March 31, 2018 (1 USD = ₹ 67.16 for financial year ended March 31, 2017).

The Company's consolidated revenues stood at ₹ 836,879 Mn for the year ended March 31, 2018, as compared to ₹ 954,683 Mn in the previous year, decrease of 12.3% (decrease of 9.8% after normalising for impact of IUC rate cut in India, divested operating units of Africa / Bangladesh and acquisition of Tigo, Rwanda). The revenues for India and South Asia (₹ 644,217 Mn for the year ended March 31, 2018) represented a de-growth of 13.5% compared to that of previous year (de-growth of 11.6% after normalising for impact of IUC rate cut and impact of Bangladesh divestment). The revenues across 14 countries of Africa, in constant currency terms, grew by 4.9% (growth of 4.6% adjusting for the impact of divestment of tower assets and acquisition of Tigo, Rwanda).

The Company incurred operating expenditure (excluding access charges, cost of goods sold, license fees and CSR costs) of ₹ 358,888 Mn representing a decrease of 9.2% over the previous year. Consolidated EBITDA at ₹ 304,479 Mn decreased by 14.5% (decrease of 13.3% after normalising for impact of IUC rate cut in India, divested operating units of Africa / Bangladesh and acquisition of Tigo, Rwanda) over the previous year. The Company's EBITDA margin decreased during the year to 36.4% as compared to 37.3% in the previous year. Depreciation and amortization costs for the year were lower by 2.7% to ₹ 192,430 Mn. Consequently, EBIT for the year at ₹ 110,845 Mn decreased by 29.3% (decrease of 31.1% after normalising for impact of IUC in India and impact of divestments) resulting in margin of

13.2% vis-à-vis 16.4% in the previous year. The cash profits from operations (before derivative and exchange fluctuations) for year ended March 31, 2018 was ₹ 227,169 Mn vis-à-vis ₹ 283,666 Mn in the previous year.

Net finance costs at ₹ 80,712 Mn were higher by ₹ 3,737 Mn, compared to previous year, mainly due to lower investment income by ₹ 3,488 Mn (FY 2017-18 – ₹ 5,117 Mn, FY 2016-17 – ₹ 8,606 Mn). The increase on account of spectrum related debt in India was partially off-set by lower forex losses in current year compared to previous year. Consequently, the consolidated profit before taxes and exceptional items at ₹ 40,601 Mn compared to ₹ 88,930 Mn for the previous year.

The consolidated income tax expense (before the impact on exceptional items) for the full year ending March 31, 2018 was ₹ 14,918 Mn, compared to ₹ 44,230 Mn for the previous year. The decline is primarily led by drop in profits in India. After adjusting for certain losses where no DTA was created, the underlying effective tax rate in India for the year ended March 31, 2018 was at 26.5% vs 29.4% in the previous year. The tax charge in Africa for the full year (excluding divested units) was at USD 159 Mn vs USD 148 Mn in the previous year on account of change in profit mix of the countries.

Net income before exceptional items for the full year came in at ₹ 13,960 Mn as compared to ₹ 38,134 Mn in the previous year. Exceptional items during the year accounted for net impact of ₹ 2,970 Mn. These included impact of gains / losses on divestment of subsidiaries, translation impact in Nigeria due to transition to market based exchange rate, litigation related assessments, operating costs on network re-farming & upgradation programmes and assessment of tax provisions. After accounting for exceptional items, the resultant consolidated net income for the year ended March 31, 2018 came in at ₹ 10,990 Mn as compared to ₹ 37,998 Mn in the previous year.

The capital expenditure for the full year was ₹ 268,176 Mn (USD 4.2 Bn) as compared to ₹ 198,745 Mn in the previous year (an increase of 34.9%). Consolidated operating free cash flow for the year was at ₹ 36,303 Mn as compared to ₹ 157,461 Mn in previous year. Higher investments and continued pricing pressure in India has resulted in decline of Return on Capital Employed (ROCE) to 4.6% from 6.5% in the previous year.

Liquidity and funding

As on March 31, 2018, the Company had cash and cash equivalents of ₹ 47,886 Mn and short-term investments of ₹ 68,978 Mn. During the year ended March 31, 2018, the Company generated operating free cash flow of ₹ 36,303 Mn. The Company's consolidated net debt as on March 31, 2018 increased by USD 517 Mn to USD 14,611 Mn as compared to USD 14,094 Mn last year, mainly on account of increased capital expenditure. The Net Debt - EBITDA ratio (USD terms LTM) as on March 31, 2018 stood at 3.13 times as compared to 2.63 times in the previous year, mainly on account of increased borrowings and reduced EBITDA. The Net Debt-Equity ratio stood at 1.37 times as on March 31, 2018, compared to 1.35 times in the previous year.

During the year, the Company undertook several initiatives to meet its liquidity and funding requirements. The Company completed the secondary sale of its subsidiary Bharti Infratel Limited ("Bharti Infratel") to global fund managers and global tower company investors for a consideration of approx ₹ 25,700 Mn and ₹ 33,250 Mn in Q2'18 and Q3'18 respectively, thereby reducing it's equity stake to 53.51% in Bharti Infratel. These proceeds were primarily used by the Company to reduce its debt. The Company also made its maiden unsecured listed NCD issuance of ₹ 30,000 Mn in Q4'18. The Company continues to maintain its credit ratings and has access to both domestic and international debt capital markets.

Awards and Recognition

- Airtel has won the **'Aon Best Employer India 2017'** award for its innovative people practices and achieving high levels of employer brand, employee engagement and well established people practices.
- Airtel won the **TM Forum's Excellence Award 2017** in the 'Smart Service Provider – Business of the Year' category for accelerating digital transformation in India. TM Forum is a global non-profit industry association for service providers and their suppliers within the telecommunications industry.
- Airtel has won the prestigious **'Golden Peacock Award for Corporate Sustainability – 2017'**. The award assesses the responsiveness of organizational strategy to the needs of different stakeholders, integration of sustainable development issues with corporate functioning and development of innovative partnership models to fulfill social responsibility.
- Airtel is one of the only 3 companies from India to be ranked amongst the **Forbes list of 100 most Innovative Companies in the world** for 2017.
- Airtel won the **'Best Brand Loyalty Marketing Campaign'** and **'Best CSR Initiative Award'** at the Asian Customer Engagement Forum (ACEF) awards. The Forum honors campaigns that display the highest proficiency and creativity in fields of integrated marketing and customer engagement.

- Airtel has been rated as the **fastest mobile network in India** by the global leader in internet speed tests - Ookla for third time in a row.
- Airtel has been ranked as the **'Best Company to Work For'** within the telecom sector and amongst the top 10 across sectors in India by **Business Today – PeopleStrong Survey, 2017.**

Segment-wise Performance

B2C services

Mobile Services: India 

Overview

The year saw a number of impactful regulatory developments and heightened financial stress across the industry. The year began with the implementation of customer verification norms through the Aadhar based e-KYC. This ushered in a paper less and digital activation process which led to improvement in the customer on boarding experience. Goods and Services Tax (GST) was made effective July 1, 2017 and the indirect tax on telecommunication and broadcasting services was fixed at 18%. The sector regulator, Telecom Regulatory Authority of India (TRAI) came out with regulations on the interconnect termination rates. The domestic mobile termination charge (MTC) was reduced from ₹ 0.14 per min to ₹ 0.06 per min effective October 1, 2017 and the international MTC rate was reduced from ₹ 0.53 per min to 0.30 per min effective February 1, 2018. These rate cuts have led to further decline in industry ARPU.

Low priced bundle products with unlimited voice calling benefits and large data download became the norm and consequently, voice and data traffic saw unprecedented levels of growth. The financial stress across the industry ultimately led to the hastening of the eventual consolidation in the industry. The year saw a host of operator shut downs and M&A announcements.

The financial stress across the industry was further exacerbated by the explosion of voice and data traffic, and the need to invest to sustain network capacities. Airtel entered into several M&A transactions to harness operational synergies and scale benefits from consolidation. During the year, the acquisition of Telenor India has also been approved by the Department of Telecommunications (DoT). The company also completed the acquisition of Tikona Digital Networks. The company also entered into agreements with Tata Teleservices Ltd. (TTSL) and Tata Teleservices (Maharashtra) Ltd. (TTML) to merge their Consumer Mobile Business (CMB). The deal is currently under regulatory approvals. The above acquisitions have further strengthened the company's spectrum portfolio and are in line with company's commitment to provide the best network and customer experience.

The company crossed the milestone of 300 Mn customers in India; the latest 100 Mn customers have joined the Airtel family in less than 2 years. As on March 31, 2018, the Company had 304.2 Mn GSM customers. During the year, total minutes on network increased by 45.3% to 1,946.3 Bn. The churn decreased to 3.5% for the current year, compared to 3.7% during the previous year. The Company had 86.1 Mn data customers at the end of March 31, 2018, of which 76.6 Mn were mobile broadband customers. The total MBs on the network for the full year has increased by 432.2% to 3,901.8 Bn MBs. The company has also expanded its reach within the digital space. Wynk music remains the number 1 music app in the country and Airtel TV is now ranked number 3 amongst comparable video OTT apps. It offers more than 350 live channels, 8000+ movies and is available in 14 languages.

During the year, revenues decreased by 18.2% to ₹ 462,639 Mn as compared to ₹ 565,511 Mn in the previous year. The segment witnessed decline in the EBITDA margin to 32.6% during the year, compared to 40.3% in the last year. EBIT margin for the year declined to 4.5%, compared to 18.7% in the last year.

In line with its commitment to provide best network & customer experience to its customers, the company launched a number of innovative offerings to maintain differentiation in a highly competitive market. There were a number of 'industry firsts' through the year such as:

- 'Data rollover': Allows the un-used data of a customer to be carried forward into the next billing cycle;
- 'Project Next': A digital innovation program aimed at transforming customer experience across all of its services and touch points;
- *121#: A digital care platform in 10+ regional languages;
- A digital platform dedicated for B2B customers.

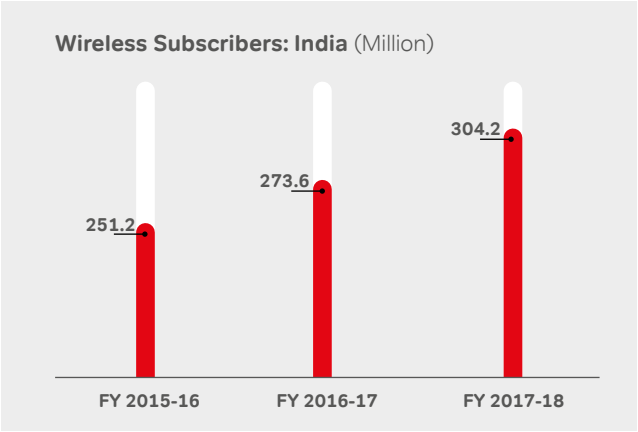
These innovations increased Airtel's innovation premium and made it feature on the Prestigious Forbes' list of 100 most innovative companies in the world for 2017 - one of the only 3 Indian companies to feature on the same.

The company expanded its "project leap" initiative announced last year and continued to invest in building data capabilities and provide a world class network to customers who are on a journey of digital transformation. The capex investment, its highest ever, were almost entirely targeted to this end. These investments resulted in the company being named as the

'fastest mobile network in India' by the global leader in internet speed test – Ookla for three consecutive times in a row.

The Company had 165,748 network towers, compared to 162,046 network towers in the last year. Mobile broadband (MBB) base stations were at 298,014 the end of the year, compared to 190,860 at the end of last year.

Particulars	FY 2017-18	FY 2016-17	Y-O-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	4,62,639	5,65,511	-18%
EBIT	20,829	1,05,484	-80%



Key Highlights

Strategic Alliances & Partnerships: Airtel entered into a host of partnerships with the aim to provide a differentiated customer experience

- Airtel has partnered with Amazon to launch a first-of-its-kind offer for its postpaid customers. Existing and new postpaid customers with an Airtel Infinity Plan of ₹ 499 or above can now get a one year membership of Amazon Prime, worth ₹ 999 at no additional cost. Airtel also partnered with Amazon for Amazon's Fire TV Stick with Voice Remote, which was launched in India. Customers purchasing Amazon Fire TV will get free 100 GB high speed data via Airtel Broadband/Airtel 4G Home Wi-Fi.
- Airtel and Ola (ANI Technologies Pvt. Ltd.) have entered into a partnership that enables a seamless digital experience for customers. Airtel Payments Bank will be integrated with the Ola app to offer payment solutions to Ola's consumers. Ola's digital wallet will be integrated with Airtel to enable payments for mobile, broadband and direct-to-home bills through Ola Money.
- Airtel announced a partnership with Facebook to deploy 20,000 hotspots across India, allowing Express Wi-Fi to reach millions of Indians and provide super-fast and affordable connectivity.
- Airtel has joined hands with Hotstar and ALT Balaji to bring their popular original shows and movies onto the Airtel TV App.
- Airtel announced a strategic partnership with SK Telecom, Korea's largest telecommunications company to leverage the latter's expertise to build the most advanced telecom network in India.
- Airtel launched 'Mera Pehla Smartphone' initiative wherein Airtel and Karbonn Mobiles have announced a partnership to bring an affordable 4G Smartphone to the market. The Android based 4G smartphone comes with full touch screen experience, dual SIM slots and access to all popular apps like YouTube, WhatsApp and Facebook. Airtel further extended a number of partnerships with Google, HMD Global, Motorola, Lava Celkon, Intex, Samsung and Itel to bring highly affordable 'bundled' 4G smartphone options to the market.
- Airtel has partnered with OneWeb, Airbus, Delta and Sprint in a global 'Seamless Alliance' to leverage satellite technology and bring uninterrupted In-Flight connectivity to mobile users.
- Airtel Payments Bank entered into a strategic partnership with Hindustan Petroleum Corporation Limited (HPCL), and enabled all 14,000 HPCL fuel stations across the country to also act as its banking points. Airtel Payments Bank customers will also be able to make secure and convenient digital payments for fuel purchases at all these stations.

Mergers & Acquisitions: Airtel entered into several M&A transactions to harness operational synergies & scale benefits from consolidations.

- Airtel's proposed merger with the Indian unit of Norway's Telenor has been approved by DoT. The Department of Telecommunications has transferred all licenses belonging to the Indian unit of Norway's Telenor, along with its liabilities to Airtel. The transaction will boost the Airtel's 4G spectrum holdings, fortify its network capacity and augment its revenue. The Telenor India acquisition consolidates Airtel's market leadership, further strengthens its network portfolio in key markets and will add to shareholder value.
- Airtel's proposed merger with the consumer business unit of Tata Teleservices (Maharashtra) Ltd. (TTML) and Tata Teleservices Ltd. (TTSL) is under regulatory approvals. Securities and Exchange Board of India (SEBI) has given approval for the TTML merger.

- Airtel has completed the proposed acquisition of shares of Tikona Digital Networks. With the said acquisition, Tikona has become a wholly owned subsidiary of Airtel. Merger is subject to other statutory approvals.

- Airtel (through the subsidiary Company) acquired a strategic stake in Juggernaut Books ('Juggernaut'), a popular digital platform to discover and read high quality, affordable books and to submit amateur writing. This synergizes with Airtel's endeavor to build an open content ecosystem and bring world class digital content to customers.

Successful Divestment/Funding: Airtel (through the subsidiary company) offloaded ₹ 58,950 Mn stake in Bharti Infratel primarily to pare debt & issued ₹ 30,000 Mn worth NCDs to refinance existing debt.

- Bharti Airtel Limited via its wholly owned subsidiary, Nettle Infrastructure Investments Limited, divested 150 Mn shares of its subsidiary Bharti Infratel Limited through secondary share sale in the stock market for a consideration of over ₹ 58,950 Mn.

- Airtel has issued non-convertible debentures worth up to ₹ 30,000 Mn on a private placement basis. The proceeds of the issue will be used for routine treasury activities such as refinancing of existing debt and spectrum liabilities etc.

Network Expansion & Transformation: Airtel took several initiatives to remain lean & Agile and provide a world class network to customers who are on a journey of digital transformation.

- Airtel has signed an agreement with the Department of Telecom (DoT) and the Universal Service Obligation Fund (USOF) in December 2017 for provision of mobile services in identified uncovered villages and national highways in the North Eastern States of Assam, Manipur, Mizoram, Nagaland, Sikkim, Tripura and Arunachal Pradesh. Under the agreement, Airtel will set up over 2,000 mobile towers in more than 2,100 villages over the next 18 months.

- Airtel announced the launch of India's first Telecom Infra Project (TIP) Community Lab. Airtel is among the early members of TIP – a global initiative founded by Facebook, Deutsche Telekom, Intel, Nokia and SK Telecom to create a new approach for building and deploying telecom network infrastructure.

- In an Industry first, Airtel announced the deployment of Massive Multiple-Input Multiple-Output (MIMO) in partnership with Huawei Telecommunication India. Part of Airtel's ongoing network transformation program, Project Leap, this technology will expand existing network capacity and enhance user experience. The first round of deployment has started in Bangalore and Kolkata.

- Airtel launched its VoLTE services in Mumbai, Madhya Pradesh, Andhra Pradesh, Gujarat, Karnataka, Chennai, Maharashtra, Goa and Chhattisgarh. Customers can now enjoy HD quality voice calls and call any mobile, landline network using Airtel VoLTE, which works over 4G.

- Airtel conducted India's first 5G network trial in partnership with Huawei.

Digital Innovations & Customer Delight: Airtel continued its journey of digital innovations to empower the increasingly demanding customers & to maintain differentiation in a highly competitive market.

- Airtel has crossed the 300 mn mobile customer mark in India during the quarter ending March 31, 2018.

- Airtel launched 'Project Next' – a digital innovation program aimed at transforming customer experience across all of its services and touch points. This will entail an investment of upto ₹ 2,000 crores over the next three years to launch several exciting digital innovations to bring a step change in the simplicity and interactivity of the Airtel customer experience. As part of the project, Airtel has launched its first set of digital innovations which include:

    - Next-Gen Airtel Stores which are minimalistic by design to provide a highly interactive customer experience including a digital screen, touch screen table top and entertainment hubs. The first two such stores are operational in Gurgaon, Haryana.

    - New version of the MyAirtel App to enable real time customer experience. With the new version, bill plan change, notifications, self-care and many other services will be enabled with the click of a button.

    - Airtel's postpaid promise (www.airtel.in/postpaid promise) which will get seamlessly delivered through the MyAirtel App. As part of the same, Airtel has introduced 'data roll-over' feature which allows customers to roll over unused data quota to the next billing cycle. To protect customer smartphones against accidental / liquid damage and malwares, Airtel has launched – 'Airtel Secure' a one of its kind solution for smartphones up to two years old.

> Airtel launched its Online Store to bring a range of premium devices at affordable down payments and bundled monthly plans. In a first of its kind digital store, Airtel has introduced the iPhone 7 at just ₹ 7,777.

> In an Industry first, Airtel launched its *121# digital care platform for prepaid customers in Hindi and 10 more regional languages - Punjabi, Marathi, Gujarati, Tamil, Telugu, Malayalam, Kannada, Bangla, Oriya and Assamese. This platform allows Airtel's prepaid customers to get seamless access to a host of information such as balance amount, details of last few transactions as well as ongoing offers without requiring to speak to a customer care executive.

> In an industry first, Airtel Payments Bank launched UPI enabled digital payments which allows for secure digital payments to online / offline merchants and instant money transfers to any bank account in India over smartphones.

Corporate Social Responsibility: Airtel implemented a host of sustainability initiatives across the organization and remains fully committed to keep building upon it.

> Airtel released the latest edition of its India Sustainability Report. Airtel's India Sustainability Report 2017 outlines its impact across all stakeholders. Airtel reported over 81% reduction in CO_2 emissions per TB in network infrastructure over the last five years and committed to reduce carbon footprint by 70% by 2020.

Homes Services

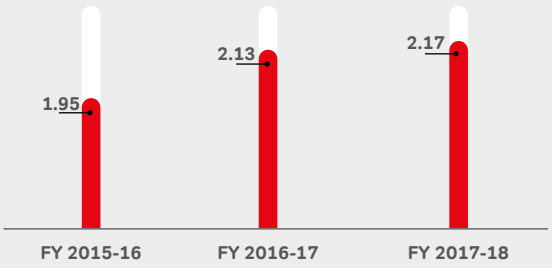
Overview

The Company provides fixed-line telephone and broadband (DSL) services for homes in 89 cities across India. The company expanded 'V-Fiber' technology for its Homes customers after it became the first operator to deploy Vectorization in India; this technology enables the customers to experience internet speeds of up to 100 Mbps. The Homes business had 2.2 Mn customers as on March 31, 2018, representing a growth of 2.0% as compared to 2.1 Mn at the end of previous year. DSL customers now represent 94% of the total Homes customers as compared to 92.3% in the previous year.

Revenues from Homes services stood at ₹ 25,265 Mn for the year ended March 31, 2018, as compared to ₹ 27,518 Mn in the previous year, decrease of 8.2%. EBITDA margin has been slightly decreased during the year to 46.7% as compared to 47.2% in the previous year. During the year data traffic increased by 55.6% to 1,340.8 Bn MBs.

Particulars	FY 2017-18	FY 2016-17	Y-O-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	25,265	27,518	-8%
EBIT	4,717	6,868	-31%

Homes Subscribers: (Million)



Key Highlights

Unrivalled Customer Experience

> Airtel introduced an all new superfast Home broadband plan with speed of up to 300 Mbps over Wi-Fi with free subscription to Airtel's OTT apps - Wynk Music and Airtel TV.

> Further enhancing its value proposition for customers, Airtel introduced 'Data Rollover' feature for its home broadband customers enabling them to carry forward unused monthly data to the next billing cycle. Customers can now accumulate up to 1,000 GB data and easily track their usage and balance data on the My Airtel App.

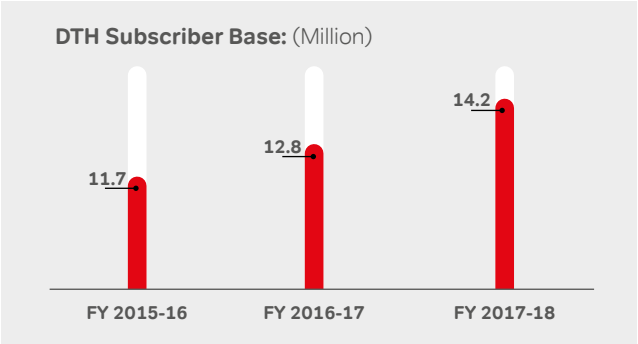
Digital TV Services

Overview

The company served a customer base of 14.2 Mn on its Direct-to-Home platform (Airtel digital TV), as on March 31, 2018, adding 1.4 Mn customers during the year.

The company currently offers both standard and high definition (HD) digital TV services with 3D capabilities and Dolby surround sound. The company currently offer a total of 649 channels including 75 HD channels, 5 international channels and 4 interactive services. Revenues for the year stood at ₹ 37,570 Mn for the year ended March 31, 2018, as compared to ₹ 34,306 Mn in the previous year, increase of 9.5%. Affordability of HD set-top boxes, demand for HD channels and upselling efforts led to ARPU flat at ₹ 231. Operating free cash flow on full year basis at ₹ 3,949 Mn compared to cash flow of ₹ 3,611 Mn during the previous year.

Particulars	FY 2017-18	FY 2016-17	Y-O-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	37,570	34,306	10%
EBIT	5,306	3,577	48%



Key Highlights

Divestment: Airtel beefs up its war chests to fight competition.

> Bharti Airtel announced that an 'affiliate' of Warbug Pincus will acquire an equity stake of up to 20% in Bharti Telemedia Limited – its DTH arm. The transaction is subject to regulatory and statutory approvals. After this transaction, Airtel will own 80% equity stake in Bharti Telemedia Limited.

Awards

> Airtel's Internet TV – India's first 4K hybrid set-top box, powered by Android TV, has won the '**Tech Peripheral of the Year**' award at the NEXA NDTV Gadget Guru Awards.

B2B Services

Airtel Business

Overview

Airtel Business is India's leading and most trusted ICT services provider. Its diverse portfolio of services includes voice, data, video, network integration, data centre, managed services, enterprise mobility applications and digital media. Airtel Business consistently delivers cutting-edge integrated solutions, superior customer service and unmatched depth / reach to global markets, to enterprises, governments, carriers, and small and medium businesses.

Revenues in this segment comprises of: a) Enterprise & Corporates Fixed Line, Data and Voice businesses; and b) Global Business which includes wholesale voice and data. Revenue as per point a) above, together with Enterprise Mobile revenues (included in India Mobile) is at ₹ 95,894 Mn in this year, this is now 15.0% of the total India revenues.

Global Business, the international arm of Airtel Business, offers an integrated suite of global and local connectivity solutions, spanning voice and data to the carriers, Telcos, OTTs, large multinationals and content owners globally.

Airtel's international infrastructure includes the ownership of i2i submarine cable system, connecting Chennai to Singapore and consortium ownership of submarine cable systems like South East Asia - Middle east - Western Europe - 4 (SWM4), Asia America Gateway (AAG), India - Middle East - 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 22 other cables across various geographies.

Its global network runs across 250,000 Rkms with over 1200 customers, covering 50 countries and five continents and 65 Global PoPs (Point of presence). This is further interconnected to its domestic network in India and direct terrestrial cables to SAARC countries, Myanmar and China helping accelerate India's emergence as a preferred transit hub.

Leveraging the direct presence of Airtel Mobile operations in 16 countries across Asia and Africa, Global Business also offers mobile solutions (ITFS, signalling hubs, messaging), along with managed services and SatCom solutions. Global business is also providing advanced consumers solutions like IOT to global customers.

Particulars	FY 2017-18	FY 2016-17	Y-O-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	1,13,218	1,09,429	3%
EBIT	31,044	22,737	37%

Key Highlights

Digital Transformation & Expansion

> Airtel rolled out a first-of-its-kind dedicated digital platform for B2B customers (including SMEs and startups) to serve their growing connectivity, communication and collaboration requirements. With Airtel's new digital platform on www.airtel.in/business/businessinternet small businesses can buy new communication and collaboration products to enable faster time to market and enhance ease of doing business.

> Airtel has acquired the Indian leg of Gulf Bridge International (GBI) India - Middle East - Europe submarine cable with an aim to consolidate its global network leadership and serve the exploding data demand in emerging markets like India, Gulf and Africa.

Strategic Alliances

> Airtel entered into a strategic alliance with Symantec Corp. to serve the growing cyber security requirements of businesses in India, providing protection and prevention of online threats. As part of the agreement, Airtel will be the exclusive Cyber Security Services partner for Symantec in India, and will distribute Symantec's enterprise security software.

Awards

> Airtel Global Business won the '**Best Wholesale Carrier (Global) Award**' at the Carriers World Awards' 2017 held in London, UK.

Passive tower infrastructure

Overview

A subsidiary of the Company, Bharti Infratel Ltd. (Infratel), is India's leading provider of tower and related infrastructure and it deploys, owns & manages telecom towers and communication structures, for various mobile operators. It holds 42% equity interest in Indus towers, a joint venture with Vodafone India and Aditya Birla Telecom who hold 42% and 16% respectively. The Company's consolidated portfolio of 91,451 telecom towers, which includes 39,523 of its own towers and the balance from its 42% equity interest in Indus Towers, makes it one of the largest tower infrastructure providers in the country with presence in all 22 telecom circles. The company has been the industry pioneer in adopting green energy initiatives for its operations. Infratel is listed on the Indian stock exchanges, NSE and BSE.

Particulars	FY 2017-18	FY 2016-17	Y-O-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	66,284	60,829	9%
EBIT	20,452	17,246	19%

Africa

Overview

Airtel recorded a first full year of profits for its African operations which was a result of a healthy double digit revenue growth, strong cost control through its 'war on waste' program and asset monetisation. Airtel is now one of the top operators in Africa; it holds No.1 position in Zambia, Niger, Madagascar and Malawi and No.2 position in 7 OpCos including Nigeria & Uganda in terms of revenue market share. During the year, Airtel Africa B.V. entered into a Joint Venture with MIC Africa B.V. for its Ghana operations. With this, the company now operates in 14 countries on a standalone basis. Consequently, the financial numbers of Africa have been reinstated to exclude Ghana financials for the period before sale. The transaction for the acquisition of Tigo operations in Rwanda has also been closed effective January 31, 2018 and results for the year also include Tigo for 59 days. The comparable growths have been mentioned as 'Organic' below.

Owing to the underlying economic changes in Nigeria, the company has transitioned from 'administered' to 'market based' exchange rate during the year. The currencies across the continent have remained comparatively stable versus the US dollar over the last 12 months (exit March 31 rates) except for CFA (which appreciated by 13%). In terms of the 12-month average rates, the revenue weighted Y-o-Y currency depreciation has been 3.5%, mainly caused by depreciation in Ugandan Shilling by 5% and Rwandan Franc by 7%. To enable comparison on an underlying basis, all financials up to PBT and all operating metrics mentioned below are in constant currency rates as on March 1, 2017 and are adjusted for divestment of operating units for all the periods i.e. the comparison till PBT has been given below for 14 countries. PBT as mentioned below excludes any realized/ unrealized derivatives and exchange gain or loss for the period.

As on March 31, 2018, the Company had 89.3 Mn customers in Africa across 14 countries as compared to 76.7 Mn customers in previous year, an increase of 16.3%. Its continuous focus on acquiring quality customers has resulted in lower customer churn for the year at 4.4% as compared to 4.9% in the previous year. The total minutes on the network during the year increased by 18.5% to 159.5 Bn. At the end of the year, 24.9 Mn data customers accounted for 27.9% of the total customer base as compared to 22% in the previous year. The total MBs on the network has significantly increased by 89.9% to 237.6 Bn MBs from 125.1 Bn MBs in previous year with usage per customer increasing from 657 MBs to 954 MBs. Overall ARPU in Africa marginally declined from USD 3.25 to USD 3.14. Total sites in Africa as on March 31, 2018 were 19,731 of which 13,725 were 3G sites, representing 69.6% of the total sites.

Airtel Africa revenues grew by 4.9% (organic growth of 4.6%) to USD 3,036 Mn as compared to USD 2,894 Mn in the previous year. The company's continued focus on running the operations efficiently and cost effectively has resulted in EBITDA of USD 1,014 Mn for the year as compared to USD 694 Mn in the previous year, increase of 46.2% (organic growth of 46.0%). Consequently EBITDA margin improved significantly by 9.4% to 33.4% compared to 24.0% in the previous year. EBIT for the year was at USD 551 Mn as compared to USD 136 Mn in the previous year. PBT for the full year was at USD 425 Mn as compared to USD 8 Mn in the previous year. After accounting for full year capex of USD 421 Mn (PY: USD 412 Mn), operating free cash flow was USD 593 Mn as compared to USD 282 Mn in the previous year.

In ₹ Reported Currency

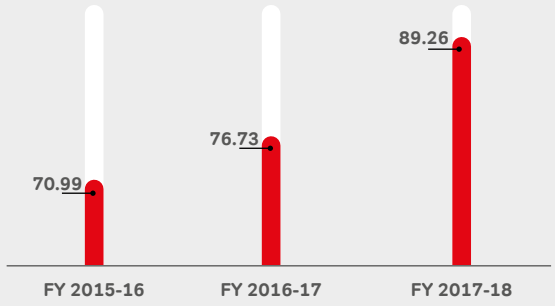
Particulars	FY 2017-18	FY 2016-17	Y-O-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	2,01,564	2,19,568	-8%
EBIT	35,586	10,189	249%

In USD Constant Currency – 14 Countries

Particulars	FY 2017-18	FY 2016-17	Y-O-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	3,036	2,894	5%
EBIT	551	136	306%

Note: During the current financial year, Bharti Airtel Limited divested 1 operating unit in Africa. Accordingly, the above table has been shown for remaining 14 countries only.

Wireless Subscribers: Africa (Million)



across 14 Countries

Key Highlights

Mergers, Acquisitions & Joint Ventures

> Tigo acquisition in Rwanda has been approved by the Rwanda Utilities Regulatory Authority (RURA). Accordingly the financials have been consolidated in Africa performance effective January 31, 2018. The business integration is underway across functions to ensure smooth customer experience and seamless operations management.

> The transaction between Airtel and Millicom International Cellular to combine their telecommunication operations in Ghana has been consummated.

Network Transformation

> Airtel continues to expand its mobile broadband network in Africa by adding 3,391 broadband base stations during the quarter – the highest ever in a single quarter. The quarter saw roll-out of 4G services in 4 countries. Airtel now provides high speed 4G connectivity in 8 countries across the continent.

Digital Innovation

> Airtel Kenya and Safaricom Kenya have launched mobile money interoperability on April 10, 2018. The customers of the two operators are now able to seamlessly transfer or receive money across networks for no extra charge.

Awards & Recognition

> Airtel Nigeria won the **2017 Most Outstanding Customer-centric Telecom Brand Award** at the National Marketing Stakeholders Summit and Brands & Advertising Excellence Awards.

> Airtel Nigeria adjudged as the **Best Company in Recruitment Strategy** during the HR People Magazine Awards in Lagos.

> Airtel Nigeria won the '**Service Excellence in Telecommunication Award'** at the 2017 Commerce & Industry Awards organized by the Lagos Chamber of Commerce and Industry.

> Airtel Nigeria won the **'Payment Innovation Award'** at an award ceremony organized by Interswitch, Africa's leading transaction switching and processing services company. The award recognizes Airtel's transformative use of mobile financial solutions to solve real world customer problems.

> Airtel Ghana won the **'Best Corporate Social Responsibility Initiative Award'** at the 2017 African Carrier Awards. The award recognizes Airtel Ghana's educational initiatives like the School Adoption Programme.

> Airtel Kenya won **the Humanitarian / Corporate Award 2017**, at the Red Cross Volunteer Awards in Nairobi, Kenya. The awards are held in recognition of exemplary service and contribution to Red Cross work of alleviating human suffering.

> Airtel Seychelles won the **'CSR Company of the year'** at the business awards organized by Seychelles Chambers of Commerce and Industry.

> Airtel Nigeria, won the prestigious **'Pitcher Advertiser of the Year Award'** at the creativity week in recognition of its creativity and bold attempts to create fresh and inspiring campaigns.

> The Regulatory Authority for Electronic Communications and Posts (RAECP) awarded Airtel Chad for its **Best quality of network calls and Internet services** in Chad.

South Asia

Overview

The financial numbers of South Asia as mentioned below are not comparable as the previous year includes demerged Bangladesh results for part of the year. Also on account of changes in the MTC rates (Domestic and International) the current figures includes a portion of old rates as well.

Full year revenue of South Asia was at ₹ 4,045 Mn as compared to ₹ 11,743 Mn in the previous year. EBITDA for the year was at ₹ 8 Mn as compared to ₹ 238 Mn in the previous year. EBIT losses for the year reported at ₹ 1,268 Mn as compared to loss of ₹ 4,018 Mn in the previous year. Capex for the year was ₹ 1,235 Mn as compared to ₹ 1,830 Mn in the previous year.

Particulars	FY 2017-18	FY 2016-17	Y-O-Y Growth
	₹ Millions	₹ Millions	%
Gross Revenues	4,045	11,743	-66%
EBIT	(1,268)	(4,018)	68%

Share of Associates / Joint Ventures

A) Robi Axiata Limited

Robi Axiata Limited is a joint venture between Axiata Group Berhad of Malaysia, Bharti Airtel Limited of India and NTT Docomo Inc. of Japan. Axiata holds 68.7% controlling stake in the entity, Bharti Airtel holds 25% while the remaining 6.3% is held by NTT Docomo.

Robi Axiata Limited is the second largest mobile phone operator of Bangladesh and the first operator to introduce GPRS and 3.5G services in the country.

Key operational and financial performance

Particulars	Unit	Quarter ended			
		Mar-18	Dec-17	Sep-17	Jun-17
Operational Performance					
Customer Base	000's	45,609	42,908	41,211	39,570
Data Customer as % of Customer Base	%	57.8	56.6	57.7	56.1
ARPU	BDT	118	123	131	132
Financial Highlights (proportionate share of Airtel)					
Total Revenues	₹ Mn	3,153	3,605	3,466	3,310
EBIDTA	₹ Mn	679	724	770	526
EBIDTA / Total Revenues	%	21.5	20.1	22.2	15.9
Net Income	₹ Mn	(200)	(261)	(93)	135

Mar-18 financials are as per IFRS 15.

B) Bharti Airtel Ghana Limited

Bharti Airtel Ghana Limited is a joint venture between Bharti Airtel Africa B.V. and MIC Africa B.V. Both the entities effectively hold 49.95% share each in the merged entity.

Key operational and financial performance

Particulars	Unit	Quarter ended	
		Mar-18	Dec-17
Operational Performance			
Customer Base	000's	6,113	6,306
Data Customer as % of Customer Base	%	58.2	57.6
ARPU	BDT	13.2	13.1
Financial Highlights (proportionate share of Airtel)			
Total Revenues	₹ Mn	1,767	1,839
EBIDTA	₹ Mn	262	291
EBIDTA / Total Revenues	%	14.8	15.8
Net Income	₹ Mn	(241)	(373)

Risk & Mitigation Framework

Bharti Airtel (the Company), has thrived globally by building a culture of innovation and high performance. The Company explores new markets and business models across the world; evolve new ways of customer and stakeholder engagement; enter into new strategic partnerships; adopt new technologies; and build exponential efficiencies in existing systems. While these initiatives unveil a universe of possibilities, potential risks and uncertainties arise in a volatile business environment. The distress signals need to be picked up and addressed with urgency for smooth operations. Therefore, the Company has created a robust risk management framework in its operating landscape that caters to strategic, legal, financial, operational and climate risks. The Company has a sound practice to identify key risks across the Group and prioritise relevant action plans for mitigation.

1. Regulatory and Political Uncertainties (Legal & Compliance)

Outlook from last year > Stable

Definition

The Company operates in India, Sri Lanka and 14 African countries. Some of these countries (or regions within countries) are affected by political instability, civil unrest and other social tensions. The political systems in a few countries are also fragile, resulting in regime uncertainties; hence, the risk of arbitrary action. Such conditions tend to affect the overall business scenario. In addition regulatory uncertainties and changes, like escalating spectrum prices, call drops penalties, EMF norms among others are potential risks being faced by the business.

Mitigating actions:

> As a responsible corporate citizen, the Company engages proactively with key stakeholders in the countries in which it operates; and continuously assess the impact of the changing political scenario. The Company contributes to the socio-economic growth of the countries in its area of operation through high-quality services to its customers, improved connectivity, providing direct and indirect employment, and contributing to the exchequer. These activities are covered in detail through its annual sustainability report. It also maintains cordial relationships with governments and other stakeholders. The Country MDs and Circle CEOs carry direct accountability for maintaining neutral Government relations. Through its CSR initiatives (Bharti Foundation etc.), it contributes to the social and economic development of community, especially in the field of education.

> The Company actively works with industry bodies like Cellular Operators Association of India (COAI), Confederation of Indian Industry (CII), and Federation of Indian Chambers of Commerce & Industry (FICCI) on espousing industry issues e.g. penalties, right of way, tower sealing amongst others.

> Regulatory team along with legal and networks keeps a close watch on compliances with regulations and laws and ensures the operations of the Company are within the prescribed framework.

2. Economic Uncertainties (Operational)

Outlook from last year > Stable

Definition:

The Company's strategy is to focus on growth opportunities in the emerging and developing markets. These markets are characterised by low to medium mobile penetration, low internet penetration and relatively lower per capita incomes, thus offering more growth potential. However, these markets fall under countries which are 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 might impact its earnings and cash flow. These countries are also affected by economic downturns, primarily due to commodity price fluctuations, reduced financial aid, capital inflows and remittances. Slowing down of economic growth tends to affect consumer spending and might cause a slowdown in telecom sector.

Mitigating actions:

> As a global player with presence across 16 countries, the Company has diversified its risks and opportunities across markets. Its wide service portfolio including voice, data, Airtel Money, Digital Services and value added services helps widen its customer base.

> To mitigate currency risks, it follows a prudent risk management policy, including hedging mechanisms to protect the cash flows. No speculative positions are created; all foreign currency hedges are taken on the back of operational exposures. A prudent cash management

policy ensures that surplus cash is up-streamed regularly to minimise the risks of blockages at times of capital controls. It has specifically renegotiated many operating expenditure / capex Fx contracts in Africa and converted them to local currency, thereby reducing Fx exposure.

> To mitigate interest rate risks, the Company is further spreading its debt profile across local and overseas sources of funds and to create natural hedges. It also enters in interest rate swaps to reduce the interest rate fluctuation risk.

> Finally, the Company adopts a pricing strategy that is based on principles of mark to market, profitability and affordability, which ensures that the margins are protected at times of inflation, and market shares at times of market contraction.

3. Poor quality of networks and information technology including redundancies and disaster recoveries (Operational)

Outlook from last year > Stable

Definition:

The Company's operations and assets are spread across wide geographies. The telecom networks are subject to risks of technical failures, partner failures, human errors, or wilful acts or natural disasters. Equipment delays and failures, spare shortages, energy or fuel shortages, software errors, fibre cuts, lack of redundancy paths, weak disaster recovery fall-back, and partner staff absenteeism, among others are few examples of how network failures happen.

The Company's IT systems are critical to run the customer-facing and market-facing operations, besides running internal systems. In many geographies or states, the quality of IT connectivity is sometimes erratic or unreliable, which affects the delivery of services e.g. recharges, customer query, distributor servicing, customer activation, billing, etc. In several developing countries, the quality of IT staff is rudimentary, leading to instances of failures of IT systems and / or delays in recoveries. The systems landscape is ever changing due to newer versions, upgrades and 'patches' for innovations, price changes, among others. Hence the dependence on IT staff for turnaround of such projects is huge.

Mitigating actions:

> The Company has state-of-the-art Network Operations Centre for both India as well as Africa to monitor real time network activity and to take proactive and immediate action to ensure maximum uptime of network.

> Network Planning is increasingly being done in-house, to ensure that intellectual control on architecture is retained within the Company. As part of the previously announced 'Leap Programme' in India, it continuously seeks to address issues (congestion, indoor coverage, call drops, modernisation and upgrade of data speeds, among others) to ensure better quality of network. Recent efforts also include transformation of the microwave transmission, fibre networks, secondary rings / links and submarine cable networks. The Company consistently eliminates systemic congestion in the network, and removes causes of technical failures through a quality improvement programme, as well as embedding redundancies. Tighter SLAs are reinforced upon network partners for their delivery. The Company's Network Team performance is measured, based on network stability, customer experience and competitor benchmarking. The 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's philosophy is to share infrastructure with other operators, and enter into SLA-based outsourcing arrangements. We have been proactively seeking sharing relationships on towers, fibre, VSAT, data centres and other infrastructure. The disposal of towers in Africa to independent and well-established tower companies and long-term lease arrangements with them will ensure high quality of assets and maintenance on the passive infrastructure. The Company has put in place redundancy plans for power outages, fibre cuts, VSAT breakdowns, and so on, through appropriate backups such as generators, secondary links, among others. Similar approaches are deployed for IT hardware and software capacities; and internal IT architecture teams continuously reassess the effectiveness of IT systems.

> Information Security is managed by dedicated IT professionals, given the huge dependency on automated systems, as well as to ensure that customer privacy is protected.

4. Inadequate Quality of Customer Lifecycle Management (Operational)

Outlook from last year > Expanded

Definition:

In a market dominated by prepaid customers, several inefficient processes have crept in over the years across the industry, in respect of customer acquisitions. Such practices are resulting in high rotational churn, high acquisition costs, low lifetime value of new customers, diversion of focus of sales force on acquisitions, rather than revenue generation, trade frauds, among others.

Customer mind-sets and habits are shifting rapidly, reflected in their ever-rising expectations in terms of quality, variety, features and pricing. The competitive landscape is also changing dramatically, as operators vie with one another to capture customer and revenue market shares which is accelerating customer migration from legacy 2G / 3G networks to high speed 4G networks.

The Company might see heightened competitive intensity in its non-wireless businesses on account of irrational pricing by potential new entrant leading to erosion of revenue & customers. In mobility business, the Company may face a risk of deeply discounted Volte feature phone pricing from new entrant.

Mitigating actions:

- Improved customer acquisition process like monitoring new customer acquisition churn, high acquisition recharge denominations, direct distribution, trade margins structures have been introduced. The Company has also been launching varied bundled offers to provide maximum benefits to the customers at affordable prices.
- 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. Organisational effectiveness is enhanced through appropriate design and creation of leaner and multi-functional teams. Technologies and tools (business intelligence, scientific pricing models) are deployed in managing the customer lifecycle.
- For the non-wireless businesses, the Company is focussing on ring-fencing the existing customers by offering them annual plans with increased value propositions. Focus lies on offering differentiated products to customers like higher speed, content, data roll-over, data borrow etc. The entire GTM plan has been re-invented to acquire & retain high value customers across businesses.
  - In order to protect its feature phone customers from churning to competition, the Company is focussed on upgrading the customers to smart phones at very low cost. Airtel has launched 'My First Smart phone' program which offers smart phones to customers at an effective cost of a feature phone thereby giving him more value at same cost. Airtel has tied up with leading handset manufacturers to offer a bouquet of smartphones at reduced cost to the customers and continues to tie-up with various handset manufactures to provide affordable upgrades to smartphones.
  - The Company has also been the preferred network for high value customers. The Company has strategic programmes for driving down churn through an integrated and end-to-end experience through sharp propositions for high-value customers.
  - The Company has made several measures to transform its telecom networks to improve customer experience of its subscribers. As part of open network initiative, Airtel upgraded its current network infrastructure.
  - Also its unique portfolio beyond wireless consisting of Home Broadband, Airtel Business, and DTH TV continue to grow and deliver significant value to the company.
  - The Company is also investing in building its own digital innovations such Wynk music, Airtel TV and Wynk Games. Wynk music is now the number 1 music app in the country. Earlier this year, it also launched Airtel TV which provides more than 350 live channels and 8000 movies & TV shows in 14 languages. Airtel TV is now among the top 3 TV and movie apps.

5. Non-compliance of subscriber verification norms and KYC regulations (Operational)

Outlook from last year > Stable

Definition

Regulators are introducing stringent subscriber verification and KYC guidelines, including biometric verification and quality of KYC documents.

Mitigating actions:

> The Company has invested significantly in KYC tools, including biometric scanners to improve the quality of subscriber activation and documentation processes as per required legislation. Self-compliance and reinforcing of 'tone at the top' are the key factors which ensure complete control on our compliances. The Company follows strict guidelines on quality of partners and IT systems, staff training, proactive maker-checker controls and internal audits, as well as robust internal MIS to adhere to compliances.

> The Company, in case of any such identified non-compliances, takes immediate and necessary actions as required to remediate the situation. The Company envisages to abide by both the letter and spirit of the regulation and on a timely basis communicates to its employees regarding the necessity to abide by government regulations while being sensitive towards customers.

6. Increase in cost structures ahead of revenues thereby impacting liquidity (Operational / Strategic)

Outlook from last year > Stable

Definition:

Across markets, costs structures have been increasing both from volumes (new sites rollouts, capacity) and/or rate increases (inflation, Fx impacts, wage hikes, energy etc.). With the entry of new operator, market pricing has been dampened putting pressure on margins and cash flows thereby leading to increased debt leverage. Increased investment in network to ensure quality of service, continued spends on distribution and maintaining world class customer service are expected to remain thereby heightening debt levels.

Mitigating actions:

> The Company has institutionalised the War on Waste (WOW) Programme, an enterprise-wide cost-reduction programme. This has been rolled out across all functions, business units and countries. All functions / business units / countries are targeting cost reductions and cost efficiencies. The Company continues to focus on capex optimisation through various programmes like ICR, tower-sharing, fibre sharing through IRU or co-build.

> Digitisation and automation with significant programmes on self-care, paper less acquisition, e-bill penetration, online recharges, Indoor to outdoor conversion, digital customer interactions are continuously monitored through our WoW initiative etc.

> The Company has been progressively maintaining to keep the debt levels at acceptable levels. To this end it has and continues to take decisions on inorganic sources of funding including divestment of Infratel and DTH stakes.

> Inorganic solutions to consolidate operations like Ghana are also being taken to ensure viable business models are created in these geographies. Strategic Investment Group (SIG) has been set up to look at future monetisation of any strategic investments.

7. Lack of Digitisation and Innovations around Digital Content (Strategic)

Outlook from last year > Stable

Definition

Digitization is reshaping the telecom sector and will be a key driver for innovation within the Company as companies compete in a digital ecosystem away from pure connectivity based environment. Further evolving technologies result in change in customer value propositions. Digital content and apps have now become the favourites for mobile customers. Digital Mobile money technologies, innovative mobile apps, Cloud, M2M, SaaS and other technology-based VAS products are also evolving. Such rapid technology evolution may impact the functionality of existing assets and accelerate obsolescence. Keeping pace with changing customer expectations is a big agenda for the telecom sector. Lack of Digitisation of internal business processes may render the company in-able or lethargic in turn to respond to

customer needs. Rapidly evolving technologies like robotics, block chain, app automation for internal processes in Customer, Finance, Supply Chain and HR can render the company slow in decision making and reacting to new and emerging customer, vendor, and partner expectations.

Mitigating actions:

For the last 18 months digitization for the customers has been the prime area of focus, with several digital initiatives being undertaken. Our own digital channels, 'myAirtel app' and 'Airtel.in' have seen tremendous growth in customer interaction over the course of the year, where complete self-care for retail customers is now available through these digital channels, we have also started rolling out digital retail stores which also leverage self-care on 'myAirtel app' for resolving customer issues.

> For digital growth, the Company has adopted a platform centric approach and created new digital platform for attracting millennials and digitally savvy customers. Our new online store (www.airtel.in/onlinestore) was recently launched with very unique offering for the iPhone, with a complete online journey including real-time credit. In the coming years the customers will see increased focus on this as we bring more and more devices on this platform. Homes platform being created as a digital layer on top to provide unique quad play proposition.

> The Company is also investing in building its own digital innovations such 'Wynk music', 'Airtel TV' and 'Wynk Games'. Wynk music is now the number 1 music app in the country. Earlier this year we also launched Airtel TV which provides 300 live channels and 6000 movies & TV shows in 13 languages. Airtel TV is now among the top 5 TV and movie apps.

> The sales & distribution team of out company is one of the most digitized operating team in the entire country & has won several global awards & accolades. This covers complete digitization from the sales team to feet on street, distributors, retailers and entire sales and distribution channel.

> One of the key digital initiatives being run is creating a digital network. This covers network planning, deployment (including TOCOs and MS partners), operations and network quality. In addition the Company also partnered with SKT for creating network Data Lake and building deep analytics and intelligence on top of it.

8. Lack of investment in infrastructure capacity building (Strategic)

Outlook from last year > Stable

Definition:

In order to keep pace with rising data demand of customers and to ensure competitive parity traffic, telecom companies will be required to invest heavily in building data capacities and broadband coverage expansion. Operators are adopting new strategies to provide unlimited voice and significant data benefits to customers. Additionally, today's customers is looking at seamless mobile internet experience while being technology agnostic.

Mitigating actions:

> Airtel is expanding its broadband network footprint to stay abreast with competition and fulfilling customers' expectation. As a part of expansion program, the Company will deploy additional LTE sites with fibre/backhaul readiness and will expand its coverage by strengthening its LTE FDD footprint in order to provide seamless connectivity. The surge in volume will necessitate enhancement of the LTE TDD layer to support additional traffic in select places of high throughput.

> With the explosion in data, Airtel will significantly step-up backhaul readiness on its site along with increased Fiberization and rapidly expand its transmission backbone and aggregation capacity to cater to the additional data load.

> With the increase in voice minutes exponentially, the Company has recently launched VOLTE services offering HD quality calls along with faster call set up time which once scaled up will give a significantly better experience to the customers.

> Technology has been rapidly evolving in Telecom. In the next few years wide scale commercial deployment of 5G is expected to start. In such a scenario, the Company is making its investments future proof and starting to be ready for 5G network deployment.

9. Adverse regulatory or fiscal taxation developments including compliance risks (Legal & Compliance)

Outlook from last year > Diminished

Definition:

Regulatory developments in India, South Asia and Africa can pose several challenges to the telecom sector. The telecom sector is highly taxed with high revenue share-based license fees and significant spectrum acquisition costs in auctions. Introduction of GST has proven to be a landmark decision with wide ranging impact on all businesses. Whilst it has eliminated the cascading effect of indirect taxes in the erstwhile regime, on other hand it has increased the compliance burden significantly.

Mitigating actions:

- The Company has always stood for a fair, transparent and non – discriminatory government policy on telecom regulation. It has insisted governments of all countries that sustainable regulatory regimes will lead to a healthy growth of the sector, leading to higher investments and modernisation, which in turn benefits the industry and society. The Company stands for a regime that promotes healthy, competitive pricing keeping two objectives in mind – customer interests and health of the sector. As a responsible operator, the company participates in government consultation and industry association events, to foster collaboration and knowledge sharing for best industry policies and practices.
- The Company has undertaken state wise registration of its operations and has modified its existing IT systems to deliver reporting in line with necessary compliances. Necessary operational level changes have been revamped to accommodate a state level and GST driven mechanism and processes.

10. Gaps in internal controls (financial and non-financial) (Operational)

Outlook from last year > Stable

Definition:

The Company serves over 412 Mn customers globally with a monthly average of 164 Bn minutes of voice on network and 402 Bn MBs of data carried on wireless networks located at more than 185,000 sites. Gaps in internal controls and / or process compliances not only lead to wastages, frauds and losses, but can also adversely impact the Airtel brand.

Mitigating actions:

- The Company's business philosophy is to ensure compliance with all accounting, legal and regulatory requirements proactively. Compliance is monitored meticulously at all stages of operation. Substantial investments in IT systems and automated workflow processes help minimise human errors.
- Besides internal audits, the Company also have a process of self-validation of several checklists and compliances as well as a 'maker-checker' division of duties to identify and rectify deviations early enough. The Company has also implemented GRC system (Governance, Risk and Compliance) to embed systemic controls.
- The Company has Internal Financial Controls and the Corporate Audit Group has tested such controls. The Audit Group has asserted that the Company has in place adequate tools, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records; and timely preparation of reliable financial information.

Internal Controls

The Company's philosophy towards internal control is based on the principle of healthy growth and proactive approach to risk management. Aligned to this philosophy, the Company has deployed a robust framework of internal controls that facilitates efficient conduct of business operations in compliance with the company policy; fair presentation of our financial results in a manner that is complete, reliable and understandable; ensure adherence to regulatory and statutory compliances; and safeguards investor interest by ensuring the highest level of governance. The Internal Control framework has been set up across the company and is followed at the circle and country level. This framework is assessed periodically and performance of circles and countries are measured via objective metrics and defined scorecards.

Accounting hygiene and audit scores are driven centrally through central financial reporting team and Airtel Centre of Excellence (ACE), both teams responsible for accuracy of books of accounts, preparation of financial statements and reporting the same as per the company's accounting policies. Regulatory and legal requirements, accounting standards, and other pronouncements are evaluated regularly to assess applicability and impact on financial reporting. The relevant financial reporting requirements, documented in the Group Accounting Manuals, are communicated to relevant units and enforced throughout the Group. This, together with the financial reporting calendar evidencing the tasks and timelines, forms the basis of the financial reporting process.

Deloitte Haskins & Sells LLP, the statutory auditors, have done an independent evaluation of key internal controls over financial reporting (ICOFR) and expressed an unqualified opinion stating that the company has, in all material respects, adequate internal control over financial reporting; and such internal controls over financial reporting were operating effectively as on March 31, 2018.

The Company has in place an Internal Assurance (IA) function headed by Group Director - Internal Assurance. EY and ANB & Co (ANB) are the Assurance Partners of the Company who conducts financial, compliance and process improvement audits each year. Audits are categorized into defined assurance tracks with EY responsible to audit finance, customer and technology track and ANB responsible to audit legal and regulatory track. The internal assurance plan for the year is derived from a bottoms-up risk assessment and directional inputs from the Audit Committee. The Audit Committee oversees the scope and coverage of the IA plan, and evaluates the overall results of these audits during the quarterly Audit Committee meetings. The Audit Committee also reviews the effectiveness of the internal control system, and invites functional Directors and senior management personnel to provide updates on operating effectiveness and controls, from time to time. An independent validation was also led by the Internal Assurance function to assess the effectiveness of Internal Financial Controls (IFC) and no reportable material weaknesses in the design or operation were observed.

A CEO and CFO Certificate forming part of the Corporate Governance Report, confirm the existence and effectiveness of internal Controls and reiterate their responsibilities to report deficiencies to the Audit Committee and rectify the same. The Company's code of conduct requires compliance with law and Company policies, and also covers matters such as financial integrity, avoiding conflicts of interest, workplace behavior, dealings with external parties and responsibilities to the community.

The Airtel Centre of Excellence (ACE) based in Gurugram and Bengaluru, is the captive shared service for financial accounting, Revenue Assurance, SCM and HR processes. Its global footprint across 16 countries is bolstered by standardization of all these processes across the organization with inbuilt embedded controls. Digitization of ACE is being aimed as a part of the transformation agenda and includes initiatives like system based reconciliation, reporting processes with vividly defined segregation of duties. ERP integration in Africa into an Oracle Single Instance across all African countries ensures uniformity and standardization in ERP configurations, chart of accounts, finance and SCM processes across countries. Quality of financial reporting and controls continues to show improvement. We continuously examine our governance practices to enhance investor trust and improve the Board's overall effectiveness. Initiatives such as virtual desktop interface for ultimate data security, self-validation checks, desktop reviews and regular physical verification are producing measurable outcomes through substantial improvement in control scores across India and Africa. Oracle Governance Risk & Compliance (GRC) module has been implemented for India and Africa to strengthen existing controls pertaining to access rights for various ERPs, ensuring segregation of duties and preventing possibilities of access conflicts.

Material developments in Human Resources

An overview

The significant role played by our people in sustaining Airtel's growth trajectory in turbulent times was encapsulated in our business strategy of the year, under the theme of 'Win With People'. The strong people agenda was constituted around three pillars of Learn, Lead and Grow. Airtel continued to clinch accolades including emerging among the Best Employers in

the Business Today - People Strong Survey. With over 370,000 followers on LinkedIn, Airtel has also carved a niche for itself in the social media space. At the end of March 2018, Bharti Airtel had 17,263 permanent employees employed in India & South Asia and 3,530 permanent employees employed in Africa.

India

The first pillar – Learn was envisaged to ensure that each employee becomes a 'Master of the Craft' by achieving higher levels of functional proficiencies. Airtel launched a host of marquee functional learning programs such as 'Sales Mindset in Changing Times', training in leadership presence for store employees, problem solving and design thinking for customer experience, etc. The idea behind these interventions was to equip our people to deal with the dynamic market scenario with greater dexterity. Different mediums of digital learning enabled our employees to learn on the go. The Company partnered with Coursera, a global leader in online education and learning to provide its employees with valuable learning and credentials from top universities around the globe. To ensure that employees stay at the forefront of technological innovation, the Company collaborated with Pluralsight – to provide online video training courses in the technology space. To further imbibe a strong learning culture in the organization, it introduced learning in a gamified format launching more than 30 'Airtel 101' courses, which are perfect examples of byte-sized learning, delivering information in nuggets and on the go. The year saw employees earning more than a lakh certifications on Airtel 101. The agenda of gamified micro learning was carried forward by introducing an exciting weekly contest – Fastest Finger First which witnessed an average participation of 1,000 people. It also initiated a learning challenge christened Ironman which witnessed 7000 participants clocking in more than 90,000 learning hours. Across functions, a combined total of more than 27,000 man-days worth of learning has been recorded. The people at Airtel proved to be curious learners, with more than 8,000 learners completing over 2000 online courses and clocking in more than 120,000 hours on iLearn – the Company's learning management system. It also continued to build strong teams in emerging domains like IoT, Product and Data Science.

At Airtel, we believe in creating leaders from within the organization. The second pillar – Lead was envisaged with the thought of people managers demonstrating what it is to 'Lead Right' by role modeling all key leadership behaviours. It instituted two People Leadership Programs, 'Embark' for transforming employees into first time people managers and 'Ascent', which grooms people managers to lead large teams and functions. The results have been overwhelming with more than 200 of our people poised and ready to transform into leaders of tomorrow. The Airtel Leadership Series – a continuation of the Career Fair, saw industry experts from the external world as well as senior leaders from the Company talk about the business challenges and available opportunities. The Company also launched Insight+, a 360 degree feedback tool available on a mobile app for people to seek feedback from their stakeholders and enable them to work on perceived areas of improvement. It also made career coaching real and actionable for our people and empowered them to choose their mentors and seek advice on their career path with Coaching Conversations – a tool available on our intranet platform.

Grooming and cultivating talent is a focus area around which the third pillar – Grow was designed to ensure that Airtel and employees both become 'Future Ready'. Career development programs for different functions were launched to enable and prepare its people to take up larger roles with seven such learning 'academies' being institutionalized, an example being the Retail Leadership Academy. To empower the people to take charge of their own careers and curate their career paths, we launched the My Career app on our internal mobile platform – Hive. The app enables employees to take the next big leap in their career by exploring suitable roles. The aim of these initiatives is for the people to be good navigators of their own career, and even try unconventional paths. These initiatives have resulted into a strong internal succession pipeline that helps us to provide people with growth opportunities. It also continued to focus on attracting dynamic and agile leaders of the future through its prestigious 'Young Leader' and 'Young Technical Leader' campus programs and these vibrant minds continue to infuse youthful energy and expertise.

To improve employee engagement, the Company launched "Workplace by Facebook" for all employees, opening the doors for digital collaboration and communication to all employees, with over 11,500 accounts being claimed so far. It is also keen on listening to the voice of its people, and 8200+ employees have expressed themselves via the Mood-O-Meter App.

The Company continued to strengthen its Diversity Agenda under the 'WE' – Women Empowered platform beginning with celebrating women achievers across functions and circles with the 'We Achieve' programme. It launched 'She For Change' – a compendium of stories documenting personal narratives of transformation by our women employees this Women's Day and also continued with our 'WE Lead' sessions with accomplished women leaders for the industry.

Africa

In Africa, Airtel is focusing on building functional skills within the workforce, specifically in Network & Information Technology, which is the backbone. It has recognized the need to build expertise internally, reducing the dependence on vendor-managed services. To this end, it launched Airtel 101. Through its interactive learning interface, the app provides an enjoyable and engaging learning experience for employees. In addition, Airtel E-Learning platform was revamped to feature a refreshed catalogue of programs, updated with the most current online content in a wide range of cross-functional skills. These e-learning programs are running concurrent to other classroom based and coaching interventions that are in place to enhance skills transfer. The Airtel - Tigo merger in Rwanda was announced and communicated to all employees. To ensure that the new entity molds itself in the Airtel culture, steps were taken to build cohesiveness amongst teams. We implemented a dedicated people focused strategy encompassing all facets of human resources. In Ghana, we operationalized the formation of the joint venture with Tigo.

Giving back to the community has always been one of the key priorities for Airtel in Africa. The "Change Maker awards" provides a platform to our OpCos to showcase best practices in CSR and employee participation. This year's Change Maker Awards were presented to Kenya, Malawi, Madagascar and Tanzania. Driven by the vision of HR being a core business function that lays the road instead of just filling the cracks, harnessing people energies and talent has been a significant factor in the business turnaround. As a business critical function, HR in Africa is keeping pace with the changing workforce trends of adopting technology and mobility.

At Airtel, our endeavor is to create and groom a rich pool of talent across verticals to contribute to our vision of building a vibrant, agile, digital and dynamic organization. As it marches into the future with optimism and zeal, it hopes to groom its people to take on bigger challenges with remarkable adroitness and flair.

Outlook

Indian economy is expected to reclaim the fastest growing economy title in 2018. Strong private consumption and services are expected to continue to provide fillip to India's growth. Government of India's Digital Drive will focus on digital technologies and be the biggest driver in improving quality of education, healthcare and rural sector. The budget proposal to double the allocation to Digital India initiative is a fine booster to transform the digital economy. This will provide enormous opportunity to telecom industry as well and guide telcos to move to next-gen networks efficiently and effectively. This would also work on development of the Internet of Things and machine to machine applications. The high usage of mobile internet during the year has accelerated digital adoption in India, even in rural pockets. The digital industry in India has leapfrogged in the past few years, with the number of smartphone users in the country estimated at ~400 Mn in 2018, and phones accounting for >70% of all internet consumption. Increased internet penetration allows global brands to reach the doorsteps of customers in remote places, adding to the value of investing in India.

Africa's economic pulse has accelerated infusing the continent with a new commercial vibrancy. Telecommunications, banking, and retailing are flourishing. Sub-Saharan Africa's telecom market offers strong revenue growth opportunities in most markets, with more than 1.0 Bn mobile connections and over USD 45 Bn in total service revenue forecasted by 2022. The increased availability of low-cost smartphones and improved coverage of 3G and 4G networks are helping to drive the demand for data connectivity and the take-up of digital services including mobile money which has significantly contributed to changing the financial inclusion landscape.

With convergence of mobility services, entertainment, banking, education, role of a smartphone has expanded enormously. Airtel is the only player with an integrated product portfolio, and wide geographical presence. Bharti Airtel's Network leadership and excellent customer experience delivery will continue to stimulate Company's growth against its competitors.

Report on Corporate Governance

Corporate Governance is more than a set of processes and compliances at Bharti Airtel Limited. It underlines the role that we see for ourselves for today, tomorrow and beyond.

The following report on Corporate Governance reflecting ethos of Bharti Airtel Limited (Bharti Airtel / Airtel / the Company) and its continuous commitment to ethical business principles across its operations, lays down the best practices and the procedures adopted by the Company in line with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and internationally followed standards of corporate governance.

Governance Philosophy

At Bharti Airtel, 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.

Our governance philosophy reflect our commitment to disclose timely and accurate information regarding our financial and operational performance, as well as our 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 the best talent and resources to translate our short-term and long-term strategies into a viable business blueprint.

Our Board of Directors ('Board') shapes the long-term vision and policy approach to steadily elevate the quality of governance in our organisation. We follow global standards of Corporate Governance and continuously benchmark ourselves to adopt the best practices. 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. The Board puts a lot of emphasis on creating a global talent pool, compliant ethical business practices and making all our actions consistent with the need to protect the environment by following green practices and technologies.

Our Board represents a confluence of experience and expertise across diverse areas, ranging from global finance, telecommunication, general management, administrative services and consulting.

There is a clear demarcation of duties and responsibilities among the Chairman and Managing Directors & CEOs to ensure best corporate performance and socio-economic value creation.

Our governance conforms to global standards through continuous evaluation and benchmarking. The broad tenets Company follows are:

- Transparent procedures and practices and decisions based on adequate information.
- Compliance with all relevant laws in letter and spirit.
- High levels of disclosures to disseminate corporate, financial and operational information to all stakeholders.
- Policies on tenure of Directors, rotation of Auditors and a Code of Conduct for Directors and Senior Management.
- Constitution of various Committees for Audit, HR and Nomination, Risk Management, Corporate Social Responsibility, Employee Stock Option Plans, Stakeholders' Relationship etc.
- Complete and timely disclosure of relevant financial and operational information to enable the Board to play an effective role in guiding strategies.
- 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 for open and transparent discussions and placing these before the Board and management.
- Formal induction schedule and familiarisation programme for new Board members that enable them to meet individually with the top management team, customers etc.
- Regularly reviews and establishes effective meeting practices that encourage active participation and contribution from all members.
- Independence of Directors in reviewing and approving corporate strategy, major business plans and activities.
- 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.

Bharti Airtel has always followed the highest principles and standards of corporate governance and continually endeavoured to outperform its peers. Bharti Airtel's global recognition, among others by Transparency International, FTI Consulting, Asian Centre for Corporate Governance & Sustainability, The Institute of Directors (Golden Peacock Award for excellence in Corporate Governance) and the Institute of Company Secretaries of India is a grand acknowledgement of the defined and structured framework of Corporate Governance embedded in Bharti Airtel's culture.

Corporate Governance Rating

CRISIL has assigned to Bharti Airtel its Governance and Value Creation (GVC) rating, viz. CRISIL GVC Level 1 for Corporate Governance practices. 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 is fully cognizant that standards are a constantly upwardly moving target. Therefore, it always strives to benchmark itself with the best companies in India and globally and to maintain the highest ratings for its practices.

Governance Structure

Sustaining a culture of integrity along with high performance orientation and an adaptive management style in today's dynamic business environment needs a robust governance structure. The Corporate Governance structure of the Company is multi-tiered, comprising governing / management Boards at various levels, each of which is interlinked in the following manner:

- At the apex level is the Board of Directors and various committees, which collectively direct the highest standards of Corporate Governance and transparency in the Company's functioning. The Board exercises independent judgment in overseeing management performance on behalf of the share owners and other stakeholders, and hence, plays a vital role in the oversight and management of the Company. The Board is chaired by the Chairman, who is responsible for the overall strategy development, alliances, leadership development, international opportunities, strengthening governance practices and enhancing brand value and Airtel's global image and reputation.
- At one level below the Board, strategic co-ordination and direction is provided by the Airtel Corporate Council (ACC). The ACC is headed by the Chairman and comprises the Managing Directors & CEOs and selected senior management personnel as its members. The key role and responsibilities of the ACC are provided later in this report.
- The Managing Director & CEO (India & South Asia) is responsible for strategy deployment and overall business performance of India and South Asia. He is supported by the Airtel Management Board (AMB). The Company's business in India is structured into six business units (BUs) i.e. Mobile Services, Homes, Airtel Business, Global Voice & Data Business, Wynk and Emerging Businesses and Digital TV Services. While the Mobile Services business is headed by the MD & CEO (India & South Asia) himself, the other five businesses are headed by respective CEOs. The Company's operations in India are run in 22 Circles, each headed by Circle CEO or a Chief Operating Officer, each supported by an Executive Committee. The Sri Lankan operations are headed by the Country MD, supported by an Executive Committee.
- 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 Committee (Exco). Each of the operations in the 14 countries in Africa are headed by a Country MD, each supported by an Executive Committee.
- The AMB in India and South Asia, and Exco in Africa provide support relating to the Company's business strategy and also derive operational synergies across business units. They own and drive company-wide processes, systems, policies, and also function as role models for leadership development and as catalysts for imbibing customer centricity and meritocracy in the Company.
- Airtel's governance structure thus helps in clearly determining the responsibilities and entrusted powers of each of the business entities, enabling them to fulfill those responsibilities in the most effective manner. It also allows the Company to retain the organisational DNA, while enabling effective delegation of authority and empowerment at all levels.
- Airtel Payments Bank is an unlisted subsidiary in which the Company owns 80.10%, the remaining 19.90% is held by Kotak Mahindra Bank. The Payment Bank's operations are managed by its MD & CEO, under the supervision of an independent Board.
- The Passive Infrastructure business is deployed, owned and managed by Bharti Infratel Limited (Infratel), a listed subsidiary company. Infratel's operations are managed by its Managing Director & CEO under the supervision of an Independent Board. The business transactions between the Company and Infratel are undertaken on an arms' length basis, since it provides services to other telecom operators as well, on a non-discriminatory basis.

Board of Directors

Composition of the Board

The Company's Board is an optimum mix of Executive, Non-Executive and Independent Directors, and conforms with the provisions of the Companies Act, 2013, Listing Regulations,

FDI guidelines, terms of shareholders' agreement and other statutory provisions. The Board comprises eleven members which includes a Chairman, a Managing Director & CEO (India & South Asia), three Non-Executive Directors and six Independent Directors.

Detailed profile of each of the Directors is available on the Company's website at www.airtel.com in the 'Investors' section.

The Company's Board members are from diverse backgrounds with skills and experience in critical areas like technology, global finance, telecommunication, entrepreneurship, administrative services, consulting and general management. Many of them have worked extensively in senior management positions in global corporations, and others are business leaders of repute with a deep understanding of the global business environment. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory, as well as business requirements.

As per the Company's Policy on Nomination, Remuneration and Board Diversity, selection of a new Board member(s) is the responsibility of the HR and Nomination Committee, which is subsequently approved by the Board. All the appointments are made with unanimous approval. The appointment of such new Director is subsequently approved by the shareholders at the Annual General Meeting (AGM). While the shareholders' representative Directors are proposed by the respective shareholders, Independent Directors are selected from diverse academic, professional or technical background depending upon business needs.

Independent Directors

The Company has a policy on Independent Directors, their roles, responsibilities and duties are consistent with the Listing Regulations and Section 149 of the Companies Act, 2013. It sets out the criteria of independence, age limits, recommended tenure, committee memberships, remuneration and other related terms of appointment. The policy emphasises importance of independence. As per the policy:

a) The Independent Director must meet the baseline definition and criteria on 'independence' as set out in Listing Regulations and Section 149 of the Companies Act, 2013 and other regulations.

b) The Independent Director must not be disqualified from being appointed as Director in terms of Section 164 and other applicable provisions of the Companies Act, 2013.

c) The minimum age is 25 years and the maximum is 70 years.

d) The Independent Directors are not to be on the Board of more than six listed companies. However, pursuant to the Listing Regulations if the Independent Director is serving as a Whole-time Director in any listed company then he shall not serve as an Independent Director in more than three listed companies.

e) The maximum tenure is two terms of five years each. However, the second term is subject to approval by shareholders by way of special resolution.

The Company has issued letters of appointment to all the Independent Directors. This letter inter-alia sets out the roles, functions, duties and responsibilities, details regarding remuneration, training and development and performance evaluation process. The detailed terms and conditions of the appointment of Independent Directors are available on the Company's website i.e. http://www.airtel.in/wps/wcm/connect/2ffaf2d2-d542-44e2-a42a-50225c9245f5/Terms-and-Conditions-of-Appointment-of-Independent-Director.pdf?MOD=AJPERES.

At the time of appointment and thereafter at the beginning of each financial year, the Independent Directors submit a self-declaration, confirming their independence and compliance with various eligibility criteria laid down by the Company among other disclosures and the Company also ensures that its Directors meet the above eligibility criteria. All such declarations are placed before the Board for information.

Lead Independent Director

The Company has for a long time followed the practice of appointing a Lead Independent Director. Mr. Craig Ehrlich is currently designated as the Lead Independent Director and his role and responsibilities, inter-alia, are to:

> Preside over all deliberation sessions of the Independent Directors.

> Provide objective feedback of the Independent Directors as a group to the Board on various matters, including agenda and other matters relating to the Company.

> Undertake such other assignments, as may be requested by the Board from time to time.

Meeting of Independent Directors

The Independent Directors meet separately at least once in a quarter, prior to the commencement of Board meeting, without the presence of any Non-Independent Directors or representatives of management. They meet to discuss and

form an independent opinion on the agenda items, various other Board-related matters, identify areas where they need clarity or information from management and to annually review the performance of Non-Independent Directors, the Board as a whole and the Chairman. The Lead Independent Director updates the Board about the proceedings of the meeting.

In these meetings, the Independent Directors also engage with Statutory Auditors, as well as Internal Assurance Partners at least once a year, to discuss internal audit effectiveness, control environment, internal financial controls and their general feedback. The Lead Independent Director updates the Audit Committee / the Board about the outcome of the meetings and action, if any, required to be taken by the Company.

During FY 2017-18, the Independent Directors met four times i.e. on May 09, 2017, July 25, 2017, October 31, 2017 and January 18, 2018.

Familiarisation programme for Board members

The Company has adopted a well-structured two-day induction programme for orientation and training of Directors at the time of their joining so as to provide them with an opportunity to familiarise themselves with the Company, its management, its operations and the industry in which the Company operates.

The induction programme includes one-to-one interactive sessions with the top management team, business and functional heads among others, and also includes visit to networks centre to understand the operations and technology. Apart from the induction programme, the Company periodically presents updates at the Board/Committee meetings to familiarise the Directors with the Company's strategy, business performance, operations, product offerings, finance, risk management framework, human resources and other related matters. The Board members also visit Airtel outlets and meet customers / other stakeholders for gaining first-hand experience about the products and services of the Company.

The Board has an active communication channel with the executive management, which enable Directors to raise queries, seek clarifications for enabling a good understanding of the Company and its various operations. Quarterly updates, press releases and mid-quarter updates are regularly circulated to the Directors to keep them abreast on significant developments in the Company.

Detailed familiarisation programme for Directors is available on the Company's website at http://www.airtel.in/wps/wcm/connect/ea0152dc-a649-40ae-89d9-b3cec142d249/Familiarisation+Programme+for+Board+Members.pdf?MOD=AJPERES&ContentCache=NONE

Board Evaluation

One of the key functions of the Board is to monitor and review the Board evaluation framework. In compliance with the provisions of the Companies Act, 2013 and the Listing Regulations, the HR and Nomination Committee has approved the process, format, attributes and criteria for the performance evaluation of the Board, Board Committees and Individual Directors including the Chairman and MD & CEO (India and South Asia).

The process provides that the performance evaluation shall be carried out on an annual basis. During the year, the Directors completed the evaluation process, which included evaluation of the Board as a whole, Board Committees and individual Directors including the Chairman and the MD & CEO (India and South Asia). The evaluation process was facilitated by an independent consulting firm.

Performance of the Board and Board Committees was 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, engagement with colleagues on the Board, responsibility towards stakeholders and independent judgement. All the directors were subject to peer-evaluation.

The Chairman and the MD & CEO (India & South Asia) were evaluated on certain additional parameters, such as performance of the Company, leadership, relationships, communication, recognition and awards received by the Company.

Some of the performance indicators based on which the Independent Directors were evaluated include:

- Devotion of sufficient time and attention towards professional obligations for independent decision making and for acting in the best interest of the Company.
- Providing strategic guidance to the Company and help determine important policies with a view to ensure long-term viability and strength.
- Bringing external expertise and independent judgement that contributes objectivity in the Board's deliberation, particularly on issues of strategy, performance and conflict management.

All Directors participated in the evaluation process. The results of evaluation were discussed in the Independent Director's meeting, respective Committee meetings and in the Board Meeting held on April 24, 2018. The Board discussed the

performance evaluation reports of the board, board committees, individual directors, Chairman and Managing Directors & CEO (India and South Asia) and also noted the suggestions / inputs of independent directors, HR and Nomination Committee and respective committee Chairman. Recommendations arising from this entire process were deliberated upon by the Board to augment its effectiveness and optimize individual strengths of the Directors.

Board Meeting Schedules and Agenda

The calendar for the Board and Committee meetings, in which the financial results would be considered in the ensuing year, as well as major items of the agenda are fixed in advance for the whole year. The Board Calendar for the financial year 2018-19 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 necessity, additional Board meetings are called.

The Audit Committee and the HR and Nomination Committee meetings are generally held on the same dates as Board meetings. To ensure an immediate update to the Board, the Chairman of the respective committee briefs the Board about the proceedings of the respective committee meetings.

The Company Secretary, in consultation with the Chairman, prepares Board and Committee meeting's agenda. The detailed agenda, along with explanatory notes and annexures, as applicable are sent to the Board and Committee members, at least a week before the meetings except for the meetings called at a shorter notice. 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 to promote objective decision making.

The Board devotes its significant time in evaluation of current and potential strategic issues and reviews Company's business plans, Corporate strategy and risk management issues based on the markets it operates in and in light of global industry trends and developments to help achieve its strategic goals.

Global CFO and other Senior Management members are invited to the Board meetings to present reports on the items being discussed at the meeting. In addition, the functional heads of various business segments / functions are also invited at regular intervals to present updates on their core areas.

Information available to the Board

The Board has complete access to all the relevant information within the Company and to all the employees of the Company. The information shared on a regular basis with the Board specifically includes:

- Annual operating plans, capital budgets and updates therein.
- Quarterly and annual consolidated and standalone results and financial statements of the Company and its operating divisions or business segments.
- Minutes of meetings of the Board and Board Committees, resolutions passed by circulations, and Board minutes of the unlisted subsidiary companies.
- Information on recruitment / remuneration of senior officers just below Board level.
- Material important show cause, demand, prosecution notices and penalty notices, if any.
- Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems, if any.
- Any material default in financial obligations to and by the Company or substantial non-payment for services provided by the Company.
- Any issue which involves possible public or product liability claims of substantial nature, if any.
- Details of any acquisition, joint venture or collaboration agreement.
- Transactions involving substantial payment towards goodwill, brand equity or intellectual property.
- Human resource updates and strategies.
- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly treasury reports.
- Quarterly compliance certificates with the 'Exceptions Reports', which includes non-compliance of any regulatory, statutory nature or listing requirements and shareholders service.
- Disclosures received from Directors.
- Proposals requiring strategic guidance and approval of the Board.

- Related party transactions.
- Regular business updates.
- Update on Corporate Social Responsibility activities.
- Significant transactions and arrangements by subsidiary companies.
- Report on action taken on last Board meeting decisions.

Number of Board Meetings

During FY 2017-18, the Board met eight times i.e. on May 09, 2017, July 18, 2017, July 25, 2017, October 12, 2017, October 31, 2017, December 19, 2017, January 18, 2018 and March 12, 2018. Requisite information, according to the requirements of Regulation 34 of the Listing Regulations is provided below:

Name of Director	Director Identification Number	Category	Number of other directorships[1] and committee[2] memberships and chairmanships			No. of board meetings attended (total held during tenure)	Whether attended last AGM
			Directorships	Committees			
				Chairman	Member		
Mr. Sunil Bharti Mittal	00042491	Chairman	14	Nil	Nil	8(8)	Yes
Mr. Gopal Vittal	02291778	Executive Director	4	Nil	1	7(8)	Yes
Ms. Chua Sock Koong[3]	00047851	Non-Executive Director	1	Nil	Nil	4(8)	Yes
Mr. Rakesh Bharti Mittal	00042494	Non-Executive Director	17	Nil	Nil	8(8)	Yes
Sheikh Faisal Thani Al-Thani[4]	06675785	Non-Executive Director	N.A.	N.A.	N.A.	0(3)	No
Mr. Rashed Fahad Al-Noaimi[5]	07887199	Non-Executive Director	N.A.	N.A.	N.A.	0(2)	N.A.
Ms. Tan Yong Choo	02910529	Non-Executive Director	1	Nil	Nil	7(8)	Yes
Mr. Ben Verwaayen	06735687	Independent Director	Nil	Nil	Nil	3(8)	No
Mr. Craig Ehrlich	02612082	Independent Director	Nil	Nil	Nil	2(8)	Yes
Mr. D.K. Mittal	00040000	Independent Director	11	Nil	4	8(8)	Yes
Mr. Manish Kejriwal	00040055	Independent Director	4	Nil	2	4(8)	No
Mr. Shishir Priyadarshi	03459204	Independent Director	1	Nil	Nil	5(8)	No
Mr. V. K. Viswanathan	01782934	Independent Director	8	4	4	8(8)	Yes

1. The directorships, held by Directors, as mentioned above, do not include the directorships held in foreign body corporates and Bharti Airtel Limited.
2. Committees considered for the purpose are those prescribed under Regulation 26 of the Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited companies other than Bharti Airtel Limited. Committee memberships details provided do not include chairmanship of committees as it has been provided separately.

3. One meeting was attended by Mr. Mark Chong Chin Kok, alternate director and one meeting was attended by Mr. Tao Yih Arthur Lang, alternate director.
4. Sheikh Faisal Thani Al-Thani resigned w.e.f. July 25, 2017.
5. Mr. Rashed Fahad Al-Noaimi was appointed as non-executive director w.e.f. July 25, 2017 and resigned w.e.f. November 22, 2017.
6. Except Mr. Sunil Bharti Mittal and Mr. Rakesh Bharti Mittal, who are brothers, none of the Directors are relatives of any other director.
7. As on March 31, 2018, apart from Mr. Gopal Vittal, Managing Director & CEO (India & South Asia) who holds 298,885 equity shares, no other Director of the Company holds shares in the Company.

Nomination, Remuneration & Board Diversity

In terms of the Listing Regulations and Companies Act, 2013, the Board has approved a Policy on Nomination, Remuneration and Board Diversity for Directors, KMPs and other Senior Management Personnel and includes the criteria of making payments to non-executive directors.

The Company's remuneration policy is directed towards rewarding performance based on a periodic review of the achievements periodically.

The detailed Nomination, Remuneration and Board Diversity Policy is annexed as Annexure B to the Board's Report. The Company affirms that the remuneration paid to the Directors is as per terms laid out in the Nomination, Remuneration and Board Diversity Policy.

Directors' Remuneration

The details of the remuneration of Directors during FY 2017-18 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	--	201,352,623	90,000,000	10,616,146	--	301,968,769
Mr. Gopal Vittal	--	78,911,194	47,500,000	35,522	--	126,446,716
Non-executive directors						
Mr. Rakesh Bharti Mittal	--	--	--	--	3,000,000	3,000,000
Mr. Ben Verwaayen	300,000	--	--	--	14,463,506	14,763,506
Ms. Chua Sock Koong	--	--	--	--	3,910,500	3,910,500
Mr. Craig Ehrlich	200,000	--	--	--	8,472,750	8,672,750
Mr. D.K. Mittal	1,300,000	--	--	--	7,080,822	8,380,822
Mr. Manish Kejriwal	400,000	--	--	--	6,338,356	6,738,356
Ms. Tan Yong Choo	--	--	--	--	3,910,500	3,910,500
Sheikh Faisal Thani Al-Thani	--	--	--	--	1,232,075	1,232,075
Mr. Rashed Fahad Al-Noaimi	--	--	--	--	1,285,644	1,285,644
Mr. Shishir Priyadarshi	500,000	--	--	--	9,776,250	10,276,250
Mr. V.K. Viswanathan	800,000	--	--	--	8,000,000	8,800,000
Total	**3,500,000**	**280,263,817**	**137,500,000**	**10,651,668**	**67,470,403**	**499,385,888**

> 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 2017-18 and will get paid basis actual performance parameters in the next financial year. At 100% performance level, the gross remuneration of Mr. Sunil Bharti Mittal was ₹ 301,968,769 for FY 2017-18 and ₹ 301,442,108 for FY 2016-17 and that of Mr. Gopal Vittal was ₹ 126,446,716 for FY 2017-18 and ₹ 92,884,551 for FY 2016-17. During the year, Mr. Sunil Bharti Mittal and Mr. Gopal Vittal were paid ₹ 105,000,000 and ₹ 38,131,027 respectively as PLI for previous year 2016-17.

- During the year, Mr. Gopal Vittal was granted 105,000 and 30,000 stock options on August 08, 2017 under ESOP Scheme 2005 at an exercise price of ₹ 5 per Option, with vesting period spread over 3 years and 2 years respectively. The above remuneration of Mr. Gopal Vittal does not include perquisite value of ₹ 43,286,800 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 August 19, 2016 and with Mr. Gopal Vittal dated July 24, 2017. These are based on the approval of the shareholders. There are no other contracts with any other director.
- No notice period or severance fee is payable to any director.
- There were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company.

Board Committees

In compliance with the statutory requirements, the Board has constituted various committees with specific terms of reference and scope. The objective is to focus effectively on the issues and ensure expedient resolution of the diverse matters. The committees operate as the Board's empowered agents according to their charter / terms of reference. The Constitution and charter of the Board Committees are available on the Company's website, www.airtel.com, and are also stated herein.

Audit Committee

The Board in their meeting held on January 18, 2018, constituted separate Risk Management Committee and the nomenclature of Audit & Risk Management Committee was changed to Audit Committee. Audit Committee comprises four Directors, three of whom are independent. The Chairman of the Committee, Mr. V. K. Viswanathan, Independent Director is a Chartered Accountant and has sound financial knowledge, as well as many years of experience in general management. All members of the Audit Committee, including the Chairman, have accounting and financial management expertise. The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and the Listing Regulations.

The Company Secretary is the Secretary to the Committee. The Managing Director & CEO (India & South Asia), the Managing Director & CEO (Africa), the Global CFO, the Group Director – Internal Assurance, the Statutory Auditors, Internal Auditors and Internal Assurance Partners are permanent invitees.

The Chairman of the Committee was present at the last AGM, held on July 24, 2017.

Key Responsibilities of the Audit Committee

- Oversee the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statements are correct, sufficient and credible.
- Consider and recommend to the Board, the appointment (including filling of a casual vacancy), resignation or dismissal, remuneration and terms of appointment (including qualification and experience) of the Statutory Auditor, Internal Auditors / Chief Internal Auditor, Cost Auditor and Secretarial Auditor.
- Prior approval of non-audit services that can be provided by the Statutory Auditors and approval of payment of such non-audit services.
- Prior approval of all transactions with related party(ies), subsequent modifications of transactions with related parties and review of the statement of significant related party transactions with specific details of the transactions.
- Discussion with the Statutory Auditor before the commencement of audit about the nature and scope of the audit to be conducted and post-audit discussion to ascertain any areas of concern.
- To call for comments of the Auditors about internal control system, including the observation of the Auditors, review financial statement before their submission to the Board and discussion on any related issues with the Internal and Statutory Auditors and the management of the Company.
- Review, with the Management, the quarterly financial statements before submission to the Board for approval.
- Review, with the Management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' responsibility statement, included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statement.

- Disclosure of all related party transactions.
- Modified opinion(s) in the draft audit report.

- Review the following information:
  - Management Discussion and Analysis of financial condition and results of operations.
  - Management letter / letters of internal control weaknesses issued by the Statutory Auditors.
  - Internal Audit Reports relating to internal control weaknesses.
  - The financial statements, in particular the investments, if any, made by unlisted subsidiary companies.
  - Quarterly compliance certificates confirming compliance with laws and regulations, including any exceptions to these compliances.
- Oversee the functioning of the Vigil Mechanism / Whistle Blower Mechanism.
- Establish the systems for storage, retrieval and display of books of accounts and other financial records in electronic format.
- Review the findings of any internal investigation by the Internal Auditors into matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Review the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.
- Approve the appointment, re-appointment and removal of Company's Chief Financial Officer after assessing the qualifications, experience and background, among others, of the candidate.
- Review the Company's financial and risk management policies, implementation of treasury policies, strategies and status of investor relation activities.
- Ensure that the internal audit function is effective, adequately resourced, and to review coordination between Internal and Statutory Auditors.
- 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 scrutinize the inter-corporate loans and investments.
- Monitor and review with the Management, the statement of uses / application of funds raised through an issue (public issue, right issue and preferential issue, among others), the statement of funds utilised for purposes, other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Valuation of undertakings or assets of the Company, wherever necessary.
- Appointment of a registered valuer of the Company and fixation of their terms and conditions.
- Evaluation of internal financial controls.
- Delegate above said functions to Sub-Committees, whenever required.
- The Audit 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 Regulations and the Companies Act, 2013.

Powers of the Audit 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 Committee

During FY 2017-18, the Committee met six times i.e. on May 09, 2017, July 25, 2017, October 31, 2017, December 19, 2017, January 18, 2018 and March 12, 2018.

Beside the Committee meetings as above, the Committee also holds a conference call before every regular Committee meeting to discuss routine internal audit issues and other matters. This provides an opportunity to the Committee to devote more time on other significant matters in the regular Committee meeting. During FY 2017-18, the Committee had met four times through the conference call i.e. May 02, 2017, July 18, 2017, October 17, 2017 and January 16, 2018.

All recommendations made by the Audit Committee were accepted by the Board.

The composition and the attendance of members at the meetings held during FY 2017-18, are given below:

Name	Category	Number of meetings attended (total held during tenure)	Number of conference calls attended (total conducted during tenure)
Mr. V. K. Viswanathan (Chairman)	Independent Director	6(6)	4(4)
Mr. Craig Ehrlich	Independent Director	2(6)	4(4)
Ms. Tan Yong Choo	Non-Executive Director	5(6)	4(4)
Mr. Dinesh Kumar Mittal	Independent Director	6(6)	3(4)

Audit Committee Report for the year ended March 31, 2018

To the Shareholders of Bharti Airtel Limited

The Audit Committee ("Committee") is pleased to present its report for the year ended March 31, 2018:

1. The Committee presently comprises four members of whom three-fourths, including the Chairman are Independent Directors, as against the requirement of two-thirds prescribed under Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

2. The responsibility for the Company's internal controls and financial reporting processes lies with the Management. The Statutory Auditors have the responsibility of performing an independent audit of the Company's financial statements in accordance with the Indian Accounting Standards (Ind-AS) and issuing a report thereon. The Ombudsperson is responsible for the Company's Whistle Blower Mechanism.

3. The Company has in place an Internal Assurance Group (IAG) headed by a Group Director – Internal Assurance, who acts as the Chief Internal Auditor in accordance with Section 138 of the Companies Act (the incumbent has resigned effective March 8, 2018 and the Company is in the process of identifying a suitable replacement). The Company also has Ernst & Young LLP and ANB & Co., Chartered Accountants, Mumbai as the internal assurance partners which carry out the internal audit basis a detailed internal audit plan which is reviewed each year in consultation with the IAG and the Audit Committee. These audits are based on risk based methodology and inter-alia involve the review of internal controls and governance processes, adherence to management policies and review of statutory compliances. Besides the Committee meetings as above, the Committee also holds a conference call before every regular Committee meeting to specifically discuss internal audit issues. This provides an opportunity to the Committee to devote more time on internal control & audit issues and make the regular Committee meeting time available for other matters within its scope. During FY 2017-18, the Committee met four times through conference calls i.e. May 02, 2017, July 18, 2017, October 17, 2017 and January 16, 2018. All recommendations made by the Audit Committee were accepted by the Board. The Internal Assurance Partners share their findings on an ongoing basis during the year for corrective action.

4. The Audit Committee oversees the work of Statutory Auditors, Internal Auditors, IAG, Internal Assurance Partners and the Ombudsperson. It is also responsible for overseeing the processes related to the financial reporting and information dissemination.

5. In this regard, the Audit Committee reports as follows:

   I. The Committee has discussed with the Company's Internal Auditors (viz. IAG), Internal Assurance Partners and Statutory Auditors the overall scope and plan for their respective audits. The Committee has also discussed the results and effectiveness of the audit, evaluation of the Company's internal controls and the overall quality of financial reporting.

   II. The Management has presented the Company's financial statements to the Committee and affirmed

that the Company's financial statements have been drawn in accordance with Ind-AS. Based on its review and the discussions conducted with the Management and the Statutory Auditors, the Committee believes that the Company's financial statements are fairly presented in conformity with applicable accounting standards in all material aspects. The Committee also considers that the financial statements are true and fair and provide sufficient information. The Committee believes the Company has followed adequate processes to prepare these financial statements.

III. The Committee has reviewed both abridged and unabridged versions of the standalone and consolidated financial statements for the year ended March 31, 2018. It has recommended the same for the Board's approval.

IV. The Committee has reviewed the internal controls for ensuring that the Company's accounts are properly maintained and that the accounting transactions are in accordance with prevailing laws and regulations. In conducting such reviews, the Committee found no material deficiency or weakness in the Company's internal control systems.

V. The Committee reviewed the Company's internal financial controls and risk management systems from time to time. During the year the Company has constituted a separate Risk Management Committee which shall focus on risk management including determination of company's risk appetite, risk tolerance and regular risk assessments (risk identification, risk quantification and risk evaluation) etc.

VI. The Committee reviewed the Ombudsperson's report on the functioning of the Whistle Blower Mechanism for reporting concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's Code of Conduct or ethics policy. The Committee believes that the Company has an effective Whistle Blower Mechanism and nobody has been denied access to this mechanism.

VII. The Committee has reviewed with the Management, the independence and performance of Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of the Company.

VIII. The Committee, along with the Management, reviewed the performance of the Internal Assurance Partners viz. Ernst & Young LLP and ANB & Co., Chartered Accountants, Mumbai during the financial year 2017-18. The Committee has also reviewed the eligibility and independence of Ernst & Young LLP and ANB & Co. and has recommended to the Board the re-appointment of Ernst & Young LLP and ANB & Co. as the internal assurance partners.

IX. The Committee has been vested with the adequate powers to seek support and other resources from the Company. The Committee has access to the information and records as well. It also has the authority to obtain professional advice from external sources, if required.

X. The Audit Committee monitored and approved all related party transactions, including any modification / amendment in any such transactions.

In conclusion, the Audit Committee is sufficiently satisfied that it has complied with the responsibilities as outlined in the Audit Committee's Charter.

Place: New Delhi
Date: April 24, 2018

V. K. Viswanathan
Chairman, Audit Committee

HR and Nomination Committee

The Committee comprises five Non-Executive Directors, of whom three members, including, the Chairman of the Committee are Independent Directors. The composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The Company Secretary acts as the Secretary of the Committee. The Global Chief HR Officer is a permanent invitee to the Committee meetings. Other Senior Management members are also invited to the meeting to present reports relating to items being discussed at the meeting.

Key Responsibilities of the HR and Nomination Committee

HR Related

- Formulation and recommendation to the Board, of a policy relating to remuneration of Directors, Key Managerial Personnel* and other employees.
- Determine the compensation (including salaries and salary adjustments, incentives / benefits, bonuses) and performance targets of the Chairman and of the Managing Directors & CEO's.
- In the event of no profit or inadequate profit, to approve the remuneration payable to managerial persons, taking into account the Company's financial position, industry trend, appointee's qualification, experience, past performance, past remuneration while bringing objectivity in determining the remuneration package, while striking a balance between the Company's interest and shareholders.
- Attraction and retention strategies for employees.
- Review employee development strategies.
- Assess the learning and development needs of the Directors and recommend learning opportunities, which can be used by Directors to meet their needs for development.
- Review all human resource related issues, including succession plan of key personnel.
- The Committee shall also consider any other key issues / matters as may be referred by the Board, or as may be necessary in view of Regulation 19 of the Listing Regulations or any other statutory provisions.

ESOP Related

- Formulation of ESOP plans and decide on future grants;
- Formulation of terms and conditions on following under the present ESOP Schemes of the Company with respect to:
  - Quantum of options to be granted under ESOP Scheme(s) per employee and in the aggregate under a plan.
  - Performance conditions attached to any ESOP Plan.
  - Conditions under which options vested in employees may lapse in case of termination of employment for misconduct.
  - Exercise period within which the employee should exercise the option, and that option would lapse on failure to exercise the option within the exercise period.
  - Specified time period within which the employee must exercise the vested options in the event of termination or resignation of an employee.
  - Right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period.
  - Procedure for making a fair and reasonable adjustment to the number of options and to the exercise price, in case of rights issues, bonus issues and other corporate actions.
  - Grant, vest and exercise of option in case of employees, who are on long leave, and the procedure for cashless exercise of options.
  - Any other matter which may be relevant for administration of ESOP schemes from time to time.
- To frame suitable policies and processes to ensure that there is no violation of SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
- 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.
- Review succession planning for Executive and Non-Executive Directors and other Senior Executives, particularly the Chairman, Managing Directors & CEOs.
- Recommend suitable candidate for the role of Lead Independent Director.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Conduct an annual evaluation of the overall effectiveness of the Board, the Committees of the Board and the performance of each Director.
- Review the Terms of Reference of all committees of the Board, including itself on an annual basis, and recommend any changes to the Board.

*Key Managerial Personnel' means: i) the Chief Executive Officer or the Managing Director or the Manager; ii) the Company Secretary; iii) the Whole-time Director; iv) the Chief Financial Officer.

**Senior Management' means personnel of the Company who are members of its core management team excluding Board of Directors, comprising all members of the Management one level below the Executive Directors, including the functional heads.

Meetings, Attendance and Composition of HR and Nomination Committee

During FY 2017-18, the Committee met four times i.e. May 09, 2017, July 25, 2017, October 31, 2017 and January 18, 2018.

The composition and the attendance of members at the meetings held during FY 2017-18, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Ben Verwaayen, Chairman	Independent Director	3(4)
Ms. Chua Sock Koong*	Non-Executive Director	2(4)
Mr. Manish Kejriwal	Independent Director	4(4)
Mr. Rakesh Bharti Mittal	Non-Executive Director	4(4)
Mr. Shishir Priyadarshi	Independent Director	4(4)

*Two meetings attended by Mark Chong Chin Kok and Tao Yih Arthur Lang, alternate director(s).

The details relating to remuneration of Directors, as required under Listing Regulations have been given under a separate section, viz. 'Directors Remuneration' in this Report.

Stakeholders' Relationship Committee

In compliance with the Regulation 20 of the Listing Regulations, requirements and provisions of Section 178 of the Companies Act, 2013, the Company has a Stakeholders' Relationship Committee. The Committee comprises four members including two Independent Directors. Mr. Rakesh Bharti Mittal, Non-Executive Director is the Chairman of the Committee. The Company Secretary acts as Secretary to the Committee.

Key Responsibilities of the Stakeholders' Relationship Committee

The key responsibilities of the Stakeholders' Relationship Committee include the following:

- Formulation of procedures, in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time.
- Consider and resolve the complaints / grievances of security holders of the Company, including complaints related to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend.
- Dematerialise or re-materialise the share certificates.
- Approve the transmission of shares or other securities arising as a result of death of the sole / any of joint shareholder.
- Sub-divide, consolidate and / or replace any share or other securities certificate(s) of the Company.
- Issue duplicate share / other security(ies) certificate(s) in lieu of the original share / security(ies) certificate(s) of the Company.

- Approve, register and refuse to register transfer / transmission of shares and other securities.
- To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).
- Oversee & review, all matters connected with the transfer of securities of the Company.
- Oversee the performance of the Company's Registrar and Share Transfer Agent.
- Recommend methods to upgrade the standard of services to the investors.
- To deal with the Company's unclaimed / undelivered shares, as prescribed in the relevant regulation of the Listing Regulations.
- To do all such acts, deeds and things as may be necessary in this regard.

The meetings of the Committee are generally held as and when deemed necessary, to review and ensure that all investor requests / grievances are redressed within stipulated time period.

Meetings, Attendance and Composition of Stakeholders' Relationship Committee

During FY 2017-18, the Committee met seven times i.e. on May 09, 2017, July 25, 2017, October 31, 2017, November 23, 2017, December 19, 2017, January 18, 2018 and March 12, 2018. The composition and the attendance of members at the meetings held during FY 2017-18, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Rakesh Bharti Mittal, Chairman	Non-Executive Director	7(7)
Mr. Manish Kejriwal	Independent Director	4(7)
Mr. Gopal Vittal	Executive Director	6(7)
Mr. D.K. Mittal	Independent Director	7(7)

Compliance Officer

Mr. Rohit Krishan Puri, Dy. Company Secretary, acts as the Compliance Officer of the Company for complying with the requirements of the Listing Regulations and requirements of securities laws, including SEBI (Prohibition of Insider Trading) Regulations, 2015.

Nature of Complaints and Redressal Status

During FY 2017-18, 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 2017-18 are as follows:

Type of complaint	Number	Redressed	Pending on March 31, 2018
Non-receipt of securities	0	0	Nil
Non-receipt of Annual Report	2	2	Nil
Non–receipt of dividend / dividend warrants	1	1	Nil
Miscellaneous	1	1	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 deem necessary to cater to the day to day requirements of the Company.

The Committee comprises four members including two Independent Directors. Mr. Rakesh Bharti Mittal, Non-Executive Director is the Chairman of the Committee. The Company Secretary acts as Secretary to the Committee.

Meetings, Attendance and Composition of Committee of Directors

During FY 2017-18, the Committee met six times i.e. on May 09, 2017, July 25, 2017, October 31, 2017, January 18, 2018, March 9, 2018 and March 13, 2018. The composition and the attendance of members at the meetings held during FY 2017-18, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Rakesh Bharti Mittal, Chairman	Non-Executive Director	6(6)

Name	Category	Number of meetings attended (total held during tenure)
Mr. D.K. Mittal	Independent Director	6(6)
Mr. Manish Kejriwal	Independent Director	4(6)
Mr. Gopal Vittal	Executive Director	6(6)

Key Responsibilities of the Committee of Directors (within the limit approved by the Board)

Investment Related

- To grant loans to any body corporate / entity.
- To give guarantee(s) in connection with loan made to any body corporate / entity.
- To negotiate, finalise, amend, modify, approve and accept the terms and conditions with respect to aforesaid loans and / or guarantee(s) from time to time.
- To purchase, sell, acquire, subscribe, transfer or otherwise deal in the shares / securities of any Company, body corporate or other entities.

Treasury Related

- To borrow such sum of money, as may be required by the Company from time to time provided that the money already borrowed, together with the money to be borrowed by the Company does not exceed the limits provided under Section 180 of the Companies Act, 2013 i.e. upto the paid up capital and free reserve of the Company.
- To create security / charge(s) on all or any of the assets of the Company for the purpose of securing credit facility(ies) of the Company.
- To deal in government securities, units of mutual funds, fixed income and money market instruments, fixed deposits and certificate of deposit programme of banks and other instruments / securities / treasury products of banks & financial institutions as per treasury policy of the Company.
- To deal in foreign exchange and financial derivatives linked to foreign exchange and interest rates including, but not limited to foreign exchange spot, forwards, options, currency swaps and interest rate swaps.
- To open, operate, close, change in authorisation for any Bank Account, Subsidiary General Ledger (SGL) Account, Dematerialisation / Depository Account.
- To approve, finalise and authorise the execution of any deed, document, letter or writing in connection with the aforesaid activities, including borrowing / credit facilities, creation of charge.

Allotment of Shares

- Issue and allot shares of the Company in one or more tranches as per the terms of the ESOP Schemes for the time being in force or upon conversion of Foreign Currency Convertible Bonds issued by the Company.
- To seek listing of shares issued as above on one or more Stock Exchanges in India and all such shares being pari-passu with the existing equity shares of the Company in all respects.
- To do all such acts, deeds and things, as may be necessary and incidental to allotment and listing of shares.

General Authorisations

- To open, shift, merge, close any branch office, circle office.
- To approve for participation into any tender, bid, auction by the Company.
- To register the Company with any Central / State Government authorities, Semi-Government authorities, local authorities, tax authorities including sales tax, service tax, value added tax authorities, labour law authorities, administrative authorities, business associations and other bodies.
- To purchase, sell, take on lease / license, transfer or otherwise deal with any property.
- To apply for and surrender any electricity, power or water connection.
- To appoint any Merchant Banker, Chartered Accountant, Advocate, Company Secretary, Engineer, Technician, Consultants and / or Professionals for undertaking any assignment for and on behalf of the Company.
- To constitute, reconstitute, modify, dissolve any trust or association with regard to the administrative matters or employee related matters and to appoint, reappoint, remove, replace the trustees or representatives.
- To authorise one or more employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s) jointly or severally to:
  - represent the Company before Central Government, State Governments, Judicial, Quasi-judicial and other statutory / administrative authorities or any other entity.

- negotiate, finalise, execute, modify, sign, accept, and withdraw all deed, agreements, undertakings, certificates, applications, confirmations, affidavits, indemnity bonds, surety bonds, and all other documents and papers.
- affix common seal of the Company.
- enter into, sign, execute and deliver all contracts for and on behalf of the Company.

- To do all such acts, deeds and things as may be required for the smooth conduct of the operations of the Company and which does not require the specific approval of the Board of the Company or which has specifically been delegated by the Board to any other Committee of the Board or any officer, employee or agent of the Company.
- To perform such other functions as may be authorised / delegated by the Board or as might have been authorised / delegated to the erstwhile Borrowing Committee, Investment Committee, Committee of Director or the Allotment Committee.
- To authorise / delegate any or all of its power to any person, officer, representative.

Special Committee of Directors (Monetization of stake in Bharti Infratel Limited)

The Special Committee of Directors (Monetization of stake in Bharti Infratel Limited) evaluates the proposal for monetization of stake in Bharti Infratel Limited. The Committee meets as and when necessary to explore divestment in Bharti Infratel Limited.

The Committee comprises three members including one independent director. Mr. Rakesh Bharti Mittal, Non-Executive Director is the Chairman of the Committee. The Company Secretary acts as Secretary to the Committee.

Meetings, Attendance and Composition of Special Committee of Directors (Monetization of stake in Bharti Infratel Limited)

During FY 2017-18, the Committee met one time i.e. on October 31, 2017. The composition and the attendance of members at the meetings held during the FY 2017-18, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Rakesh Bharti Mittal, Chairman	Non-Executive Director	1(1)
Ms. Chua Sock Koong	Non-Executive Director	1(1)
Mr. D.K. Mittal	Independent Director	1(1)

Key Responsibilities of the Special Committee of Directors (Monetization of stake in Bharti Infratel Limited)

- To engage and negotiate with the prospective buyers including in relation to the terms of sale provided that the terms shall be subject to the approval of the board of directors and no agreements shall be approved and or executed except after the approval of the board of directors.
- To appoint, terminate, reappoint legal advisors, advisors, consultants, and any other professionals or intermediaries etc. on such terms and conditions as deemed fit.
- To represent the Company before any prospective buyer and any regulatory and / or statutory authorities and departments.
- To delegate all or any of the authorisations conferred as above to any Officer(s) / Authorized Representative(s) of the Company.
- To do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, usual or proper in furtherance of the above.

Special Committee of Directors (Restructuring of overseas holding structure)

The Special Committee of Directors (Restructuring of overseas holding structure) evaluates the proposal for restructuring of overseas holding structure of the Company. The Committee meets as and when necessary.

The Committee comprises three members including one independent director. Mr. Rakesh Bharti Mittal, Non-Executive Director is the Chairman of the Committee. The Company Secretary / Deputy Company Secretary acts as Secretary to the Committee.

Meetings, Attendance and Composition of Special Committee of Directors (Restructuring of overseas holding structure)

During the year no meeting of Special Committee of Directors (Restructuring of overseas holding structure) was convened.

Key Responsibilities of the Special Committee of Directors (Restructuring of overseas holding structure)

- To evaluate the proposal for restructuring of overseas holding structure.
- To appoint, terminate, reappoint legal advisors, advisors, consultants, and any other professionals or intermediaries etc. on such terms and conditions as deemed fit.
- To represent the Company before any regulatory and / or statutory authorities and departments.
- To delegate all or any of the authorisations conferred as above to any Officer(s) / Authorized Representative(s) of the Company.
- To do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper in furtherance of the above.

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. Rakesh Bharti Mittal, Non-Executive Director, is the Chairman of the Committee. The Company Secretary acts as secretary to the Committee.

Key Responsibilities of the CSR Committee

- Formulate, monitor and recommend to the Board CSR Policy and the activities to be undertaken by the Company.
- Recommend the amount of expenditure to be incurred on the activities undertaken.
- Review the Company's performance in the area of CSR.
- Evaluate social impact of the Company's CSR activities.
- Review the Company's disclosure of CSR matters including any annual social responsibility report.
- Review the following, with the Management, before submission to the Board for approval
  - The Business Responsibility (BR) Report
  - CSR Report
  - Annual Sustainability Report
- Formulate and implement the BR policies in consultation with the respective stakeholders.
- Establish a monitoring mechanism to ensure that the funds contributed by the Company are spent by Bharti Foundation, or any other charitable organisation to which the Company makes contributions, for the intended purposes only.
- Approve the appointment or re-appointment of Directors responsible for Business Responsibility.
- Nominate at least one member of the CSR Committee as a trustee of Bharti Foundation.
- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the Listing, Corporate Social Responsibility Voluntary Guidelines, 2009 and the Companies Act, 2013.

On the recommendation of the CSR Committee, the Board had on April 29, 2014, 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 2017-18, the Committee met three times i.e. on May 09, 2017, November 21, 2017 and January 18, 2018. The composition and the attendance of members at the meetings held during the FY 2017 -18, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Rakesh Bharti Mittal, Chairman	Non-Executive Director	3(3)
Mr. D.K. Mittal	Independent Director	3(3)
Mr. Gopal Vittal	Executive Director	2(3)

Corporate Social Responsibility Report for the year ended March 31, 2018

The CSR Report for the year ended March 31, 2018 is annexed as Annexure D to the Board's Report.

Risk Management Committee

The Board in its meeting held on January 18, 2018, constituted separate Risk Management Committee to focus on risk management including determination of Company's risk

appetite, risk tolerance and regular risk assessments (risk identification, risk quantification and risk evaluation) etc.

The Committee comprises seven members viz. Mr. D. K. Mittal, Mr. V.K. Viswanathan, Mr. Rakesh Bharti Mittal, Mr. Gopal Vittal, Mr. Nilanjan Roy, Group Director, Internal Assurance and Mr. Pankaj Tewari. Mr. D.K. Mittal is the Chairman of the Committee. The Company Secretary / Dy. Company Secretary acts as secretary to the Committee.

During the year no Risk Management Committee meeting was held.

Authority

a) Obtain any legal or independent professional advice on matters to be deliberated in the Risk Management Committee.

b) Access sufficient resources to carry out its duties.

Key Responsibilities of the Risk Management Committee

> Formulate and review risk management policy;

> Approve the process for risk identification;

> Assess / Determine risk appetite and monitor risks (including Cyber Security risk);

> Implement, monitor and review the risk management framework, risk management plan and related matters;

> Advise the board on risk strategy;

> Foster an appropriate risk culture; and

> Delegate above said authorities to sub-committees, whenever required.

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 secretary to the Committee.

Key Responsibilities of the ACC Committee

> Strategic Management and supervision of Company's business; CEO Board Report.

> Formulation of Company's annual business plan including objectives and strategies, capex, and investments. Approval of the variation in the Approved Annual Operating Plan up to 5% negative deviation.

> Formulation of organisation policies, systems and processes, concerning the Company's operations.

> Review and recommend for approval of all items / proposals relating to restructuring, new line of business, investments, 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 in relation to the Company and its subsidiaries in India, Africa and SA, as a shareholder.

> Acquisition, disposal, transfer of any immovable property of value exceeding any amount in excess of the duly approved respective DoA's.

> Formation, modification, withdrawal, implementation of systems, policies, control manuals and other policy frameworks for operational efficiency and risk management. The Committee to agree in advance the specific key operational efficiency / risk management matters that business must present at each meeting.

> Approval for contribution to any political party / political trust within the overall limit set by the Board.

> Business Development transaction related updates/next steps.

> Financial Restructuring / Treasury Strategy.

> Review and approval of all strategic consulting assignments.

> Change of Company's brand name, logo, and trade mark. All brand launches (new or rebranding to be presented to ACC, prior to formally committing material expenditure).

Powers of ACC in respect of the Subsidiaries and their step down Subsidiaries (Other than listed subsidiaries)

> Formulation of business plan, including any strategic initiative, investments, capex, borrowing including refinancing and extension, among others.

> Nomination of the respective subsidiaries nominee on Board of other companies.

> Entry into / exit from business / major business activities, in any manner whatsoever, including purchase, sale, lease, franchise, among others.

With respect to overseas subsidiaries and their step down subsidiaries, the power of ACC is confined to performing key shareholder functions.

General Body Meetings

The details of last three Annual General Meetings (AGMs) are as follows:

Financial Year	Location	Date	Time	Special Resolutions passed
2016-2017	Air Force Auditorium, Subroto Park, New Delhi - 110010	July 24, 2017	1530 Hrs. (IST)	1. Re-appointment of Mr. Manish Kejriwal as an Independent Director 2. Amendment in the Employee Stock Option Scheme 2005 of the Company
2015-2016		August 19, 2016	1530 Hrs. (IST)	1. Adoption of new Articles of Association of the Company 2. Alteration of Memorandum of Association of the Company
2014-2015		August 21, 2015	1530 Hrs. (IST)	No Special Resolution Passed

Tribunal Convened Meetings

Pursuant to the Order dt. July 28, 2017 by the Hon'ble Special Bench of the National Company Law Tribunal (Tribunal), the meeting of equity shareholders of the Company was held as per below details:

Location	Date	Time	Special Resolution passed
Sri Sathya Sai International Centre, Pragati Vihar, Bhisham Pitamah Marg, Lodhi Road, New Delhi – 110003	September 19, 2017	0930 Hrs. (IST)	Approval of Scheme of amalgamation between Telenor (India) Communications Private Limited and the Company

Mr. Sanjay Grover of Sanjay Grover and Associates, Company Secretaries, New Delhi (C.P. No. 3850) was appointed as a Scrutinizer by the Tribunal for conducting the poll at the Tribunal Convened Meeting of the equity shareholders.

Details of Poll conducted at the Tribunal Convened meeting:

Details of Agenda	No. of valid votes	Votes cast in favour of the resolution (no. & %)	Votes cast against the resolution (no. & %)
Approval of Scheme of amalgamation between Telenor (India) Communications Private Limited and the Company	3,729,191,826	3,728,392,180 (99.98%)	799,646 (0.02%)

Postal Ballot

The Board had on March 12, 2018 approved the Notice of Postal Ballot / E-Voting for passing of special resolution for Issue of unsecured / secured redeemable Non-Convertible Debentures / Bonds by way of Private Placement.

Person Conducting the Postal Ballot Exercise

Mr. Gopal Vittal, Managing Director & CEO (India & South Asia), Mr. Mukesh Bhavnani, Group General Counsel, Mr. Pankaj Tewari, Company Secretary and Mr. Rohit Krishan Puri, Deputy Company Secretary were appointed as persons responsible for the entire postal ballot / e-voting process. Mr. Sanjay Grover of Sanjay Grover & Associates, Company Secretaries, New Delhi (C.P. No. 3850) was appointed as the Scrutinizer for conducting the postal ballot / e-voting process in a fair and transparent manner.

Procedure followed / to be followed

1. In compliance with the Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108, 110 and other applicable provisions of the Companies Act, 2013, read with the rules made thereunder, the Company

has 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 has the option to vote either by physical ballot or e-voting.

2. The Company has dispatched the postal ballot notice dated March 12, 2018 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, March 30, 2018. The Company has also published a notice in the newspaper declaring the details of completion of dispatch on April 10, 2018 and April 11, 2018 and other requirements as mandated under the Act and applicable rules.

3. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the Scrutinizer on or before the close of business hours on Wednesday, May 09, 2018. The members who opts for the e-voting can vote during Tuesday, April 10, 2018 from 09:00 a.m. and Wednesday, May 09, 2018 till 05:00 p.m. (both days inclusive).

4. The Scrutinizer will submit his report, after the completion of scrutiny.

5. The results of the postal ballot will be announced by the Chairman or any other director authorised by him on Friday, May 11, 2018. The last date specified for receipt of duly completed Postal Ballot Forms and closure of e-voting i.e. May 09, 2018, will be taken as the date of passing the resolution.

6. The result of the postal ballot along with the scrutinizer's report will be displayed at the registered office of the Company, hosted at the Company's website at www.airtel.com and on the website of Karvy i.e. https://evoting.karvy.com and will be communicated to the Stock Exchanges where the Company's shares are listed.

Apart from the above announcement of results, there is no immediate proposal for passing any other special resolution through Postal Ballot on or before ensuing Annual General Meeting.

Code of Conduct

In compliance with Regulation 17 of the Listing Regulations and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct for all Directors and Senior Management personnel. The code is available on the Company's website www.airtel.com. The Code is applicable to all Board members and Senior Management personnel who directly report to the Chairman, the Managing Director & CEO (India & South Asia). The Code is circulated to all Board members and Senior Management Personnel and its compliance is affirmed by them annually.

Besides, the Company also procures a quarterly confirmation of material financial and commercial transactions entered into by Senior Management personnel with the Company that may have a potential conflict of interest.

A declaration signed by the Managing Director & CEO (India & South Asia), regarding affirmation of the compliance with the Code of Conduct by Board Members and Senior Management for the financial year ended March 31, 2018, 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 / self-certifications are conducted across locations to explain and reiterate the importance of adherence to the code.

Disclosures and Policies

Disclosure on Materially Significant Related Party Transactions that may have potential conflict with the interest of Company at large

All transactions entered into with related parties as defined under the Companies Act, 2013 and the Listing Regulations during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

None of the transactions with any of the related parties were in conflict with the interest of the Company rather, they synchronise and synergise with the Company's operations. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 34 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 Committee and to the Board of Directors, on quarterly basis in terms of Regulation 23(3) of the Listing Regulations and other applicable laws for approval / information. Prior omnibus approval is obtained for Related Party Transactions which are of repetitive in nature.

The Company's major related party transactions are generally with its subsidiaries and associates. These transactions are entered into based on consideration of various business exigencies, such as synergy in operations, sectoral specialisation, liquidity and capital resource of subsidiary and associates and all such transactions are on 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 the Listing Regulations. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties. The Policy is posted on the website of the Company at http://www.airtel.in/wps/wcm/connect/36a5305d-f0ba-490c-9eff-152ef6811917/BAL-Policy-on-Related-Party-Transactions.pdf?MOD=AJPERES.

Disclosure on Risk Management

The Company has established an Enterprise-wide Risk Management (ERM) framework to optimally identify and manage risks, as well as to address operational, strategic and regulatory risks. In line with the Company's commitment to deliver sustainable value, this framework aims to provide an integrated and organised approach to evaluate and manage risks. Risk assessment monitoring is included in the Company's annual Internal Audit programme and reviewed by the Audit Committee / Risk Management Committee at regular intervals. In compliance with Regulation 17 and 21 of the Listing Regulations, the Board of Directors has formulated a Risk Management Policy for framing, implementing and monitoring the risk management plan for the Company.

The Board is periodically updated on the key risks, steps and processes initiated for reducing and, if feasible, eliminating various risks. Business risk evaluation and management is an ongoing process within the Company.

Detailed update on risk management framework has been covered under the risk section, forming a part of the Management Discussion and Analysis.

Details of Non-compliance with regard to Capital Markets during the last three years

There have been no instances of non-compliances by the Company and no penalties and / or strictures have been imposed by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

Insider Trading

In compliance with the SEBI regulation on prevention of insider trading, the Company has established systems and procedures to prohibit insider trading activity and has formulated a code on insider trading for designated persons, who may have access to the Company's price sensitive information. The Code lays down procedures to be followed and disclosures to be made, while trading in the Company's shares.

The Company follows highest standards of transparency and fairness in dealing with all stakeholders and ensures that no insider shall use his or her position with or without knowledge of the Company to gain personal benefit or to provide benefit to any third party.

Ombudsperson Policy / Whistle Blower Policy

Bharti Airtel has adopted an Ombudsperson Policy (includes Whistle Blower Policy). It outlines the method and process for stakeholders to voice genuine concerns about unethical conduct that may be in breach with the employees' Code of Conduct. The policy aims to ensure that genuine complainants are able to raise their concerns in full confidence, without any fear of retaliation or victimisation. The Policy also allows for anonymous reporting of complaints. The Ombudsperson administers the entire formal process from reviewing and investigating concerns raised, undertaking all appropriate actions for resolution thereof and regular monitoring of ombuds process to strengthen its effectiveness and adequacy. Instances of serious misconduct dealt with by the Ombudsperson are reported to the Audit 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 Committee.

Auditors' Certificate on Corporate Governance

As required under Regulation 34 of the Listing Regulations, the auditors' certificate on Corporate Governance is annexed as Annexure I to the Board's Report.

CEO and CFO Certification

The certificate required under Regulation 17(8) of the Listing Regulations, duly signed by the CEO and CFO of the Company was placed before the Board. The same is provided as Annexure B to this report.

Subsidiary Companies

The Company monitors performance of subsidiary Companies, inter-alia, by the following means:

- Financial Statements, in particular investments made by unlisted subsidiary companies, are reviewed quarterly by the Audit Committee.

- Minutes of the Board Meetings of unlisted subsidiary companies are regularly placed before the Board.
- A statement containing significant transactions and arrangements entered into by unlisted subsidiary companies is placed before the Board.

Bharti Infratel Limited, the Company's material Indian subsidiary, is listed on Stock Exchanges and therefore, the Company is not required to nominate a Director on the Board of Bharti Infratel Limited.

The Board of Directors have formulated a Policy for determining material subsidiaries pursuant to the provisions of the Listing Regulations. The same is posted on the Company's website at http://www.airtel.in/wps/wcm/connect/7e99add6-9401-4ab3-899a-07572390a956/BAL-Policy-for-determining-Material-Subsidiaries.pdf?MOD=AJPERES.

Compliance with the Mandatory Requirements of the Listing Regulations

The Board of Directors periodically review the compliance of all applicable laws. The Company has complied with all the mandatory requirements of the Code of Corporate Governance as specified in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations. It has obtained a certificate affirming the compliances from Deloitte Haskins & Sells LLP, Chartered Accountants, the Company's Statutory Auditors and the same is attached to the Board's Report.

Details of Compliances with the Non-mandatory Requirements of Regulation 27 of the Listing Regulations.

In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements Regulation 27(1) of the Listing Regulations:

(i) Shareholders' Rights

The Company has a policy of announcement of the audited quarterly results. The results, as approved by the Board of Directors (or Committee thereof) are first submitted to Stock Exchanges within 30 minutes under Regulation 30 of the Listing Regulations of the approval of the results. Once taken on record by the 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.

(ii) Audit Qualifications

Company's financial statements are unqualified.

(iii) Separate posts of Chairman and CEO

The positions of the Chairman of the Board and the Managing Director & Chief Executive Officer of the Company are held by separate individuals.

(iv) Reporting of Internal Auditor / Internal Assurance Partners

The Internal Auditors / Internal Assurance Partners directly reports to the Audit Committee.

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 correspondence / communications through email to those shareholders who have registered their email id with their depository participants / Company's registrar and share transfer agent. In case the shareholders desire to receive a printed copy of such communications, they send a requisition to the Company. The Company forthwith sends a printed copy of the communication to the shareholder.

Status of Dividend Declared

Status of the dividend declared by the Company is as under:

Amount in ₹ Millions

Financial Year	Rate of Dividend per equity share of ₹ 5 each	Total Pay-out	Amount Paid to the shareholders	Amount un-paid to the shareholders
2017-18 (Interim)	₹ 2.84	11,352.62	11,351.68	0.94
2016-17	₹ 1	3,997.40	3,991.24	6.16
2015-16	₹ 1.36	5,436.46	5,427.88	8.59
2014-15	₹ 2.22	8,874.23	8,860.86	13.37
2014-15 (Interim Dividend)	₹ 1.63	6,515.76	6,505.78	9.99
2013-14	₹ 1.80	7,195.32	7,184.27	11.05
2012-13	₹ 1	3,797.53	3,791.06	6.47
2011-12	₹ 1	3,797.53	3,790.80	6.73
2010-11	₹ 1	3,797.53	3,791.16	6.37

The Company constantly endeavours to reduce the unpaid dividend amount. The shareholders, who have not claimed their dividend for the above financial years are requested to contact the Company or its Share Transfer Agent.

Equity Shares in the Suspense Account

In terms of Regulation 34 of the Listing Regulations, the details of the equity shares lying in the suspense accounts, which were issued in physical form, are as follows:

Particulars	Number of Shareholders	Number of equity shares
Number of shareholders and aggregate number of shares as transferred to the Unclaimed Suspense Account outstanding as on April 01, 2017	7	19
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	6	18
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2018	1	1

The voting rights on the share(s) in the suspense account as on March 31, 2018 shall remain frozen till the rightful owners of such share(s) claim the share(s) .

Means of Communication

Quarterly Results: The Company's Quarterly Audited Results are published in prominent daily newspapers, viz. Mint (English daily) and Hindustan (vernacular newspaper) and are also uploaded on the Company's website www.airtel.com.

News releases, presentations: Official news releases and official media releases are sent to Stock Exchanges and uploaded on the Company's website www.airtel.com.

Earning Calls & Presentations to Institutional Investors / Analysts: The Company organises an earnings call with analysts and investors on the next day of announcement of results, which is also broadcast live on the Company's website. The transcript of the earnings call is posted on the website soon after. Any specific presentation made to the analysts / others is also uploaded on the Company's website www.airtel.com.

NSE Electronic Application Processing System (NEAPS)/ BSE Corporate Compliance & Listing Centre: The NEAPS/ BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance fillings, like shareholding pattern, Corporate Governance Report, media releases and other material information is also filed electronically on the designated portals.

Website: Upto 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.

Shareholders Satisfaction Survey: In our constant endeavour to strengthen the shareholder service standards, a Shareholders Satisfaction Survey is conducted through a Shareholders Feedback Form uploaded on the Company's website www.airtel.com under 'Investors' section. Accordingly, members may provide their valuable feedback.

Since the time of listing of shares, Bharti Airtel adopted a practise of releasing a quarterly report, which contains financial and operating highlights, key industry and Company developments, results of operations, stock market highlights non-GAAP information, ratio analysis, summarised financial statements and so on. The quarterly reports are posted on the Company's website and are also submitted to the Stock Exchanges, where the Company's shares are listed.

General Shareholders' Information

23rd Annual General Meeting

Date	:	August 08, 2018
Day	:	Wednesday
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, 2018	:	July 26, 2018, (Thursday)
September 30, 2018	:	October 25, 2018, (Thursday)
December 31, 2018	:	January 17, 2019, (Thursday)
March 31, 2019	:	April 23, 2019 (Tuesday)

Book Closure

Saturday, August 04, 2018 to Wednesday, August 08, 2018 (both days inclusive).

Final Dividend

₹ 2.50 per equity share of ₹ 5/- each (i.e. 50.00% on the face value of the shares).

Dividend Pay-out Date

On or after August 08, 2018 (within the statutory time limit of 30 days i.e. up to September 07, 2018), subject to the approval of the shareholders.

Equity Shares Listing, Stock Code and Listing Fee Payment

Name and address of the Stock Exchange	Scrip code	Status of fee paid for FY 2018-19
National Stock Exchange of India Limited Exchange Plaza, C-1 Block G Bandra Kurla Complex, Bandra, Mumbai – 400001	BHARTIARTL	Paid
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001	532454	Paid

Debentures Listing and Listing Fee Payment

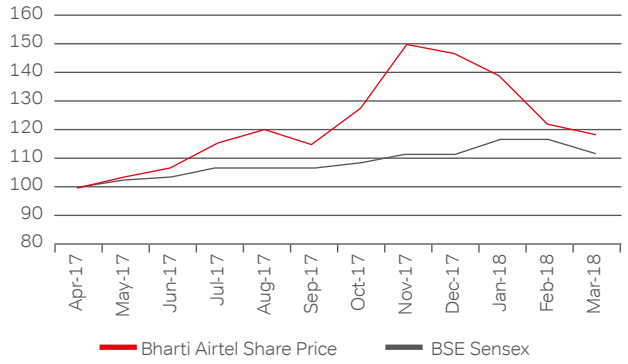
Name and address of the Stock Exchange	Scrip code	Status of fee paid for FY 2018-19
National Stock Exchange of India Limited Exchange Plaza, C-1 Block G Bandra Kurla Complex, Bandra, Mumbai – 400001	BAL20 BAL21	Paid

Stock Market Data for the Period April 01, 2017 to March 31, 2018

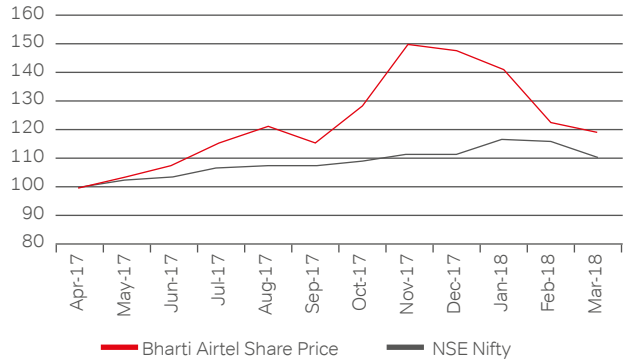
Month	BSE			NSE		
	High	Low	Volume (Nos.)	High	Low	Volume (Nos.)
April 2017	361.35	333.25	47,26,962	361.95	332.75	5,93,38,264
May 2017	381.50	336.95	75,03,227	381.60	336.50	12,36,20,920
June 2017	386.45	361.00	66,39,494	386.35	360.60	6,89,74,184
July 2017	431.00	373.35	97,05,730	431.60	373.35	8,60,41,584
August 2017	438.00	403.70	24,99,266	438.15	403.75	5,45,08,784
September 2017	430.15	370.00	24,80,960	430.45	371.00	7,91,81,681
October 2017	519.35	373.10	95,34,448	519.35	373.15	19,70,62,070
November 2017	565.00	480.00	47,50,82,156	564.80	481.15	22,93,86,228
December 2017	547.20	477.00	1,97,91,369	547.50	476.85	13,20,10,586
January 2018	542.25	422.20	5,39,81,181	542.50	435.05	18,66,10,123
February 2018	449.15	403.00	63,51,520	449.40	403.20	14,22,48,998
March 2018	436.70	391.10	92,19,414	436.60	391.25	11,54,58,421

Source: www.bseindia.com **Source:** www.nseindia.com

Bharti Airtel Share Prices Vs. BSE Sensex



Bharti Airtel Share Price Vs. NSE Nifty



Registrar and Transfer Agent

All the work related to share registry, both in physical and electronic form, is handled by the Company's Registrar and Transfer Agent at the address mentioned in the communication addresses section.

Share Transfer System

As much as 99.86% of the Company's equity shares are in electronic format. These shares can be transferred through the depositories without the Company's involvement.

Transfer of shares in physical form is processed within 15 days from the date of receipt, provided the documents are complete in all respects. All transfers are first processed by the Transfer Agent and are submitted thereafter to the Company, for approval. The Transfer Agent has been authorised to transfer minor shareholding up to 50 shares per instrument without the Company's involvement.

Pursuant to Regulation 40(9) of the Listing Regulations, 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 statutory stipulated period. A copy of the certificates so received is submitted to both Stock Exchanges, where the shares of the Company are listed.

Distribution of Shareholding

By number of shares held as on March 31, 2018

Sl. no.	Category (by no. of shares)	No. of shareholders	% to holders	No. of shares	% of shares
1	1 – 5000	194,871	97.43	15,671,641	0.40%
2	5001 – 10000	2,013	1.01	3,049,839	0.07%
3	10001 – 20000	1,016	0.51	2,968,767	0.07 %
4	20001 – 30000	390	0.19	1,944,855	0.05%
5	30001 – 40000	193	0.09	1,366,884	0.03%
6	40001 – 50000	121	0.06	1,123,232	0.03%
7	50001 – 100000	279	0.14	3,995,395	0.10%
8	100001 – above	1,132	0.57	3,967,279,489	99.25%
Total		**2,00,015**	**100 %**	**3,997,400,102**	**100%**

By category of holders as on March 31, 2018

S. no.	Category	No. of shares	%age of holding
I	**Promoter and Promoter Group**		
(i)	Indian promoters	2,002,818,452	50.10
(ii)	Foreign promoters	680,963,103	17.04
Total Promoters shareholding		2,683,781,555	67.14
II	**Public Shareholding**		
(A)	**Institutional Investors**		
(i)	Mutual Funds and Unit Trust of India	264,178,731	6.60
(ii)	Financial institutions and Banks	3,108,671	0.08
(iii)	Insurance companies	227,466,498	5.70
(iv)	Foreign Institutional Investors	1,262,459	0.03
(v)	Others - Foreign Portfolio Investors	736,191,176	18.42
(B)	**Others**		
(i)	Bodies Corporate (Indian)	24,101,590	0.60
(ii)	Bodies Corporate (Foreign)	2,532,710	0.06
(iii)	Trusts	8,717,006	0.22
(iv)	NRIs / OCBs / Foreign Nationals / QFI	2,315,817	0.06
(v)	Resident Individuals	36,868,027	0.92
(vi)	Indian Public & Others	6,875,862	0.17
Total Public Shareholding		**1,313,618,547**	**32.67**
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 INE397D01024.

The Company's equity shares are frequently traded at the BSE Limited and the National Stock Exchange of India Limited.

Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments as on date.

Disclosure of commodity price risks and commodity hedging activities

The Company follows prudent Board approved risk management policies. A detailed note on commodity price risks and commodity hedging activities is given in Management Discussion and Analysis forming part of Annual Report.

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. Pankaj Tewari** Sr. VP & Company Secretary or **Mr. Rohit Krishan Puri** Dy. Company Secretary & Compliance Officer	compliance.officer@bharti.in	**Bharti Airtel Limited** Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi 110 070 Telephone no. +91 011-46666100 Fax no. +91 11 46666137 Website: www.airtel.com
For queries relating to Financial Statements	**Ms. Komal Sharan** Head - Investor Relations	ir@bharti.in	
For Corporate Communication related matters	**Mr. Raza Khan** Head - Group Corporate Communications	corporate.communications@bharti.in	
Registrar & Transfer Agent	**Karvy Computershare Pvt. Ltd.**	einward.ris@karvy.com	Karvy Selenium Tower B, Plot number 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 Telephone no. +91 040-67162222 Fax No. 040-23001153 Website: www.karvy.com
Debentures Trustee	**Chief Financial Officer** Axis Trustee Services Limited	debenturetrustee@axistrustee.com	Ground Floor, Axis House Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai-400 025 Telephone No. +91 022-62260050/54 Fax No. 022-43253000

Annexure A

Declaration

I hereby confirm that the Company has received from all the members of the Board and Senior Management, for the financial year ended March 31, 2018, a confirmation that they are in compliance with the Company's Code of Conduct.

For **Bharti Airtel Limited**

Date: April 24, 2018
Place: New Delhi

Gopal Vittal
Managing Director & CEO (India & South Asia)

Annexure B

Chief Executive Officer (CEO) / Chief Financial Officer (CFO) certification

We, Gopal Vittal, Managing Director & CEO (India & South Asia) and Nilanjan Roy, Global Chief Financial Officer of Bharti Airtel Limited, to the best of our knowledge and belief hereby certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of our knowledge and belief :

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee:

(i) significant changes in internal control over financial reporting during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: New Delhi
Date: April 24, 2018

Nilanjan Roy
Global Chief Financial Officer

Gopal Vittal
Managing Director & CEO
(India & South Asia)

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 Standalone Balance Sheet as at March 31, 2018, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act,2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

In conducting 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Standalone Financial Statements.

We believe that the audit evidence obtained by us 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 aforesaid 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 23(i)(f)(v) 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 charges.

Our opinion is not modified in respect of this matter.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with Ind AS included in these Standalone Financial Statements have been audited by the predecessor auditor. The report of the predecessor auditor on comparative financial statements for the year ended and as at March 31, 2017 dated May 9, 2017 expressed an unqualified opinion. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 purposes 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Cash Flows and Standalone Statement of Changes in Equity 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 Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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.

      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.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Bharti Airtel Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal

financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 , based on the criteria for internal control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars with respect to most of its fixed assets, and is in the process of updating quantitative and situation details with respect to certain fixed assets in the records maintained by the Company.

b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us, the records examined by us and based on examination of property tax receipts, utility bills, lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed or court orders approving schemes of arrangements / amalgamations provided to us, we report that, the title in respect of self-constructed buildings and the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

In respect of immovable properties that have been taken on lease and disclosed as property, plant and equipment in the financial statements, based on our examination of the lease agreements or court orders approving the schemes of arrangement or amalgamations, we report that the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

ii. As explained to us, the inventories, except for those lying with the third parties, were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

iii. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable.

v. According to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable.

vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Services Tax, Customs Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the provisions relating to duty of excise are not applicable to the Company.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Value Added Tax, Service Tax, Goods and Services Tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) There are no dues of Goods and Service Tax, cess which have not been deposited on account of any dispute. Details of dues of Income-tax, Sales Tax, Value Added Tax, Service Tax and Customs Duty which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of the Statutes	Nature of the Dues	Amount Disputed (in ₹ Million)	Period to Which the amount Relates	Forum where the dispute is pending
Andhra Pradesh VAT Act, 2005	Sales Tax	87	2004-13	Tribunal
Andhra Pradesh VAT Act, 2005	Sales Tax	52	2013-15	Deputy Commissioner (Appeals)
Bihar VAT Act, 2005	Sales Tax	0*	2015-16	Assistant Commissioner
Bihar VAT Act, 2005	Sales Tax	2	2006-07	Commercial Tax Officer
Bihar VAT Act, 2005	Sales Tax	1	2016-17	Deputy Commissioner
Bihar VAT Act, 2005	Sales Tax	22	2015-17	Joint Commissioner (Appeal)
Bihar VAT Act, 2005	Sales Tax	139	2005-15	Tribunal
Chhattisgarh VAT Act, 2003	Sales Tax	0*	2006-07	Assistant Commissioner
Delhi VAT Act, 2004	Sales Tax	6	2011-14	Assistant Commissioner
The Gujarat VAT Act, 2003	Sales Tax	1	2005-07	Assistant Commissioner
The Karnataka VAT Act, 2003	Sales Tax	291	2005-06	Assistant Commissioner
The Karnataka VAT Act, 2003	Sales Tax	0*	2012-13	Deputy Commissioner
The Karnataka VAT Act, 2003	Sales Tax	2	2016-17	Joint Commissioner (Appeal)
The Kerala VAT Act, 2003	Sales Tax	1	2005-17	Commercial Tax Officer
The Kerala VAT Act, 2003	Sales Tax	0*	2016-17	Intelligence Officer Ernakulum
Kerala Sales Tax Act	Sales Tax	0*	2005-11	Commercial tax Officer
Kerala Sales Tax Act	Sales Tax	16	2005-10	Deputy Commissioner, Appeal
Kerala Sales Tax Act	Sales Tax	0*	2008-10	Intelligence Officer Squad
Kerala Sales Tax Act	Sales Tax	1	2002-05	Tribunal
The Kerala VAT Act, 2003	Sales Tax	71	2006-07	High Court of Kerala
The Kerala VAT Act, 2003	Sales Tax	44	2007-12	Asst. Commissioner, Spl Circle III, Ernakulam
The Kerala VAT Act, 2003	Sales Tax	0*	2015-16	Intelligence Inspector, Squad No. I, Tellichery
The Kerala VAT Act, 2003	Sales Tax	0*	2015-16	Intelligence Inspector, Squad No. 3, Ernakulam
The Madhya Pradesh VAT Act, 2002	Sales Tax	7	2008-10,2012-13	Tribunal
The Madhya Pradesh VAT Act, 2002	Sales Tax	0*	2004-08	Commercial Tax Officer
The Madhya Pradesh VAT Act, 2002	Sales Tax	1	2008-10	Deputy Commissioner
The Madhya Pradesh VAT Act, 2002	Sales Tax	22	1997-04	Deputy Commissioner, Appeal
The Madhya Pradesh VAT Act, 2002	Sales Tax	0*	2005-06	Assistant Commissioner
The Maharashtra VAT Act, 2002	Sales Tax	0*	2003-04	Joint Commissioner, Appeal
Punjab VAT Act, 2005	Sales Tax	1	2009-17	Deputy Excise and Taxation Commissioner
Punjab VAT Act, 2005	Sales Tax	30	2003-04	High Court
Punjab VAT Act, 2005	Sales Tax	1	2002-03	Jt. Director(Enforcement)
Punjab VAT Act, 2005	Sales Tax	1	2008-10	Tribunal
Rajasthan VAT Act, 2003	Sales Tax	2	2015-16	Commercial Tax Officer
The Tamil Nadu VAT Act, 2003	Sales Tax	0*	2010-11	Deputy Commissioner

Name of the Statutes	Nature of the Dues	Amount Disputed (in ₹ Million)	Period to Which the amount Relates	Forum where the dispute is pending
The Uttar Pradesh VAT Act, 2008	Sales Tax	11	2005-13	Assessing officer
The Uttar Pradesh VAT Act, 2008	Sales Tax	21	2002-05	Assistant Commissioner
The Uttar Pradesh VAT Act, 2008	Sales Tax	0*	2017-18	Commercial Tax Officer
The Uttar Pradesh VAT Act, 2008	Sales Tax	1	2007-08	Joint Commissioner
The Uttar Pradesh VAT Act, 2008	Sales Tax	6	2008-10	High court
The Uttar Pradesh VAT Act, 2008	Sales Tax	2	2003-10	Joint Commissioner, Appeal
The Uttar Pradesh VAT Act, 2008	Sales Tax	9	2005-13	Tribunal
The Uttar Pradesh VAT Act, 2008	Sales Tax	1	2015-16	Additional Commissioner
The Uttar Pradesh VAT Act, 2008	Sales Tax	9	2003-17	Deputy Commissioner
The West Bengal VAT Act, 2003	Sales Tax	0*	1996-97	The Deputy Commissioner of Commercial Taxes
The West Bengal VAT Act, 2003	Sales Tax	0*	1995-98	Commercial Tax Officer
The West Bengal VAT Act, 2003	Sales Tax	9	2005-06	Revision Board
The West Bengal VAT Act, 2003	Sales Tax	3	1997-12	Tribunal
Sub Total (A)		**877**		
Finance Act, 1994 (Service tax provisions)	Service Tax	278	1995-08	Supreme Court
Finance Act, 1994 (Service tax provisions)	Service Tax	7	2002-07	High court
Finance Act, 1994 (Service tax provisions)	Service Tax	7,226	1995-16	Tribunal
Finance Act, 1994 (Service tax provisions)	Service Tax	571	1999-13	Commissioner of Service Tax
Sub Total (B)		**8,082**		
Custom Act, 1962	Custom Act	4,128	2001-05	Supreme Court
Custom Act, 1962	Custom Act	755	2003-15	Tribunal
Sub Total (C)		**4,883**		
Income Tax Act, 1961	Income Tax	128	2001-03, 2004-08	Supreme Court
Income Tax Act, 1961	Income Tax	10,519	1996-97, 2003-10	High Court
Income Tax Act, 1961	Income Tax	24,338	1995-2015	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	607	1998-2015	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	638	1996-97; 2004-17	Assessing Officer
Sub Total (D)		**36,230**		
Grand Total(A+B+C+D):		**50,071**		

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 327 Mn, Service Tax is 472 Mn, Income Tax is 10,968 Mn and Custom Duty is 2,141 Mn.

* Amount less than million are appearing as '0'.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

ix. During the current year, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013, except that the commission of ₹ 67.64 million to non-executive directors is in excess by ₹ 33.12 million, basis the lower limits approved by the Shareholders of the Company. As informed, the Company would be seeking Shareholders' approval for the said excess amount at the ensuing Annual General Meeting.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company, directors of subsidiary company or directors of associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

Balance Sheet As at 31st March 2018

(All amounts are in millions of Indian Rupees)

	Notes	As of 31 March 2018	As of 31 March 2017
Assets			
Non-current assets			
Property, plant and equipment	6	476,911	381,176
Capital work-in-progress	6	27,387	11,818
Intangible assets	7	749,183	734,052
Intangible assets under development	7	28,040	84,184
Investment in subsidiaries and joint ventures	8	481,219	459,538
Financial assets			
- Investments	8	63	52
- Derivative instruments	9	80	213
- Loans and security deposits	10	10,290	10,389
- Others	11	260	556
Income tax assets		19,595	16,164
Deferred tax assets	12	14,244	8,808
Other non-current assets	13	27,142	42,596
		1,834,414	**1,749,546**
Current assets			
Inventories		63	39
Financial assets			
- Derivative instruments	9	195	634
- Trade receivables	14	43,196	32,118
- Cash and cash equivalents	15	4,626	1,087
- Other bank balances	15	825	647
- Loans	10	72,496	72,081
- Others	11	11,837	13,200
Other current assets	13	81,721	33,295
Assets-held-for-sale	5	-	13,729
		214,959	**166,830**
Total assets		**2,049,373**	**1,916,376**
Equity and liabilities			
Equity			
Share capital	16	19,987	19,987
Other equity		1,008,622	992,086
		1,028,609	**1,012,073**
Non-current liabilities			
Financial liabilities			
- Borrowings	18	544,681	503,421
- Derivative instruments	9	124	186
- Others	19	19,354	21,881
Deferred revenue		18,371	18,321
Provisions	20	1,830	2,330
		584,360	**546,139**
Current liabilities			
Financial liabilities			
- Borrowings	18	80,680	65,478
- Current maturities of long-term borrowings	18	28,797	32,048
- Derivative instruments	9	228	1,662
- Trade payables	22	176,990	149,698
- Others	19	92,529	62,149
Deferred revenue		30,242	30,311
Provisions	20	1,262	1,291
Current tax liabilities		2,447	3,885
Other current liabilities	21	23,229	11,642
		436,404	**358,164**
Total liabilities		**1,020,764**	**904,303**
Total equity and liabilities		**2,049,373**	**1,916,376**

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Hemant M. Joshi
Partner
Membership No: 38019

Place: **New Delhi**
Date: **April 24, 2018**

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
Chairman
DIN: 00042491

Nilanjan Roy
Global Chief Financial Officer

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Pankaj Tewari
Company Secretary

Statement of Profit and Loss for the year ended 31st March 2018

(All amounts are in millions of Indian millions Rupees; except per share data)

	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
Income			
Revenue from operations	24	536,630	622,763
Other income		2,356	1,843
		538,986	**624,606**
Expenses			
Network operating expenses	25	139,512	145,360
Access charges		78,944	80,505
License fee / spectrum charges (revenue share)		55,630	69,416
Employee benefits expense	26	17,209	17,385
Sales and Marketing expenses	27	30,519	32,320
Other expenses	28	36,171	38,524
		357,985	**383,510**
Profit from operating activities before depreciation, amortisation and exceptional items		**181,001**	**241,096**
Depreciation and amortisation	29	130,486	122,034
Finance costs	30	59,107	52,546
Finance income	30	(8,417)	(23,421)
Non-operating expenses		596	2,324
(Loss) /profit before exceptional items and tax		**(771)**	**87,613**
Exceptional items	31	6,041	172,708
Loss before tax		**(6,812)**	**(85,095)**
Tax expense / (credit)			
Current tax	12	(2,204)	(45)
Deferred tax	12	(5,400)	14,206
Profit / (loss) for the year		**792**	**(99,256)**
Other comprehensive income ('OCI')			
Items not to be reclassified to profit or loss :			
- Re-measurement gains / (losses) on defined benefit plans	26	87	(36)
- Tax (charge) / credit	12	(30)	11
Other comprehensive income / (loss) for the year		**57**	**(25)**
Total comprehensive income / (loss) for the year		**849**	**(99,281)**
Earnings per share (Face value : ₹5 each) (In Rupees)			
Basic and Diluted	32	0.20	(24.84)

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Hemant M. Joshi
Partner
Membership No: 38019

Place: **New Delhi**
Date: **April 24, 2018**

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
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DIN: 02291778

Pankaj Tewari
Company Secretary

Standalone Statement of Changes in Equity

(All amounts are in millions of Indian millions Rupees; except per share data)

	Share capital		Other equity - Reserves and Surplus								
	No of shares (in '000)	Amount	Securities premium account	Retained earnings	General reserve	Business restructuring reserve	Debenture redemption reserve	Share - based payment reserve	Capital reserve	Total	Total equity
As of April 1, 2016	**3,997,400**	**19,987**	**106,650**	**934,735**	**27,030**	**16,313**	**-**	**3,825**	**8,751**	**1,097,304**	**1,117,291**
Loss for the year	-	-	-	(99,256)	-	-	-	-	-	(99,256)	(99,256)
Other comprehensive loss	-	-	-	(25)	-	-	-	-	-	(25)	(25)
Total comprehensive loss	**-**	**-**	**-**	**(99,281)**	**-**	**-**	**-**	**-**	**-**	**(99,281)**	**(99,281)**
Transaction with owners of equity											
Employee share-based payment expense	-	-	-	-	-	-	-	298	-	298	298
Exercise of share options	-	-	-	-	-	-	-	(144)	-	(144)	(144)
Dividend paid (including tax)	-	-	-	(5,456)	-	-	-	-		(5,456)	(5,456)
Merger of subsidiary	-	-	530	(720)	(445)	-	-	-	-	(635)	(635)
As of Marchch 31, 2017	**3,997,400**	**19,987**	**107,180**	**829,278**	**26,585**	**16,313**	**-**	**3,979**	**8,751**	**992,086**	**1,012,073**
Profit for the year	-	-	-	792	-	-	-	-	-	792	792
Other comprehensive income	-	-	-	57	-	-	-	-	-	57	57
Total comprehensive profit	**-**	**-**	**-**	**849**	**-**	**-**	**-**	**-**	**-**	**849**	**849**
Transaction with owners of equity											
Employee share-based payment expense	-	-	-	-	-	-	-	337	-	337	337
Exercise of share options	-	-	-	-	3,510	-		(3,646)	-	(136)	(136)
Creation of debenture redemption reserve	-	-	-	-	(7,500)	-	7,500	-	-	-	-
Dividend paid (including tax)	-	-	-	(15,350)	-	-	-	-	-	(15,350)	(15,350)
Common control transactions*	-	-	-	30,836	-				-	30,836	30,836
As of March 31, 2018	**3,997,400**	**19,987**	**107,180**	**845,613**	**22,595**	**16,313**	**7,500**	**670**	**8,751**	**1,008,622**	**1,028,609**

*This includes gains of ₹2,335 due to regulatory changes in the funding arrangements as to previous year transactions

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Hemant M. Joshi
Partner
Membership No: 38019

Place: **New Delhi**
Date: **April 24, 2018**

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
Chairman
DIN: 00042491

Nilanjan Roy
Global Chief Financial Officer

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Pankaj Tewari
Company Secretary

Standalone Statement of Cash Flows

(All amounts are in millions of Indian Rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash flows from operating activities		
Loss before tax	**(6,812)**	**(85,095)**
Adjustments for:		
Depreciation and amortisation	130,486	122,034
Finance costs	59,107	52,546
Finance income	(8,417)	(23,421)
Exceptional items	5,688	152,405
Employee share-based payment expenses	337	298
Other non-cash items	8,351	8,143
Operating cash flow before changes in working capital	**188,740**	**226,910**
Changes in working capital		
Trade receivables	(19,814)	(7,500)
Trade payables	14,546	24,929
Inventories	(24)	14
Provisions	(95)	180
Other financial and non-financial liabilities	8,413	2,388
Other financial and non-financial assets	(29,819)	(20,827)
Net cash generated from operations before tax	**161,947**	**226,094**
Income tax paid	(2,404)	(14,439)
Net cash generated from operating activities (a)	**159,543**	**211,655**
Cash flows from investing activities		
Purchase of property, plant and equipment	(193,180)	(156,143)
Proceeds from sale of property, plant and equipment	4,886	3,053
Purchase of intangible assets	(28,855)	(170,135)
Payment towards Spectrum - Deferred payment liability *	(9,909)	(9,804)
Net proceeds from current investments	35	47
Proceeds from buyback of share by subsidiary	-	12,350
Proceeds from sale of investment of subsidiaries	65,933	146,223
Investment in subsidiaries	(41,814)	(74,283)
Loan given to subsidiaries	(72,135)	(98,797)
Loan repayment by subsidiaries	71,512	82,288
Dividend received	4,200	16,511
Interest received	4,911	5,858
Net cash used in investing activities (b)	**(194,416)**	**(242,832)**

Standalone Statement of Cash Flows

(All amounts are in millions of Indian Rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash flows from financing activities		
Proceeds from borrowings	149,422	140,419
Repayment of borrowings	(57,313)	(122,391)
Net proceeds / repayment of short-term borrowings	(33,794)	32,832
Interest and other finance charges paid	(4,291)	(10,850)
Proceeds from exercise of share options	3	3
Dividend paid (including tax)	(15,350)	(5,456)
Net cash generated from financing activities (c)	**38,677**	**34,557**
Net increase in cash and cash equivalents during the year (a+b+c)	**3,804**	**3,380**
Add : Cash and cash equivalents as at the beginning of the year	822	(2,558)
Cash and cash equivalents as at the end of the year (refer Note 15)	**4,626**	**822**

*Cash flows towards spectrum acquisitions are based on the timing of payouts to DOT (viz. upfront / deferred)

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Hemant M. Joshi
Partner
Membership No: 38019

Place: **New Delhi**
Date: **April 24, 2018**

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
Chairman
DIN: 00042491

Nilanjan Roy
Global Chief Financial Officer

Gopal Vittal
Managing Director & CEO (India and South Asia)
DIN: 02291778

Pankaj Tewari
Company Secretary

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

1. Corporate information

Bharti Airtel Limited ('the Company') is domiciled and incorporated in India as a limited liability company with its shares being listed on the National Stock Exchange and the Bombay Stock Exchange. The registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company is principally engaged in provision of telecommunication services in India. The details as to the services provided by the Company are further provided in note 33. For details as to the group entities, refer note 34.

2. Summary of significant accounting policies

2.1 Basis of preparation

These standalone financial statements ('financial statements') have been prepared to comply in all material respects with the Indian Accounting Standard ('Ind AS') as notified by the Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act.

The financial statements are authorised for issue by the Company's Board of Directors on April 24, 2018.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013. Further, for the purpose of clarity, various items are aggregated in the statement of profit and loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the financial statements, where applicable or required.

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or '₹') and are rounded to the nearest million, except per share data and unless stated otherwise. Further, amounts which are less than a million are appearing as '0'.

The preparation of the said financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Company's accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in note 3.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Company, to all the periods presented in the said financial statements. Further, previous year figures have been re-grouped, wherever necessary to conform to current year's classification.

2.2 Basis of measurement

The financial statements have been prepared on the accrual and going concern basis, and the historical cost convention except where the Ind AS requires a different accounting treatment. The principal variations from the historical cost convention relate to financial instruments classified as fair value through profit or loss and liability for cash-settled awards (refer note 2.16) - which are measured at fair value.

Fair value measurement

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants. The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

The three levels of the fair-value-hierarchy are described below:

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets
Level 2: Significant inputs to the fair value measurement are directly or indirectly observable
Level 3: Significant inputs to the fair value measurement are unobservable.

2.3 Foreign currency transactions

The financial statements are presented in Indian Rupees which is the functional and presentation currency of the Company.

Transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in the statement of profit and loss within finance costs / finance income. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – the resulting foreign exchange difference, on subsequent re-statement / settlement, recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.

The equity items denominated in foreign currencies are translated at historical cost.

2.4 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

Deferred tax assets and liabilities, and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Separated embedded derivatives are classified basis the host contract.

2.5 Common control transactions

Business Combinations arising from transfers of interest in entities that are under the common control, are accounted at historical cost. The difference between any consideration paid /received and the aggregate historical carrying amounts of assets and liabilities of the interest acquired / disposed is recorded in retained earnings.

2.6 Property, plant and equipment ('PPE')

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), assets retirement obligations (refer note 2.17 (b)) and any directly attributable cost of bringing the asset to its working condition and location for its intended use.

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of PPE are required to be replaced at regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. Further, in case the replaced part was not being depreciated separately, the cost of the replacement is used as an indication to determine the cost of the replaced part at the time it was acquired.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straight-line method over the estimated useful lives. Freehold land is not depreciated as it has an unlimited useful life. The Company has established the estimated range of useful lives of different categories of PPE as follows:

Categories	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 and Equipment	
Network Equipment (including passive infrastructure)	3 - 20
Computer	3
Office equipment	2 - 5
Furniture and fixtures	5
Vehicles	5

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at-least as at each financial year so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted prospectively, and accordingly the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed off are de-recognised from the balance sheet and the resulting gains / (losses) are included in the statement of profit and loss within other expenses / other income.

The management basis its past experience and technical assessment has estimated the useful life, which is at variance with the life prescribed in Part C of Schedule II of the Companies Act, 2013 and has accordingly, depreciated the assets over such useful life.

The cost of capital work-in-progress (CWIP) is presented separately in the balance sheet.

2.7 Intangible assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be measured reliably.

The intangible assets are initially recognised at cost. These assets having finite useful life are carried at cost less accumulated amortisation and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life of intangible assets.

The Company has established the estimated useful lives of different categories of intangible assets as follows:

a. Softwares

Softwares are amortised over the period of license, generally not exceeding three years.

b. Bandwidth

Bandwidth is amortised over the period of the agreement.

c. Licenses (including spectrum)

Acquired licenses and spectrum are amortised commencing from the date when the related network is available for intended use in the relevant jurisdiction. The useful lives range from two to twenty years.

The revenue-share based fee on licenses / spectrum is charged to the statement of profit and loss in the period such cost is incurred.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

d. Other acquired intangible assets

Other acquired intangible assets include the following:

Rights acquired for unlimited license access: Over the period of the agreement which ranges upto five years.

Customer base: Over the estimated life of such relationships.

Non-compete fee: Over the period of the agreement which ranges upto five years.

The useful lives and amortisation method are reviewed, and adjusted appropriately, at least at each financial year end so as to ensure that the method and period of amortisation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives and / or amortisation method is accounted prospectively, and accordingly the amortisation is calculated over the remaining revised useful life.

Further, the cost of intangible assets under development includes the amount of spectrum allotted to the Company and related costs (including borrowing costs that are directly attributable to the acquisition or construction of qualifying assets (refer note 7)), if any, for which services are yet to be rolled out and are presented separately in the balance sheet.

2.8 Impairment of non-financial assets

PPE, intangible assets and Intangible assets under development

PPE (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Intangible assets under development is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired.

For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the CGU level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro-rata basis.

Reversal of impairment losses

Impairment losses are reversed in the statement of profit and loss and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset / CGU in previous years.

2.9 Financial instruments

a. Recognition, classification and presentation

The financial instruments are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the financial instrument.

The Company determines the classification of its financial instruments at initial recognition.

The Company recognises its investment in subsidiaries, joint ventures and associates at cost less any impairment losses. The said investments are tested for impairment, at-least annually and whenever circumstances indicate that their carring values may exceed the recoverable amount (viz. higher of the fair value less costs to sell and the value-in-use).

The Company classifies its financial assets in the following categories: a) those to be measured subsequently at fair value through profit or loss, and b) those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company has classified all the non-derivative financial liabilities as measured at amortised cost.

The entire hybrid contract, financial assets with embedded derivatives, are considered in their entirety for determining

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(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

the contractual terms of the cash flow and accordingly the embedded derivatives are not separated. However, derivatives embedded in non-financial instrument / financial liabilities (measured at amortised cost) host contracts are classified as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts.

Financial assets and liabilities arising from different transactions are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, the Company currently has a legally enforceable right to set-off the related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

b. Measurement – Non-derivative financial instruments

I. Initial measurement

At initial recognition, the Company measures the non-derivative financial instruments (except off-market financial guarantee) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Otherwise transaction costs are expensed in the statement of profit and loss. Any off market financial guarantees, issued in relation to obligations of subsidiaries, are initially recognised at fair value (as part of the cost of the investment in the subsidiary).

II. Subsequent measurement - financial assets

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

i. Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective-interest rate ('EIR') method (if the impact of discounting / any transaction costs is significant). Interest income from these financial assets is included in finance income.

ii. Financial assets at fair value through profit or loss ('FVTPL')

All financial assets that do not meet the criteria for amortised cost are measured at FVTPL. Interest (basis EIR method) and dividend income from financial assets at FVTPL is recognised in the statement of profit and loss within finance income / finance costs separately from the other gains / losses arising from changes in the fair value.

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month, expected credit loss (ECL) is used to provide for impairment loss, otherwise lifetime ECL is used.

However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

III. Subsequent measurement - financial liabilities

Any off-market financial guarantees are amortised over the life of the guarantee and are measured at each reporting date at the higher of (i) the remaining unamortised balance of the amount at initial recognition and (ii) the best estimate of expenditure required to settle the obligation at the end of the reporting period. Other financial liabilities are subsequently measured at amortised cost using the EIR method (if the impact of discounting / any transaction costs is significant).

c. Measurement – derivative financial instruments

Derivative financial instruments, including separated embedded derivatives are classified as financial instruments at fair value through profit or loss - Held for trading. Such derivative financial instruments are initially recognised at fair value. They are subsequently measured at their fair value, with changes in fair value being recognised in the statement of profit and loss within finance income / finance costs.

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(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

d. Derecognition

The financial liabilities are de-recognised from the balance sheet when the under-lying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The financial assets are de-recognised from the balance sheet when the rights to receive cash flows from the financial assets have expired, or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The difference in the carrying amount is recognised in the statement of profit and loss.

2.10 Leases

The determination of whether an arrangement is a lease is based on whether fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases where the lessor transfers substantially all the risks and rewards of ownership of the leased asset are classified as finance lease and other leases are classified as operating lease.

Operating lease receipts / payments are recognised as an income / expense on a straight-line basis over the lease term unless the lease payments increase in line with expected general inflation.

a. Company as a lessee

Assets acquired under finance leases are capitalised at the lease inception at lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are apportioned between finance charges (recognised in the statement of profit and loss) and reduction of the lease liability so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period.

b. Company as a lessor

Assets leased to others under finance lease are recognised as receivables at an amount equal to the net investment in the leased assets. Finance lease income is aloocated to periods so as to reflect a constant rate of return on the net investment outstanding in respect of the finance lease.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised in statement of profit and loss on a stratght-line basis over the lease term.

The Company enters into 'Indefeasible right to use' ('IRU') arrangement wherein the assets are given on lease over the substantial part of the asset life. However, the title to the assets and significant risk associated with the operation and maintenance of these assets remains with the Company. Hence, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the balance sheet.

2.11 Taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.

a. Current tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Company's income tax obligation for the period are recognised in the balance sheet under non-current assets as income tax assets / under current liabilities as current tax liabilities.

Any interest, related to accrued liabilities for potential tax assessments are not included in Income tax charge or (credit), but are rather recognised within finance costs.

b. Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax are not recognised if it arises

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(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation authority and where there is an intention to settle the current income tax balances on net basis.

2.12 Inventories

Inventories are stated at the lower of cost (determined using the first-in-first-out method) and net realisable value. The costs comprise its purchase price and any directly attributable cost of bringing to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated variable costs necessary to make the sale.

2.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of changes in value). However, for the purpose of the statement of cash flows, in addition to above items, any bank overdrafts / cash credits that are integral part of the Company's cash management, are also included as a component of cash and cash equivalents.

2.14 Non-current assets held for sale

Non-current assets are classified as assets-held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Assets classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell.

Assets classified as held for sale are presented separately in the balance sheet.

Loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative loss previously recognised.

2.15 Share capital / securities premium account

Ordinary shares are classified as Equity when the Company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect.

2.16 Employee benefits

The Company's employee benefits mainly include wages, salaries, bonuses, defined contribution to plans, defined benefit plans, compensated absences, deferred compensation and share-based payments. The employee benefits are recognised in the year in which the associated services are rendered by the Company employees.

a. Defined contribution plans

The contributions to defined contribution plans are recognised in profit or loss as and when the services are rendered by employees. The Company has no further obligations under these plans beyond its periodic contributions.

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(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

b. Defined benefit plans

In accordance with the local laws and regulations, all the employees in India are entitled for the Gratuity plan. The said plan requires a lump-sum payment to eligible employees (meeting the required vesting service condition) at retirement or termination of employment, based on a pre-defined formula.

The Company provides for the liability towards the said plans on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method.

The obligation towards the said benefits is recognised in the balance sheet, at the present value of the defined benefit obligations. The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

The interest expenses are calculated by applying the above mentioned discount rate to defined benefits obligations. The interest expenses on the net defined benefit liability is recognised in the statement of profit and loss. However, the related re-measurements of the net defined benefit liability are recognised directly in the other comprehensive income in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions). Re-measurements are not re-classified to the statement of profit and loss in any of the subsequent periods.

c. Other long-term employee benefits

The employees of the Company are entitled to compensated absences as well as other long-term benefits. Compensated absences benefit comprises of encashment and availment of leave balances that were earned by the employees over the period of past employment.

The Company provides for the liability towards the said benefit on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related re-measurements are recognised in the statement of profit and loss in the period in which they arise.

d. Share-based payments

The Company operates equity-settled and cash-settled, employee share-based compensation plans, under which the Company receives services from employees as consideration for stock options either towards shares of the Company / cash settled units.

In case of equity-settled awards, the fair value is recognised as an expense in the statement of profit and loss within employee benefits as employee share-based payment expenses, with a corresponding increase in share-based payment reserve (a component of equity).

However, in case of cash-settled awards, the credit is recognised as a liability within other non-financial liabilities. Subsequently, at each reporting period, until the liability is settled, and at the date of settlement, liability is re-measured at fair value through statement of profit and loss.

The total amount so expensed is determined by reference to the grant date fair value of the stock options granted, which includes the impact of any market performance conditions and non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions. However, the non-market performance vesting and service conditions are considered in the assumption as to the number of options that are expected to vest. The forfeitures are estimated at the time of grant and reduce the said expense rateably over the vesting period.

The expense so determined is recognised over the requisite vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. As at each reporting date, the Company revises its estimates of the number of options that are expected to vest, if required.

It recognises the impact of any revision to original estimates in the period of change. Accordingly, no expense is recognised for awards that do not ultimately vest, except for which vesting is conditional upon a market performance / non-vesting condition. These are treated as vesting irrespective of whether or not the market / non-vesting condition is satisfied, provided that service conditions and all other non-market performance are satisfied.

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(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

Where the terms of an award are modified, in addition to the expense pertaining to the original award, an incremental expense is recognised for any modification that results in additional fair value, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled (including due to non-vesting conditions not being met), it is treated as if it is vested thereon, and any un-recognised expense for the award is recognised immediately.

2.17 Provisions

a. General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the said obligation, and the amounts of the said obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation, using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to un-winding of discount over passage of time is recognised within finance costs.

b. Asset retirement obligation ('ARO')

ARO are recognised for those operating lease arrangements where the Company has an obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation and are recognised as part of the cost of that particular asset. The estimated future costs of decommissioning are reviewed annually and any changes in the estimated future costs or in the discount rate applied are adjusted from the cost of the asset.

2.18 Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.19 Revenue recognition

Revenue is recognised when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be measured reliably. Revenue is recognised at the fair value of the consideration received or receivable, which is generally the transaction price, net of any taxes / duties, discounts and process waivers.

In order to determine if it is acting as a principal or as an agent, the Company assesses whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services.

a. Service revenues

Service revenues mainly pertain to usage, subscription and activation charges for voice, data, messaging and value added services. It also includes revenue towards interconnection/roaming charges for usage of the Company's network by other operators for voice, data, messaging and signalling services.

Usage charges are recognised based on actual usage. Subscription charges are recognised over the estimated customer relationship period or subscription pack validity period, whichever is lower. Customer onboarding revenue and associated cost is recognised upfront. Activation revenue and related activation costs are amortised over the estimated customer relationship period. However, any excess of activation costs over activation revenue are expensed as incurred.

The billing / collection in excess of revenue recognised is presented as deferred revenue in the balance sheet whereas unbilled revenue is recognised under other current financial assets.

Revenues from long distance operations comprise of voice services and bandwidth services (including installation), which are recognised on provision of services and over the period of arrangement respectively.

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(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

b. Multiple element arrangements

The Company has entered into certain multiple-element revenue arrangements which involve the delivery or performance of multiple products, services or rights to use assets. At the inception of the arrangement, all the deliverables therein are evaluated to determine whether they represent separately identifiable component basis it is perceived from the customer perspective to have value on standalone basis.

Total consideration related to the multiple element arrangements is allocated among the different components based on their relative fair values (i.e., ratio of the fair value of each element to the aggregated fair value of the bundled deliverables).

c. Equipment sales

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories. Such transactions are recognised when the significant risks and rewards of ownership are transferred to the customer. However, in case of equipment sale forming part of multiple-element revenue arrangements which is not separately identifiable component, revenue is recognised over the customer relationship period.

d. Capacity swaps

The exchange of network capacity is recognised at fair value unless the transaction lacks commercial substance or the fair value of neither the capacity received nor the capacity given is reliably measurable.

e. Interest income

The interest income is recognised using the EIR method. For further details, refer note 2.9.

f. Dividend income

Dividend income is recognised when the Company's right to receive the payment is established.

2.20 Borrowing costs

Borrowing costs consist of interest and other ancillary costs that the Company incurs in connection with the borrowing of funds. The borrowing costs directly attributable to the acquisition or construction of any asset that takes a substantial period of time to get ready for its intended use or sale are capitalised. All the other borrowing costs are recognised in the statement of profit and loss within finance costs of the period in which they are incurred.

2.21 Exceptional items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

2.22 Non-operating expense

Non-operating expense comprises regulatory levies applicable to finance income.

2.23 Dividends paid

Dividend to shareholders is recognised as a liability and deducted from equity, in the year in which the dividends are approved by the shareholders. However, interim dividends declared by the Board of directors, which does not need shareholders' approval, are recognised as a liability and deducted from retained earnings, in the year in which the dividends are so declared.

2.24 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS data.

Basic EPS is computed by dividing the profit for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period.

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(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

Diluted EPS is computed by adjusting, the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving Basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the period, unless issued at a later date during the period.

3. Critical accounting estimates, assumptions and judgements

The estimates and judgements used in the preparation of the said financial statements are continuously evaluated by the Company, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions under-lying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the financial statements in the year in which they become known.

3.1 Critical accounting estimates and assumptions

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

a. Impairment reviews

PPE (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Similarly, intangible assets under development is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired. For details as to the impairment policy, refer note 2.8. Accordingly the Company has performed impairment reviews for the above assets. However, the said reviews did not result in any impairment charge.

In calculating the value in use, the Company is required to make significant judgements, estimates and assumptions inter-alia concerning the growth in EBITDA, long-term growth rates and discount rates to reflect the risks involved.

The Company operates in developing market and in such market, 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 Company uses ten year plans for the purpose of impairment testing.

b. Taxes

Deferred tax assets are recognised for the unused tax losses and minimum alternative tax credits for which there is probability of utilisation against the taxable profit. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments.

c. Property, plant and equipment

Refer note 2.6 and 6 for the estimated useful life and carrying value of property, plant and equipment respectively.

During the year ended March 31, 2017, the Company had reassessed useful life of certain categories of network assets due to technological developments and accordingly had revised the estimate of its useful life in respect of those assets. Out of those assets, the additional depreciation charge of ₹2,920 on assets for which the revised useful life had expired by March 31, 2016 had been recognised and disclosed as 'exceptional income / (expenses), net' and additional depreciation charge of ₹6,276 for other assets has been recognised within 'Depreciation and amortisation'. The impact of above change on the depreciation charge for the future years after March 31, 2018 is as follows:

	31 March, 2019	31 March, 2020	Future Period till end of life
Impact on future depreciation charge	(2,646)	(1,109)	15,715

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(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

d. Allowance for impairment of trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances

e. Contingent liability

Refer note 23 for details of contingent liability.

4. Standards issued but not effective until the date of authorisation for issuance of the said financial statements

The new significant standards, amendments to Standards that are issued but not yet effective until the date of authorisation for issuance of the said financial statements are discussed below. The Company has not early adopted these amendments and intends to adopt when they become effective.

Ind AS 115, 'Revenue from Contracts with Customers'

In March 2018, MCA has notified the Ind AS 115, Revenue from Contract with Customers. As a consequence of issuance of Ind AS 115, relevant paragraphs have been inserted / amended in various other standards.

The Standard establishes a new five-step model that will apply to revenue arising from contracts with customers. Under this standard, 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 Ind AS 115 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 Ind AS. The effective date of Ind AS 115 is annual periods beginning on or after April 1, 2018. The Company does not expect that the adoption of the said standard and related amendments will have any significant impact on the financial statements per se.

5. Significant transactions / new developments

(i) During the year ended March 31, 2018, the Company has transferred its 100% equity stake in Bharti Airtel (Hong Kong) Limited and 37.03% equity stake in Bharti Airtel (UK) Limited to Bharti International (Singapore) Pte. Limited ('BISPL'), an indirect subsidiary of the Company against a consideration of ₹429 and ₹1,806 respectively and 44% stake in Bharti Telemedia Limited, a subsidiary of the Company to Nettle Infrastructure Investments Limited, another subsidiary of the Company, against a consideration of ₹47,632. Accordingly the excess of cost of investments over the proceeds amounting to ₹28,498 has been recognised in other equity.

(ii) During the year ended March 31, 2018, the Company has increased its equity investment in Indo Teleports Limited from 95% to 100% for a consideration of ₹23.

(iii) During the year ended March 31, 2018, an understanding for demerger of consumer mobile businesses of Tata Teleservices Limited and Tata Teleservices Maharashtra Limited into the Company was entered into. Further, the board of directors have approved the scheme(s) of arrangement under section 230 to section 232 of the Companies Act, 2013 for the said demerger. The said transaction is subject to requisite regulatory approvals.

(iv) During the year ended March 31, 2018, the Board of Directors approved a scheme of arrangement, under section 230 to section 232 of the Companies Act, 2013, for the transfer of the optical fiber cable business to the Telesonic Networks Limited, a wholly owned subsidiary of the Company. The said transaction is subject to requisite regulatory approvals.

(v) During the year ended March 31, 2018, the Company has completed the acquisition of 100% equity stake and compulsorily convertible debentures of Tikona Digital Networks Pvt Ltd ('TDNPL') as all necessary closing conditions have been fulfilled and filed an application under section 230 to section 232 of the Companies Act, 2013 before the Delhi bench of the National Company Law Tribunal for the merger of TDNPL with the Company.

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(vi) During the year ended March 31, 2017, the Company had entered into an agreement to sell the investment in subsidiaries Bharti Airtel International (Netherlands) B.V. ('BAIN'), Bharti International (Singapore) Pte Ltd ('BISPL') and Bharti Airtel International (Mauritius) Limited ('BAIML') to its wholly owned subsidiary Network i2i Limited. However, sale of investment in BISPL is subject to certain customary closing conditions, hence had not consummated. The same was classified as assets-held-for-sale. Accordingly, the excess of cost of investment over sales consideration, amounting to ₹118,582 and ₹14,906 pertaining to BAIN / BAIML and BISPL respectively was recognised as loss under exceptional items.

Further, during the year ended March 31, 2018, the transaction of BISPL stake transfer to Network i2i has been consummated.

(vii) During the year ended March 31, 2017, the Company had entered into a scheme of amalgamation for the merger of Telenor (India) Communication Private Limited with the Company. The said transaction is subject to requisite regulatory approvals and other closing conditions.

(viii) During the year ended March 31, 2017, Bharti Telemedia Limited, a subsidiary of the Company, had allotted 475 Mn shares to the Company against a consideration of ₹4,750.

(ix) During the year ended March 31, 2017, the Company had sold 400 Mn shares in BIL, against a consideration aggregating to ₹130,000 and accordingly the excess of cost of investment over the proceeds (net of associated costs, taxes and regulatory levies) amounting to ₹25,375 was recognised as loss under exceptional items. Subsequent to the transaction, the shareholding of the Company in BIL had reduced to 50.3%.

(x) During the year ended March 31, 2017, Bharti Infratel Limited ('BIL'), a subsidiary of the Company had bought back approx. 47.05 Mn shares against a consideration of ₹425 per share. Out of which the Company had tendered approx. 29.10 Mn shares and received the consideration of ₹12,368 and accordingly, the excess of proceeds (net of associated costs, taxes and levies) over the cost of investment amounting to ₹1,687 was recognised as gain and disclosed as other income.

(xi) During the year ended March 31, 2017, the Company acquired rights to use spectrum in the 1800 MHz band for six circles against a consideration of ₹46,530 from Videocon Telecommunications Limited.

(xii) During the year ended March 31, 2017, the Company acquired rights to use spectrum in the 2300 MHz band for seven circles against a consideration of ₹34,840 from Aircel Limited and its subsidiaries Dishnet Wireless Limited.

(xiii) During the year ended March 31, 2017, the Company was allotted 155.60 MHz spectrum across 1800 / 2100 / 2300 MHz. Consequently, the Company had paid amount of ₹67,764 upfront and opted the deferred payment option for ₹66,764.

(xiv) During the year ended March 31, 2017, the Company had acquired 100% equity stake of Augere Wireless Broadband India Private Limited ('AWBPL'). Further, with effect from February 15, 2017, AWBPL had merged with the Company through the scheme of arrangement under Sections 391 to 394 of the Companies Act, 1956. Accordingly, AWBPL had ceased to exist and had merged with the Company. Accordingly entire assets (mainly spectrum amounting to ₹899), liabilities and the differential value of equity in the books of AWBPL; have been recognised by the Company as the date of the transaction at same carrying values as in the books of AWBPL. The difference of ₹445 between the share capital and the carrying values of investment in AWBPL in the books of the Company had been adjusted with general reserve.

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6. Property, plant and equipment ('PPE')

The following table presents the reconciliation of changes in the carrying value of PPE for the year ended March 31, 2018 and 2017:

₹ in millions

	Leasehold improvement	Building	Land	Plant and equipment	Furniture & fixture	Vehicles	Office equipment	Computer	Total
Gross carrying value									
As of April 1, 2016	**4,674**	**6,381**	**1,766**	**722,156**	**1,714**	**293**	**4,250**	**22,792**	**764,026**
Additions / capitalisation	221	29	44	147,104	98	34	531	3,039	151,100
Acquisition through business combinations^	-	-	-	489	-	-	-	-	489
Disposals / adjustments	(1)	(64)	-	(15,384)	(13)	(46)	(52)	173	(15,387)
As of March 31, 2017	**4,894**	**6,346**	**1,810**	**854,365**	**1,799**	**281**	**4,729**	**26,004**	**900,228**
Balance as of April 1, 2017	**4,894**	**6,346**	**1,810**	**854,365**	**1,799**	**281**	**4,729**	**26,004**	**900,228**
Additions / capitalisation	242	46	66	172,815	209	40	315	7,252	180,985
Disposals / adjustments	(12)	(29)	(22)	(22,652)	(14)	(22)	(38)	(61)	(22,850)
As of March 31, 2018	**5,124**	**6,363**	**1,854**	**1,004,528**	**1,994**	**299**	**5,006**	**33,195**	**1,058,363**
Accumulated depreciation									
As of April 1, 2016	**3,624**	**2,463**	**42**	**420,196**	**1,430**	**234**	**2,898**	**20,466**	**451,353**
Charge*	393	309	3	76,174	116	20	593	1,727	79,335
Disposals / adjustments	(3)	(26)	-	(11,784)	(4)	(30)	(46)	257	(11,636)
As of March 31, 2017	**4,014**	**2,746**	**45**	**484,586**	**1,542**	**224**	**3,445**	**22,450**	**519,052**
			-						
Balance as of April 1, 2017	**4,014**	**2,746**	**45**	**484,586**	**1,542**	**224**	**3,445**	**22,450**	**519,052**
Charge*	286	248	4	77,148	124	21	565	2,843	81,239
Disposals / adjustments	(6)	(9)	(9)	(18,732)	(11)	(13)	(22)	(37)	(18,839)
As of March 31, 2018	**4,294**	**2,985**	**40**	**543,002**	**1,655**	**232**	**3,988**	**25,256**	**581,452**
			-						
Net carrying value			-						
As of March 31, 2017	880	3,600	1,765	369,779	257	57	1,284	3,554	381,176
As of March 31, 2018	830	3,378	1,814	461,526	339	67	1,018	7,939	476,911

* It includes exceptional item of ₹1,176 and ₹1,672 for the year ended March 31, 2018 and 2017 with respect to plant and equipment (refer note 31 (i) a and (ii) a,b,c

^ Refer note 5 (xiv)

Refer note 23(ii)(a) for assets given on operating lease.

The carrying value of capital work-in-progress as at March 31, 2018 and 2017 is ₹27,387 and ₹11,818, respectively, mainly pertains to plant and equipment.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

The following table summarises the detail of the significant assets taken on finance lease:

₹ in millions

	As of 31 March, 2018	As of 31 March, 2017
Leasehold land		
Grossing carrying Value	411	411
Accumulated depreciation	51	46
Net carrying value	**360**	**365**

7. Intangible assets

The following table presents the reconciliation of changes in the carrying value of intangible assets for the year ended March 31, 2018 and 2017:

	Software	Bandwidth	Licenses (including spectrum)	Others	Total
Gross carrying value					
As of April 1, 2016	**13,814**	**25,811**	**650,864**	**2,172**	**692,661**
Additions / capitalisation	2,657	2,687	160,346	5,366	171,056
Acquisition through business combinations	-	-	899	-	899
Disposals / adjustments	(138)	(85)	(8)	-	(231)
As of March 31, 2017	**16,333**	**28,413**	**812,101**	**7,538**	**864,385**
Balance as of April 1, 2017	**16,333**	**28,413**	**812,101**	**7,538**	**864,385**
Additions / capitalisation	3,472	2,960	59,122	-	65,554
Disposals / adjustments	(21)	(962)	-	-	(983)
As of March 31, 2018	**19,784**	**30,411**	**871,223**	**7,538**	**928,956**
Accumulated amortisation					
As of April 1, 2016	**10,132**	**10,667**	**64,413**	**867**	**86,079**
Charge	2,502	1,863	38,249	1,757	44,371
Disposals / adjustments	(138)	28	(7)	-	(117)
As of March 31, 2017	**12,496**	**12,558**	**102,655**	**2,624**	**130,333**
Balance as of April 1, 2017	**12,496**	**12,558**	**102,655**	**2,624**	**130,333**
Charge	2,567	1,505	44,393	1,958	50,423
Disposals / adjustments	(21)	(962)	-	-	(983)
As of March 31, 2018	**15,042**	**13,101**	**147,048**	**4,582**	**179,773**
Net carrying value					
As of March 31, 2017	3,837	15,855	709,446	4,914	734,052
As of March 31, 2018	4, 742	17,310	724,175	2,956	749,183

^ Refer note 5(xiv)

Weighted average remaining amortisation period of licenses as of March 31, 2018 and March 31, 2017 is 16.03 and 16.85 years respectively.

The carrying value of intangible assets under development as at March 31, 2018 and March 31, 2017 is ₹28,040 and ₹84,184 respectively, which pertains to spectrum.

During the year ended March 31, 2018 and 2017 the Company has capitalised borrowing cost of ₹2,992 and ₹2,748 respectively.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

8. Investments

Detail of investments in subsidiaries, joint ventures and other investments are as below:

	As of 31 March, 2018	As of 31 March, 2017
Investment in Subsidiaries		
Bharti Hexacom Limited : 175,000,000 equity shares of ₹10 each	5,718	5,718
Bharti Airtel Services Limited : 100,000 equity shares of ₹10 each	1	1
Bharti Airtel (USA) Limited : 300 equity shares of USD .0001 each	1,997	1,997
Bharti Airtel (UK) Limited : Nil equity shares of GBP 1 each (March 31, 2017 -123,663 equity shares of GBP 1 each)	-	1,777
Bharti Airtel (Hongkong) Limited : Nil equity shares of HKD 1 each (March 31, 2017 - 4,959,480 equity shares of HKD 1 each)	-	454
Network i2i Limited : 1,267,427.896 equity shares of USD 1 each (March 31, 2017 - 817,427,896 equity shares of USD 1 each)	87,909	58,750
Bharti Infratel Limited: 930,898,728 equity shares of ₹10 each*	341,111	341,111
Bharti Telemedia Limited : 260,202,000 equity shares of ₹10 each (March 31, 2017 - 484,689,995 equity shares of ₹10 each)	22,183	41,320
Bharti Airtel Lanka (Private) Limited : 50,200,221,771 equity shares of SLR 10 each (March 31, 2017 - 27,146,471,771 equity shares of SLR 10 each)-net of provision	4,527	-
Airtel Payments Bank Limited : 805,025,128 equity shares of ₹10 each (March 31, 2017 - 796,499,995 equity shares of ₹10 each)	8,050	7,965
Bharti Airtel International (Netherlands) B.V. : 1 equity shares of EURO 1 each	0	0
Telesonic Networks Limited : 89,230,796 equity shares of ₹10 each	91	91
Nxtra Data Limited : 5,050,000 equity shares of ₹10 each	309	309
Indo Teleports Limited : 22,999,000 equity shares of ₹10 each (March 31, 2017 - 21,850,000 equity shares of ₹10 each)	308	-
Wynk Limited : 50,000 equity shares of ₹10 each	1	1
Nettle Infrastructure Investments Limited : 45,000 equity shares of ₹10 each	0	0
Bharti Digital Networks Private Limited (formerly known as Tikona Digital Networks Ltd) : 2,103,023 equity share of ₹10 each (March 31, 2017 - Nil equity share of ₹10 each)	8,970	-
Investment in Subsidiaries (A)	**481,175**	**459,494**
Investment in joint Ventures		
Bridge Mobile PTE Limited : 800,000 equity shares of USD 1 each	34	34
Firefly Networks Limited : 1,000,000 equity shares of ₹10 each	10	10
Investment in Ventures (B)	**44**	**44**
Investment in subsidiarise and joint venture (A+B)	**481,219**	**459,538**
Other Investments (FVTPL)		
Equity instruments	61	50
National Savings Certificates	2	2
	63	**52**
Aggregate book value of unquoted investments	140,171	118,479
Aggregate book value of quoted investments	341,111	341,111
Aggregate market value of quoted investments**	313,015	302,961

** All the above investments are unquoted except Bharti Infratel Limited.

Detail of significant investments in subsidiaries are as below:

				31 March, 2018	31 March, 2017
S. No.	Name of the Subsidiaries	Place of incorporation	Principal activities	% of shareholding	
1	Bharti Hexacom Limited	India	Telecomunication Services	70.00	70.00
2	Bharti Infratel Limited	India	Infrastucture sharing services	50.30	50.30
3	Bharti Telemedia Limited	India	Direct To Home services	51.00	95.00
4	Airtel Payment Bank Limited	India	Mobile Commerce services	80.10	80.10
5	Network i2i Limited	Mauritius	Submarine Cable System	100.00	100.00
6	Bharti Internatinal (Singapore) Pte. Ltd	Singapore	Telecommunication services	-	100.00
7	Bharti Digital Networks Private Limited (formerly known as Tikona Digital Networks Limited)	India	Telecommunication services	100.00	-

*Refer Note 5 (vi)

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

9. Derivative financial instruments

The details of derivative financial instruments are as follows:-

	As of 31 March, 2018	As of 31 March, 2017
Assets		
Currency swaps, forward and option contracts	195	187
Interest swaps	80	106
Embedded derivatives	-	554
	275	**847**
Liabilities		
Currency swaps, forward and option contracts	352	1,848
	352	**1,848**
Non-current derivative financial assets	80	213
Current derivative financial assets	195	634
Non-current derivative financial liabilities	(124)	(186)
Current derivative financial liabilities	(228)	(1,662)
	(77)	**(1,001)**

10. Loans and security deposits

Unsecured, considered good	As of 31 March, 2018	As of 31 March, 2017
Non - Current		
Loan to related parties (refer note 34)	692	623
Security deposits*	9,598	9,766
	10,290	**10,389**
Current		
Loans to related parties (refer note 34)	**72,496**	**72,081**

*Security deposits primarily include deposits given towards rented premises, cell sites and interconnect ports.

11. Financial assets – others

Non-current

	As of 31 March, 2018	As of 31 March, 2017
Finance lease receivable	65	172
Rent Equalisation	55	49
Others	140	335
	260	**556**

Current

	As of 31 March, 2018	As of 31 March, 2017
Unbilled revenue	11,160	12,576
Claims recoverable	474	451
Interest accrued on investments	25	24
Finance lease receivable	178	149
	11,837	**13,200**

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

12. Income taxes

The major components of Income Tax (Credit)/expense are:

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Current Income tax		
For the Year	29	95
Adjustments for prior periods	(2,233)	(140)
	(2,204)	**(45)**
Deferred tax		
Origination and reversal of temporary differences	(4,737)	17,455
Effect of change in tax rate	425	-
Adjustments for prior periods	(1,088)	(3,249)
	(5,400)	14,206
Income tax (credit)/expense	**(7,604)**	**14,161**

The reconciliation between the amount computed by applying the statutory income tax rate to the (loss) / profit before tax and income tax (credit) / expense in summarised below:

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Loss before tax	(6,812)	(85,095)
Enacted tax rates in India	34.61%	34.61%
Tax expense @ 34.608%	(2,358)	(29,450)
Effect of:		
Tax holiday	(251)	(144)
Effect of changes in tax rate	425	-
Adjustments in respect to previous years	(3,321)	(3,389)
Tax for which no credit is allowed	472	469
(Income) / expense not (taxable) / deductible (net)	(2,600)	46,380
Others	29	295
Income tax (credit) / expense	**(7,604)**	**14,161**

The analysis of deferred tax assets / (liabilities) is as follow:

	As of 31 March, 2018	As of 31 March, 2017
Deferred tax asset / (liability)		
Provision for impairment of debtors / advances	13,669	10,520
Carry forward losses	20,301	1,575
Employee benefits	1,073	1,044
Minimum alternate tax ('MAT') credit	57,429	57,429
Lease rent equalisation	6,608	6,478
Fair valuation of financial instruments and exchange differences	6,647	5,791
Depreciation / amortisation on PPE / intangible assets	(92,961)	(76,574)
Rates and taxes	1,431	1,527
Others	47	1,018
Net deferred tax asset	**14,244**	**8,808**

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Deferred tax income / (expense)		
Provision for impairment of debtors / advances	3,149	2,542
Carry forward losses	18,726	1,575
Employee benefits	58	204
MAT credit	(68)	1,218
Lease rent equalisation	130	289
Fair valuation of financial instruments and exchange differences	857	926
Depreciation / amortisation on PPE / intangible assets	(16,387)	(22,498)
Rates and taxes	(96)	1,527
Others	(969)	11
Net deferred tax income / (expense)	**5,400**	**(14,206)**

The movement in deferred tax assets/(liabilities) during the year is as follows:

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Opening balance	**8,808**	**23,070**
Tax (credit)/expense recognised in profit or loss	5,400	(14,206)
Tax (credit)/expense recognised in OCI	(30)	11
Others	66	(67)
Closing balance	**14,244**	**8,808**

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry forward of losses/credits (including capital losses) can be utilised. Accordingly, the company has not recognised deferred tax assets in respect of carry forward of capital tax losses/credits of ₹330,358 Mn and ₹317,344 Mn as of March 31, 2018 and March 31, 2017, respectively as it is not probable that capital taxable profits will be available in future.

Above balance of capital tax losses as of March 31, 2018 and March 31, 2017 expires unutilised as follows:

Expiry date	As of 31 March, 2018	As of 31 March, 2017
Above five years	330,358	317,344

13. Other non-financial assets

Non-current

	As of 31 March, 2018	As of 31 March, 2017
Advances (net)#	24,404	25,749
Prepaid expense	1,156	1,328
Taxes recoverable	-	14,139
Capital advances	600	1,033
Others*	982	347
	27,142	**42,596**

#Advances represent payments made to various Government authorities under protest and are disclosed net of provision (refer note 20).
*It mainly includes advances given to Bharti Airtel Welfare Trust.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

Current

	As of 31 March, 2018	As of 31 March, 2017
Taxes recoverable	65,218	20,404
Advances to suppliers (net)	12,200	9,579
Prepaid expenses	2,365	1,960
Others*	1,938	1,352
	81,721	**33,295**

* It mainly includes security deposits given towards rented premises, cell sites, interconnect ports and other miscellaneous deposits.

Taxes recoverable primarily pertains to goods & service tax ('GST'), customs duty, excise duty, service tax and sales tax.

Advances to suppliers are disclosed net of provision of ₹1,683 and ₹1,092 as of March 31, 2018 and March 31, 2017 respectively.

14. Trade receivables

	As of 31 March, 2018	As of 31 March, 2017
Unsecured		
Considered good*	43,196	32,118
Considered doubtful	33,590	25,530
Less: Provision for doubtful receivables	(33,590)	(25,530)
	43,196	**32,118**

*It includes amount due from related parties (refer note 34).
Refer note 35 (iv) for credit risk

The movement in allowances for doubtful debts is as follows:

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Opening balance	25,530	18,181
Additions	8,773	7,678
Write off (net of recovery)	(713)	(329)
	33,590	**25,530**

15. Cash and bank balance

Cash and cash equivalents ('C&CE')

	As of 31 March, 2018	As of 31 March, 2017
Balances with banks		
- On current accounts	2,491	1,030
- Bank deposits with original maturity of 3 month or less	2,000	-
Cheques on hand	66	6
Cash on hand	69	51
	4,626	**1,087**

Other bank balances

	As of 31 March, 2018	As of 31 March, 2017
Earmaked bank balances - unpaid dividend	70	50
Term deposits with bank	105	-
Margin money deposits*	675	621
	850	**671**
Interest accured but not due (refer note 11)	(25)	(24)
	825	**647**

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

For the purpose of statement cash flows, C&CE comprise of following:-

	As of 31 March, 2018	As of 31 March, 2017
C & CE as per balance sheet	4,626	1,087
Bank overdraft (refer note 18)	-	(265)
	4,626	**822**

*Margin money deposits represents amount given as collateral for legal cases and / or bank guarantees for disputed matters.

16. Share capital

	As of 31 March, 2018	As of 31 March, 2017
Authorised shares		
5,500,000,000 (March 31, 2017 - 5,500,000,000) equity Shares of ₹5/- each	**27,500**	**27,500**
Issued, Subscribed and fully paid-up shares		
3,997,400,102 equity shares of ₹5/- each	19,987	19,987
	19,987	**19,987**

a. Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹5/- per share. Each holder of equity shares is entitled to cast one vote per share.

b. Details of shareholders (as per the register of shareholders) holding more than 5% share in the Company

	As of 31 March, 2018		As of 31 March, 2017	
	No. of shares '000	% holding	No. of shares '000	% holding
Equity shares of ₹5/- each fully paid up				
Bharti Telecome Limited	2,002,818	50.10%	1,871,987	45.48%
Pastel Limited	591,319	14.79%	591,319	14.79%
Indian Continent Investment Limited	81,151	2.03%	265,861	6.65%
LIC of India Child Fortune Plus Balanced Fund	150,181	3.76%	211,832	5.30%
Three Pillar Pte Limited	-	-	199,870	5.00%

c. Shares held by Bharti Airtel Welfare Trust against employee share-based payment plans (face value : ₹5 each)

	As of 31 March, 2018		As of 31 March, 2017	
	Shares'000	Amount	Shares'000	Amount
Opening balance	1,345	367	1,882	524
Purchased during the year	906	424	-	-
Excercise during the year	(532)	(149)	(537)	(157)
	1,719	**642**	**1,345**	**367**

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

Dividend

	As of 31 March, 2018	As of 31 March, 2017
A Declared and paid during the year		
Interim dividend for 2017-18 : ₹2.84 per share (including dividend distribution tax @ 20.36% of ₹2,311)*	13,664	-
Final dividend for 2016-17 : ₹1.00 per share (including dividend distribution tax @ 20.36% of ₹814)*	4,811	-
Final dividend for 2015-16 : ₹1.36 per share (including dividend distribution tax @ 20.36% of ₹1,107)*	-	6,543
	18,475	**6,543**
B Proposed dividend		
Final dividend for 2017-18: ₹2.50 per share (2016-17 : ₹1.00 per share)	9,993	3,997
Dividend distribution tax @ 20.56% (2016-17 @ 20.36%)	2,034	814
	12,027	**4,811**

The proposed dividend being subject to approval at respective annual general meeting, accordingly no corresponding liability has been recognised in the respective financial year.

*However against this, the Company has availed credit of ₹3,125 and ₹1,087 during the year ended March 31, 2018 and March 31, 2017 respectively, on account of dividend distribution tax on dividend received from subsidiary companies.

17. Reserve and surplus

a) **Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Company, and re-measurement differences on defined benefit plans and gains / (losses) on common control transactions and any transfer from general reserve.

b) **General reserve:** The Company has transferred a portion of its profit before declaring dividend in respective prior years to general reserve, as stipulated under the erstwhile Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013 ('Act').

Further, on exercise of the stock options, the difference between the consideration (i.e. the exercise price and the related amount of share-based payment reserve) and the cost (viz. related amount of loan provided to Bharti Airtel Welfare Trust) of the corresponding stock options, is transferred to general reserve.

The difference between the share capital and the carrying values of the investment pursuant to the scheme of arrangement under sections 391 to 394 of the Companies Act, 1956 with respect to the amalgamation of Augere Wireless Broadband Private Limited has been recognised in general reserve.

c) **Business restructuring reserve:** It represents mainly the excess of the fair values over the original book values of the assets transferred to one of its subsidiary Bharti Infratel Limited pursuant to the scheme of arrangement under sections 391 to 394 of the Companies Act, 1956.

d) **Debenture redemption reserve:** Pursuant to the provisions of the Act, the Company is required to create debenture redemption reserve out of the profits and is to be utilised for the purpose of redemption of debentures. On redemption of the debentures, the related amount of this reserve gets transferred to retained earnings.

e) **Capital reserve:** It mainly includes capital reserve acquired pursuant to the scheme of arrangement under sections 391 to 394 of the Companies Act, 1956 with respect to the amalgamation (pooling of interest) of Airtel Broadband Services Private Limited.

Note: In absence of any specific provision under Ind AS with respect to court schemes, and the fact that the court schemes are part of the law, accounting prescribed therein will continue to prevail.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

18. Borrowings

Non-current

	As of 31 March, 2018	As of 31 March, 2017
Secured		
Vehicle loans*	29	31
	29	**31**
Less: Current portion (A)	(15)	(15)
	14	**16**
Unsecured		
Term loans	45,587	32,584
Non-convertible debentures**	30,069	-
Non-convertible bonds	65,413	64,082
Deferred payment liabilities ***	455,602	439,205
Finance lease obligations	391	2,097
	597,062	**537,968**
Less : Interest accured but not due (refer note 19)	(23,613)	(2,530)
Less: Current portion (B)	(28,782)	(32,033)
	544,667	**503,405**
	544,681	**503,421**
Current maturities of long-term borrowings (A+B)	**28,797**	**32,048**

*These loans are secured by hypothecation of the vehicles.

**During the year ended March 31, 2018, the Company has issued 30,000 listed, unsecured, rated, redeemable, Non - Convertible Debentures ('NCDs'), Series I and series II of face value of ₹10 Lakhs each, at par aggregating to ₹30,000 on private placement basis, carrying interest rates 8.25% p.a. and 8.35% p.a. (payable annually) and principal repayable in year 2020 and 2021, respectively.

*** During the year ended March 31, 2018, the Government of India has provided one time option to elect higher number of annual instalments prospectively (upto a maximum of 16 instalments) towards the repayment of spectrum liability viz-a-viz currently allowed 10 instalments. Accordingly, the Company has exercised the option, increasing the remaining number of instalments by 6 annual instalments for all its existing deferred payment liabilities.

Current

	As of 31 March, 2018	As of 31 March, 2017
Unsecured		
Term loans	51,654	50,676
Commercial papers	29,094	14,820
Bank over draft	-	265
	80,748	**65,761**
Less: Interest accured but not due (refer note 19)	(68)	(283)
	80,680	**65,478**

18.1Analysis of borrowings

The details given below are gross of debt origination cost.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

18.1.1 Repayment terms of borrowings

The table below summarises the maturity profile of the Company's borrowings based on contractual undiscounted payments.

	As of March 31, 2018						
	Interest rate (range)	Frequency of installments	Number of installments outstanding per facility (range)*	Within one year	Between one and two years	Between two and five years	Over five years
Vehicle loans	7.95% - 9.50%	Monthly	6 - 33	15	11	3	
Term loans	2.56%-3.20%	Half yearly	11 - 14	4,290	4,359	13,078	4,499
	7.70% - 7.95%	One time	1	51,600	-	-	-
	8.40%	Quarterly	15	-	5,336	14,664	-
Commercial papers	8.05%	One time	1	29,094	-	-	-
Non-convertible bonds	4.38%	One time	1	-	-	-	64,829
Non-convertible debentures	8.25% - 8.35%	One time	1	-	-	30,000	-
Deferred payment liabilities	9.30% - 10.00%	Annual	13 - 16	24,511	12,217	51,543	345,023
Finance lease obligations	10.25%	Monthly / Annual	8 - 21 / 2	253	134	4	-
				109,763	**22,057**	**109,292**	**414,351**

*The instalments amount due are equal / equated per se.

	As of March 31, 2017						
	Interest rate (range)	Frequency of installments	Number of installments outstanding per facility (range)*	Within one year	Between one and two years	Between two and five years	Over five years
Vehicle loans	9.25% - 9.48%	Monthly	2 - 35	15	12	5	-
Term loans	1.45% - 2.57%	Half yearly	1 -16	6,055	4,850	13,013	8,744
	0.63%	One time	1 - 1	3,891	-	-	-
	6.35% - 7.95%	One time	1 - 1	46,538	-	-	-
Commercial papers	6.35%	One time	1	14,820	-	-	-
Non-convertible bonds	4.38%	One time	1	-	-	-	64,466
Deferred payment liabilities	9.30 - 10.00%	Annual	7 - 10	26,814	35,991	78,331	298,032
Finance lease obligations	10.25%	Monthly / Annual	7 - 25 / 3	934	977	186	-
Bank Overdraft	7.60% - 8.15%	On demand	N/A	265	-	-	-
				99,332	**41,830**	**91,535**	**371,242**

*The instalments amount due are equal / equated per se.

18.1.2 Interest rate and currency of borrowings

	Weighted average rate of interest	Total borrowings	Floating rate borrowing	Fixed rate borrowing
INR	9.46%	564,407	71,600	492,807
USD	3.93%	91,055	26,226	64,829
March 31, 2018		**655,462**	**97,826**	**557,636**
INR	9.60%	502,918	46,765	456,153
USD	3.58%	101,021	36,555	64,466
March 31, 2017		**603,939**	**83,320**	**520,619**

18.1.3 Unused lines of credit *

The below table provides the details of un-drawn credit facilities that are available to the Company.

	As of 31 March, 2018	As of 31 March, 2017
Unsecured*	150,071	172,646

* Excludes non-fund based facilities.

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(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

19. Financial liabilities - others

Non-current

	As of 31 March, 2018	As of 31 March, 2017
Lease rent equalisation	19,288	19,541
Others	66	2,340
	19,354	**21,881**

Current

	As of 31 March, 2018	As of 31 March, 2017
Payables against capital expenditures	53,197	44,304
Interest accrued but not due	23,681	2,812
Security deposit*	3,284	2,538
Employee payables	2,034	2,290
Payable against business / asset acquisitions@	9,739	9,179
Others#	594	1,026
	92,529	**62,149**

*It includes deposits received from subscriber / channel partners which are repayable on disconnection after adjusting the outstanding amount thereby, if any.
@It includes payable to Qualcomm Asia Pacific Pte. Limited of ₹4,104 towards purchase of balance equity shares upon satisfaction of certain conditions as per the share purchase agreement for acquisition and other acquisitions during the year.
#It mainly includes non-interest bearing advance received from customers / international operators and liability towards cash settled employee share based plan.

20. Provisions

Non-current

	As of 31 March, 2018	As of 31 March, 2017
Assets retirement obligations	410	921
Gratuity	1,344	1,329
Other employee benefit plans	76	80
	1,830	**2,330**

Current

	As of 31 March, 2018	As of 31 March, 2017
Gratuity	513	498
Other employee benefit plans	749	793
	1,262	**1,291**

The movement of provision towards asset retirement obligation is as below:

	As of 31 March, 2018	As of 31 March, 2017
Opening Balance	921	921
Net (reversal) / additions	(362)	22
Net interest costs	(149)	(22)
	410	**921**

Refer note 26 for movement of provision towards various employee benefits.

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(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

The movement of provision towards subjudice matters is as below:

	As of 31 March, 2018	As of 31 March, 2017
Opening Balance	94,820	75,196
Net additions	21,248	19,624
	116,068	**94,820**

The said provision has been disclosed under:

	As of 31 March, 2018	As of 31 March, 2017
Other non-financial assets - non - current (refer note 13)	45,539	40,985
Other non-financial liabilities - Current (refer note 21)	683	674
Trade payables (refer note 22)	69,846	53,161
	116,068	**94,820**

The said provisions pertain to payable / paid under protest for spectrum usage charges / licence fees (trade payable / other non-financial assets) and payable for certain levies (other non-financial liabilities).

21. Other non-financial liabilities

	As of 31 March, 2018	As of 31 March, 2017
Current		
Taxes payable	23,200	11,501
Others	29	141
	23,229	**11,642**

Taxes payable mainly pertains to GST, service tax, sales tax and other taxes payable and provision towards sub judice matters (refer note 20).

22. Trade payables

	As of 31 March, 2018	As of 31 March, 2017
Due to Micro and Small enterprises	16	10
Trade payables*	176,974	149,688
	176,990	**149,698**

* It includes amount due to to related parties (refer note 34) and provision towards sub judice matters (refer note 20).

Micro, small & medium enterprises development act, 2006 ('MSMED') disclosure

The dues to micro and small enterprises as required under MSMED Act, 2006, based on the information available with the Company, is given below:

Sr No.		For the year ended 31 March, 2018	For the year ended 31 March, 2017
1	Principal amount and the interest due thereon [₹ Nil (March 31, 2017 – ₹ Nil)] remaining unpaid to any supplier as at the end of each accounting year	16	10
2	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	140	96
3	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	Amount of interest accrued and remaining unpaid at the end of each accounting year	0	0
5	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	-	-

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23 Contingent liabilities and commitments

(i) Contingent liabilities

Claims against the Company not acknowledged as debt:

	As of 31 March, 2018	As of 31 March, 2017
(i) Taxes, duties and other demands (under adjudication / appeal / dispute)		
-Sales Tax and Service Tax	8,738	11,245
-Income Tax	9,951	12,527
-Customs Duty	4,883	4,317
-Entry Tax	6,010	5,509
-Stamp Duty	404	404
-Municipal Taxes	121	121
-Department of Telecom ('DoT') demands	40,344	36,540
-Other miscellaneous demands	1,385	962
(ii) Claims under legal cases including arbitration matters		
-Access charges / Port charges	10,021	8,733
-Others	599	599
	82,456	**80,957**

Further, refer note f(iv), f(v) and f(vi) below for other DoT matter.

The category wise detail of the contingent liability has been given below:-

a) Sales and Service Tax

The claims for sales tax comprised of cases relating to the appropriateness of declarations made by the Company under relevant sales tax legislations which were primarily procedural in nature and the applicable sales tax on disposals of certain property and equipment items. Pending final decisions, the Company has deposited amounts under protest with statutory authorities for certain cases.

The service tax demands relate to cenvat claimed on tower and related material, levy of service tax on SIM cards and employee talk time, cenvat credit disallowed for procedural lapses and usage in excess of 20% limit.

b) Income Tax demand

Income tax demands mainly include the appeals filed by the Company before various appellate authorities against the disallowance by income tax authorities of certain expenses being claimed and non-deduction of tax at source with respect to pre-paid dealers / distributor's margin.

c) Access charges / Port charges

(i) Despite the interconnect usage charges ('IUC') rates being governed by the Regulations issued by Telecom Regulatory Authority of India ('TRAI'); BSNL had raised a demand for IUC at the rates contrary to the regulations issued by TRAI in 2009. Accordingly, the Company filed a petition against the demand with the TDSAT which allowed payments by the Company based on the existing regulations. The matter was then challenged by BSNL and is currently pending with the Hon'ble Supreme Court.

(ii) The Hon'ble TDSAT allowed BSNL to recover distance based carriage charges. The private telecom operators have jointly filed an appeal against the said order and the matter is currently pending before the Hon'ble Supreme Court.

(iii) BSNL challenged before TDSAT the port charges reduction contemplated by the regulations issued by TRAI in 2007 which passed its judgment in favour of BSNL. The said judgment has been challenged by the private operators in Hon'ble Supreme Court. Pending disposal of the said appeal, in the interim, private operators were allowed to continue paying BSNL as per the revised rates i.e. TRAI regulation issued in 2007, subject to the bank guarantee being provided for the disputed amount. The rates were further reduced by TRAI in 2012 which was challenged by BSNL before the

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Hon'ble Delhi High Court. The Hon'ble Delhi High Court, in the interim, without staying the rate revision, directed the private operators to secure the difference between TRAI regulation of 2007 and 2012 rates by way of bank guarantee pending final disposal of appeal.

d) Customs Duty

The custom authorities, in some states, demanded custom duty for the imports of special software on the ground that this would form part of the hardware on which it was pre-loaded at the time of import. The view of the Company is that such imports should not be subject to any custom duty as it is operating software exempt from any custom duty. In response to the application filed by the Company, the Hon'ble Central Excise and Service Tax Appellate Tribunal ('CESTAT') has passed an order in favour of the custom authorities. The Company has filed an appeal with Hon'ble Supreme Court against the CESTAT order.

e) Entry Tax

In certain states, an entry tax is levied on receipt of material from outside the state. This position has been challenged by the Company in the respective states, on the grounds that the specific entry tax is ultra vires the Constitution. Classification issues has also been raised, whereby, in view of the Company, the material proposed to be taxed is not covered under the specific category.

During the year ended March 31, 2017, the Hon'ble Supreme Court of India upheld the constitutional validity of entry tax levied by few States. However, Supreme Court did not conclude certain aspects such as present levies in each State is discriminatory in nature or not, leaving them open to be decided by regular benches of the Courts. Pending disposition by the regular benches, the Company has decided to maintain status-quo on its position and hence continues to disclose it as contingent liability.

f) DoT demands

(i) Demand for license fees pertaining to computation of Adjusted Gross Revenue ('AGR') and the interest thereon, due to difference in its interpretation. The definition of AGR is sub-judice and under dispute since 2005 before the TDSAT. TDSAT had pronounced its judgment in 2015, quashed all demands raised by DoT and directed DoT to rework the demands basis the principles enunciated in its judgment. Subsequently, the Union of India ('UOI') and the Company along with various other operators have filed appeals / cross appeals before the Hon'ble Supreme Court of India against the TDSAT judgment. In 2016, all the appeals were tagged together and Hon'ble Supreme Court has permitted DOT to raise demands with a direction not to enforce any demand till the final adjudication of the matter by Hon'ble Supreme Court. Accordingly, DoT has raised the demand basis special audit done by DoT and Comptroller and Auditor General of India. The contingent liability includes such demand and interest thereto (excluding certain contentious matters, penalty and interest thereto) for the financial year for which demands have been received by the Company.

(ii) Demands for the contentious matters in respect of subscriber verification norms and regulations including validity of certain documents allowed as proof of address / identity.

(iii) Penalty for alleged failure to meet certain procedural requirements for EMF radiation self-certification compliance.

The matters stated above are being contested by the Company and based on legal advice, the Company believes that it has complied with all license related regulations and does not expect any financial impact due to these matters.

In addition to the amounts disclosed in the table above, the contingent liability on DOT matters includes the following:

(iv) Post the Hon'ble Supreme Court judgment in 2011, on components of AGR for computation of license fee, based on the legal advice, the Company believes that the foreign exchange gain should not be included in AGR for computation of license fee thereon. Further as per TDSAT judgement in 2015, foreign exchange fluctuation does not have any bearing on the license fees. Accordingly, the license fee on foreign exchange gain has not been provided in the financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences', the license fee impact on such exchange differences is not quantifiable. The matter is currently pending adjudication by Hon'ble Supreme Court.

(v) On January 8, 2013, DoT issued a demand on the Company for ₹51,353 towards levy of one time spectrum charge. The demand includes a retrospective charge of ₹8,940 for holding GSM Spectrum beyond 6.2 MHz for the period from July 1, 2008 to December 31, 2012 and also a prospective charge of ₹42,413 for GSM spectrum held beyond 4.4 MHz for the period from January 1, 2013, till the expiry of the initial terms of the respective licenses.

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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 matter is currently pending with the Hon'ble High Court of Bombay. The Company, based on independent legal opinions, till date has not given any effect to the above demand.

(vi) DoT had issued notices to the Company (as well as other telecom service providers) to stop provision of services (under 3G Intra Circle Roaming ('ICR') arrangements) in the service areas where such service providers had not been allocated 3G Spectrum and levied a financial penalty of ₹3,500 on the Company. The Company contested the notices in response to which TDSAT in 2014 held 3G ICR arrangements to be competent and compliant with the licensing conditions and quashed the notice imposing penalty. The DoT has challenged the order of TDSAT before the Hon'ble Supreme Court which is yet to be listed for hearing.

Guarantees:

Guarantees outstanding as of March 31, 2018 and March 31, 2017 amounting to ₹123,796 and ₹123,614 respectively have been issued by banks and financial institutions on behalf of the Company. These guarantees include certain financial bank guarantees which have been given for subjudice matters/compliance with licensing requirements, the amount with respect to these have been disclosed under capital commitments, contingencies and liabilities, as applicable, in compliance with the applicable accounting standards.

(ii) Commitments

Capital commitments

The Company has contractual commitments towards capital expenditure (net of related advances) of ₹105,618 and ₹69,623 as of March 31, 2018 and March 31, 2017 respectively.

Lease commitments

a) Operating lease

The future minimum lease payments ('FMLP') obligations are as follows:-

As Lessee

	As of 31 March, 2018	As of 31 March, 2017
Not later than one year	77,510	72,725
later than one year but not later than five years	273,717	277,273
Later than five years	58,971	90,895
	410,198	**440,893**
Lease rentals (including lease equalisation adjustment)	66,386	70,638

The above lease arrangements are mainly pertaining to passive infrastructure. Certain of these lease agreements have escalation clause upto 25% and includes option of renewal from 1 to 15 years.

As lessor

(i) The Company has entered into non–cancellable lease arrangements to provide dark fiber on indefeasible right of use ('IRU') basis. Due to the nature of the transaction, it is not possible to compute gross carrying amount, depreciation for the year and accumulated depreciation of the asset given on operating lease as of March 31, 2018 and accordingly, the related disclosures are not provided.

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(ii) The FMLP receivables against assets (other than above IRU assets) are as follows:

As Lessor

	As of 31 March, 2018	As of 31 March, 2017
Not later than one year	208	221
Later than one year but not later than five year	984	929
Lather than five years	114	430
	1,306	**1,580**

The above lease arrangements are mainly pertaining to premises given to group companies.

b) Finance lease

As lessee

Finance lease obligation of the Company as of March 31, 2018 is as follows:-

	Future minimum lease payments	Interest	Present value
Not later than one year	282	29	253
Later than one year but not later than five years	148	10	138
	430	**39**	**391**

Finance lease obligation of the Company as of March 31, 2017 is as follows:

	Future minimum lease payments	Interest	Present value
Not later than one year	1,044	111	933
Later than one year but not later than five years	1,387	223	1,164
	2,431	**334**	**2,097**

The above lease arrangements are mainly pertaining to various items of plant and equipment.

As lessor

The future minimum lease payments receivable of the Company as of March 31, 2018 is as follows:-

	Future minimum lease payments	Interest	Present value
Not later than one year	176	16	160
Later than one year but not later than five years	89	6	83
	265	**22**	**243**

The future minimum lease payments receivable of the Company as of March 31, 2017 is as follows:-

	Future minimum lease payments	Interest	Present value
Not later than one year	133	25	107
Later than one year but not later than five years	189	17	172
	322	**42**	**279**

The above lease arrangements are mainly pertaining to various network equipments.

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(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

24. Revenue from operations

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Service revenue	536,287	622,637
Sale of product	343	126
	536,630	**622,763**

25. Network operating expenses

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Passive infrastructure charges	64,410	68,451
Power and fuel	45,647	45,526
Repare and maintenance	16,227	21,240
Internet, bandwidth and leasedline charges	7,061	4,834
Others*	6,167	5,309
	139,512	**145,360**

*It includes charges towards managed services, installation, insurance and security.

26. Employee benefits expense

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Salaries and bonus	14,844	14,731
Contribution to provident and other funds	668	672
Staff welfare expenses	542	611
Define benefit plan / other long-term benefits	448	557
Share base payment expense		
Equity-settled plans	337	298
Cash-settled plans	12	157
Others*	358	359
	17,209	**17,385**

*It includes recruitment expenses and training expenses.

26.1 Share-based payment plans

The following table provides an overview of all existing share option plans of the Company:

Scheme	Plan	Vesting period (years)	Contractual term (years)
Equity settled Plans			
Scheme I	2006 Plan	1 - 5	7
Scheme 2005	2008 Plan & Annual Grant Plan (AGP)	1 - 3	7
Scheme 2005	Performance Share Plan (PSP) 2009 Plan	3 - 4	7
Scheme 2005	Special ESOP & Restricted Share Units (RSU) Plan	1 - 5	7
Scheme 2005	Long Term Incentive (LTI) Plans	1 - 3	7
Cash settled Plans			
Performance Unit Plan (PUP)	PUP 2013 - PUP 2015	1 - 4	3-5

The stock options vesting are subject to service and certain performance conditions mainly pertaining to certain financial parameters.

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(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

The movement in the number of stock options and the related weighted average exercise prices are as follows:

	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Number of share options ('000)	Weighted average exercise price (₹)	Number of share options ('000)	Weighted average exercise price (₹)
2006 Plan				
Outstanding at beginning of year	205	5.00	305	5.00
Granted	-	-	-	-
Exercised	(90)	5.00	(100)	5.00
Forfeited / expired	-	-	-	-
Outstanding at end of year	115	5.00	205	5.00
Exercisable at end of year	2	5.00	36	5.00
2008 Plan & AGP				
Outstanding at beginning of year	-	-	639	402.50
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited / expired	-	-	(639)	402.50
Outstanding at end of year	-	-	-	-
Exercisable at end of year	-	-	-	-
PSP 2009 Plan				
Outstanding at beginning of year	6	5.00	53	5.00
Granted	-	-	-	-
Exercised	(3)	5.00	(37)	5.00
Forfeited / expired	(3)	5.00	(10)	5.00
Outstanding at end of year	-	-	6	5.00
Exercisable at end of year	-	-	5	5.00
Special ESOP & RSU Plan				
Outstanding at beginning of year	34	5.00	126	5.00
Granted	-	-	-	-
Exercised	(33)	5.00	(91)	5.00
Forfeited / expired	(1)	5.00	(1)	5.00
Outstanding at end of year	-	-	34	5.00
Exercisable at end of year	-	-	34	5.00
LTI Plans				
Outstanding at beginning of year	2,002	5.00	1,709	5.00
Granted	1,571	-	820	-
Exercised	(406)	5.00	(308)	5.00
Forfeited / expired	(189)	5.00	(219)	5.00
Outstanding at end of year	2,978	5.00	2,002	5.00
Exercisable at end of year	567	5.00	358	5.00
Performance Unit Plans				
Outstanding at beginning of year	1,401	-	3,118	-
Granted	(0)	-	9	-
Exercised	(966)	-	(1,257)	-
Forfeited / expired	(37)	-	(469)	-
Outstanding at end of year	398	-	1,401	-
Exercisable at end of year	-	-	-	-

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(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

The details of weighted average remaining contractual life, weighted average fair value and weighted average share price for the options are as follows:

Weighted average	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Remaining contractual life for the options outstanding as of (years)	0.35 to 6.37	0.10 to 5.65
Fair value for the options granted during the year ended (₹)	338.54 to 409.76	338.50 to 379.25
Share price for the options exrcised during the year ended (₹)	367.14 to 457.41	296.90 to 466.38

The carrying value of cash settled plans liability is ₹66 and ₹141 as of March 31, 2018 and March 31, 2017, respectively.

The fair value of options is measured using Black-Scholes valuation model. The key inputs used in the measurement of the grant date fair valuation of equity settled plans and fair value of cash settled plans are given in the table below:

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Risk free interest rates	6.3% to 6.78%	5.79% to 6.86%
Expected life	10 to 60 months	4 to 60 months
Volatility	25.91% to 30.16%	27.08% to 27.59%
Dividend yield	0.24% to 0.25%	0.39% to 0.63%
Wtd average excercise price (₹)	0-5	0-5

The expected life of the stock options is based on the Company's expectations and is not necessarily indicative of exercise patterns that may actually occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the expected life of the options is indicative of future trends, which may not necessarily be the actual outcome. Further, the expected volatility is based on the weighted average volatility of the comparable benchmark companies.

26.2 Employee benefits

The details of significant employee benefits are as follows:

	For the year ended 31 March, 2018		For the year ended 31 March, 2017	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Obligation				
Balance as at beginning of the year	1827	789	1668	730
Current service cost	244	138	256	150
Interest cost	135	58	133	58
Benefits paid	(241)	(106)	(273)	(113)
Transfers	(21)	(3)	7	4
Remeasurements	(87)	(127)	36	(40)
Present value of obligation	**1,857**	**749**	**1,827**	**789**
Current portion	513	749	498	789
Non-current portion	1,344	-	1,329	-

The expected contribution for the year ended March 31, 2018 and 2017 for gratuity plan is ₹391 and ₹389 respectively.

Amount recognised in other comprehensive income

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Experience (gains) / losses	(15)	15
Losses / (gains) from change in demographic assumptions	15	(20)
(Gains) / losses from change in financial assumptions	(87)	41
Remeasurements on liability	**(87)**	**36**

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(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

Due to its defined benefit plans, the Company is exposed to the following significant risks:

Changes in bond yields - A decrease in bond yields will increase plan liability.

Salary risk - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The financial (per annum rates) and demographic assumptions used to determine defined benefit obligations are as follows:

	As of 31 March, 2018	As of 31 March, 2017
Discount rate	7.85%	7.40%
Rate of return on plan assets	N.A.	N.A.
Rate of salary increase	9.00%	10.00%
Rate of attrition	20% to 24%	21% to 29%
Retirement age	58	58

Sensitivity analysis

The Company regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefits obligations is given in the table below:

		As of 31 March, 2018		As of 31 March, 2017	
	Change in assumption	Gratuity	Compensated absences	Gratuity	Compensated absences
Discount Rate	+1%	(61)	(32)	(59)	(33)
	-1%	67	34	64	36
Salary Growth Rate	+1%	65	34	62	(33)
	-1%	(61)	(32)	(59)	36

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefits obligations, as a result of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular under-lying actuarial assumption, while assuming all other assumptions to be constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The table below summarises the maturity profile and duration of the gratuity liability:

	As of 31 March, 2018	As of 31 March, 2017
Within one year	513	498
Within one - three years	535	569
within three - five years	318	327
Above five Years	489	433
Weighted average duration (in years)	3.82	3.42

27. Sales and marketing expenses

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Sales commission and distribution	22,211	21,957
Advertisement and marketing	5,787	7,200
Business and promotion	1,516	1,706
Other ancillary expenses	1,005	1,457
	30,519	**32,320**

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(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

28. Other expenses

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Content costs	5,698	5,934
Customer care expenses	4,668	3,540
IT expenses	3,764	4,754
Collection and recovery expenses	3,690	3,955
Legal and professional fees^	2,653	3,171
Provision for doubtful debts	8,060	7,349
Travelling and conveyance	888	1,084
Bad debts written off	713	329
Cost of good sold	277	58
Charity and donation*	528	1,146
Others#	5,232	7,204
	36,171	**38,524**

* As per the requirements of section 135 of the Companies Act, 2013, the Company was required to spend an amount of ₹2,145 and ₹2,079 for the year ended March 31, 2018 and 2017 on corporate social responsibility expenditure. During the year ended March 31, 2018 and 2017, the Company has spent in cash an amount of ₹245 and ₹56 towards education and sanitation respectively. Further, amount paid to Prudent Electoral Trust (formerly known as Satya Electoral Trust) for political purpose amounting to ₹250 and ₹170 during the year ended March 31, 2018 and 2017 respectively.
# It includes rent, printing and stationary, security, rent and communication expenses etc.

^ Details of Auditor's remuneration which included in legal and professional fees:

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
- Audit fee*	66	76
- Reimbursement of expenses	5	6
- Other services*	13	9
	84	**91**

* Excluding service tax / goods and service tax

29. Depreciation and amortisation

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Depreciation	80,063	77,663
Amortisation	50,423	44,371
	130,486	**122,034**

30. Finance costs and income

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Finance costs		
Interest expense	47,553	42,902
Net loss on derivative financial instruments	1,959	2,244
Other finance charges*	9,595	7,400
	59,107	**52,546**
Finance income		
Dividend income	4,200	16,511
Interest income	3,360	1,731
Net gain on FVTPL investments	35	1,725
Net exchange gain	822	3,454
	8,417	**23,421**

*It includes bank charges, trade finance charges, charges relating to derivative instruments and interest charges towards sub judice matters.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

31. Exceptional items

Exceptional items comprise of the following:

(i) For the year ended March 31, 2018:

a. Charge of ₹1,572 towards operating costs on network re-farming and up-gradation program
b. Provision of ₹720 towards one major delinquent receivable balance
c. Charge of ₹3,749 mainly due to levies and taxes pertaining to internal restructuring

(ii) For the year ended March 31, 2017:

a. Charge of ₹2,396 towards operating costs (including accelerated depreciation) on network re-farming and up-gradation program
b. Charge of ₹2,920 resulting from reassessment of the useful life of certain categories of network assets of the Company due to technological advancements
c. Net charge aggregating to ₹7,506 pertaining to regulatory levies related assessment / provisions, settlement of tax related contingent liability and reconciliation of balances
d. Loss of ₹159,886 pertains to internal restructuring and divestment

Tax expense includes:

(a) Tax benefit of ₹2,129 and ₹5,864 for the year ended March 31, 2018 and 2017 respectively, on above exceptional items

(b) Tax benefit of Nil and ₹1,892 for the year ended March 31, 2018 and 2017 respectively, on account of re-assessment of tax provisions for previous periods

32. Earnings per share ('EPS')

The details used in computation of basic and diluted EPS:

	As of 31 March, 2018	As of 31 March, 2017
Weighted average Shares outstanding ('000) for basic / diluted EPS	3,997,400	3,997,400
Profit / (loss) for the year	792	(99,256)

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

33. Segment reporting

The Company's operating segments are organised and managed separately through the respective business managers, according to the nature of products and services provided with each segment representing a strategic business unit. These business units are reviewed by the Chairman of the Company (Chief Operating Decision Maker - 'CODM').

The amounts reported to CODM are based on the accounting principles used in the preparation of financial statements as per Ind AS. Segment's performance is evaluated based on segment revenue and segment result viz. profit or loss from operating activities before exceptional items and tax. Accordingly, finance costs / income, non – operating expenses and exceptional items are not allocated to individual segment.

Inter-segment pricing and terms are reviewed and changed by the management to reflect changes in market conditions and changes to such terms are reflected in the period in which the changes occur. Inter-segment revenues are eliminated upon consolidation of segments and reflected in the 'Eliminations' column.

Segment assets / liabilities comprise assets / liabilities directly managed by each segment. Segment assets primarily includes receivables, property, plant and equipment, capital work-in-progress, intangibles assets, intangible assets under development, non-current investments, inventories and cash and cash equivalents. Segment liabilities primarily includes operating liabilities. Segment capital expenditure comprises of additions to PPE, CWIP, intangible assets, intangible assets under development, and capital advances.

The reporting segments of the Company are as below:

Mobile Services: These services cover voice and data telecom services provided through wireless technology (2G / 3G / 4G) in India. This includes the captive national long distance networks which primarily provide connectivity to the mobile services business in India. This also includes intra-city fibre networks.

Airtel Business: These services cover end-to-end telecom solutions being provided to large Indian and global corporations by serving as a single point of contact for all telecommunication needs across data and voice (domestic as well as international long distance), network integration and managed services.

Homes Services: These services cover voice and data communications through fixed-line network and broadband technology.

Unallocated: Unallocated items include expenses / results, assets and liabilities of corporate headquarters of the Company, non-current investment, current taxes, deferred taxes, borrowings and certain financial assets and liabilities, not allocated to the operating segments.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹.'; unless stated otherwise)

Summary of the segmental information for the year ended and as of March 31, 2018 is as follows:

Particulars	Mobile Services	Airtel Business	Homes Services	Unallocated	Eliminations	Total
Revenue from external customers	420,208	91,899	24,523	-	-	536,630
Inter-segment revenue	20,947	8,655	177	-	(29,779)	-
Total revenues	**441,155**	**100,554**	**24,700**	**-**	**(29,779)**	**536,630**
Segment results	21,563	26,193	4,398	(1,639)	-	50,515
Less:						
Finance costs						59,107
Finance income						(8,417)
Non-operating expenses						596
Exceptional items						6,041
Profit before tax						**(6,812)**
Other segment items						
Capital expenditure	188,011	7,474	10,210	6,481	(7,457)	204,719
Depreciation and amortisation	121,385	10,041	6,939	12	(7,891)	130,486
As of March 31, 2018						
Segment assets*	1,356,580	101,826	43,059	617,272	(69,364)	2,049,373
Segment liabilities*	303,670	38,625	20,276	727,557	(69,364)	1,020,764

* Effective April 1, 2017, individual segments exclude inter-segment balances and allocated borrowings. This has no impact on total assets and liabilities.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹.'; unless stated otherwise)

Summary of the segmental information for the year ended and as of March 31, 2017 is as follows:

Particulars	Mobile Services	Airtel Business	Homes Services	Unallocated	Eliminations	Total
Revenue from external customers	505,670	90,421	26,672	-	-	622,763
Inter-segment revenue	21,075	7,979	198	-	(29,252)	-
Total revenue	**526,745**	**98,400**	**26,870**	**-**	**(29,252)**	**622,763**
Segment result	94,680	19,469	6,331	(1,418)	-	119,062
Less:						
Finance costs						52,546
Finance income						(23,421)
Non-operating expense						2,324
Exceptional items						172,708
Loss before tax						(85,095)
Other segment items						
Capital expenditure	362,700	14,058	19,286	1,633	(20,862)	376,815
Depreciation and amortisation	113,230	9,737	5,951	12	(6,896)	122,034
As of March 31, 2017						
Segment assets	1,541,193	233,317	296,014	625,502	(779,650)	1,916,376
Segment liabilities	736,333	151,419	231,935	564,266	(779,650)	904,303

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

Geographical information*:

(a) Revenue from external customers:

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
India	492,486	575,319
Others	44,144	47,444
	536,630	**622,763**

(b) Non-current assets:

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
India	1,269,732	1,198,282
Others	12,389	13,981
	1,282,121	**1,212,263**

*Basis location of the customers / assets

Non-current assets for this purpose consist of PPE, CWIP, intangible assets, intangible assets under development and capital advances.

34 Related party disclosures

i. Subsidiaries

- Indian

Airtel Payments Bank Limited
Bharti Airtel Services Limited
Bharti Hexacom Limited
Bharti Infratel Limited
Bharti Telemedia Limited
Indo Teleports Limited
Nxtra Data Limited
Wynk Limited
Smartx Services Limited
Telesonic Networks Limited
Nettle Infrastructure Investments Limited
Bharti Digital Networks Private Limited (formerly known as Tikona Digital Networks Private Limited,subsidiary w.e.f August 24, 2017)

- Foreign

Africa Towers N.V.
Africa Towers Services Limited ##
Airtel (Seychelles) Limited
Airtel Congo (RDC) S.A.
Airtel Congo S.A.
Airtel DTH Services Nigeria Limited #
Airtel Gabon S.A.
Airtel Ghana Limited (ceased to be subsidiary w.e.f. October 12, 2017)
Airtel Madagascar S.A.
Airtel Malawi Limited
Airtel Mobile Commerce (Ghana) Limited (ceased to be subsidiary w.e.f. October 12, 2017)
Airtel Mobile Commerce (Kenya) Limited
Airtel Mobile Commerce (Seychelles) Limited

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

Airtel Mobile Commerce (Tanzania) Limited
Airtel Mobile Commerce B.V.
Airtel Mobile Commerce Holdings B.V.
Airtel Mobile Commerce Nigeria Limited (incorporated w.e.f August 31, 2017)
Airtel Mobile Commerce Limited, Malawi
Airtel Mobile Commerce Madagascar S.A.
Airtel Mobile Commerce Rwanda Limited
Airtel Mobile Commerce Tchad S.a.r.l.
Airtel Mobile Commerce Uganda Limited
Airtel Mobile Commerce Zambia Limited
Airtel Money (RDC) S.A.
Airtel Money Niger S.A.
Airtel Money S.A. (Gabon)
Airtel Money Transfer Limited
Airtel Money Tanzania Limited
Airtel Networks Kenya Limited
Airtel Networks Limited
Airtel Networks Zambia Plc
Airtel Rwanda Limited
Airtel Tanzania Public Limited (formerly known as Airtel Tanzania Limited)
Airtel Tchad S.A.
Airtel Uganda Limited
Bangladesh Infratel Networks Limited #
Bharti Airtel (France) SAS
Bharti Airtel (Hong Kong) Limited
Bharti Airtel (Japan) Private Limited
Bharti Airtel (UK) Limited
Bharti Airtel (USA) Limited
Bharti Airtel Africa B.V.
Bharti Airtel Burkina Faso Holdings B.V.
Bharti Airtel Chad Holdings B.V.
Bharti Airtel Congo Holdings B.V.
Bharti Airtel Developers Forum Limited
Bharti Airtel DTH Holdings B.V.#
Bharti Airtel Gabon Holdings B.V.
Bharti Airtel Ghana Holdings B.V. (ceased to be subsidiary w.e.f. October 12, 2017)
Bharti Airtel International (Mauritius) Limited
Bharti Airtel International (Mauritius) Investment Limited (incorporated on March 26, 2018)
Bharti Airtel International (Netherlands) B.V.
Bharti Airtel Kenya B.V.
Bharti Airtel Kenya Holdings B.V.
Bharti Airtel Lanka (Private) Limited
Bharti Infratel Lanka (Private) Limited #
Bharti Airtel Madagascar Holdings B.V.
Bharti Airtel Malawi Holdings B.V.
Bharti Airtel Mali Holdings B.V.
Bharti Airtel Niger Holdings B.V.
Bharti Airtel Nigeria B.V.
Bharti Airtel Nigeria Holdings B.V. #
Bharti Airtel Nigeria Holdings II B.V.
Bharti Airtel RDC Holdings B.V.
Bharti Airtel Rwanda Holdings Limited
Bharti Airtel Services B.V.
Bharti Airtel Tanzania B.V.
Bharti Airtel Uganda Holdings B.V.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

Bharti Airtel Zambia Holdings B.V.
Bharti International (Singapore) Pte. Ltd
Celtel (Mauritius) Holdings Limited
Celtel Niger S.A.
Channel Sea Management Company (Mauritius) Limited
Congo RDC Towers S.A.
Gabon Towers S.A. ##
Indian Ocean Telecom Limited
Madagascar Towers S.A.
Malawi Towers Limited
Mobile Commerce Congo S.A.
Montana International
MSI-Celtel Nigeria Limited #
Network i2i Limited
Partnership Investment S.a.r.l.
Société Malgache de Téléphone Cellulaire S.A.
Tanzania Towers Limited
Towers Support Nigeria Limited #
Zap Trust Company Nigeria Limited #
Tigo Rwanda Limited (w.e.f January 31, 2018)

ii. Ultimate controlling entity (w.e.f. November 3, 2017)*

Bharti Enterprises (Holding) Private Limited. It is held by private trusts of Bharti family with Mr. Sunil Mittal's family trust effectively controlling the same company

iii. Entities having control over the Company (w.e.f. November 3, 2017)*

-Indian
Bharti Telecom Limited

*Significant influence until November 2, 2017

iv. Entities having significant influence over the Company

- Foreign
Singapore Telecommunications Limited
Pastel Limited

v. Associates

- Indian
Seynse Technologies Private Limited
Juggernaut Books Private Limited (acquired on November 29, 2017)

- Foreign
Seychelles Cable Systems Company Limited
Robi Axiata Limited

vi. Joint Ventures

- Indian
Indus Towers Limited
FireFly Networks Limited

- Foreign

Bridge Mobile Pte Limited
Bharti Airtel Ghana Holdings B.V (w.e.f October 12, 2017)

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

Airtel Ghana Limited (w.e.f October 12, 2017)
Airtel Mobile Commerce (Ghana) Limited (w.e.f October 12, 2017)
Milicom Ghana Company Limited (w.e.f October 12, 2017)
Mobile Financial Services Limited (w.e.f October 12, 2017)

vii. Other entities with whom transactions have taken place during the reporting periods

a. Fellow companies (subsidiaries / joint ventures / associates other than that of the Company)

Subsidiaries
- Indian
Bharti Enterprises Limited
Cedar Support Services Limited
Bharti Insurance Holding Private Limited
Bharti Axa General Insurance Company Limited
Bharti Axa Life Insurance Company Limited

Associates
- Indian
Bharti Life Ventures Private Limited
Bharti General Private Limited

b. Others related parties *

Entities where Key Management Personnel and their relatives exercise significant influence
- Indian
Bharti Foundation
Bharti Airtel Employees Welfare Trust
Hike Private Limited (formerly known as Hike Limited)

Others
- Indian
Brightstar Telecommunication India Limited
Bharti Realty Holdings Limited
Bharti Realty Limited
Deber Technologies Private Limited
Hike Messenger Limited
Centum Learning Limited
Fieldfresh Foods Private Limited
Indian Continent Investment Limited
Jersey Airtel Limited
Nile Tech Limited
Bharti Support Services Private Limited (formerly known as Atrium Restaurants India Private Limited)
Bharti Land Limited
Centum Work skills India Limited
Oak Infrastructure Developers Limited
Gourmet Investments Private Limited

* 'Other related parties' though not 'Related Parties' as per the definition under Ind AS 24, 'Related party disclosures', have been included by way of a voluntary disclosure, following the best corporate governance practices.

viii. Key Management Personnel ('KMP')

Sunil Bharti Mittal
Gopal Vittal

Liquidated during the financial year 2017-18
Under liquidation.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – '₹.'; unless stated otherwise)

The summary of significant transactions with the above mentioned parties is as follows:

	For the year ended March 31, 2018					For the year ended March 31, 2017				
	Subsidiaries	Joint ventures	Associates	Entitys having significant influence	ORP / FC#	Subsidiaries	Joint ventures	Associates	Entitys having significant influence	ORP / FC#
Purchase of fixed assets / bandwidth	4,951	-	-	-	2,476	4,119	-	-	-	2,705
Sale of fixed assets / IRU given	1,237	-	-	-	-	799	-	-	-	-
Investments*	42,912	-	-	-	-	85,425	-	-	-	-
Sale of investments	47,632	-	-	-	-	96,809	-	-	-	-
Rendering of services	30,643	37	2	993	296	22,680	49	3	1,383	285
Receiving of services	56,019	38,142	50	-	3,263	48,818	40,423	12	211	2,729
Fund transferred / expenses incurred on behalf of others	2,451	8	-	-	-	2,647	11	-	-	0
Donation	-	-	-	-	202	-	-	-	-	921
Loans given	71,993	3	-	-	273	98,566	-	-	-	-
Repayment of loans given	71,512	-	-	-	-	91,562	-	-	-	156
Reimbursement of energy expenses	13,680	25,317	-	-	-	13,742	24,614	-	-	-
Guarantees and collaterals given	24,767	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	9,809	501	-	-	-	3,255	364
Dividend income	4,200	-	-	-	-	16,512	-	-	-	-

Other related parties / fellow companies
* It includes loan converted into equity investments.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

The significant related party transactions are summarized below:

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
(i) Rendering of services		
Subsidiaries		
Bharti Hexacom Limited	17,414	9,802
Bharti Airtel (UK) Ltd.	9,559	9,597
(ii) Receiving of services		
Subsidiaries		
Bharti Hexacom Limited	8,709	4,526
Bharti Infratel Limited	20,404	20,543
Bharti Airtel (UK) Limited	11,481	9,366
Telesonic Networks Limited	3,781	4,408
Joint venture		
Indus Towers Limited	38,046	40,369
(iii) Reimbursement of energy expenses		
Subsidiary		
Bharti Infratel Limited	13,680	13,742
Joint Venture		
Indus Towers Limited	25,317	24,614
(iv) Fund transferred / expenses incurred on behalf of others		
Subsidiary		
Bharti Hexacom Limited	1,292	1,458
(v) Loans given		
Subsidiaries		
Bharti Telemedia Limited	-	23,357
Nettle Infrastructure Investments Limited	50,604	68,140
Tikona Digital Networks Private Limited	10,538	-
Bharti Airtel (Services) Limited	5,658	3,292
(vi) Repayment of loans given		
Subsidiaries		
Bharti Telemedia Limited	-	42,563
Bharti Airtel International (netherlands) B.V.	-	33,788
Bharti International (Singapore) Pte Limited*	-	9,357
Bharti Airtel (Services) Limited	4,883	3,034
Nettel Infrastructure Investments Limited	62,087	-
* loan conversion into equity		
(vii) Purchase of investments		
Subsidiaries		
Bharti Airtel International (Mauritius) Limited	-	14,620
Network i2i Limited	29,159	50,825
(viii) Sale of investment		
Subsidiaries		
Bharti Telemedia Ltd.	47,632	-
Nettle Infrastructure Investments Limited	-	68,060
(ix) Dividend income		
Subsidiaries		
Bharti Hexacom Limited	476	1,348
Bharti Infratel Limited	3,724	15,164
(x) Dividend paid		
Entities having control over the Company/entities having significant influence over the Company		
Bharti Telecom Limited	7,506	2,451
Pastel Limited	2,271	804
(xi) Guarantees and collaterals given		
Subsidiary		
Network i2i Limited	24,767	-

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

The outstanding balances of the above mentioned related parties are as follows:

	Subsidiaries	Joint ventures	Associates	Entitys having significant influence	ORP / FC#
As of March 31, 2018					
Trade payables	(10,108)	(10,353)	(22)	0	(194)
Trade receivables	1,592	0	0	31	77
Loans (including accrued interest)	73,180	8	0	0	625
Security deposit	2,606	3,746	0	0	944
Guarantees and collaterals given (including performance guarantees)	729,881	-	-	-	-
As of March 31, 2017					
Trade payables	(5,342)	(10,563)	(10)	(223)	(410)
Trade receivables	748	1	0	0	69
Loans (including accrued interest)	72,699	5	0	0	352
Security deposit	2,602	3,717	0	0	931
Guarantees and collaterals given (including performance guarantees)	709,615	-	-	-	-

Other related parties / fellow companies

Outstanding balances at period end are un-secured and settlement occurs in cash.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director, whether executive or otherwise. Remuneration to key management personnel were as follows:

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Short-term employee benefits	263	250
Performance linked incentive ('PLI')#	138	118
Post-employment benefit	28	26
Share-based payment	62	62
	491	**456**

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 ₹21 and ₹28 has been recorded in the books towards PLI for the year ended March 31, 2018 and March 31, 2017 respectively. During the year ended March 31, 2018 and 2017, PLI of ₹143 and ₹116 respectively, pertaining to previous year has been paid.

As the liabilities for the gratuity and compensated absences are provided on an actuarial basis, and calculated for the Company as a whole rather than each of the individual employees, the said liabilities pertaining specifically to KMP are not known and hence, not included in the above table.

In addition to above, ₹1,122 thousand and ₹313 thousand have been paid as dividend to key management personnel during the year ended March 31, 2018 and March 31, 2017 respectively.

The Company has agreed to ensure appropriate financial support only if and to the extent required by its subsidiaries (namely, Bharti Airtel Services Limited, Bharti Telemedia Limited, Airtel Payments Bank Limited, Bharti Teleports Limited, Bharti Airtel Lanka (Private) Limited and Bharti Airtel International (Netherlands) B.V. including its subsidiaries).

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

The details of loans and advances as required by schedule V of SEBI (listing obligation and disclosure requirement Regulation, 2015 are given in the table below.

	March 31, 2018		March 31, 2017	
Name of the Company	Outstanding balance	Maximum amount outstanding during the year	Outstanding balance	Maximum amount outstanding during the year
Subsidiaries				
Bharti Telemedia Limited	-	-	-	21,033
Bharti International (Netherlands) B. V.	-	-	-	34,797
Bharti Teleports Limited	692	730	623	623
Bharti International (Singapore) Pte Limited	-	-	-	9,476
Nxtra Data Limited	3,941	4,323	3,160	3,270
Bharti Airtel Services limited	1,320	1,717	545	811
Wynk Limited	33	525	231	321
Augere Wireless Broadband India Private Limited	-	-	-	997
Nettle Infrastructure Investment Limited	56,657	68,140	68,140	68,140
Bharti Digital Networks Private Limited (formerly known as Tikona Digital Networks Private Limited)	10,538	10,538	-	-
Joint Venture				
FireFly Networks Limited	8	8	5	5
	73,189	**85,981**	**72,704**	**139,473**

35. Financial and capital risk

1. Financial risk

The business activities of the Company expose it to a variety of financial risks, namely market risks (that is, foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects on its financial performance. Further, the Company uses certain derivative financial instruments to mitigate some of these risk exposures (as discussed below in this note).

The financial risk management for the Company is driven by the Company's senior management ('CSM'), in close co-ordination with the operating entities and internal / external experts subject to necessary supervision. The Company does not undertake any speculative transactions either through derivatives or otherwise. The CSM are accountable to the Board of Directors and Audit Committee. They ensure that the Company's financial risk-taking activities are governed by appropriate financial risk governance frame work, policies and procedures. The BoD of the respective operating entities periodically reviews the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

(i) Foreign currency risk

Foreign exchange risk arises on all recognised monetary assets and liabilities, and any highly probable forecasted transactions, which are denominated in a currency other than the functional currency of the Company. The Company has foreign currency trade payables, receivables and borrowings. However, foreign exchange exposure mainly arises from borrowings and trade payables denominated in foreign currencies.

The foreign exchange risk management policy of the Company requires it to manage the foreign exchange risk by transacting as far as possible in the functional currency. Moreover, the Company monitors the movements in currencies in which the borrowings / capex vendors are payable and manage any related foreign exchange risk, which inter-alia include entering into foreign exchange derivative contracts - as considered appropriate and whenever necessary. For further details as to foreign currency borrowings, refer note 18. Further, for the details as to the fair value of various outstanding derivative financial instruments, refer note 36.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

Foreign currency sensitivity

The impact of foreign exchange sensitivity on profit for the year and other comprehensive income is given in the table below:

	Change in currency exchange rate	Effect on profit before tax	Effect on equity (OCI)
For the year ended March 31, 2018			
US Dollars	+5%	(5,013)	-
	-5%	5,013	-
Others	+5%	15	-
	-5%	(15)	-
For the year ended March 31, 2017			
US Dollars	+5%	(5,244)	-
	-5%	5,244	-
Others	+5%	(2)	-
	-5%	2	-

The sensitivity disclosed in the above table is mainly attributable to, in case of to foreign exchange gains / (losses) on translation of USD denominated borrowings, derivative financial instruments, trade payables, and trade receivables.

The above sensitivity analysis is based on a reasonably possible change in the under-lying foreign currency against the respective functional currency while assuming all other variables to be constant.

Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, the Company's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

(ii) Interest rate risk

As the Company does not have exposure to any floating-interest bearing assets, or any significant long-term fixed-interest bearing assets, its interest income and related cash inflows are not affected by changes in market interest rates. Consequently, the Company's interest rate risk arises mainly from borrowings.

Borrowings

Borrowings with floating and fixed interest rates expose the Company to cash flow and fair value interest rate risk respectively. However, the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure. Accordingly, the components of the debt portfolio are determined by the CSM in a manner which enables the Company to achieve an optimum debt-mix basis its overall objectives and future market expectations.

The Company monitors the interest rate movement and manages the interest rate risk based on its risk management policies, which inter-alia include entering into interest swaps contracts - as considered appropriate and whenever necessary.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

Interest rate sensitivity of borrowings

The impact of the interest rate sensitivity on profit before tax is given in the table below:

Interest rate sensitivity	Increase / decrease (basis points)	Effect on profit before tax
For the year ended March 31, 2018		
INR - borrowings	+100	(716)
	-100	716
US Dollar - borrowings		
	+25	(66)
	-25	66
For the year ended March 31, 2017		
INR - borrowings	+100	(468)
	-100	468
US Dollar - borrowings		
	+25	(57)
	-25	57

The sensitivity disclosed in the above table is attributable to floating-interest rate borrowings and the interest swaps.

The above sensitivity analysis is based on a reasonably possible change in the under-lying interest rate of the Company's borrowings in INR, USD (being the significant currencies in which it has borrowed funds), while assuming all other variables (in particular foreign currency rates) to be constant.

Based on the movements in the interest rates historically and the prevailing market conditions as at the reporting date, the Company's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

(iii) Price risk

The Company invests its surplus funds in various mutual funds (debt fund, equity fund, liquid schemes and income funds etc.), short term debt funds, government securities and fixed deposits. In order to manage its price risk arising from investments, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.

(iv) Credit risk

Credit risk refers to the risk of default on its obligation by the counter-party, the risk of deterioration of credit-worthiness of the counter-party as well as concentration risks of financial assets, and thereby exposing the Company to potential financial losses.

The Company is exposed to credit risk mainly with respect to trade receivables, investment in bank deposits / debt securities / mutual funds and derivative financial instruments.

Trade receivables

The Trade receivables of the Company are typically non-interest bearing un-secured and derived from sales made to a large number of independent customers. As the customer base is widely distributed both economically and geographically, there is no concentration of credit risk.

As there is no independent credit rating of the customers available with the Company, the management reviews the credit-worthiness of its customers based on their financial position, past experience and other factors. The credit risk related to the trade receivables is managed / mitigated by each business unit, basis the Company's established policy and procedures, by setting appropriate payment terms and credit period, and by setting and monitoring internal limits on exposure to individual customers. The credit period provided by the Company to its customers generally ranges from 14-30 days except Airtel business segment wherein it ranges from 7-90 days.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

The Company uses a provision matrix to measure the expected credit loss of trade receivables, which comprise a very large numbers of small balances. Refer note 14 for details on the impairment of trade receivables. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are credit impaired if the payments are more than 90 days past due.

The ageing analysis of trade receivables as of the reporting date is as follows:

	Neither past due nor impaired	Past due but not impaired				Total
		Less than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
March 31, 2018	18,320	14,119	5,207	4,052	1,498	**43,196**
March 31, 2017	15,997	8,624	3,970	3,203	324	**32,118**

The Company performs on-going credit evaluations of its customers' financial condition and monitors the credit-worthiness of its customers to which it grants credit in its ordinary course of business. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due. Where the financial asset has been written-off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit and loss.

Financial instruments and cash deposits

The Company's treasury, in accordance with the board approved policy, maintains its cash and cash equivalents, deposits and investment in mutual funds and enters into derivative financial instruments - with banks, financial and other institutions, having good reputation and past track record, and high credit rating. Similarly, counter-parties of the Company's other receivables carry either no or very minimal credit risk. Further, the Company reviews the credit-worthiness of the counter-parties (on the basis of its ratings, credit spreads and financial strength) of all the above assets on an on-going basis, and if required, takes necessary mitigation measures.

(v) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic and international capital markets across debt and equity.

Moreover, the Company's senior management regularly monitors the rolling forecasts of the entities' liquidity reserve (comprising of the amount of available un-drawn credit facilities and Cash and cash equivalents) and the related requirements, to ensure they have sufficient cash on an on-going basis to meet operational needs while maintaining sufficient headroom at all times on its available un-drawn committed credit facilities, so that there is no breach of borrowing limits or relevant covenants on any of its borrowings. For details as to the Borrowings, refer note 18.

Based on past performance and current expectations, the Company believes that the Cash and cash equivalents, cash generated from operations and available un-drawn credit facilities, will satisfy its working capital needs, capital expenditure, investment requirements, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:-

	As of March 31, 2018						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings*#	677,839	0	111,946	55,395	72,856	910,420	**1,150,617**
Other financial liabilities*	88,202	3,284	65,564	-	-	19,354	**88,202**
Trade payables#	176,990	-	176,990	-	-	-	**176,990**
Financial liabilities (excluding derivatives)	**943,031**	**3,284**	**354,500**	**55,395**	**72,856**	**929,774**	**1,415,809**
Derivative assets	275	-	152	43	80	-	**275**
Derivative liabilities	(352)	-	(83)	(145)	(107)	(17)	**(352)**
Net derivatives	**(77)**	**-**	**69**	**(102)**	**(27)**	**(17)**	**(77)**

	As of March 31, 2017						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings*#	600,947	265	72,941	31,725	70,808	732,139	**907,878**
Other financial liabilities*	84,030	2,538	51,724	5,075	-	21,881	**81,218**
Trade payables#	149,698	-	149,698	-	-	-	**149,698**
Financial liabilities (excluding derivatives)	**834,675**	**2,803**	**274,363**	**36,800**	**70,808**	**754,020**	**1,138,794**
Derivative assets	847	-	536	98	44	169	**847**
Derivative liabilities	(1,848)	-	(1,319)	(343)	(58)	(128)	**(1,848)**
Net derivatives	**(1,001)**	**-**	**(783)**	**(245)**	**(14)**	**41**	**(1,001)**

* It includes contractual interest payment based on interest rate prevailing at the end of the reporting period after adjustment for the impact of interest swaps, over the tenor of the borrowings.
# Interest accrued but not due has been included in interest bearing borrowings and excluded from other financial liabilities.

The Company from time to time in its usual course of business guarantees certain indebtedness of its subsidiaries. Accordingly, as of March 31, 2018 and March 31, 2017 Company has issued corporate guarantee for debt / advance aaggregating to ₹353,114 and ₹340,855, respectively. The outflow in respect of these guarantees arises only on any default/ non-performance of the subsidiary with respect to the guaranteed debt / advance and substantial amount of such loans are due for payment after two years from the reporting date.

(vi) Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows:

Balance Sheet caption	Statement of cash flows line item	April 1, 2017	Cash flows	Interest expense	Foreign exchange movement	Others	March 31, 2018
Borrowings*	Proceeds / repayments of borrowings (Including Short term)	160,783	58,315	-	298	1,077	220,473
Interest accrued but not due / derivative instruments	Interest and other finance charges paid	3,813	(4,291)	34,204	-	(9,968)	23,758

* It does not include deferred payment liabilities, finance lease obligation and bank overdraft.

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

2. Capital risk

The Company's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. However, the key objective of the Company's capital management is to, ensure that it maintains a stable capital structure with the focus on total equity, uphold investor; creditor and customer confidence, and ensure future development of its business activities. In order to maintain or adjust the capital structure, the Company may issue new shares, declare dividends, return capital to shareholders, etc.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

The Company monitors capital using a gearing ratio calculated as below:

	As of 31 March, 2018	As of 31 March, 2017
Borrowing	654,158	600,947
Less: Cash and cash equivalents	4,626	1,087
Less: Term deposits with bank	105	-
Net debt	**649,427**	**599,860**
Equity	1,028,609	1,012,073
Total capital	**1,028,609**	**1,012,073**
Capital and Net debt	**1,678,036**	**1,611,933**
Gearing Ratio	**38.7%**	**37.2%**

36. Fair value of financial assets and liabilities

The category wise details as to the carrying value and fair value of the Company's financial instruments are as follows:

	Level	Carrying Value as of		Fair Value as of	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial Assets					
FVTPL					
Derivatives					
- Currency swaps, forward and option contracts	Level 2	195	187	195	187
- Interest rate swaps	Level 2	80	106	80	106
- Embedded derivatives	Level 2	-	554	-	554
Investments	Level 2	63	52	63	52
Amortised cost					
Loans and security deposits	Level 2	82,786	82,470	82,786	82,470
Trade receivables	Level 2	43,196	32,118	43,196	32,118
Cash and cash equivalents	Level 1	4,626	1,087	4,626	1,087
Other bank balances	Level 1	825	647	825	647
Other financial assets	Level 2	12,097	13,756	12,097	13,756
		143,868	**130,977**	**143,868**	**130,977**
Financial Liabilities					
FVTPL					
Derivatives					
- Currency swaps, forward and option contracts	Level 2	352	1,848	352	1,848
Amortised cost					
Borrowings- fixed rate	Level 1	94,423	64,082	92,984	65,008
Borrowings- fixed rate	Level 2	433,714	454,750	473,800	488,848
Borrowings- floating rate	Level 2	126,021	82,115	126,021	82,115
Trade payables	Level 2	176,990	149,698	176,990	149,698
Other financial liabilities	Level 2	111,883	84,030	111,883	84,030
		943,383	**836,523**	**982,030**	**871,547**

Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupees – ₹; unless stated otherwise)

The following methods / assumptions were used to estimate the fair values:

i. The carrying value of trade receivables, trade payables, short-term borrowings, floating-rate long-term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments being subject to floating-rates.

ii. Fair value of quoted financial instruments is based on quoted market price at the reporting date.

iii. The fair value of other long-term borrowings and non-current financial assets / liabilities is estimated by discounting future cash flows using current rates applicable to instruments with similar terms, currency, credit risk and remaining maturities.

iv. The fair values of derivatives are estimated by using pricing models, wherein the inputs to those models are based on readily observable market parameters. The valuation models used by the Company reflect the contractual terms of the derivatives (including the period to maturity), and market-based parameters such as interest rates, foreign exchange rates, volatility etc. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable.

During the year ended March 31, 2018 and March 31, 2017, there were no transfers between Level 1 and Level 2 fair value measurements. None of the financial assets and financial liabilities are in Level 3.

The following table describes the key inputs used in the valuation (basis discounted cash flow technique) of the Level 2 financial assets / liabilities as of March 31, 2018 and March 31, 2017:

Financial assets / liabilities	Inputs used
Derivatives	
- Currency swaps, forward and option contracts	Forward currency exchange rates, interest rates
- Interest swaps	Prevailing / forward interest rates in market, interest rates
- Embedded derivatives	Forward currency exchange rates, interest rates
- Investments	Prevailing interest rates in market, interest rates
- Other financial assets / Other fixed rate borrowings / Other financial liabilities	Prevailing interest rates in market, future payouts, interest rates

37 Other matters

(i) In 1996, the Company had obtained the permission from DoT to operate its Punjab license through one of its wholly owned subsidiary. However DoT cancelled the permission to operate in April, 1996 and subsequently reinstated in March, 1998. Accordingly, for the period from April 1996 to March, 1998 ('blackout period') the license fee was disputed and not paid by the Company.

Subsequently, basis the demand from DoT in 2001, the Company paid the disputed license fee of ₹4,856 for blackout period under protest. Consequently, the license was restored subject to arbitrator's adjudication on the dispute. The arbitrator adjudicated the matter in favour of DoT, which was challenged by the Company before Hon'ble Delhi High Court. In 2012, Hon'ble Delhi High Court passed an order setting aside the arbitrator's award, which was challenged by DoT and is pending before its division bench. Meanwhile, the Company had filed a writ petition for recovery of the disputed license fee and interest thereto. However, the single bench, despite taking the view that the Company is entitled to refund, dismissed the writ petition on the ground that the case is still pending with the larger bench. The Company therefore has filed appeal against the said order with division bench and is currently pending. DoT had also filed an appeal against the single judge order. Both these appeals are tagged together and are listed for final hearing. The Hon'ble court has directed both the parties to file comprehensive written submission.

(ii) TRAI vide Telecom Interconnect Usages Charges Regulation (Eleventh Amendment) 2015 has reduced the IUC charges for mobile termination charges to 14 paisa from 20 paisa and abolished the fixed-line termination charges. The Company has challenged the said Regulation before the Hon'ble Delhi High Court and the matter is currently pending.

Consolidated Financial Statements

Independent Auditor's Report

TO THE MEMBERS OF

BHARTI AIRTEL LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **BHARTI AIRTEL LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"),which includes the Group's share of profit/loss in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date and a summary of significant accounting policies and other explanatory notes (hereinafter referred to as "Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associates and Joint ventures in accordance with the Indian Accounting Standards (Ind AS) prescribed under section133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the consolidated financial statements by the directors of the company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

In conducting 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 specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated 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 Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

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 report of the other auditor on separate financial statements

of the joint venture referred to below in the Other Matters paragraph, the aforesaid Consolidated 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2018, their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 24(i)(f)(v) to the Consolidated Financial Statements which describes the uncertainties related to the legal outcome of Department of Telecommunications demand with respect to one time spectrum charges.

Our opinion is not modified in respect of this matter.

Other Matters

i. The Consolidated Financial Statements include the Group's share of profit of ₹11,816 Million and total comprehensive income of ₹11,817 Million for the year ended March 31, 2018, as considered in the Consolidated Financial Statements, in respect of Indus Towers Limited (joint venture), whose financial statements have not been audited by us. These financial statements have been audited by the other auditor whose report has been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture is based solely on the report of the other auditor. Our opinion on the statement is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

ii. The comparative financial information of the Group, its associates and joint ventures for the year ended and as at March 31, 2017 prepared in accordance with Ind AS included in these Consolidated Financial Statements have been audited by the predecessor auditor. The report of the predecessor auditor on comparative financial statements for the year ended and as at March 31, 2017 dated May 9, 2017 expressed an unqualified opinion. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditor on separate financial statements of joint venture company incorporated in India, referred in the Other Matter paragraph above we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Company, subsidiary companies, associate companies

and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company, its subsidiary companies, associate companies and joint venture companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Bharti Airtel Limited ("the Company") and its subsidiary companies, its associates companies and joint venture companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company , its subsidiary companies, its associate companies and joint venture companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, its subsidiary companies, its associate companies and its joint venture companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the auditor of the joint venture company which is company incorporated in India, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company, its subsidiary companies, its associate companies and its joint venture companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material

misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below the Company, its subsidiary companies, its associate companies and joint venture companies , which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to joint venture, which is a company incorporated in India, is based solely on the corresponding report of the auditor of the joint venture company.

Our opinion is not modified in respect of the above matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

Consolidated Balance Sheet

As at March 31, 2018

(All amounts are in millions of Indian Rupees)

	Notes	As of March 31, 2018	As of March 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	6	706,079	620,088
Capital work-in-progress	6	52,089	23,942
Goodwill	7	328,070	338,082
Other intangible assets	7	837,855	824,181
Intangible assets under development	7	45,423	84,443
Investment in joint ventures and associates	8	86,839	82,277
Financial assets			
- Investments	10	5,769	44,187
- Derivative instruments	11	2,031	4,732
- Security deposits	12	9,703	9,630
- Others	13	5,814	16,653
Income tax assets (net)		25,505	22,716
Deferred tax assets (net)	14	29,330	26,195
Other non-current assets	15	36,319	53,488
		2,170,826	**2,150,614**
Current assets			
Inventories		693	488
Financial assets			
- Investments	10	68,978	16,923
- Derivative instruments	11	8,941	2,060
- Trade receivables	16	58,830	47,402
- Cash and cash equivalents	17	47,886	12,817
- Other bank balances	17	18,820	38,166
- Others	13	27,462	19,737
Other current assets	15	103,380	44,445
		334,990	**182,038**
Total assets		**2,505,816**	**2,332,652**
Equity and Liabilities			
Equity			
Share capital	18	19,987	19,987
Other equity		675,357	654,576
Equity attributable to owners of the Parent		**695,344**	**674,563**
Non-controlling interests ('NCI')		88,139	68,750
		783,483	**743,313**
Non-current liabilities			
Financial liabilities			
- Borrowings	20	849,420	896,373
- Derivative instruments	11	5,409	2,726
- Others	21	44,547	15,681
Deferred revenue		22,117	22,335
Provisions	22	7,212	7,471
Deferred tax liabilities (net)	14	10,606	9,429
Other non-current liabilities	23	623	727
		939,934	**954,742**
Current liabilities			
Financial liabilities			
- Borrowings	20	129,569	129,442
- Current maturities of long-term borrowings	20	134,346	47,062
- Derivative instruments	11	283	2,335
- Trade payables		277,675	268,537
- Others	21	140,605	90,212
Deferred revenue		48,666	48,785
Provisions	22	2,384	2,215
Current tax liabilities (net)		11,058	11,239
Other current liabilities	23	37,813	34,770
		782,399	**634,597**
Total liabilities		**1,722,333**	**1,589,339**
Total equity and liabilities		**2,505,816**	**2,332,652**

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Hemant M. Joshi
Partner
Membership No: 38019

Place: **New Delhi**
Date: **April 24, 2018**

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
Chairman
DIN: 00042491

Nilanjan Roy
Global Chief Financial Officer

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Pankaj Tewari
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

(All amounts are in millions of Indian Rupees; except per share data)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
Revenue	25	836,879	954,683
Other income		2,488	1,206
		839,367	**955,889**
Expenses			
Network operating expenses	26	197,520	209,154
Access charges		90,446	102,786
License fee / spectrum charges (revenue share)		75,558	92,760
Employee benefits expense	27	39,771	43,032
Sales and marketing expenses	28	55,766	66,732
Other expenses	29	77,027	86,921
		536,088	**601,385**
Profit from operating activities before depreciation, amortisation and exceptional items		**303,279**	**354,504**
Depreciation and amortisation	30	192,431	197,730
Finance costs	31	93,255	95,466
Finance income	31	(12,540)	(18,492)
Non-operating expenses (net)		141	1,319
Share of results of joint ventures and associates	8	(10,609)	(10,449)
Profit before exceptional items and tax		**40,601**	**88,930**
Exceptional items	32	7,931	11,697
Profit before tax		**32,670**	**77,233**
Tax expense / (credit)			
Current tax	14	18,230	21,240
Deferred tax	14	(7,395)	13,579
Profit for the year		**21,835**	**42,414**
Other comprehensive income ('OCI')			
Items to be reclassified subsequently to profit or loss :			
Net losses due to foreign currency translation differences		(7,181)	(41,424)
Net losses on net investment hedge		(8,024)	(10,330)
Net gains on cash flow hedge		809	857
Net gains on fair value through OCI investments		129	107
Tax charge	14	(122)	(16)
		(14,389)	**(50,806)**
Items to be reclassified subsequently to profit or loss :			
Re-measurement gains / (losses) on defined benefit plans		205	(73)
Share of OCI of joint ventures and associates	8	18	(9)
Tax (charge) / credit		(29)	20
		194	**(62)**
Other comprehensive loss for the year		**(14,195)**	**(50,868)**
Total comprehensive income / (loss) for the year		**7,640**	**(8,454)**
Profit for the year attributable to :		**21,835**	**42,414**
Owners of the Parent		10,990	37,998
Non-controlling interests		10,845	4,416
Other comprehensive loss for the year attributable to :		**(14,195)**	**(50,868)**
Owners of the Parent		(13,445)	(48,655)
Non-controlling interests		(750)	(2,213)
Total comprehensive income / (loss) for the year attributable to :		**7,640**	**(8,454)**
Owners of the Parent		(2,455)	(10,657)
Non-controlling interests		10,095	2,203
Earnings per share (Face value : ₹5 each) (In Rupees)			
Basic	33	2.75	9.51
Diluted	33	2.75	9.51

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Hemant M. Joshi
Partner
Membership No: 38019

Place: **New Delhi**
Date: **April 24, 2018**

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Consolidated Statement of Changes in Equity

(All amounts are in millions of Indian Rupees; except per share data)

Particulars	Equity attributable to owners of the Parent										Non-controlling interests	Total equity
	Share capital		Other equity									
			Reserves and surplus						Other components of equity (Note 19)	Total		
	No of shares (in '000)	Amount	Securities premium account	Retained earnings	General reserves	Debenture redemption reserve	Share-based payment reserve	NCI reserve				
As of April 1, 2016	**3,997,400**	**19,987**	**123,456**	**453,279**	**27,030**	**-**	**5,169**	**51,165**	**(12,393)**	**647,706**	**54,981**	**722,674**
Profit for the year	-	-	-	37,998	-	-	-	-	-	37,998	4,416	42,414
Other comprehensive loss	-	-	-	(62)	-	-	-	-	(48,593)	(48,655)	(2,213)	(50,868)
Total comprehensive income / (loss)	**-**	**-**	**-**	**37,936**	**-**	**-**	**-**	**-**	**(48,593)**	**(10,657)**	**2,203**	**(8,454)**
Transaction with owners of equity												
Employee share-based payment expense	-	-	-	-	-	-	328	-	-	328	10	338
Exercise of share options	-	-	-	-	-	-	(1,432)	-	157	(1,275)	(1,236)	(2,511)
Transaction with NCI	-	-	-	-	-	-	-	26,051	-	26,051	26,303	52,354
Dividend paid (including tax) to Company's shareholders	-	-	-	(6,543)	-	-	-	-	-	(6,543)	-	(6,543)
Dividend paid (including tax) to NCI	-	-	-	-	-	-	-	-	-	-	(12,869)	(12,869)
Movement on account of court approved schemes	-	-	-	(1,034)	-	-	-	-	-	(1,034)	(642)	(1,676)
As of March 31, 2017	**3,997,400**	**19,987**	**123,456**	**483,638**	**27,030**	**-**	**4,065**	**77,216**	**(60,829)**	**654,576**	**68,750**	**743,313**
Profit for the year	-	-	-	10,990	-	-	-	-	-	10,990	10,845	21,835
Other comprehensive income / (loss)	-	-	-	194	-	-	-	-	(13,639)	(13,445)	(750)	(14,195)
Total comprehensive income / (loss)	**-**	**-**	**-**	**11,184**	**-**	**-**	**-**	**-**	**(13,639)**	**(2,455)**	**10,095**	**7,640**
Transaction with owners of equity												
Employee share-based payment expense	-	-	-	-	-	-	392	-	-	392	21	413
Purchase of treasury shares	-	-	-	-	-		-		(424)	(424)	-	(424)
Exercise of share options	-	-	-	-	3,510	-	(3,675)	-	149	(16)	(13)	(29)
Transaction with NCI	-	-	-	-	-	-	-	42,625	-	42,625	13,812	56,437
Creation of debenture redemption reserve	-	-	-	-	(7,500)	7,500	-	-	-	-	-	-
Dividend paid (including tax) to Company's shareholders	-	-	-	(18,475)	-	-	-	-	-	(18,475)	-	(18,475)
Dividend paid (including tax) to NCI	-	-	-	-	-	-	-	-	-	-	(3,933)	(3,933)
Movement on account of court approved schemes	-	-	-	(866)	-	-	-	-	-	(866)	(593)	(1,459)
As of March 31, 2018	**3,997,400**	**19,987**	**123,456**	**475,481**	**23,040**	**7,500**	**782**	**119,841**	**(74,743)**	**675,357**	**88,139**	**783,483**

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Hemant M. Joshi
Partner
Membership No: 38019

Place: **New Delhi**
Date: **April 24, 2018**

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO (India and South Asia)
DIN: 02291778

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Consolidated Statement of Cash Flows

(All amounts are in millions of Indian Rupees)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flows from operating activities		
Profit before tax	32,670	77,233
Adjustments for :		
Depreciation and amortisation	192,431	197,730
Finance costs	93,255	95,466
Finance income	(12,540)	(18,492)
Share of results of joint ventures and associates	(10,609)	(10,449)
Exceptional items	325	(276)
Employee share-based payment expense	413	338
Other non-cash items	10,410	7,910
Operating cash flow before changes in working capital	**306,355**	**349,450**
Changes in working capital		
Trade receivables	(24,474)	5,366
Trade payables	15,122	7,640
Inventories	(202)	948
Provisions	154	(26)
Other financial and non financial liabilities	51,205	3,558
Other financial and non financial assets	(35,899)	(52,550)
Net cash generated from operations before tax	**312,261**	**314,386**
Income tax paid	(13,723)	(31,587)
Net cash generated from operating activities (a)	**298,538**	**282,799**
Cash flows from investing activities		
Purchase of property, plant and equipment	(245,259)	(223,030)
Proceeds from sale of property, plant and equipment	5,655	4,462
Purchase of intangible assets *	(17,749)	(1,55,673)
Payment towards Spectrum - Deferred payment liability *	(9,909)	(9,804)
Net movement in current investments	(50,259)	5,785
Purchase of non-current investments	-	(89,073)
Sale of non-current investments	36,495	82,557
Investment in subsidiary, net of cash acquired / associate	(19,498)	(283)
Sale of subsidiaries	-	59,604
Sale of tower assets	4,869	7,120
Investment in associate	(60)	(250)
Proceeds from sale of interest in associate / joint venture	-	447
Dividend received	10,377	9,789
Interest received	5,662	2,305
Net cash used in investing activities (b)	**(279,676)**	**(306,044)**
Cash flows from financing activities		
Proceeds from borrowings	197,664	258,584
Repayment of borrowings	(130,717)	(274,608)
Net proceeds from short-term borrowings	(26,874)	25,377
Proceeds from sale and finance leaseback of towers	2,958	6,277
Repayment of finance lease liabilities	(3,932)	(3,899)
Purchase of treasury shares	(424)	-
Interest and other finance charges paid	(44,041)	(58,566)
Proceeds from exercise of share options	13	65
Dividend paid (including tax)	(32,652)	(9,168)
Proceeds from issuance of equity shares to NCI (refer note 5)	21	1,245
Sale of interest in a subsidiary (refer Note 5)	57,189	61,863
Purchase of shares from NCI (refer note 5)	-	(10,684)
Net cash generated from / (used in) financing activities (c)	**19,205**	**(3,514)**
Net increase / (decrease) in cash and cash equivalents during the year (a+b+c)	**38,067**	**(26,759)**
Effect of exchange rate on cash and cash equivalents	281	(756)
Cash and cash equivalents as at beginning of the year	(9,880)	17,635
Cash and cash equivalents as at end of the year (Note 17)	**28,468**	**(9,880)**

*Cash flows towards spectrum acquisition are based on the timing of payouts to DoT (viz. upfront / deferred).

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Hemant M. Joshi
Partner
Membership No: 38019

Place: **New Delhi**
Date: **April 24, 2018**

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
Chairman
DIN: 00042491

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DIN: 02291778

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

1. Corporate information

Bharti Airtel Limited ('the Company' or 'the Parent') is domiciled and incorporated in India as a limited liability company with its shares being listed on the National Stock Exchange and the Bombay Stock Exchange. The registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company together with its subsidiaries (hereinafter referred to as 'the Group') has presence in India, Africa and South Asia. The principal activities of the Group, its joint ventures and associates consist of provision of telecommunication services, tower infrastructure services and direct-to-home digital television services. The details as to the services provided by the Group are further provided in note 36. For details as to the Group structure, refer note 39.

2. Summary of significant accounting policies

2.1 Basis of preparation

These consolidated financial statements ('financial statements') have been prepared to comply in all material respects with the Indian Accounting Standard ('Ind AS') as notified by the Ministry of Corporate Affairs('MCA') under section 133 of the Companies Act, 2013 ('Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act.

The financial statements are authorised for issue by the Company's Board of Directors on April 24, 2018.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013. Further, for the purpose of clarity, various items are aggregated in the statement of profit and loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the financial statements, where applicable or required.

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or '₹') and are rounded to the nearest million, except per share data and unless stated otherwise. Further, amounts which are less than a million are appearing as '0'.

The preparation of the said financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Group's accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in note 3.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by all the group entities, to all the periods presented in the said financial statements. Further, previous year figures have been re-grouped, wherever necessary to conform to current year's classification.

2.2 Basis of measurement

The financial statements have been prepared on the accrual and going concern basis, and the historical cost convention except where the Ind AS requires a different accounting treatment. The principal variations from the historical cost convention relate to financial instruments classified as fair value through profit or loss or through other comprehensive income (refer note 2.10 (b)), liability for cash-settled awards (refer note 2.17), the component of carrying values of recognised liabilities that are designated in fair value hedges (refer note 2.10 (d)) - which are measured at fair value.

Fair value measurement

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants. The Group's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

The Group is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The three levels of the fair-value-hierarchy are described below:

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets

Level 2: Significant inputs to the fair value measurement are directly or indirectly observable

Level 3: Significant inputs to the fair value measurement are unobservable

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

2.3 Basis of consolidation

a. Subsidiaries

Subsidiaries include all the entities over which the Group has control. The Group controls an entity when it is exposed or has right to variable return from its involvement with the entity, and has the ability to affect those returns through its power (that is, existing rights that give it the current ability to direct the relevant activities) over the entity. The Group re-assesses whether or not it controls the entity, in case the under-lying facts and circumstances indicate that there are changes to above mentioned parameters that determine the existence of control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group, and they are de-consolidated from the date that control ceases. Non-controlling interests is the equity in a subsidiary not attributable to a parent and presented separately from the Group's equity. Non-controlling interests consist of the amount at the date of the business combination and its share of changes in equity since that date. Profit or loss and other comprehensive income are attributed to the controlling and non-controlling interests in proportion to their ownership interests, even if this results in the non-controlling interests having a deficit balance. However, in case where there are binding contractual arrangements that determine the attribution of the earnings, the attribution specified by such arrangement is considered.

The profit or loss on disposal (associated with loss of control) is recognised in the statement of profit and loss being the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest, and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. In addition, any amounts previously recognised in the other comprehensive income in respect of that de-consolidated entity, are accounted for as if the Group had directly disposed off the related assets or liabilities. This may mean that amounts previously recognised in the other comprehensive income are re-classified to the statement of profit and loss. Any retained interest in the entity is remeasured to its fair value with the resultant change in carrying value being recognised in statement of profit and loss.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as a transaction with equity holders. Any difference between the amount of the adjustment to non-controlling interests and any consideration exchanged is recognised in 'NCI reserve', a component of equity.

b. Joint ventures and associates

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investment in joint ventures and associates are accounted for using equity method; from the date on which Group obtains joint control over the joint venture / starts exercising significant influence over the associate. The said investments are tested at-least annually and whenever circumstances indicate that their carrying values may exceed the recoverable amount (viz. higher of the fair value less costs to sell and the value-in-use).

c. Method of consolidation

Accounting policies of the respective individual subsidiary, joint venture and associate are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

The standalone financial statements of subsidiaries are fully consolidated on a line-by-line basis after adjusting for business combination adjustments (refer note 2.4). Intra-group balances and transactions, and income and expenses arising from intra-group transactions, are eliminated while preparing the said financial statements. The un-realised gains resulting from intra-group transactions are also eliminated. Similarly, the un-realised losses are eliminated, unless the transaction provides evidence as to impairment of the asset transferred.

The Group's investments in its joint ventures and associates are accounted for using the equity method. Accordingly, the investments are carried at cost less any impairment losses, as adjusted for post-acquisition changes in the Group's share of the net assets of

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

investees. Any excess of the cost over the Group's share of net assets in its joint ventures / associates at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment. The un-realised gains / losses resulting from transactions with joint ventures and associates are eliminated against the investment to the extent of the Group's interest in the investee. However, un-realised losses are eliminated only to the extent that there is no evidence of impairment.

At each reporting date, the Group determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of investment and its carrying value.

2.4 Business combinations

The Group accounts for business combinations using the acquisition method of accounting, and accordingly, the identifiable assets acquired and the liabilities assumed in the acquiree are recorded at their acquisition date fair values (except certain assets and liabilities which are required to be measured as per the applicable standard) and the non-controlling interest is initially recognised at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. The consideration transferred for the acquisition of a subsidiary is aggregation of the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group in exchange for control of the acquiree.

The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is subsequently measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, along with the amount of any non-controlling interests in the acquiree and the acquisition-date fair value (with the resulting difference being recognised in statement of profit and loss) of any previous equity interest in the acquiree, over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Acquisition-related costs are expensed in the period in which the costs are incurred.

If the initial accounting for a business combination is incomplete as at the reporting date in which the combination occurs, the identifiable assets and liabilities acquired in a business combination are measured at their provisional fair values at the date of acquisition. Subsequently adjustments to the provisional values are made within the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date; otherwise the adjustments are recorded in the period in which they occur.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with Ind AS 18 'Revenue'.

2.5 Foreign currency transactions

a. Functional and presentation currency

The items included in financial statements of each of the Group's entities are measured using the currency of primary economic environment in which the entity operates (i.e. 'functional currency').

The financial statements are presented in Indian Rupees which is the functional and presentation currency of the Company.

b. Transactions and balances

Transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in the statement of profit and loss within finance costs/ finance income. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – the resulting foreign exchange difference, on subsequent re-statement / settlement, recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

The equity items denominated in foreign currencies are translated at historical cost.

c. Foreign operations

The assets and liabilities of foreign operations (including the goodwill and fair value adjustments arising on the acquisition of foreign entities) are translated into Rupees at the exchange rates prevailing at the reporting date whereas their statements of profit and loss are translated into Rupees at monthly average exchange rates and the equity is recorded at the historical rate. The resulting exchange differences arising on the translation are recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR'), a component of equity. On disposal of a foreign operation (that is, disposal involving loss of control), the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

2.6 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

Deferred tax assets and liabilities, and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The derivatives designated in hedging relationship and separated embedded derivatives are classified basis the hedged item and host contract respectively.

2.7 Property, plant and equipment ('PPE')

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), assets retirement obligations (refer note 2.18 (b)) and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Further, it includes assets installed on the premises of customers as the associated risks, rewards and control remain with the Group.

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of PPE are required to be replaced at regular intervals, the Group recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. Further, in case the replaced part was not being depreciated separately, the cost of the replacement is used as an indication to determine the cost of the replaced part at the time it was acquired.

The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Group, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straight-line method over the estimated useful lives. Freehold land is not depreciated as it has an unlimited useful life. The Group has established the estimated range of useful lives for different categories of PPE as follows:

Categories	Years
Leasehold improvement	Period of lease or 10-20 years, as applicable, whichever is less
Leasehold land	Period of lease
Buildings	20
Plant and equipment	
- Network equipment (inclusive passive infrastructure)	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
Furniture & fixture and Office equipment	2 - 5
Vehicles	3 - 5

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The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at-least as at each financial year end so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted prospectively, and accordingly, the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed off are de-recognised from the balance sheet and the resulting gains / (losses) are included in the statement of profit and loss within other expenses / other income.

The cost of capital work-in-progress ('CWIP') is presented separately in the balance sheet.

2.8 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 measured reliably.

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable net assets purchased (refer note 2.4). Goodwill is not amortised; however it is tested annually for impairment (refer note 2.9) and carried at cost less any accumulated impairment losses. The gains / (losses) on the disposal of a cash-generating-unit ('CGU') include the carrying amount of goodwill relating to the CGU sold (in case goodwill has been allocated to group of CGUs; it is determined on the basis of the relative fair value of the operations sold).

The intangible assets that are acquired in a business combination are recognised at its fair value thereat. Other intangible assets are recognised at cost. These assets having finite useful life are carried at cost less accumulated amortisation and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life of intangible assets.

The Group has established the estimated useful lives of different categories of intangible assets as follows:

a. Software

Software are amortised over the period of license, generally not exceeding three years.

b. Bandwidth

Bandwidth is amortised over the period of the agreement.

c. Licenses (including spectrum)

Acquired licenses and spectrum are amortised commencing from the date when the related network is available for intended use in the relevant jurisdiction. The useful lives range from two to twenty five years.

The revenue-share based fee on licenses / spectrum is charged to the statement of profit and loss in the period such cost is incurred.

d. Other acquired intangible assets

Other acquired intangible assets include the following:

Rights acquired for unlimited license access: Over the period of the agreement which ranges upto five years.

Distribution network: One year to two years

Customer base: Over the estimated life of such relationships which ranges from one year to five years.

Non-compete fee: Over the period of the agreement which ranges upto five years.

The useful lives and amortisation method are reviewed, and adjusted appropriately, at least at each financial year end so as to ensure that the method and period of amortisation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives and / or amortisation method is accounted prospectively, and accordingly, the amortisation is calculated over the remaining revised useful life.

Further, the cost of intangible assets under development includes the amount of spectrum allotted to the Group and related costs (including borrowing costs that are directly attributable to the acquisition or construction of qualifying assets) (refer note 2.21), if any, for which services are yet to be rolled out and are presented separately in the balance sheet.

2.9 Impairment of non-financial assets

a. Goodwill

Goodwill is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired. For the purpose of impairment testing, the goodwill is allocated to a cash-generating-unit ('CGU') or group of CGUs ('CGU'), which are expected to benefit from the acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment occurs when the carrying value of a CGU / CGUs including the goodwill, exceeds the estimated recoverable amount of the CGU / CGUs. The

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recoverable amount of a CGU / CGUs is the higher of its fair value less costs to sell and its value in use. Value-in-use is the present value of future cash flows expected to be derived from the CGU / CGUs.

The total impairment loss of a CGU / CGUs is allocated first to reduce the carrying value of Goodwill allocated to that CGU / CGUs and then to the other assets of that CGU / CGUs - on pro-rata basis of the carrying value of each asset.

b. PPE, Intangible assets and Intangible assets under development

PPE, (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Intangible assets under development is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired.

For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the CGU level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro-rata basis.

Reversal of impairment losses

Impairment loss in respect of goodwill is not reversed. Other impairment losses are reversed in the statement of profit and loss and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset / CGU in previous years.

2.10 Financial instruments

a. Recognition, classification and presentation

The financial instruments are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the financial instrument.

The Group determines the classification of its financial instruments at initial recognition.

The Group classifies its financial assets in the following categories: a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and b) those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group has classified all the non-derivative financial liabilities as measured at amortised cost.

The entire hybrid contract, financial assets with embedded derivatives, are considered in their entirety for determining the contractual terms of the cash flow and accordingly, the embedded derivatives are not separated. However, derivatives embedded in non-financial instrument / financial liabilities (measured at amortised cost) host contracts are classified as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts.

Financial assets and liabilities arising from different transactions are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, the Group currently has a legally enforceable right to set-off the related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

b. Measurement - Non-derivative financial instruments

I. Initial measurement

At initial recognition, the Group measures the non-derivative financial instruments at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Otherwise transaction costs are expensed in the statement of profit and loss.

II. Subsequent measurement - financial assets

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

i. Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate ('EIR') method (if the impact of discounting / any transaction costs is significant). Interest income from these financial assets is included in finance income.

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ii. Financial assets at fair value through other comprehensive income ('FVTOCI')

Equity investments which are not held for trading and for which the Group has elected to present the change in the fair value in other comprehensive income and debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flow represent solely payment of principal and interest, are measured at FVTOCI.

The changes in fair value are taken through OCI, except for the impairment (on debt instruments), interest (basis EIR method), dividend and foreign exchange differences which are recognised in the statement of profit and loss.

When the financial asset is derecognised, the related accumulated fair value adjustments in OCI as at the date of derecognition are reclassified from equity and recognised in the statement of profit and loss. However, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss in case of equity instruments.

iii. Financial assets at fair value through profit or loss ('FVTPL')

All equity instruments and financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. Interest (basis EIR method) and dividend income from financial assets at FVTPL is recognised in the statement of profit and loss within finance income / finance costs separately from the other gains/losses arising from changes in the fair value.

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and debt instrument carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month expected credit loss ('ECL') is used to provide for impairment loss, otherwise lifetime ECL is used.

However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

III. Subsequent measurement - financial liabilities

Financial liabilities are subsequently measured at amortised cost using the EIR method (if the impact of discounting / any transaction costs is significant).

c. Measurement - derivative financial instruments

Derivative financial instruments, including separated embedded derivatives, that are not designated as hedging instruments in a hedging relationship are classified as financial instruments at fair value through profit or loss - Held for trading. Such derivative financial instruments are initially recognised at fair value. They are subsequently measured at their fair value, with changes in fair value being recognised in the statement of profit and loss within finance income / finance costs.

d. Hedging activities

I. Fair value hedge

Some of the group entities use certain type of derivative financial instruments (viz. interest rate / currency swaps) to manage / mitigate their exposure to the risk of change in fair value of the borrowings. The Group designates certain interest swaps to hedge the risk of changes in fair value of recognised borrowings attributable to the hedged interest rate risk. The effective portion of changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss within finance income / finance costs, together with any changes in the fair value of the hedged liability that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised to profit or loss over the period to remaining maturity of the hedged item.

II. Cash flow hedge

Some of the group entities use certain types of derivative financial instruments (viz. foreign currency forwards, options, swaps) to manage / mitigate their exposure to foreign exchange and price risk. Further, the Group designates certain such derivative financial instruments (or its components) as hedging instruments for hedging the exchange rate fluctuation risk attributable to is either to an recognised item or a highly probable forecast transaction ('Cash flow hedge'). The effective portion of changes in the fair value of Derivative financial instruments (or its components) that are designated and qualify as Cash flow hedges, are recognised in

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the Other comprehensive income and held in Cash flow hedge reserve ('CFHR') - a component of Equity. Any gains / (losses) relating to the ineffective portion, are recognised immediately in the statement of profit and loss within finance income / finance costs. The amounts accumulated in Equity are re-classified to the statement of profit and loss in the periods when the hedged item affects profit / (loss).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gains / (losses) existing in equity at that time remains in equity and is recognised (on the basis as discussed in the above paragraph) when the forecast transaction is ultimately recognised in the statement of profit and loss. However, at any point of time, when a forecast transaction is no longer expected to occur, the cumulative gains / (losses) that were reported in equity is immediately transferred to the statement of profit and loss within finance income / finance costs.

III. Net investment hedge

The Group hedges its certain net investment in foreign subsidiaries which are accounted for similar to cash flow hedges. Accordingly, any foreign exchange differences on the hedging instrument (viz. borrowings) relating to the effective portion of the hedge is recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR') - a component of equity, so as to offset the change in the value of the net investment being hedged. The ineffective portion of the gain or loss on these hedges is immediately recognised in the statement of profit and loss. The amounts accumulated in equity are included in the statement of profit and loss when the foreign operation is disposed or partially disposed.

e. Derecognition

The financial liabilities are de-recognised from the balance sheet when the under-lying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The financial assets are de-recognised from the balance sheet when the rights to receive cash flows from the financial assets have expired, or have been transferred and the Group has transferred substantially all risks and rewards of ownership. The difference in the carrying amount is recognised in the statement of profit and loss.

2.11 Leases

The determination of whether an arrangement is a lease is based on whether fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases where the lessor transfers substantially all the risks and rewards of ownership of the leased asset are classified as finance lease and other leases are classified as operating lease.

Operating lease receipts / payments are recognised as an income / expense on a straight-line basis over the lease term unless the lease payments increase in line with expected general inflation.

Contingent rents are recognised as income / expense in the period in which they are earned / incurred.

a. Group as a lessee

Assets acquired under finance leases are capitalised at the lease inception at lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are apportioned between finance charges (recognised in the statement of profit and loss) and reduction of the lease liability so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period.

Sale and leaseback transaction involves the sale and the leasing back of the same asset. In case it results in a finance lease, any profit or loss is not recognised, instead the asset leased back is retained at its carrying value. However, in case it results in an operating lease, any profit or loss is recognised immediately provided the transaction occurs at fair value.

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. Finance lease income is allocated to periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised in statement of profit and loss on a stratght-line basis over the lease term.

The Group enters into 'Indefeasible right to use' ('IRU') arrangement wherein the assets are given on lease over the substantial part of the asset life. However,

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the title to the assets and significant risk associated with the operation and maintenance of these assets remains with the Group. Hence, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the balance sheet.

2.12 Taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.

a. Current tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date in the respective countries where the group entities operate and generate taxable income. The payment made in excess / (shortfall) of the respective group entities' income tax obligation for the period are recognised in the balance sheet under non-current income tax assets / liabilities.

Any interest, related to accrued liabilities for potential tax assessments are not included in Income tax charge or (credit), but are rather recognised within finance costs.

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 on the basis of amounts expected to be paid to the tax authorities.

b. Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax are not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Further, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Moreover, deferred tax is recognised on temporary differences arising on investments in subsidiaries, joint ventures and associates - unless the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Group currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation authority and where there is an intention to settle the current income tax balances on net basis.

2.13 Inventories

Inventories are stated at the lower of cost (determined using the first-in-first-out method) and net realisable value. The costs comprise its purchase price and any directly attributable cost of bringing to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated variable costs necessary to make the sale.

2.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of changes in value). However, for the purpose of the statement of cash flows, in addition to above items, any bank overdrafts / cash credits that are integral part of the Group's cash management, are also included as a component of cash and cash equivalents.

2.15 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

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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 except for assets such as deferred tax assets, financial assets that are carried at fair value. Non-current assets are not depreciated or amortised while they are classified as held for sale.

Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative loss previously recognised.

If the criteria for the held for sale are no longer met, it ceases to be classified as held for sale and are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation / amortisation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

2.16 Share capital / Securities premium account / Treasury shares

Ordinary shares are classified as Equity when the Company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect.

When the Company purchases its ordinary shares through Bharti Airtel Employees' Welfare Trust, they are treated as treasury shares, and the consideration paid is deducted from the Equity. When the treasury shares are subsequently re-issued, any difference between its carrying amount and consideration received is recognised in share-based-payment reserve.

2.17 Employee benefits

The Group's employee benefits mainly include wages, salaries, bonuses, defined contribution to plans, defined benefit plans, compensated absences, deferred compensation and share-based payments. The employee benefits are recognised in the year in which the associated services are rendered by the group employees.

a. Defined contribution plans

The contributions to defined contribution plans are recognised in profit or loss as and when the services are rendered by employees. The Group has no further obligations under these plans beyond its periodic contributions.

b. Defined benefit plans

In accordance with the local laws and regulations, all the employees in India are entitled for the Gratuity plan. The said plan requires a lump-sum payment to eligible employees (meeting the required vesting service condition) at retirement or termination of employment, based on a pre-defined formula.

The Group provides for the liability towards the said plans on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method.

The obligation towards the said benefits is recognised in the balance sheet, at the present value of the defined benefit obligations less the fair value of plan assets (being the funded portion). The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

The interest income / (expense) are calculated by applying the above mentioned discount rate to the plan assets and defined benefit obligations. The net interest income / (expense) on the net defined benefit obligations is recognised in the statement of profit and loss. However, the related re-measurements of the net defined benefit obligations are recognised directly in the other comprehensive income in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions), the return on plan assets (excluding interest). Re-measurements are not re-classified to the statement of profit and loss in any of the subsequent periods.

c. Other long-term employee benefits

The employees of the Group are entitled to compensated absences as well as other long-term benefits. Compensated absences benefit comprises of encashment and availment of leave balances that were earned by the employees over the period of past employment.

The Group provides for the liability towards the said benefit on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related re-measurements are recognised in the statement of profit and loss in the period in which they arise.

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d. Share-based payments

The Group operates equity-settled and cash-settled, employee share-based compensation plans, under which the Group receives services from employees as consideration for stock options either towards shares of the Company / cash settled units.

In case of equity-settled awards, the fair value is recognised as an expense in the statement of profit and loss within employee benefits as employee share-based payment expenses, with a corresponding increase in share-based payment reserve (a component of equity).

However, in case of cash-settled awards, the credit is recognised as a liability within other non-financial liabilities. Subsequently, at each reporting period, until the liability is settled, and at the date of settlement, liability is re-measured at fair value through statement of profit and loss.

The total amount so expensed is determined by reference to the grant date fair value of the stock options granted, which includes the impact of any market performance conditions and non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions. However, the non-market performance vesting and service conditions are considered in the assumption as to the number of options that are expected to vest. The forfeitures are estimated at the time of grant and reduce the said expense rateably over the vesting period.

The expense so determined is recognised over the requisite vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. As at each reporting date, the Group revises its estimates of the number of options that are expected to vest, if required.

It recognises the impact of any revision to original estimates in the period of change. Accordingly, no expense is recognised for awards that do not ultimately vest, except for which vesting is conditional upon a market performance / non-vesting condition. These are treated as vesting irrespective of whether or not the market / non-vesting condition is satisfied, provided that service conditions and all other non-market performance are satisfied.

Where the terms of an award are modified, in addition to the expense pertaining to the original award, an incremental expense is recognised for any modification that results in additional fair value, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled (including due to non-vesting conditions not being met), it is treated as if it is vested thereon, and any un-recognised expense for the award is recognised immediately.

2.18 Provisions

a. General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the said obligation, and the amounts of the said obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation, using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to un-winding of discount over passage of time is recognised within finance costs.

b. Asset retirement obligations ('ARO')

ARO are recognised for those operating lease arrangements where the Group has an obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation and are recognised as part of the cost of that particular asset. The estimated future costs of decommissioning are reviewed annually and any changes in the estimated future costs or in the discount rate applied are adjusted from the cost of the asset.

2.19 Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised and disclosed only where an inflow of economic benefits is probable.

2.20 Revenue recognition

Revenue is recognised when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be measured reliably. Revenue is recognised at the fair value of the consideration received or receivable, which is generally the transaction price, net of any taxes, duties, discounts and process waivers.

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In order to determine if it is acting as a principal or as an agent, the Group assesses whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services.

a. Service revenues

Service revenues mainly pertain to usage, subscription and activation charges for voice, data, messaging, value added services and broadcasting. It also includes revenue towards interconnection / roaming charges for usage of the Group's network by other operators for voice, data, messaging and signalling services.

Usage charges are recognised based on actual usage. Subscription charges are recognised over the estimated customer relationship period or subscription pack validity period, whichever is lower. Customer onboarding revenue and associate cost is recognised upfront. Activation revenue and related activation costs are amortised over the estimated customer relationship period. However, any excess of activation costs over activation revenue are expensed as incurred.

The billing / collection in excess of revenue recognised is presented as deferred revenue in the balance sheet whereas unbilled revenue is recognised under other current financial assets.

Certain business' service revenues include income from registration and installation, which are amortised over the period of agreement since the date of activation of services.

Revenues from long distance operations comprise of voice services and bandwidth services (including installation), which are recognised on provision of services and over the period of arrangement respectively.

b. Multiple element arrangements

The Group has entered into certain multiple-element revenue arrangements which involve the delivery or performance of multiple products, services or rights to use assets. At the inception of the arrangement, all the deliverables therein are evaluated to determine whether they represent separately identifiable component basis it is perceived from the customer perspective to have value on standalone basis.

Total consideration related to the multiple element arrangements is allocated among the different components based on their relative fair values (i.e., ratio of the fair value of each element to the aggregated fair value of the bundled deliverables). 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.

c. Equipment sales

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories. Such transactions are recognised when the significant risks and rewards of ownership are transferred to the customer. However, in case of equipment sale forming part of multiple-element revenue arrangements which is not separately identifiable component, revenue is recognised over the customer relationship period.

d. Capacity swaps

The exchange of network capacity is recognised at fair value unless the transaction lacks commercial substance or the fair value of neither the capacity received nor the capacity given is reliably measurable.

e. Interest income

The interest income is recognised using the EIR method. For further details, refer note 2.10.

f. Dividend income

Dividend income is recognised when the Group's right to receive the payment is established. For further details, refer note 2.10

2.21 Borrowing costs

Borrowing costs consist of interest and other ancillary costs that the Group incurs in connection with the borrowing of funds. The borrowing costs directly attributable to the acquisition or construction of any asset that takes a substantial period of time to get ready for its intended use or sale are capitalised. All the other borrowing costs are recognised in the statement of profit and loss within finance costs of the period in which they are incurred.

2.22 Exceptional items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

2.23 Non-operating expense / income

Non-operating expense comprises regulatory levies applicable to finance income in some of the geographies whereas non-operating income pertains to certain fee income in one of the group entities.

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2.24 Dividends paid

Dividend to shareholders is recognised as a liability and deducted from equity, in the year in which the dividends are approved by the shareholders. However, interim dividends declared by the Board of directors, which does not need shareholders' approval, are recognised as a liability and deducted from retained earnings, in the year in which the dividends are so declared.

2.25 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS data.

Basic EPS is computed by dividing the profit for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period excluding the treasury shares.

Diluted EPS is computed by adjusting, the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving Basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the period, unless issued at a later date during the period.

3. Critical accounting estimates, assumptions and judgements

The estimates and judgements used in the preparation of the said financial statements are continuously evaluated by the Group, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Group believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Although the Group regularly assesses these estimates, actual results could differ materially from these estimates- even if the assumptions under-lying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the financial statements in the year in which they become known.

3.1 Critical accounting estimates and assumptions

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

a. Impairment reviews

PPE (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Similarly, goodwill and intangible assets under development is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired. For details as to the impairment policy, refer note 2.9. Accordingly the Company has performed impairment reviews for the above assets. However, the said reviews did not result in any impairment charge.

In calculating the value in use, the Group is required to make significant judgements, estimates and assumptions inter-alia concerning the growth in EBITDA, long-term growth rates and discount rates to reflect the risks involved. Also, judgement is involved in determining the CGU /grouping of CGUs for allocation of the goodwill.

The Group mainly operates in developing markets and in such markets, the plan for shorter duration is not indicative of the long-term future performance. Considering this and the consistent use of such robust ten year information for management reporting purpose, the Group uses ten year plans for the purpose of impairment testing.

b. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority.

Deferred tax assets are recognised for the unused tax losses and minimum alternate tax credits for which there is probability of utilisation against the future taxable profit. Significant management judgement

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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.

c. Property, plant and equipment

Refer note 2.7 and 6 for the estimated useful life and carrying value of property, plant and equipment respectively.

During the year ended March 31, 2017, the Group had reassessed useful life of certain categories of network assets due to technological developments and accordingly, had revised the estimate of its useful life in respect of those assets. Out of those assets, the additional depreciation charge of ₹3,258 on assets for which the revised useful life had expired by March 31, 2016 has been recognised and disclosed as 'exceptional items' and additional depreciation charge of ₹6,969 for other assets has been recognised within 'Depreciation and amortisation' during the year ended March 31, 2017. The impact of above change on the depreciation charge for the future years after March 31, 2018 is as follows:

	Year Ended		Future
	March 31, 2019	March 31, 2020	period till end of life
Impact on future depreciation charge	(2,765)	(1,133)	16,988

d. Allowance for impairment of trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

e. Contingent liability

Refer note 24 (i) for details of contingent liability.

3.2 Critical judgement's in applying the Group's accounting policies

The critical judgement's, which the management has made in the process of applying the Group's accounting policies and has the most significant impact on the amounts recognised in the said financial statements, is discussed below:

a. Revenue recognition and presentation

The Group assesses its revenue arrangements in order to determine if it is acting as a principal or as an agent by determining whether it has primary obligation basis pricing latitude and exposure to credit / inventory risks associated with the sale of goods / rendering of services.

In the said assessment, both the legal form and substance of the agreement are reviewed to determine each party's role in the transaction.

b. Determination of functional currency

The Group has determined the functional currency of the group entities by identifying the primary economic environment in which the entity operates - based on under-lying facts / circumstances. However, in respect of certain intermediary foreign operations of the Group, the determination of functional currency is not very obvious due to mixed indicators and the extent of autonomy enjoyed by the foreign operation. In such cases management uses its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

c. Taxes

The identification of temporary differences pertaining to the investment in subsidiaries that are expected to reverse in the foreseeable future and the determination of the related deferred income tax liabilities after considering the requisite tax credits require the Group to make significant judgements.

4. Standards issued but not effective until the date of authorisation for issuance of the said financial statements

The new significant standards, amendments to Standards that are issued but not yet effective until the date of authorisation for issuance of the said financial statements are discussed below. The Group has not early adopted these amendments and intends to adopt when they become effective.

Ind AS 115, 'Revenue from Contracts with Customers'

In March 2018, MCA has notified the Ind AS 115, Revenue from Contract with Customers. As a consequence of issuance of Ind AS 115, relevant paragraphs have been inserted / amended in various other standards.

The Standard establishes a new five-step model that will apply to revenue arising from contracts with customers. Under this standard, 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 Ind AS 115 provide a more

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structured approach to measure and recognise revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under Ind AS. The effective date of Ind AS 115 is annual periods beginning on or after April 1, 2018. The Group does not expect that the adoption of the said standard and related amendments will have any significant impact on the consolidated financial statements per se.

5. Significant transactions / new developments

a) During the year ended March 31, 2018, the Group has entered into an agreement to sell 15% equity stake in Bharti Telemedia Limited, a subsidiary of the Company. The said transaction is subject to requisite regulatory approvals and other closing conditions.

b) i. During the year ended March 31, 2018, the Group had entered into a share purchase agreement with Millicom International Cellular S.A. to acquire 100% equity interest in Tigo Rwanda Limited. The acquisition will make the Group the second largest mobile operator in Rwanda. The difference of ₹362 between the purchase consideration (including contingent consideration) aggregating to ₹3,200 and provisional fair value of net assets has been recognised as goodwill. The said goodwill is mainly attributable to the acquired customer base and economies of scale expected from combining the operations of the Group.

The contingent consideration arrangement requires the Group to pay between Nil to ₹554 (undiscounted basis) which is contingent on the achievement of meeting a target performance and is essentially an earn out condition. As at the acquisition date, the fair value of the said consideration was ₹339 determined using the discounted cash flow and estimated probability of payout.

The initial accounting for the acquisition has only been provisionally determined at the end of the reporting period. At the date of finalisation of these consolidated financial statements, the necessary deferred tax related implications and calculations thereto had not been finalised and they have therefore only been provisionally determined based on the management's best estimate.

From the date of acquisition, the acquired entities have contributed for the year ended March 31, 2018, revenue of ₹473 and loss of ₹85 to the revenue and profit of the Group respectively, Management estimates if the said business combination had taken place at the beginning of the year, the statement of profit and loss would show pro-forma revenue of ₹839,816 and the profit of ₹20,209.

ii. During the year ended March 31, 2018, the Group had entered into a share purchase agreement with seller of Tikona Digital Networks Private Limited ('TDNPL') to acquire 100% equity interest in TDNPL. The difference of ₹739 Mn between the purchase consideration and fair value of net assets has been recognised as goodwill. The said goodwill is mainly attributable to synergies expected from the combined operation of the Group and TDNPL.

iii. The fair value of the assets and liabilities recognised at the date of acquisition for the above acquisitions are as follows:

	Tigo	Tikona	Total
Non-current assets			
Property, plant and equipment (including CWIP)	4,634	206	4,840
Intangible assets	945	17,258	18,203
Non-current liabilities			
Borrowings	1,786	10,538	12,324
Defferred tax liabilities	-	1,709	1,709
Working capital	(955)	3,014	2,059
Net assets acquired	**2,838**	**8,231**	**11,069**

c) During the year ended March 31, 2017, the Group signed a definitive agreement to enter into 50-50 joint venture between Bharti Airtel Ghana Holdings B.V. and MIC Africa B.V. against consideration of their respective ownership interest of operations in Ghana. Further during the year ended March 31, 2018, as the closing conditions for consummation of the transaction have been fulfilled, the Group and Millicom International Cellular have formed a joint venture to combine their telecommunication operations in Ghana.

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The details of consideration received (determined on provisional basis), assets and liabilities over which control was lost and gain on disposal (recorded as exceptional item) is as follows:

		(₹ millions) As of October 12, 2017
A.	**Consideration received**	
	Fair value of consideration received	7,663
B.	**Net assets disposed off**	
	Non-current assets	
	Property, plant and equipment	5,776
	Goodwill and other intangible assets	7,962
	Others	47
	Current Assets	
	Cash and cash equivalents	135
	Trade receivables	640
	Other current assets	570
	Total Assets (a)	**15,130**
	Non-current liabilities	
	Others	862
	Current liabilities	
	Borrowings	4,278
	Trade payable	2,065
	Others	895
	Total Liabilities (b)	**8,100**
	Net assets disposed off (a-b)	**7,030**
C.	**Gain on disposal***	312
D.	**Net cash inflow on disposal**	
	Consideration received in cash and cash equivalent	-
	Less: cash and cash equivalents held by the entity	(135)
		(135)

*Gain on disposal has been computed after adjusting FCTR reclassified to Statement of profit and loss and provision towards future contractual settlements.

d) During the year ended March 31, 2018, an understanding for demerger of consumer mobile businesses of Tata Teleservices Limited and Tata Teleservices Maharashtra Limited into the Company / Bharti Hexacom Limited (subsidiary of the Company) was entered into. Further, the board of directors have approved the scheme(s) of arrangement under section 230 to section 232 of the Companies Act, 2013 for the said demerger. The said transaction is subject to requisite regulatory approvals.

e) During the year ended March 31, 2017, Bharti Infratel Limited ('BIL'), a subsidiary of the Company had bought back its approx. 47 Mn shares against a consideration of ₹425 per share aggregating to ₹20,000, wherein the Company and other shareholders had tendered the shares in the ratio of 62% and 38% approximately. Accordingly, the shareholding of the Company in BIL had increased by 0.25%, and hence the consideration paid to NCI over and above the reduction in their carrying value amounting ₹1,514 had been recognised in NCI reserve, a component of equity.

Further, the Group has sold approx. 150.5 Mn equity shares and 190.6 Mn equity shares of BIL during the year ended March 31, 2018 and March 31, 2017 respectively. The excess of proceeds (net of associated transaction costs, taxes and regulatory levies) over the change in NCI amounting to ₹42,598 and ₹39,241 during the year ended March 31, 2018 and March 31, 2017 has been recognised directly in NCI reserve, a component of equity.

f) During the year ended March 31, 2017, the Group had entered into a scheme of amalgamation for the merger of Telenor (India) Communication Private Limited with the Company. The said transaction is subject to requisite regulatory approvals and other closing conditions.

g) During the year ended March 31, 2017, Bharti Telemedia Limited ('BTL'), a subsidiary of the Company allotted 500 Mn shares, against a consideration of ₹10 per share aggregating to ₹5,000, to the Company and Bharti Enterprises Limited ('BEL') in the ratio of their existing shareholding (viz. 95:5). Accordingly, the Group

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had allocated BEL's share of accumulated losses in BTL to the extent of capital contribution received from BEL.

h) During the year ended March 31, 2017, the Group acquired rights to use spectrum in the 1800 MHz band for six circles against a consideration of ₹46,530 from Videocon Telecommunications Limited.

i) During the year ended March 31, 2017, the Group acquired rights to use spectrum in the 2300 MHz band for eight circles against a consideration of ₹35,000 from Aircel Limited and its subsidiaries Dishnet Wireless Limited.

j) During the year ended March 31, 2017, the Group acquired 24.89% of shares in Airtel Ghana Limited by subscribing to the right issue through the conversion of existing shareholder loans hereby, increasing its shareholding to 99.89%. The excess of consideration over the carrying value of the interest acquired, ₹9,130, had been recognised in transaction with NCI reserve, a component of equity.

k) During the year ended March 31, 2017, the Group acquired 4.20% equity stake in Airtel Networks Limited, thereby, increasing its shareholding to 83.25%. The excess of consideration paid to NCI over the carrying value of the interest acquired, ₹3,923, had been recognised in transaction with NCI reserve, a component of equity.

l) (i) During the year ended March 31, 2017, the Group merged its business operations in Bangladesh with Robi Axiata Limited and accordingly lost control over Airtel Bangladesh Limited and acquired 25% stake in the merged entity (viz. Robi Axiata Limited) as an associate of the Group.

(ii) During the year ended March 31, 2017, the Group had sold Group's operations in Burkina Faso and Sierra Leone.

The details of consideration received, assets and liabilities over which control was lost and gain on disposals (recorded as exceptional item) is as follows:

		As of		
		June 22, 2016	July 19, 2016	November 16, 2016
		Burkina Faso	Sierra Leone	Bangladesh
A.	**Consideration received**			
	Fair value of consideration received	39,554	22,185	25,956
B.	**Net assets disposed off**			
	Non-current assets			
	Property, plant and equipment	6,922	4,110	18,661
	Goodwill and other intangible assets	25,232	8,972	16,765
	Others	1,203	1,014	720
	Current Assets			
	Cash and cash equivalents	1,017	402	426
	Trade receivables	1,153	132	689
	Other current assets	3,953	629	1,752
	Total Assets (a)	**39,480**	**15,259**	**39,013**
	Non-current liabilities			
	Others	1,018	153	961
	Current liabilities			
	Borrowings	1,074	73	7,445
	Trade payable	9,090	904	4,681
	Others	1,096	69	2,812
	Total Liabilities (b)	**12,278**	**1,199**	**15,899**
	Net assets disposed off (a-b)	**27,202**	**14,060**	**23,114**

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		As of		
		June 22, 2016	July 19, 2016	November 16, 2016
		Burkina Faso	Sierra Leone	Bangladesh
C.	**Gain on disposal ***	8,404	1,778	2,038
D.	**Net cash inflow on disposal**			
	Consideration received in cash and cash equivalent (net of transaction tax)	39,554	20,820	-
	Less: cash and cash equivalents held by the entity	58	(402)	(426)
		39,612	**20,418**	**(426)**

*Gain on disposal has been computed after adjusting FCTR reclassified to statement of profit and loss, transactional taxes, deferred gains on account of transaction with associate and provision towards future contractual settlements.

m) During the year ended March 31, 2017, the Group has been allotted 172 MHz spectrum across 1800 / 2100 / 2300 MHz. Consequently, the Group had paid amount of ₹74,018 upfront and opted the deferred payment option for ₹66,764.

n) During the year ended March 31, 2017, the Group had sold its entire stake in its African associate, Tanzania Telecommunications Company Limited and recognised gain of ₹443 on disposal as exceptional item.

o) During the year ended March 31, 2017, the Group had acquired 100% equity stake of Augere Wireless Broadband India Private Limited ('AWBPL'). On June 7, 2016, on fulfillment of the relevant conditions the transactions has been consummated and goodwill of ₹150 has been recognised. Subsequently, with effect from February 15, 2017, AWBIPL had merged with the Company through the scheme of arrangement under Sections 391 to 394 of the Companies Act, 1956.

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6. Property, plant and equipment ('PPE')

The following table presents the reconciliation of changes in the carrying value of PPE for the year ended March 31, 2018 and 2017:

	Leasehold improvement	Building	Land	Plant and equipment	Furniture & fixture	Vehicles	Office equipment	Computer	Total
Gross carrying value									
As of April 1, 2016	**9,163**	**11,873**	**3,687**	**1,230,511**	**3,661**	**2,414**	**9,212**	**85,745**	**1,356,266**
Additions / capitalisation	378	86	351	202,705	710	157	981	4,309	209,677
Disposals / adjustments	(471)	(153)	(241)	(28,714)	(361)	(151)	(1,496)	(3,136)	(34,723)
Sale of subsidiaries / towerco operation^	(130)	(610)	(97)	(69,400)	(970)	(115)	(328)	(4,777)	(76,427)
Net transfers to / from assets-held-for-sale	-	-	-	4,990	-	-	-	-	4,990
Exchange differences	(537)	(788)	(262)	(53,624)	(317)	(131)	(942)	(10,635)	(67,236)
As of March 31, 2017	**8,403**	**10,408**	**3,438**	**1,286,468**	**2,723**	**2,174**	**7,427**	**71,506**	**1,392,547**
Additions / capitalisation	318	147	123	220,354	389	57	798	7,688	229,874
Acquisition through business combinations^	15	157	-	3,996	-	19	-	510	4,697
Disposals / adjustments	229	(498)	520	(38,517)	(29)	(52)	(547)	119	(38,775)
Sale of subsidiaries^	(82)	(66)	-	(9,184)	(145)	(4)	(114)	(1,345)	(10,940)
Exchange differences	127	9	131	(4,665)	59	88	(54)	(141)	(4,446)
As of March 31, 2018	**9,010**	**10,157**	**4,212**	**1,458,452**	**2,997**	**2,282**	**7,510**	**78,337**	**1,572,957**
Accumulated depreciation									
As of April 1, 2016	**6,674**	**2,841**	**127**	**651,301**	**2,493**	**1,977**	**6,791**	**73,554**	**745,758**
Charge#	804	570	5	136,400	561	177	1,040	6,474	146,031
Disposals / adjustments	(503)	677	5	(26,576)	688	(151)	(2,278)	(3,332)	(31,470)
Sale of subsidiaries / towerco operation^	(98)	(152)	-	(38,421)	(900)	(96)	(268)	(3,949)	(43,884)
Net transfers to / from assets-held-for-sale	-	-	-	1,374	-	-	-	-	1,374
Exchange differences	(392)	(245)	(9)	(33,975)	(491)	(94)	(621)	(9,523)	(45,350)
As of March 31, 2017	**6,485**	**3,691**	**128**	**690,103**	**2,351**	**1,813**	**4,664**	**63,224**	**772,459**
Charge#	533	495	18	128,189	429	176	1,028	6,154	137,022
Disposals / adjustments	228	(384)	(33)	(32,400)	(3)	(28)	(170)	119	(32,671)
Sale of subsidiaries^	(60)	(27)	-	(4,168)	(134)	(3)	(90)	(1,222)	(5,704)
Exchange differences	122	5	11	(4,318)	13	72	(42)	(91)	(4,228)
As of March 31, 2018	**7,308**	**3,780**	**124**	**777,406**	**2,656**	**2,030**	**5,390**	**68,184**	**866,878**
Net carrying value									
As of March 31, 2017	1,918	6,717	3,310	596,365	372	361	2,763	8,282	620,088
As of March 31, 2018	1,702	6,377	4,088	681,046	341	252	2,120	10,153	706,079

^Refer note 5 (e), (i) & (o).

#It includes ₹3,672 (March 31, 2017 ₹2,936) on account of exceptional item with respect to plant and equipment (refer note 32 (i) a & (ii) b, c, d) and ₹387 (March 31, 2017 ₹510) on account of court approved scheme / arrangements.

@Refer note 24 (ii) (a) for assets given on operating lease

The carrying value of CWIP as at March 31, 2018 and 2017 is ₹52,089 and ₹23,942 respectively, which mainly pertains to plant and equipment.

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The following table summarises the detail of the significant assets taken on finance lease:

	As of March 31, 2018	As of March 31, 2017
Plant and equipment		
Gross carrying value@	36,453	37,165
Accumulated depreciation	19,898	18,757
Net carrying value	16,555	18,408

@During the year ended March 31, 2017, sale and lease back of 1,510 towers in two of the African countries was completed for a consideration of ₹13,193. The portion leased back which have been classified as finance lease, has been retained at the carrying value of ₹5,430 and the finance lease obligation has been recorded at ₹5,855, being the fair value of the leased back portion.

For details towards pledge of the above assets refer note 20.

7. Intangible assets

The following table presents the reconciliation of changes in the carrying value of goodwill and other intangible assets for the year ended March 31, 2018 and 2017:

		Other intangible assets				
	Goodwill #	Software	Bandwidth	Licenses (including spectrum)	Other acquired intangibles	Total
Gross carrying value						
As of April 1, 2016	**431,018**	**16,218**	**19,901**	**771,197**	**4,405**	**811,721**
Additions / capitalisation	-	2,783	4,903	205,372	5,463	2,18,521
Acquisition through business combinations^	150	-	-	1,250	-	1,250
Disposals / adjustments@	-	(92)	(86)	(1,095)	-	(1,273)
Sale of subsidiaries / towerco operation^	(44,066)	(944)	(182)	(19,015)	-	(20,141)
Exchange differences	(46,383)	17	(954)	(24,497)	(91)	(25,525)
As of March 31, 2017	**340,719**	**17,982**	**23,582**	**933,212**	**9,777**	**984,553**
Additions / capitalisation	-	3,637	7,451	64,352	6	75,446
Acquisition through business combinations^	1,084	-	-	321	632	953
Disposals / adjustment@	-	(140)	(824)	(10,362)	(389)	(11,715)
Sale of subsidiaries^	(6,310)	-	(463)	(16,112)	-	(16,575)
Exchange differences	(4,783)	2	(71)	(2,830)	102	(2,797)
As of March 31, 2018	**330,710**	**21,481**	**29,675**	**968,581**	**10,128**	**1,029,865**
Accumulated amortisation						
As of April 1, 2016	**-**	**12,027**	**5,342**	**108,011**	**2,302**	**127,682**
Charge	-	2,780	1,507	48,611	2,247	55,145
Disposals / adjustments@	-	36	(82)	(1,127)	(100)	(1,273)
Sale of subsidiaries / towerco operation^	-	(792)	(68)	(8,849)	-	(9,709)
Exchange differences	-	13	(79)	(11,344)	(63)	(11,473)
As of March 31, 2017	**-**	**14,064**	**6,620**	**135,302**	**4,386**	**160,372**
Charge	-	2,731	1,663	52,612	2,462	59,468
Disposals / adjustments		(140)	(824)	(10,362)	(389)	(11,667)
Sale of subsidiaries^	-	-	(53)	(14,868)	-	(14,921)
Exchange differences	-	2	(9)	(1,295)	108	(1,194)
As of March 31, 2018	**-**	**16,657**	**7,397**	**161,389**	**6,567**	**192,010**
Net carrying value						
As of March 31, 2017	**3,38,082**	**3,918**	**16,962**	**7,97,910**	**5,391**	**8,24,181**
As of March 31, 2018	**328,070**	**4,824**	**22,278**	**807,192**	**3,561**	**837,855**

#Net carrying value of goodwill includes accumulated impairment of ₹2,640.

^Refer note 5 (b), (c), (i) & (o)

@Mainly pertains to gross block and accumulated amortisation of license (including spectrum), bandwidth and software whose useful life has expired.

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The carrying value of Intangible assets under development as at March 31, 2018 and March 31, 2017 is ₹45,423 and ₹84,443 respectively, which pertains to spectrum.

During the year ended March 31, 2018 and 2017 the Group has capitalised borrowing cost of ₹3,037 and ₹2,750 respectively.

Weighted average remaining amortization period of licenses as of March 31, 2018 and March 31, 2017 is 15.88 years and 16.60 years respectively.

For details towards pledge of the above assets refer note 20.

Impairment review

The Group tests goodwill for impairment annually on December 31. During the year ended March 31, 2018, the testing did not result in any impairment in the carrying amount of goodwill.

The carrying amount of goodwill is attributable to the following CGU / group of CGUs:

	As of March 31, 2018	As of March 31, 2017
Mobile Services - Africa	281,182	291,959
Mobile Services - India	40,413	39,676
Airtel business	6,131	6,103
Homes services	344	344
	328,070	**338,082**

The recoverable amount of the above CGUs are based on value-in-use, which is determined based on ten year business plans that have been approved by management for internal purposes. The said planning horizon reflects the assumptions for short-to-mid term market developments. The 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 the internal / external sources of information.

The key assumptions used in value-in-use calculations are as follows:

- Earnings before interest, taxes, depreciation and amortisation ('EBITDA') margins
- Discount rate
- Growth rates
- Capital expenditures

EBITDA margins: The 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 competitive scenario. Margins will be positively impacted from the efficiencies and cost rationalisation / others initiatives driven by the Company; whereas, factors like higher churn, increased cost of operations may impact the margins negatively.

Discount rate: Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs and estimated based on the weighted average cost of capital for respective CGU / group of CGUs. Post-tax discount rates used are 18.20% / 10.60% for Mobile Services – Africa / other CGUs respectively, for the year ended March 31, 2018 and 17.55% / 9.13% for Mobile Services – Africa / other CGUs respectively, for the year ended March 31, 2017. The post-tax discount rates as grossed up for tax impact during the projection period (marginal tax rates are mainly in the range of 30% to 40%) are the pre-tax discount rates used for discounting the cash flows.

Growth rates: The growth rates used are in line with the long-term average growth rates of the respective industry and country in which the entity operates and are consistent with the internal / external sources of information. The average growth rates used in extrapolating cash flows beyond the planning period ranged from 3.5% to 4.0% for March 31, 2018 and ranged from 3.5% to 4.0% for March 31, 2017.

Capital expenditures: The cash flow forecasts of capital expenditure are based on past experience after considering the additional capital expenditure required for roll out of incremental coverage requirements and to provide enhanced voice and data services.

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use for Homes Services, Mobile Services - India CGU group (as of December 31, 2016) and Airtel Business, no reasonably possible change in any of the above key assumptions would have caused the carrying amount of these units to exceed their recoverable amount.

In case of Mobile Services - India CGU group, the recoverable amount exceeds the carrying amount by ₹3,49,671 (25.5%) as of December 31, 2017. An increase of 1.78% in discount rate shall equate the recoverable amount with the carrying amount of the Mobile Services – India CGU group as of December 31, 2017. Further, no reasonably possible change in the terminal growth rate beyond the planning horizon would cause the carrying amount to exceed the recoverable amount.

In case of Mobile Services - Africa CGU group, the recoverable amount exceeds the carrying amount by ₹54,087 (15.2%) as of December 31, 2017 and ₹33,103 (8.1%) as of December 31, 2016. An increase of 2.4% (December 31, 2016: 0.9%) in pre-tax discount rate shall equate the recoverable amount with the carrying amount of the Mobile Services – Africa CGU group as of December 31, 2017. Further, no reasonably possible change in the terminal growth rate beyond the planning horizon would cause the carrying amount to exceed the recoverable amount.

8. Investment in joint ventures and associates

Details of joint ventures:

S. no.	Name of joint ventures	Principal place of business	Principal activities	Ownership interest	
				% As of March 31, 2018	% As of March 31, 2017
1	Indus Towers Limited*	India	Passive infrastructure services	22.49	25.91
2	Airtel Ghana Limited$	Ghana	Telecommunication services	49.95	-
3	Milicom Ghana Company Limited$	Ghana	Telecommunication services	49.95	-
4	Airtel Mobile Commerce Ghana Limited$	Ghana	Mobile commerce services	49.95	-
5	Mobile Financial Services Limited$	Ghana	Mobile commerce services	49.95	-
6	Bharti Airtel Ghana Holdings B.V.$	Netherlands	Investment company	50	-
7	Bridge Mobile Pte Limited	Singapore	Provision of regional mobile services	10	10
8	FireFly Networks Limited	India	Telecommunication services	50	50

*Bharti Infratel Limited, in which the Group has 53.54% equity interest (61.68% as of March 31, 2017), owns 42% of Indus Towers Limited.
$ w.e.f. October 12, 2017, refer note 5 (C)

Details of associates:

S. no.	Name of associates	Principal place of business	Principal activities	Ownership interest	
				% As of March 31, 2018	% As of March 31, 2017
1	Seychelles Cable Systems Company Limited	Seychelles	Submarine cable system	26	26
2	Robi Axiata Limited (refer note 5 (l))	Bangladesh	Telecommunication services	25	25
3	Seynse Technologies Private Limited	India	Financial services	22.54	22.54
4	Juggernaut Books Private Limited (w.e.f. November 29, 2017)	India	Digital books publishing services	10.71	-

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - ₹; unless stated otherwise)

The amounts recognised in the balance sheet are as follows:

	As of March 31, 2018	As of March 31, 2017
Joint ventures	64,714	59,461
Associates	22,125	22,816
	86,839	**82,277**

The amounts recognised in the statement of profit and loss are as follows:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Recognised in profit and loss		
Joint ventures	10,715	11,091
Associates	(106)	(642)
	10,609	**10,449**
Recognised in other comprehensive income		
Joint ventures	1	(9)
Associates	17	-
	18	**(9)**

The summarised financial information of joint venture and associate that are material to the Group are as follows:

Summarised balance sheet

	As of				
	Joint ventures			Associate	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2018	March 31, 2017
	Indus Towers Limited		Bharti Airtel Ghana Holdings B.V.*	Robi Axiata Limited	
Assets					
Non current assets	**201,576**	**207,357**	**12,102**	**104,308**	**95,480**
Current assets					
Cash and cash equivalents ('C&CE')	1,063	1,121	1,759	1,111	1,507
Other current assets (excluding 'C&CE')	33,534	17,182	2,120	8,899	6,904
Total current assets	**34,597**	**18,303**	**3,879**	**10,010**	**8,411**
Liabilities					
Non current liabilities					
Borrowings	9,556	10,589	4,122	6,078	8,578
Other liabilities	31,751	30,294	716	2,836	2,706
Total non current liabilities	**41,307**	**40,883**	**4,838**	**8,914**	**11,284**
Current liabilities					
Borrowings	30,683	24,090	869	22,177	11,620
Other liabilities	32,233	28,522	12,283	37,396	33,521
Total current liabilities	**62,916**	**52,612**	**13,152**	**59,573**	**45,141**
Equity	**131,950**	**132,165**	**(2,009)**	**45,831**	**47,466**
Percentage of Group's ownership interest	42%	42%	50%	25%	25%
Interest in joint venture / associate	55,419	55,509	(1,005)	11,458	11,867
Consolidation adjustment (inlcuding goodwill) / accounting policy alignment*	2,691	3,900	7,548	10,162	10,700
Carrying amount of investment	**58,110**	**59,409**	**6,543**	**21,620**	**22,567**

*Based on Consolidated financial statements of the entity

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

Summarised information on statement of profit and loss

	For the year / period ended				
	Joint ventures			Associate	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2018	March 31, 2017
	Indus Towers Limited		Bharti Airtel Ghana Holdings B.V.*	Robi Axiata Limited	
Revenue	187,424	174,817	5,612	52,635	19,901
Depreciation and amortisation	27,766	26,116	1,388	11,574	7,958
Finance income	995	376	-	66	52
Finance cost	5,053	5,440	789	1,343	479
Income tax expense	16,593	15,273	3	1,385	(1,814)
Profit / (loss) for the year / period	**31,013**	28,451	**(1,092)**	**(1,668)**	(4,932)
OCI / loss for the year / period	3	(22)	-	76	-
Percentage of Group's ownership interest	42%	42%	50%	25%	25%
Group's share in profit / (loss) for the year	13,025	11,949	(546)	(417)	(1,233)
Group's share in OCI / (loss) for the year / period	1	(9)	-	19	-
Consolidation adjustments / accounting policy alignment	(1,209)	(867)	(564)	135	51
Group's share in profit / (loss) recognised@	11,816	11,083	(1,110)	(282)	(1,182)
Dividend received from joint venture / associate	10,010	9,510	-	-	-

*Based on Consolidated financial statements of the entity

@ During the year ended March 31, 2017 loss of ₹540 has been recognised as exceptional item for Robi Axiata Limited (refer note 32 (ii) (f)).

The aggregate information of joint ventures that are individually immaterial is as follows:

	As of March 31, 2018	As of March 31, 2017
Carrying amount of investments	61	52

Group's share in joint ventures	For the year ended March 31, 2018	For the year ended March 31, 2017
Net profit	9	8
Total comprehensive income	9	8

The aggregate information of associates that are individually immaterial is as follows:

	As of March 31, 2018	As of March 31, 2017
Carrying amount of investments	505	249
Cumulative unrecognised losses	-	90

Group's share in associates'	For the year ended March 31, 2018	For the year ended March 31, 2017
Net profit	176	0
Total comprehensive income	176	0
Unrecognised losses	-	46

Refer note 24 for Group's share of joint venture's and associate's commitments and contingencies.

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - ₹; unless stated otherwise)

9. Investments in subsidiaries

Information as to the subsidiaries which are part of the Group is as follows:

S. no.	Principal activity	Principal place of business	Number of wholly-owned subsidiaries	
			As of March 31, 2018	As of March 31, 2017
1	Telecommunication services	India	4	3
2	Telecommunication services	Africa	8	7
3	Telecommunication services	South Asia	1	1
4	Telecommunication services	Others	6	6
5	Mobile commerce services	India	-	-
6	Mobile commerce services	Africa	13	14
7	Infrastructure services	Africa	4	4
8	Infrastructure services	South Asia	-	2
9	Direct to home services	Africa	-	1
10	Submarine cable	Mauritius	1	1
11	Investment company	Netherlands	22	25
12	Investment company	Mauritius	7	6
13	Investment company	Others	3	4
14	Others	India	2	1
			71	**75**

S. no.	Principal activity	Principal place of business	Number of non-wholly-owned subsidiaries	
			As of March 31, 2018	As of March 31, 2017
1	Telecommunication services	India	2	2
2	Telecommunication services	Africa	7	8
3	Mobile commerce services	India	1	1
4	Mobile commerce services	Africa	3	3
5	Infrastructure services	India	1	1
6	Infrastructure services	Africa	2	3
7	Direct to home services	India	1	1
8	Investment company	Africa	1	1
9	Others	India	-	1
			18	**21**

Additionally, the Group also controls the employee stock option plan trusts as mentioned herebelow:

S. no.	Name of trust	Principal place of business
1	Bharti Airtel Employees' Welfare Trust	India
2	Bharti Infratel Employees' Welfare Trust	India

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - ₹; unless stated otherwise)

The summarised financial information of subsidiaries (including acquisition date fair valuation and adjustments thereto, and accounting policies alignment) having material non-controlling interests is as follows:-

Summarised balance sheet

	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Networks Limited	
	As of March 31, 2018	As of March 31, 2017	As of March 31, 2018	As of March 31, 2017	As of March 31, 2018	As of March 31, 2017
Assets						
Non current assets	135,827	178,274	94,539	89,157	53,692	63,174
Current assets	76,121	47,118	8,931	6,984	465	5,343
Liabilities						
Non current liabilities	14,613	14,705	2,628	3,560	32,288	37,798
Current liabilities	18,159	43,952	35,949	25,753	37,573	43,049
Equity	**179,176**	**166,735**	**64,893**	**66,828**	**(15,704)**	**(12,330)**
% of ownership interest held by NCI	46.46%	38.32%	30.00%	30.00%	16.75%	16.75%
Accumulated NCI	83,245	63,893	19,468	20,049	(2,630)	(2,064)

Summarised statement of profit and loss

	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Networks Limited	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue	64,751	60,178	44,181	51,313	66,781	69,543
Net profit / (loss)	22,651	25,624	(1,119)	6,601	(2,927)	(22,173)
Other comprehensive income / (loss)	24	84	2	(1)	(450)	(2,010)
Total comprehensive income / (loss)	22,675	25,708	(1,117)	6,600	(3,377)	(24,183)
Profit / (loss) allocated to NCI	9,530	7,242	(335)	2,007	(566)	(4,810)

Summarised statement of cash flows

	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Networks Limited	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
Net cash inflow from operating activities	34,694	28,662	9,882	15,162	20,141	13,605
Net cash outflow from investing activities	(18,551)	(2,434)	(14,884)	(16,443)	(9,213)	(10,291)
Net cash (outflow) / inflow from financing activities	(35,548)	(26,648)	2,883	49	(13,270)	(6,497)
Net cash outflow	**(19,405)**	**(420)**	**(2,119)**	**(1,232)**	**(2,342)**	**(3,183)**
Dividend paid to NCI (including tax)	3,411	1,873	246	695	-	-

*Based on consolidated financial statements of the entity (refer note 5 (e)).

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - ₹; unless stated otherwise)

10 Investments

Non-current

	As of March 31, 2018	As of March 31, 2017
Investment at FVTPL		
Government securities	292	38,783
Equity instruments	2,672	2,648
Mutual funds	334	308
Preference shares	318	316
	3,616	**42,055**
Investment at FVTOCI		
Bonds	2,153	2,132
	2,153	**2,132**
	5,769	**44,187**

Current

	As of March 31, 2018	As of March 31, 2017
Investment at FVTPL		
Mutual funds	51,038	221
Government securities	11,798	13,089
Corporate deposits	-	1,425
Bonds	1,001	-
Non-convertible debenture	997	-
	64,834	**14,735**
Investment at FVTOCI		
Government securities	3,904	1,711
Commercial paper	240	477
	4,144	**2,188**
	68,978	**16,923**
Aggregate book / market value of quoted investments		
Non-current	2,777	41,222
Current	65,074	15,466
Aggregate book value of unquoted investments		
Non-current	2,992	2,965
Current	3,904	1,457

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

11 Derivative financial instruments

	As of March 31, 2018	As of March 31, 2017
Assets		
Currency swaps, forward and option contracts	8,541	814
Interest swaps	2,101	4,963
Embedded derivatives	330	1,015
	10,972	**6,792**
Liabilities		
Currency swaps, forward and option contracts	474	3,412
Interest swaps	5,210	880
Embedded derivatives	8	769
	5,692	**5,061**
Non-current derivative financial assets	2,031	4,732
Current derivative financial assets	8,941	2,060
Non-current derivative financial liabilities	(5,409)	(2,726)
Current derivative financial liabilities	(283)	(2,335)
	5,280	**1,731**

12 Security deposits

	As of March 31, 2018	As of March 31, 2017
Considered good*	9,703	9,630
Considered doubtful	1,357	1,464
Less: provision for doubtful deposits	(1,357)	(1,464)
	9,703	**9,630**

Security deposits primarily include deposits given towards rented premises, cell sites and interconnect ports.

*It includes amount due from related party refer note 35.

For details towards pledge of the above assets refer note 20.

13 Financial assets – others

Non-current

	As of March 31, 2018	As of March 31, 2017
Rent equalisation	4,164	4,183
Tower sale receivable	-	10,323
Bank deposits	950	744
Margin money deposits	419	554
Claims recoverable	74	73
Others	207	776
	5,814	**16,653**

The details of interest accrued on above items (which is included within 'interest accrued on deposits' under current other financial assets) is provided in the table given below:

	As of March 31, 2018	As of March 31, 2017
Bank deposits	30	25
Margin money depostis	8	0
Tower sale receivable	-	474
	38	**499**

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

Current

	As of March 31, 2018	As of March 31, 2017
Unbilled revenue	16,136	15,880
Claims recoverable	1,180	2,007
Receivable on sale of business / tower assets*	8,736	-
Interest accrued on investments / deposits	870	1,447
Others#	540	403
	27,462	**19,737**

*Interest accrued on tower sale receivable amount to ₹150 and is included within 'interest accrued on deposits' above.

#It includes finance lease receivables and amounts due from related party (refer note 35).

For details towards pledge of the above assets refer note 20

14 Income tax

The major components of the income tax expense are:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current income tax		
- For the year	21,082	21,332
- Adjustments for prior periods	(2,852)	(92)
	18,230	**21,240**
Deferred tax		
- Origination and reversal of temporary differences	(4,536)	18,436
- Effect of change in tax rate	411	-
- Adjustments for prior periods	(3,270)	(4,857)
	(7,395)	**13,579**
Income tax expense	**10,835**	**34,819**

The reconciliation between the amount computed by applying the statutory income tax rate to the profit before tax and the income tax charge is summarised below:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax	32,672	77,233
Tax expense @ company's domestic tax rate of 34.608%	11,307	26,728
Effect of:		
Share of profits in associates and joint ventures	(3,985)	(3,618)
Tax holiday	303	778
Adjustments in respect of previous years	(6,125)	(4,967)
Effect of changes in tax rate	411	-
Additional taxes / taxes for which no credit is allowed	2,339	4,466
Difference in overseas tax rates	(77)	(465)
Items subject to different tax rate	452	(4,311)
(Income) / expense (net) not taxable / deductible	(551)	1,065
Tax on undistributed retained earnings	2,434	2,184
Items for which no deferred tax asset was recognised	4,662	12,311
Settlements of various disputes	(395)	369
Others	60	279
Income tax expense	**10,835**	**34,819**

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

The analysis of deferred tax assets and liabilities is as follows:

Deferred tax assets (net)

	As of March 31, 2018	As of March 31, 2017
a) Deferred tax liability due to		
Depreciation / amortisation on PPE / intangible assets	(86,565)	(66,798)
b) Deferred tax asset arising out of		
Provision for impairment of debtors / advances	16,291	13,004
Carry forward losses	23,424	3,382
Unearned income	576	385
Employee benefits	1,285	1,133
Minimum alternative tax ('MAT') credit	57,484	57,465
Lease rent equalisation	7,093	6,983
Fair valuation of financial instruments and exchange differences	8,210	7,748
Rates and taxes	1,431	1,527
Others	101	1,366
	29,330	**26,195**

Deferred tax liabilities (net)

	As of March 31, 2018	As of March 31, 2017
a) Deferred tax liability due to		
Lease rent equalisation (net)	3,639	4,076
Fair valuation of financial instruments and exchange differences	(569)	691
Depreciation / amortisation on PPE / intangible assets	6,242	4,112
Undistributed retained earnings	3,541	2,987
Others	115	187
b) Deferred tax asset arising out of		
Provision for impairment of debtors / advances	(1,652)	(1,389)
Carry forward losses	(498)	(720)
Unearned income	7	(301)
Employee benefits	(219)	(214)
	10,606	**9,430**

Deferred tax expense

	For the year ended March 31, 2018	For the year ended March 31, 2017
Provision for impairment of debtors / advances	2,604	2,858
Carry forward losses	19,575	(99)
Unearned income	(497)	23
Employee benefits	162	235
MAT credit	(47)	1,223
Lease rent equalisation (net)	658	789
Fair valuation of financial instruments & exchange difference	864	2,377
Rates and taxes	(96)	1,527
Depreciation / amortisation on property, plant and equipment / intangible assets	(16,178)	(22,496)
Undistributed retained earnings	(549)	(259)
Others	899	243
Net deferred tax expense	**7,395**	**(13,579)**

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

The movement in deferred tax assets and liabilities during the year is as follows:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance	**16,766**	**34,226**
Tax expense / (credit) recognised in statement of profit or loss	7,395	(13,579)
Tax income recognised in equity	-	1,426
Tax expense on Business combination	(1,709)	-
Tax expense recognised in OCI:		
- on net investments hedge	(122)	(10)
- on fair value through OCI investments	(29)	(6)
Exchange differences and others	(3,577)	(5,291)
Closing balance	**18,724**	**16,766**

The deferred tax assets are recognised for carry-forward losses and credits, to the extent that the realisation of the related tax benefit is probable. Accordingly, deferred tax assets are recognised for the entire credits and certain carry-forward losses, since the Group estimates that the realisation of the related tax benefit in future, through adjustment against future taxable profits and reversal of deferred tax liabilities in the relevant tax jurisdictions, is probable. Further, the Group has not recognised deferred tax assets in respect of deductible temporary differences, carry forward of unabsorbed depreciation and unused tax losses of ₹509,731 and ₹484,266 as of March 31, 2018 and March 31, 2017 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, 2018 and March 31, 2017, tax losses, unabsorbed depreciation and deductible temporary differences to the extent of ₹70,508 and ₹58,861 respectively have an indefinite carry forward period and the balance amount expires unutilised as follows:

	As of March 31, 2018	As of March 31, 2017
Expiry Date		
Within one-three years	52,694	38,289
Within three-five years	31,265	44,242
Above Five years	355,264	342,874
	439,223	**425,405**

Moreover, deferred tax liability has not been recognised in respect of temporary differences pertaining to the investment in its certain subsidiaries, as where Group is in a position to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The temporary differences associated with respect to such investment in subsidiaries are represented by their retained earnings and other reserves (on the basis of their standalone financial statements), aggregating to ₹130,715 and ₹129,808 as of March 31, 2018 and March 31, 2017 respectively. In case of distribution of the same as dividend, it is expected to attract tax in the range of 10% to 21% depending on the tax rates applicable as of March 31, 2018 in the relevant jurisdiction. Further, the Group has been substantially availing the tax credit and believes that it would continue to avail the tax credit, for the dividend distribution tax payable by the subsidiaries on its dividend distribution.

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

15 Other non-financial assets

Non-current

	As of March 31, 2018	As of March 31, 2017
Advances (net)#	32,267	32,980
Capital advances	1,147	2,961
Prepaid expenses	1,600	1,783
Taxes recoverable	-	15,092
Others	1,305	672
	36,319	**53,488**

#Advances represent payments made to various government authorities under protest and are disclosed net of provision (refer note 22).

Capital advances includes advance payment of Nil and ₹1,720 towards spectrum as at March 31, 2018 and March 31, 2017 respectively.

Current

	As of March 31, 2018	As of March 31, 2017
Taxes recoverable	74,004	13,524
Advances to suppliers (net)	17,642	17,054
Prepaid expenses	9,275	11,490
Others*	2,459	2,377
	103,380	**44,445**

*It mainly includes security deposits given towards rented premises, cell sites, interconnect ports and other miscellaneous deposits.

Taxes recoverable primarily include Goods and service tax ('GST'), customs duty, excise duty, service tax and sales tax.

Advance to suppliers are disclosed net of provision of ₹2,680 and ₹2,128 as of March 31, 2018 and March 31, 2017 respectively

16 Trade receivables

	As of March 31, 2018	As of March 31, 2017
Unsecured		
Considered good*	58,830	47,402
Considered doubtful	51,579	42,258
Less: provision for doubtful receivables	(51,579)	(42,258)
	58,830	**47,402**

*It includes amount due from related party refer note 35.

Refer note 36 (iv) for credit risk.

The movement in allowances for doubtful debts is as follows:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance	42,258	35,080
Additions*	11,257	8,509
Write off (net of recovery)	(1,156)	(873)
Exchange differences	(780)	(458)
Closing balance	**51,579**	**42,258**

*Includes exceptional item of ₹1,094 (refer note 32 (i) (c)) for the year ended March 31, 2018.

For details towards pledge of the above assets refer note 20.

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

17 Cash and bank balances

Cash and cash equivalents ('C&CE')

	As of March 31, 2018	As of March 31, 2017
Balances with banks		
- On current accounts	8,218	9,871
- Bank deposits with original maturity of 3 months or less	37,862	2,532
Cheques on hand	986	16
Cash on hand	820	398
	47,886	**12,817**

Other bank balances

	As of March 31, 2018	As of March 31, 2017
Restricted cash*	15,289	11,408
Earmarked bank balances - unpaid dividend	70	22,250
Term deposits with bank	2,119	3,360
Margin money deposits	1,342	1,148
	18,820	**38,166**

*It represents cash received from subscriber of mobile commerce services.

Margin money deposits represents amount given as collateral for legal cases and / or bank guarantees for disputed matters.

The details of interest accrued on above items (which is included within 'interest accrued on deposits' under current other financial assets) is as below:

	As of March 31, 2018	As of March 31, 2017
Cash and cash equivalents		
- Bank deposits with original maturity 3 months or less	1	2
	1	2
Other bank balance		
- Margin money depostis	33	31
- Term deposits with bank	124	69
	157	100
	158	**102**

For the purpose of the consolidated cash flow statement, C&CE are as following:

	As of March 31, 2018	As of March 31, 2017
C&CE as per balance sheet	47,886	12,817
Bank overdraft	(19,418)	(22,697)
	28,468	**(9,880)**

18 Share capital

	As of March 31, 2018	As of March 31, 2017
Issued, subscribed and fully paid-up shares		
3,997,400,102 equity shares of ₹5 each	19,987	19,987
	19,987	**19,987**

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

a. Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹5 per share. Each holder of equity shares is entitled to cast one vote per share.

b. Treasury shares

	For the year ended			
	March 31, 2018		March 31, 2017	
	No. of shares ('000')	Amount	No. of shares ('000')	Amount
Opening balance	1,345	367	1,882	524
Purchased during the year	906	424	-	-
Excercised during the year	(532)	(149)	(537)	(157)
Closing balance	**1,719**	642	**1,345**	367

c. Dividend

	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Declared and paid during the year:		
Interim dividend for 2017-18 : ₹2.84 per share*	13,658	-
Dividend on treasury shares*	6	-
*(including dividend distribution tax @ 20.36% of ₹2,311)		
Final dividend for 2016-17 : Re. 1 per share#	4,810	-
Dividend on treasury shares#	1	-
#(including dividend distribution tax of ₹814 @ 20.36%)		
Final dividend for 2015-16 : ₹1.36 per share^	-	6,541
Dividend on treasury shares^	-	2
^(including dividend distribution tax ₹1,107 @ 20.36%)		
	18,475	**6,543**
B. Proposed dividend		
Final dividend for 2017-18: ₹2.50 per share (2016-17 : ₹1 per share)	9,993	3,997
Dividend distribution tax for 2017-18 @ 20.56% (for 2016-17 @ 20.36%)	2,054	814
	12,047	**4,811**

The proposed dividend being subject to approval at respective annual general meetings, no related corresponding liability has been recognised in the respective financial years.

19 Other equity

a. Retained earnings: Retained earnings represent the amount of accumulated earnings of the Group, re-measurement differences on defined benefit plans, any transfer from general reserve and the reserves arising due to court scheme accounting and adjustments thereto (as explained below for significant Scheme of Arrangements).

The Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities at their respective fair values from Bharti Infratel Ventures Limited (erstwhile subsidiary company), Vodafone Infrastructure Limited, Idea Cellular Tower Infrastructure Limited to its joint venture Indus Towers Limited, was approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 and filed with the Registrar of Companies on June 11, 2013 with appointed date April 1, 2009 and hence was accounted retrospectively with effect from April 01, 2009. Similarly, pursuant to the Scheme of Arrangement of the Company under sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of the Company was transferred to one of its subsidiary Bharti Infratel Limited during the year ended March 31, 2008.

Further, pursuant to the said schemes, mainly the excess of the fair values over the original book values of the assets transferred to them and the periodic depreciation thereto is adjusted in retained earnings.

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

In absence of any specific provision under Ind AS with respect to court schemes, and the fact that the court schemes are part of the law, accounting prescribed therein (as explained above) will continue to prevail even in the Ind AS financial statements of the Group after being adjusted for intra-group eliminations / equity accounting, as required.

b. General reserve: The Company has transferred a portion of its profit before declaring dividend in respective prior years to general reserve, as stipulated under the erstwhile Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013 ('Act').

Further, on exercise of the stock options, the difference between the consideration (i.e. the exercise price and the related amount of share-based payment reserve) and the cost of the related treasury shares, is transferred to general reserve.

c. Debenture redemption reserve: Pursuant to the provisions of the Act, the Company is required to create debenture redemption reserve out of the profits and is to be utilised for the purpose of redemption of debentures. On redemption of the debentures, the related amount of this reserve gets transferred to retained earnings.

Other components of equity

	FCTR*	CFHR	FVTOCI reserve	Treasury shares	Total
As of April 1, 2016	**(11,149)**	**(724)**	**4**	**(524)**	**(12,393)**
Net losses due to foreign currency translation differences	(42,134)	-	-	-	(42,134)
Net losses on net investment hedge	(7,402)	-	-	-	(7,402)
Net gains on cash flow hedge	-	857	-	-	857
Net gains on fair value through OCI investments	-	-	86	-	86
Exercise of share options	-	-	-	157	157
As of March 31, 2017	**(60,685)**	**133**	**90**	**(367)**	**(60,829)**
Net losses due to foreign currency translation differences	(7,056)	-	-	-	(7,056)
Net losses on net investment hedge	(7,508)	-	-	-	(7,508)
Net gains on cash flow hedge	-	810	-	-	810
Net gains on fair value through OCI investments	-	-	115	-	115
Purchase of treasury shares	-	-	-	(424)	(424)
Exercise of share options	-	-	-	149	149
As of March 31, 2018	**(75,249)**	**943**	**205**	**(642)**	**(74,743)**

*During the year ended March 31, 2018 and 2017, the Group has reclassified gain of ₹60 and loss ₹2,073 respectively, from FCTR to statement of profit and loss on sale of foreign subsidiaries (refer note 5).

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

20 Borrowings

Non-current

	As of March 31, 2018	As of March 31, 2017
Secured		
Term loans	16,836	11,474
Vehicle loans*	29	31
	16,865	**11,505**
Less: Current portion (A)	(14,498)	(4,322)
Less: Interest accrued but not due (refer note 21)	(111)	(130)
	2,256	**7,053**
Unsecured		
Term loans#	71,011	69,067
Non-convertible bonds@	389,558	373,765
Non-convertible debentures^	30,068	-
Deferred payment liabilities**	455,602	439,204
Finance lease obligations	48,831	57,089
	995,070	**939,125**
Less: Current portion (B)	(119,848)	(42,740)
Less: Interest accrued but not due (refer note 21)	(28,058)	(7,065)
	847,164	**889,320**
	849,420	**896,373**
Current maturities of long-term borrowings (A + B)	134,346	47,062

Current

	As of March 31, 2018	As of March 31, 2017
Secured		
Bank overdraft	5,060	663
	5,060	**663**
Unsecured		
Term loans	76,816	92,084
Comercial papers	33,507	14,820
Bank overdraft	14,358	22,034
	124,681	**128,948**
Less: Interest accrued but not due(refer note 21)	(172)	(169)
	129,569	**129,442**

*These loans are secured by hypothecation of the vehicles.

#It includes re-borrowable term loans of ₹3,331 and ₹9,810 as of March 31, 2018 and March 31, 2017 respectively which have daily prepayment flexibility.

@It includes impact of fair value hedge refers note 36 (ii).

^During the year ended March 31, 2018, the Group has issued 30,000 listed, unsecured, rated, redeemable, Non - Convertible Debentures ('NCDs'), Series I and series II of face value of ₹10 Lakhs each, at par aggregating to ₹30,000 on private placement basis, carrying interest rates 8.25% p.a. and 8.35% p.a. (payable annually) and principal repayable in year 2020 and 2021 respectively.

**During the year ended March 31, 2018, the Government of India has provided one time option to elect higher number of annual instalments prospectively (upto a maximum of 16 instalments) towards the repayment of spectrum liability viz-a-viz currently allowed 10 instalments. Accordingly, the Company has exercised the option, increasing the remaining number of instalments by 6 annual instalments for all its existing deferred payment liabilities.

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

20.1 Analysis of borrowings

The details given below are gross of debt origination cost and fair valuation adjustments with respect to the hedged risk.

20.1.2 Repayment terms of borrowings

The table below summarises the maturity profile of the Group's borrowings:

As of March 31, 2018:

	Interest rate (range)	Frequency of installments	Number of installments outstanding per facility (range)*	Within one year	Between one and two years	Between two and five years	Over five years
Vehicle loans	7.95% - 9.50%	Monthly	6 - 33	15	11	3	-
Term loans	3.38%	Monthly	10	2,716	-	-	-
	4.95% - 5.00%	Quaterly	10 - 11	472	472	264	-
	2.56% - 5.02%	Half yearly	1 - 14	8,181	6,465	13,078	4,424
	2.72% - 4.32%	Annual	1	19,625	-	-	-
	6.00% - 8.98%	Quaterly	3 - 15	5,263	7,363	15,763	-
	7.85% - 8.40%	Half yearly	3 - 9	863	2,725	11,743	-
	7.90%	Annual	2	880	880	-	-
	7.70% - 8.35%	One time	1	63,800	-	-	-
Commercial papers	7.05% - 8.05%	One time	1	33,507	-	-	-
Non-convertible bonds	3.00% - 5.35%	One time	1	80,144	23,842	157,688	129,978
Non-convertible debentures	8.25% - 8.35%	One time	1	-	-	30,000	-
Deferred payment liabilities	9.30% - 10.00%	Annual	13 - 16	24,511	12,217	51,543	345,023
Finance lease obligations	8.05% - 10.30%	Monthly / Annual	8 - 119 / 2	4,858	5,194	18,573	20,151
Bank overdraft	3.88% - 10.65%	Payable on demand	N/A	16,684	-	-	-
	14.00% - 19.00%	Payable on demand	N/A	2,734	-	-	-
				264,253	**59,169**	**298,655**	**499,576**

*The installments amount due are equal / equated per se.

As of March 31, 2017:

	Interst rate (range)	Frequency of installments	Number of installments outstanding per facility (range)*	Within one year	Between one and two years	Between two and five years	Over five years
Vehicle loans	9.25% - 9.48%	Monthly	2 - 35	15	12	5	-
Term loans	0.63%	One time	1	3,891	-	-	-
	1.68% - 1.97%	On demand	N/A	28,372	-	-	-
	4.26% - 4.28%	Quarterly	14 - 15	1,029	1,029	1,573	
	1.45% - 4.52%	Half yearly	1 - 16	10,810	9,069	15,327	8,746
	2.30%	Annual	1	3,243	-	-	-
	7.00% - 8.00%	Quarterly	3 - 12	2,525	2,554	2,450	-
	6.25% - 8.35%	Half yearly	1 - 9	983	3,513	15,988	1,750
	8.00%	Annual	3	1,630	880	880	-
	7.85% - 8.75%	One time	1	55,250	-	-	-
	11.25% - 12.20%	One time	1	1,209	-	-	-
	16.90%	Quarterly	14	182	182	272	-
	23.11%	Half yearly	1	97	-	-	-
Commercial papers	6.35%	One time	1	14,820	-	-	-
Non-convertible bonds	3.00% - 5.35%	One time	1	-	69,328	74,414	226,691
Deferred payment liabilities	9.30 - 10.00%	Annual	7 - 10	26,814	35,991	78,331	298,031
Finance lease obligations	9.77% - 10.25%	Monthly / Annual	7 - 119 / 3	5,360	5,835	17,828	27,524
Bank overdraft	1.54% - 8.80%	Payable on demand	N/A	17,851	-	-	-
	9.90% - 16.50%	Payable on demand	N/A	4,582	-	-	-
	26.70%	Payable on demand	N/A	265	-	-	-
				178,928	**128,393**	**207,068**	**562,742**

*The installments amount due are equal / equated per se.

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

20.1.3 Interest rate and currency of borrowings

Currency	Average rate of Interest	Total borrowings	Floating rate borrowings	Fixed rate borrowings
INR	9.27%	603,522	106,298	497,223
USD	3.93%	337,319	58,572	278,747
Euro	3.73%	139,954	-	139,954
CHF	3.00%	23,843	-	23,843
XAF	6.61%	4,691	-	4,691
XOF	6.80%	7,047	1,421	5,626
Others	8.48% to 19.00%	5,278	2,799	2,479
March 31, 2018		**1,121,654**	**169,090**	**952,564**
INR	9.48%	542,731	86,577	456,154
USD	5.05%	372,361	88,598	283,763
Euro	3.73%	121,037	-	121,037
CHF	3.00%	22,705	-	22,705
XAF	6.56%	5,893	-	5,893
XOF	7.10%	5,180	-	5,180
Others	11.06% to 25.74%	7,224	4,886	2,338
March 31, 2017		**1,077,131**	**180,061**	**897,070**

20.2 Security details

The Group has taken borrowings in various countries mainly for working capital, capital expenditure and refinancing of existing borrowings. The details of security provided by the Group in various countries are as follows:

Entity	Outstanding loan amount		Security detail
	As of March 31, 2018	As of March 31, 2017	
Bharti Airtel Ltd.	29	31	Hypothecation of vehicles
Bharti Airtel Africa BV and its subsidiaries	21,838	12,128	Pledge of all fixed and floating assets - Kenya, Nigeria, Tanzania, Uganda and DRC.
	21,867	**12,159**	

Africa operations acquisition related borrowing:

Borrowings include certain loans which have been taken to refinance the Africa acquisition related borrowing. These loan agreements prevents the Group (excluding Bharti Airtel Africa B.V, Bharti Infratel Limited, and their respective subsidiaries) to pledge any of its assets without prior written consent of the majority lenders except in certain agreed circumstances.

The Euro bonds due in 2018 and USD bonds due in 2023 issued by BAIN contain certain covenants relating to limitation on indebtedness. All notes carry a restriction on incurrence of any lien on its assets other than as permitted under the agreement, unless the bonds and guarantee are ranked pari-pasu with such indebtedness. The limitation on indebtedness covenant on Euro bonds due in 2018 and USD bonds due in 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.

20.3 Unused lines of credit*

The below table provides the details of un-drawn credit facilities that are available to the Group.

	As of March 31, 2018	As of March 31, 2017
Secured	1,542	57
Unsecured	171,531	194,592
	173,073	**194,649**

*Excludes non-fund based facilities

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

21 Financial liabilities - others

Non-current

	As of March 31, 2018	As of March 31, 2017
Lease rent equalisation	14,496	13,377
Payable towards acquisition @	1,440	-
Security deposits	1,294	1,237
Others*	27,317	1,067
	44,547	**15,681**

*It includes advance amounting to ₹26,077 as on March 31, 2018, received against an agreement to sell certain investment, at a future date and is subject to certain customary closing conditions.

@Refer note 5 (b)

Current

	As of March 31, 2018	As of March 31, 2017
Payables against capital expenditure	80,940	65,860
Interest accrued but not due	28,341	7,364
Payable against business / asset acquisition @	13,523	4,104
Employees payables	5,879	5,364
Security deposit^	4,372	4,148
Others#	7,550	3,373
	140,605	**90,212**

@It includes payable to Qualcomm Asia Pacific Pte. Limited for ₹4,104 (towards purchase of balance equity shares upon satisfaction of certain conditions as per the share purchase agreement for acquisition of erstwhile Airtel Broadband Services Private Limited) and other acquisitions during the year.

^It pertains to deposits received from subscriber / channel partners which are repayable on demand after adjusting the outstanding amount, if any.

#It includes account balances of customers and distributors of payments bank, non-interest bearing advance received from customers / international operators and liability towards cash settled employee share based payment plans.

22 Provisions

Non-current

	As of March 31, 2018	As of March 31, 2017
Asset retirement obligations	4,523	5,359
Gratuity	2,006	1,956
Other employee benefit plans	683	156
	7,212	**7,471**

Current

	As of March 31, 2018	As of March 31, 2017
Gratuity	662	616
Other employee benefit plans	1,722	1,599
	2,384	**2,215**

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(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

The movement of provision towards asset retirement obligations is as below:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance	5,359	5,064
Net (reversal) / additions	(868)	823
Interest cost	37	248
Disposal of subsidiries / tower operations (refer note 5)	(5)	(776)
Closing balance	**4,523**	**5,359**

Refer note 27 for movement of provision towards various employee benefits.

The movement of provision towards subjudice matters is as below:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance	131,061	113,436
Net Additions	20,738	17,625
Closing Balance	**151,799**	**131,061**

The said provision has been disclosed under:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Other non-financial assets (refer note 15)	53,910	48,915
Other non-financial liabilities (refer note 23)	4,685	4,619
Trade payables	93,204	77,527
	151,799	**131,061**

The said provisions pertain to payable / paid under protest spectrum usage charges / licenses fees (trade payable / other non-financial assets) and payable for certain levies (other non-financial liabilities).

23 Other non - financial liabilities

Non-current

	As of March 31, 2018	As of March 31, 2017
Deferred rent	623	727
	623	**727**

Current

	As of March 31, 2018	As of March 31, 2017
Taxes payable	37,376	25,961
Others#	437	8,809
	37,813	**34,770**

#As of March 31, 2017 it includes dividend payable by one of the subsidiary to its NCI amounting to ₹8,512.

Taxes payable mainly pertains to GST, service tax, sales tax, other taxes payable and provision towards subjudice matters (refer note 22).

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(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

24 Contingent liabilities and commitments

(i) Contingent liabilities

Claims against the Company not acknowledged as debt

	As of March 31, 2018	As of March 31, 2017
(i) Taxes, duties and other demands		
(under adjudication / appeal / dispute)		
-Sales Tax and Service Tax	31,560	39,085
-Income Tax	15,712	20,150
-Customs Duty	7,646	5,899
-Entry Tax	9,878	9,252
-Stamp Duty	596	596
-Municipal Taxes	1,488	1,276
-Department of Telecom ('DoT') demands	40,778	37,560
-Other miscellaneous demands	5,164	8,000
(ii) Claims under legal cases including arbitration matters		
-Access charges / Port charges	10,733	9,371
-Others	2,708	3,631
	126,263	**134,820**

Further, refer note f (iv), (v), (vi) and g below for other DoT matter.

In addition to the above, the Group's share of joint ventures and associates contingent liabilities is ₹21,816 and ₹17,507 as of March 31, 2018 and March 31, 2017 respectively.

The category wise detail of the contingent liability has been given below:-

a) Sales and Service Tax

The claims for sales tax comprised of cases relating to the appropriateness of declarations made by the Group under relevant sales tax legislations which were primarily procedural in nature and the applicable sales tax on disposals of certain property and equipment items. Pending final decisions, the Group has deposited amounts under protest with statutory authorities for certain cases.

The service tax demands relate to cenvat claimed on tower and related material, levy of service tax on SIM cards and employee talk time, cenvat credit disallowed for procedural lapses and usage in excess of 20% limit.

b) Income Tax demand

Income tax demands mainly include the appeals filed by the Group before various appellate authorities against the disallowance by income tax authorities of certain expenses being claimed and non-deduction of tax at source with respect to pre-paid dealers/ distributor's margin.

c) Access charges / Port charges

(i) Despite the interconnect usage charges ('IUC') rates being governed by the Regulations issued by Telecom Regulatory Authority of India ('TRAI'); BSNL had raised a demand for IUC at the rates contrary to the regulations issued by TRAI in 2009. Accordingly, the Company and one of its subsidiaries filed a petition against the demand with the TDSAT which allowed payments to be on the existing regulations. The matter was then challenged by BSNL and is currently pending with the Hon'ble Supreme Court.

(ii) The Hon'ble TDSAT allowed BSNL to recover distance based carriage charges. The private telecom operators have jointly filed an appeal against the said order and the matter is currently pending before the Hon'ble Supreme Court.

(iii) BSNL challenged before TDSAT the port charges reduction contemplated by the regulations issued by TRAI in 2007 which passed its judgment in favour of BSNL. The said judgment has been challenged by the private operators in Hon'ble Supreme Court. Pending disposal of the said appeal, in the interim, private operators were allowed to continue paying BSNL as per the revised rates i.e. TRAI regulation issued in 2007, subject to the bank guarantee being provided for the disputed amount. The rates were further reduced by TRAI in 2012 which was challenged by BSNL before the Hon'ble Delhi High Court. The Hon'ble

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Delhi High Court, in the interim, without staying the rate revision, directed the private operators to secure the difference between TRAI regulation of 2007 and 2012 rates by way of bank guarantee pending final disposal of appeal.

d) Customs Duty

The custom authorities, in some states, demanded custom duty for the imports of special software on the ground that this would form part of the hardware on which it was pre-loaded at the time of import. The view of the Group is that such imports should not be subject to any custom duty as it is operating software exempt from any custom duty. In response to the application filed by the Group, the Hon'ble Central Excise and Service Tax Appellate Tribunal ('CESTAT') has passed an order in favour of the custom authorities. The Group has filed an appeal with Hon'ble Supreme Court against the CESTAT order.

e) Entry Tax

In certain states, an entry tax is levied on receipt of material from outside the state. This position has been challenged by the Group in the respective states, on the grounds that the specific entry tax is ultra vires the Constitution. Classification issues have also been raised, whereby, in view of the Group, the material proposed to be taxed is not covered under the specific category.

During the year ended March 31, 2017, the Hon'ble Supreme Court of India upheld the constitutional validity of entry tax levied by few States. However, Supreme Court did not conclude certain aspects such as present levies in each State is discriminatory in nature or not, leaving them open to be decided by regular benches of the Courts. Pending disposition by the regular benches, the Group has decided to maintain status-quo on its position and hence continues to disclose it as contingent liability.

f) DoT demands

(i) Demand for license fees pertaining to computation of Adjusted Gross Revenue ('AGR') and the interest thereon, due to difference in its interpretation. The definition of AGR is sub-judice and under dispute since 2005 before the TDSAT. TDSAT had pronounced its judgment in 2015, quashed all demands raised by DoT and directed DoT to rework the demands basis the principles enunciated in its judgment. Subsequently, the Union of India ('UOI') and the Company and one of its subsidiaries along with various other operators have filed appeals / cross appeals before the Hon'ble Supreme Court of India against the TDSAT judgment. In 2016, all the appeals were tagged together and Hon'ble Supreme Court has permitted DOT to raise demands with a direction not to enforce any demand till the final adjudication of the matter by Hon'ble Supreme Court. Accordingly, DoT has raised the demand basis special audit done by DoT and Comptroller and Auditor General of India. The contingent liability includes such demand and interest thereto (excluding certain contentious matters, penalty and interest thereto) for the financial years for which demand have been received.

(ii) Demands for the contentious matters in respect of subscriber verification norms and regulations including validity of certain documents allowed as proof of address / identity.

(iii) Penalty for alleged failure to meet certain procedural requirements for EMF radiation self-certification compliance.

The matters stated above are being contested by the Company and one of its subsidiaries and based on legal advice, the Company and one of its subsidiaries believes that it has complied with all license related regulations and does not expect any financial impact due to these matters.

In addition to the amounts disclosed in the table above, the contingent liability on DOT matters includes the following:

(iv) Post the Hon'ble Supreme Court judgment in 2011, on components of AGR for computation of license fee, based on the legal advice, the Company believes that the foreign exchange gain should not be included in AGR for computation of license fee thereon. Further as per TDSAT judgement in 2015, foreign exchange fluctuation does not have any bearing on the license fees. Accordingly, the license fee on foreign exchange gain has not been provided in the financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences', the license fee impact on such exchange differences is not quantifiable. The matter is currently pending adjudication by Hon'ble Supreme Court.

(v) On January 8, 2013, DoT issued a demand on the Company and one of its subsidiaries for ₹52,013 towards levy of one time spectrum charge. The demand includes a retrospective charge of ₹9,090 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 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 and one of its subsidiaries, 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 and one of its subsidiaries, the Hon'ble High Court

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(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

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 matter is currently pending with Hon'ble High Court of Bombay,. The Company, based on independent legal opinions, till date has not given any effect to the above demand.

(vi) DoT had issued notices to the Company (as well as other telecom service providers) to stop provision of services (under 3G Intra Circle Roaming ('ICR') arrangements) in the service areas where such service providers had not been allocated 3G spectrum and levied a financial penalty of ₹3,500 on the Company. The Company contested the notices, in response to which TDSAT in 2014 held 3G ICR arrangements to be competent and compliant with the licensing conditions and quashed the notice imposing penalty. The DoT has challenged the order of TDSAT before the Hon'ble Supreme Court which is yet to be listed for hearing.

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 since 2010 been a subsidiary of Bharti Airtel Nigeria B.V. ('BANBV'), which is an indirect subsidiary of Bharti Airtel Limited. Airtel Networks and / or BANBV have since 2010 been defending cases filed by Econet Wireless Limited ('EWL') where EWL was claiming, amongst others, a breach of its alleged pre-emption rights against erstwhile and current shareholders.

EWL inter alia commenced arbitral proceedings in Nigeria contesting the acquisition by Celtel Nigeria B.V. (now, Bharti Airtel Nigeria B.V. – 'BANBV') of the controlling stake in Airtel Networks Limited in 2006, wherein BANBV was one of the defendants. The Final Award ('FA') by the Arbitral Tribunal as to the same was pronounced in 2014. Subsequently, various applications were filed to challenge / enforce the FA in the High Court and the Supreme Court of Nigeria by BANBV and Econet respectively. Further, EWL had filed conservatory attachment proceedings in the Netherlands against BANBV for enforcement of the Final Award, and also pursuing a claim for compensation against BANBV's parent (Bharti Airtel Nigeria Holdings II B.V.) and Grandparent (Bharti Airtel Africa B.V.) alleging that these entities acted unlawfully and induced breach of contract by the selling shareholders. Separately, Airtel Networks Limited was a defendant in an action where EWL was claiming entitlement to 5% of the issued share capital of Airtel Networks Limited.

Under the 2010 share purchase agreement, the Group had certain indemnities from Zain BV in relation to these proceedings. In 2016, the Group had initiated arbitration against Zain B.V. and its guarantor, Mobile Telecommunications Company in relation to the said indemnities under the share purchase agreement.

During the year ended March 31, 2017, Zain and Company has entered into an agreement to settle these matters along with other tax cases covered under indemnities. Separately, the Company and EWL have entered into an agreement to settle all these disputes and consequent withdrawal of all the proceedings in all courts across all jurisdictions. The net settlement amount as adjusted for the related indemnification assets and provisions resulted in a loss of ₹732 which has been recognised and disclosed as an exceptional item.

Guarantees:

Guarantees outstanding as of March 31, 2018 and March 31, 2017 amounting to ₹129,565 and ₹129,131 respectively, have been issued by banks and financial institutions on behalf of the Group. These guarantees include certain financial bank guarantees which have been given for subjudice matters / compliance with licensing requirementies, the amount with respect to these have been disclosed under capital commitments, contingencies and liabilities, as applicable, in compliance with the applicable accounting standards.

In addition to the above the Group's share of guarantees of joint ventures and associates is ₹891 and ₹396 as of March 31, 2018 and March 31, 2017 respectively.

(ii) Commitments

Capital commitments

The Group has contractual commitments towards capital expenditure (net of related advance) of ₹137,280 and ₹102,008 as of March 31, 2018 and March 31, 2017 respectively.

In addition to the above, the Group's share of capital commitments of joint ventures and associates is ₹4,126 and ₹4,684 as of March 31, 2018 and March 31, 2017 respectively.

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(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

Lease commitments

a) Operating lease

The future minimum lease payments ('FMLP') are as follows:-

As lessee

	As of March 31, 2018	As of March 31, 2017
Not later than one year	70,692	65,945
Later than one year but not later than five years	244,153	244,475
Later than five years	70,652	92,978
	385,497	**403,398**
Lease rentals (including lease equalisation adjustments)	70,875	70,833

The above lease arrangements are mainly pertaining to passive infrastructure and premises / land. Certain of these lease agreements have escalation clause upto 25% and include option of renewal from 1 to 15 years.

The FMLP obligation disclosed above include the below FMLP obligations payable to joint ventures, which mainly pertain to amounts payable under the agreement entered by the parent and its subsidiaries, with a joint venture of the Group.

	As of March 31, 2018	As of March 31, 2017
Not later than one year	45,156	41,639
Later than one year but not later than five years	149,465	159,691
Later than five years	15,253	31,677
	209,874	**233,007**

As lessor

(i) The Group has entered into non-cancellable lease arrangements to provide dark fiber on indefeasible right to use ('IRU') basis. Due to the nature of the transaction, it is not possible to compute gross carrying amount, depreciation for the year and accumulated depreciation of the asset given on operating lease as of March 31, 2018 and accordingly, the related disclosures are not provided.

(ii) The FMLP receivables against assets (other than above IRU assets) are as follows:

	As of March 31, 2018	As of March 31, 2017
Not later than one year	21,933	21,574
Later than one year but not later than five years	68,228	86,447
Later than five years	37,574	38,430
	127,735	**146,451**

The above lease arrangements are mainly pertaining to passive infrastructure. Certain of these lease agreements have escalation clause upto 2.5%.

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(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

b) Finance lease

As lessee

Finance lease obligation of the Group as of March 31, 2018 is as follows:

	Future minimum lease payments	Interest	Present value
Not later than one year	9,930	5,053	4,877
Later than one year but not later than five years	38,989	14,702	24,287
Later than five years	23,335	3,723	19,612
	72,254	**23,478**	**48,776**

Finance lease obligation of the Group as of March 31, 2017 is as follows:

	Future minimum lease payments	Interest	Present value
Not later than one year	10,792	5,446	5,346
Later than one year but not later than five years	40,117	16,449	23,668
Later than five years	33,221	5,689	27,533
	84,130	**27,584**	**56,547**

The above lease arrangements are mainly pertaining to passive infrastructure.

As lessor

The FMLP receivable of the Group as of March 31, 2018 is as follows:

	Future minimum lease payments	Interest	Present value
Not later than one year	176	16	160
Later than one year but not later than five years	89	6	83
Later than five years	-	-	-
	265	**22**	**243**

The FMLP receivable of the Group as of March 31, 2017 is as follows:

	Future minimum lease payments	Interest	Present value
Not later than one year	133	25	107
Later than one year but not later than five years	189	17	172
Later than five years	-	-	-
	322	**42**	**279**

The above lease arrangements are mainly pertaining to various network equipments.

25 Revenue

	For the year ended March 31, 2018	For the year ended March 31, 2017
Service revenue	833,019	951,213
Sale of products	3,860	3,470
	836,879	**954,683**

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

26 Network operating expenses

	For the year ended March 31, 2018	For the year ended March 31, 2017
Passive infrastructure charges	79,636	78,490
Power and fuel	69,082	72,946
Repair and maintenance	34,667	45,612
Internet, bandwidth and leasedline charges	9,932	7,785
Others*	4,203	4,321
	197,520	**209,154**

*It includes charges towards managed service, installation, insurance and security.

27 Employee benefits expense

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries	34,185	37,300
Contribution to provident and other funds	2,104	1,746
Staff welfare expenses	1,313	1,617
Defined benefit plan / other long term benefits	693	887
Employee share-based payment expense		
- Equity-settled plans	630	337
- Cash-settled plans	(36)	61
Others*	882	1,084
	39,771	**43,032**

*It includes recruitment and training expenses.

27.1 Share based payment plans

The following table provides an overview of all existing share option plans of the Group:

Scheme	Plan	Vesting period (years)	Contractual term (years)
Equity settled Plans			
Scheme I	2006 Plan	1 - 5	7
Scheme 2005	2008 Plan & Annual Grant Plan (AGP)	1 - 3	7
Scheme 2005	Performance Share Plan (PSP) 2009 Plan	3 - 4	7
Scheme 2005	Special ESOP & Restricted Share Units (RSU) Plan	1 - 5	7
Infratel plan	Infratel 2008 Plan	1 - 5	7
Scheme 2005	Long Term Incentive (LTI) Plan	1 - 3	7
Infratel plan	Infratel LTI plans	1 - 3	7
Airtel Payments Bank Limited ('APBL') Plan	APBL Plan	1 - 4	8
Cash settled Plans			
Performance Unit Plan (PUP)	PUP 2013 - PUP 2017	1 - 5	3-5
Infratel plan	PUP	1 - 3	7

The stock options vesting is subject to service and certain performance conditions mainly pertaining to certain financial parameters.

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

The movement in the number of stock options and the related weighted average exercise prices are given in the table below:

	For the year ended			
	March 31, 2018		March 31, 2017	
	Number of share options ('000)	Weighted average exercise price (₹)	Number of share options ('000)	Weighted average exercise price (₹)
2006 Plan				
Outstanding at beginning of year	205	5.00	305	5.00
Granted	-	-	-	-
Exercised	(90)	5.00	(100)	5.00
Forfeited / expired	-	-	-	-
Outstanding at end of year	115	5.00	205	5.00
Exercisable at end of year	2	5.00	36	5.00
2008 Plan & AGP				
Outstanding at beginning of year	-	-	639	402.50
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited / expired	-	-	(639)	402.50
Outstanding at end of year	-	-	-	-
Exercisable at end of year	-	-	-	-
PSP 2009 Plan				
Outstanding at beginning of year	6	5.00	53	5.00
Granted	-	-	-	-
Exercised	(3)	5.00	(37)	5.00
Forfeited / expired	(3)	5.00	(10)	5.00
Outstanding at end of year	-	-	6	5.00
Exercisable at end of year	-	5.00	6	5.00
Special ESOP & RSU Plan				
Outstanding at beginning of year	34	5.00	126	5.00
Granted	-	-	-	-
Exercised	(33)	5.00	(91)	5.00
Forfeited / expired	(1)	5.00	(1)	5.00
Outstanding at end of year	-	-	34	5.00
Exercisable at end of year	-	-	34	5.00
Infratel 2008 Plan				
Outstanding at beginning of year	158	109.67	732	109.67
Granted	-	-	-	-
Exercised	(49)	109.67	(564)	109.67
Forfeited / expired	(1)	109.67	(10)	109.67
Outstanding at end of year	108	109.67	158	109.67
Exercisable at end of year	108	109.67	158	109.67

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

	For the year ended			
	March 31, 2018		March 31, 2017	
	Number of share options ('000)	Weighted average exercise price (₹)	Number of share options ('000)	Weighted average exercise price (₹)
LTI Plans				
Outstanding at beginning of year	2,002	5.00	1,709	5.00
Granted	1,571	-	820	-
Exercised	(406)	5.00	(308)	5.00
Forfeited / expired	(189)	5.00	(219)	5.00
Outstanding at end of year	2,977	5.00	2,002	5.00
Exercisable at end of year	567	5.00	358	5.00
Infratel LTI plans				
Outstanding at beginning of year	175	10.00	94	10.00
Granted	115	10.00	105	10.00
Exercised	(36)	10.00	(19)	10.00
Expired	-	-	-	-
Forfeited / expired	(15)	10.00	(5)	10.00
Outstanding at end of year	238	10.00	175	10.00
Exercisable at end of year	31	10.00	11	10.00
Airtel Payment Bank Limited Plan*				
Outstanding at beginning of year	-	-	-	-
Granted	14,063	-	-	-
Exercised	-	-	-	-
Forfeited / expired	(3,359)	-	-	-
Outstanding at end of year	10,704	-	-	-
Exercisable at end of year	-	-	-	-
Performance Unit Plans				
Outstanding at beginning of year	2,369	-	5,231	-
Granted	690	-	366	-
Exercised	(1,336)	-	(1,442)	-
Expired		-	-	-
Forfeited / expired	(322)	-	(1,786)	-
Outstanding at end of year	1,401	-	2,369	-
Exercisable at end of year	23	-	25	-

*The exercise period is 3 years from vesting date or 1 year from IPO listing (whichever is later). Eligible employees will be able to exercise the option at a price of 50% of fair market value (determined at the end of previous financial year) or ₹10 whichever, is higher. Employee can exercise the unexercised options within 3 months / 1 month from the date of retirement / resignation from the Group.

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

The fair value of options is measured using Black-Scholes / Binomial valuation model. The key inputs used in the measurement of the grant date fair valuation of equity settled plans and fair value of cash settled plans are given in the table below:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Risk free interest rates	6.17% to 7.18%	5.79% to 7.1%
Expected life	10 to 96 months	4 to 76 months
Volatility	25.91% to 40%	27.08% to 38.94%
Dividend yield	0.24% to 3.99%	0.39% to 1.83%

The expected life of the stock options is based on the Group's expectations and is not necessarily indicative of exercise patterns that may actually occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the expected life of the options is indicative of future trends, which may not necessarily be the actual outcome. Further, the expected volatility is based on the weighted average volatility of the comparable benchmark companies.

For details as to exercise price, refer table above.

The details of weighted average remaining contractual life, weighted average fair value and weighted average share price for the options are as follows:-

Weighted average	For the year ended March 31, 2018	For the year ended March 31, 2017
Remaining contractual life for the options outstanding as of (years)	0.35 to 8.44	0.10 to 5.90
Fair value for the options granted during the year ended (₹)	4.36 to 409.76	304.34 to 338.50
Share price for the options exercised during the year ended (₹)	367.14 to 457.41	316.50 to 486.77

The carrying value of cash settled plans liability is ₹235 and ₹752 as of March 31, 2018 and March 31, 2017 respectively.

27.2 Employee benefits

The details of significant employee benefits are as follows:

	For the year ended			
	March 31, 2018		March 31, 2017	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Obligation:				
Balance as at beginning of the year	2,618	1,158	2,656	1,127
Current service cost	377	218	412	234
Interest cost	194	86	207	84
Benefits paid	(424)	(169)	(541)	(163)
Transfers	5	2	(189)	(79)
Remeasurements	(86)	(180)	73	(45)
Present value of funded obligation	**2,684**	**1,115**	**2,618**	**1,158**
Assets:				
Balance as at beginning of year	46	-	66	-
Interest income	3	-	5	-
Benefits paid	(32)	-	(25)	-
Remeasurements	(1)	-	(0)	-
Fair value of plan assets	**16**	**-**	**46**	**-**
Liability recognised in the balance sheet	**2,668**	**1,115**	**2,572**	**1,158**
Current portion	662	1,115	616	1,158
Non-current portion	2,006	-	1,956	-

The expected contribution for the year ended March 31, 2018 and 2017 for Gratuity plan is ₹588 and ₹583 respectively

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - ₹; unless stated otherwise)

Amount recognised in other comprehensive income for the above plans

	For the year ended March 31, 2018	For the year ended March 31, 2017
Experience losses	18	41
Gains from change in demographic assumptions	26	(31)
Losses from change in financial assumptions	(130)	63
Remeasurements on liability	**(86)**	**73**
Return on plan assets, excluding interest income	(1)	(0)
Remeasurements on plan assets	**(1)**	**(0)**
Net remeasurements recognised in OCI	**(85)**	**73**

The above mentioned plan assets are entirely represented by funds invested with LIC.

Due to its defined benefit plans, the Group is exposed to the following significant risks:

Changes in bond yields - A decrease in bond yields will increase plan liability.

Salary risk - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The financial (per annum rates) and demographic assumptions used to determine defined benefit obligations are as follows:

	As of March 31, 2018	As of March 31, 2017
Discount rate	7.85%	7.40%
Rate of return on plan assets	7.85%	7.40%
Rate of salary increase	10.00%	10.00%
Rate of attrition	20% to 24%	21% to 29%
Retirement age	58	58

The Group regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligations is given in the table below:

		As of March 31, 2018		As of March 31, 2017	
	Change in assumption	Gratuity	Compensated absence	Gratuity	Compensated absence
Discount rate	+1%	(96)	(51)	(89)	(49)
	-1%	105	55	96	54
Salary growth rate	+1%	103	54	93	52
	-1%	(96)	(50)	(88)	(48)

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefit obligations, as a result of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular under-lying actuarial assumption, while assuming all other assumptions to be constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

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(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

The table below summarises the maturity profile and duration of the gratuity liability:

	As of March 31, 2018	As of March 31, 2017
Within one year	678	662
Within one-three years	736	709
Within three-five years	456	413
above five years	814	834
	2,684	**2,618**
Weighted average duration (in years)	**3.61**	**3.42**

28 Sales and marketing expenses

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sales commission and distribution	40,434	43,920
Advertisement and marketing	10,682	14,440
Business promotion	2,587	4,812
Other ancilliary expenses	2,063	3,560
	55,766	**66,732**

29 Other expenses

	For the year ended March 31, 2018	For the year ended March 31, 2017
Content cost	21,067	21,507
Cost of good sold	9,994	9,073
IT expenses	7,771	10,012
Customer care expenses	6,797	7,357
Legal and professional fees	5,072	6,535
Provision for doubtful debts	9,007	7,635
Collection and recovery expenses	3,607	3,987
Travelling and conveyance	2,113	2,989
Bad debts written off	1,156	873
Charity and donation*	1,204	1,702
(Reversal of earlier provision) / provision for diminution in value of inventory	(282)	170
Others#	9,521	15,081
	77,027	**86,921**

*It includes ₹330 and ₹220 paid to Prudent Electoral Trust (formerly known as Satya Electoral Trust) for political purpose for the year ended March 31, 2018 and 2017 respectively.

#It includes printing and stationary, security, rent and communication expenses etc.

30 Depreciation and amortisation

	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation	132,963	142,585
Amortisation	59,468	55,145
	192,431	**197,730**

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(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

31 Finance costs and income

	For the year ended March 31, 2018	For the year ended March 31, 2017
Finance costs		
Interest expense	64,692	67,131
Net loss on derivative financial instruments	8,506	13,231
Net loss on FVTPL investments*	1,416	-
Net exchange loss	1,882	3,624
Other finance charges#	16,759	11,480
	93,255	**95,466**
Finance income		
Dividend from mutual funds	367	279
Interest income@	6,150	3,207
Net gains on FVTPL investments*	-	5,154
Net fair value gain on financial instruments (fair value hedges)	6,023	9,852
	12,540	**18,492**

*Net loss / gain on fair value changes on FVTPL investments includes loss / gains of ₹1,709 and ₹5,962 pertaining to investments sold during the year ended March 31, 2018 and 2017 respectively.

#It includes bank charges, trade finance charges, charges relating to derivative instruments and interest charges towards subjudice matters. Further it includes ₹143 and ₹110 for the years ended March 31, 2018 and 2017 respectively, towards unwinding of discount on other financial liabilities (carried at amortised cost).

@It includes ₹43 and ₹46 towards unwinding of discount on security deposits (carried at amortised cost) and ₹415 and ₹309 from investment measured at FVTOCI for the years ended March 31, 2018 and 2017 respectively.

32 Exceptional items

Exceptional items comprise of the following:

(i) For the year ended March 31, 2018:

a. Charge of ₹4,372 mainly towards operating costs on network re-farming and up-gradation program

b. Net charge of ₹3,457 relating to the translation impact in Nigeria due to transition from the administered to market based exchange rate given the underlying economic changes and other developments

c. Provision of ₹1,094 taken against one major delinquent receivable

d. Charge of ₹3,535 due to levies and taxes pertaining to internal restructuring and litigation related assessment

e. Gain of ₹4,527 mainly pertaining to one of the earlier divestments

(ii) For the year ended March 31, 2017:

a. Net gain of ₹10,157 pertaining to the divestment of Group's operations in Burkina Faso and Sierra Leone, telecom towers in DRC and Niger and an African associate (viz. Tanzania Telecommunications Company Limited) (refer note 5 (l) and (n))

b. Net charge of ₹6,881 due to settlement of past litigations, regulatory levies, vendor claims, reconciliation of balances, restructuring activities and tax related contingent liability

c. Charge of ₹3,356 towards operating costs (including accelerated depreciation) on network re-farming and up-gradation program

d. Charge of ₹3,258 resulting from reassessment of the useful life of certain categories of network assets of the Group due to technological advancements (refer note 3.1.c.)

e. Net charge of ₹9,460 relating to the translation impact in Nigeria due to the new flexible exchange rate regime

f. Net gain of ₹1,641 (net of related expenses) pertaining to the divestment of stake in Bangladesh and charge of ₹540 due to share in the post-merger restructuring activities (refer note 5 (l) (i))

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(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

Tax expenses include:

(a) Tax benefit of ₹2,305 and ₹5,163 during the year ended March 31, 2018 and 2017 respectively on above exceptional items

(b) Tax benefit of ₹1,779 on account of re-assessment of tax provisions for previous periods during the year ended March 31, 2018

(c) Tax benefit of ₹4,248 during the year ended March 31, 2017 on account of recognition of deferred tax on earlier business combination and re-assessment of tax provisions for previous periods

Profit / (loss) attributable to non-controlling interests include benefit of ₹878 and ₹2,147 during the year ended March 31, 2018 and 2017 respectively, relating to the above exceptional items.

33 Earnings per share ('EPS')

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

	As of March 31, 2018	As of March 31, 2017
Weighted average shares outstanding for basic EPS	3,996,067	3,995,817
Effect of dilution due to employee share options	1,721	1,359
Weighted average shares outstanding for diluted EPS	**3,997,788**	**3,997,176**

Profit attributable to equity holders for basic and diluted EPS is ₹10,990 and ₹37,998 for the year ended March 31, 2018 and 2017 respectively.

34 Segment reporting

The Group's operating segments are organised and managed separately through the respective business managers, according to the nature of products and services provided and geographies in which services are provided, with each segment representing a strategic business unit. These business units are reviewed by the Chairman of the Group (Chief Operating Decision Maker - 'CODM').

The amounts reported to CODM are based on the accounting principles used in the preparation of financial statements as per Ind AS. Segment's performance is evaluated based on segment revenue and segment result viz. profit or loss from operating activities before exceptional items and tax but including share of result of joint ventures and associates. Accordingly, finance costs / income, non-operating (income) / expenses and exceptional items are not allocated to individual segment.

Inter-segment pricing and terms are reviewed and changed by the management to reflect changes in market conditions and changes to such terms are reflected in the period in which the changes occur. Inter-segment revenues eliminated upon consolidation of segments / accounting policy alignments are reflected in the 'Eliminations / Adjustment' column.

Segment assets / liabilities comprise assets / liabilities directly managed by each segment. Segment assets primarily include receivables, PPE, CWIP, intangibles assets, intangible assets under development, inventories, cash and cash equivalents. Segment liabilities primarily include operating liabilities. Segment capital expenditure comprises additions to PPE, CWIP intangible assets, intangible assets under development and capital advances.

The reporting segments of the Group are as below:

Mobile Services India: These services cover voice and data telecom services provided through wireless technology (2G / 3G / 4G) in India. This includes the captive national long distance networks which primarily provide connectivity to the mobile services business in India. This also includes intra-city fibre networks.

Mobile Services South Asia: These services cover voice and data telecom services provided through wireless technology (2G/ 3G) in Sri Lanka and Bangladesh.

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(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

Mobile Services Africa: These services cover provision of voice and data telecom services provided through wireless technology (2G / 3G / 4G) offered to customers in Africa. This also includes corporate headquarter costs of the Group's Africa operations.

Airtel Business: These services cover end-to-end telecom solutions being provided to large Indian and global corporations by serving as a single point of contact for all telecommunication needs across data and voice (domestic as well as international long distance), network integration and managed services.

Tower Infrastructure Services: These services include setting up, operating and maintaining wireless communication towers in India.

Homes Services: These services cover voice and data communications through fixed-line network and broadband technology.

Digital TV Services: This includes digital broadcasting services provided under the direct-to-home platform.

Others: It includes administrative and support services provided to other segments and also include Airtel payment bank Operations.

Unallocated items include expenses / results, assets and liabilities primarily of corporate headquarters of the Group, current taxes, deferred taxes, borrowings and certain financial assets and liabilities, not allocated to the operating segments.

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - ₹; unless stated otherwise)

Summary of the segmental information for the year ended and as of March 31, 2018 is as follows:

	Mobile Services India	Mobile Services Africa	Mobile Services South Asia	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others	Unallocated	Eliminations/ Adjustments	Total
Revenue from external customers	441,295	196,565	3,783	98,244	33,221	25,056	37,505	1,199	-	11	836,879
Inter-segment revenue	21,344	4,999	262	14,974	33,063	209	65	2,810	-	(77,726)	-
Total revenue	**462,639**	**201,564**	**4,045**	**113,218**	**66,284**	**25,265**	**37,570**	**4,009**	**-**	**(77,715)**	**836,879**
Share of results of joint ventures and associates	6	(905)	(282)	-	13,025	3	-	(29)	-	(1,209)	10,609
Segment results	20,835	34,758	(1,550)	31,044	33,477	4,720	5,306	(2,706)	(1,678)	(2,749)	121,457
Less:											
Finance costs											93,255
Finance income											(12,540)
Non-operating income, (net)											141
Exceptional items (refer Note 32)											7,931
Profit before tax											**32,670**
Other segment items											
Capital expenditure	198,280	29,954	2,066	12,675	11,307	11,129	10,277	267	6,257	(7,498)	274,714
Depreciation and amortisation	129,545	30,672	1,276	11,179	11,801	7,057	8,915	55	1	(8,070)	192,431
As of March 31, 2018											
Segment assets*	1,515,169	516,476	28,459	153,051	199,273	44,251	26,120	11,082	88,578	(76,643)	2,505,816
Segment liabilities*	317,043	115,149	2,622	76,284	22,400	19,866	33,964	8,312	1,210,172	(83,479)	1,722,333
Investment in joint ventures and associates (included in segment assets above)	57	6,769	21,620	-	58,110	3	-	280	-	-	86,839

*Effective April 1, 2017, individual segments exclude inter-segment balances and allocated borrowings. This has no impact on total assets and liabilities.

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(All amounts are in millions of Indian Rupees - ₹; unless stated otherwise)

Summary of the segmental information for the year ended and as of March 31, 2017 is as follows:

	Mobile Services India	Mobile Services Africa	Mobile Services South Asia	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others	Unallocated	Eliminations/ Adjustments	Total
Revenue from external customers	543,901	214,093	11,198	94,855	28,384	27,223	34,240	718	-	71	954,683
Inter-segment revenue	21,610	5,475	545	14,574	32,445	295	66	3,018	-	(78,028)	-
Total revenue	**565,511**	**219,568**	**11,743**	**109,429**	**60,829**	**27,518**	**34,306**	**3,736**	**-**	**(77,957)**	**954,683**
Share of results of joint ventures and associates	9	-	(642)	-	11,949	-	-	-	-	(867)	10,449
Segment results	105,494	10,189	(4,660)	22,737	29,195	6,868	3,577	(2,481)	(1,433)	(2,263)	167,223
Less:											
Finance costs											95,466
Finance income											(18,492)
Non-operating income, (net)											1,319
Exceptional items (refer Note 32)											11,697
Profit before tax											**77,233**
Other segment items											
Capital expenditure	380,011	25,235	1,801	17,142	9,829	19,649	8,608	19	1,597	(21,204)	442,687
Depreciation and amortisation	121,189	41,894	4,256	11,024	11,658	6,080	8,642	49	0	(7,062)	197,730
As of March 31, 2017											
Segment assets	1,642,949	556,281	29,048	331,833	210,023	311,890	22,935	9,327	120,032	(901,666)	2,332,652
Segment liabilities	722,363	226,314	7,968	180,624	47,535	246,864	28,341	5,083	1,044,215	(919,968)	1,589,339
Investment in joint ventures and associates (included in segment assets above)	52	-	22,567	-	59,409	-	-	249	-	-	82,277

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

Geographical information*:

(a) Revenue from external customers:

	For the year ended March 31, 2018	For the year ended March 31, 2017
India	619,000	708,462
Africa	196,565	214,093
Others	21,314	32,128
	836,879	**954,683**

(b) Non-current assets:

	For the year ended March 31, 2018	For the year ended March 31, 2017
India	1,503,452	1,411,798
Africa	448,314	466,775
Others	18,897	15,123
	1,970,663	**1,893,696**

*Basis location of entity.

Non-current operating assets for this purpose consist of PPE, CWIP, intangible assets, intangible assets under development and capital advances.

35 Related party disclosures

(a) List of related parties

i. Ultimate controlling entity (w.e.f. November 3, 2017)

Bharti Enterprises (Holding) Private Limited. It is held by private trusts of Bharti family, with Mr. Sunil Bharti Mittal's family trust effectively controlling the said company.

ii. Entities having control over the Company (w.e.f. November 3, 2017)*

Bharti Telecom Limited
*significant influence untill November 2, 2017

iii. For list of subsidiaries, joint venture and associates refer note no. 39.

iv. Other entities with whom transactions have taken place during the reporting periods

- Entities having significant influence over the Company

  Singapore Telecommunications Limited
  Pastel Limited

- Fellow companies (subsidiaries / joint ventures / associates other than that of the Company)

  a) Subsidiaries

  Bharti Enterprises Limited
  Cedar support Services Limited
  Bharti Insurance Holdings Private Limited
  Bharti Axa General Insurance Company Limited
  Bharti Axa Life Insurance Company Limited

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

b) Associates

Bharti Life Ventures Private Limited
Bharti General Private Limited

- Other related parties*

(a) Entities where Key Management Personnel and their relatives exercise significant influence

Bharti Foundation
Bharti Airtel Employees Welfare Trust
Hike Private Limited (formerly known as Hike Limited)

(b) Others

Brightstar Telecommunication India Limited
Bharti Realty Holdings Limited
Bharti Realty Limited
Deber Technologies Private Limited
Hike Messenger Limited
Centum Learning Limited
Fieldfresh Foods Private Limited
Indian Continent Investment Limited
Jersey Airtel Limited
Nile Tech Limited
Bharti Support Services Private Limited (formerly known as Atrium Restaurants India Private Limited)
Bharti Land Limited
Centum Work Skills India Limited
Oak Infrastructure Developers Limited
Gourmet Investments Private Limited

- Key Management Personnel ('KMP')

Sunil Bharti Mittal
Gopal Vittal
Christian D. Faria (until December 31, 2016)
Raghunath Mandava (w.e.f. January 1, 2017)

*'Other related parties' though not 'Related Parties' as per the definition under Ind AS 24, Related party disclosures have been included by way of a voluntary disclosure, following the best corporate governance practices.

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

In the ordinary course of business, there are some transactions among the group entities. However, the intra-group transactions and balances, and the income and expenses arising from such transactions, are eliminated on consolidation. The significant transactions with balance related parties for the years ended March 31, 2018 and 2017 respectively, are described below:

(b) The summary of significant transactions with the above mentioned parties is as follows:

Relationship	For the year ended March 31, 2018				For the year ended March 31, 2017			
	Significant influence entities	Associates	Joint ventures	ORP/ FC*	Significant influence entities	Associates	Joint ventures	ORP/ FC*
Purchase of assets	-	-	-	(2,761)	-	-	-	(3,329)
Sale / rendering of services	1,022	-	44	343	1,433	6	77	294
Purchase of goods / receiving of services	(217)	(50)	(39,977)	(3,504)	(496)	(9)	(42,385)	(3,220)
Reimbursement of energy expenses	-	-	(26,869)	-	-	-	(26,090)	(3)
Dividend paid	(9,777)	-		(496)	(3,255)	-	-	(362)
Dividend received	-	-	10,010	-	-	-	9,510	-

*Other related parties / fellow companies

(c) The outstanding balances of the above mentioned related parties are as follows:

	Significant influence entities	Associates	Joint ventures	ORP/FC*
As of March 31, 2018				
Trade payables	(117)	(31)	(11,193)	(139)
Trade receivables	-	-	-	102
Security deposit	-	-	3,934	1,070
As of March 31, 2017				
Trade payables	(490)	(4)	(11,310)	(532)
Trade receivables	129	-	1	216
Security deposit	-	-	3,903	1,050

*Other related parties / fellow companies

(1) Outstanding balances at period end are un-secured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

(2) In addition to the above, ₹410 and ₹1,227 donation has been given to Bharti Foundation during the year ended March 31, 2018 and 2017 respectively.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director, whether executive or otherwise. Remuneration to key management personnel were as follows:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Short-term employee benefits	317	305
Performance linked incentive ('PLI')#	160	168
Post-employment benefits	28	26
Share-based payment	62	62
	567	**561**

#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 ₹21 and ₹28 has been recorded in the books towards PLI for the year ended March 31, 2018 and 2017 respectively. During the year ended March 31, 2018, PLI of ₹164 (March 31, 2017: ₹150) pertaining to previous year has been paid.

In addition to above ₹1,122 thousand and ₹313 thousand for the year ended March 31, 2018 and 2017 respectively have been paid as dividend to key management personnel.

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

As the liabilities for the gratuity and compensated absences are provided on an actuarial basis, and calculated for the Company as a whole rather than each of the individual employees, the said liabilities pertaining specifically to KMP are not known and hence, not included in the above table

36 Financial and Capital risk

1. Financial risk

The business activities of the Group expose it to a variety of financial risks, namely market risks (that is, foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's risk management strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects on its financial performance. Further, the Group uses certain derivative financial instruments to mitigate some of these risk exposures (as discussed below in this note).

The financial risk management for the Group is driven by the Group's senior management ('GSM'), in close co-ordination with the operating entities and internal / external experts subject to necessary supervision. The Group does not undertake any speculative transactions either through derivatives or otherwise. The GSM are accountable to the Board of Directors and Audit Committee. They ensure that the Group's financial risk-taking activities are governed by appropriate financial risk governance frame work, policies and procedures. The BoD of the respective operating entities periodically reviews the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

The Group policy requires for material items to be established under effective hedge relationships by ensuring that the critical terms of the hedging instruments match with the terms of the hedged item so as maintain the hedge ratio to be 1:1. The Group uses prospective effectiveness assessment (dollar offset / hypothetical derivative method) to ensure that an economic relationship exists between the hedged item and hedging instrument.

(i) Foreign currency risk

Foreign exchange risk arises on all recognised monetary assets and liabilities, and any highly probable forecasted transactions, which are denominated in a currency other than the functional currency of the transacting group entity. The Group, through its parent entity, several intermediary entities and subsidiaries; operates across multiple geographies in the Africa and Asia continent. Accordingly, the Group is exposed to translation risk on the net investment in foreign subsidiaries. The Group has foreign currency trade payables, receivables and borrowings (internal as well as external). However, foreign exchange exposure mainly arises from borrowings and trade payables denominated in foreign currencies and certain net investment in foreign currency. Consequently, the Group is mainly exposed to foreign exchange risks related to USD / Euro vis-à-vis the functional currencies and the translation risk related to USD to ₹ and USD to XAF-XOF (pegged to Euro).

The foreign exchange risk management policy of the Group requires it to manage the foreign exchange risk by transacting as far as possible in the functional currency. Moreover, the Group monitors the movements in currencies in which the borrowings / capex vendors are payable and manage any related foreign exchange risk, which inter-alia include entering into foreign exchange derivative contracts - as considered appropriate and whenever necessary. For further details as to foreign currency borrowings, refer note 20. Further, for the details as to the fair value of various outstanding derivative financial instruments designated in a hedge relationship or otherwise refer note 11.

As per the Group's hedging policy certain foreign currency liability, highly probable forecast transactions and material net investment of the Group in foreign subsidiaries have been designated under cash flow hedge and net investment hedge respectively. The following table analyses the movement in the cash flow hedge reserve / net investment hedging in FCTR due to said hedges and details thereto.

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - ₹; unless stated otherwise)

a) Cash flow hedge

	March 31, 2018		March 31, 2017	
Currency exchange risk hedged	Euro to USD	CHF to USD	Euro to USD	CHF to USD
Nominal amount of hedging instruments	Euro 870 Mn	CHF 350 Mn	Euro 870 Mn	CHF 350 Mn
Maturity date	December 2018	March 2020	December 2018	March 2020
Weighted average forward price	1 Euro: 1.12 USD	1 CHF: 1.12 USD	1 Euro: 1.12 USD	1 CHF: 1.12 USD
Carrying value of derivative instruments (assets)	7,377	399	131	-
Carrying value of derivative instruments (liabilities)	-	60	908	620
Change in fair value during the year				
Hedged item	(6,928)	(677)	3,534	1,141
Hedging instrument	6,928	677	(3,534)	(1,141)
CFHR for continuing Hedge	410	533	214	(82)
Hedging gain / (loss) recognised during the year	6,928	677	(3,534)	(1,141)
(Loss) / Gain reclassification during the year to P&L	(6,732)	(62)	4,079	1,453

b) Net investment hedge

	March 31, 2018		March 31, 2017	
Currency exchange risk hedged	Euro to USD	USD to INR	Euro to USD	USD to INR
Nominal amount of hedging instruments	Euro 460 Mn	USD 1453 Mn	Euro 400 Mn	USD 1578 Mn
Carrying value of hedging instruments (borrowings)	36,870	94,721	27,738	102,308
Maturity date	May 2021	June 2025 - February 2028	May 2021	June 2025 - September 2026
Change in fair value during the year				
Hedged item	4,231	3,793	(2,232)	12,562
Hedging instrument	(4,231)	(3,793)	2,232	(12,562)
FCTR (loss) / gain for continuing Hedge (net of tax and NCI)	(5,109)	(15,869)	(878)	(12,596)
Hedging gain/ (loss) recognised during the year	(4,231)	(3,793)	2,232	(12,562)
Loss reclassification during the year to P&L under exceptional items	-	-	581	-

Foreign currency sensitivity

The impact of foreign exchange sensitivity on profit for the year and other comprehensive income is given in the table below:

	Change in currency exchange rate	Effect on profit before tax	Effect on equity (OCI)
For the year ended March 31, 2018			
US Dollar	+5%	(8,823)	(8,796)
	-5%	8,823	8,796
Euro	+5%	(1,712)	(1,844)
	-5%	1,712	1,844
Others	+5%	1	-
	-5%	(1)	-
For the year ended March 31, 2017			
US Dollar	+5%	(8,955)	(8,375)
	-5%	8,955	8,375
Euro	+5%	(1,716)	(1,387)
	-5%	1,716	1,387
Others	+5%	(26)	-
	-5%	26	-

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(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

The sensitivity disclosed in the above table is mainly attributable to, in case of foreign exchange gains / (losses) on translation of USD / Euro / CHF denominated borrowings, derivative financial instruments, trade and other payables, and trade receivables.

The above sensitivity analysis is based on a reasonably possible change in the under-lying foreign currency against the respective functional currency while assuming all other variables to be constant.

Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, the Group's Management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

(ii) Interest rate risk

As the Group does not have exposure to any floating-interest bearing assets, or any significant long-term fixed-interest bearing assets, its interest income and related cash inflows are not affected by changes in market interest rates. Consequently, the Group's interest rate risk arises mainly from borrowings.

Borrowings

Borrowings with floating and fixed interest rates expose the Group to cash flow and fair value interest rate risk respectively. However, the short-term borrowings of the Group do not have a significant fair value or cash flow interest rate risk due to their short tenure. Accordingly, the components of the debt portfolio are determined by the GSM in a manner which enables the Group to achieve an optimum debt-mix basis its overall objectives and future market expectations.

The Group monitors the interest rate movement and manages the interest rate risk based on its risk management policies, which inter-alia include entering into interest swaps contracts - as considered appropriate and whenever necessary.

The Group has designated the interest rate components (which is separately identifiable from other components) of certain fixed interest rate bonds under the hedge relationship since historically it accounts for substantial portions of the total fair value change of the bonds.

The following table analyses the financial impact of fair value hedge and details thereto.

	March 31, 2018		March 31, 2017	
Interest rate risk covered for currency	USD	Euro	USD	Euro
Nominal amount of Hedging instruments	USD 2900 Mn		USD 2900 Mn	
Carrying value of hedging instruments (derivative assets)	19		1,568	
Carrying value of hedging instruments (derivative liabilities)	4,258		851	
Maturity date	March 2023 - June 2025		March 2023 - June 2025	
Carrying value of hedged item (borrowings)	189,008		188,065	
Change in fair value during the year				
Hedged item	5,802		9,768	
Hedging instrument	(5,025)		(11,118)	
Hedge ineffectiveness recognised in finance Income/cost during the year	777		(1,349)	
Cumulative change in fair value of hedged Item	6,366		476	
Unamortised potion of fair value hedge adjustment		(175)		(396)

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

Interest rate sensitivity of borrowings

The impact of the interest rate sensitivity on profit before tax is given in the table below:

Interest rate sensitivity	Increase / decrease in basis points	Effect on profit before tax
For the year ended March 31, 2018		
INR - borrowings	+100	(1,063)
	-100	1,063
USD -borrowings	+25	(654)
	-25	654
Other Currency -borrowings	+100	(42)
	-100	42
For the year ended March 31, 2017		
INR - borrowings	+100	(866)
	-100	866
USD -borrowings	+25	(657)
	-25	657
Other Currency -borrowings	+100	(49)
	-100	49

The sensitivity disclosed in the above table is attributable to floating-interest rate borrowings and the interest swaps.

The above sensitivity analysis is based on a reasonably possible change in the under-lying interest rate of the Group's borrowings in INR, USD, Euro and NGN (being the significant currencies in which it has borrowed funds), while assuming all other variables (in particular foreign currency rates) to be constant.

Based on the movements in the interest rates historically and the prevailing market conditions as at the reporting date, the Group's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

(iii) Price risk

The Group invests its surplus funds in various fixed income products, including but not limited to debt mutual funds, short term debt funds, corporate debt, government securities and fixed deposits. In order to manage its price risk arising from investments, the Group diversifies its portfolio in accordance with the limits set by the risk management policies. The Group has exposure across debt securities, mutual fund and money market instruments.

Debt investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenor of money market instruments and the underlying portfolio in liquid schemes, these do not pose any significant price risk. On the duration investment balance, an increase / decrease of 25 basis points in market yields (parallel shift of the yield curves), will result in decrease / increase in the marked to market value of the investments by ₹176 and ₹808 as on March 31, 2018 and March 31, 2017 respectively.

(iv) Credit risk

Credit risk refers to the risk of default on its obligation by the counter-party, the risk of deterioration of credit-worthiness of the counter-party as well as concentration risks of financial assets, and thereby exposing the Group to potential financial losses.

The Group is exposed to credit risk mainly with respect to trade receivables, investment in bank deposits, debt securities, mutual funds and derivative financial instruments.

Trade receivables

The Trade receivables of the Group are typically non-interest bearing unsecured and derived from sales made to a large number of independent customers. As the customer base is widely distributed both economically and geographically, there is no concentration of credit risk.

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(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

As there is no independent credit rating of the customers available with the Group, the management reviews the credit-worthiness of its customers based on their financial position, past experience and other factors. The credit risk related to the trade receivables is managed / mitigated by each business unit, basis the Group's established policy and procedures, by setting appropriate payment terms and credit period, and by setting and monitoring internal limits on exposure to individual customers. The credit period provided by the Group to its customers generally ranges from 14-30 days except Airtel business segment wherein it ranges from 7-90 days.

The Group uses a provision matrix to measure the expected credit loss of trade receivables, which comprise a very large numbers of small balances. Refer note 16 for details on the impairment of trade receivables. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are credit impaired if the payments are more than 90 days past due.

The ageing analysis of trade receivables as of the reporting date is as follows:

	Neither past due nor impaired	Past due but not impaired				Total
		Less than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
March 31, 2018	21,182	17,294	7,835	6,201	6,318	58,830
March 31, 2017	17,115	11,653	6,612	5,966	6,056	47,402

The Group performs on-going credit evaluations of its customers' financial condition and monitors the credit-worthiness of its customers to which it grants credit in its ordinary course of business. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due. Where the financial asset has been written-off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit and loss.

Financial instruments and cash deposits

The Group's treasury, in accordance with the board approved policy, maintains its cash and cash equivalents, deposits and investment in mutual funds & debt securities, and enters into derivative financial instruments - with banks, financial and other institutions, having good reputation and past track record, and high / sovereign credit rating. Similarly, counter-parties of the Group's other receivables carry either no or very minimal credit risk. Further, the Group reviews the credit-worthiness of the counter-parties (on the basis of its ratings, credit spreads and financial strength) of all the above assets on an on-going basis, and if required, takes necessary mitigation measures.

(v) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic and international capital markets across debt and equity.

Moreover, the GSM regularly monitors the rolling forecasts of the entities' liquidity reserve (comprising of the amount of available un-drawn credit facilities and cash and cash equivalents) and the related requirements, to ensure they have sufficient cash on an on-going basis to meet operational needs while maintaining sufficient headroom at all times on its available un-drawn committed credit facilities, so that there is no breach of borrowing limits or relevant covenants on any of its borrowings. For details as to the borrowings, refer note 20.

Based on past performance and current expectations, the Group believes that the cash and cash equivalents, cash generated from operations and available un-drawn credit facilities, will satisfy its working capital needs, capital expenditure, investment requirements, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

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(All amounts are in millions of Indian Rupees - ₹; unless stated otherwise)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:-

	As of March 31 , 2018						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings*#	1,141,676	19,419	152,197	176,076	126,576	1,231,162	**1,705,430**
Other financial liabilities#	156,811	4,874	108,656	-	161	43,120	**156,811**
Trade payables	277,675	-	277,675	-	-	-	**277,675**
Financial liabilities (excluding derivatives)	**1,576,162**	**24,293**	**538,528**	**176,076**	**129,737**	**1,274,282**	**2,139,916**
Derivative assets	10,972	-	1,333	7,608	968	1,063	**10,972**
Derivative liabilities	(5,692)	-	(117)	(168)	(203)	(5,204)	**(5,692)**
Net derivatives	**5,280**	**-**	**1,216**	**7,440**	**765**	**(4,141)**	**5,280**

	As of March 31 , 2017						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings*#	1,078,384	22,697	135,951	50,646	176,532	1,100,524	**1,486,350**
Other financial liabilities#	100,386	4,148	80,557	-	540	15,141	**100,386**
Trade payables	268,537	-	268,537	-	-	-	**268,537**
Financial liabilities (excluding derivatives)	**1,447,307**	**26,845**	**485,045**	**50,646**	**177,072**	**1,115,665**	**1,855,273**
Derivative assets	6,792	-	1,010	1,050	1,743	2,989	**6,792**
Derivative liabilities	(5,061)	-	(1,992)	(343)	(1,092)	(1,634)	**(5,061)**
Net derivatives	**1,731**	**-**	**(982)**	**707**	**651**	**1,355**	**1,731**

*It includes contractual interest payment based on interest rate prevailing at the end of the reporting period after adjustment for the impact of interest swaps, over the tenor of the borrowings.

#Interest accrued but not due has been included in interest bearing borrowings and excluded from other financial liabilities.

vi) Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows:

				Non-cash movements					
	Statement of cash flow line item	April 1, 2017	Cash flows	Interest expense	Foreign exchange	Fair value changes	FCTR	Others	March 31, 2018
Borrowings*	Proceeds / repayment of borrowing (including short term)	610,282	36,141	-	11,480	-	883	1,420	660,206
Interest accrued but not due and derivative instruments	Interest and other finance charges paid	5,633	(44,041)	29,470	-	8,506	2,588	20,905	23,061

*It does not include deferred payment liabilities, finance lease obligations and bank overdraft but include obligations towards Africa tower sale and lease back transaction.

2. Capital risk

The Group's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. However, the key objective of the Group's capital management is to, ensure that it maintains a stable capital structure with the focus on total equity, uphold investor; creditor and customer confidence, and ensure future development of its business activities. In order to maintain or adjust the capital structure, the Group may issue new shares, declare dividends, return capital to shareholders, etc.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

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(All amounts are in millions of Indian Rupees - ₹; unless stated otherwise)

The Group monitors capital using a gearing ratio calculated as below:

	As of March 31, 2018	As of March 31, 2017
Borrowings	1,113,335	1,072,877
Less: cash and cash equivalents	47,886	12,817
Less: term deposits with bank	2,119	3,360
Net debt	**1,063,330**	**1,056,700**
Equity	695,344	674,563
Total capital	**695,344**	**674,563**
Capital and net debt	**1,758,674**	**1,731,263**
Gearing ratio	**60.5%**	**61.0%**

37 Fair value of financial assets and liabilities

The category wise details as to the carrying value, fair value and the level of fair value measurement hierarchy of the Group's financial instruments are as follows:

		Carrying value as of		Fair value as of	
	Level	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial assets					
FVTPL					
Derivatives					
- Currency swaps, forward and option contracts	Level 2	8,541	814	8,541	814
- Interest swaps	Level 2	2,101	4,963	2,101	4,963
- Embedded derivatives	Level 2	330	1,005	330	1,005
- Embedded derivatives	Level 3	-	10	-	10
Investments - quoted	Level 1	65,460	52,402	65,460	52,402
Investments - unquoted	Level 2	2,992	4,389	2,992	4,389
FVTOCI					
Investments - quoted	Level 1	2,391	2,609	2,391	2,609
Investments - unquoted	Level 2	3,904	1,711	3,904	1,711
Amortised cost					
Security deposits	Level 2	9,703	9,630	9,703	9,630
Trade receivables	Level 2	58,830	47,402	58,830	47,402
Cash and cash equivalents	Level 1	47,886	12,817	47,886	12,817
Bank deposits	Level 1	18,820	38,166	18,820	38,166
Other financial assets	Level 2	33,276	36,390	33,276	36,390
		254,234	**212,308**	**254,234**	**212,308**
Financial liabilities					
FVTPL					
Derivatives					
- Currency swaps, forward and option contracts	Level 2	474	3,412	474	3,412
- Interest rate swaps	Level 2	5,210	880	5,210	880
- Embedded derivatives	Level 2	8	571	8	571
- Embedded derivatives	Level 3	-	198	-	198
Amortised cost					
Borrowings - fixed rate	Level 1	414,407	368,913	427,293	386,739
Borrowings - fixed rate	Level 2	512,404	526,542	555,413	562,306
Borrowings - floating rate	Level 2	186,525	178,826	186,525	178,826
Trade payables	Level 2	277,675	268,537	277,675	268,537
Other financial liabilities	Level 2	185,152	105,893	185,152	105,893
		1,581,855	**1,453,772**	**1,637,750**	**1,507,362**

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(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

The following methods / assumptions were used to estimate the fair values:

i. The carrying value of bank deposits, trade receivables, trade payables, short-term borrowings, floating-rate long-term borrowings other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments / buying subject to floating-rate.

ii. Fair value of quoted financial instruments is based on quoted market price at the reporting date.

iii. The fair value of non-current financial assets, other long term borrowings and other financial liabilities is estimated by discounting future cash flows using current rates applicable to instruments with similar terms, currency, credit risk and remaining maturities.

iv. The fair values of derivatives are estimated by using pricing models, wherein the inputs to those models are based on readily observable market parameters. The valuation models used by the Group reflect the contractual terms of the derivatives (including the period to maturity), and market-based parameters such as interest rates, foreign exchange rates, volatility etc. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable.

During the year ended March 31, 2018 and 2017, 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.

Following table describes the key input in the valuation (basis discounted cash flow technique) of level 2 financial assets / liabilities as of March 31, 2018 and March 31, 2017:

Financial assets / liabilities	Inputs used
- Currency swaps, forward and option contracts	Forward currency exchange rates, Interest rates
- Interest swaps	Prevailing / forward interest rates in market, Interest rates
- Embedded derivatives	Forward currency exchange rates, Interest rates
- Investments	Prevailing interest rates in market, Interest rates
- Other financial assets / fixed rate borrowings / other financial liabilities	Prevailing interest rates in market, Future payouts, Interest rates

Level 3 financial instruments

The following table provides the details as to changes in value of financial instruments categorised within level 3 of the fair value hierarchy:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance	(188)	51
Gain recognised in consolidated statement of profit and loss (including settlements)		
-Recognised in finance costs / finance income*	276	(215)
Transferred on account of sale of subsidiary	-	(22)
Exchange difference recognised in OCI	(88)	(2)
Closing balance	**-**	**(188)**

*Out of these gains / (losses), Nil and loss of ₹213 year ended March 31, 2018 and 2017 respectively relates to assets/liabilities held at the end of respective periods.

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Valuation process, techniques and inputs used: The Group has entered into certain contracts under which payouts are linked to revenue of the period to which payout relates. The portion of the payout are payable at predetermined fixed foreign exchange rate and 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 either engages external, independent and qualified valuers or internally values the embedded derivative categorised within level 3. Discounted cash flow model is used to value the embedded derivative wherein major inputs are expected future payouts to vendors, forward foreign currency exchange rates and relevant interest rates. The value of embedded derivative is the present value of the differential of future payouts on the reporting date, over that determined based on the forward rates prevailing at the inception of the contract.

Sensitivity 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%. Expected future payouts to vendor ranging from Nil and USD 12 to USD 17 per quarter as of March 31, 2018 and March 31, 2017 respectively.

38 Other matters

(i) In 1996, the Company had obtained the permission from DoT to operate its Punjab license through one of its wholly owned subsidiary. However DoT cancelled the permission to operate in April, 1996 and subsequently reinstated in March, 1998. Accordingly, for the period from April 1996 to March, 1998 ('blackout period') the license fee was disputed and not paid by the Company.

Subsequently, basis the demand from DoT in 2001, the Company paid the disputed license fee of ₹4,856 for blackout period under protest. Consequently, the license was restored subject to arbitrator's adjudication on the dispute. The arbitrator adjudicated the matter in favour of DoT, which was challenged by the Company before Hon'ble Delhi High Court. In 2012, Hon'ble Delhi High Court passed an order setting aside the arbitrator's award, which was challenged by DoT and is pending before its division bench. Meanwhile, the Company had filed a writ petition for recovery of the disputed license fee and interest thereto. However, the single bench, despite taking the view that the Company is entitled to refund, dismissed the writ petition on the ground that the case is still pending with the larger bench. The Company therefore has filed appeal against the said order with division bench and is currently pending. DoT had also filed an appeal against the single judge order. Both these appeals are tagged together and are listed for final hearing. The Hon'ble court has directed both the parties to file comprehensive written submission.

(ii) TRAI vide Telecom Interconnect Usages Charges Regulation (Eleventh Amendment) 2015 has reduced the IUC charges for mobile termination charges to 14 paisa from 20 paisa and abolished the fixed-line termination charges. The Company has challenged the said Regulation before the Hon'ble Delhi High Court and the matter is currently pending.

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39 Additional information as required under Schedule III of the Companies Act 2013

Table 1 - Details pertaining to share in net assets, profit or loss and total comprehensive income

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2018 and 2017 (Refer note 1 and 2)	Principal place of operation / country of incorporation	For the year ended March 31, 2018					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
	Parent								
	-Telecommunication services								
1	Bharti Airtel Limited	100%	India	131.29%	1,028,609	7.21%	792	-34.58%	849
	Subsidiaries								
	A. Indian								
	-Telecommunication services								
1	Bharti Hexacom Limited	70%	India	8.28%	64,893	-10.18%	(1,119)	45.51%	(1,117)
2	Nxtra Data Limited	100%	India	0.02%	183	2.14%	235	-9.65%	237
3	Smartx Services Limited	53.5% ^	India	0.00%	19	0.03%	3	-0.12%	3
4	Telesonic Networks Limited	100%	India	0.08%	617	2.13%	234	-9.05%	222
5	Wynk Limited	100%	India	0.07%	551	1.29%	141	-5.76%	141
6	Bharti Digital Networks Private Limited (Formerly known as Tikona Digital Networks Private Limited; subsidiary w.e.f. August 24, 2017)	100%	India	-1.76%	(13,808)	-1.44%	(158)	6.44%	(158)
	- Direct To Home services								
1	Bharti Telemedia Limited	95%	India	-3.19%	(24,995)	25.74%	2,829	-115.36%	2,832
	- Infrastructure sharing services								
1	Bharti Infratel Limited	53.5% ^	India	14.23%	111,515	119.36%	13,118	-535.32%	13,142
	- Investment Company								
1	Nettle Infrastructure Investments Limited	100%	India	-2.19%	(17,145)	7.61%	837	-355.57%	8,729
	- Mobile commerce services								
1	Airtel Payments Bank Limited	80.10%	India	0.29%	2,306	-24.81%	(2,726)	111.05%	(2,726)
	- Other								
1	Bharti Airtel Services Limited	100%	India	-0.04%	(312)	6.26%	688	-28.32%	695

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				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
	- Uplinking channels for broadcasters								
1	Indo Teleports Limited	100% ^^	India	-0.07%	(560)	-1.01%	(111)	4.54%	(111)
	B. Foreign								
	- Direct To Home services								
1	Airtel DTH Services Nigeria Limited #	100%	Nigeria	-	-	-	-	-	-
	- Infrastructure sharing services								
1	Africa Towers Services Limited ##	100%	Kenya	0.00%	1	0.00%	0	-0.02%	0
2	Bangladesh Infratel Networks Limited #	100%	Bangladesh	-	-	-	-	-	-
3	Bharti Infratel Lanka (Private) Limited #	100%	Sri Lanka	-	-	-	-	-	-
4	Congo RDC Towers S.A.	100%	Democratic Republic of Congo	-0.07%	(565)	-2.74%	(301)	12.25%	(301)
5	Gabon Towers S.A. ##	90%	Gabon	0.00%	(1)	0.02%	2	-0.10%	2
6	Madagascar Towers S.A.	100%	Madagascar	0.04%	320	0.71%	78	-3.20%	78
7	Malawi Towers Limited	100%	Malawi	-0.25%	(1,920)	-4.45%	(489)	19.92%	(489)
8	Tanzania Towers Limited	60%	Tanzania	0.00%	(31)	0.00%	(0)	0.01%	(0)
9	Towers Support Nigeria Limited #	83.25%	Nigeria	-	-	0.01%	1	-0.02%	1
	- Investment Company								
1	Africa Towers N.V.	100%	Netherlands	-0.06%	(445)	-0.45%	(49)	2.01%	(49)
2	Airtel Mobile Commerce B.V.	100%	Netherlands	-0.01%	(77)	-0.09%	(10)	0.40%	(10)
3	Airtel Mobile Commerce Holdings B.V.	100%	Netherlands	0.00%	1	-	-	-	-
4	Bharti Airtel Africa B.V.	100%	Netherlands	11.20%	87,717	18.95%	2,083	-84.84%	2,083
5	Bharti Airtel Burkina Faso Holdings B.V.	100%	Netherlands	5.81%	45,513	0.00%	(0)	0.00%	(0)
6	Bharti Airtel Chad Holdings B.V.	100%	Netherlands	-0.06%	(462)	-3.09%	(340)	13.83%	(340)

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Table 1 - Details pertaining to share in net assets, profit or loss and total comprehensive income

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2018 and 2017 (Refer note 1 and 2)	Principal place of operation / country of incorporation	For the year ended March 31, 2018					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
7	Bharti Airtel Congo Holdings B.V.	100%	Netherlands	0.79%	6,171	0.84%	92	-3.74%	92
8	Bharti Airtel Developers Forum Limited	96.36%	Zambia	-	-	-	-	-	-
9	Bharti Airtel DTH Holdings B.V. #	100%	Netherlands	-	-	-	-	-	-
10	Bharti Airtel Gabon Holdings B.V.	100%	Netherlands	1.09%	8,574	0.46%	50	-2.04%	50
11	Bharti Airtel Ghana Holdings B.V. (Refer note 5 (c))	100%	Netherlands	-	-	-8.93%	(981)	39.97%	(981)
12	Bharti Airtel International (Mauritius) Limited	100%	Mauritius	1.97%	15,449	1.76%	193	-9.77%	240
13	Bharti Airtel International (Netherlands) B.V.	100%	Netherlands	24.65%	193,134	-171.27%	(18,823)	766.73%	(18,823)
14	Bharti Airtel Kenya B.V.	100%	Netherlands	-1.80%	(14,087)	-15.88%	(1,745)	71.09%	(1,745)
15	Bharti Airtel Kenya Holdings B.V.	100%	Netherlands	-0.34%	(2,671)	-0.86%	(95)	3.86%	(95)
16	Bharti Airtel Madagascar Holdings B.V.	100%	Netherlands	-0.31%	(2,421)	-2.19%	(240)	9.78%	(240)
17	Bharti Airtel Malawi Holdings B.V.	100%	Netherlands	0.05%	410	0.69%	76	-3.09%	76
18	Bharti Airtel Mali Holdings B.V.	100%	Netherlands	0.01%	100	-0.14%	(16)	0.64%	(16)
19	Bharti Airtel Niger Holdings B.V.	100%	Netherlands	1.47%	11,555	14.00%	1,539	-62.68%	1,539
20	Bharti Airtel Nigeria B.V.	100%	Netherlands	-7.78%	(60,964)	-40.46%	(4,446)	181.11%	(4,446)
21	Bharti Airtel Nigeria Holdings B.V. #	100%	Netherlands	-	-	-	-	-	-
22	Bharti Airtel Nigeria Holdings II B.V.	100%	Netherlands	-0.01%	(107)	0.09%	10	-0.42%	10
23	Bharti Airtel RDC Holdings B.V.	100%	Netherlands	0.23%	1,780	-17.73%	(1,949)	79.38%	(1,949)
24	Bharti Airtel Rwanda Holdings Limited	100%	Mauritius	0.02%	187	-0.02%	(2)	0.09%	(2)
25	Bharti Airtel Services B.V.	100%	Netherlands	-0.06%	(443)	-0.48%	(53)	2.16%	(53)
26	Bharti Airtel Tanzania B.V.	100%	Netherlands	-0.60%	(4,697)	-8.15%	(896)	36.48%	(896)
27	Bharti Airtel Uganda Holdings B.V.	100%	Netherlands	-1.26%	(9,900)	-33.71%	(3,705)	150.92%	(3,705)
28	Bharti Airtel Zambia Holdings B.V.	100%	Netherlands	3.81%	29,834	25.14%	2,763	-112.55%	2,763
29	Celtel (Mauritius) Holdings Limited	100%	Mauritius	0.30%	2,346	-1.36%	(150)	6.09%	(150)

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				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
30	Channel Sea Management Company (Mauritius) Limited	100%	Mauritius	0.00%	33	-0.01%	(1)	0.06%	(1)
31	Indian Ocean Telecom Limited	100%	Jersey	0.10%	798	-0.03%	(3)	0.14%	(3)
32	Montana International	100%	Mauritius	0.00%	(14)	-0.01%	(1)	0.04%	(1)
33	MSI-Celtel Nigeria Limited #	100%	Nigeria	-	-	-	-	-	-
34	Partnership Investments Sprl	100%	Democratic Republic of Congo	-	-	-	-	-	-
35	Société Malgache de Téléphone Cellulaire S.A.	100%	Mauritius	0.02%	121	-0.02%	(2)	0.07%	(2)
36	Bharti Airtel International (Mauritius) Investments Limited (incorporated on March 26, 2018)	100%	Mauritius	0.00%	(1)	-0.01%	(1)	0.02%	(1)
	- Mobile commerce services								
1	Airtel Mobile Commerce (Ghana) Limited (Refer note 5 (c))	99.89%	Ghana	-	-	-	-	-	-
2	Airtel Mobile Commerce (Kenya) Limited	100%	Kenya	0.00%	0	-	-	-	-
3	Airtel Mobile Commerce (Seychelles) Limited	100%	Seychelles	0.00%	(29)	-0.01%	(1)	0.06%	(1)
4	Airtel Mobile Commerce (Tanzania) Limited	100%	Tanzania	0.00%	0	-	-	-	-
5	Airtel Mobile Commerce Limited	100%	Malawi	0.00%	0	0.00%	-	0.00%	-
6	Airtel Mobile Commerce Madagascar S.A.	100%	Madagascar	-0.06%	(499)	-0.14%	(15)	0.61%	(15)
7	Airtel Mobile Commerce Rwanda Limited	100%	Rwanda	0.00%	1	-	-	-	-
8	Airtel Mobile Commerce Tchad S.a.r.l.	100%	Chad	0.00%	0	-	-	-	-
9	Airtel Mobile Commerce Uganda Limited	100%	Uganda	0.00%	0	-	-	-	-

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				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
10	Airtel Mobile Commerce Zambia Limited	100%	Zambia	-0.07%	(551)	-0.02%	(3)	0.11%	(3)
11	Airtel Money (RDC) S.A.	100%	Democratic Republic of Congo	0.02%	168	1.23%	135	-5.50%	135
12	Airtel Money Niger S.A.	90%	Niger	-	-	-	-	-	-
13	Airtel Money S.A. (Gabon)	100%	Gabon	0.04%	335	3.14%	345	-14.06%	345
14	Airtel Money Transfer Limited	100%	Kenya	-	-	-	-	-	-
15	Mobile Commerce Congo S.A.	100%	Congo Brazzaville	0.00%	1	-	-	-	-
16	Zap Trust Company Nigeria Limited #	100%	Nigeria	-	-	-	-	-	-
17	Airtel Money Tanzania Limited	60.04%	Tanzania	0.00%	(1)	-0.01%	(1)	0.03%	(1)
18	Airtel Mobile Commerce Nigeria Limited (incorporated on August 31, 2017)	83.25%	Nigeria	-	-	-	-	-	-
	- Submarine Cable System								
1	Network i2i Limited	100%	Mauritius	13.90%	108,870	25.71%	2,826	-115.11%	2,826
	-Telecommunication services								
1	Airtel (Seychelles) Limited	100%	Seychelles	0.10%	793	2.20%	242	-9.85%	242
2	Airtel Congo (RDC) S.A.	98.50%	Democratic Republic of Congo	-7.11%	(55,695)	-27.37%	(3,008)	122.51%	(3,008)
3	Airtel Congo S.A.	90%	Congo Brazzaville	-1.14%	(8,898)	11.36%	1,248	-50.85%	1,248
4	Airtel Gabon S.A.	90%	Gabon	-0.69%	(5,431)	29.75%	3,270	-133.18%	3,270
5	Airtel Ghana Limited (Refer note 5 (c))	99.89%	Ghana	-	-	-5.05%	(555)	22.61%	(555)
6	Airtel Madagascar S.A.	100%	Madagascar	-0.84%	(6,555)	-9.12%	(1,002)	40.83%	(1,002)
7	Airtel Malawi Limited	100%	Malawi	0.24%	1,902	14.82%	1,629	-66.36%	1,629

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				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
8	Airtel Networks Kenya Limited @	100%	Kenya	-3.33%	(26,094)	-17.80%	(1,956)	79.67%	(1,956)
9	Airtel Networks Limited	83.25%	Nigeria	-2.07%	(16,195)	-22.95%	(2,522)	102.73%	(2,522)
10	Airtel Rwanda Limited	100%	Rwanda	-1.56%	(12,234)	-16.86%	(1,853)	75.47%	(1,853)
11	Airtel Tanzania Public Limited Company (Formerly known as Airtel Tanzania Limited)	60%	Tanzania	-3.44%	(26,931)	-14.58%	(1,602)	65.27%	(1,602)
12	Airtel Tchad S.A.	100%	Chad	-0.65%	(5,124)	13.82%	1,519	-61.87%	1,519
13	Airtel Uganda Limited	100%	Uganda	0.11%	859	41.78%	4,591	-187.03%	4,591
14	Bharti Airtel (France) SAS	100%	France	0.04%	340	1.51%	166	-6.78%	166
15	Bharti Airtel (Hong Kong) Limited	100%	Hong Kong	0.00%	14	1.23%	135	-5.50%	135
16	Bharti Airtel (Japan) Private Limited	100%	Japan	0.00%	6	0.01%	1	-0.05%	1
17	Bharti Airtel (UK) Limited	100%	United Kingdom	0.07%	543	0.58%	63	-2.63%	64
18	Bharti Airtel (USA) Limited	100%	United States of America	0.09%	674	1.97%	217	-8.83%	217
19	Bharti Airtel Lanka (Private) Limited	100%	Sri Lanka	0.17%	1,295	-18.14%	(1,993)	81.20%	(1,993)
20	Bharti International (Singapore) Pte. Ltd.	100%	Singapore	2.08%	16,298	4.77%	525	-21.37%	525
21	Celtel Niger S.A.	90%	Niger	0.40%	3,168	20.69%	2,274	-92.64%	2,274
22	Airtel Networks Zambia Plc	96.36%	Zambia	0.22%	1,717	29.69%	3,263	-132.93%	3,263
23	Tigo Rwanda Limited (Subsidiary w.e.f. January 31, 2018)	100%	Rwanda	-0.16%	(1,276)	-0.83%	(92)	3.73%	(92)
	Minority Interests in all subsidiaries			11.25%	88,139	-98.67%	(10,845)	411.19%	(10,095)

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - ₹; unless stated otherwise)

Table 1 - Details pertaining to share in net assets, profit or loss and total comprehensive income

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2018 and 2017 (Refer note 1 and 2)	Principal place of operation / country of incorporation	For the year ended March 31, 2018					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
	Associates (Investment as per the equity method)								
	A. Indian								
	- Financial Services								
1	Seynse Technologies Private Limited	22.54%	India	0.03%	222	-0.25%	(27)	1.12%	(27)
	- Others								
1	Juggernaut Books Private Limited (acquired on November 29, 2017)	10.71%	India	0.01%	58	-0.02%	(2)	0.08%	(2)
	B. Foreign								
	- Submarine cable system								
1	Seychelles Cable Systems Company Limited	26%	Seychelles	0.03%	226	1.87%	205	-8.37%	205
	- Telecommunication services								
1	Robi Axiata Limited	25%	Bangladesh	2.76%	21,620	-2.57%	(282)	10.72%	(263)
	Joint Ventures (Investment as per the equity method)								
	A. Indian								
	- Passive infrastructure services								
1	Indus Towers Limited	22.5% ^^^	India	7.42%	58,110	107.51%	11,816	-481.35%	11,817
	- Telecommunication services								
1	FireFly Networks Limited	50%	India	0.00%	3	0.03%	3	-0.13%	3
	B. Foreign								
	- Provision of regional mobile services								
1	Bridge Mobile Pte Limited	10%	Singapore	0.01%	58	0.06%	6	-0.26%	6

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - ₹; unless stated otherwise)

Table 1 - Details pertaining to share in net assets, profit or loss and total comprehensive income

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2018 and 2017 (Refer note 1 and 2)	Principal place of operation / country of incorporation	For the year ended March 31, 2018					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
	- Investment Company								
1	Bharti Airtel Ghana Holdings B.V. (Refer note 5 (c))	50%	Netherlands	0.48%	3,756	-	-	-	-
	- Mobile commerce services								
1	Airtel Mobile Commerce (Ghana) Limited (Refer note 5 (c))	49.95%	Ghana	-0.02%	(145)	-0.61%	(67)	2.74%	(67)
2	Mobile Financial Services Limited (Refer note 5 (c))	50%	Ghana	0.01%	54	-0.02%	(3)	0.11%	(3)
	- Telecommunication services								
1	Airtel Ghana Limited (Refer note 5 (c))	49.95%	Ghana	-0.17%	(1,362)	-2.83%	(311)	12.66%	(311)
2	Millicom Ghana Company Limited (Refer note 5 (c))	49.95%	Ghana	-0.12%	(952)	-1.96%	(216)	8.79%	(216)
	Inter-company eliminations / adjustments on consolidation				(814,885)		15,515		(6,723)
	Total			**100%**	**783,483**	**100%**	**10,990**	**100%**	**(2,455)**

Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupees - '₹'; unless stated otherwise)

Table 2 - Details pertaining to share in other comprehensive income

S. No.	Name of the entity	% of shareholding as at March 31, 2018 and 2017 (Refer note 1 and 2)	Principal place of operation / country of incorporation	For the year ended March 31, 2018	
				Share in other comprehensive income ('OCI')	
				As % of OCI	Amount
	Parent				
	Telecommunication services				
1	Bharti Airtel Limited	100%	India	-0.42%	57
	Subsidiaries				
	- Indian				
	- Telecommunication services				
1	Bharti Hexacom Limited	70%	India	-0.01%	2
2	Nxtra Data Limited	100%	India	-0.01%	2
3	Telesonic Networks Limited	100%	India	0.09%	(12)
4	Wynk Limited	100%	India	0.00%	(0)
	- Direct To Home services				
1	Bharti Telemedia Limited	95%	India	-0.02%	3
	- Infrastructure sharing services				
1	Bharti Infratel Limited	53.5% ^	India	-0.18%	24
	- Investment Company				
1	Nettle Infrastructure Investments Limited	100%	India	-58.70%	7,892
	- Other				
1	Bharti Airtel Services Limited	100%	India	-0.05%	7
	- Foreign				
	- Telecommunication services				
1	Bharti Airtel (Japan) Private Limited	100%	Japan	0.00%	0
2	Bharti Airtel (UK) Limited	100%	United Kingdom	-0.01%	1
3	Bharti Airtel (Hong Kong) Limited	100%	Hong Kong	0.00%	(0)
	- Investment Company				
1	Bharti Airtel International (Mauritius) Limited	100%	Mauritius	-0.35%	47
	Minority Interests in all subsidiaries			-5.58%	750
	Associates (Investment as per the equity method)				
	A. Foreign				
	- Telecommunication services				
1	Robi Axiata Limited	25%	Bangladesh	-0.14%	19
	Joint Ventures (Investment as per the equity method)				
	A. Indian				
	- Passive infrastructure services				
1	Indus Towers Limited	22.5% ^^^	India	-0.01%	1
	Inter-company eliminations / adjustments on consolidation				(22,238)
	Total			**100%**	**(13,445)**

Notes:

1 - Changes in shareholding during the year ended March 31, 2018:
^ The Company has reduced its shareholding to 53.5% (61.68% in March 31, 2017) during the year ended March 31, 2018.
^^ The Company has increased its shareholding to 100% (95% in March 31, 2017) during the year ended March 31, 2018.
^^^ The Company has reduced its shareholding to 22.5% (25.91% in March 31, 2017) during the year ended March 31, 2018.

2 - Others

Liquidated during the year ended March 31, 2018
Under liquidation
@ The Group also holds 100% preference shareholding in the Company. The preference shares do not carry any voting rights.
The figures which are appearing as '0' are result of rounding off

Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2018, pursuant to Section 129 (3) of the Companies Act 2013

Part A - Subsidiaries

₹ in Millions

S No.	Name of the Subsidiary	Date on which subsidiary was acquired / incorporated	Country of Registration	Reporting Currency	Reporting Period	Financial Year End	Exchange Rate as of March 31, 2018	Share Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend **	Capital Expenditure during the reporting period @	Community Contribution @ ^	% of shareholding
1	Airtel Payments Bank Limited	April 1, 2010	India	INR	Apr'17 to Mar'18	March 31, 2018	1.000	10,050	(7,744)	9,362	7,056	3,905	1591^^	(2,726)	-	(2,726)	-	260	-	80.10%
2	Bharti Airtel (France) SAS	June 9, 2010	France	EUR	Apr'17 to Mar'18	March 31, 2018	80.153	1	340	1,309	968	-	1,878	195	42	153	-	605	-	100%
3	Bharti Airtel (Hong Kong) Limited	October 12, 2006	Hong Kong	HKD	Apr'17 to Mar'18	March 31, 2018	8.306	41	(27)	399	385	-	619	142	6	136	-	33	-	100%
4	Bharti Airtel (Japan) Private Limited	April 5, 2010	Japan	JPY	Apr'17 to Mar'18	March 31, 2018	0.613	0	6	33	27	-	28	(1)	(3)	2	-	-	-	100%
5	Bharti Airtel Services Limited	March 26, 2001	India	INR	Apr'17 to Mar'18	March 31, 2018	1.000	1	(313)	5,307	5,619	-	4,877	596	(92)	688	-	125	-	100%
6	Bharti Airtel (UK) Limited	August 29, 2006	United Kingdom	GBP	Apr'17 to Mar'18	March 31, 2018	91.459	31	512	4,199	3,656	-	23,844	67	7	60	-	171	-	100%
7	Bharti Airtel (USA) Limited	September 12, 2006	United States of America	USD	Apr'17 to Mar'18	March 31, 2018	65.175	0*	674	1,282	608	-	1,472	300	80	220	-	122	-	100%
8	Bharti International (Singapore) Pte Ltd	March 18, 2010	Singapore	USD	Apr'17 to Mar'18	March 31, 2018	65.175	127,985	(112,738)	38,140	22,893	24,972	6,024	644	116	528	-	1,045	-	100%
9	Bharti Airtel International (Mauritius) Limited	April 6, 2010	Mauritius	INR	Apr'17 to Mar'18	March 31, 2018	65.175	234,954	(219,505)	15,454	5	-	123	121	3	118	-	-	-	100%
10	Bharti Airtel Lanka (Private) Limited	March 29, 2007	Sri Lanka	LKR	Apr'17 to Mar'18	March 31, 2018	0.419	22,937	(21,642)	6,737	5,442	-	4,032	(1,964)	20	(1,984)	-	-	-	100%
11	Bharti Hexacom Limited	May 18, 2004	India	INR	Apr'17 to Mar'18	March 31, 2018	1.000	2,500	62,393	103,470	38,577	0	44,083	(1,761)	(642)	(1,119)	-	13,198	100	70%
12	Indo Teleports Limited	March 4, 2009	India	INR	Apr'17 to Mar'18	March 31, 2018	1.000	230	(790)	453	1,013	-	296	(111)	-	(111)	-	3	-	100%
13	Bharti Infratel Limited	November 30, 2006	India	INR	Apr'17 to Mar'18	March 31, 2018	1.000	18,496	158,758	202,040	24,786	63,226	66,180	32,270	8,131	24,139	31,166	11,223	294	53.5%
14	Smatrx Services Limited	September 21, 2015	India	INR	Apr'17 to Mar'18	March 31, 2018	1.000	30	5	226	191	-	32	7	2	5	-	139	-	53.5%
15	Bharti Telemedia Limited	June 5, 2007	India	INR	Apr'17 to Mar'18	March 31, 2018	1.000	5,102	(30,097)	26,460	51,455	-	37,570	2,829	-	2,829	-	10,345	5	95%
16	Network i2i Limited	September 28, 2007	Mauritius	USD	Apr'17 to Mar'18	March 31, 2018	65.175	82,605	26,417	161,639	52,617	-	4,327	2,964	89	2,875	-	2,220	-	100%
17	Telesonic Networks Limited	February 5, 2013	India	INR	Apr'17 to Mar'18	March 31, 2018	1.000	939	(322)	4,490	3,873	-	7,161	357	123	234	-	36	7	100%
18	Nxtra Data Limited	July 2, 2013	India	INR	Apr'17 to Mar'18	March 31, 2018	1.000	90	93	5,531	5,348	4	3,202	365	130	235	-	1,133	-	100%
19	Wynk Limited	January 13, 2015	India	INR	Apr'17 to Mar'18	March 31, 2018	1.000	1	550	1,810	1,259	-	2,812	216	75	141	-	23	-	100%
20	Nettle Infrastructure Investments Limited (formerly known as Nettle Developers Limited)	March 14, 2017	India	INR	Apr'17 to Mar'18	March 31, 2018	1.000	1	(17,146)	39,652	56,797	310	838	837	-	837	-	-	-	100%
21	Bharti Airtel International (Mauritius) Investments Limited	March 26, 2018	Mauritius	USD	Apr'17 to Mar'18	March 31, 2018	65.175	0	(1)	-	1	-	-	1	-	1	-	-	-	100%
22	Bharti Digital Networks Private Limited (Formerly known as Tikona Digitel Networks Private Limited)	August 24, 2017	India	INR	Apr'17 to Mar'18	March 31, 2018	1.000	21	6,035	17,099	11,043	-	798	(1,084)	0	(1,084)	-	550	-	100%
23	Bharti Airtel International (Netherlands) B.V.	March 19, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	142,773	(138,282)	408,346	403,855	2,925	2,062	(19,135)	(4,814)	(14,321)	-	26	-	100%

Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2018, pursuant to Section 129 (3) of the Companies Act 2013

Part A - Subsidiaries

₹ in Millions

S No.	Name of the Subsidiary	Date on which subsidiary was acquired / incorporated	Country of Registration	Reporting Currency	Reporting Period	Financial Year End	Exchange Rate as of March 31, 2018	Share Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend **	Capital Expenditure during the reporting period @	Community Contribution @ ^	% of shareholding
24	Bharti Airtel Africa B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	44	52,400	391,024	338,580	10,441	-	(41,567)	-	(41,567)	-	-	-	100%
25	Bharti Airtel Burkina Faso Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	45,524	45,525	-	-	-	10	-	10	-	-	-	100%
26	Bharti Airtel Chad Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	594	14,188	13,593	-	-	(343)	-	(343)	-	-	-	100%
27	Airtel Tchad S.A.	June 8, 2010	Chad	XAF	Jan'17 to Dec'17	December 31, 2017	0.122	3,397	(9,561)	25,888	32,052	-	8,823	(415)	132	(547)	-	1,350	21	100%
28	Bharti Airtel Gabon Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	8,773	10,653	1,879	-	-	51	-	51	-	-	-	100%
29	Airtel Gabon S.A.	June 8, 2010	Gabon	XAF	Jan'17 to Dec'17	December 31, 2017	0.122	733	(9,695)	10,081	19,043	-	9,771	1,006	98	908	-	249	-	90%
30	Bharti Airtel Congo Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	6,464	13,090	6,625	-	-	94	-	94	-	-	-	100%
31	Airtel Congo S.A.	June 8, 2010	Congo Brazzavile	XAF	Jan'17 to Dec'17	December 31, 2017	0.122	635	(9,168)	11,382	19,915	-	11,038	603	124	479	-	981	-	90%
32	Bharti Airtel RDC Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	3,413	58,639	55,225	-	-	(1,971)	-	(1,971)	-	-	-	100%
33	Airtel Congo (RDC) S.A.	June 8, 2010	Democratic Republic of Congo	CDF	Jan'17 to Dec'17	December 31, 2017	0.040	4	(49,220)	53,988	1,03,204	-	13,929	(22,295)	141	(22,436)	-	1,525	-	98.50%
34	Bharti Airtel Mali Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	200	647	446	-	-	(16)	-	(16)	-	-	-	100%
35	Bharti Airtel Kenya Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	(2,640)	70,514	73,153	-	-	(96)	-	(96)	-	-	-	100%
36	Bharti Airtel Kenya B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	(8,013)	62,503	70,515	-	-	(1,765)	-	(1,765)	-	-	-	100%
37	Airtel Networks Kenya Limited #	June 8, 2010	Kenya	KES	Jan'17 to Dec'17	December 31, 2017	0.645	16,283	(39,171)	17,022	39,910	-	10,813	(3,839)	-	(3,839)	-	588	2	100%
38	Bharti Airtel Malawi Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	502	5,036	4,533	-	-	77	-	77	-	-	-	100%
39	Airtel Malawi Limited	June 8, 2010	Malawi	MWK	Jan'17 to Dec'17	December 31, 2017	0.090	0	1,571	13,314	11,743	-	7,610	1,775	648	1,127	-	1,182	-	100%
40	Bharti Airtel Niger Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	11,876	12,416	539	-	-	1,542	-	1,542	-	-	-	100%
41	Celtel Niger S.A.	June 8, 2010	Niger	XOF	Jan'17 to Dec'17	December 31, 2017	0.122	183	4,457	21,505	16,865	-	12,225	2,339	911	1,428	-	374	7	90%
42	Airtel Networks Zambia Plc	June 8, 2010	Zambia	ZMW	Jan'17 to Dec'17	December 31, 2017	6.877	7	3,185	15,368	12,176	-	15,100	3,126	623	2,503	-	2,168	-	96.36%
43	Bharti Airtel Uganda Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	(9,691)	1,554	11,244	-	-	(3,720)	-	(3,720)	-	-	-	100%
44	Airtel Uganda Limited	June 8, 2010	Uganda	UGS	Jan'17 to Dec'17	December 31, 2017	0.018	222	4,024	23,023	18,777	-	20,398	6,667	2,340	4,327	-	1,631	0	100%
45	Bharti Airtel Tanzania B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	(4,145)	33,349	37,493	-	-	(906)	-	(906)	-	-	-	100%
46	Airtel Tanzania Public Limited Company (formerly known as Airtel Tanzania Limited)	June 8, 2010	Tanzania	TZS	Jan'17 to Dec'17	December 31, 2017	0.029	1,183	(27,666)	15,436	41,919	-	14,151	(3,125)	42	(3,167)	-	482	-	60%
47	Bharti Airtel Madagascar Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	(1,630)	14,385	16,014	-	-	(468)	-	(468)	-	-	-	100%
48	Channel Sea Management Company (Mauritius) Limited	June 8, 2010	Mauritius	USD	Jan'17 to Dec'17	December 31, 2017	65.175	1	33	35	1	-	-	(2)	-	(2)	-	-	-	100%

Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2018, pursuant to Section 129 (3) of the Companies Act 2013

Part A - Subsidiaries

₹ in Millions

S No.	Name of the Subsidiary	Date on which subsidiary was acquired / incorporated	Country of Registration	Reporting Currency	Reporting Period	Financial Year End	Exchange Rate as of March 31, 2018	Share Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend **	Capital Expenditure during the reporting period @	Community Contribution @ ^	% of shareholding
49	Bharti Airtel Rwanda Holdings Limited	June 8, 2010	Mauritius	USD	Jan'17 to Dec'17	December 31, 2017	65.175	3	178	14,253	14,072	-	-	(2)	-	(2)	-	-	-	100%
50	Montana International	June 8, 2010	Mauritius	USD	Jan'17 to Dec'17	December 31, 2017	65.175	0	(13)	3	16	-	-	(1)	-	(1)	-	-	-	100%
51	Airtel Madagascar S.A.	June 8, 2010	Madagascar	MGA	Jan'17 to Dec'17	December 31, 2017	0.020	60	(5,908)	9,453	15,301	-	3,488	727	18	709	-	380	2	100%
52	Bharti Airtel Nigeria Holdings II B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	(108)	138,876	138,983	-	-	10	-	10	-	-	-	100%
53	Bharti Airtel Nigeria B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	(48,685)	90,333	139,017	-	-	(4,497)	-	(4,497)	-	-	-	100%
54	Bharti Airtel Services B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	322	708	385	-	54	-	-	-	-	-	-	100%
55	Airtel Networks Limited	June 8, 2010	Nigeria	NGN	Jan'17 to Dec'17	December 31, 2017	0.181	36	(16,233)	51,448	67,645	-	57,112	(27)	1,034	(1,061)	-	7,889	11	83.25%
56	Bharti Airtel Zambia Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	31,945	31,946	-	-	-	2,794	-	2,794	-	-	-	100%
57	Airtel Mobile Commerce Limited	June 8, 2010	Malawi	MWK	Jan'17 to Dec'17	December 31, 2017	0.090	0	20	635	615	-	-	18	-	18	-	-	-	100%
58	Airtel Mobile Commerce (Kenya) Limited	June 8, 2010	Kenya	KES	Jan'17 to Dec'17	December 31, 2017	0.645	0	-	811	811	-	-	-	-	-	-	-	-	100%
59	Celtel (Mauritius) Holdings Limited	June 8, 2010	Mauritius	USD	Jan'17 to Dec'17	December 31, 2017	65.175	1	2,622	10,558	7,935	-	-	180	33	147	-	-	-	100%
60	Airtel Mobile Commerce Zambia Limited	June 8, 2010	Zambia	ZMW	Jan'17 to Dec'17	December 31, 2017	6.877	14	(555)	543	1,084	-	174	3	1	2	-	5	-	100%
61	Airtel Mobile Commerce Tchad S.a.r.l.	June 8, 2010	Chad	XAF	Jan'17 to Dec'17	December 31, 2017	0.122	0	1	101	100	-	2	1	1	-	-	-	-	100%
62	Airtel Mobile Commerce B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	(47)	257	303	-	-	(10)	-	(10)	-	-	-	100%
63	Airtel Money S.A. (Gabon)	October 26, 2010	Gabon	XAF	Jan'17 to Dec'17	December 31, 2017	0.122	1	33	2,523	2,489	-	1,360	422	97	325	-	-	-	100%
64	Malawi Towers Limited	December 15, 2010	Malawi	MWK	Jan'17 to Dec'17	December 31, 2017	0.090	1	(1,798)	4,931	6,728	-	685	(372)	(107)	(265)	-	95	-	100%
65	Airtel Money Niger S.A.	June 8, 2010	Niger	XOF	Jan'17 to Dec'17	December 31, 2017	0.122	160	(181)	1,336	1,357	-	93	(21)	1	(22)	-	-	-	90%
66	Société Malgache de Téléphone Cellulaire S.A.	June 8, 2010	Mauritius	USD	Jan'17 to Dec'17	December 31, 2017	65.175	3	(19)	3	19	-	-	(164)	-	(164)	-	-	-	100%
67	Airtel Mobile Commerce Holdings B.V.	June 8, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	1	(0)	1	-	-	-	-	-	-	-	-	-	100%
68	Indian Ocean Telecom Limited	October 19, 2010	Jersey	USD	Jan'17 to Dec'17	December 31, 2017	65.175	163	786	959	10	-	-	(3)	-	(3)	-	-	-	100%
69	Airtel (Seychelles) Limited	August 27, 2010	Seychelles	SCR	Jan'17 to Dec'17	December 31, 2017	4.835	174	517	1,951	1,260	242	1,551	343	167	176	-	83	1	100%
70	Airtel Mobile Commerce (Tanzania) Limited	November 11, 2010	Tanzania	TZS	Jan'17 to Dec'17	December 31, 2017	0.029	0	-	3,221	3,221	-	-	-	-	-	-	-	-	100%
71	Airtel Mobile Commerce Uganda Limited	October 7, 2010	Uganda	UGS	Jan'17 to Dec'17	December 31, 2017	0.018	0	-	4,361	4,361	-	-	-	-	-	-	-	-	100%
72	Africa Towers N.V.	October 5, 2010	Netherlands	USD	Apr'17 to Mar'18	March 31, 2018	65.175	4	(449)	1,663	2,108	-	-	(51)	-	(51)	-	-	-	100%
73	Madagascar Towers S.A.	March 15, 2011	Madagascar	MGA	Jan'17 to Dec'17	December 31, 2017	0.020	0	474	4,120	3,646	-	1,360	147	70	77	-	2	-	100%
74	Mobile Commerce Congo S.A.	June 8, 2010	Congo Brazzaville	XAF	Jan'17 to Dec'17	December 31, 2017	0.122	1	-	277	276	-	-	-	-	-	-	-	-	100%
75	Tanzania Towers Limited	March 15, 2011	Tanzania	TZS	Jan'17 to Dec'17	December 31, 2017	0.029	0	(31)	-	31	-	-	(1)	-	(1)	-	-	-	60%

Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2018, pursuant to Section 129 (3) of the Companies Act 2013

Part A - Subsidiaries

₹ in Millions

S No.	Name of the Subsidiary	Date on which subsidiary was acquired / incorporated	Country of Registration	Reporting Currency	Reporting Period	Financial Year End	Exchange Rate as of March 31, 2018	Share Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend **	Capital Expenditure during the reporting period @	Community Contribution @ ^	% of shareholding
76	Airtel Money (RDC) S.A.	June 8, 2010	Democratic Republic of Congo	CDF	Jan'17 to Dec'17	December 31, 2017	0.040	91	(1,575)	1,909	3,393	-	737	(347)	36	(383)	-	19	-	100%
77	Congo RDC Towers S.A.	April 5, 2011	Democratic Republic of Congo	CDF	Jan'17 to Dec'17	December 31, 2017	0.040	4	(463)	3,051	3,510	-	-	(385)	4	(397)	-	-	-	100%
78	Gabon Towers S.A. ##	May 17, 2011	Gabon	XAF	Jan'17 to Dec'17	December 31, 2017	0.122	1	(6)	1	6	-	1	0	(0)	0	-	-	-	90%
79	Airtel Mobile Commerce Madagascar S.A.	April 5, 2011	Madagascar	MGA	Jan'17 to Dec'17	December 31, 2017	0.020	0	(495)	1,067	1,562	-	88	75	33	42	-	-	-	100%
80	Airtel Rwanda Limited	September 2, 2011	Rwanda	RWF	Jan'17 to Dec'17	December 31, 2017	0.076	8	(12,284)	3,910	16,186	-	1,226	(1,619)	-	(1,619)	-	69	0	100%
81	Africa Towers Services Limited ##	September 8, 2011	Kenya	KES	Jan'17 to Dec'17	December 31, 2017	0.645	0	(0)	126	126	-	-	(1)	-	(1)	-	-	-	100%
82	Airtel Mobile Commerce Rwanda Limited	February 22, 2013	Rwanda	RWF	Jan'17 to Dec'17	December 31, 2017	0.076	1	-	96	95	-	-	-	-	-	-	-	-	100%
83	Airtel Mobile Commerce (Seychelles) Limited	August 9, 2013	Seychelles	SCR	Jan'17 to Dec'17	December 31, 2017	4.835	5	(34)	10	39	-	0	(2)	-	(2)	-	-	-	100%
84	Airtel Money Tanzania Limited	June 10, 2016	Tanzania	TZS	Jan'17 to Dec'17	December 31, 2017	0.029	0	(1)	0	1	-	-	(0)	-	-	-	-	-	60.04%
85	Tigo Rwanda Limited ###	January 31, 2018	Rwanda	RWF	Jan'17 to Dec'17	December 31, 2017	0.076	2,474	(17,021)	5,570	20,117	-	3,436	(1,237)	-	(1,237)	-	752	-	100%
86	Airtel Mobile Commerce Nigeria Limited	August 31, 2017	Nigeria	NGN	Jan'17 to Dec'17	December 31, 2017	0.181	-	-	-	-	-	-	-	-	-	-	-	-	83.25%

Notes:

1. The above financial information is basis audited / unaudited financial statements / financial information considered for the purpose of consolidated audited Ind AS financial statements.
2. The figures which are appearing as '0' are result of rounding off.

^ Financial information has been extracted from the submission considered for the purpose of consolidated audited Ind AS financial statements.
^^ It includes INR 1,109 Mn of Commission income for the year ended March 31, 2018 (INR 680 Mn for March 31, 2017).
# Share capital includes preference share capital.
The subsidiary is under liquidation as at March 31, 2018.
The group has acquired the subsidiary on January 31, 2018. However, the financial information is pertaining to the period prior to the acquisition date.
* Investments exclude investments in subsidiaries.
** Proposed dividend includes dividend distribution tax.
@ Voluntary disclosure.

Other details:
Subsidiaries yet to commence operations

1 Partnership investments Sprl
2 Bharti Airtel Developers Forum Limited
3 Airtel Money Transfer Limited

Subsidiaries have been liquidated / sold during the year

1 Bharti Airtel DTH Holdings B.V.
2 Airtel DTH Services Nigeria Limited
3 Bharti Airtel Nigeria Holdings B.V.
4 MSI-Celtel Nigeria Limited
5 Towers Support Nigeria Limited
6 Zap Trust Company Nigeria Limited
7 Bharti Airtel Ghana Holdings B.V. @@
8 Airtel Ghana Limited @@
9 Airtel Mobile Commerce (Ghana) Limited @@
10 Bangladesh Infratel Networks Limited
11 Bharti Infratel Lanka (Private) Limited

@@ Refer note 5 (c) of the consolidated financial statements included in the Annual Report.

Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2018, pursuant to Section 129 (3) of the Companies Act 2013

Part B - Associates and Joint Ventures

₹ in Millions

S No.	Name of the Associate / Joint Venture	Date on which Associate / Joint Venture was associated or acquired	Latest audited Balance Sheet date	Share of Associates / Joint Ventures held by the company as of March 31, 2018			Description of how there is significant influence / joint control	Net Worth attributable to shareholders as per latest audited Balance Sheet	Profit / (loss) for the year ended March 31, 2018	
				Number of shares	Amount of Investment in Associate / Joint Venture	Extent of holding %			Considered in consolidation	Not Considered in consolidation
	Associates									
1	Robi Axiata Limited	November 16, 2016	December 31, 2017	1,178,535,001	21,620	25%	by virtue of shareholding	11,491	(282)	-
2	Seynse Technologies Private Limited	February 21, 2017	March 31, 2017	6,824	222	22.54%		72	(27)	-
3	Seychelles Cable Systems Company Limited	June 8, 2010	June 30, 2017	260	226	26%		252	205	-
4	Juggernaut Books Private Limited *	November 26, 2017	March 31, 2017	1,039,649	58	10.71%	by virtue of shareholder agreement	NA*	(2)	-
	Joint Ventures									
1	Bridge Mobile Pte Limited	November 3, 2004	March 31, 2017	800,000	58	10%	by virtue of shareholding	52	6	-
2	Indus Towers Limited **	December 7, 2007	March 31, 2018	500,504	58,110	22.5%		29,676	11,816	-
3	FireFly Networks Limited	February 4, 2014	March 31, 2017	1,000,000	3	50%		(0)	3	-
4	Bharti Airtel Ghana Holdings B.V. #	October 12, 2017	March 31, 2017	18,000	8,948	50%		NA#	-	-
5	Airtel Mobile Commerce (Ghana) Limited #	October 12, 2017	December 31, 2016	2,497,500	(145)	49.95%		NA#	(67)	-
6	Mobile Financial Services Limited *	October 12, 2017	December 31, 2016	2,500,000	54	50%		NA*	(3)	-
7	Airtel Ghana Limited #	October 12, 2017	December 31, 2016	440,709,862	(1,362)	49.95%		NA#	(311)	-
8	Milicom Ghana Company Limited *	October 12, 2017	December 31, 2016	249,750	(952)	49.95%		NA*	(216)	-

* The group has acquired the stake in the entity during the year ended March 31, 2018. However, the latest audited balance sheet is pertaining to the period prior to the acquisition date.

** Profit / (loss) considered for consolidation is based on direct shareholding of Bharti Infratel Limited as against effective shareholding of the Company.

Refer note 5 (c) of the consolidated financial statements included in the Annual report.

Notes :

Amount of investment in joint venture / associate is based on the carrying value of investments in the consolidated financial statements of Bharti Airtel Limited.

For and on behalf of Board of Directors of Bharti Airtel Limited

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director
& CEO (India & South Asia)
DIN: 02291778

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Place : **New Delhi**
Date : **April 24, 2018**

Notes

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Circle Offices

Andhra Pradesh

1-8-437, 438&445, Splendid Towers
Opp begumpet Police Station,
Huda Road, Begumpet,
Hyderabad- 500016,
Telangana

Assam & North East States

Bharti House, Six Mile,
Khanapara, Srimanta Sankardev Path,
Guwahati - 781022,
Assam

Bihar & Jharkhand

Airtel Campus, Plot no 18,
Patliputra Industrial Area,
Patna - 800013,
Bihar

Delhi NCR

Plot No. 16, NH-8
Udyog Vihar, Phase-IV,
Gurgaon - 122015,
Haryana

Gujarat

2nd Floor, Zodiac Square,
Opp. Gurudwara, S. G. Highway,
Ahmedabad - 380054
Gujarat

Haryana, Punjab, Himachal and J&K

Plot No. 21, Rajiv Gandhi
Chandigarh Technology Park,
Chandigarh - 160101

Karnataka

Divyasree Towers, No.55,
Bannerghatta Main Road,
Opp Jayadeva Hospital,
Bangalore - 560029,
Karnataka

Kerala & Tamil Nadu

Oceanic Tower,
101, Santhome High Road,
Santhome, Chennai - 600028,
Tamil Nadu

Madhya Pradesh & Chhattisgarh

3rd & 4th Floor, Scheme No. 54,
Metro Tower, AB Road,
Indore - 452010,
Madhya Pradesh

Maharashtra & Goa

Vega Centre, A - Building,
2nd Floor, Shankarsheth Road,
Next to Income tax office
Swargate, Pune - 411037,
Maharashtra

Mumbai

6th & 7th Floor,
Interface Building No. 7,
Mindspace, Malad Link Road,
Malad (W), Mumbai - 400064,
Maharashtra

Rajasthan

K-21, Sunny House,
Malviya Marg, C-Scheme,
Jaipur - 302001,
Rajasthan

Uttar Pradesh & Uttaranchal

TCG - 7/7 Vibhuti Khand,
Gomti Nagar,
Lucknow - 226010,
Uttar Pradesh

West Bengal & Odisha

1st, 5th, 6th & 7th Floor, Infinity Building,
Salt Lake Electronics Complex,
Block GP, Sector V, Kolkata-700091
West Bengal

bharti

Registered & Corporate Office

Bharti Airtel Limited

Bharti Crescent, 1, Nelson Mandela Road,
Vasant Kunj, Phase II, New Delhi - 110 070, India.
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