bharti

Date: July 25, 2016

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

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai-400001

Ref: Bharti Airtel Limited (532454 / BHARTIARTL)

Sub: Notice of 21st Annual General Meeting and Book Closure

Dear Sir/ Madam,

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

1. The 21st Annual General Meeting (AGM) of the Company will be held on Friday, August 19, 2016 at 03:30 P.M. (IST) at Air Force Auditorium, Subroto Park, New Delhi - 110 010.

2. The Register of Members and the Share Transfer Books will remain closed from Saturday, August 13, 2016 to Friday, August 19, 2016 for the purpose of AGM and determining names of the shareholders eligible for dividend on equity shares for the FY 2015-16. The dividend, if approved by the shareholders, will be paid on or before the 30th day from the date of declaration.

3. Pursuant to Regulation 44, we have provided the facility to vote by electronics means (e-voting) on all resolutions as set out in the notice of AGM to those members, who are holding shares either in physical or in electronic form as on the cut-off date i.e. Friday, August 12, 2016. The remote e-voting will commence at 9.00 a.m. on Tuesday, August 16, 2016 and end at 5:00 p.m. (IST) on Thursday, August 18, 2016.

4. Notice of AGM, e-voting notice and the Annual Report 2015-16, are being sent to the shareholders through email / by post. The shareholders who have registered their email id, are being sent the above documents through email. The shareholders who have not registered their email id have been sent the Notice of AGM, e-voting notice and the abridged Annual Report 2015-16 by post. The dispatch will be completed by July 26, 2016.

Notice of AGM, e-voting Notice, the Annual Report 2015-16 and the abridged Annual Report 2015-16 are enclosed.

Kindly take the above on record.

Thanking you,

Sincerely Yours

BHARTI AIRTEL LIMITED NEW DELHI

For Bharti Airtel Limited

Rajendra Chopra
Sr. Vice President & Company Secretary

Encl: As mentioned above

airtel



Transformational Network

ENRICHING EXPERIENCE.
ENDURING VALUE.

Bharti Airtel Limited | Abridged Annual Report 2015-16

Board of Directors



Mr. Sunil Bharti Mittal
Chairman



Ms. Chua Sock Koong
Non-Executive Director



Sheikh Faisal Thani Al-Thani
Non-Executive Director



Mr. Ben Verwaayen
Independent Director



Mr. Rakesh Bharti Mittal
Non-Executive Director



Mr. V. K. Viswanathan
Independent Director



Mr. Craig Ehrlich
Independent Director



Mr. D. K. Mittal
Independent Director



Mr. Manish Kejriwal
Independent Director



Mr. Shishir Priyadarshi
Independent Director



Ms. Tan Yong Choo
Non-Executive Director



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

CHAIRMAN
MEMBER

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

Corporate Information

Board of Directors

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

Executive Chairman (Africa)

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

Company Secretary & Compliance Officer

Mr. Rajendra Chopra

Statutory Auditors

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

Internal Auditors

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

Cost Auditors

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

Secretarial Auditors

M/s. Chandrasekaran Associates
Company Secretaries

Registered & Corporate Office

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

Website

www.airtel.com

Corporate Identification Number (CIN)

L74899DL1995PLC070609

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Financial Progress

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

All figures are based on Consolidated Financial Statements (IFRS)

Credible Growth

Revenue
₹ Mn



5% ↑ Y-o-Y

EBITDA
₹ Mn



9% ↑ Y-o-Y

Incremental EBITDA Margin
%



361 bps ↑ Y-o-Y

Cost Efficiency

Opex Productivity[1]
%



81 bps ↓ Y-o-Y

Capex Productivity[2]
%



736 bps ↓ Y-o-Y

Expanding Margins

EBITDA Margin
%



125 bps ↑ Y-o-Y

PAT Margin
%



5 bps ↑ Y-o-Y

Market Share Growth

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

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

India and Africa churn is under control

FY 2014-15 **FY 2015-16**

1

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

2

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

Message from Chairman

Dear Shareholders,

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

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

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



Sunil Bharti Mittal

19.6%

of our total customer base in Africa are data customers

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

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

400

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

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

₹600,000 Mn

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

4G as a technology is maturing at a much faster rate than earlier expected, particularly so in India. Throughout the year, we not only expanded our 4G footprint to nearly 400 cities and towns, making ours the widest 4G network in India, but also acquired new spectrum from the market under the new spectrum trading guidelines to consolidate our 4G presence with a pan-India footprint. We also embarked upon a bold network transformation initiative – 'Project Leap', involving a cumulative investment of ₹ 600,000 Mn (USD 9 Bn) over three years. During the year, we completed one of the largest site deployment initiatives in the world rolling out over 87,000 new sites.

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

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

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

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

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



Sunil Bharti Mittal

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

Dear Shareholders,

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

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

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

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

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

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

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

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

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

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



Gopal Vittal



Gopal Vittal

Message from Executive Chairman (Africa)

Dear Shareholders,

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

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

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

Some key milestones during the last financial year included:

- Airtel and Orange signing an agreement leading to Orange's acquisition of Airtel's operations in Burkina Faso and Sierra Leone.
- Achieving closure of the Tower Cos agreements in eight of the 11 countries. We are confident to reach full closure within 2016-17.


Christian de Faria

- Right-sizing of our current workforce to create a nimbler, high performing organisation.

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

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

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

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

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

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

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



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

Corporate Social Responsibility & Sustainability

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

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

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

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

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



India

A. Holistic Community Initiatives

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

Bharti Foundation

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

Catalysts of Change: Education in Rural India

I. Satya Bharti School Program

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

The schools provide quality education to students, completely free of cost, with a special focus on the girl child. Besides, the schools also provide welfare schemes (free

mid-day meals, textbooks, notebooks, shoes, stationery, etc.) to every student.

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

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

Satya Bharti School Program – Key Performance Indicators:

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

Data as on March 31, 2016.

Transformation at Grassroots: Creating Impact

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

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

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

Key Achievements 2015-16

- 20 students have secured admission in Jawahar Navodaya Vidyalayas (JVN); these schools enrol talented rural children of India through a competitive entrance examination to provide them with an education (free of cost), equivalent to the best residential school system.
- Eight school entries were awarded at the Design for Change contest, a global award platform that celebrates children who drive social change in their communities.
- The Pramerica Spirit of Community Awards declared eight winners from Satya Bharti Schools. This award recognises and rewards post-primary / second-level students for volunteer work carried out in their communities.
- Satya Bharti Senior Secondary School, Rauni, Ludhiana (Punjab) won the International School Award (2015-2018), instituted by the British Council, for their outstanding project on learning in the global context.
- Satya Bharti Schools participated in the 'School Enterprise Challenge', an international conference led by *Teach a Man to Fish*. Satya Bharti Adarsh Senior Secondary School, Fattubhila won the Stage III Special Recognition award and Bharti Foundation was conferred with the 'Best

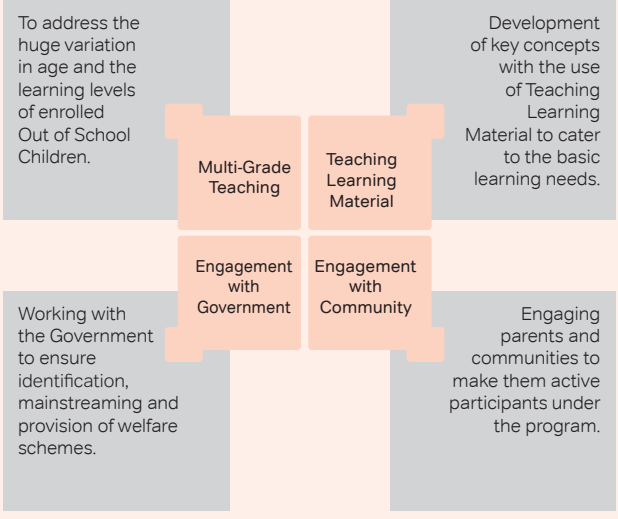
Partnership Initiative Award'. The awards celebrate the entrepreneurial spirit in children with an underlining message of giving back to society.

- The esteemed CBSE affiliation was granted to all five Satya Bharti Senior Secondary Schools located in rural Punjab.
- Bharti Foundation celebrated the success of Class X students at the CBSE Board Examinations 2016. With 225 students appearing for the exams, 41 students scored a perfect 10 CGPA, 56 students scored between 9 and 9.9 CGPA, 66% of these achievers were girl students and the overall pass percentage was a remarkable 99.11%.

II. Satya Bharti Learning Centres

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

Program Approach



Satya Bharti Learning Centres – Key Performance Indicators:

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

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

**Recruitment in progress.

Data as on March 31, 2016.

Key Achievements 2015-16

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

III. Satya Bharti Quality Support Program

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

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

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

b. Conducting need-based training for key stakeholders.

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

Program Approach

- Optimise use of existing resources, policies and systems
- Support school leaders to achieve higher goals and bridge existing gaps
- Collaborate with school leadership and staff to maximise usage
- Facilitate, support and enhance school resources, processes and efforts

Satya Bharti Quality Support Program – Key Performance Indicators:

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

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

Key Achievements 2015-16

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

IV. Satya Bharti Abhiyan

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

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

Program Objectives*

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

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

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

Satya Bharti Abhiyan – Key Performance Indicators:

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

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

Key Achievements

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

Satya Bharti Abhiyan – Key Performance Indicators:

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

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

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

V. Higher Education Programs

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

VI. Nyaya Bharti

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

Airtel Connect

Airtel Delhi Half Marathon

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

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

Young Leader Program

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

ACT (A Caring Touch)

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

₹ 3,934,120
Employee Participation

₹ 3,675,870
Employer Participation

Compassionate Leadership

Helping the Disadvantaged

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

Investing in Talent

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

Caring for the Elderly

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

Supporting the Community

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

Contributing to Social Welfare

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

Good Samaritans

Initiatives by Airtel Circle Offices

Digital Empowerment

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

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

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

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

Joy of Giving

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

Time for Celebrations

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

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

Community Greening

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

Swachh Bharat

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

Blood Donation

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

Disaster Relief

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

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

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

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

Holistic Welfare

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

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

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

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

B. Environmental Conservation

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

Our priorities comprise:

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

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

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

IV. Sharing network infrastructure with partners to reduce emissions.

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

Putting Faith in Green Energy

- Tagged nearly 375 sites green till date by installing green energy solutions and eliminating the use of diesel.
- Installed solar rooftop power plants at 14 Main Switching Centre (MSC) locations, expanding the total installed capacity to 0.805 MWp; these on-grid solar plants are generating over 0.82 Mn units, reducing the emission of 650 tons annually.
- Deployed nearly 700 cumulative sites with solar and battery hybrid, Li-ion and biomass solutions till date, reducing over 16,000 tons annually.
- Continued to focus on renewable sources to enhance energy efficiency; Green Power Wheeling agreements for the procurement of green energy, have been made for three Data Centres and one MSC location; planning to extend the initiative to nine more sites in the coming year.
- Deployed over 150 own sites with advanced VLRA Battery Solution, resulting in over 370 sites with such solution till date.
- Rationalised air-conditioning on over 300 own sites to reduce the consumption by 10%.
- Completed trial on solar natural cooling to reduce energy demand.
- Piloted the use of thermocouple cooling unit at over 450 own and partner sites.

Innovative Network Technologies

Conversion of Indoor Sites to Outdoor

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

Infrastructure Sharing

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

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

Outdoor Site Deployment

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

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

Towards a Greener World

Project Green Cities

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

Resource Management

E-waste

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

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

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

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

E-bills

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

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

Driving Sustainable Transformations Globally

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

Africa

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

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

Christian de Faria, Executive Chairman,
Airtel Africa

Education

Flagship Programmes:

- The Adopt-a-School flagship programme has reached over 27,000 students, with more than 700 teachers.
- Airtel Kenya in partnership with the British Council and Global Peace Foundation provided internet access to students, teachers and communities.

- Airtel Zambia in partnership with the British Council, Samsung Electronics and the Ministry of Education has reached over 20,000 students and teachers with their ICT mobile internet bus.

Youth Development

Flagship Programmes

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

Health

Flagship Programmes

- Airtel DRC launched 'Airtel Santé info' a mobile health service offered for its subscribers. The service offers free consultations and vaccinations, in partnership with the Medical Action Board Association.
- We continued to support the survivors of Ebola epidemic by providing start-up capital and other resources to 50 women entrepreneurs, especially Ebola widows.
- In Uganda, we organised health camps in partnership with Hinds Feet Programme in remote areas of the country, so that the underprivileged are offered a chance to test and undergo medical screening for various diseases, such Hepatitis B screening and shots, dental, eye check-ups and general medicine. There was also screening for HIV, diabetes, ulcers and blood pressure.
- Airtel Madagascar in partnership with Mobile Hi-Life has developed mobile clinics to help the community get access to better healthcare.

Accolades

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

Bangladesh

Airtel Bangladesh is committed to partner various community and environmental initiatives in Bangladesh to ensure holistic wellbeing for all. During the year, the Company provided crockeries and cooking utensils to facilitate the Food for Education Programme of Bidyanondo (learn with fun), a non-profit organisation. The programme helps educate children from disadvantaged sections of society. The crockeries and utensils were sent to three branches of Bidyanondo (at various locations of Bangladesh), benefiting 500 students.

Sri Lanka

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

The Lady Ridgeway Hospital is considered to be world's largest paediatric government hospital; it provides free medication and hospitalisation. Bharti Airtel Lanka refurbished the hospital into a more child-friendly environment. The Company also contributed several new TVs, furniture and equipment. The effort proved to be encouraging with over one million children visiting the hospital annually for treatment and care, leaving happy and healthy.

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

Board's Report

Dear Members,

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

Company Overview

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

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

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

Financial Results

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

Standalone Financial Highlights (IGAAP)

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

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

Consolidated Financial Highlights (IGAAP)

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

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

Consolidated Financial Highlights (IFRS)

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

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

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

Share Capital

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

General Reserve

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

Dividend

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

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

Transfer of amount to Investor Education and Protection Fund

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

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

Deposits

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

Capital Market Ratings

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

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

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

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

Employee Stock Option Plan

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

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

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

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

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

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

Directors and Key Managerial Personnel

Inductions, Re-appointments, Retirements & Resignations

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

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

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

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

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

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

Declaration by Independent Directors

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

Board Diversity and Policy on Director's Appointment and Remuneration

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

Annual Board Evaluation and Familiarisation Programme for Board Members

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

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

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

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

Subsidiary, Associate and Joint Venture Companies

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

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

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

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

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

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

Abridged Annual Report

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

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

Auditors and Auditors' Report

Statutory Auditors

In terms of the provisions of Section 139 of the Companies Act, 2013, M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, were appointed as the Company's Statutory Auditors by the shareholders in the AGM held on September 1, 2014, for a period of three years i.e. till the conclusion of 22nd AGM.

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

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

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

Cost Auditors

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

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

Secretarial Auditors

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

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

Sustainability Journey

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

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

Corporate Social Responsibility (CSR)

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

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

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

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

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

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

Business Responsibility Report

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

Management Discussion and Analysis Report

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the year

under review, is presented in a separate section, forming part of the Annual Report.

Corporate Governance

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

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

Risk Management

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

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

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

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

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

Internal Financial Control and its Adequacy

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

Other Statutory Disclosures

Vigil Mechanism

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

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

Extract of Annual Return

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

Significant and Material Orders

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

Particulars of Loans, Guarantees and Investments

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

Related Party Transactions

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

All arrangements / transactions entered by the Company with its related parties during the year were in the ordinary course of business and on arm's length basis. During the year, the Company has not entered into any arrangement / transaction with related parties which could be

considered material in accordance with the Company's Policy on Related Party Transactions and accordingly, the disclosure of Related Party Transactions in Form AOC - 2 is not applicable. However, names of Related Parties and details of transactions with them have been included in Note no. 47 to the financial statements provided in the full version of the Annual Report and Note no. 21 of the financial statements provided in abridged version of the Annual Report under Accounting Standard 18.

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

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

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

Particulars of Employees

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

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

Directors' Responsibility Statement

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

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

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

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

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

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

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

Acknowledgements

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

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

For and on behalf of the Board

Place: Gurgaon
Date: April 27, 2016

Sunil Bharti Mittal
Chairman

Management Discussion and Analysis

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

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

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

Economic Overview

Global Review

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

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

GDP Growth Trend (%)

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

(Source – IMF)

Key Snapshot

1. The US economy grew by 2.4% in CY 2015, just as it did in CY 2014. The challenges were weaker than expected domestic demand, lacklustre performance of the manufacturing sector, declining exports due to stronger dollar and adverse external trade environment.

2. The Euro Area as a whole grew by 1.6% in CY 2015, faster than CY 2014. The economy received robust support from three tailwinds: a) lower oil prices (bolstering consumer expenditure / domestic demand); b) expansionary fiscal policies; and c) an accommodative ECB. The challenges, however, were: sub-zero inflation, high non-performing loans and debt trajectories, low investment and eroding skills of the working population due to long-term high unemployment in the region.

3. Economic growth for China was 6.9% in CY 2015. The slowdown and rebalancing of the economy led to a decline in investment in real estate, manufacturing and allied industries.

4. The economic performance of many African economies was lower than expectations. Resource-

rich countries in Africa suffered owing to a decline in commodity prices and also because their frontier markets were adversely affected by tighter global financing conditions.

Indian Economy

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

Key Snapshot

1) The Union Budget 2016-17 focused on enhancing farm output and welfare of farmers.
2) Consistent fiscal consolidation has reduced Government's fiscal deficit to close to 4% of GDP (on a 12-month rolling basis), down from a peak of 7.6% in 2009.
3) The Government's Make in India initiative has been a resounding success. It has encouraged domestic entrepreneurship and even attracted FDI to the country significantly. In the period of 17 months (October 2014 to February 2016) after the launch of Make in India, FDI inflows increased by 37% (Source: Ministry of Commerce and Industry).
4) Digital India will have a transformational impact on Indian society. It represents a connected society, where every citizen will be connected to the internet. This will help enhance education, employment, efficiencies, governance and controls.
5) Internet penetration is around 30% in India; and is projected to touch around 35% next year (Source: IAMAI).
6) The Government's Smart Cities Mission is a revolutionary concept in terms of overall infrastructure, sustainable real estate, communications and market viability. There are many technological platforms involved, including but not limited to automated sensor networks and data centres.

African Economy

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

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

Key Snapshot

1) A large African middle-class is emerging, over 350 Mn people, driving the culture of innovation and policymaking.
2) Africa is the world's second fastest growing FDI destination, just behind Asia Pacific.
3) Sustainable policies for urbanisation, manufacturing growth, agricultural output, along with education and empowerment can act as key catalysts.
4) Less focus on oil exports and other commodities will augur well for the economy, going forward.

South Asian Economies

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

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

Key Snapshot

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

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

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

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

Megatrends that drive the Company's Business

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

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

3. With rise in affordable smartphones and more users preferring 3G / 4G, data usage is likely to grow by 12 times from 2015 to 2020. Mobile data traffic increased by 89% between 2014 and 2015; and mobile data traffic grew by 2.4 times faster than India's fixed IP traffic (Source: Cisco VNI forecasts). Network migration from 2G to 3G / 4G is driving a change in data consumption from low bandwidth to high-bandwidth applications, along with more availability of relevant content.

4. India is in a sweet spot to leverage market opportunities emerging through Internet of Things (IoT). A strong ecosystem of IT organisations, renewed focus on manufacturing, significant opportunities in education, healthcare and agriculture; and enormous growth in mobile internet usage will act as key catalysts in supporting investments in IoT. The Government of India's initiative of smart cities requires seamless digital and physical infrastructure to be shared efficiently across devices and applications; IoT will play a critical role in fulfilling this vision.

5. Convergence is a global trend for the telecom business of the future. It enables a user to have a uniform experience, both at home and on the move. Combination of conveniences, freedom of movement, and personalised services, along with high quality and speed of fixed communications will enable a seamless network experience for the end user.

6. India is on the cusp of a huge digital revolution. Digital Literacy Mission will touch 60 Mn rural households as per the Union Budget of India 2016. The Government of India also plans to connect 550 farmer markets in the country through the use of technology. The Digital India drive will bring along a transformative impact on every citizen through the medium of internet.

7. The proposed policy environment through M&A rules, spectrum sharing guidelines and 20-year spectrum positions for telecom operators not only enhances business certainty, but also encourages industry consolidation and healthy growth. The gains in network efficiency that sharing can provide will benefit operators and customers alike. Upcoming auctions will further help in building stronger networks.

8. Mobile banking is on a rise in India and Africa. India's largest wallet company has around 120 Mn wallets with other companies estimated to have 30 Mn+. This is significantly more than the number of credit cards in India. Additionally, mobile phone banking technology is bringing more people in Sub-Saharan Africa into the formal financial sector and the economy more broadly.

9. Africa, with a median population of less than 20 years, is on the cusp of a mobile data revolution as 3G and 4G deployments gather scale with more affordable handsets available. Mobile data is helping people elevate their lives with a large proportion of the population relying on the internet for education, financial transactions, healthcare, and so on.

10. E-commerce is at the epicentre of Africa's thriving economy. The continent's digital evolution is a promising prospect with the e-commerce market expected to be worth approximately USD 50 Bn by 2018. India has an exciting ecommerce story as well, with online retail growing 4.5x in the last three years. India's e-commerce industry is likely to be worth USD 38 Bn by 2016, a 67% surge over the USD 23 Bn revenues for 2015 (Source: Deloitte).

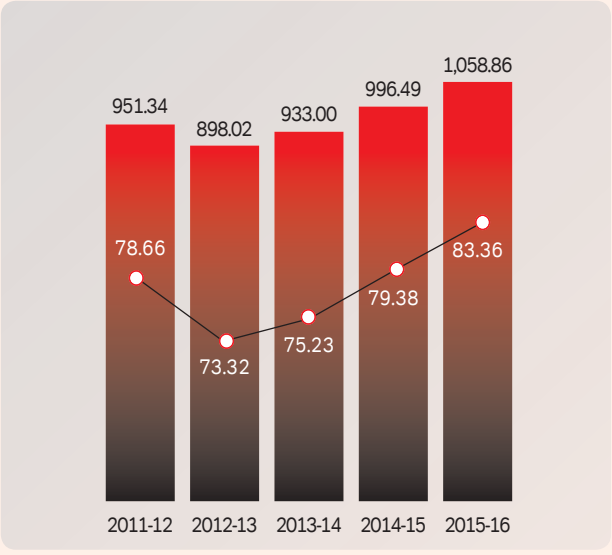
Industry Overview

Indian Telecom Sector

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

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

Tele Density: India (%)



(Source: Telecom Regulatory Authority of India)

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

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

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

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

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

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

African Telecom Sector

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

The revenue-weighted currency depreciation vis-à-vis the US Dollar across 17 countries in Africa over the last 12 months (exit March 31 rates) has been 5.7%, primarily caused by depreciation in Malawi Kwacha by 54.9%, Zambian Kwacha by 45.1% and Tanzanian Shilling by 17.3%. In terms of the 12-month average rates, the

revenue-weighted Y-o-Y currency depreciation has been 18.3%, mainly caused by depreciation in Zambian Kwacha by 51.8%, Malawi Kwacha by 32.1%, Ugandan Shilling by 25.1%, Nigerian Naira by 18.0% and CFA by 14.2%.

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

Development in Regulations

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

India

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

Africa

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

SCOT Analysis

Strengths

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

Challenges

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

Opportunities

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

Threats

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

Financial Review

Consolidated Figures

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

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

Standalone Figures

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

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

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

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

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

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

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

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

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

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

Liquidity and Funding

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

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

Awards and Recognition

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

Segment-wise Performance

B2C services

Mobile Services: India

Overview

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

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

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

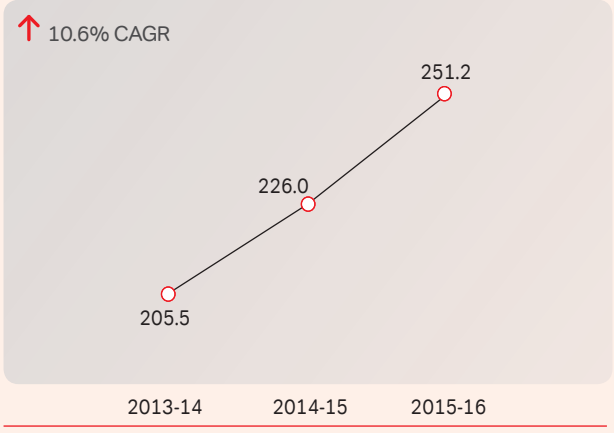
During the year, the Company accelerated its spends on capex, which were largely directed towards building data

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

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

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

Wireless Subscribers: India (Million)



Key Initiatives

- Airtel has introduced its new range of 'Infinity Plans' and an industry first technology platform – Flexpage. While the Infinity Plans represent an industry first plan to offer unlimited voice calls on mobile, along with bundled movies and music, the Flexpage is an automated platform that allows customers to track their data usage and get real-time usage alerts.
- Airtel launched 'Wynk Movies' – it's an all new carrier agnostic mobile application offering customers thousands of movies and other video content. Launched following the success of Wynk Music, the app is India's first curated video marketplace that offers an exhaustive library of popular movies, TV shows and other entertainment videos across genres. It also has a comprehensive library of 5,000+ movies and 25,000+ videos.
- Airtel mobile moves all its prepaid mobile customers to per second billing. Rolled out under the new Pay for What You Use initiative as part of the Company's Customer First commitment, this will help ensure that customers pay only for the time they use the Airtel network.
- Airtel revolutionised the smartphone experience for every customer by offering irresistible data benefits and surprises ranging from 50% daily Data 'Cashback' offer, sharing of 3G / 4G packs in Family as well as Smartphone Surprise offers; a pioneering initiative in India. With this, Airtel has further established itself as an undisputed preferred partner for data experience on any smartphone.
- Airtel launched India's first unrestricted-validity data plan for its prepaid mobile customers. The Company reinforced its commitment of Customers First by enabling its prepaid users to enjoy unrestricted validity towards consuming their data quota.
- Airtel expanded its content portfolio by launching beta phase of 'Wynk Games' mobile application – the Company's latest OTT addition to the Wynk portfolio. The app offers a library of over 2,000 global and local games from across genres. 'Wynk Games' subscription is free for Airtel users and at a promotional price of ₹ 29 for other customers in the current beta phase of the app.
- Airtel invited customers in its network modernisation drive by, launching a microsite www.airtel.in/leap. It allows the customers to know everything they want to know about project leap; and get a transparent view of the coverage of voice and high speed broadband services, along with other details in their respective localities. This is an industry first initiative.
- Airtel network transformation programme Project Leap is now focusing on a series of fresh initiatives towards creating a greener environment and building a sustainable network for the future. The Company announced the migration of 40,000 of its network sites across India to green technology, while committing to bring down its carbon emission footprint by 70% by 2018.
- Airtel became the first mobile operator in India to commercially deploy LTE-Advanced (4G+) technology on a live 4G network in Kerala. LTE-Advanced carrier aggregation technology combines TD LTE (2300 MHz) with FD LTE (1800 MHz) bandwidths to deliver mobile data speeds up to 135 Mbps. This is also an industry first initiative.

- Airtel announced the launch of its Platinum 3G network for customers in the North East. Airtel's Platinum 3G will deliver faster internet speeds, enhance voice clarity and offer a superior network experience for customers in the circle.

Key Highlights

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

Telemedia Services

Overview

The Company provides fixed-line telephone and broadband (DSL) services for homes, as well as offices in 87 cities across India. The Telemedia business witnessed a record high DSL net addition of 309 k, seven times compared to previous year, primarily driven by launch of innovative pricing plans and an aggressive Go-to-Market strategy.

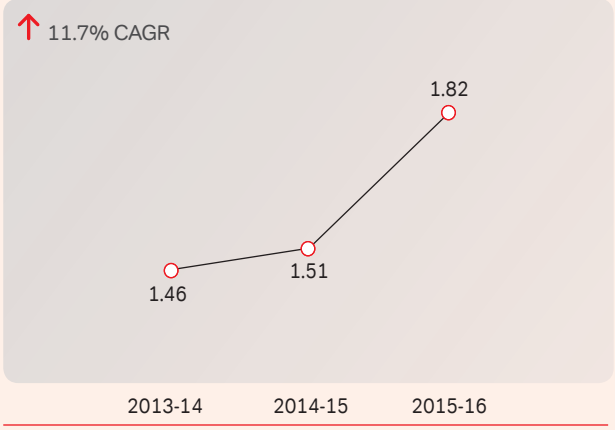
As on March 31, 2016, Airtel had 3.7 Mn customers. Of these, 1.8 Mn customers subscribed to its broadband / internet services, representing 49.6% compared to 44.2% last year. The higher number of broadband customers also resulted in a significant increase in ARPU to ₹ 1,063 during the year, compared to ₹ 1,026 in the previous year. Consequently, non-voice revenue as a percentage of total Telemedia revenues now represents 68.2% as compared to 64.9% in the last year.

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

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

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

Broadband Users (Million)



Key Initiatives

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

Digital TV Services

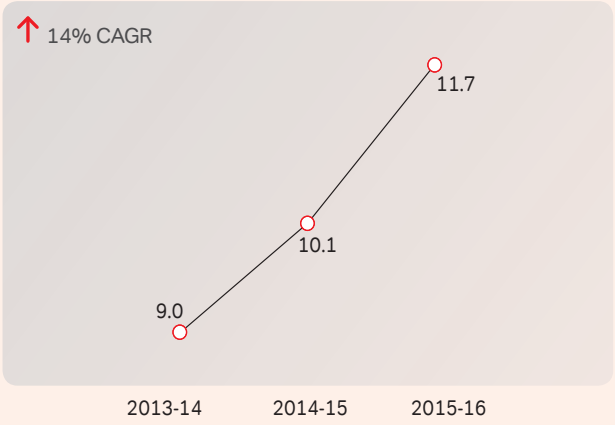
Overview

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

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

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

DTH Subscriber Base (Million)



Key Initiatives

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

B2B Services

Airtel Business

Overview

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

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

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

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

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

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

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

Key Initiatives

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

Key Highlights

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

Mission's (NRHM) initiatives to improve local health indices and quality of life.

Passive Infrastructure Services

Overview

Bharti Infratel Limited, a subsidiary of Bharti Airtel, provides passive infrastructure services on a non-discriminatory basis to all telecom operators in India. Bharti Infratel deploys, owns and manages telecom towers and communication structures in 11 circles of India. It also holds 42% share in Indus Towers (a joint venture between Bharti Infratel, Vodafone and Idea Cellular). Indus Towers operates in 15 circles (four common circles with Bharti Infratel, 11 circles on an exclusive basis). Hence, the Company has a nationwide presence with operations in India's all the 22 telecommunications circles.

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

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

Africa

Overview

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

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

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

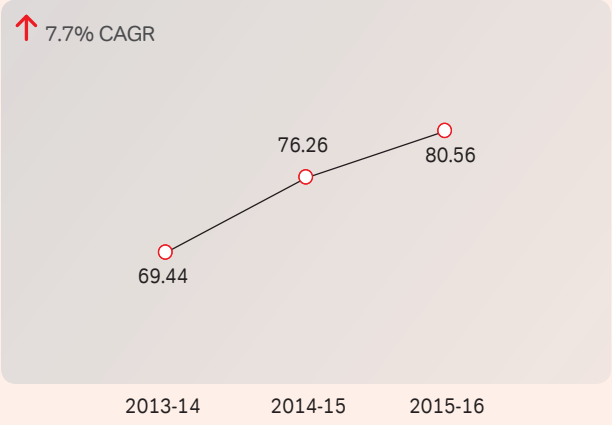
The revenues of Airtel Africa grew by 3.1% to USD 4,059 Mn, compared to USD 3,935 Mn in the last year (growth of 4.2% adjusting for the impact of divestment of tower assets). Underlying EBITDA at USD 906 Mn (PY: USD 869 Mn) reflected a similar margin of 22.1%, compared to the previous year. EBIT at USD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

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

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

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

Wireless Subscriber: Africa (Million)



Key Initiatives

- Airtel Kenya launched a new plan, which offers flat rate for roaming across Africa. One Airtel provides flexible and simple tariff within the Airtel Network footprint. The customers of Airtel Kenya roaming in 16 Airtel Africa's countries will be treated as local customers on the visited network in terms of pricing, including receiving calls free of charge, while retaining their home SIM card.
- Airtel Ghana launched the first ever tap-and-pay mobile money payment service in Ghana. The OpCo has added another first to its credits, as it has rolled out an innovative service through its Airtel Money that allows a tap-and-pay, contactless payment, based on the Near Field Communications (NFC) technology.
- Airtel signed a three-year global agreement with the World Food Programme for cash and value voucher distribution services in Madagascar, Malawi, Tanzania, DRC, Congo B and Zambia.
- Airtel DRC and Korongo Airlines have signed an agreement for air tickets purchase through Airtel M-Falanga - Airtel Money.
- Airtel Africa partners with customer engagement software provider IMImobile, to launch Airtel Artist Management System. The Airtel Artist Management System is a new service innovation, enabling upcoming music artists to upload and make available their music to potential audiences out of its 83 Mn subscribers.
- Airtel DRC & UBA officially launch 'LIBIKI', the new microloan service through mobile phones. LIBIKI is the new Airtel Money services, which offer small amount of loans to the entrepreneurs or craftsmen, who have no access to the bank credit system.
- Airtel and I&M Bank Ltd have announced a partnership that enables I&M Bank customer's access to their accounts via Airtel Money free of charge. The Bank account holders will now be able to pull money from their bank accounts into their Airtel Money wallets or push money from their Airtel Money wallets to their I&M Bank accounts.
- The year has continued to see Airtel's involvement in the community across Africa, such as:
  - Airtel Kenya participated in the First Lady's half marathon aimed at eradicating maternal deaths by providing better healthcare systems for pregnant mothers.
  - Airtel Chad together with UNICEF launched and executed a nationwide campaign to fight Malaria, Ebola and Cancer.
  - Airtel led a breast cancer awareness campaign in partnership with the Think Pink Foundation.
  - Airtel Zambia donated various items for the Malnutrition ward as well as food stuff for the cancer ward.
  - Airtel Kenya reached 43 schools with free internet connectivity.
  - Airtel Ghana helped millions of flood victims by giving them an opportunity to communicate with their loved ones and friends for free through an emergency offer, 'Airtel Too Much Relief' Pack.

Key Highlights

- Airtel and Liquid Telecom signed pan-African agreement to provide fibre connectivity to towers. Airtel's mobile broadband subscribers in Africa will soon enjoy faster Internet access speeds on its 3G and 4G networks. The framework agreement enables Airtel operations to leverage Liquid Telecom's existing 20,000 km-long fibre network across East, Central and Southern Africa, as well as enjoy new purpose-built fibre infrastructure, to connect Airtel's mobile base stations and enterprise customers with fibre.
- During the year, sale and lease back of 8,740 towers in seven countries (Ghana, Uganda, Kenya, Burkina Faso, Zambia, Nigeria and Congo B) was completed for a total consideration of USD 1.8 Bn (sale and lease back to Eaton tower – 2,681 towers for USD 0.54 Bn, IHS towers - 949 towers for USD 0.15 Bn, Helios towers - 393 towers for USD 0.05 Bn and ATC – 4,717 towers for USD 1.06 Bn).

- Airtel has signed a definitive agreement with Orange to sell its operations in Burkina Faso and Sierra Leone. The companies had signed an initial agreement in July 2015 for the acquisition of Airtel's operations in Burkina Faso, Sierra Leone, Chad and Congo B. The agreement over the latter two countries has lapsed.
- The Company's subsidiary in Tanzania and American Towers Corporation and its subsidiaries have entered into an agreement for the sale of over 1,300 telecom towers in Tanzania.
- Airtel Rwanda in a drive to extend affordable telecommunications products and services to Rwandans, has partnered with ITEL to introduce a new trendy and affordable data enabled phone dubbed KEZA. It now stands as one of the most affordable data enabled phones in the Rwandan market.

Awards & Recognition

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

South Asia

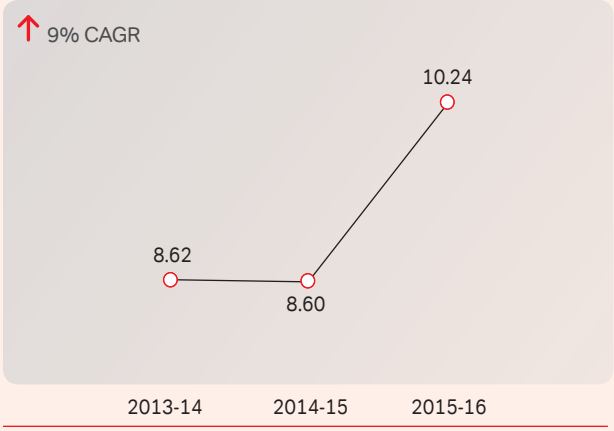
Overview

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

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

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

Wireless Subscriber: South Asia (Million)



Key Initiatives

- Airtel Sri Lanka commenced 2016 by being the Principal Sponsor of the Battle of the North (annual cricketing tournament) for the third consecutive year.
- Airtel Sri Lanka launched Smart Byte facility in order to facilitate customers to enjoy data usage at discounted rates.
- Airtel Sri Lanka won a Gold Award for the Best Multinational Corporations in Sri Lanka and silver award for Medium Sized Enterprise Category. Airtel Lanka is the youngest organisation in terms of market existence in Sri Lanka to receive these prestigious accolades; and the only telecommunication operator to be listed on the GPTW (Sri Lanka) Hall of Fame.
- Axiata Group Berhad and Bharti Airtel Limited signed a Definitive Agreement to merge their respective telecommunication subsidiaries in Bangladesh, namely, Robi Axiata Limited (Robi) and Airtel Bangladesh Limited (Airtel). The agreement followed the September 9, 2015 announcement of both parties entering into an exclusive discussion to explore the possibility of combining the business operations in Bangladesh.
- Airtel Bangladesh has won the prestigious Asia Communication Award 2015 in the Category of 'Customer Experience Initiative' for 'Online Airtel Experience Centre'.

Risks and Concerns

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

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

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

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



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

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

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

1. Regulatory and Political Uncertainties (Legal & Compliance)

Risk Statement

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

Mitigation

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

- We actively work with industry bodies like COAI, CII, and FICCI on espousing industry issues e.g. penalties, right of way, tower sealing, and so on.

2. Economic Uncertainties (Operational)

Risk Statement

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

Mitigation

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

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

Risk Statement

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

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

Mitigation

- Network Planning is increasingly being done in-house, to ensure that intellectual control on architecture is retained within the Company. The recently announced ₹ 600,000 Mn Leap Programme in India continuously seeks to address issues (congestion, indoor coverage, call drops, modernisation and upgrade of data speeds, among others) to ensure better quality of network. Recent efforts also include transformation of the microwave transmission, fibre networks, secondary rings / links and submarine cable networks. The Company consistently eliminates systemic congestion in the network, and removes causes of technical failures through a quality improvement programme, as well as embedding redundancies. Tighter SLAs are reinforced upon network partners for their delivery. The Company's Network Team performance is measured, based on network stability, customer experience and

competitor benchmarking. The Revenue Assurance team constantly monitors revenue leakages due to failure of systems or configuration errors. The Company follows a conservative insurance cover policy that provides a value cover, equal to the replacement values of assets against risks, such as fire, floods, and other natural disasters.

- In Africa, a sustained concentrated investment programme started in FY 2015-16 based on market revenue mapping will ensure that our network quality in these areas are comparable if not better than competition.
- The Company's philosophy is to share infrastructure with other operators, and enter into SLA-based outsourcing arrangements. We have been proactively seeking sharing relationships on towers, fibre, VSAT, data centres and other infrastructure. The disposal of towers in Africa to independent and well-established tower companies and long-term lease arrangements with them will ensure high quality of assets and maintenance on the passive infrastructure. We have also put in place redundancy plans for power outages, fibre cuts, VSAT breakdowns, and so on, through appropriate backups such as generators, secondary links, among others. Similar approaches are deployed for IT hardware and software capacities; and internal IT architecture teams continuously reassess the effectiveness of IT systems.
- Information Security is managed by dedicated IT professionals, given the huge dependence on automated systems, as well as to ensure that customer privacy is protected.

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

Risk Statement

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

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

Mitigation

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

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

Risk Statement

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

Mitigation

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

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

Risk Statement

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

Mitigation

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

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

Risk Statement

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

Mitigation

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

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

Risk Statement

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

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

Mitigation

- Airtel's strong strategic vendor relationships – especially in the areas of network technologies, IT, mobile money and a few other key VAS technologies help us keep pace with technology shifts and retain market leadership. The Company's own digital innovations such as Wynk under which OTT apps like Music, Movies and Gaming have been launched, My Airtel App, etc. are few examples of its keeping pace with the changing landscape.
- The potential risks of asset obsolescence are managed through leaner order pipelines, demand-

based capacity sourcing and formal swap arrangements with vendors. In several countries, the Company is proactively leading the development of 3G, 4G, digital content partnerships, mobile money, among others ahead of the curve to leverage big opportunities. The Company has also entered the digital payments space with the receipt of a Payments Bank license, which will enable it to become a key player in this rapidly evolving ecosystem.

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

Risk Statement

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

Mitigation

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

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

Risk Statement

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

Mitigation

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

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

Internal Controls

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

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

timelines that are binding throughout the Group, forms the basis of the financial reporting process.

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

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

Audits are categorised into defined assurance tracks with M/s. KPMG responsible to audit Finance and Technology track and ANB responsible to audit Customer and L&R track. M/s. KPMG is also engaged to perform forensics work. Bottom-up risk assessment and directional inputs from the Audit & Risk Management Committee formed the basis of audit priorities. The Company was awarded for 'Innovation in Internal Audit 2016' by the Institute of Internal Auditors, India. The award recognises entities for innovation in the use of technology, controls, business process and internal auditing in an innovative manner for business impact.

The Airtel Centre of Excellence ('ACE') based in Gurgaon and Bengaluru, is the captive shared service for Financial Accountage, Revenue Assurance, SCM and HR processes. It continues to expand its footprint across 20 countries thereby ensuring standardisation of all these processes across the organisation with inbuilt embedded controls. Digitisation of ACE is being aimed as a part of the transformation agenda and includes initiatives like system based reconciliation, reporting processes with vividly defined segregation of duties. ERP integration in Africa into an Oracle Single Instance has been accomplished across all African countries, ensuring uniformity and standardisation in ERP configurations, chart of accounts, finance and SCM processes across countries. Quality of financial reporting and controls continues to show improvement. We continuously examine our governance practices to enhance investor trust and improve the Board's overall effectiveness. Initiatives undertaken in the previous year's such as virtual desktop interface for ultimate data security, self-validation checks, desktop reviews and regular physical verification are producing measurable outcomes through substantial improvement in control scores across both India and Africa.

Oracle Governance Risk & Compliance (GRC) module has been implemented for India and Africa to strengthen existing controls pertaining to access rights for various ERPs, ensuring segregation of duties and preventing possibilities of access conflicts.

Material Developments in Human Resources

At Bharti Airtel, talent has always been key to our sustainable growth. From the roll-out of 4G technology to the latest digital apps, brilliant customer experience and new service propositions, our people are involved in both design and execution. We realise that our ability to continue and sustain our growth and extraordinary success strongly depends on our ability to grow and nurture this talent. Through our 10-point **Talent First** agenda, the people pillar of the Airtel GPS, our endeavour is to provide an enabling environment that empowers our employees to learn, grow and succeed.

In 2015-16, we encouraged a culture of performance excellence by providing employees complete clarity on their goals. Employees were expected to set only four KRAs, three operational and one strategic. Mid-year and year-end performance assessments and dialogues provided a view of the employee's performance to his / her reporting manager, who in turn provided feedback to the person concerned. Employees' performance and potential were then discussed in Talent Councils to enable '**One**

View of Talent' across the Company; and ensure that leaders are made accountable for talent development. The Company's **leadership development** strategy is focused on nurturing in-house talent through need-based interventions. With an **internal succession rate of over 70%** and over **16% of employees with cross-functional** experience, the Company has been able to provide accelerated career and development opportunities to its young talent.

At the senior leadership level, succession planning was conducted for critical roles to ensure a ready pipeline. A **360-degree feedback** survey was administered for over 370 senior leaders across India and Africa to enhance leadership effectiveness. The year saw the launch of Airtel's new Learning Management System, **iLearn**, with interactive features like social learning, virtual connect sessions, e-libraries and so on. There was a continued focus on **role-based academies** for critical talent like the Zonal Business Manager Academy. The Company's high impact **functional learning** programmes in Sales, Marketing, Network, Finance, SCM and IT and prestigious external **leadership development programmes**, also enabled enriching learning experiences. We also launched an **induction module** giving an overview of Bharti Group, Airtel and its business verticals.

As a part of our commitment to build a diverse workforce, we increased our Maternity leave policy from the existing 12 weeks to 22 weeks, along with the Company's pledge to provide the same or an equivalent role to the woman employee on return.

The Company has also launched the **Mood-o-Meter** app, which gives employees an option to provide feedback throughout the year. With thousands of employees working in the market, field and stores, this unique feature of feedback-on-the-go is useful to regularly feel the organisational pulse.

The past year also saw multiple initiatives to brand Airtel as an **Employer of Choice**. Some of them are: Airtel Stories (highlighting the career journey of employees); launching a refurbished Airtel careers website; and enhanced presence on LinkedIn (over 238,790 followers) and Facebook.

Airtel was ranked No 1 in **Business Today's Best Companies to Work For** survey in the telecom sector, and No 8 overall. In Africa, Airtel was awarded the **Best Organisation in the L&D category** in the Café Africa 2015 eLearning International Conference. In another prestigious recognition, an Airtel employee in Seychelles, Ms. Erna Hoarau, was bestowed with the **National Employee** of the Year award for the ICT Industry by the Ministry of Labour & HRD.

Outlook

India's telecommunications sector continues to be an integral part of the country's engine of growth, innovation and disruption. With a subscriber base of nearly 1,058.86 Mn at the end of March 2016, India has the world's second largest telecom network. Mobile based Internet is a key component of the country's internet usage, with seven out of eight users accessing internet from their mobile phones. The availability of affordable smartphones is driving industry growth. Smartphones will likely account for over 80% of annual phone shipments by 2018. Thanks to e-commerce, mobile banking and high quality content viewing (anytime anywhere), India is set to witness an exponential data growth, while voice growth is largely stabilising.

Africa's telecom sector has seen exponential growth in mobile phone usage since the early 2000s. Over the past year, digital innovation continues to transform the continent's economic and business landscape. There are substantial growth opportunities in the data market in Africa, both in terms of data connectivity and data based services. Africa bypassed fixed lines to develop mobile networks. Additionally, mobile money has significantly enhanced financial inclusion in Africa. Africa's mobile Money Market is expected to grow nearly sevenfold by 2020.

Telecom operators continue to invest heavily on networks to tap the increased demand from the sector. Bharti Airtel's pan-India 4G footprint, payments bank license, South Asian presence, diversified product portfolio, and network rollouts in Africa will act as a major stimulus to the Company's growth.

Report of the Independent Auditor on the abridged standalone financial statements

To the Board of Directors of Bharti Airtel Limited

The accompanying abridged standalone financial statements, which comprise the abridged standalone balance sheet as at March 31, 2016, the abridged standalone statement of profit and loss and abridged standalone cash flow statement for the year then ended, and related notes, are derived from the audited standalone financial statements of Bharti Airtel Limited ('the Company') as at and for the year ended March 31, 2016. We expressed an unqualified audit opinion on those standalone financial statements in our report dated April 27, 2016 but had included an Emphasis of Matter therein.

The abridged standalone financial statements do not contain all the disclosures required by the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014, issued by Ministry of Corporate Affairs. Reading the abridged standalone financial statements, therefore, is not a substitute for reading the audited standalone financial statements of the Company.

Management's Responsibility for the Financial Statement

The Company's Board of Directors is responsible for the preparation of a summary of the audited standalone financial statements in accordance with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 issued by Ministry of Corporate Affairs and accounting principles generally accepted in India.

Auditor's Responsibility

Our responsibility is to express an opinion on the abridged standalone financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion, the abridged standalone financial statements derived from the audited financial statements of the Company as at and for the year ended March 31, 2016 are a fair summary of those standalone financial statements, in accordance with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and accounting principles generally accepted in India.

Emphasis of Matter

We draw attention to Note 11(ii)(g)(vi) to the abridged standalone financial statements, which describes the uncertainties related to the legal outcome of the Department of Telecommunications' demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter.

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

per Nilangshu Katriar
Partner
Membership Number: 58814

Place: Gurgaon
Date: April 27, 2016

Independent Auditor's Report

To the Members of Bharti Airtel Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Bharti Airtel Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 26 (ii) (g) (vi) to the standalone financial statements which, describes the uncertainties related to the legal outcome of Department of Telecommunications' demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

Independent Auditor's Report

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report dated April 27, 2016 in Annexure 2 to this report;

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 52(b) to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 50 to the standalone financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

per Nilangshu Katriar
Partner
Membership Number: 58814

Place: Gurgaon
Date: April 27, 2016

Independent Auditor's Report

Annexure 1

Annexure referred to in paragraph 1 of 'Report on other Legal and Regulatory Requirements'

Re: [BHARTI AIRTEL LIMITED] ('the Company')

(i) (a) The Company has maintained proper records showing full particulars with respect to most of its fixed assets, and is in the process of updating quantitative and situation details with respect to certain fixed assets in the records maintained by the Company.

(b) The capitalised fixed assets are physically verified by the management according to a regular programme designed to cover all the items over a period of three years. Pursuant to the planned programme during the year, a substantial portion of fixed assets and capital work in progress has been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noted on such verification.

(c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The management has conducted physical verification of inventory (other than inventory with third parties) at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provision of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to service of telecommunication and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of records with a view to determine whether they are accurate or complete.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, value added tax, cess and other material statutory dues applicable to it. The provisions relating to duty of excise are not applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, value added tax, cess and other material undisputed statutory dues were outstanding, as at the year end, for a period of more than six months from the date they became payable.

Independent Auditor's Report

(b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of customs, value added tax and cess on account of any dispute, are as follows:

Name of Statutes	Nature of the Dues	Amount Disputed (in ₹ Mn)	Period to which it relates	Forum where the dispute is pending
Andhra Pradesh VAT Act	Sales Tax	41	2005-10	Tribunal
Andhra Pradesh VAT Act	Sales Tax	46	2010-13	Deputy Commissioner, Commercial Taxes, Punjagutta
Bihar Value Added Sales Tax Act	Sales Tax	0	2007-08	Assistant Commissioner, Appeal
Bihar Value Added Sales Tax Act	Sales Tax	69	2006-13	Joint Commissioner, Appeal
Bihar Value Added Sales Tax Act	Sales Tax	42	2005-08	Tribunal
Chhattisgarh VAT Act	Sales Tax	0	2005-07	Assistant Commissioner
Gujarat Sales Tax Act	Sales Tax	1	2006-07	Assistant Commissioner
J&K General Sales Tax	Sales Tax	34	2004-07	High Court, Jammu & Kashmir
Karnataka Sales Tax Act	Sales Tax	291	2005-06	Assistant Commissioner
Kerala Sales Tax Act	Sales Tax	1	2011-12	Commercial tax Officer
Kerala Sales Tax Act	Sales Tax	1	2005-13	Commercial tax Officer
Kerala Sales Tax Act	Sales Tax	11	2005-06	Deputy Commissioner, Appeal
Kerela Sales Tax Act	Sales Tax	0	2009-13	Intelligence Officer Squad
Kerala Sales Tax Act	Sales Tax	2	2002-05	Tribunal
Kerala Value Added Tax Act	Sales Tax	5	2005-06	Deputy Commissioner, Appeal
Kerala Value Added Tax Act	Sales Tax	71	2006-07	High Court of Kerala
Kerala Value Added Tax Act	Sales Tax	44	2007-09	Asst. Commissioner, Spl Circle III, Ernakulam
Kerala Value Added Tax Act	Sales Tax	0	2015-16	Intelligence Inspector, Squad No. I, Tellichery
Kerala Value Added Tax Act	Sales Tax	0	2015-16	Intelligence Inspector, Squad No. 3, Ernakulam
Kerala Value Added Tax Act	Sales Tax	1	2009-10	Asst. Commissioner
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	23	2007-11	Appellate authority
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	2	2005-07	High Court
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	1	2004-08	Tribunal
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	0	2004-08	Commercial tax Officer
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	1	2008-13	Deputy Commissioner
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	22	1997-04	Deputy Commissioner, Appeal
Maharashtra Sales Tax Act	Sales Tax	0	2003-04	Joint Commissioner, Appeal
Punjab Sales Tax Act	Sales Tax	1	2009-16	Deputy Excise and Taxation Commissioner
Punjab Sales Tax Act	Sales Tax	30	2003-04	High Court
Punjab Sales Tax Act	Sales Tax	1	2002-03	Jt. Director (Enforcement)
Punjab Sales Tax Act	Sales Tax	1	2008-10	Tribunal
UP VAT Act	Sales Tax	20	2005-16	Assessing Officer
UP VAT Act	Sales Tax	21	2002-05	Assistant Commissioner
UP VAT Act	Sales Tax	1	2005-08	Commercial tax Officer
UP VAT Act	Sales Tax	6	2008-11	High Court
UP VAT Act	Sales Tax	3	2003-16	Joint Commissioner, Appeal
UP VAT Act	Sales Tax	7	2005-06	Tribunal
UP VAT Act	Sales Tax	7	2009-10	Additional Commissioner

Independent Auditor's Report

Name of Statutes	Nature of the Dues	Amount Disputed (in ₹ Mn)	Period to which it relates	Forum where the dispute is pending
UP VAT Act	Sales Tax	6	2003-16	Deputy Commissioner
Uttaranchal VAT Act	Sales Tax	0	2013-14	AO
West Bengal Sales Tax Act	Sales Tax	0	1996-97	The Deputy Commisssoner of Commercial Taxes
West Bengal Sales Tax Act	Sales Tax	0	1995-96	Commercial tax Officer
West Bengal Sales Tax Act	Sales Tax	9	2005-06	Revision Board
West Bengal Sales Tax Act	Sales Tax	3	1997-12	Tribunal
Sub Total (A)		**826**		
Finance Act, 1994 (Service tax provisions)	Service Tax	307	1995-08	Supreme Court
Finance Act, 1994 (Service tax provisions)	Service Tax	7	2000-07	Commissioner Adjudication
Finance Act, 1994 (Service tax provisions)	Service Tax	16	2003-07	Commissioner Appeal
Finance Act, 1994 (Service tax provisions)	Service Tax	7	2002-07	High court
Finance Act, 1994 (Service tax provisions)	Service Tax	10,015	1995-12	Tribunal
Finance Act, 1994 (Service tax provisions)	Service Tax	3	2010-11	Add. Commissioner-Delhi WHO
Finance Act, 1994 (Service tax provisions)	Service Tax	238	2009-12	Commissioner of Service Tax Gurgaon
Finance Act, 1994 (Service tax provisions)	Service Tax	8	2009-10	Commissioner of Service Tax
Sub Total (B)		**10,601**		
Income Tax Act, 1961	Income Tax	128	2001-03, 2004-08, 1996-97	Supreme Court, High Court
Income Tax Act, 1961	Income Tax	11,578	2003-10, 2003-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	18,899	2013-14, 1995-2003	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	17,919	2004-13, 1994-95, 1996-98	Assessing Officer
Income Tax Act, 1961	Income Tax	75	2004-16	
Sub Total (C)		**48,599**		
Custom Act, 1962	Custom Act	4,128	2001-06	Supreme Court
Custom Act, 1962	Custom Act	0	2009-10	Tribunal
Custom Act, 1962	Custom Act	126	2006-10	Tribunal
Sub Total (D)		**4,254**		

The above mentioned figures represent the total disputed cases without any assessment of Probable, Possible and Remote, as done in case of contingent liabilities of the above cases, total amount deposited in respect of sales tax is ₹ 292 Mn, Service tax is ₹ 463 Mn, Income tax is ₹ 11,056 Mn and Custom Duty is ₹ 2,138 Mn.

(viii) Based on our audit procedures for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank, debenture holders or government.

(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management and on an overall examination of the balance sheet, we report that, monies raised by the Company by way of debt instruments / term loans were applied for the purpose for which the loans were obtained, though idle/surplus funds which were not required for immediate utilisation have been gainfully invested in liquid investments payable on demand. The maximum amount of idle/surplus funds invested during the year was ₹ 63,215 Mn, of which no amount was outstanding at the end of the year.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officer and employees of the Company has been noticed or reported during the year.

Independent Auditor's Report

(xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Nilangshu Katriar
Partner
Membership Number: 58814

Place: Gurgaon
Date: April 27, 2016

ANNEXURE 2

Annexure referred to in paragraph 2 of 'Report on other Legal and Regulatory Requirements'

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

To the Members of Bharti Airtel Limited

We have audited the internal financial controls over financial reporting of Bharti Airtel Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal

Independent Auditor's Report

financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Nilangshu Katriar
Partner
Membership Number: 58814

Place: Gurgaon
Date: April 27, 2016

Abridged Balance Sheet

(Statement containing salient features of Balance Sheet as per first proviso to Sub-section (1) of Section 136 of the Companies Act, 2013 and Rule 10 of Companies (Accounts) Rules, 2014)

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Equity and Liabilities		
Shareholders' Funds		
Paid-up share capital	19,987	19,987
Reserves and surplus		
(i) Capital reserve	8,751	51
(ii) Securities premium reserve	108,241	107,967
(iii) Revaluation reserve	21	21
(iv) Employee stock options outstanding	508	756
(v) Reserve for business restructuring	16,313	24,912
(vi) General reserve	28,760	28,452
(vii) Surplus in the statement of profit and Loss	661,887	600,583
Non-Current Liabilities		
Long term borrowings	417,002	196,267
Deferred tax liabilities (Net)	32,784	10,721
Other long term liabilities	43,954	42,036
Long term provisions	2,262	1,969
Current Liabilities		
Short term borrowings	6,999	6,259
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	26	10
- total outstanding dues of creditors other than micro enterprises and small enterprises	70,562	71,222
Other current liabilities	193,604	140,675
Short term provisions	7,727	12,349
Total	**1,619,388**	**1,264,237**
Assets		
Non-current Assets		
Fixed Assets		
Tangible assets	311,563	256,552
Intangible assets	606,582	277,892
Capital work-in-progress	28,251	26,561
Intangible assets under development	9,715	64,108
Non current investments	430,261	383,958
Long term loans and advances	93,470	88,381
Other non-current assets	25,489	19,221
Current Assets		
Current investments	8	47,211
Inventories	53	94
Trade receivables	37,930	33,110
Cash and bank balances	521	3,887
Short term loans and advances	68,429	53,942
Other current assets	7,116	9,320
Total	**1,619,388**	**1,264,237**

The accompanying notes form an integral part of these abridged financial statements.

As per our report of even date

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

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 27, 2016

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

Sunil Bharti Mittal
Chairman

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

Rajendra Chopra
Company Secretary

Nilanjan Roy
Global Chief Financial Officer

Abridged Statement of Profit and Loss

(Statement containing salient features of Profit and Loss Account as per first proviso to Sub-section (1) of Section 136 of the Companies Act, 2013 and Rule 10 of Companies (Accounts) Rules, 2014)

(₹ Millions, except per share data and as stated otherwise)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Income		
Revenue from operations	603,002	554,964
Other income	14,856	51,930
Total Income	**617,858**	**606,894**
Expenses		
Access charges	80,236	79,601
License fee and spectrum charges (revenue share)	70,654	67,062
Cost of goods sold	373	76
Employee benefits expenses	18,693	16,915
Power and fuel	40,387	41,151
Rent	65,413	59,790
Charity and donation	575	292
Other expenses	103,309	95,766
Total Expenses	**379,640**	**360,653**
Profit before finance costs, depreciation, amortisation, exceptional items and tax	238,218	246,241
Finance costs	35,590	14,091
Depreciation and amortisation expense	95,431	75,597
Profit before exceptional items and tax	**107,197**	**156,553**
Exceptional items	6,799	-
Profit before Tax	**100,398**	**156,553**
Tax Expense (including exceptional items)		
Current tax	20,501	31,092
MAT credit	(17,631)	(7,790)
Deferred tax	22,063	1,246
Profit for the year	**75,465**	**132,005**
Earnings per share (equity shares of par value ₹ 5 each)		
Basic and Diluted (In ₹)	18.88	33.02

The accompanying notes form an integral part of these abridged financial statements.

As per our report of even date

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

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 27, 2016

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

Sunil Bharti Mittal
Chairman

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

Rajendra Chopra
Company Secretary

Nilanjan Roy
Global Chief Financial Officer

Abridged Cash Flow Statement

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
A. Cash flow from operating activities	200,582	179,398
B. Cash flow used in investing activities	(222,833)	(128,012)
C. Cash flow from (used) in financing activities	18,885	(51,957)
Net increase/ (decrease) in cash and cash equivalents	(3,366)	(571)
Cash and cash equivalents at beginning of the year	3,887	4,458
Cash and cash equivalents at end of the year	**521**	**3,887**

Notes :

1 Figures in brackets indicate cash out flow.

2 The above cash flow statement has been prepared under the indirect method setout in AS-3 'Cash Flow Statements' notified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs.

3 Cash and cash equivalents also includes ₹ 55 Mn in unpaid dividend bank account (March 31, 2015 - ₹ 35 Mn).

4 Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

The accompanying notes form an integral part of these abridged financial statements.

As per our report of even date

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

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 27, 2016

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

Sunil Bharti Mittal
Chairman

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

Rajendra Chopra
Company Secretary

Nilanjan Roy
Global Chief Financial Officer

Notes to abridged financial statements

1. Corporate Information

Bharti Airtel Limited ('the Company') incorporated in India on July 7, 1995, is a company promoted by Bharti Telecom Limited ('BTL'), a company incorporated under the laws of India. The Company's shares are publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE'), India. The Registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company is a leading telecommunication service provider in India providing telecommunication systems and services.

(Note 1 of the annual standalone financial statements)

2. Basis of Preparation

The abridged financial statements ('the financial statements') have been prepared on the basis of the complete set of audited standalone financial statements for the year ended March 31, 2016, (hereinafter referred to as 'annual standalone financial statements'), prepared in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs, for the purpose of inclusion in the Annual Report to be sent to the shareholders of the Company. The contents of the financial statements are in accordance with the requirements of Clause 36 of Securities and Exchange Board of India (Listing obligations and disclosure requirements) Regulation, 2015 and Rule 10 of the Companies (Accounts) Rules, 2014.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except expenditure incurred on Corporate Social Responsibility ('CSR'), which was accounted as appropriation to statement of profit and loss during previous year (in accordance with the guidance issued by ICAI, 'FAQ on the provision of CSR under section 135 of the Companies Act 2013 and Rules thereon'). During current year, Company has aligned accounting treatment of CSR with Guidance Note on 'Accounting for Expenditure on Corporate Social Responsibility Activities' issued by the Institute of Chartered Accountants of India in May 2015. Accordingly, expenditure pertaining to CSR activities is charged as an expense in the statement of profit and loss.

(Note 2 of the annual standalone financial statements)

3. Summary of Significant Accounting Policies

The significant accounting policies used in preparing the annual standalone financial statements are set out in note 3 of the notes to the annual standalone financial statements.

(Note 3 of the annual standalone financial statements)

a) Tangible Assets

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.

(Note 3.2 of the annual standalone financial statements)

b) Exceptional Items

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

(Note 3.22 of the annual standalone financial statements)

c) Amalgamation Accounting

The Company has treated the amalgamation in the nature of merger under pooling of interest method as there is continuity of business of the amalgamated Company and all the assets, liabilities and ownership is transferred to the Company.

(Note 3.23 of the annual standalone financial statements)

4. Information about Business Segments - Primary

Segment Definitions:

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

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

Telemedia Services – These services cover voice and data telecommunication services provided through fixed line network and broadband technology.

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

Unallocated – Unallocated includes other income, profits/(losses), assets (including non-current investments)

Notes to abridged financial statements

and liabilities of the Company which are not allocated to the business segments and is primarily related to the corporate headquarter of the Company. These also include current tax (net of provisions of tax), deferred tax (net), MAT credit and borrowings not allocated to the primary business segments.

Summary of Segmental Information for the year ended and as of March 31, 2016 and March 31, 2015:

(₹ Millions)

Particulars	Mobile Services	Telemedia Services	Airtel Business	Unallocated@	Eliminations	Total
March 31, 2016						
Segment revenue	518,306	44,422	68,190	-	(27,916)	603,002
Segment result - profit/(loss)	110,955	11,910	7,598	(134)	-	130,329
Segment Capital employed *	422,529	17,949	1,116	378,550	-	820,144
March 31, 2015						
Segment revenue	482,934	41,044	59,298	-	(28,312)	554,964
Segment result - profit/(loss)	112,562	8,506	3,786	(4,004)	-	120,850
Segment Capital employed *	295,667	20,329	2,872	436,431	-	755,299

* Excludes inter segment assets and liabilities.

@ capital employed includes amount borrowed for the acquisition of 3G & BWA Licenses (including spectrum) of ₹ Nil as of March 31, 2016 and ₹ 8,153 Mn as of March 31, 2015.

Notes:

1. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.
2. Segment results represent profit/(loss) before finance costs (net of finance income), exceptional items and tax.
3. Capital expenditure represents gross additions to fixed assets and capital advance given for acquiring tangible and intangible assets during the year.
4. Inter segment assets / liabilities represent the inter segment account balances.
5. Inter segment revenue is accounted for on terms established by the management on arm's length basis. These transactions have been eliminated at the Company level.

(Note 4 of the annual standalone financial statements)

5. Long term borrowings includes deferred payment liabilities towards spectrum of ₹ 341,424 Mn (March 31, 2015 ₹ 143,167 Mn)

(Note 7 of the annual standalone financial statements)

6. MAT credit includes income of ₹ 752 Mn (March 31, 2015 – income of ₹ 364 Mn), current tax includes income of ₹ 543 Mn (March 31, 2015 - ₹ Nil) and deferred tax includes income of ₹ 333 Mn (March 31, 2015 – income of ₹ 82 Mn) relating to earlier years.

During the year ended March 31, 2015, the Company had recognised additional tax charge of ₹ 188 Mn on account of change in tax rate from 33.99% to 34.61% as proposed in the Finance Bill, 2015.

(Note 8 of the annual standalone financial statements)

7. Capitalised Borrowing Costs

Borrowing cost capitalised during the year ended March 31, 2016 was ₹ 1,937 Mn (March 31, 2015 ₹ 1,083 Mn). The Company capitalises borrowing cost in the Intangible assets under development.

(Note 16(b) of the annual standalone financial statements)

8. Intangible Assets Under Development

Intangible assets under development includes the amount of spectrum allotted to the Company and related costs (including borrowing costs capitalised under AS 16 – 'Borrowing Costs'), if any, for which services are yet to be rolled out.

(Note 16 of the annual standalone financial statements)

9. Book value and Market Value of Quoted Investments

(a) Non-Current Investments

As of March 31, 2016 and March 31, 2015, the book value of quoted investment is ₹ 74,511 Mn and ₹ 74,511 Mn, respectively.

As of March 31, 2016 and March 31, 2015, the aggregate market value of quoted investment is ₹ 519,452 Mn and ₹ 523,600 Mn, respectively.

(Note 17 of the annual standalone financial statements)

Notes to abridged financial statements

(b) Current Investments

As of March 31, 2016 and March 31, 2015, the book value of quoted investment is ₹ Nil and ₹ 47,194 Mn, respectively.

As of March 31, 2016 and March 31, 2015, the aggregate market value of quoted investment is ₹ Nil and ₹ 47,550 Mn, respectively.

(Note 20 of the annual standalone financial statements)

10. Cash and Cash Equivalents

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Balances with banks		
- On current accounts	240	878
- Bank deposits with original maturity of 3 months or less	-	2,700
- On unpaid dividend account	55	35
Cheques on hand	166	222
Cash on hand	60	52
	521	**3,887**

(Note 23 of the annual standalone financial statements)

11. Guarantees and Contingent Liabilities

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

Corporate Guarantees outstanding as of March 31, 2016 amounting to ₹ 798,800 Mn (March 31, 2015 - ₹ 857,497 Mn) have been given to banks, financial institutions and third parties on behalf of Group Companies at no cost to the latter.

(ii) Claims against the Company not acknowledged as debt (excluding cases where the possibility of any outflow in settlement is remote):

a) Claims against the Company not acknowledged as debt:

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
(i) Taxes, Duties and Other demands (under adjudication / appeal / dispute)		
-Sales Tax and Service Tax	11,259	11,120
-Income Tax	16,282	16,335
-Customs Duty	4,254	4,254
-Entry Tax	5,061	4,221
-Stamp Duty	404	411
-Municipal Taxes	122	122
-DoT demands*	4,809	4,766
-Other miscellaneous demands	818	59
(ii) Claims under legal cases including arbitration matters		
-Access Charges / Port Charges	8,196	6,952
-Others	610	562
Total	**51,815**	**48,802**

*in addition, refer note (g) (v), (g) (vi), (g) (vii) and (g) (viii) below for DoT matters.

Unless otherwise stated below, the management based on legal advice, believes that, the outcome of these contingencies will be favorable and that a loss is not probable.

b) Sales tax/VAT and Service tax

- Sales Tax/VAT

Claims for sales tax/VAT as of March 31, 2016 comprise cases relating to:

i. the appropriateness of the declarations made by the Company under the relevant sales tax/VAT legislations which was primarily procedural in nature;

ii. the applicable sales tax/VAT on disposals of certain property and equipment items;

iii. lease circuit / broadband connectivity services;

iv. the applicability of sales tax/VAT on sale of SIM cards, SIM replacements, VAS, Handsets and Modem rentals;

In the State of Jammu & Kashmir, the Company has disputed the levy of general sales tax/VAT on its telecom

Notes to abridged financial statements

services and towards which the Company has received a stay from the Hon'ble Jammu & Kashmir High Court. The demands received to date have been disclosed under contingent liabilities.

- Service Tax

Service tax demands as of March 31, 2016 relate to:

i. cenvat claimed on tower and related material;

ii. levy of service tax on SIM cards;

iii. cenvat credit disallowed for procedural lapses and inadmissibility of credit;

iv. disallowance of cenvat credit used in excess of 20% limit; and

v. employee talk time.

c) Income Tax

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

d) Custom Duty

The Custom authorities, in some States, demanded custom duty for the imports of special software on the ground that this would form part of the hardware on which it was pre-loaded at the time of import. The view of the Company is that such imports should not be subject to any custom duty as it would be an operating software exempt from any custom duty. In response to the application filed by the Company, the Hon'ble CESTAT has passed an order in favour of the custom authorities. The Company has filed an appeal with Hon'ble Supreme Court against the CESTAT order.

e) Entry Tax

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

f) Access Charges (Interconnect Usage Charges)/ Port Charges

(i) Interconnect charges are based on the Interconnect Usage Charges (IUC) agreements between the operators although the IUC rates are governed by the IUC guidelines issued by Telecom Regulatory Authority of India (TRAI). BSNL has raised a demand requiring the Company to pay the interconnect charges at the rates contrary to the regulations issued by TRAI. The Company filed a petition against that demand with the Telecom Disputes Settlement and Appellate Tribunal ('TDSAT') which passed a status quo order, stating that only the admitted amounts based on the regulations would need to be paid by the Company. The final order was also passed in our favour. BSNL has challenged the same in Hon'ble Supreme Court. However, no stay has been granted.

(ii) In another proceeding with respect to Distance Based Carriage Charges, the Hon'ble TDSAT in its order dated May 21, 2010, allowed BSNL appeal praying to recover distance based carriage charges. On filing of appeal by the telecom operators, Hon'ble Supreme Court asked the telecom operators to furnish details of distance-based carriage charges owed by them to BSNL. Further, in a subsequent hearing held on August 30, 2010 Hon'ble Supreme Court sought the quantum of amount in dispute from all the operators as well as BSNL and directed both BSNL and private telecom operators to furnish Call Data Records (CDRs) to TRAI. The CDRs have been furnished to TRAI.

(iii) In another issue with respect to Port Charges, in 2001, TRAI had prescribed slab based rate of port charges payable by private operators which were subsequently reduced in the year 2007 by TRAI. On BSNL's appeal, TDSAT passed it's judgment in favour of BSNL, and held that the pre-2007 rates shall be applicable prospectively from May 29, 2010. The rates were further revised downwards by TRAI in 2012. On BSNL's appeal, TDSAT declined to stay the revised regulation.

Further, the Hon'ble Supreme Court vide its judgement dated December 6, 2013, passed in another matter, held that TRAI is empowered to issue regulations on any matter under Section 11(1)(b) of TRAI Act and the same cannot be challenged before TDSAT. Accordingly, all matters raised before TDSAT, wherein TDSAT had interfered in Appeal and passed judgements, do not have any significance. However, parties can file Writ Petitions before High Court challenging such regulations.

The Company believes that the above said judgement has further strengthened the position of the Company on many issues with respect to Regulations which had been in its favour and impugned before TDSAT.

Notes to abridged financial statements

g) Department of Telecommunications ('DoT') Demands

i) DoT demands include demands raised for contentious matters relating to computation of license fees and spectrum charges.

ii) DoT demands include alleged short payment of license fee for financial year 2006-07 and 2007-08 due to difference of interpretation of Adjusted Gross Revenue (AGR) between Company and DoT and interest thereon, which the Company has obtained stay from appropriate Hon'ble High Courts and TDSAT. TDSAT has pronounced its judgement on April 23, 2015 thereby setting aside the impugned demands raised by DoT and directed to rework the license fees payable in light of the judgment and to issue fresh demands. Pursuant thereto Union of India (UOI) and the Company (on limited heads of revenue) along with various other operators have filed appeals/ cross appeals before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court of India issued notice in the appeals and has declined to grant any interim relief to UOI. The appeals tagged together came up for hearing on February 29, 2016 and the Supreme Court allowed DoT to raise demands as per its understanding with the condition that the demands raised will not be enforced till the final decision of the Supreme Court. The matter is likely to be listed for hearing after 8 weeks. DoT further had issued LF demand cum show cause notice for financial year 2009-10 dated June 26, 2015 which has been challenged before TDSAT. TDSAT vide an interim order dated August 17, 2015 had directed DoT not to invoke any bank guarantees for realisation of impugned demand amounting to ₹ 12,316 Mn and vide its order dated November 6, 2015, TDSAT has disposed of the matter after recording the statement made by UOI that the demand notice should be construed as an advance notice, which the DoT does not intend to enforce until the appeals against Tribunal's AGR judgement pending before the Hon'ble Supreme Court is finally disposed of.

iii) DoT demands also include the contentious matters in respect of subscriber verification norms and regulations including validity of certain documents allowed as Proof of Address / Identity in certain mobility circles.

iv) DoT demands also include penalty for alleged failure to meet the procedural requirement for submission of EMF radiation self-certification.

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

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

v) Post the Hon'ble Supreme Court Judgment on October 11, 2011 on components of Adjusted Gross Revenue for computation of license fee, based on the legal advice, the Company believes that the realised and unrealised foreign exchange gain should not be included in Adjusted Gross Revenue (AGR) for computation of license fee thereon. Accordingly, the license fee on such foreign exchange gain has not been provided in the financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences', the license fee impact on such exchange differences is not quantifiable and has not been included in the table above. Further, as per the Order dated June 18, 2012 Hon'ble High Court of Kerala, stay has been obtained, wherein the licensee can continue making the payment as was being done throughout the period of license on telecom activities. Further as stated in point (ii) above, TDSAT has pronounced its judgement on April 23, 2015, wherein it has stated that any gain or loss due to foreign exchange fluctuation does not have any bearing on the license fees and directing DoT to rework and issue fresh demands to the operators. The next date of hearing is fixed for June 28, 2016 at Kerala High Court.

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

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

vii) DoT had issued notices to the Company as well as various other Telecom Service Providers to stop provision of services under 3G Intra Circle Roaming

Notes to abridged financial statements

(ICR) arrangements in the service areas where such service providers had not been allocated 3G Spectrum. DoT also levied a financial penalty of ₹ 3,500 Mn. Company contested the notices and upon various rounds of litigations, ultimately, the TDSAT, vide its judgment dated April 29, 2014, held 3G ICR arrangements to be competent and compliant with the licensing conditions and quashed the notice imposing penalty. The DoT has challenged the order of TDSAT in an appeal filed before the Hon'ble Supreme Court, which has been admitted. However, Hon'ble Supreme Court has refused to grant any interim order during the pendency of the appeal. The case is yet to be listed for hearing in the Hon'ble Supreme Court.

viii) The Company has not been able to meet its roll out obligations fully due to certain non-controllable factors like Telecommunication Engineering Center testing, Standing Advisory Committee of Radio Frequency Allocations clearance, non availability of spectrum, etc. The Company has received show cause notices from DoT for 14 of its circles for non-fulfillment of its roll out obligations and these have been replied to. DoT has reviewed and revised the criteria and there has been no further development on this matter since then.

h) Others

Others mainly include disputed demands for consumption tax, disputes before consumer forum and with respect to labour cases and a potential claim for liquidated damages.

i) Bharti Mobinet Limited ('BMNL') litigation

The Company is in litigation in various proceedings at various stages and in various forums with DSS Enterprises Private Limited (DSS) (which had 0.34 per cent equity interest in erstwhile Bharti Cellular Limited (BCL)) on claims of specific performance in respect of alleged agreements to sell the equity interest of DSS in erstwhile BMNL to the Company. In respect of one of the transactions with respect to purchase of 10.5% share of DSS in Skycell by the Company, Crystal Technologies Private Limited ('Crystal'), an intermediary, initiated arbitration proceedings against the Company demanding ₹ 195 Mn regarding termination of its appointment as a consultant to negotiate with DSS for the sale of DSS stake in erstwhile BMNL to the Company. The Ld. Arbitrator partly allowed the award for a sum of ₹ 31 Mn, 9% interest from period October 3, 2001 till date of award (i.e May 28, 2009) and a further 18% interest from date of award to date of payment. The Company appealed in Hon'ble High Court against the award. The Single Judge while dismissing the appeal reduced the rate of interest from 18% to 12%. The matter was appealed thereafter to Division Bench and finally to Hon'ble Supreme Court wherein the matter has been admitted on the condition that the amount as per Single Judge Order shall be secured in Hon'ble Supreme Court, which has been done. The matter will now come up in due course.

DSS has also filed a suit against a previous shareholder of BMNL and the Company challenging the transfer of shares by that shareholder to the Company. The matter is to be reheard.

DSS has also initiated arbitration proceedings seeking direction for restoration of the cellular license and the entire business associated with it including all assets of BCL/BMNL to DSS or alternatively, an award for damages. An interim stay was granted by the Hon'ble Delhi High Court with respect to the commencement of arbitration proceedings. The stay was made absolute.

DSS Enterprises has preferred an SLP challenging the order dated May 12, 2005 passed by the Hon'ble Delhi High Court in Company Appeal No.30 of 2004. The Company Appeal was dismissed by Hon'ble Delhi High Court on the grounds of non-disclosure of material facts before the Hon'ble High Court. This appeal has been admitted by the Hon'ble Supreme Court and our Counter Affidavit has been filed, matter is to be now listed for hearing in due course.

The liability, if any, of the Company arising out of above litigation cannot be currently estimated. Since the amalgamation of BCL and erstwhile Bharti Infotel Limited (BIL) with the Company, DSS, a minority shareholder in BCL, had been issued 2,722,125 equity shares of ₹ 10 each (5,444,250 equity shares of ₹ 5 each post split) bringing the share of DSS in the Company down to 0.136% as of March 31, 2016.

(Note 26 of the annual standalone financial statements)

12. Capital and Other Commitments

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

(Note 27 of the annual standalone financial statements)

13. Commitments Under Lease Arrangement

i) The Company's future minimum lease payments obligation under the non-cancellable operating leases as of March 31, 2016 and March 31, 2015 is ₹ 386,911 Mn and ₹ 390,860 Mn, respectively.

Notes to abridged financial statements

ii) The Company's future minimum lease payments obligation under the finance leases as of March 31, 2016 and March 31, 2015 is ₹ 2,232 Mn and ₹ 159 Mn respectively.

(Note 48 of the annual standalone financial statements)

14. The Company has undertaken to provide financial support, to its subsidiaries, namely, Bharti Airtel Services Limited, Bharti Telemedia Limited, Airtel M Commerce Services Limited, Bharti Teleports Limited, Nxtra Data Limited, Bharti Airtel (USA) Limited, Bharti Airtel (Hongkong) Limited, Bharti Airtel Lanka (Private) Limited, Bharti Airtel Holdings (Singapore) Pte Limited including its subsidiaries and Bharti Airtel International (Netherlands) B.V. including its subsidiaries.

(Note 28 of the annual standalone financial statements)

15. Revenue from Operations

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Service Revenue		
- Voice revenue	439,691	428,264
- Others*	162,926	126,604
Sale of products	385	96
	603,002	**554,964**

*Others include revenue from VAS services, fixed monthly subscription, Bandwidth services and VSAT etc.

(Note 29 of the annual standalone financial statements)

16. Charity and Donation & Other Expenses

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Charity and donation		
Political Contribution$	-	250
Corporate social responsibility#	535	-
Others	40	42
	575	292
Other expenses		
Interconnect and port charges	126	124
Insurance		
Network	332	283
Others	4	3
Installation	70	53
Repairs and maintenance		
Plant and machinery	26,165	24,499
Building	166	175
Others - Network	678	716
Others - Administrative	896	959
Leased line and gateway charges	621	1,060
Internet access and bandwidth charges	4,832	4,300
Advertisement and marketing	7,485	7,022
Sales Commission & discount, customer verification and content cost	19,900	17,604
Indirect selling and distribution	3,836	2,844
Sim card utilisation	1,426	783
Legal and professional fees	2,258	2,451
Rates and taxes	568	2,359
IT and call center outsourcing	9,554	9,649
Travelling and conveyance	1,261	1,168
Bad debts written off	4,391	2,915
Provision for doubtful debts and advances (refer note 53)	1,500	3,103
Provision for diminution in stock/ capital work in progress	1,303	451
Collection and recovery expenses	3,625	3,133
Loss on sale of fixed assets (net)	434	550
Printing and stationery	572	613
Miscellaneous expenses		
Network	1,632	1,488
Sales and marketing*	6,817	4,906
Administrative	2,857	2,555
	103,309	**95,766**

As per the requirements of section 135 of the Companies Act, 2013, the Company was required to spend an amount of ₹ 1,890 Mn (March 31, 2015 ₹ 1,400 Mn) on Corporate Social Responsibility expenditure for the year ended March 31, 2016. During the year ended March 31, 2016, the Company has spent in cash an amount of ₹ 535 Mn (March 31, 2015 ₹ 411 Mn) towards education and sanitation. In the previous year, the Company had accounted expenditure incurred on Corporate Social Responsibility ('CSR') as appropriation to statement of profit and loss. (refer note 6).

* Includes goodwill waivers which are other than trade discount of ₹ 603 Mn (March 31, 2015 ₹ 984 Mn).

$ Paid to Satya Electoral Trust for political purpose.

(Note 33 of the annual standalone financial statements)

Notes to abridged financial statements

17. Depreciation and Amortisation Expense

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Depreciation	66,355	59,895
Amortisation	29,076	15,702
	95,431	**75,597**

(Note 35 of the annual standalone financial statements)

18. Exceptional Items

Exceptional items comprise of the following :

a. Charge for regulatory fee provisions of ₹ 2,659 Mn (March 31, 2015 ₹ Nil) arising out of re-assessment of certain positions for the year ended March 31, 2016.

b. Charge of ₹ 4,140 Mn (March 31, 2015 ₹ Nil) towards operating costs on network refarming and up-gradation program for the year ended March 31, 2016.

Tax expense includes tax benefit of ₹ 2,243 Mn for the year ended March 31, 2016 (March 31, 2015 ₹ Nil) on above exceptional items.

(Note 36 of the annual standalone financial statements)

19. Acquisitions / Additional investments / New Developments

(i) The Scheme of Arrangements ('Scheme') under sections 391 to 394 of the Companies Act, 1956 with respect to amalgamation of Airtel Broadband Services Private Limited ('ABSPL'), a wholly owned subsidiary of the Company, with the Company, as approved by the Hon'ble High Court of Bombay on April 11, 2014, has been filed by the Company with the Registrar of Companies ('ROC') on April 9, 2015, being the effective and appointed date of the scheme whereby ABSPL shall cease to exist. The Company has accounted for the amalgamation in the nature of merger under the pooling of interest method. Accordingly, the assets, liabilities and reserves in the books of ABSPL have been recognised by the Company as at the date of the amalgamation at the same carrying values. The difference of ₹ 8,599 Mn between the share capital of ABSPL and the carrying value of investment in the equity shares of ABSPL in the books of the Company has been adjusted with the reserves of the Company. The carrying values of assets, liabilities and reserves in the books of ABSPL acquired pursuant to the scheme is as follows:

(₹ Millions)

Particulars	As of April 9, 2015
Assets	
Non-current assets	64,246
Current assets	591
Total	**64,837**
Equity and Liabilities	
Equity	
Share Capital	56,671
Reserve and Surplus	(724)
	55, 947
Liabilities	
Non-current liabilities	5,396
Current liabilities	3,494
	8,890
Total	**64,837**

However, DoT vide its letter dated February 2, 2015, has given its approval for taking on record the merger of ABSPL with the Company, subject to certain conditions as stipulated in the letter. One of the conditions of merger requires payment of ₹ 4,361 Mn, equal to the difference between the entry fee for Unified Access Service License and entry fees paid for Internet Service Provider license. The Hon'ble Telecom Disputes Settlement and Appellate Tribunal ('TDSAT') vide its interim order dated February 9, 2015 has allowed the Company to operationalise the spectrum subject to filing an undertaking that in case the petition fails, it shall pay the sum of ₹ 4,361 Mn along with interest as may be determined by the Tribunal within eight weeks from the date of judgement. The Company has filed an undertaking before TDSAT for the same.

On February 24, 2012, the TDSAT ordered the Company to pay certain dues (including interest and penalties) allegedly owed by one of then existing Company's Indian non-controlling shareholders, Tulip Telecom Limited (Tulip), to the DoT without prejudice to the right of Tulip to contest the claim and provided that any sum ultimately found not to be due (or paid by Tulip) would be refunded by the Department of Telecommunication (DoT), without interest, within four weeks of the date of completion of the assessment of Tulip in respect of assessment years in question. Accordingly, as per the terms and conditions of the TDSAT order dated February 24, 2012, the Company had deposited ₹ 4,104 Mn.

Notes to abridged financial statements

Further as per the agreement dated February 13, 2012 entered between the Companies, Qualcomm Asia Pacific Pte. Limited and Tulip, upon the final determination date being reached, that Tulip is liable to pay the Company an amount equal to the relevant amount determined to be owed by Tulip that is not paid by Tulip and retained by the DoT from the Company's deposit as described in above paragraph (the "Indemnity Amount") in the bank account specified by the Company within 15 days from the final determination date or the date of the payment notice when final determination date has already occurred prior to the payment notice, without any demur or protest and notwithstanding any dispute regarding the same or any portion thereof. The balance amount will be recovered by the Company from DoT as per the above TDSAT order.

Accordingly, based on the TDSAT order and agreements referred herein, the amount deposited with DoT has been considered good and recoverable in these special purpose financial statements.

(ii) During the year ended March 31, 2015, the Company had won the auction for 95.20 MHz spectrum in 15 service areas for an amount of ₹ 244,040 Mn in the auction conducted by the Government of India ('GOI'). The Company has opted for deferred payment option and accordingly, during the year ended March 31, 2016, paid an advance of ₹ 66,496 Mn with the balance amount of ₹ 177,544 Mn payable in 10 equal installments after a moratorium period of two years.

During the year ended March 31, 2016, Government of India issued Letters of Intent for earmarking the spectrum in all the 15 service areas. During the year ended March 31, 2016, the GOI has allotted 91.80 MHz of spectrum to the Company. Accordingly, the Company has recognised deferred payment liability of ₹ 166,574 Mn with respect to these spectrum.

The balance amount of ₹ 10,970 Mn (March 31, 2015 ₹ 244,040 Mn) attributable towards the spectrum not yet allotted to the Company, has been disclosed as part of capital commitments as of March 31, 2016.

(iii) During the year ended March 31, 2016, the Company has issued 4.375% Senior Unsecured USD 1,000 Mn (₹ 63,973 Mn approximately) Notes at the price of 99.304% that are due for repayment in March 2025. The said notes are listed on the Singapore Exchange.

(iv) During the year ended March 31, 2016, the Company has made an additional equity investment of ₹ 110,155 Mn (USD 1,685 Mn) in Bharti Airtel International (Mauritius) Limited.

(v) During the year ended March 31, 2016, the Company has made an additional equity investment of ₹ 1,060 Mn in Airtel M Commerce Services Limited.

(vi) During the year ended March 31, 2016, the Company has made an additional equity investment of ₹ 471 Mn in Bharti Airtel Lanka (Private) Limited by way of conversion of accrued interest on loan into equity.

(vii) During the year ended March 31, 2016, the Company has increased its equity investment in Indo Teleports Limited ("Teleports") formerly known as Bharti Teleports Limited from 49% to 95% for a consideration of ₹ 172 Mn, thereby acquiring control over Teleport.

(viii) During the year ended March 31, 2016, the Company has purchased 100% stake in Augere Wireless Broadband Private Limited. The consummation of the said transaction is subject to the approval from statutory authorities.

(ix) During the year ended March 31, 2016, the Company has entered into a definitive agreement with Videocon Telecommunications Limited (VTL) to acquire rights to use spectrum in the 1800 MHz band for six circles (viz. Bihar, Haryana, Madhya Pradesh, UP (East), UP (West) and Gujarat). The closing of the said transaction is subject to certain customary regulatory approvals and other closing conditions.

(x) Subsequent to the balance sheet date, the Company has entered into a definitive agreement with Aircel Limited and its subsidiaries Dishnet Wireless Limited and Aircel cellular Limited, to acquire rights to use spectrum in the 2300 MHz band for eight circles (viz. Tamil Nadu, Bihar, Jammu & Kashmir, West Bengal, Assam, North East, Andhra Pradesh and Orissa). The closing of the transaction is subject to certain customary regulatory approvals and other closing conditions.

(Note 37 of the annual standalone financial statements)

20. Loans and advances in the nature of loans along with maximum amount outstanding during the year as per Para A of Schedule V of Securities and Exchange

Notes to abridged financial statements

Board of India (Listing obligations and disclosure requirements) Regulations, 2015 are as follows:

(a) Loan and advance in the nature of loan given to Bharti Telemedia Limited at nil interest rate is ₹ 32,289 Mn (March 31, 2015 ₹ 33,395 Mn at nil interest rate).

(b) Loan and advance in the nature of loan given to Bharti Airtel Lanka (Private) Limited at nil interest rate is ₹ Nil (March 31, 2015 ₹ 11,047 Mn (LKR 25,916 Mn) at nil interest rate)

(c) Loan and advance in the nature of loan given to Bharti Airtel International (Netherlands) B.V at LIBOR + 1.25% interest rate is ₹ 34,820 Mn (USD 506 Mn) (March 31, 2015 ₹ 32,047 Mn (USD 506 Mn) at LIBOR + 1.25% interest rate).

(d) Loan and advance in the nature of loan given to Telesonic Networks Limited at SBI base rate is ₹ 220 Mn (March 31, 2015 ₹ 90 Mn at SBI base rate).

(e) Loan and advance in the nature of loan given to Bharti Teleports Limited at SBI base rate +1% interest rate is ₹ 488 Mn (March 31, 2015 ₹ 466 Mn at SBI base rate +1% interest rate).

(f) Loan and advance in the nature of loan given to Bharti International (Singapore) Pte Limited at LIBOR + 1.25% interest rate is ₹ 9,656 Mn (USD 140 Mn) (March 31, 2015 ₹ 8,887 Mn (USD 140 Mn) at LIBOR + 1.25% interest rate).

(g) Loan and advance in the nature of loan given to Nxtra Data Limited at nil interest rate is ₹ 2,480 Mn (March 31, 2015 ₹ 2,000 Mn at nil interest rate).

(h) Loan and advance in the nature of loan given to Bharti Airtel Services Limited at nil interest rate is ₹ 320 Mn (March 31, 2015 ₹ 635 Mn at nil interest rate).

(i) Loan and advance in the nature of loan given to Airtel Broadband Services Private Limited at nil interest rate is ₹ Nil (March 31, 2015 ₹ 5,390 Mn at nil interest rate).

(j) Loan and advance in the nature of loan given to Wynk Limited at nil interest rate is ₹ 40 Mn (March 31, 2015 ₹ Nil at nil interest rate).

(k) Loan and advance in the nature of loan given to Augere Wireless Broadband India Private Limited at 12% interest rate is ₹ 49 Mn (March 31, 2015 ₹ Nil at nil interest rate).

(l) Loan and advance in the nature of loan given to Firefly Networks Limited at 9.8% interest rate is ₹ 5 Mn (March 31, 2015 ₹ Nil at nil interest rate).

(m) Loan and advance in the nature of loan given to Bharti Airtel Employees Welfare Trust at nil interest rate is ₹ 516 Mn (March 31, 2015 ₹ 326 Mn at nil interest rate).

(Note 42 of the annual standalone financial statements)

21. Related Party Disclosures

In accordance with the requirements of Accounting Standard (AS) -18 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships are:

Name of the related party and related party relationship :

(i) Key Management Personnel

Sunil Bharti Mittal
Gopal Vittal

(ii) Other Related Parties

(a) Entities where control exist – Subsidiary/ Subsidiaries of subsidiary

Bharti Hexacom Limited
Bharti Airtel Services Limited
Bharti Telemedia Limited
Bharti Airtel (USA) Limited
Bharti Airtel Lanka (Private) Limited
Bharti Airtel (UK) Limited (subsidiary of Bharti Airtel Holdings (Singapore) Pte Ltd)
Bharti Airtel (Canada) Limited (dissolved on December 31, 2015)
Bharti Airtel (Hongkong) Limited
Bharti Infratel Limited ("BIL")
Bharti Infratel Services Limited (subsidiary of Bharti Infratel Limited) (under process of striking off)
Network i2i Limited
Bharti Airtel Holdings (Singapore) Pte Ltd
Bharti Infratel Lanka (Private) Limited (subsidiary of Bharti Airtel Lanka (Private) Limited) (under process of striking off)
Airtel M Commerce Services Limited
Airtel Broadband Services Private Limited (merged with Bharti Airtel Limited w.e.f. April 9, 2015).

Notes to abridged financial statements

Nxtra Data Limited
Bharti Airtel (Japan) Kabushiki Kaisha (subsidiary of Bharti Airtel Holdings (Singapore) Pte Ltd)
Bharti Airtel (France) SAS (subsidiary of Bharti Airtel Holdings (Singapore) Pte Ltd)
Bharti Airtel International (Mauritius) Limited
Bharti International (Singapore) Pte Ltd
Airtel Bangladesh Limited (subsidiary of Bharti Airtel Holdings (Singapore) Pte Ltd) (under Amalgamation)
Bharti Airtel International (Netherlands) B.V.
Bangladesh Infratel Networks Limited (subsidiary of Airtel Bangladesh Limited) (under Liquidation)
Telesonic Networks Limited
Wynk Limited
Indo Teleports Limited (formely known as Bharti Teleports Limited) (w.e.f August 27, 2015)
Smartx Service Limited (subsidiary of Bharti Infratel Limited)

Other subsidiaries of Bharti Airtel International (Netherlands) B.V. :

Africa Towers N.V.
Africa Towers Services Limited
Airtel (Ghana) Limited
Airtel (Seychelles) Limited
Airtel (SL) Limited
Airtel Burkina Faso S.A.
Airtel Congo S.A
Airtel DTH Services (SL) Limited (under liquidation)
Airtel DTH Services Congo (DRC) SARL. (Dissolved w.e.f March 2, 2016)
Airtel DTH Services Nigeria Limited (under liquidation)
Airtel Gabon S.A.
Airtel Madagascar S.A.
Airtel Malawi Limited#
Airtel Mobile Commerce (SL) Limited
Airtel Mobile Commerce B.V
Airtel Mobile Commerce Burkina Faso S.A.
Airtel Mobile Commerce (Ghana) Limited
Airtel Mobile Commerce Holdings B.V
Airtel Mobile Commerce Kenya Limited
Airtel Mobile Commerce Limited (Malawi)
Airtel Mobile Commerce Madagascar S.A.
Airtel Mobile Commerce Rwanda Limited
Airtel Mobile Commerce (Seychelles) Limited
Airtel Mobile Commerce (Tanzania) Limited
Airtel Mobile Commerce Tchad SARL
Airtel Mobile Commerce Uganda Limited
Airtel Mobile Commerce Zambia Limited
Airtel Money (RDC) S.A.
Airtel Money Niger S.A.
Airtel Money S.A. (Gabon)
Airtel Networks Kenya Limited
Airtel Networks Limited
Airtel Networks Zambia Plc
Airtel Rwanda Limited
Airtel Tanzania Limited
Airtel Tchad S.A.
Airtel Towers (Ghana) Limited
Airtel Towers (S.L.) Company Limited
Airtel Uganda Limited
Bharti Airtel Africa B.V.
Bharti Airtel Burkina Faso Holdings B.V.
Bharti Airtel Chad Holdings B.V.
Bharti Airtel Congo Holdings B.V.
Bharti Airtel Developers Forum Limited
Bharti Airtel DTH Holdings B.V.
Bharti Airtel Gabon Holdings B.V.
Bharti Airtel Ghana Holdings B.V.
Bharti Airtel Kenya B.V.
Bharti Airtel Kenya Holdings B.V.
Bharti Airtel Madagascar Holdings B.V.
Bharti Airtel Malawi Holdings B.V.
Bharti Airtel Mali Holdings B.V.
Bharti Airtel Niger Holdings B.V.
Bharti Airtel Nigeria B.V.
Bharti Airtel Nigeria Holdings B.V. (under liquidation)
Bharti Airtel Nigeria Holdings II B.V.
Bharti Airtel RDC Holdings B.V.
Bharti Airtel Services B.V.
Bharti Airtel Sierra Leone Holdings B.V.
Bharti Airtel Tanzania B.V.
Bharti Airtel Uganda Holdings B.V.
Bharti Airtel Zambia Holdings B.V.
Burkina Faso Towers S.A. (dissolved w.e.f February 24, 2016)
Celtel (Mauritius) Holdings Limited
Airtel Congo (RDC) S.A (formerly know as Celtel Congo (RDC) S.a.r.l.)
Celtel Niger S.A.
Channel Sea Management Company Mauritius Limited
Congo RDC Towers S.A.
Congo Towers S.A. (under dissolution)

Notes to abridged financial statements

Gabon Towers S.A. (under dissolution)
Indian Ocean Telecom Limited
Kenya Towers Limited (sold on September 23, 2015)
Madagascar Towers S.A.
Malawi Towers Limited
Mobile Commerce Congo S.A.
Montana International
MSI-Celtel Nigeria Limited (under liquidation)
Niger Towers S.A.(dissolved w.e.f. March 17, 2016)
Partnership Investments S.A.R.L
Société Malgache de Telephonie Cellulaire SA
Tanzania Towers Limited
Tchad Towers S.A.
Towers Support Nigeria Limited (under liquidation)
Uganda Towers Limited (sold on June 1, 2015)
Warid Congo S.A.(Merged with Airtel Congo SA on 16th October, 2015, dissolved on 05th November, 2015)
Warid Telecom Uganda Limited (under Amalgamation)
Zambian Towers Limited (sold on August 31, 2015)
Zap Trust Company Nigeria Limited (under liquidation)
Bharti Airtel Rwanda Holdings Ltd (formerly known as Zebrano (Mauritius) Limited)
Airtel Money Transfer Limited (Incorporated on July 20, 2015)

(b) Associates / Associate of Subsidiary

Tanzania Telecommunications Company Limited (Associate of Bharti Airtel Tanzania B.V.)
Seychelles Cable Systems Company Limited (Associate of Airtel (Seychelles) Limited)
Indo Teleports Limited (formely known as Bharti Teleports Limited) (uptill August 27, 2015)

(c) Joint Ventures / Joint Venture of Subsidiary

Forum I Aviation Limited (Joint Venture of Bharti Airtel Services Limited) (Ceased to be related party w.e.f January 7, 2016)
Indus Towers Limited (Joint Venture of Bharti Infratel Limited)
Bridge Mobile Pte Limited
FireFly Networks Limited

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

Bharti Foundation
Bharti Airtel Employees Welfare Trust
Hike Limited
Mobinteco Limited (Merged with Hike Limited w.e.f December 22, 2015)
Cedar Support Services Limited

(e) Entities having significant influence over the Company

Singapore Telecommunications Limited
Pastel Limited
Bharti Telecom Limited

(f) Group Companies**

Beetel Teletech Limited
Bharti Axa General Insurance Company Limited
Bharti Axa Life Insurance Company Limited
Bharti Realty Holdings Limited
Bharti Realty Limited
Bharti Retail Limited
Ignite World Private Limited (formerly known as BSB Portal Limited)
Hike Messenger Limited (formerly known as BSB Innovation India Limited)
Centum Learning Limited
Fieldfresh Foods Private Limited
Indian Continent Investment Limited
Jersey Airtel Limited
Mehrauli Realty and Consultants Limited
Nile Tech Limited
Y2CF Digital Media Limited
Bharti Enterprises Limited
Atrium Restaurants India Private Limited
Bharti Land Limited
Centrum Work skills India Limited
Augere Wireless Broadband India Private Limited (w.e.f. December 31, 2015)

** '**Group Companies**' though not 'Related Parties' as per the definition under AS 18, have been included by way of a voluntary disclosure, following the best corporate governance practices.

^ Refer note 19 above for details of new operations during the year.

Notes to abridged financial statements

The details of amounts due to or due from the related parties as of March 31, 2016 and March 31, 2015 are as follows:

(₹ Millions)

S. No.	Particulars	As of March 31, 2016	As of March 31, 2015
1	**Subsidiaries:**		
	Trade Receivables	1,301	1,954
	Loans & Advances (including accrued interest, wherever applicable)	66,731	80,783
	Security Deposit/Advances	2,580	2,537
	Trade Payables	(6,010)	(5,720)
	Total	**64,602**	**79,554**
2	**Associate:**		
	Trade Receivables	-	114
	Loans & Advances (including accrued interest, wherever applicable)	-	466
	Trade Payables	-	-
	Total	-	580
3	**Group Companies:**		
	Trade Receivables	178	96
	Loans & Advances (including accrued interest, wherever applicable)	51	-
	Security Deposit/Advances	894	901
	Trade Payables	(403)	(420)
	Total	**720**	**577**

(₹ Millions)

S. No.	Particulars	As of March 31, 2016	As of March 31, 2015
4	**Joint Venture/ Joint Venture of Subsidiary:**		
	Loans & Advances (including accrued interest, wherever applicable)	5	-
	Security Deposit/Advances	3,631	3,513
	Trade Payables	(8,115)	(7,740)
	Total	**(4,479)**	**(4,227)**
5	**Entity having significant influence over the Company:**		
	Security Deposit/Advances	-	-
	Trade Payables	(120)	(32)
	Total	**(120)**	**(32)**
6	**Entities where key management personnel & their relatives exercise significant influence:**		
	Trade Receivables	34	61
	Loans & Advances (including accrued interest, wherever applicable)	508	98
	Total	**542**	**159**

The details of related party transactions entered into by the Company for the year ended March 31, 2016 and March 31, 2015 are as follows:

(₹ Millions)

S. No.	Particulars	As of March 31, 2016	As of March 31, 2015
1	**Subsidiaries:**		
	Purchase of fixed assets/ bandwidth*	3,729	5,163
	Sale of fixed assets/ IRU given*	1,026	1,256
	Purchase of Investments/ Subscription to share capital	111,858	51,328
	Sale of Investments	3	-
	Rendering of services*	20,957	17,448
	Receiving of services*	46,759	40,722
	Fund transferred/Expenses incurred on behalf of others	2,351	2,677
	Fund received/Expenses incurred on behalf of the Company	88	257
	Employee related expenses incurred on behalf of others	203	269
	Employee related expenses incurred on behalf of the Company	81	102
	Security deposit given/Advances paid	50	34
	Advance received/Refund of Security deposit given	7	3
	Loans given	14,755	34,699
	Repayment of Loans given	26,503	8,493
	Interest charged by others	6	2
	Interest charged by the Company	707	482
	Dividend Income	9,470	13,700
	Reimbursement of energy expenses	12,456	13,972
	Guarantees and collaterals given on behalf of others (Including Performance guarantees)	799,179	858,157
	Total	**1,050,188**	**1,048,764**

(₹ Millions)

S. No.	Particulars	As of March 31, 2016	As of March 31, 2015
2	**Associate:**		
	Rendering of Services*	4	14
	Fund transferred/Expenses incurred on behalf of others	5	23
	Security deposit given/Advances paid	-	0
	Loans given	14	154
	Repayment of Loans given	14	-
	Interest charged by the Company	21	47
	Guarantees and collaterals given on behalf of others (Including Performance guarantees)	-	1
	Total	**58**	**239**
3	**Group Companies:**		
	Purchase of fixed assets/ bandwidth*	2,390	1,215
	Rendering of Services*	146	174
	Receiving of services*	2,738	2,349
	Fund transferred/Expenses incurred on behalf of others	-	2
	Fund received/Expenses incurred on behalf of the Company	23	711
	Employee related expenses incurred on behalf of others	42	-
	Employee related expenses incurred on behalf of the Company	97	130
	Security deposit given/Advances paid	23	6
	Advance received/Refund of Security deposit given	28	5

Notes to abridged financial statements

(₹ Millions)

S. No.	Particulars	As of March 31, 2016	As of March 31, 2015
	Loans given	40	-
	Interest charged by the Company	2	-
	Dividend Paid	590	912
	Total	**6,119**	**5,504**
4	**Joint Venture/ Joint Venture of Subsidiary:**		
	Purchase of Investments/ Subscription to share capital	-	10
	Sale of Investments	-	87
	Rendering of Services*	36	39
	Receiving of services*	36,815	33,374
	Fund transferred/Expenses incurred on behalf of others	-	1
	Fund received/Expenses incurred on behalf of the Company	25	48
	Employee related expenses incurred on behalf of others	14	-
	Security deposit given/Advances paid	117	68
	Advance received/Refund of Security deposit given	-	368
	Loans given	5	-
	Interest charged by the Company	-	-
	Reimbursement of energy expenses	21,988	21,958
	Total	**59,000**	**55,953**
5	**Entity having significant influence over the Company:**		
	Rendering of Services*	1,266	1,374
	Receiving of services*	210	314
	Security deposit given/Advances paid	-	1
	Advance received/Refund of Security deposit given	-	1
	Dividend Paid	5,199	8,022
	Total	**6,675**	**9,712**
6	**Subsidiaries:**		
	Interim Dividend for FY 2015-16	630	-
	Interim Dividend for FY 2014-15	-	6,750
	Final Dividend for FY 2014-15	8,840	-
	Final Dividend for FY 2013-14	-	6,950
	Total	**9,470**	**13,700**
7	**Key Management Personnel:**		
	Dividend Paid	0	0.2
	Remuneration^		
	Salaries and allowances	234	221
	Performance linked incentive ('PLI')#	94	99
	Perquisites	12	5
	Total	**340**	**325**
8	**Entities where key management personnel & their relatives exercise significant influence:**		
	Rendering of Services*	194	117
	Loans given	514	-
	Repayment of Loans given	104	228
	Dividend Paid	1	7
	Donation	524	411
	Total	**1,337**	**763**

*Inclusive of all applicable taxes.

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:

(₹ Millions)

S. No.	Particulars	As of March 31, 2016	As of March 31, 2015
1	**Subsidiaries:**		
	Trade Receivables		
	Bharti Hexacom Ltd.	184	406
	Airtel Broadband Services Pvt. Ltd.	-	684
	Bharti Airtel International (Netherlands) B.V.	362	132
	Loans & Advances (including accrued interest, wherever applicable)		
	Bharti Telemedia Ltd.	19,206	31,694
	Bharti International (Singapore) Pte Ltd.	9,621	8,949
	Bharti Airtel International (Netherlands) B.V.	34,607	32,189
	Security Deposit / Advances		
	Bharti Airtel (Services) Limited	729	729
	Bharti Infratel Ltd.	1,851	1,808
	Trade Payables		
	Bharti Infratel Ltd.	(2,873)	(2,803)
2	**Joint Venture / Joint Venture of Subsidiary:**		
	Security Deposit / Advances		
	Indus Towers Limited	3,630	3,513
	Trade Payables		
	Indus Towers Limited	(8,087)	(7,733)

The details of related party transactions entered into by the Company, for the year ended March 31, 2016 and March 31, 2015 are as follows:

(₹ Millions)

S. No.	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
1	**Subsidiaries:**		
	Purchase of fixed assets / bandwidth		
	Telesonic Networks Limited	3,536	3,483
	Sale of fixed assets / IRU given		
	Bharti Hexacom Ltd.	650	1,119
	Network i2i Limited	180	24
	Wynk Limited	162	-
	Purchase of Investments / Subscription to share capital *		
	Bharti Airtel Lanka Pvt. Ltd.	471	11,047
	Bharti Airtel International (Mauritius) Ltd.	110,155	39,931
	Sale of Investments		
	Bharti Airtel (Canada) Limited	3	-
	Rendering of Services		
	Bharti Hexacom Ltd.	8,244	9,092
	Bharti Airtel (UK) Ltd.	8,787	3,374
	Receiving of services		
	Bharti Infratel Ltd.	19,426	17,924
	Fund transferred / Expenses incurred on behalf of others		
	Bharti Hexacom Ltd.	1,347	1,129

Notes to abridged financial statements

(₹ Millions)

S. No.	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	Airtel Broadband Services Pvt. Ltd.*	-	524
	Bharti Telemedia Ltd.	569	583
	Fund received / Expenses incurred on behalf of the Company		
	Bharti Telemedia Ltd.	15	22
	Airtel M Commerce Services Limited	68	132
	Employee related expenses incurred on behalf of others		
	Bharti Hexacom Ltd.	15	37
	Bharti Airtel (Services) Limited	121	104
	Bharti Telemedia Ltd.	17	40
	Airtel M Commerce Services Limited	48	86
	Employee related expenses incurred on behalf of the Company		
	Bharti Hexacom Ltd.	6	25
	Bharti Airtel (Services) Limited	14	40
	Bharti Telemedia Ltd.	9	33
	Airtel M Commerce Services Limited	47	4
	Security deposit given / advances paid		
	Bharti Infratel Ltd.	50	34
	Advance received / Refund of Security deposit given		
	Bharti Infratel Ltd.	6	3
	Loans given		
	Bharti Telemedia Ltd.	13,592	5,820
	Bharti International (Singapore) Pte Ltd.	-	5,902
	Bharti Airtel International (Netherlands) B.V.	-	21,174
	Repayment of Loans given		
	Bharti Telemedia Ltd.	26,079	7,352
	Interest charged by others		
	Bharti Hexacom Ltd.	6	2
	Interest charged by the Company		
	Bharti International (Singapore) Pte Ltd.	146	119
	Bharti Airtel International (Netherlands) B.V.	528	351
	Dividend Income		
	Bharti Infratel Ltd.	8,840	13,350
	Reimbursement of energy expenses		
	Bharti Infratel Ltd.	12,456	13,972
	Guarantees and collaterals given on behalf of others (Including Performance guarantees)		
	Bharti Airtel International (Netherlands) B.V	780,802	814,413
2	**Group Companies:**		
	Purchase of fixed assets / bandwidth		
	Beetel Teletech Limited	2,390	1,162
	Fund received / Expenses incurred on behalf of the Company		
	Bharti Enterprises Limited	17	710
	Employee related expenses incurred on behalf of others		
	Bharti Enterprises Limited	40	-
	Employee related expenses incurred on behalf of the Company		
	Bharti Enterprises Limited	97	127
	Security deposit given/Advances paid		
	Nile Tech Ltd.	22	-
	Advance received/Refund of Security deposit given		
	Bharti Realty Limited	28	-
	Dividend Paid		
	Indian Continent Investment Ltd.	590	912
3	**Joint Venture / Joint Venture of Subsidiary:**		
	Sale of Investments		
	Bridge Mobile Pte Limited	-	87
	Receiving of services		
	Indus Towers Limited	36,765	33,348
	Fund received / Expenses incurred on behalf of the Company		
	Forum 1 Aviation Ltd	25	48
	Security deposit given/Advances paid		
	Indus Towers Limited	117	68
	Advance received / Refund of Security deposit given		
	Indus Towers Limited	-	368
	Reimbursement of energy expenses		
	Indus Towers Limited	21,988	21,958
4	**Entity where key management personnel & their relatives exercise significant influence:**		
	Donation		
	Bharti Foundation	524	411
5	**Entity having significant influence over the Company:**		
	Dividend Paid		
	Pastel Ltd.	1,313	2,028
	Bharti Telecom Ltd.	3,886	5,994
6	**Key Management Personnel:**		
	Remuneration#	340	325

^ Excludes an amount of ₹ 57 Mn (March 31, 2015 ₹ 35 Mn) towards expenses recognised in statement of profit and loss during the year ended March 31, 2016 with respect to stock options granted.

Value of PLI considered above represents incentive at 100% performance level. However, same will be paid on the basis of actual performance parameters in next year.

* Inclusive of all applicable taxes.

(Note 48 of the annual standalone financial statements)

22. Forward Contracts & Derivative Instruments and Unhedged Foreign Currency Exposure

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Company uses

Notes to abridged financial statements

derivative financial instruments such as foreign exchange contracts, option contracts and interest rate swaps to manage its exposures to foreign exchange fluctuations and changes in interest rate.

The following table details the status of the Company's exposure:

(₹ Millions)

S. No.	Particulars	Notional Value (March 31, 2016)	Notional Value (March 31, 2015)
A	**For Loan related exposures ***		
	a) Forwards	1,655	7,023
	b) Options	20,802	19,115
	Total	**22,457**	**26,138**
B	**For Trade related exposures ***		
	a) Forwards	15,537	9,326
	b) Options	13,317	3,818
	Total	**28,854**	**13,144**
C	**Unhedged foreign currency borrowing**	88,560	26,075
D	**Unhedged foreign currency payables**	17,055	33,468
E	**Unhedged foreign currency receivables**	45,742	43,104

* All derivatives are taken for hedging purposes only and trade related exposure includes hedges taken for forecasted receivables.

The Company has accounted for derivatives, which are covered under the Announcement issued by the ICAI, on marked-to-market basis and has recorded reversal of loss ₹ 133 Mn (including reversal of loss of ₹ 125 Mn towards embedded derivatives) for the year ended March 31, 2016 [recorded reversal of loss of ₹ 258 Mn (including reversal of loss of ₹ 196 Mn towards embedded derivatives) for the year ended March 31, 2015].

(Note 50 of the annual standalone financial statements)

23. a) The Board of Directors, in its meeting held on April 28, 2015, proposed a final dividend of ₹ 2.22 per equity share of ₹ 5.00 each (44.4% of face value) for financial year 2014-15 which was duly approved by the shareholders of the Company in the Annual General Meeting held on August 21, 2015.

b) During the year ended March 31, 2015, on August 13, 2014, the Board of Directors declared an interim dividend for ₹ 1.63 per equity share of ₹ 5.00 each (32.6% of face value)

(Note 51 of the annual standalone financial statements)

24. Details of Debt Covenant w.r.t. the Company's 3G/BWA Borrowings

The loan agreements with respect to 3G/BWA borrowings contains a negative pledge covenant that prevents the Company to create or allow to exit any security interest on any of its assets without prior written consent of the lenders except in certain agreed circumstances.

(Note 53 of the annual standalone financial statements)

25. The Company (M/s J T Mobiles Limited subsequently merged with the Company) was awarded license by DoT to operate cellular services in the state of Punjab in December 1995. On April 18, 1996, the Company obtained the permission from DoT to operate the Punjab license through its wholly owned subsidiary, Evergrowth Telecom Limited (ETL). In December 1996, DoT raised argument that the permission dated April 18, 1996 has not become effective and cancelled the permission to operate, which was subsequently reinstated on March 10, 1998 (the period from April 18, 1996 to March 10, 1998 has been hereinafter referred to as 'blackout period'). On July 15, 1999, license was terminated due to alleged non-payment of license fees, liquidated damages and related penal interest relating to blackout period.

In September 2001, in response to the demand raised by DoT, the Company had paid ₹ 4,856 Mn to DoT under protest subject to resolution of the dispute through arbitration. Consequently, the license was restored and an arbitrator was appointed for settlement of the dispute. Arbitrator awarded an unfavourable order, which was challenged by the Company before Hon'ble Delhi High Court.

On September 14, 2012, Hon'ble Delhi High court passed an order setting aside the award passed by the arbitrator. DoT in the meanwhile has preferred an Appeal, including condonation of delay in filing of appeal, which is presently pending before the Division Bench of the Delhi High Court. The Appeal of DoT on the issue of condonation of delay was allowed on July 16, 2013. However, the Company on October 30, 2013 has filed the writ Petition for recovery of License fee in Delhi High Court, notice issued by HC and listed for hearing on May 12, 2015.

(Note 54 of the annual standalone financial statements)

26. Previous year figures have been regrouped / reclassified where necessary to conform to current year's classification.

(Note 55 of the annual standalone financial statements)

27. The complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements with the accounting standards notified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs are available at the Company's website http://www.airtel.in.

Report of the Independent Auditor on the abridged consolidated financial statements

To the Board of Directors of Bharti Airtel Limited

The accompanying abridged consolidated financial statements, which comprise the abridged consolidated balance sheet as at March 31, 2016, the abridged consolidated statement of profit and loss and abridged consolidated cash flow statement for the year then ended, and related notes, are derived from the audited IGAAP consolidated financial statements of Bharti Airtel Limited ('the Company') and its subsidiaries (together referred to as 'the Group') as at and for the year ended March 31, 2016. We expressed an unqualified audit opinion on those consolidated financial statements in our report dated April 27, 2016 but had included an Emphasis of Matter therein.

The abridged consolidated financial statements do not contain all the disclosures required by the accounting principles generally accepted in India (Indian GAAP), including the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014, issued by Ministry of Corporate Affairs. Reading the abridged consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Group.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation of a summary of the audited consolidated financial statements in accordance with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 issued by Ministry of Corporate Affairs and accounting principles generally accepted in India.

Auditor's Responsibility

Our responsibility is to express an opinion on the abridged consolidated financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion, the abridged consolidated financial statements derived from the audited Indian GAAP consolidated financial statements of the Group as at and for the year ended March 31, 2016 are a fair summary of those consolidated financial statements, in accordance with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and accounting principles generally accepted in India.

Emphasis of Matter

We draw attention to Note 13(ii)(f)(vi) to the abridged consolidated financial statements, which describes the uncertainties related to the legal outcome of the Department of Telecommunications' demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter.

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

per Nilangshu Katriar
Partner
Membership Number: 58814

Place: Gurgaon
Date: April 27, 2016

Independent Auditor's Report

To the Members of Bharti Airtel Limited

Report on the Consolidated IGAAP Financial Statements

We have audited the accompanying consolidated IGAAP financial statements of Bharti Airtel Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (together referred to as "the Group") its associates and joint controlled entities, comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory notes ('the consolidated IGAAP financial statements').

Management's Responsibility for the Consolidated IGAAP Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated IGAAP financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 . The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated IGAAP financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated IGAAP financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated IGAAP financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated IGAAP financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated IGAAP financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated IGAAP financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated IGAAP financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated IGAAP financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated IGAAP financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated IGAAP financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2016, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 27(ii)(f)(vi) to the consolidated IGAAP financial statements which, describes the uncertainties related to the legal outcome of Department of Telecommunications' demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

Independent Auditor's Report

(a) We / the other auditors whose report we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated IGAAP financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid consolidated IGAAP financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group's companies, its associates and jointly controlled companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India, refer to our separate report in "Annexure 1" to this report;

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

i. The consolidated IGAAP financial statements disclose the impact of pending litigations on consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note 45(b) to the consolidated IGAAP financial statements;

ii. Provision has been made in the consolidated IGAAP financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 44 to the consolidated IGAAP financial statements in respect of such items as it relates to the Group, its associates and jointly controlled entities and (b) the Group's share of net profit in respect of its associates;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and jointly controlled companies incorporated in India.

Other Matter

(a) The accompanying consolidated IGAAP financial statements include total assets of ₹ 108,386 Mn as at March 31, 2016, and total revenues and net cash outflows of ₹ 68,016 and ₹ 92 Mn for the year ended on that date before elimination of inter-company transactions between the Group and the jointly controlled entity on consolidation, which has been audited by other auditors, whose financial statements, other financial information and auditor's report has been furnished to us by the management. Our opinion on the consolidated IGAAP financial statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entity and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entity is based solely on the report of such other auditor.

Our opinion on the consolidated IGAAP financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor.

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

per Nilangshu Katriar
Partner
Membership Number: 58814

Place: Gurgaon
Date: April 27, 2016

Independent Auditor's Report

Annexure 1 To The Independent Auditor's Report of Even Date on The Consolidated Financial Statements of Bharti Airtel Limited

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

To the Members of Bharti Airtel Limited

In conjunction with our audit of the consolidated IGAAP financial statements of Bharti Airtel Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of the Company and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Independent Auditor's Report

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company, insofar as it relates to the jointly controlled company which is a company incorporated in India, is based on the corresponding report of the auditors of such jointly controlled company incorporated in India.

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

per Nilangshu Katriar
Partner
Membership Number: 58814

Place: Gurgaon
Date: April 27, 2016

Abridged Consolidated Balance Sheet

(Statement containing salient features of Balance Sheet as per first proviso to Sub-section (1) of Section 136 of the Companies Act, 2013 and Rule 10 of Companies (Accounts) Rules, 2014)

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Equity and Liabilities		
Shareholders' Funds		
Paid-up share capital	19,987	19,987
Reserves and surplus		
(i) Capital reserve	1,513	1,513
(ii) Securities premium reserve	108,241	107,967
(iii) Revaluation reserve	21	21
(iv) Employee stock options outstanding	764	1,343
(v) Reserve for business restructuring	19,313	19,728
(vi) General reserve	82,246	82,176
(vii) Surplus in the statement of profit and Loss	289,612	251,589
(viii) Foreign Currency Translation Reserve	(98,721)	(86,554)
Minority Interest	74,465	68,906
Non-Current Liabilities		
Long-term borrowings	897,745	611,161
Deferred tax liabilities (Net)	46,028	25,598
Other long term liabilities	45,340	43,919
Long term provisions	18,598	17,970
Current Liabilities		
Short-term borrowings	57,238	88,138
Trade payables		
-total outstanding dues of micro enterprises and small enterprises	34	72
-total outstanding dues of creditors other than micro enterprises and small enterprises	174,683	160,702
Other current liabilities	349,766	389,752
Short term provisions	12,565	20,360
Total	**2,099,438**	**1,824,348**
Assets		
Non-Current Assets		
Fixed Assets		
Tangible assets	732,172	690,512
Intangible assets	887,780	552,274
Capital work-in-progress	48,522	49,553
Intangible assets under development	9,725	124,595
Non current investments	24,325	27,434
Deferred tax assets (Net)	7,643	4,958
Long- term loans and advances	109,745	99,262
Other non-current assets	71,461	56,616
Current Assets		
Current investments	14,851	80,086
Inventories	1,691	1,339
Trade receivables	58,681	52,072
Cash and bank balances	51,388	20,831
Short-term loans and advances	65,485	44,535
Other current assets	15,969	20,281
Total	**2,099,438**	**1,824,348**

The accompanying notes form an integral part of these abridged consolidated financial statements.

As per our report of even date

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

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 27, 2016

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

Sunil Bharti Mittal
Chairman

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

Rajendra Chopra
Company Secretary

Nilanjan Roy
Global Chief Financial Officer

Abridged Consolidated Statement of Profit and Loss

(Statement containing salient features of Statement of Profit and Loss as per first proviso to Sub-section (1) of Section 136 of the Companies Act, 2013 and Rule 10 of Companies (Accounts) Rules, 2014)

(₹ Millions, except per share data and as stated otherwise)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Income		
Revenue from operations	1,009,373	961,007
Other income	11,098	20,958
Total Income	**1,020,471**	**981,965**
Expenses		
Access charges	109,423	112,759
License fee and spectrum charges (revenue share)	95,952	89,060
Cost of goods sold	6,291	2,796
Employee benefits expenses	51,003	48,570
Power and fuel	82,474	84,398
Rent	65,899	55,409
Charity and donation	1,390	1,422
Other expenses	229,906	230,573
Total Expenses	**642,338**	**624,987**
Profit before finance costs, depreciation, amortisation, exceptional items and tax	**378,133**	**356,978**
Finance costs	87,018	44,465
Depreciation and amortisation expense	213,674	198,583
Profit before exceptional items and tax	**77,441**	**113,930**
Exceptional items	(29,236)	8,532
Profit before Tax	**106,677**	**105,398**
Tax Expense (including tax on exceptional items)		
Current tax	50,908	59,488
MAT credit	(17,641)	(7,790)
Deferred tax	19,105	3,169
Profit after tax	**54,305**	**50,531**
Share of loss of associates	-	(53)
Profit attributable to minority interest	9,739	4,270
Profit attributable to equity shareholders	**44,566**	**46,208**
Earnings per share (equity shares of par value ₹ 5 each)		
Basic and Diluted (In ₹)	**11.15**	**11.56**

The accompanying notes form an integral part of these abridged consolidated financial statements.

As per our report of even date

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

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 27, 2016

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

Sunil Bharti Mittal
Chairman

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

Rajendra Chopra
Company Secretary

Nilanjan Roy
Global Chief Financial Officer

Abridged Consolidated Cash Flow Statement

(₹ Millions)

Particulars		For the year ended March 31, 2016	For the year ended March 31, 2015
A.	Cash flows from operating activities	302,184	280,590
B.	Cash flows used in investing activities	(153,964)	(223,054)
C.	Cash flows used in financing activities	(124,699)	(96,724)
	Net increase/ (decrease) in cash and cash equivalents	23,521	(39,188)
	Effect of exchange rate changes on cash and cash equivalents	1,342	43
	Cash and cash equivalents at the beginning of the year	11,975	51,120
	Cash and cash equivalents at the end of the year	**36,838**	**11,975**

Notes :
1 Figures in brackets indicate cash out flow.
2 The above cash flow statement has been prepared under the indirect method setout in AS-3 'Cash Flow Statements' notified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs.
3 Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

The accompanying notes form an integral part of these abridged consolidated financial statements.

As per our report of even date

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

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 27, 2016

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

Sunil Bharti Mittal
Chairman

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

Rajendra Chopra
Company Secretary

Nilanjan Roy
Global Chief Financial Officer

Notes to abridged consolidated financial statements

1. Corporate Information

Bharti Airtel Limited ("Bharti Airtel" or "the Company" or "the Parent") is domiciled and incorporated in India and its shares are publicly traded on the National Stock Exchange ("NSE") and the Bombay Stock Exchange ("BSE"), India. The Registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

Bharti Airtel together with its subsidiaries is hereinafter referred to as "the Group". The Group is a leading telecommunication service provider in India and also has strong presence in Africa and South Asia.

The principal activities of the Group, its joint ventures and associates consist of provision of telecommunication systems and services, tower infrastructure services and direct to home digital TV services. The principal activities of the subsidiaries, joint ventures and associates are disclosed in Note 3.

(Note 1 of the annual consolidated financial statements)

2. Basis of Preparation

The abridged consolidated financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India ('Indian GAAP'). The abridged consolidated financial statements have been prepared to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs. The said abridged consolidated financial statements have been prepared under the historical cost convention and on an accrual basis of accounting. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year. The contents of the abridged financial statements are in accordance with the requirements of Clause 36 of Securities and Exchange Board of India (Listing obligations and disclosure requirements) Regulation, 2015 and Rule 10 of the Companies (Accounts) Rules, 2014.

These abridged consolidated financial statements are presented in Indian Rupees ('Rupees' or '₹') and all amount are rounded to the nearest million ('Mn'), except as stated otherwise.

(Note 2 of the annual consolidated financial statements)

3. Principles of Consolidation

I. The abridged consolidated financial statements have been prepared on the following basis:

a. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealised profits. Unrealised losses resulting from intra-group transactions are eliminated unless cost cannot be recovered.

b. The net assets and net income attributable to minority shareholders are shown separately in the Balance Sheet and Statement of profit and loss respectively. The losses applicable to the minority in excess of the minority interest in the net assets of a subsidiary are adjusted against the majority interest. If the subsidiary subsequently reports profit, all such profits are allocated to the majority interest until the minority share of losses previously absorbed by the majority has been recovered.

c. Gain / Loss arising on acquisition or dilution of equity in a subsidiary company is accounted in 'General Reserve', a component of 'Reserves and Surplus'.

d. The financial statements of Joint Ventures have been combined by applying proportionate consolidation method on a line-by-line basis on items of assets, liabilities, income and expenses after eliminating proportionate share of unrealised profit or losses.

e. The Group's interests in Associates are accounted for using equity method, whereby the share of profit / loss of the associate company (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investment.

(Note 3.I of the annual consolidated financial statements)

Notes to abridged consolidated financial statements

II. The subsidiaries, joint ventures and associates considered in the abridged consolidated financial statement of the group are as under:

A. Details of Subsidiaries:

S. no	Name of Entity	Country of Incorporation	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group	
			As of March 31, 2016 %	As of March 31, 2015 %
1	Airtel Bangladesh Limited	Bangladesh	100	100
2	Airtel M Commerce Services Limited	India	80.10	100
3	Bangladesh Infratel Networks Limited#	Bangladesh	100	100
4	Bharti Airtel (Canada) Limited##	Canada	-	100
5	Bharti Airtel (France) SAS	France	100	100
6	Bharti Airtel (Hongkong) Limited	Hongkong	100	100
7	Bharti Airtel (Japan) Kabushiki Kaisha	Japan	100	100
8	Bharti Airtel Services Limited	India	100	100
9	Bharti Airtel (UK) Limited	United Kingdom	100	100
10	Bharti Airtel (USA) Limited	United States of America	100	100
11	Bharti Airtel Holdings (Singapore) Pte Ltd	Singapore	100	100
12	Bharti Airtel International (Mauritius) Limited	Mauritius	100	100
13	Bharti Airtel International (Netherlands) B.V.	Netherlands	100	100
14	Bharti Airtel Lanka (Private) Limited	Sri Lanka	100	100
15	Bharti Hexacom Limited	India	70	70
16	Indo Teleports Limited (formerly known as Bharti Teleports Limited) @	India	95	-
17	Bharti Infratel Lanka (Private) Limited#	Sri Lanka	100	100
18	Bharti Infratel Limited	India	71.76	71.88
19	Bharti Infratel Services Limited*#	India	71.76	71.88
20	Smartx Services Limited (subsidiary w.e.f. September 21, 2015)*	India	71.76	-
21	Bharti International (Singapore) Pte. Ltd	Singapore	100	100
22	Bharti Telemedia Limited	India	95	95
23	Network i2i Limited	Mauritius	100	100
24	Telesonic Networks Limited	India	100	100
25	Airtel Broadband Services Private Limited (merged with Bharti Airtel Limited w.e.f. April 9, 2015)	India	-	100
26	Nxtra Data Limited	India	100	100
27	Wynk Limited	India	100	100
28	Africa Towers N.V.	Netherlands	100	100
29	Africa Towers Services Limited	Kenya	100	100
30	Airtel Ghana Limited^	Ghana	75	75
31	Airtel (Seychelles) Limited	Seychelles	100	100
32	Airtel (SL) Limited	Sierra Leone	100	100
33	Airtel Burkina Faso S.A.	Burkina Faso	100	100
34	Airtel Congo S.A.	Congo Brazzavile	90	90
35	Airtel DTH Services (SL) Limited^^	Sierra Leone	100	100
36	Airtel DTH Services Congo (RDC) S.p.r.l.##	Democratic Republic of Congo	-	100

Notes to abridged consolidated financial statements

S. no	Name of Entity	Country of Incorporation	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group	
			As of March 31, 2016 %	As of March 31, 2015 %
37	Airtel DTH Services Nigeria Limited#	Nigeria	100	100
38	Airtel Gabon S.A.	Gabon	90	90
39	Airtel Madagascar S.A.	Madagascar	100	100
40	Airtel Malawi Limited	Malawi	100	100
41	Airtel Mobile Commerce (SL) Limited	Sierra Leone	100	100
42	Airtel Mobile Commerce B.V.	Netherlands	100	100
43	Airtel Mobile Commerce Burkina Faso S.A.	Burkina Faso	100	100
44	Airtel Mobile Commerce (Ghana) Limited	Ghana	75	100
45	Airtel Mobile Commerce Holdings B.V.	Netherlands	100	100
46	Airtel Mobile Commerce (Kenya) Limited	Kenya	100	100
47	Airtel Mobile Commerce Limited	Malawi	100	100
48	Airtel Mobile Commerce Madagascar S.A.	Madagascar	100	100
49	Airtel Mobile Commerce Rwanda Limited	Rwanda	100	100
50	Airtel Mobile Commerce (Seychelles) Limited	Seychelles	100	100
51	Airtel Mobile Commerce (Tanzania) Limited	Tanzania	100	100
52	Airtel Mobile Commerce Tchad S.a.r.l.	Chad	100	100
53	Airtel Mobile Commerce Uganda Limited	Uganda	100	100
54	Airtel Mobile Commerce Zambia Limited	Zambia	100	100
55	Airtel Money (RDC) S.A.	Democratic Republic of Congo	100	100
56	Airtel Money Niger S.A.	Niger	90	100
57	Airtel Money S.A. (Gabon)	Gabon	100	100
58	Airtel Networks Kenya Limited^	Kenya	100	100
59	Airtel Networks Limited	Nigeria	79.059	79.059
60	Airtel Networks Zambia Plc	Zambia	96.36	96.36
61	Airtel Rwanda Limited	Rwanda	100	100
62	Airtel Tanzania Limited	Tanzania	60	60
63	Airtel Tchad S.A.	Chad	100	100
64	Airtel Towers (Ghana) Limited	Ghana	75	75
65	Airtel Towers (SL) Company Limited	Sierra Leone	100	100
66	Airtel Uganda Limited^	Uganda	100	100
67	Bharti Airtel Africa B.V.	Netherlands	100	100
68	Bharti Airtel Burkina Faso Holdings B.V.	Netherlands	100	100
69	Bharti Airtel Chad Holdings B.V.	Netherlands	100	100
70	Bharti Airtel Congo Holdings B.V.	Netherlands	100	100
71	Bharti Airtel Developers Forum Limited	Zambia	96.36	100
72	Bharti Airtel DTH Holdings B.V.	Netherlands	100	100
73	Bharti Airtel Gabon Holdings B.V.	Netherlands	100	100
74	Bharti Airtel Ghana Holdings B.V.	Netherlands	100	100

Notes to abridged consolidated financial statements

S. no	Name of Entity	Country of Incorporation	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group	
			As of March 31, 2016 %	As of March 31, 2015 %
75	Bharti Airtel Kenya B.V.	Netherlands	100	100
76	Bharti Airtel Kenya Holdings B.V.	Netherlands	100	100
77	Bharti Airtel Madagascar Holdings B.V.	Netherlands	100	100
78	Bharti Airtel Malawi Holdings B.V.	Netherlands	100	100
79	Bharti Airtel Mali Holdings B.V.	Netherlands	100	100
80	Bharti Airtel Niger Holdings B.V.	Netherlands	100	100
81	Bharti Airtel Nigeria B.V.	Netherlands	100	100
82	Bharti Airtel Nigeria Holdings B.V.#	Netherlands	100	100
83	Bharti Airtel Nigeria Holdings II B.V.	Netherlands	100	100
84	Bharti Airtel RDC Holdings B.V.	Netherlands	100	100
85	Bharti Airtel Services B.V.	Netherlands	100	100
86	Bharti Airtel Sierra Leone Holdings B.V.	Netherlands	100	100
87	Bharti Airtel Tanzania B.V.	Netherlands	100	100
88	Bharti Airtel Uganda Holdings B.V.	Netherlands	100	100
89	Bharti Airtel Zambia Holdings B.V.	Netherlands	100	100
90	Burkina Faso Towers S.A.##	Burkina Faso	-	100
91	Celtel (Mauritius) Holdings Limited	Mauritius	100	100
92	Airtel Congo (RDC) S.A. (formerly known as Celtel Congo (RDC) S.a.r.l.)	Democratic Republic of Congo	98.5	98.5
93	Celtel Niger S.A.	Niger	90	90
94	Channel Sea Management Company (Mauritius) Limited	Mauritius	100	100
95	Congo RDC Towers S.A.	Democratic Republic of Congo	100	100
96	Congo Towers S.A.^^	Congo Brazzavile	90	90
97	Gabon Towers S.A.#	Gabon	90	90
98	Indian Ocean Telecom Limited	Jersey	100	100
99	Kenya Towers Limited	Kenya	-	100
100	Madagascar Towers S.A.	Madagascar	100	100
101	Malawi Towers Limited	Malawi	100	100
102	Mobile Commerce Congo S.A.	Congo Brazzavile	100	100
103	Montana International	Mauritius	100	100
104	MSI-Celtel Nigeria Limited#	Nigeria	100	100
105	Niger Towers S.A.##	Niger	-	90
106	Partnership Investments S.a.r.l.	Democratic Republic of Congo	100	100
107	Société Malgache de Téléphone Cellulaire S.A.	Mauritius	100	100
108	Tanzania Towers Limited	Tanzania	60	60
109	Tchad Towers S.A.	Chad	100	100
110	Towers Support Nigeria Limited#	Nigeria	79.059	79.059

Notes to abridged consolidated financial statements

S. no	Name of Entity	Country of Incorporation	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group	
			As of March 31, 2016 %	As of March 31, 2015 %
111	Uganda Towers Limited	Uganda	-	100
112	Warid Telecom Uganda Limited (in process of Amalgamation with Airtel Uganda Limited)	Uganda	100	100
113	Warid Congo S.A. (Merged with Airtel Congo S.A. w.e.f. November 9, 2015)	Congo Brazzavile	-	90
114	Zambian Towers Limited	Zambia	-	96.36
115	Zap Trust Company Nigeria Limited#	Nigeria	100	100
116	Airtel Money Transfer Limited (subsidiary w.e.f. July 20, 2015)	Kenya	100	-
117	Bharti Airtel Rwanda Holdings Limited (formerly known as Zebrano (Mauritius) Limited)	Mauritius	100	100

@ The Group has acquired additional 46% stake in the company and therefore became subsidiary w.e.f. from August 27, 2015.
^ The Group also holds 100% preference shareholding in these companies. The preference shares does not carry any voting rights.
^^ Dissolved subsequent to the balance sheet date on April 1, 2016.
# Under Liquidation.
Dissolved during the year ended March 31, 2016.
Note : Augere Wireless Broadband Private Limited has not been considered as a subsidiary. (Refer note 18 (e)).

B. Details of Joint ventures:

S.no	Name of Entity	Country of Incorporation	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group	
			As of March 31, 2016 %	As of March 31, 2015 %
1	Indus Towers Limited*	India	30.14	30.19
2	Bridge Mobile Pte Limited	Singapore	10	10
3	Forum I Aviation Ltd	India	-	16.67
4	FireFly Networks Limited	India	50	50

* Bharti Infratel Limited ("BIL"), in which the Group has 71.76% equity interest (71.88% as of March 31, 2015), owns 100% of Bharti Infratel Services Limited, 100% of Smartx Services Limited and 42% of Indus Towers Limited (100% of Bharti Infratel Services Limited and 42% of Indus Towers Limited as of March 31, 2015).

C. Details of Associates:

S.no	Name of Entity	Country of Incorporation	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group	
			As of March 31, 2016 %	As of March 31, 2015 %
1	Indo Teleports Limited (formerly known as Bharti Teleports Limited) @	India	-	49
2	Tanzania Telecommunications Company Limited	Tanzania	35	35
3	Seychelles Cable Systems Company Limited	Seychelles	26	26

@ The Group has acquired additional 46% stake in the company and therefore became subsidiary w.e.f. from August 27, 2015.

(Note 3.II of the annual consolidated financial statements)

Notes to abridged consolidated financial statements

4. Summary of Significant Accounting Policies

The significant accounting policies used in preparing the annual consolidated financial statements are set out in note 4 of the notes to the annual consolidated financial statements.

a) Tangible Assets

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.

(Note 4.2 of the annual consolidated financial statements)

b) 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.

(Note 4.22 of the annual consolidated financial statements)

5. Information About Business Segments - Primary

Segment Definitions:

The Group's businesses are organised and managed separately according to the nature of products and services provided and geographies in which services are provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The reporting segments of the Group are as below:

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

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

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

Telemedia Services: These services cover voice and data communications based on fixed network and broadband technology.

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

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

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

Others: These include administrative and support services provided to other segments.

Unallocated: Unallocated includes other income, profits/(losses), assets and liabilities (including inter-segment assets and liabilities) of corporate headquarters of the Group and other activities not allocated to the primary business segments. These also include current tax (net of provisions of tax), deferred tax assets / liabilities, MAT credit and borrowings not allocated to the primary business segments.

(Note 5 of the annual consolidated financial statements)

Summary of the Segmental Information for the year ended and as of March 31, 2016 and March, 31, 2015

(₹ Millions)

Particulars	Mobile Services India	Mobile Services South Asia	Mobile Services Africa	Telemedia Services	Airtel Business	Digital TV Services	Tower Infrastructure Services	Others	Unallocated	Eliminations	Consolidated
31 March, 2016											
Segment Revenue	560,879	16,454	251,332	47,637	78,155	29,178	123,084	3,038	-	(100,384)	1,009,373
Segment Result- Profit/ (Loss)*	127,241	(6,677)	(21,133)	12,464	11,912	1,840	32,981	(27)	(2,588)	(310)	155.703
Segment Capital Employed	861,646	7,567	329,175	64,694	90,126	(24,227)	208,070	(183)	(1,046,176)	6,749	497,441
31 March, 2015											
Segment Revenue	519,793	15,759	269,070	44,325	67,423	24,759	116,683	2,910	-	(99,715)	961,007
Segment Result- Profit/ (Loss)*	124,243	(6,652)	(12,265)	8,827	7,632	(1,576)	30,977	30	(6,498)	1,438	146,156
Segment Capital Employed	812,217	11,272	346,538	54,751	79,010	(35,544)	203,815	(339)	(1,017,455)	12,411	466,676

* Segment result excludes finance income of ₹ 8,756 Mn (March 31, 2015 - ₹ 12,239 Mn), which is netted off from finance costs for the purpose of segment reporting.

Notes:

1. The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the abridged consolidated financial statements of the Group as a whole.
2. Segment results represent profit/(loss) before finance costs (net of finance income), exceptional items and tax.
3. Capital expenditure represents gross additions, capital work-in-progress and capital advance given for acquiring tangible and intangible assets during the year.
4. Inter segment revenue is accounted for on terms established by the management on arm's length basis. These transactions have been eliminated at the Group level.

(Note 5 of the annual consolidated financial statements)

Notes to abridged consolidated financial statements

6. Borrowings

6.1 The Company issued senior unsecured notes (Non-convertible bonds or Notes) during the year ended March 31, 2016 and Bharti Airtel International (Netherlands) B.V., a subsidiary of the Company, issued senior unsecured guaranteed notes (Non-convertible bonds or Notes) during the year ended March 31, 2015. The Notes issued by Bharti Airtel International (Netherlands) B.V. are guaranteed by the Company.

During the year ended March 31, 2016:

	Issue price	Due in	Listed on stock exchange
4.375% USD 1,000 Mn (₹ 63,973 Mn)	99.304%	2025	Singapore

During the year ended March 31, 2015:

	Issue price	Due in	Listed on stock exchange
5.35% USD 1,000 Mn (₹ 58,746 Mn)	99.916%	2024	Singapore / Frankfurt
3.375% Euro 750 Mn (₹ 60,395 Mn)	99.248%	2021	Singapore / Frankfurt

(Note 8 (e) of the annual consolidated financial statements)

6.2 Considering the utilisation plan of the expected sale consideration receivable from the highly probable forecasted transaction relating to the sale of telecom towers (Refer Note 16), the Group had reclassified ₹ 80,190 Mn, from "Long-term borrowings" to "Short-term borrowings and current portion of long-term borrowings" during the year ended March 31, 2015.

(Note 8 (f) of the annual consolidated financial statements)

6.3 Long term borrowings includes deferred payment liabilities towards spectrum of ₹ 341,424 Mn (March 31, 2015 ₹ 143,167 Mn) (Refer Note 18 (a)).

(Note 8 (a) of the annual consolidated financial statements)

7. MAT Credit

a. MAT credit includes credit of ₹ 762 Mn (March 31, 2015 – ₹ 364 Mn), current tax includes expense of ₹ 881 Mn (March 31, 2015- expense of ₹ 446 Mn) and deferred tax includes income of ₹ 10,507 Mn (March 31, 2015 – income of ₹ 3,475 Mn) relating to earlier years.

b. During the year ended March 31, 2015, the Group had recognised additional tax charge of ₹ 599 Mn on account of change in tax rates.

(Note 9 (ii) of the annual consolidated financial statements)

8. Asset held for Sale

The Group decided to sell and lease back a dedicated portion of towers under long term lease contracts, considered as finance lease, in Nigeria, Zambia, Rwanda, Burkina Faso, Ghana, Kenya, Niger, Uganda, Congo Brazzavile and Tanzania. Accordingly, on the basis of approval by the respective Board of Directors, the Group has classified the assets and associated liabilities (collectively referred to as "disposal group") that are part of the sale and will not be leased back as held for sale. The completion of the transactions is subject to certain customary closing conditions and is expected to be completed within a period of one year from the date of classification as held for sale.

"Plant and machinery" includes gross block of asset held for sale ₹ 11,460 Mn and ₹ 63,904 Mn as of March 31, 2016 and March 31, 2015 respectively and the corresponding accumulated depreciation for the respective years ₹ 6,969 Mn and ₹ 40,263 Mn.

"Land and Buildings" includes gross block of asset held for sale ₹ Nil and ₹ 231 Mn as of March 31, 2016 and March 31, 2015 respectively.

During the year ended March 31, 2016 and March 31, 2015, sale and lease back of 8,740 towers in Congo, Ghana, Uganda, Nigeria, Zambia, Kenya and Burkina Faso and 200 towers in Rwanda was completed for a consideration of ₹ 116,229 Mn and ₹ 1,153 Mn, respectively. The portion

Notes to abridged consolidated financial statements

leased back, classified as finance lease, representing the technical capacities of the dedicated part of the towers on which Company's equipment are located, has been retained at the carrying value of ₹ 15,639 Mn and ₹ 431 Mn, respectively, during the year ended March 31, 2016 and March 31, 2015 and the finance lease obligation has been recorded at ₹ 51,141 Mn and ₹ 609 Mn, respectively, during the year ended March 31, 2016 and March 31, 2015, being the fair value of the leased back portion. Accordingly, the gain on the portion sold and not leased back amounting to ₹ 44,088 Mn and ₹ 142 Mn, respectively, during the year ended March 31, 2016 and March 31, 2015, has been recognised in the statement of profit and loss and disclosed as an exceptional item.

(Note 16 of the annual consolidated financial statements)

9. Capitalised Borrowing Cost

Borrowing cost capitalised during the year ended March 31, 2016 was ₹ 2,265 Mn (March 31, 2015 ₹ 2,808 Mn). The Group capitalises borrowing cost in the Intangible assets under development.

(Note 17 (i) of the annual consolidated financial statements)

10. Intangible Assets Under Development

Intangible assets under development includes the amount of spectrum allotted to the Group and related costs (including borrowing costs capitalised), if any, for which services are yet to be rolled out.

(Note 17 (ii) of the annual consolidated financial statements)

11. Book Value and Market Value of Quoted Investments

(a) Non-Current Investments

As of March 31, 2016 and March 31, 2015, the book value of quoted investment is ₹ 23,967 Mn and ₹ 27,382 Mn, respectively.

As of March 31, 2016 and March 31, 2015, the aggregate market value of quoted investment is ₹ 28,094 Mn and ₹ 31,260 Mn, respectively.

(Note 18 of the annual consolidated financial statements)

(b) Current Investments

As of March 31, 2016 and March 31, 2015, the book value of quoted investment is ₹ 10,863 Mn and ₹ 80,069 Mn, respectively.

As of March 31, 2016 and March 31, 2015, the aggregate market value of quoted investment is ₹ 16,149 Mn and ₹ 83,996 Mn, respectively.

(Note 21 of the annual consolidated financial statements)

12. Cash and Bank Balances

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
Cash and cash equivalents		
Balances with banks		
- On current accounts	14,999	7,734
- Deposits with original maturity of three months or less	20,792	2,850
- On unpaid dividend account	55	35
Cheques on hand	184	425
Cash on hand	808	931
	36,838	**11,975**
Other bank balances		
Bank deposits with remaining maturity of less than twelve months	14,550	8,856
	51,388	**20,831**

(Note 24 of the annual consolidated financial statements)

13. Contingent Liabilities and Commitments

(i) Commitments

a. Capital commitments

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
(i) Contracts placed for future capital expenditure not provided for in the financial statements	74,061	343,859

The above includes ₹ 2,671 Mn as of March 31, 2016 (₹ 38,083 Mn as of March 31, 2015), pertaining to certain outsourcing agreements, under which the vendor supplies assets as well as services to the Group. The amount represents total minimum commitment over the unexpired period of the contracts (upto five years from the reporting date), since it is not possible for the Group to determine allocation between assets and services to be provided over the unexpired period of the contract. However, the actual charges/ payments may exceed the above mentioned minimum commitment based on the terms of the agreements.

Notes to abridged consolidated financial statements

In addition to the above, the Group's share of joint ventures and associates capital commitments is ₹ 1,624 Mn and ₹ 1,214 Mn as of March 31, 2016 and March 31, 2015, respectively.

b. Guarantees

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
i) Financial bank guarantees*	106,255	109,395
ii) Guarantees to third parties	-	3,130

* The Company has issued corporate guarantees of ₹ 4,152 Mn and ₹ 3,365 Mn as of March 31, 2016 and March 31, 2015 respectively, to banks and financial institutions for issuing bank guarantees on behalf of the Group companies at no cost to the latter.

Also, It includes certain financial bank guarantees which have been given for sub judice matters and in compliance with licensing conditions, the amount with respect to these have been disclosed under capital commitments, contingencies and financial liabilities, as applicable, in compliance with the applicable accounting standards.

(ii) Contingencies

(₹ Millions)

Particulars	As of March 31, 2016	As of March 31, 2015
(i) Taxes, Duties and Other demands (under adjudication / appeal / dispute)		
-Sales Tax and Service Tax	40,214	38,225
-Income Tax	19,746	20,130
-Customs Duty	6,601	6,136
-Entry Tax	8,201	6,957
-Stamp Duty	596	603
-Municipal Taxes	1,114	863
-DoT demands *	5,273	5,020
-Other miscellaneous demands	7,105	2,133
(ii) Claims under legal cases including arbitration matters		
-Access Charges / Port Charges	8,761	7,443
-Others	4,370	5,703
Total	**101,981**	**93,213**

* in addition, refer Note f(v), f(vi), f(vii) and f(viii) below for other DoT matters.

In addition to the above, the Group's share of joint ventures contingent liabilities is ₹12,032 Mn and ₹ 9,083 Mn as of March 31, 2016 and March 31, 2015, respectively.

The contingent liabilities mentioned in the table above represent disputes with various government authorities in the respective jurisdiction where the operations are based and it is not possible for the Group to predict the timing of final outcome of these contingent liabilities. Currently, the Group has operations in India, South Asia region and Africa region.

Based on the Company's evaluation, it believes that it is not probable that the claim will materialise for the cases discussed below and therefore, no provision has been recognised.

a) Sales Tax and Service Tax

The claims for sales tax as of March 31, 2016 and as of March 31, 2015 comprised of cases relating to the appropriateness of declarations made by the Company under relevant sales tax legislation which was primarily procedural in nature and the applicable sales tax on disposals of certain property and equipment items. Pending final decisions, the Company has deposited amounts with statutory authorities for certain cases.

Further, in the State of J&K, the Company has disputed the levy of General Sales Tax on its telecom services and towards which the Company has received a stay from the Hon'ble J&K High Court. The demands received to date have been disclosed under contingent liabilities.

The service tax demands as of March 31, 2016 and March 31, 2015 relate to cenvat claimed on tower and related material, levy of service tax on SIM cards, cenvat credit disallowed for procedural lapses and inadmissibility of credit, disallowance of cenvat credit used in excess of 20% limit and service tax demand on employee talk time.

b) Income Tax Demand

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

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

Interconnect charges are based on the Interconnect Usage Charges (IUC) agreements between the operators although the IUC rates are governed by the IUC guidelines issued by TRAI. BSNL has raised a demand requiring the Company to pay the interconnect charges at the rates contrary to the regulations issued by TRAI. The Company filed a petition against that demand with the Telecom Disputes Settlement and Appellate Tribunal (TDSAT) which passed a status quo order, stating that only the admitted amounts based on the regulations would need

Notes to abridged consolidated financial statements

to be paid by the Company. The final order was also passed in our favour. BSNL has challenged the same in Hon'ble Supreme Court. However, no stay has been granted.

In another proceeding with respect to Distance Based Carriage Charges, the Hon'ble TDSAT in its order dated May 21, 2010, allowed BSNL appeal praying to recover distance based carriage charges. On filing of appeal by the Telecom Operators, Hon'ble Supreme Court asked the Telecom Operators to furnish details of distance-based carriage charges owed by them to BSNL. Further, in a subsequent hearing held on August 30, 2010, Hon'ble Supreme Court sought the quantum of amount in dispute from all the operators as well as BSNL and directed both BSNL and Private telecom operators to furnish Call Data Records (CDRs) to TRAI. The CDRs have been furnished to TRAI.

In another issue with respect to Port Charges, in 2001, TRAI had prescribed slab based rate of port charges payable by private operators which were subsequently reduced in the year 2007 by TRAI. On BSNL's appeal, TDSAT passed its judgement in favour of BSNL, and held that the pre-2007 rates shall be applicable prospectively from 29th May 2010. The rates were further revised downwards by TRAI in 2012. On BSNL's appeal, TDSAT declined to stay the revised Regulation.

Further, the Hon'ble Supreme Court vide its judgement dated December 6, 2013, passed in another matter, held that TRAI is empowered to issue regulations on any matter under Section 11(1)(b) of TRAI Act and the same cannot be challenged before TDSAT. Accordingly, all matters raised before TDSAT, wherein TDSAT had interfered in Appeal and passed judgements, do not have any significance. However, parties can file Writ Petitions before High Court challenging such regulations.

The Company believes that the above said judgement has further strengthened the position of the Company on many issues with respect to Regulations which had been in its favour and impugned before TDSAT.

d) Customs Duty

The custom authorities, in some states, demanded custom duty for the imports of special software on the ground that this would form part of the hardware along with which the same has been imported. The view of the Company is that such imports should not be subject to any custom duty as it would be operating software exempt from any custom duty. In response to the application filed by the Company, the Hon'ble CESTAT has passed an order in favour of the custom authorities. The Company has filed an appeal with Hon'ble Supreme Court against the CESTAT order.

e) Entry Tax

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

f) Department of Telecommunications ("DoT") Demands

i. DoT demands include demands raised for contentious matters relating to computation of license fees and spectrum charges.

ii. DoT demands include alleged short payment of license fee for FY06-07 and FY07-08 due to difference of interpretation of Adjusted Gross Revenue (AGR) between Group and DoT and interest thereon, which the Group has obtained stay from appropriate Hon'ble High Courts and TDSAT. TDSAT has pronounced its judgement on April 23, 2015 thereby setting aside the impugned demands raised by DoT and directed to rework the license fees payable in light of the judgement and to issue fresh demands. Pursuant thereto Union of India (UOI) and the Group (on limited heads of revenue) along with various other operators have filed appeals/cross appeals before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court of India issued notice in the appeals and has declined to grant any interim relief to UOI. The appeals tagged together came up for hearing on February 29, 2016 and the Supreme Court allowed DoT to raise demands as per its understanding with the condition that the demands raised will not be enforced till the final decision of the Supreme Court. The matter is likely to be listed for hearing after 8 weeks. In the meanwhile, DoT further had issued LF demand cum show cause notice for FY 2009-10 dated June 26, 2015 which has been challenged before TDSAT. TDSAT vide an interim order dated August 17, 2015 had directed DoT not to invoke any bank guarantees for realisation of impugned demand amounting to ₹ 12,316 Mn and vide its order dated November 6, 2015, TDSAT has disposed of the matter after recording the statement made by UOI that the demand notice should be construed as an advance notice, which the DoT does not intend to enforce until the appeals against Tribunal's AGR judgement pending before the Hon'ble Supreme Court is finally disposed off.

iii. DoT demands also include the contentious matters in respect of subscriber verification norms and regulations including validity of certain documents

Notes to abridged consolidated financial statements

allowed as Proof of Address / Identity in mobility circles.

iv. DoT demands also include penalty for alleged failure to meet the procedural requirement for submission of EMF radiation self-certification.

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

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

v. Post the Hon'ble Supreme Court Judgement on October 11, 2011 on components of Adjusted Gross Revenue for computation of license fee, based on the legal advice, the Company believes that the realised and unrealised foreign exchange gain should not be included in Adjusted Gross Revenue (AGR) for computation of license fee thereon. Accordingly, the license fee on such foreign exchange gain has not been provided in these financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences', the license fee impact on such exchange differences is not quantifiable and has not been included in the table above. Further, as per the Order dated June 18, 2012 of the Hon'ble Kerala High Court, stay has been obtained, wherein the licensee can continue making the payment as was being done throughout the period of license on telecom activities. Further as stated in point (iii) above, TDSAT has pronounced its judgement on April 23, 2015, wherein it has stated that any gain or loss due to foreign exchange fluctuation does not have any bearing on the license fees and directing DoT to rework and issue fresh demands to the operators. The next date of hearing is fixed for June 28, 2016 at Kerala High Court.

vi. On January 8, 2013, DoT issued a demand on the Company and one of its subsidiaries for ₹ 52,013 Mn towards levy of one time spectrum charge. The demand includes a retrospective charge of ₹ 9,090 Mn for holding GSM Spectrum beyond 6.2 MHz for the period from July 1, 2008 to December 31, 2012 and also a prospective charge of ₹ 42,923 Mn for GSM spectrum held beyond 4.4 MHz for the period from January 1, 2013, till the expiry of the initial terms of the respective licenses.

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

vii. The Department of Telecommunications (DoT) had issued notices to the Company as well as various other Telecom Service Providers to stop provision of services under 3G Intra Circle Roaming (ICR) arrangements in the service areas where such service providers had not been allocated 3G Spectrum. DoT also levied a financial penalty of ₹ 3,500 Mn. The Company contested the notices and upon various rounds of litigations, ultimately, the TDSAT, vide its judgement dated April 29, 2014, held 3G ICR arrangements to be competent and compliant with the licensing conditions and quashed the notice imposing penalty. The DoT has challenged the order of TDSAT in an appeal filed before the Hon'ble Supreme Court, which has been admitted. However, Hon'ble Supreme Court has refused to grant any interim order during the pendency of the appeal. The case is yet to be listed for hearing in the Hon'ble Supreme Court.

viii. The Company has not been able to meet its roll out obligations fully due to certain non-controllable factors like Telecommunication Engineering Center testing, Standing Advisory Committee of Radio Frequency Allocations clearance, non availability of spectrum, etc. The Company has received show cause notices from DoT for 14 of its circles for non-fulfillment of its roll out obligations and these have been replied to. DoT has reviewed and revised the criteria and there has been no further development on this matter since then.

g) Airtel Networks Limited – Ownership

Airtel Networks Limited ("Airtel Networks") (formerly known as Celtel Nigeria Limited) was incorporated on December 21, 2000 as Econet Wireless Nigeria Limited and is a subsidiary of Bharti Airtel Nigeria BV (BANBV) (formerly, Celtel Nigeria BV), which in turn, is an indirect subsidiary of Bharti Airtel International (Netherlands) BV, a subsidiary of Bharti Airtel Limited.

Airtel Networks and/or BANBV are defendants in cases filed by Econet Wireless Limited (EWL) where EWL is claiming, amongst others, a breach of its alleged pre-emption rights against erstwhile and current shareholders.

Under the transaction to acquire 65% controlling stake in Airtel Networks Limited in 2006, the erstwhile selling shareholders were obliged under the pre-emption right

Notes to abridged consolidated financial statements

provision contained in the shareholders' agreement dated April 30, 2002 (the "Shareholders Agreement") to first offer the shares to each other before offering the shares to a third party. The sellers waived the pre-emption rights amongst themselves and the shares were offered to EWL despite the fact that EWL's status as a shareholder itself was in dispute. However, the offer to EWL lapsed since EWL did not meet its payment obligations to pay for the shares within the 30 days deadline as specified in the shareholders' agreement and the shares were acquired by Celtel Nigeria BV (now, Bharti Airtel Nigeria BV) in 2006. EWL has inter alia commenced arbitral proceedings in Nigeria contesting the acquisition. BANBV, which is the current owner of approximately 79.059% (increased from 65.7% to 79.059% in March, 2013) of the equity in Airtel Networks Limited has been defending these cases and the arbitration since it was commenced.

On December 22, 2011, the Tribunal in the Arbitration commenced by EWL issued a Partial Final Award stating, amongst others, that the Shareholders Agreement had been breached by the erstwhile shareholders and, accordingly, the acquisition was null and void. However, the Tribunal has rejected EWL's claim for reversal of the 2006 transaction. Instead, the Tribunal ordered a damages hearing.

On February 3, 2012, BANBV filed an application before the Lagos State High Court to set aside the Partial Final Award. In addition, BANBV filed an application for an injunction to restrain the parties to the Arbitration from further convening the arbitration for the purposes of considering the quantum of damages that could be awarded to EWL until the conclusion of the matter to set aside the Partial Final Award. The application to set aside the Partial Final Award was heard by the Lagos State High Court on June 4, 2012 and by a Judgement delivered on October 4, 2012, the Lagos State High Court dismissed BANBV's application to set aside the Partial Final Award against which, BANBV lodged an appeal at the Court of Appeal in Lagos, Nigeria. The appeal was dismissed by the Court of Appeal on February 14, 2014. BANBV not satisfied with the judgement of the Court of Appeal, Lagos, on March 27, 2014 has filed its appeal with the Supreme Court of Nigeria.

Without prejudice to the application by BANBV before the Nigerian courts to set aside the Partial Final Award, the Tribunal has taken steps in relation to the damages hearing in the Arbitration. The damages claim was heard by the Tribunal during October 2013 and the parties submitted their closing arguments on December 20, 2013.

The Tribunal issued its Final Award on damages dated June 30, 2014 on July 4, 2014. The Tribunal found that EWL has suffered losses as a result of breaches of the Shareholders' Agreement and calculated the losses against BANBV to be an amount of USD 132.8 Mn and costs of USD 10.9 Mn, totaling USD 143.7 Mn.

The Company has filed an application for setting aside of the Final Award before the High Court in Nigeria. On the other hand, EWL has filed applications before the High Court in Nigeria to seek to enforce both the Final Award and the Partial Final Award. The Company is contesting these enforcement applications. These matters are currently adjourned to May 12, 2016.

In addition, EWL has filed conservatory attachment proceedings and proceedings for enforcement of the Final Award, inter alia, against BANBV in the Netherlands. On January 22, 2015 the Amsterdam District Court granted a stay in the proceedings related to the enforcement of the final award and denied EWL's request that BANBV provide security as a condition of the stay. EWL has appealed the latter decision and the Amsterdam Court of Appeal's decision is awaited. Meanwhile the Amsterdam District Court held that the proceedings before it stand suspended pending the outcome of EWL's appeal before the Amsterdam Court of Appeal.

In the Haarlem District Court, where EWL is pursuing its claim for compensation against (BANBV's parent-Bharti Airtel Nigeria Holdings II BV) and Grandparent Bharti Airtel Africa BV together, the Bharti Defendants) claiming that these entities acted unlawfully and induced breach of contract by the "Selling Shareholders" of the VNL shares with the intent of impending EWL in the exercise of its rights in order to finalise its own share sale transaction with the Selling Shareholders, the pleadings are complete.

Based on Company's assessment and indemnities under the Share Sale Agreement with Zain Group, this Award is not likely to have any material adverse effect on the Company's consolidated financial position as of March 31, 2016.

In addition, Airtel Networks Limited is a defendant in an action where EWL is claiming entitlement to 5% of the issued share capital of Airtel Networks Limited. This case was commenced by EWL in 2004 (prior to the Vee Networks Limited acquisition in 2006). The Court at first instance on January 24, 2012 held that EWL should be reinstated as a 5% shareholder in Airtel Networks Limited. Despite the fact that the 5% shares claimed by EWL had been set aside in escrow since 2006 and therefore will not impact the present ownership of BANBV on a fully diluted basis in Airtel Networks Limited, the company believed that there were good grounds to appeal the first instance

Notes to abridged consolidated financial statements

judgement and accordingly, filed a Notice of Appeal and made applications before the Federal High Court for a stay of execution of judgement pending appeal and a motion for injunction. These applications were heard on March 13, 2012 and on May 7, 2012, the High Court held that the company had failed to make out a case for the Court to exercise its discretion in its favour of granting the application and accordingly refused it.

Immediately, a similar application for injunction and stay of execution were filed at the Court of Appeal, Kaduna on May 7, 2012. After several adjournments, the substantive appeal was heard on October 3, 2013 and on November 1, 2013 the Court of Appeal dismissed the appeal.

On June 20, 2014, the Company filed its appeal to the Supreme Court of Nigeria together with an application for injunction and stay of execution of the judgement of the Court of Appeal. The Appeal and the Applications are pending before the Supreme Court. The date for the hearing has not yet been fixed.

(Note 27 of the annual consolidated financial statements)

14. Revenue from Operations

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Service Revenue		
- Voice and data revenue	721,251	723,699
- Revenue from tower infrastructure services	69,052	62,667
- Others*	213,300	170,390
Sale of products	5,770	4,251
	1,009,373	**961,007**

* Others mainly include revenue from VAS services, fixed monthly subscription, bandwidth services and VSAT etc.

(Note 28 of the annual consolidated financial statements)

15. Charity and Donation and Other Expenses

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Charity and donation		
Political Contribution$	-	310
Corporate social responsibility#	996	766
Others	394	346
	1,390	**1,422**

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Other expenses		
Interconnect and port charges	135	133
Insurance		
Network	467	424
Others	12	6
Installation	234	486
Repairs and maintenance		
Plant and machinery	54,455	53,712
Building	590	717
Others - Network	4,708	5,260
Others - Administrative	2,977	2,808
Leased line and gateway charges	1,383	1,491
Internet access and bandwidth charges	5,750	5,797
Advertisement and marketing	20,726	20,888
Sales Commission & discount, customer verification and content cost	43,234	41,021
Indirect selling and distribution	16,927	16,172
Sim card utilisation	4,367	4,004
Legal and professional fees	5,666	6,100
Rates and taxes	2,145	5,243
IT and call center outsourcing	19,655	21,775
Travelling and conveyance	3,824	4,051
Bad debts written off	6,867	4,247
Provision for doubtful debts and advances	2,506	5,154
Provision for diminution in stock/ capital work in progress	1,849	966
Collection and recovery expenses	3,864	3,482
Printing and stationery	817	902
Miscellaneous expenses		
Network	12,359	11,354
Sales and marketing*	10,031	8,787
Administrative	4,358	5,593
	229,906	**230,573**

$ Paid to Satya Electoral Trust for political purpose.
# As per the requirements of section 135 of the Companies Act, 2013, the Group was required to spend an amount of ₹ 2,557 Mn (March 31, 2015 ₹ 1,886 Mn) on Corporate Social Responsibility expenditure for the year ended March 31, 2016. During the year ended March 31, 2016, the Group has spent in cash an amount of ₹ 1,001 Mn (March 31, 2015 ₹ 766 Mn) towards education and sanitation.
* Sales and Marketing above includes goodwill waivers which are other than trade discount of ₹ 644 Mn (March 31, 2015 ₹1,003 Mn).

(Note 32 of the annual consolidated financial statements)

Notes to abridged consolidated financial statements

16. Depreciation and Amortisation Expense

(₹ Millions)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Depreciation	154,685	152,169
Amortisation	58,989	46,414
	213,674	**198,583**

(Note 34 of the annual consolidated financial statements)

17. Exceptional Items

Exceptional items comprises of the following:

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

a. Net gain of ₹ 44,088 Mn pertaining to the divestment of telecom tower assets in Burkina Faso, Kenya, Zambia, Uganda, Ghana, Congo Brazzaville and Nigeria.

b. Charge for regulatory fee provisions of ₹ 2,711 Mn arising out of re-assessment of certain positions.

c. Charge of ₹ 1,124 Mn arising from amendment of tenure and in various terms of the related long-term contract.

d. Charge for provision against certain disputed receivables / expired claims amounting to ₹ 2,829 Mn.

e. Charge of ₹ 3,898 Mn towards restructuring activities in a few countries.

f. Charge of ₹ 4,290 Mn towards operating costs (including accelerated depreciation) on network refarming and up-gradation program.

(ii) For the year ended March 31, 2015:

a. Charge of ₹ 2,082 Mn on account of one time translation impact of certain foreign currency liabilities in Nigeria from the Central bank administered rates to the open market exchange rates, consequent to a notification dated November 6, 2014.

b. Charge of ₹ 2,598 Mn on account of settlement of various disputes.

c. Charge of ₹ 4,397 Mn related to restructuring activities in a few countries.

d. Gain of ₹ 403 Mn on account of premature termination of an agreement by a telecom operator.

e. Gain of ₹ 142 Mn on account of gain recognised on divestment of telecom towers in one of the countries in Africa.

Tax expense includes:

i) Charge of ₹ 2,468 Mn and benefit of ₹ 97 Mn during the year ended March 31, 2016 and March 31, 2015, respectively, on the above exceptional items, and

ii) Charge of Nil and ₹ 1,218 Mn during the year ended March 31, 2016 and March 31, 2015, respectively, on account of settlement of various disputes / uncertain tax positions.

Profit / (loss) attributable to minority interest includes expense of ₹ 4,760 Mn and benefit of ₹ 658 Mn during the year ended March 31, 2016 and March 31, 2015, respectively, relating to the above exceptional items.

(Note 35 of the annual consolidated financial statements)

18. New Developments / Major Transactions

a. During the year ended March 31, 2015 and 2014, the Group had won the auction for spectrum aggregating to 226.60 MHz. The Group has opted for deferred payment in certain circles for a specified portion of the auction price, whereby it is payable in 10 equal installments (including the related interest) after an initial moratorium period of two years. As of March 31, 2016, the Government of India has allotted 218.2 MHz spectrum to the Group (March 31, 2015: 115.0 MHz), accordingly, the Group has recognised deferred payment liability (including accrued interest thereto) towards the same for of ₹ 341,424 Mn (March 31, 2015: ₹ 143,167 Mn). Further, pending the allocation of balance spectrum by GOI, an amount of ₹10,970 Mn (March 31, 2015: 244,040 Mn) has been disclosed under capital commitment in the notes to the abridged consolidated financial statements.

b. The Scheme of Arrangements ('Scheme') under sections 391 to 394 of the Companies Act, 1956 with respect to amalgamation of Airtel Broadband Services Private Limited ('ABSPL'), a wholly owned subsidiary of the Company, with the Company, as approved by the Hon'ble High Court of Bombay on April 11, 2014, has been filed by the Company with the Registrar of Companies ('ROC') on April 9, 2015, being the effective and appointed date of the scheme whereby ABSPL shall cease to exist. The Company has accounted amalgamation in the nature of merger under the pooling of interest method. Accordingly, the assets, liabilities and reserves in the books of ABSPL have been recognised by the Company as at the date of the amalgamation at the same carrying values. The difference of ₹ 8,599 Mn between the share capital of ABSPL and the carrying value of investment in the equity shares of ABSPL in the books of the Company has been adjusted with the reserves of the Company.

Notes to abridged consolidated financial statements

The carrying values of assets, liabilities and reserves in the books of ABSPL acquired pursuant to the scheme is as follows:

(₹ Millions)

Particulars	As of April 9, 2015
Assets	
Non-current assets	64,246
Current assets	591
Total	**64,837**
Equity and Liabilities	
Equity	
Share Capital	56,671
Reserve and Surplus	(724)
	55,947
Liabilities	
Non-current liabilities	5,396
Current liabilities	3,494
	8,890
Total	**64,837**

However, DoT vide its letter dated February 2, 2015, has given its approval for taking on record the merger of ABSPL with the Company, subject to certain conditions as stipulated in the letter. One of the conditions of merger requires payment of ₹ 4,361 Mn, equal to the difference between the entry fee for Unified Access Service License and entry fees paid for Internet Service Provider license. The Hon'ble Telecom Disputes Settlement and Appellate Tribunal ('TDSAT') vide its interim order dated February 9, 2015 has allowed the Company to operationalise the spectrum subject to filing an undertaking that in case the petition fails, it shall pay the sum of ₹ 4,361 Mn along with interest as may be determined by the Tribunal within eight weeks from the date of judgement. The Company has filed an undertaking before TDSAT for the same.

On February 24, 2012, the TDSAT ordered the Company to pay certain dues (including interest and penalties) allegedly owed by one of then existing Company's Indian non-controlling shareholders, Tulip Telecom Limited (Tulip), to the DoT without prejudice to the right of Tulip to contest the claim and provided that any sum ultimately found not to be due (or paid by Tulip) would be refunded by the Department of Telecommunication (DoT), without interest, within four weeks of the date of completion of the assessment of Tulip in respect of assessment years in question. Accordingly, as per the terms and conditions of the TDSAT order dated February 24, 2012, the Company had deposited ₹ 4,104 Mn.

Further as per the agreement dated February 13, 2012 entered between the Companies, Qualcomm Asia Pacific Pte. Limited and Tulip, upon the final determination date being reached, that Tulip is liable to pay the Company an amount equal to the relevant amount determined to be owed by Tulip that is not paid by Tulip and retained by the DoT from the Company's deposit as described in above paragraph (the "Indemnity Amount") in the bank account specified by the Company within 15 days from the final determination date or the date of the payment notice when final determination date has already occurred prior to the payment notice, without any demur or protest and notwithstanding any dispute regarding the same or any portion thereof. The balance amount will be recovered by the Company from DoT as per the above TDSAT order.

Accordingly, based on the TDSAT order and agreements referred herein, the amount deposited with DoT has been considered good and recoverable in these special purpose financial statements.

c. During the year ended March 31, 2016, Bharti Airtel International Netherlands B.V. (a subsidiary of the Company), has entered into non-binding but exclusive agreement with Orange to explore the possible acquisition of Group's subsidiaries in Burkina Faso, Chad, Congo Brazzaville and Sierra Leone. On January 12, 2016, the Group has entered into definitive agreement to sell group's operations in Burkina Faso and Sierra Leone and the exclusive agreement for the remaining two countries have lapsed. The transaction is subject to certain customary regulatory approvals and other closing conditions.

d. During the year ended March 31, 2016, the Group has entered into an exclusive discussion with Axiata Group Berhad to explore the possibility of combining the business operations of their telecommunication subsidiaries in Bangladesh. On January 28, 2016, the Group has entered into definitive agreement which is subject to certain customary regulatory approvals and other closing conditions.

e. During the year ended March 31, 2016, the Group has purchased 100% stake in Augere Wireless Broadband Private Limited (AWBPL). The consummation of the said transaction is subject to the approval from statutory authorities.

f. During the year ended March 31, 2016, the Group has entered into a definitive agreement with Videocon Telecommunications Limited (VTL) to acquire rights to use spectrum in the 1800 MHz band for six circles. The closing of the said transaction is subject to certain customary regulatory approvals and other closing conditions.

g. Subsequent to the reporting date, the Group has entered into a definitive agreement with Aircel Limited and its subsidiaries Dishnet Wireless Limited and Aircel cellular Limited, to acquire rights to use spectrum in the 2300 MHz band for eight circles.

Notes to abridged consolidated financial statements

The closing of the transaction is subject to certain customary regulatory approvals and other closing conditions.

h. On February 26, 2016, AMSL, a subsidiary of the Group, Kotak Mahindra Bank Limited (KMBL) and the Company have entered into a Share Subscription and Shareholders' agreement to allot 19.90% of the post issue share capital of AMSL to KMBL. Accordingly, the shareholding of the Company in AMSL stands reduced to 80.10% and the corresponding minority interest has been recognised. Excess of proceeds over net assets attributable to minority interest, amounting to ₹ 498 Mn has been recognised directly in General Reserve.

i. On August 27, 2015, the Group acquired additional 46% of the share capital of Indo Teleport Limited (formerly known as Bharti Teleport Limited) increasing its ownership to 95% and accordingly goodwill of ₹ 328 Mn has been recognised in the transaction.

j. On August 7, 2014, in order to comply with the requirement to maintain minimum public shareholding of 25% in terms of rule 19(2)(b)/ 19A of Securities Contracts (Regulation) Rules, 1957, as amended, and clause 40A of the equity listing agreement, the Company sold 85 million shares in Bharti Infratel Limited (BIL) for ₹ 21,434 Mn, representing 4.5% shareholding in BIL. Subsequent to the transaction, the shareholding of the Company in BIL has reduced to 74.86%.

Further on February 26, 2015, the Company sold 55 million shares for ₹ 19,255 Mn, representing 2.91% shareholding in BIL. Subsequent to the transaction, the shareholding of the Company in BIL has reduced to 71.90%.

The carrying amount of minority interest has been adjusted to reflect the change of relative interest in BIL. Excess of proceeds over the change in minority interest net of associated transaction costs, taxes and regulatory levies, amounting to ₹ 25,272 Mn has been recognised directly in General Reserve.

(Note 36 of the annual consolidated financial statements)

19. Loans and advances in the nature of loans along with maximum amount outstanding during the year as per Schedule V of the Listing Agreement are as follows:

(a) Loan and advance in the nature of loan given to Bharti Airtel Employees Welfare Trust is ₹ 516 Mn (March 31, 2015 ₹ 326 Mn) at nil interest rate.

(b) Loan and advance in the nature of loan given to Bharti Infratel Employees Welfare Trust is ₹ 624 Mn (March 31, 2015 ₹ 624 Mn) at nil interest rate.

(c) Loan and advance in the nature of loan given to Firefly Network Limited at 9.8% interest rate is ₹ 5 Mn (March 31, 2015 ₹ Nil)

(Note 39 of the annual consolidated financial statements)

20. Related Party Disclosures

In accordance with the requirements of Accounting Standard (AS) -18 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships are:

Name of the related party and related party relationship :

(i) Key Management Personnel

Sunil Bharti Mittal
Gopal Vittal
Christan de Faria

(ii) Other Related Parties

(a) Associates / Associate of subsidiary

Tanzania Telecommunications Company Limited (Associate of Bharti Airtel Tanzania B.V.)
Seychelles Cable Systems Company Limited (Associate of Airtel (Seychelles) Limited)
Indo Teleports Limited (formerly known as Bharti Teleports Limited) (up till August 26, 2015) (Refer note 18(i))

(b) Joint Ventures / Joint Venture of Subsidiary

Forum I Aviation Limited (Joint Venture of Bharti Airtel Services Limited) (Ceased to be related party w.e.f January 7, 2016)
Indus Towers Limited (Joint Venture of Bharti Infratel Limited)
Bridge Mobile Pte Limited
FireFly Networks Limited

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

Bharti Foundation
Bharti Airtel Employees Welfare Trust
Hike Limited
Mobinteco Limited (Merged with Hike Limited w.e.f December 22, 2015)
Cedar Support Services Limited

Notes to abridged consolidated financial statements

(d) Entities having significant influence over the Company

Singapore Telecommunications Limited
Pastel Limited
Bharti Telecom Limited

(e) Group Companies**

Beetel Teletech Limited
Bharti Axa General Insurance Company Limited
Bharti Axa Life Insurance Company Limited
Bharti Realty Holdings Limited
Bharti Realty Limited
Bharti Retail Limited
Ignite World Private Limited (formerly known as BSB Portal Limited)
Hike Messenger Limited (formerly known as BSB Innovation India Limited)
Centum Learning Limited
Fieldfresh Foods Private Limited
Indian Continent Investment Limited
Jersey Airtel Limited
Mehrauli Realty and Consultants Limited
Nile Tech Limited
Y2CF Digital Media Limited
Bharti Enterprises Limited
Atrium Restaurants India Private Limited
Bharti Land Limited
Centrum Work skills India Limited
Augere Wireless Broadband India Private Limited (w.e.f. December 31, 2015)

** **Group Companies**" though not 'Related Parties' as per the definition under AS 18, have been included by way of a voluntary disclosure, following the best corporate governance practices.

The details of balances pertaining to related parties as of March 31, 2016 and March 31, 2015 are as follows:

(₹ Millions)

S. No	Particulars	As of March 31, 2016	As of March 31, 2015
1	**Loans & Advances (including any accrued interest)**		
	Entities where Key Management Personnel and their relatives exercise significant Influence		
	Bharti Airtel Employees Welfare Trust	508	98
	Bharti Infratel Employees Welfare Trust	555	624
	Associate		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	-	466
	Group Companies		
	Augere Wireless Broadband India Pvt. Ltd.	51	-
	Joint Venture		
	Firefly Network limited	3	-
		1,117	**1,188**
2	**Security Deposit/Advances given**		
	Group Companies		
	Bharti Realty Limited	419	419
	Bharti Realty Holdings Limited	103	99
	Centum learning Limited	60	60
	Nile Tech Limited	428	396
	Joint Venture		
	Indus Towers Limited	2,208	2,136
	Firefly Network limited	0	-
		3,218	**3,110**

(₹ Millions)

S. No	Particulars	As of March 31, 2016	As of March 31, 2015
3	**Trade Receivables**		
	Associate		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	-	125
	Joint Venture of Subsidiary		
	Indus Towers Limited	14	139
	Group Companies		
	Bharti Retail Limited	72	69
	Bharti AXA Life Insurance Company Limited	7	5
	Bharti Realty Limited	43	32
	Bharti Realty Holdings Limited	8	4
	Bharti AXA General Insurance Co Ltd	9	7
	Fieldfresh Foods Private Limited	2	1
	Jersey Airtel Limited	7	6
	Bharti Enterprises Limited	0	-
	Beetel Teletech Limited	12	10
	Nile Tech Limited	2	-
	Ignite World Private Limited (formerly known as BSB Portal Limited)	29	35
	Hike Messenger Limited (formerly Known as BSB Innovation India Limited)	1	2
	Centum learning Limited	82	13
	Bharti Land Limited	1	-
	Augere Wireless Broadband India Pvt. Ltd.	65	-

Notes to abridged consolidated financial statements

(₹ Millions)

S. No	Particulars	As of March 31, 2016	As of March 31, 2015
	Entities where Key Management Personnel and their relatives exercise significant Influence		
	Hike Limited	36	65
	Entity having significant influence over the Company		
	Singapore Telecommunications Ltd.	233	342
		623	**855**
4	**Trade Payables**		
	Associate		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	-	1
	Tanzania Telecommunications Company Limited	613	145
	Joint Ventures		
	Indus Towers Limited	5,049	5,175
	Bridge Mobile Pte. Limited	4	5
	Firefly Network limited	12	-
	Group Companies		
	Beetel Teletech Limited	515	243
	Bharti Realty Limited	-	10
	Bharti Retail Limited	2	3
	Bharti Realty Holdings Limited	14	15
	Bharti Enterprises Limited	18	45
	Bharti AXA General Insurance Co Ltd	2	127
	Nile Tech Limited	1	0
	Ignite World Private Limited (formerly known as BSB Portal Limited)	78	201
	Centum learning Limited	94	114
	Y2CF Digital Media Pvt. Ltd.	-	2
	Entity having significant influence over the Company		
	Singapore Telecommunications Limited	533	436
		6,935	**6,522**

The details of related party transactions entered into by the Company, for the year ended March 31, 2016 and March 31, 2015 are as follows:

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
1	**Purchase of fixed assets/ bandwidth**		
	Group Companies		
	Ignite World Private Limited (formerly known as BSB Portal Limited)	-	92
	Beetel Teletech Limited	2,475	1,204
	Associate of Subsidiary		
	Seychelles Cable Systems Company Limited	-	111
		2,475	**1,407**
2	**Rendering of Services**		
	Associate /Associate of Subsidiary		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	13	29
	Tanzania Telecommunications Company Limited	115	106
	Group Companies		
	Fieldfresh Foods Private Limited	10	3
	Bharti AXA Life Insurance Company Limited	23	21
	Jersey Airtel Limited	15	23
	Bharti Realty Limited	13	-
	Bharti Retail Limited	46	69
	Gourmet Investments Private Limited	-	-
	Atrium Restaurants India Private Limited	0	-
	Bharti Land Limited	1	-
	Ignite World Private Limited (formerly known as BSB Portal Limited)	28	19
	Beetel Teletech Limited	7	3
	Bharti Realty Holdings Limited	6	1
	Bharti AXA General Insurance Co Ltd	33	12
	Hike Messenger Limited (Formerly Known as BSB Innovation India Limited)	1	2
	Bharti Enterprises Limited	3	0
	Centum learning Limited	7	6
	Joint Venture of Subsidiary		
	Indus Towers Limited	21	-
	Entities where key management personnel & their relatives exercise significant influence		
	Hike Limited	190	116
	Mobinreco Limited (Merged with Hike Limited wef December 22, 2015)	-	-
	Bharti Foundation	3	0
	Entity having significant influence over the Company		
	Singapore Telecommunications Ltd.	1,313	1,444
		1,848	**1,854**
3	**Receiving of services**		
	Associate of Subsidiary		
	Tanzania Telecommunications Company Limited	928	305
	Joint Ventures		
	Indus Towers Limited	22,379	20,341
	Bridge Mobile Pte Limited	23	23
	FireFly Networks Limited	12	-

Notes to abridged consolidated financial statements

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	Group Companies		
	Beetel Teletech Limited	1,457	730
	Bharti Realty Limited	9	5
	Bharti Retail Limited	1	-
	Ignite World Private Limited (formerly known as BSB Portal Limited)	707	755
	Y2CF Digital Media Pvt. Ltd.	2	4
	Bharti Realty Holdings Limited	227	192
	Bharti AXA Life Insurance Company Limited	0	71
	Bharti Axa General Insurance Company Limited	34	52
	Jersey Airtel Limited	1	1
	Centum learning Limited	610	797
	Bharti Retail Ltd.	-	3
	Entity having significant influence over the Company		
	Singapore Telecommunications Ltd.	629	614
		27,019	**23,893**
4	**Fund transferred/Expenses incurred on behalf of others**		
	Associate		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	-	23
	Group Companies		
	Bharti Retail Ltd.	-	2
		-	**25**
5	**Fund received/Expenses incurred on behalf of the Company**		
	Joint Venture		
	Forum 1 Aviation Ltd	21	40
	Indus Towers Limited	51	38
	Group Companies		
	Bharti Retail Ltd.	0	1
	Bharti Realty Limited	6	-
	Bharti Realty Holdings Limited	16	-
	Bharti Enterprises Limited	234	926
		328	**1,005**
6	**Employee related expenses incurred on behalf of the Company**		
	Group Companies		
	Bharti Enterprises Limited	97	127
	Bharti Retail Ltd.	-	1
	Bharti Realty Limited	0	-
	Bharti Realty Holdings Limited	0	-
	Centum learning Limited	0	1
	Beetel Teletech Limited	0	0
		97	**129**

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
7	**Donation**		
	Entities where Key Management Personnel and their relatives exercise significant Influence		
	Bharti Foundation	830	804
		830	**804**
8	**Security deposit given/Advances paid**		
	Joint Venture		
	Indus Towers Limited	73	42
	FireFly Networks Limited	0	-
	Associate		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	-	0
	Group Companies		
	Bharti Realty Limited	35	0
	Nile Tech Limited	33	0
	Bharti Realty Holdings Limited	4	-
	Entity having significant influence over the Company		
	Bharti Telecom Ltd.	0	1
		145	**43**
9	**Loans given**		
	Entities where Key Management Personnel and their relatives exercise significant Influence		
	Bharti Airtel Employees Welfare Trust	514	-
	Bharti Infratel Employees Welfare Trust	-	624
	Joint Venture		
	FireFly Networks Limited	3	-
	Group Companies		
	Augere Wireless Broadband India Pvt. Ltd.	40	-
	Associate		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	14	154
		571	**778**
10	**Repayment of Loans given**		
	Joint Venture of Subsidiary		
	Indus Tower Limited	-	5,320
	Associate		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	14	-
	Entities where Key Management Personnel and their relatives exercise significant Influence		
	Bharti Airtel Employees Welfare Trust	104	228
	Bharti Infratel Employees Welfare Trust	69	-
		187	**5,548**

Notes to abridged consolidated financial statements

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
11	**Dividend Paid**		
	Entities having significant influence over the Company		
	Pastel Ltd.	1,313	2,028
	Bharti Telecom Ltd.	3,886	5,994
	Group Companies		
	Indian Continent Investment Ltd.	590	912
	Key Management Personnel		
	Gopal Vittal	0	0
	Entities Where Key Management Personnal and their relative exercise significant Influence		
	Bharti Airtel Employees Welfare Trust	1	7
	Bharti Infratel Employees Welfare Trust	11	-
		5,801	**8,941**
12	**Reimbursement of energy expenses**		
	Joint Venture of Subsidiary		
	Indus Towers Limited	13,467	13,514
	Group Companies		
	Bharti Realty Holdings Limited	4	3
		13,471	**13,517**
13	**Remuneration**		
	Key Management Personnel		
	Short-Term Employee Benefits	274	250
	Defined Contribution Plan	24	22
	Performance Linked Incentive ('PLI')#	153	153
		451	**425**
14	**Rent Expenses**		
	Group Companies		
	Beetel Teletech Limited	4	13
	Bharti Realty Limited	1,116	655
	Bharti Axa Life Insurance Company Limited	0	1
	Nile Tech Limited	667	553
		1,787	**1,222**
15	**Rent Income**		
	Associate		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	2	4
		2	**4**

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
16	**Interest Income**		
	Associate		
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	22	47
	Group Companies		
	Augere Wireless Broadband India Pvt. Ltd.	2	-
	Joint Venture		
	FireFly Networks Limited	0	-
		24	**47**
17	**Refund of security deposit**		
	Group Companies		
	Bharti Realty Limited	32	-
	Joint Venture		
	Forum 1 Aviation Ltd	3	-
	Entity having significant influence over the Company		
	Bharti Telecom Limited	-	1
		35	**1**
18	**Claim Received**		
	Group Companies		
	Bharti Axa General Insurance Company Limited	72	46
		72	**46**
19	**Purchase of Investment**		
	Joint Venture		
	Firefly Network limited	-	5
		-	5
20	**Reduction of share capital**		
	Joint Venture		
	Bridge Mobile Pte Limited	-	78
		-	**78**
21	**Employee related expenses incurred on behalf of the Others**		
	Joint Venture		
	Firefly Network limited	7	-
	Group Companies		
	Bharti Enterprises Limited	40	-
	Centum learning Limited	2	-
		49	-

Value of PLI considered above represents incentive at 100% performance level. However, same will be paid on the basis of actual performance parameters in next year. Additional provision of ₹ 29 Mn and ₹ 23 Mn has been recorded in the books towards PLI for the year ended March 31, 2016 and March 31, 2015, respectively. During the year ended March 31, 2016, PLI of ₹ 143 Mn (March 31, 2016: ₹ 250 Mn) pertaining to previous year has been paid.

(Note 41 of the annual consolidated financial statements)

Notes to abridged consolidated financial statements

21. Security Details

The Group has taken borrowings in various countries towards funding of its acquisition and working capital requirements. The borrowings comprise of funding arrangements with various banks and financial institutions taken by the Parent and subsidiaries. The details of security provided by the Group in various countries, are as follows:

(₹ Millions)

Entity	Relation	Outstanding loan amount		Security Detail
		As of March 31, 2016	As of March 31, 2015	
Bharti Airtel Ltd	Parent	20	19	Hypothecation of vehicles
Airtel Bangladesh Ltd	Subsidiary	26,351	21,744	(i) Deed of Hypothecation by way of fixed charge creating a first-ranking pari passu fixed charge over listed machinery and equipment of the company, favouring the Bank / FIIs investors and the Offshore Security Agent and filed with the Registrar of Joint Stock Companies. Third Modification to Deed of Hypothecation for EKN-1, EKN-2, SCB Mauritius & HDFC Loan facilities. (ii) Deed of Hypothecation by way of floating charge creating a first-ranking pari passu floating charge over plant, machinery and equipment, both present and future, excluding machinery and equipment covered under the foregoing Deed of Hypothecation by way of fixed charge and a first-ranking pari passu floating charge over all current assets of the company, both present and future, including but not limited to stock, book debts, receivables and accounts of the company, entered into or to be entered into by the company, favouring the Bank / FIIs Facility Investors and Offshore Security Agent and filed with the Registrar of Joint Stock Companies for EKN-1, EKN-2, SCB Mauritius & HDFC loan facility. (iii) Corporate Guarantee by BAHSPL (Bharti Airtel Holdings Pte. Ltd.) to Airtel Bangladesh Limited for EKN-1, EKN-2, HDFC & SCB Mauritius loan facility. Counter Guarantee to BAHSPL by BAL (Bharti Airtel Limited) for EKN-1, EKN-2 and HDFC loan facility. (iv) Register Hypothecations of all present and future book debts, receivables, monies, and movable property of the Borrower consisting of raw materials, stocks, inventory work in progress, finished goods and insurance proceeds thereof, of Airtel Bangladesh on Pari Passu basis with other Lenders, under a Letter of Hypothecation dated February 8, 2012 and its subsequent modifications to the hypothecation executed in favor of the existing lenders and filed with the Registrar of Joint Stock Companies. (For Short Term Working Capital Lenders (STL & OD) except Citibank N.A).
Bharti Airtel Africa BV and its subsidiaries	Subsidiary	18,062	59,349	(i) Pledge of all fixed and floating assets - Kenya, Nigeria, Tanzania, Uganda, DRC, Ghana (ii) Pledge on specific fixed assets - Chad

Notes to abridged consolidated financial statements

(₹ Millions)

Entity	Relation	Outstanding loan amount		Security Detail
		As of March 31, 2016	As of March 31, 2015	
Indus Towers Limited (42% share)	Joint Venture	16,552	23,840	(i) a first charge by way of hypothecation of the JV Company's entire movable assets plant and machinery, including tower, related equipment and spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future; (ii) a charge on JV Company's cash flows, receivables, book debts, revenues of whatsoever nature and wherever arising, present and future subject only to prior charge in favour of working capital lenders with working capital facility limits not exceeding ₹ 10,000 Mn (amount in absolute figures) including funded facilities; and (iii) a first charge over the amount in the Debt Service Account opened and maintained by the JV Company in accordance with the terms of this Agreement and the Debt Service Account Agreement;
Total		**60,985**	**104,952**	

Africa operations acquisition related borrowing:

Loans outstanding as at the reporting date includes certain loans which have been taken to refinance the Africa operations acquisition related borrowing. These loan agreements contain a negative pledge covenant that prevents the Group (excluding Airtel Bangladesh Limited, Bharti Airtel Africa B.V, Bharti Infratel Limited, and their respective subsidiaries) to create or allow to exist any security interest on any of its assets without prior written consent of the majority lenders except in certain agreed circumstances.

(Note 46 of the annual consolidated financial statements)

22. The Company (M/s J T Mobiles Limited subsequently merged with the Company) was awarded license by DoT to operate cellular services in the State of Punjab in December 1995. On April 18, 1996, the Company obtained the permission from DoT to operate the Punjab license through its wholly owned subsidiary, Evergrowth Telecom Limited (ETL). In December 1996, DoT raised argument that the permission dated April 18, 1996 has not become effective and cancelled the permission to operate, which was subsequently reinstated on March 10, 1998 (the period from April 18, 1996 to March 10, 1998 has been hereinafter referred to as 'blackout period'). On July 15, 1999, license was terminated due to alleged non-payment of license fees, liquidated damages and related penal interest relating to blackout period.

In September 2001, in response to the demand raised by DoT, the Company had paid ₹ 4,856 Mn to DoT under protest subject to resolution of the dispute through arbitration. Consequently, the license was restored and an arbitrator was appointed for settlement of the dispute. Arbitrator awarded an unfavourable order, which was challenged by the Company before Hon'ble Delhi High Court.

On September 14, 2012, Hon'ble Delhi High Court passed an order setting aside the award passed by the arbitrator. DoT in the meanwhile has preferred an Appeal, including condonation of delay in filing of appeal, which is presently pending before the Division Bench of the Hon'ble Delhi High Court. The Appeal of DoT on the issue of condonation of delay was allowed on July 16, 2013. The next date of hearing is May 12, 2016. However, the Company on October 30, 2013 has filed Writ Petition for recovery in Hon'ble Delhi High Court, notice issued by High Court. The matter was listed on November 6, 2015 and is reserved for judgement.

(Note 48 of the annual consolidated financial statements)

Notes to abridged consolidated financial statements

23. Additional information, as required under Schedule III to the Companies Act, 2013 of enterprises consiolidated as Subsidiaries, Associates and Joint ventures:

(₹ Millions)

S. No.	Name of the entity	2016				2015			
		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
	Parent								
1	Bharti Airtel Limited	200%	844,468	169%	75,465	197%	782,729	286%	132,005
	Subsidiaries								
	- Indian								
1	Airtel Broadband Services Private Limited (formerly known as Wireless Business Services Private Limited)	-	-	0%	(6)	14%	55,953	(1%)	(234)
2	Airtel M Commerce Services Limited	1%	2,369	(1%)	(346)	0%	671	0%	45
3	Bharti Airtel Services Limited	0%	(1,000)	0%	(65)	0%	(943)	0%	(88)
4	Bharti Hexacom Limited	15%	62,564	23%	10,277	13%	52,288	23%	10,793
5	Bharti Infratel Limited	32%	134,635	30%	13,233	30%	119,030	24%	10,978
6	Bharti Infratel Services Limited	-	-	0%	(0)	0%	0	0%	(0)
7	Bharti Telemedia Limited	(8%)	(34,116)	3%	1,278	(9%)	(35,393)	(4%)	(1,907)
8	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	0%	(359)	0%	(78)	-	-	-	-
9	Nxtra Data Limited	0%	(17)	0%	14	0%	(31)	0%	(78)
10	Smartx Services Limited	0%	30	0%	0	-	-	-	-
11	Telesonic Networks Limited	0%	116	1%	323	0%	(207)	0%	219
12	Wynk Limited	0%	16	0%	16	0%	1	0%	-
	- Foreign								
1	Africa Towers N.V.	0%	(355)	(1%)	(284)	0%	(70)	0%	(69)
2	Africa Towers Services Limited	0%	(0)	0%	35	0%	(34)	0%	(43)
3	Airtel (Seychelles) Limited	0%	(799)	(1%)	(243)	0%	(529)	0%	(164)
4	Airtel (SL) Limited	(1%)	(4,618)	1%	240	(1%)	(4,233)	(1%)	(293)
5	Airtel Bangladesh Limited	(5%)	(21,090)	(16%)	(7,269)	(3%)	(12,979)	(14%)	(6,590)
6	Airtel Burkina Faso S.A.	(1%)	(2,739)	1%	245	0%	(1,598)	(1%)	(595)
7	Airtel Congo (RDC) S.A. (formerly Celtel Congo RDC S.a.r.l.)	(16%)	(69,368)	(36%)	(16,153)	(13%)	(50,573)	(36%)	(16,825)
8	Airtel Congo S.A.*	(6%)	(23,389)	(8%)	(3,701)	(4%)	(16,661)	(18%)	(8,228)
9	Airtel DTH Services (SL) Limited (in liquidation)	0%	-	0%	-	0%	-	0%	-
10	Airtel DTH Services Congo (RDC) S.p.r.l. (In liquidation)	0%	-	0%	-	0%	-	0%	-
11	Airtel DTH Services Nigeria Limited (In liquidation)	0%	-	0%	-	0%	-	0%	-
12	Airtel DTH Services Tanzania Limited (Liquidated on April 4, 2014)	0%	-	0%	-	0%	-	0%	-
13	Airtel Gabon S.A.	(4%)	(18,635)	(16%)	(6,999)	(3%)	(10,595)	(13%)	(6,083)
14	Airtel Ghana Limited	(7%)	(29,726)	1%	472	(7%)	(28,770)	(28%)	(12,775)
15	Airtel Madagascar S.A.	(2%)	(7,735)	(7%)	(3,206)	(1%)	(4,747)	(3%)	(1,295)
16	Airtel Malawi Limited	0%	(1,699)	(3%)	(1,266)	0%	(1,084)	2%	735

Notes to abridged consolidated financial statements

(₹ Millions)

S. No.	Name of the entity	2016				2015			
		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
17	Airtel Mobile Commerce (Ghana) Limited	0%	1	0%	-	0%	1	0%	-
18	Airtel Mobile Commerce (Kenya) Limited	0%	0	0%	-	0%	0	0%	-
19	Airtel Mobile Commerce (Seychelles) Limited	0%	-	0%	-	0%	-	0%	-
20	Airtel Mobile Commerce (SL) Limited	0%	0	0%	-	0%	0	0%	-
21	Airtel Mobile Commerce (Tanzania) Limited	0%	0	0%	-	0%	0	0%	-
22	Airtel Mobile Commerce B.V.	0%	(25)	0%	(8)	0%	(16)	0%	(7)
23	Airtel Mobile Commerce Burkina Faso S.A.	0%	161	0%	177	0%	(138)	0%	(3)
24	Airtel Mobile Commerce Holdings B.V.	0%	1	0%	(0)	0%	1	0%	-
25	Airtel Mobile Commerce Limited	0%	(373)	0%	(132)	0%	(393)	0%	(181)
26	Airtel Mobile Commerce Madagascar S.A.	0%	(408)	0%	(113)	0%	(303)	0%	(118)
27	Airtel Mobile Commerce Rwanda Limited	0%	1	0%	-	0%	1	0%	-
28	Airtel Mobile Commerce Tchad S.a.r.l.	0%	0	0%	-	0%	0	0%	-
29	Airtel Mobile Commerce Uganda Limited	0%	0	0%	-	0%	0	0%	-
30	Airtel Mobile Commerce Zambia Limited (formerly ZMP Limited)	0%	(441)	0%	(133)	0%	(425)	0%	(138)
31	Airtel Money (RDC) S.p.r.l.	0%	(1,588)	(1%)	(486)	0%	(1,045)	(2%)	(880)
32	Airtel Money Niger S.A.	0%	-	0%	-	0%	1	0%	-
33	Airtel Money S.A. (Gabon)	0%	(363)	0%	(42)	0%	(284)	0%	(124)
34	Airtel Money Transfer Limited	0%	-	0%	-	0%	-	0%	-
35	Airtel Networks Kenya Limited	(6%)	(25,083)	7%	2,996	(7%)	(29,732)	(15%)	(7,005)
36	Airtel Networks Limited	(12%)	(52,282)	44%	19,504	(17%)	(65,774)	(37%)	(17,116)
37	Airtel Networks Zambia Plc	(1%)	(2,421)	2%	820	(1%)	(3,028)	(3%)	(1,334)
38	Airtel Rwanda Limited	(2%)	(9,575)	(7%)	(3,034)	(2%)	(6,786)	(5%)	(2,332)
39	Airtel Tanzania Limited	(7%)	(30,365)	(30%)	(13,497)	(6%)	(23,240)	(25%)	(11,541)
40	Airtel Tchad S.A.	(3%)	(11,992)	(7%)	(3,052)	(2%)	(7,895)	(7%)	(3,157)
41	Airtel Towers (Ghana) Limited	0%	(15)	0%	32	0%	(45)	0%	(8)
42	Airtel Towers (SL) Company Limited	0%	(16)	0%	27	0%	(36)	0%	10
43	Airtel Uganda Limited	(2%)	(8,534)	4%	1,727	(3%)	(10,413)	(7%)	(3,030)
44	Bangladesh Infratel Networks Limited	(0)	(0)	0	0	(0)	(0)	(0)	(0)
45	Bharti Airtel (Canada) Limited	0%	-	0%	28	0%	(27)	0%	(3)
46	Bharti Airtel (France) SAS	0%	254	0%	196	0%	47	0%	25
47	Bharti Airtel (Hongkong) Limited	0%	(181)	0%	138	0%	(301)	0%	(18)
48	Bharti Airtel (Japan) Kabushiki Kaisha	0%	(6)	0%	(17)	0%	11	0%	16

Notes to abridged consolidated financial statements

(₹ Millions)

S. No.	Name of the entity	2016				2015			
		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
49	Bharti Airtel (UK) Limited	0%	545	0%	(111)	0%	634	1%	338
50	Bharti Airtel (USA) Limited	0%	406	1%	587	0%	(177)	0%	50
51	Bharti Airtel Acquisition Holdings B.V. (Liquidated on March 31, 2015)	0%	-	0%	-	0%	-	0%	-
52	Bharti Airtel Africa B.V.	18%	77,253	7%	3,061	18%	70,112	8%	3,546
53	Bharti Airtel Burkina Faso Holdings B.V.	2%	9,152	2%	1,077	2%	7,637	5%	2,453
54	Bharti Airtel Cameroon B.V. (Liquidated on March 31, 2015)	0%	-	0%	-	0%	-	0%	-
55	Bharti Airtel Chad Holdings B.V.	0%	361	0%	44	0%	300	0%	6
56	Bharti Airtel Congo Holdings B.V.	1%	6,078	1%	298	1%	5,463	0%	(44)
57	Bharti Airtel Developers Forum Limited	0%	-	0%	-	0%	-	0%	-
58	Bharti Airtel DTH Holdings B.V.	0%	1	0%	(0)	0%	1	0%	(1)
59	Bharti Airtel Gabon Holdings B.V.	2%	8,509	1%	250	2%	7,804	10%	4,400
60	Bharti Airtel Ghana Holdings B.V.	(1%)	(5,801)	(3%)	(1,251)	(1%)	(4,308)	(2%)	(1,060)
61	Bharti Airtel Holdings (Singapore) Pte Ltd	3%	14,547	0%	12	4%	14,831	(1%)	(396)
62	Bharti Airtel International (Mauritius) Limited	49%	207,752	0%	(2)	25%	97,600	0%	(2)
63	Bharti Airtel International (Netherlands) B.V	74%	313,972	(38%)	(16,918)	58%	229,206	131%	60,528
64	Bharti Airtel Kenya B.V.	(1%)	(5,278)	(3%)	(1,130)	(1%)	(3,928)	(2%)	(1,002)
65	Bharti Airtel Kenya Holdings B.V.	(1%)	(2,549)	0%	(106)	(1%)	(2,308)	0%	(58)
66	Bharti Airtel Lanka (Private) Limited	(1%)	(4,257)	(6%)	(2,746)	(1%)	(2,148)	(5%)	(2,106)
67	Bharti Airtel Madagascar Holdings B.V.	0%	(904)	0%	(197)	0%	(670)	0%	(174)
68	Bharti Airtel Malawi Holdings B.V.	0%	342	0%	(22)	0%	344	0%	66
69	Bharti Airtel Mali Holdings B.V.	0%	237	0%	-	0%	224	0%	-
70	Bharti Airtel Niger Holdings B.V.	2%	10,498	3%	1,387	2%	8,618	5%	2,120
71	Bharti Airtel Nigeria B.V.	(8%)	(33,021)	(7%)	(3,119)	(7%)	(28,272)	(9%)	(4,111)
72	Bharti Airtel Nigeria Holdings B.V. (In liquidation)	0%	-	0%	-	0%	-	0%	-
73	Bharti Airtel Nigeria Holdings II B.V.	0%	(118)	0%	-	0%	(112)	0%	-
74	Bharti Airtel RDC Holdings B.V.	1%	2,943	3%	1,277	0%	1,584	2%	897
75	Bharti Airtel Rwanda Holdings Limited (formerly Zebrano (Mauritius) Limited.)	0%	194	0%	(3)	0%	186	0%	(5)
76	Bharti Airtel Services BV	0%	(344)	0%	(59)	0%	(270)	0%	(46)
77	Bharti Airtel Sierra Leone Holdings BV	0%	199	0%	137	0%	60	0%	125
78	Bharti Airtel Tanzania B.V.	0%	(1,498)	1%	432	0%	(1,820)	0%	195
79	Bharti Airtel Uganda Holdings B.V.	(1%)	(5,750)	(1%)	(516)	(1%)	(4,949)	(1%)	(644)
80	Bharti Airtel Zambia Holdings B.V.	7%	29,063	2%	999	7%	26,519	12%	5,734
81	Bharti DTH Services Zambia Limited (Dissolved on November 21, 2014)	0%	-	0%	-	0%	-	0%	-
82	Bharti International (Singapore) Pte Ltd	20%	84,513	1%	450	13%	52,924	0%	27

Notes to abridged consolidated financial statements

(₹ Millions)

S. No.	Name of the entity	2016				2015			
		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
83	Burkina Faso Towers S.A.	0%	-	0%	39	0%	(35)	0%	(0)
84	Celtel (Mauritius) Holdings Limited	1%	2,194	1%	342	0%	1,752	1%	270
85	Celtel Acquisition Holding BV (Liquidated on March 31, 2015)	-	-	-	-	0%	-	0%	(0)
86	Celtel Niger S.A.	(1%)	(3,569)	(5%)	(2,205)	0%	(144)	(3%)	(1,216)
87	Channel Sea Management Company Mauritius Limited	0%	38	0%	(2)	0%	39	0%	(2)
88	Congo RDC Towers S.p.r.l.	0%	(728)	0%	(159)	0%	(538)	0%	1
89	Congo Towers S.A.	0%	-	0%	45	0%	(41)	0%	(1)
90	Gabon Towers S.A.	0%	(2)	0%	35	0%	(33)	0%	3
91	Indian Ocean Telecom Limited	0%	968	0%	(2)	0%	917	0%	(0)
92	Kenya Towers Limited	0%	-	(2%)	(955)	0%	376	0%	(33)
93	Madagascar Towers S.A.	0%	324	(1%)	(298)	0%	627	0%	(73)
94	Malawi Towers Limited	0%	(1,495)	(4%)	(1,689)	0%	(226)	0%	(124)
95	Mobile Commerce Congo S.A.	0%	1	0%	-	0%	1	0%	-
96	Montana International	0%	(11)	0%	(1)	0%	(9)	0%	(1)
97	MSI-Celtel Nigeria Limited (In liquidation)	0%	-	0%	-	0%	-	0%	-
98	Network i2i Limited.	6%	24,326	9%	3,913	5%	19,245	8%	3,596
99	Niger Towers S.A.	0%	-	0%	37	0%	(34)	0%	1
100	Partnership Investment Sprl	0%	-	0%	-	0%	-	0%	-
101	Rwanda Towers Limited (Sold during March 2015)	0%	-	0%	-	0%	-	0%	154
102	Société Malgache de Téléphone Cellulaire S.A.	0%	153	0%	(2)	0%	146	0%	(2)
103	Tanzania Towers Limited	0%	(30)	0%	24	0%	(61)	0%	(16)
104	Tchad Towers S.A.	0%	(83)	0%	44	0%	(113)	0%	(41)
105	Towers Support Nigeria Limited	0%	(1)	0%	33	0%	(32)	0%	0
106	Uganda Towers Limited	0%	-	(1%)	(271)	0%	(838)	(2%)	(863)
107	Warid Congo S.A. (Subsidiary w.e.f. March 12, 2014)	0%	-	0%	-	0%	1,253	(1%)	(442)
108	Warid Telecom Uganda Limited	0%	-	0%	-	0%	-	0%	-
109	Zambian Towers Limited	0%	-	(6%)	(2,566)	0%	(224)	0%	(102)
110	Zap Trust Company Nigeria Limited	0%	-	0%	-	0%	-	0%	-
	Minority Interests in all subsidiaries	(18%)	(74,465)	(22%)	(9,739)	(17%)	(68,906)	(9%)	(4,270)
	Associates (Investment as per the equity method)								
1	**- Indian**								
	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	-	-	-	-	0%	-	0%	-
	- Foreign								
1	Tanzania Telecommunications Company Ltd (TTCL)	0%	-	0%	-	0%	-	0%	-
2	Seychelles Cable Systems Company Limited	0%	-	0%	-	0%	-	0%	(53)

Notes to the abridged consolidated financial statements

(₹ Millions)

S. No.	Name of the entity	2016				2015			
		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
	Joint Ventures (as per proportionate consolidation method)								
	- Indian								
1	Indus Towers Limited	12%	48,815	24%	10,586	13%	51,171	19%	8,946
2	FireFly Networks Limited	0%	(1)	0%	1	0%	(2)	0%	(12)
3	Forum I Aviation Limited	-	-	0%	12	0%	83	0%	6
	- Foreign								
3	Bridge Mobile Pte Limited	0%	43	0%	10	0%	30	0%	8
	Inter Company Elimination/ Adjustments on consolidation		(965,841)		(3,608)		(774,128)		(82,923)
	Net Assets - Consolidated	**100%**	**422,976**	**100%**	**44,566**	**100%**	**397,770**	**100%**	**46,208**

* Includes Airtel Congo B Warid which is merged during the year.

(Note 49 of the annual consolidated financial statements)

24. Previous year figures in the consolidated financial statements, including the notes thereto, have been reclassified wherever required to conform to the current year's presentation / classification.

(Note 51 of the annual consolidated financial statements)

25. The complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements with the accounting standards notified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs are available at the Company's website http://www.airtel.in.

Statement Pursuant to Section 129 of the Companies Act, 2013 relating to subsidiary companies for the year ended March 31, 2016

(₹ Millions)

Sr No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Reporting Period	Financial Year End	Exchange Rate as of March 31, 2016	Share Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend	Capital Expenditure during the reporting period #	Community Contribution ^	% of shareholding
1	Airtel Bangladesh Limited	a	Bangladesh	BDT	Apr'15 to Mar'16	March 31, 2016	0.845	38,876	(59,966)	32,493	53,583	-	12,444	(7,305)	38	(7,343)	-	6,006		100%
2	Airtel Payments Bank Limited	a, j	India	INR	Apr'15 to Mar'16	March 31, 2016	1.000	4,944	(2,575)	4,106	1,737	-	395	(346)	-	(346)		139		80.10%
3	Bangladesh Infratel Networks Limited	b, e	Bangladesh	BDT	Apr'15 to Mar'16	March 31, 2016	0.845	0	(0)	0	0	-	-	(0)	-	(0)		-		100%
4	Bharti Airtel (France) SAS	b	France	EUR	Apr'15 to Mar'16	March 31, 2016	75.447	1	32	340	307		272	77	97	(20)		183		100%
5	Bharti Airtel (Hongkong) Limited	a	Hongkong	HKD	Apr'15 to Mar'16	March 31, 2016	8.540	42	(225)	546	729		575	140	5	135		172		100%
6	Bharti Airtel (Japan) Kabushiki Kaisha	a, d	Japan	JPY	Apr'15 to Mar'16	March 31, 2016	0.590	0	(6)	19	25		8	(18)	(0)	(18)		-		100%
7	Bharti Airtel Services Limited	a	India	INR	Apr'15 to Mar'16	March 31, 2016	1.000	1	(1,009)	3,459	4,467	-	5,666	(62)	3	(65)		183		100%
8	Bharti Airtel (UK) Limited	a	United Kingdom	GBP	Apr'15 to Mar'16	March 31, 2016	95.411	32	498	3,474	2,944		16,547	(154)	(30)	(124)		150		100%
9	Bharti Airtel (USA) Limited	a, d	United States of America	USD	Apr'15 to Mar'16	March 31, 2016	66.255	-	219	1,253	1,034		1,847	292	(115)	407		97		100%
10	Bharti Airtel Holdings (Singapore) Pte Ltd	a	Singapore	SGD	Apr'15 to Mar'16	March 31, 2016	49.246	23,232	(1,033)	45,474	23,275		-	12	6	6		-		100%
11	Bharti International (Singapore) Pte Ltd	a	Singapore	USD	Apr'15 to Mar'16	March 31, 2016	66.255	120,808	(11,316)	129,687	20,195	107,706	6,339	618	183	435		710		100%
12	Bharti Airtel International (Mauritius) Limited	a	Mauritius	INR	Apr'15 to Mar'16	March 31, 2016	1.000	207,721	31	207,756	4	207,756	-	(2)	-	(2)		-		100%
13	Bharti Airtel Lanka (Private) Limited	a	Sri Lanka	LKR	Apr'15 to Mar'16	March 31, 2016	0.454	14,405	(18,662)	6,453	10,710		3,948	(2,598)	45	(2,643)		923		100%
14	Bharti Infratel Lanka (Private) Limited	b, e	Sri Lanka	LKR	Apr'15 to Mar'16	March 31, 2016	0.454	0	-	-	-	-	-	-	-	-	-	-		100%
15	Bharti Hexacom Limited	a, g	India	INR	Apr'15 to Mar'16	March 31, 2016	1.000	2,500	57,748	84,478	24,230		51,878	15,514	5,236	10,278	2,317	18,304	105	70%
16	Indo Teleports Limited	a, h	India	INR	Apr'15 to Mar'16	March 31, 2016	1.000	230	(589)	402	761		285	(78)	-	(78)		14		95%
17	Bharti Infratel Limited	a, g	India	INR	Apr'15 to Mar'16	March 31, 2016	1.000	18,967	166,765	221,520	35,788	98,096	55,957	19,843	6,609	13,234	6,848	9,933	209	71.76%
18	Smatrx Services Limited(subsidiary w.e.f. September 21, 2015)	a, i	India	INR	Sep '15 to Mar'16	March 31, 2016	1.000	30	0	30	0		-	0	0	0		-		71.76%
19	Bharti Telemedia Limited	a	India	INR	Apr'15 to Mar'16	March 31, 2016	1.000	102	(34,218)	22,950	57,066	-	29,178	1,277	-	1,277		9,494		95%
20	Network i2i Limited	a	Mauritius	USD	Apr'15 to Mar'16	March 31, 2016	66.255	3,460	20,866	37,409	13,083	-	5,778	4,075	121	3,954		786		100%
21	Telesonic Networks Limited	a	India	INR	Apr'15 to Mar'16	March 31, 2016	1.000	892	(776)	2,966	2,850		7,031	336	13	323		69		100%
22	Nxtra Data Limited	a	India	INR	Apr'15 to Mar'16	March 31, 2016	1.000	51	(67)	3,722	3,738	4	2,798	(71)	(85)	14		576		100%
23	Wynk Limited	a	India	INR	Jan'15 to Mar'16	March 31, 2016	1.000	1	16	449	432		490	23	7	16		162		100%
24	Bharti Infratel Services Limited	b, e	India	INR	Apr'15 to Mar'16	March 31, 2016	1.000	-	-	-	-		-	(0)	-	(0)		-		71.76%
25	Bharti Airtel International (Netherlands) B.V.	b	Netherlands	USD	Apr'15 to Mar'16	March 31, 2016	66.255	134,385	173,447	756,059	448,227	302	3,286	(10,439)	199	(10,638)	-	135	-	100%
26	Bharti Airtel Africa B.V.	b	Netherlands	USD	Apr'15 to Mar'16	March 31, 2016	66.255	42	76,450	406,226	329,734	-	-	3,187	-	3,187	-	-	-	100%
27	Bharti Airtel Burkina Faso Holdings B.V.	b, d	Netherlands	USD	Apr'15 to Mar'16	March 31, 2016	66.255	1	9,102	9,103	0	-	-	1,068	-	1,068	-	-	-	100%
28	Airtel Burkina Faso S.A.	a	Burkina faso	XOF	Jan'15 to Dec'15	December 31, 2015	0.115	288	2,669	16,255	13,298	-	12,802	2,668	731	1,937	1,150	4,463	1	100%
29	Bharti Airtel Chad Holdings B.V.	b, d	Netherlands	USD	Apr'15 to Mar'16	March 31, 2016	66.255	1	329	11,332	11,002	-	-	43	-	43	-	-	-	100%
30	Airtel Tchad S.A.	a	Chad	XAF	Jan'15 to Dec'15	December 31, 2015	0.115	3,198	(6,138)	18,337	21,277	-	8,653	(1,658)	130	(1,788)	-	3,743	25	100%
31	Bharti Airtel Gabon Holdings B.V.	b, d	Netherlands	USD	Apr'15 to Mar'16	March 31, 2016	66.255	1	8,430	8,508	77	-	-	248	-	248	-	-	-	100%
32	Airtel Gabon S.A.	a	Gabon	XAF	Jan'15 to Dec'15	December 31, 2015	0.115	690	(6,600)	15,018	20,928	-	11,367	(6,298)	114	(6,412)	-	4,820	23	90%
33	Bharti Airtel Congo Holdings B.V.	b, d	Netherlands	USD	Apr'15 to Mar'16	March 31, 2016	66.255	1	6,027	9,047	3,019	-	-	296	-	296	-	-	-	100%
34	Airtel Congo S.A.	c	Congo Brazzaville	XAF	Jan'15 to Dec'15	December 31, 2015	0.115	598	(8,317)	12,578	20,297	-	13,415	(3,498)	414	(3,912)	-	8,562	5	90%
35	Bharti Airtel RDC Holdings B.V.	b, d	Netherlands	USD	Apr'15 to Mar'16	March 31, 2016	66.255	1	2,845	60,375	57,529	-	-	1,266	-	1,266	-	-	-	100%
36	Airtel Congo (RDC) S.A. (Formerly Celtel Congo (RDC) S.a.r.l.)	c	Democratic Republic of Congo	CDF	Jan'15 to Dec'15	December 31, 2015	0.070	23	(37,964)	30,860	68,801	-	18,644	(12,948)	220	(13,168)	-	3,282	36	98.50%
37	Bharti Airtel Mali Holdings B.V.	b, d	Netherlands	USD	Apr'15 to Mar'16	March 31, 2016	66.255	1	236	658	421	-	-	-	-	-	-	-	-	100%
38	Bharti Airtel Kenya Holdings B.V.	b, d	Netherlands	USD	Apr'15 to Mar'16	March 31, 2016	66.255	1	(2,550)	62,191	64,740	-	-	(105)	-	(105)	-	-	-	100%
39	Bharti Airtel Kenya B.V.	b, d	Netherlands	USD	Apr'15 to Mar'16	March 31, 2016	66.255	2	(5,324)	56,869	62,191	-	-	(1,120)	-	(1,120)	-	-	-	100%
40	Airtel Networks Kenya Limited	a, f	Kenya	KES	Jan'15 to Dec'15	December 31, 2015	0.653	19,423	(33,431)	26,050	40,058	-	11,585	5,252	584	4,668	-	7,939	9	100%
41	Bharti Airtel Malawi Holdings B.V.	b, d	Netherlands	USD	Apr'15 to Mar'16	March 31, 2016	66.255	1	308	6,088	5,779	-	-	(22)	-	(22)	-	-	-	100%
42	Airtel Malawi Limited	a	Malawi	MWK	Jan'15 to Dec'15	December 31, 2015	0.098	0	522	10,822	10,300	-	5,743	(37)	(154)	117	-	1,315	31	100%
43	Bharti Airtel Niger Holdings B.V.	b, d	Netherlands	USD	Apr'15 to Mar'16	March 31, 2016	66.255	1	10,450	10,498	47	-	-	1,376	-	1,376	-	-	-	100%
44	Celtel Niger S.A.	a	Niger	XOF	Jan'15 to Dec'15	December 31, 2015	0.115	173	2,807	30,228	27,248	-	12,859	(2,684)	196	(2,880)	1,265	1,561	45	90%
45	Bharti Airtel Sierra Leone Holdings B.V.	b, d	Netherlands	USD	Apr'15 to Mar'16	March 31, 2016	66.255	1	177	5,892	5,714	-	-	135	-	135	-	-	-	100%
46	Airtel (SL) Limited	c	Sierra Leone	SLL	Jan'15 to Dec'15	December 31, 2015	0.017	133	(179)	8,541	8,587	-	6,863	549	227	322	-	872	35	100%
47	Airtel Networks Zambia Plc	a	Zambia	ZMW	Jan'15 to Dec'15	December 31, 2015	6.025	6	2,153	16,208	14,049	-	11,590	1,509	(285)	1,794	940	8,003	10	96.36%

Statement Pursuant to Section 129 of the Companies Act, 2013 relating to subsidiary companies for the year ended March 31, 2016

(₹ Millions)

Sr No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Reporting Period	Financial Year End	Exchange Rate as of March 31, 2016	Share Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend	Capital Expenditure during the reporting period #	Community Contribution ^	% of shareholding
48	Bharti Airtel Uganda Holdings B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	1	(5,786)	14,532	20,317	-	-	(512)	-	(512)	-	-	-	100%
49	Airtel Uganda Limited ##	a, f	Uganda	UGS	Jan '15 to Dec '15	December 31, 2015	0.020	247	(2,895)	20,567	23,215	-	16,867	1,695	-	1,695	-	8,265	13	100%
50	Bharti Airtel Tanzania B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	2	(4,490)	27,597	32,085	-	-	428	-	428	-	-	-	100%
51	Airtel Tanzania Limited	a	Tanzania	TZS	Jan '15 to Dec '15	December 31, 2015	0.030	1,242	(21,975)	20,800	41,533	-	17,180	(9,025)	1,456	(10,481)	-	5,034	20	60%
52	Bharti Airtel Madagascar Holdings B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	1	(906)	14,317	15,222	-	-	(196)	-	(196)	-	-	-	100%
53	Channel Sea Management Company (Mauritius) Limited	a	Mauritius	USD	Jan '15 to Dec '15	December 31, 2015	66.255	1	38	40	1	-	-	(2)	-	(2)	-	-	-	100%
54	Bharti Airtel Rwanda Holdings Limited (Formerly Zebrano (Mauritius) Limited)	a	Mauritius	USD	Jan '15 to Dec '15	December 31, 2015	66.255	3	185	11,553	11,365	-	-	(2)	-	(2)	-	-	-	100%
55	Montana International	a	Mauritius	USD	Jan '15 to Dec '15	December 31, 2015	66.255	0	(11)	3	14	-	-	(1)	-	(1)	-	-	-	100%
56	Airtel Madagascar S.A.	a	Madagascar	MGA	Jan '15 to Dec '15	December 31, 2015	0.021	61	(3,527)	10,884	14,350	-	4,051	(2,630)	(288)	(2,342)	-	1,578	7	100%
57	Bharti Airtel Nigeria Holdings B.V.	b,d,e	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	-	-	-	-	-	-	-	-	-	-	-	-	100%
58	MSI-Celtel Nigeria Limited	e	Nigeria	NGN	Jan '15 to Dec '15	December 31, 2015	0.333	-	-	-	-	-	-	-	-	-	-	-	-	100%
59	Bharti Airtel Nigeria Holdings II B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	1	(120)	122,430	122,549	-	-	-	-	-	-	-	-	100%
60	Bharti Airtel Nigeria B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	1	(34,368)	89,759	124,126	-	-	(3,109)	-	(3,109)	-	-	-	100%
61	Bharti Airtel Ghana Holdings B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	1	(5,860)	42,905	48,764	-	-	(1,241)	-	(1,241)	-	-	-	100%
62	Airtel Ghana Limited	c, f	Ghana	GHS	Jan '15 to Dec '15	December 31, 2015	17.251	2,766	(29,391)	11,698	38,323	-	9,001	(3,797)	194	(3,991)	-	1,856	5	75%
63	Bharti Airtel Services B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	1	327	417	89	-	-	-	-	-	-	0	-	100%
64	Airtel Networks Limited	a	Nigeria	NGN	Jan '15 to Dec '15	December 31, 2015	0.333	67	4,480	103,060	98,513	-	82,920	22,083	14,098	7,985	-	24,230	41	79.06%
65	Bharti Airtel Zambia Holdings B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	1	28,973	28,974	0	-	-	991	-	991	-	-	-	100%
66	Airtel Mobile Commerce Limited	a	Malawi	MWK	Jan '15 to Dec '15	December 31, 2015	0.098	0	-	0	-	-	-	-	-	-	-	-	-	100%
67	Airtel Mobile Commerce (Kenya) Limited	a	Kenya	KES	Jan '15 to Dec '15	December 31, 2015	0.653	0	-	615	615	-	-	-	-	-	-	-	-	100%
68	Airtel Mobile Commerce Ghana Limited	a	Ghana	GHS	Jan '15 to Dec '15	December 31, 2015	17.251	1	-	583	582	-	-	-	-	-	-	-	-	100%
69	Celtel (Mauritius) Holdings Limited	a	Mauritius	USD	Jan '15 to Dec '15	December 31, 2015	66.255	1	2,139	9,863	7,723	-	-	380	57	323	-	-	-	100%
70	Airtel Mobile Commerce Zambia Limited (Formerly ZMP Limited)	a	Zambia	ZMW	Jan '15 to Dec '15	December 31, 2015	6.025	12	(422)	210	620	-	67	(114)	1	(115)	-	8	-	100%
71	Airtel Mobile Commerce (SL) Limited	a	Sierra Leone	SLL	Jan '15 to Dec '15	December 31, 2015	0.017	0	-	203	203	-	-	-	-	-	-	-	-	100%
72	Airtel Mobile Commerce Tchad S.a.r.l.	a	Chad	XAF	Jan '15 to Dec '15	December 31, 2015	0.115	0	(0)	108	108	-	-	(0)	0	(0)	-	-	-	100%
73	Airtel Mobile Commerce B.V.	b,d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	2	(26)	398	422	-	-	(8)	-	(8)	-	-	-	100%
74	Airtel Money S.A. (Gabon)	a	Gabon	XAF	Jan '15 to Dec '15	December 31, 2015	0.115	1	(405)	839	1,243	-	374	(107)	3	(110)	-	86	-	100%
75	Malawi Towers Limited	a	Malawi	MWK	Jan '15 to Dec '15	December 31, 2015	0.098	1	(1,215)	2,997	4,211	-	948	(847)	-	(847)	-	4	-	100%
76	Airtel Money Niger S.A.	a	Niger	XOF	Jan '15 to Dec '15	December 31, 2015	0.115	1	0	454	453	-	1	0	0	0	-	-	-	100%
77	Société Malgache de Téléphone Cellulaire S.A.	a	Mauritius	USD	Jan '15 to Dec '15	December 31, 2015	66.255	3	150	169	16	-	-	(2)	-	(2)	-	-	-	100%
78	Airtel Mobile Commerce Holdings B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	2	(0)	2	0	-	-	(0)	-	(0)	-	-	-	100%
79	Indian Ocean Telecom Limited	a	Jersey	USD	Jan '15 to Dec '15	December 31, 2015	66.255	166	803	977	8	-	-	(2)	-	(2)	-	-	-	100%
80	Airtel (Seychelles) Limited	a	Seychelles	SCR	Jan '15 to Dec '15	December 31, 2015	4.911	5	292	2,353	2,056	186	1,407	263	175	88	-	365	6	100%
81	Airtel Mobile Commerce (Tanzania) Limited	a	Tanzania	TZS	Jan '15 to Dec '15	December 31, 2015	0.030	0	-	2,757	2,757	-	-	-	-	-	-	-	-	100%
82	Airtel Mobile Commerce Uganda Limited	a	Uganda	UGS	Jan '15 to Dec '15	December 31, 2015	0.020	0	-	1,895	1,895	-	-	-	-	-	-	-	-	100%
83	Africa Towers N.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	4	(360)	2,212	2,568	-	-	(282)	-	(282)	-	-	-	100%
84	Airtel Towers Ghana Limited	a	Ghana	GHS	Jan '15 to Dec '15	December 31, 2015	17.251	1	(16)	2	17	-	-	(6)	-	(6)	-	-	-	75%
85	Bharti Airtel DTH Holdings B.V.	b, d	Netherlands	USD	Apr '15 to Mar '16	March 31, 2016	66.255	2	(7)	1	6	-	-	(0)	-	(0)	-	-	-	100%
86	Airtel DTH Services (SL) Limited	d, e	Sierra Leone	SLL	Jan '15 to Dec '15	December 31, 2015	0.017	-	-	-	-	-	-	-	-	-	-	-	-	100%
87	Airtel DTH Services Nigeria Limited	e	Nigeria	NGN	Jan '15 to Dec '15	December 31, 2015	0.333	-	-	-	-	-	-	-	-	-	-	-	-	100%
88	Airtel Towers (SL) Company Limited	a	Sierra Leone	SLL	Jan '15 to Dec '15	December 31, 2015	0.017	0	(17)	9	26	-	33	19	3	16	-	-	-	100%
90	Congo Towers S.A.	a, e	Congo Brazzaville	XAF	Jan '15 to Dec '15	December 31, 2015	0.115	1	(8)	1	8	-	-	40	-	40	-	-	-	90%
91	Madagascar Towers S.A.	a	Madagascar	MGA	Jan '15 to Dec '15	December 31, 2015	0.021	0	434	3,579	3,145	-	1,090	(312)	(52)	(260)	-	338	-	100%
92	Mobile Commerce Congo S.A.	a	Congo Brazzaville	XAF	Jan '15 to Dec '15	December 31, 2015	0.115	1	-	166	165	-	-	-	-	-	-	-	-	100%
94	Tanzania Towers Limited	a	Tanzania	TZS	Jan '15 to Dec '15	December 31, 2015	0.030	0	(30)	-	30	-	-	19	-	19	-	-	-	60%
95	Tchad Towers S.A.	a	Chad	XAF	Jan '15 to Dec '15	December 31, 2015	0.115	1	(151)	1	151	-	-	(43)	0	(43)	-	-	-	100%
96	Towers Support Nigeria Limited	a, e	Nigeria	NGN	Jan '15 to Dec '15	December 31, 2015	0.333	3	(5)	47	49	-	6	(1)	1	(2)	-	-	-	79.06%

Statement Pursuant to Section 129 of the Companies Act, 2013 relating to subsidiary companies for the year ended March 31, 2016

(₹ Millions)

Sr No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Reporting Period	Financial Year End	Exchange Rate as of March 31, 2016	Share Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend	Capital Expenditure during the reporting period #	Community Contribution ^	% of shareholding
97	Airtel Money RDC S.A.	a	Democratic Republic of Congo	CDF	Jan'15 to Dec'15	December 31, 2015	0.070	160	(1,761)	1,322	2,923	-	352	(588)	4	(592)	-	63	-	100%
98	Airtel Mobile Commerce Burkina Faso S.A.	a	Burkina Faso	XOF	Jan'15 to Dec'15	December 31, 2015	0.115	1	(39)	3,590	3,628	-	431	212	64	148	-	104	-	100%
100	Congo RDC Towers S.A.	c	Democratic Republic of Congo	CDF	Jan'15 to Dec'15	December 31, 2015	0.070	7	(840)	8,992	9,825	-	4,898	411	605	(194)	-	1,132	-	100%
101	Gabon Towers S.A.	a, e	Gabon	XAF	Jan'15 to Dec'15	December 31, 2015	0.115	1	(5)	1	4	-	-	28	0	28	-	-	-	90%
102	Airtel Mobile Commerce Madagascar S.A.	a	Madagascar	MGA	Jan'15 to Dec'15	December 31, 2015	0.021	0	(328)	667	995	-	194	(156)	(21)	(135)	-	0	-	100%
103	Airtel Rwanda Limited	a	Rwanda	RWF	Jan'15 to Dec'15	December 31, 2015	0.089	-	(9,078)	6,888	15,966	-	1,513	(3,046)	-	(3,046)	-	1,392	4	100%
104	Africa Towers Services Limited	a	Kenya	KES	Jan'15 to Dec'15	December 31, 2015	0.653	0	5	822	817	-	187	34	13	21	-	-	-	100%
105	Airtel Mobile Commerce Rwanda Limited	a	Rwanda	RWF	Jan'15 to Dec'15	December 31, 2015	0.089	1	-	241	240	-	-	-	-	-	-	-	-	100%
106	Airtel Mobile Commerce (Seychelles) Limited	c	Seychelles	SCR	Jan'15 to Dec'15	December 31, 2015	4.911	5	(27)	7	29	-	0	(15)	-	(15)	-	-	-	100%
107	Warid Telecom Uganda Limited (in process of amalgamation with Airtel Uganda Limited) ##	b	Uganda	UGS	Jan'15 to Dec'15	December 31, 2015	0.020	-	-	-	-	-	-	-	-	-	-	-	-	100%

* Investments exclude investments in subsidiaries.
# Voluntary disclosure.
The business of Warid Telecom Uganda Limited was assumed by Airtel Uganda Ltd during the financial year 2015-16.

^ Voluntary disclosure - Unaudited.
The figures which are appearing as '0' are result of rounding off
Airtel Broadband Services Private Limited, a wholly owned subsidiary has been amalgamated with the Company w.e.f April 9, 2015 and hence not disclosed above

Notes:
a) Financial information has been extracted from the audited standalone financial statements.
b) Financial information has been extracted from the unaudited standalone financial statements.
c) Financial information has been extracted from the submission considered for the purpose of consolidated audited IFRS financial statements for the respective financial year end.
d) The financial statements for these subsidiaries are not required to be prepared as per the local laws of the countries where they are incorporated
e) Subsidiaries are under liquidation.
f) Share capital includes preference share capital.
g) Proposed dividend includes dividend distribution tax.
h) Indo Teleports Limited (formerly known as Bharti Teleports Limited) became subsidiary of Bharti Airtel Limited w.e.f. August 27, 2015.
i) Subsidiaries incorporated during the year.
j) Airtel M Commerce Services Limited is now Airtel Payments Bank Limited effective May 2, 2016.

Subsidiaries yet to commence operations
1 Partnership Investment Sprl
2 Bharti Airtel Developers Forum Limited
3 Zap Trust Company Nigeria Limited
4 Airtel Money Transfer Limited (Subsidiary w.e.f. July 20, 2015)

Subsidiaries have been liquidated / sold during the year.
1 Bharti Airtel (Canada) Limited
2 Uganda Towers Limited
3 Kenya Towers Limited
4 Zambian Towers Limited
5 Burkina Faso Towers S.A.
6 Niger Towers S.A.
7 Airtel DTH Services Congo (DRC) SARL
8 Warid Congo S.A. (Merged with Airtel Congo SA on 16th October, 2015, dissolved on 05th November, 2015)

Statement Pursuant to Section 129 of the Companies Act, 2013 relating to subsidiary companies for the year ended March 31, 2016

(₹ Millions)

Sr. No.	Name of the Associate / Joint Venture	Latest Audited Balance Sheet Date	Share of Associates / Joint Ventures held by the company as of March 31, 2016			Description of how there is significant influence	Net Worth attributable to shareholders as per latest audited Balance Sheet	Profit/Loss for the year ended March 31, 2016	
			Number of shares	Amount of Investment in Associate / Joint Venture	Extent of holding %			Considered in consolidation	Not Considered in consolidation
1	Bridge Mobile Pte Limited	March 31, 2016	800,000	34	10%	% of share capital	441	10	-
2	Indus Towers Limited*	March 31, 2016	500,504	60,419	30.14%	% of share capital	166,984	8,639	-
3	FireFly Networks Limited	March 31, 2016	1,000,000	10	50%	% of share capital	(4.3)	-	(1)
4	Tanzania Telecommunications Company Limited	December 31, 2013	102,852,615	-	35%	% of share capital	(2,663)	-	(161)
5	Seychelles Cable Systems Company Limited	June 30, 2015	260	186	26%	% of share capital	114	-	(45)

* Profits/losses considered for consolidation is based on direct shareholding of Bharti Infratel Limited as against effective shareholding of the Company.

Notes:

Amount of investment in joint venture/associate is based on the carrying value of investments in the standalone financial statements of venturer / investor.

Joint Ventures / Associates that are no more held as such during the year.

1. Forum 1 Aviation Limited was disposed off during the year.
2. Indo Teleports Limited (formerly known as Bharti Teleports Limited) became subsidiary of Bharti Airtel Limited w.e.f. August 27, 2015

Circle Offices

Andhra Pradesh
Splendid Towers,
Opp. Begumpet Police Station,
Begumpet,
Hyderabad- 500016,
Telangana

Assam & North East States
Bharti House, Six Mile,
Khanapara, G.S. Road,
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 & 4th Floor, Zodiac Square,
S G Road, Opp. Gurudwara,
Ahmedabad - 380054,
Gujarat

Haryana, Punjab, Himachal and J&K
Plot No. 21, Rajiv Gandhi
Chandigarh Technology Park,
Chandigarh - 160101

Karnataka
55, Divyasree Towers,
Bannerghatta Main Road,
Bengaluru - 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
Infinity Building,
Salt Lake Electronics Complex,
Block GP, Sector V,
Kolkata - 700091,
West Bengal

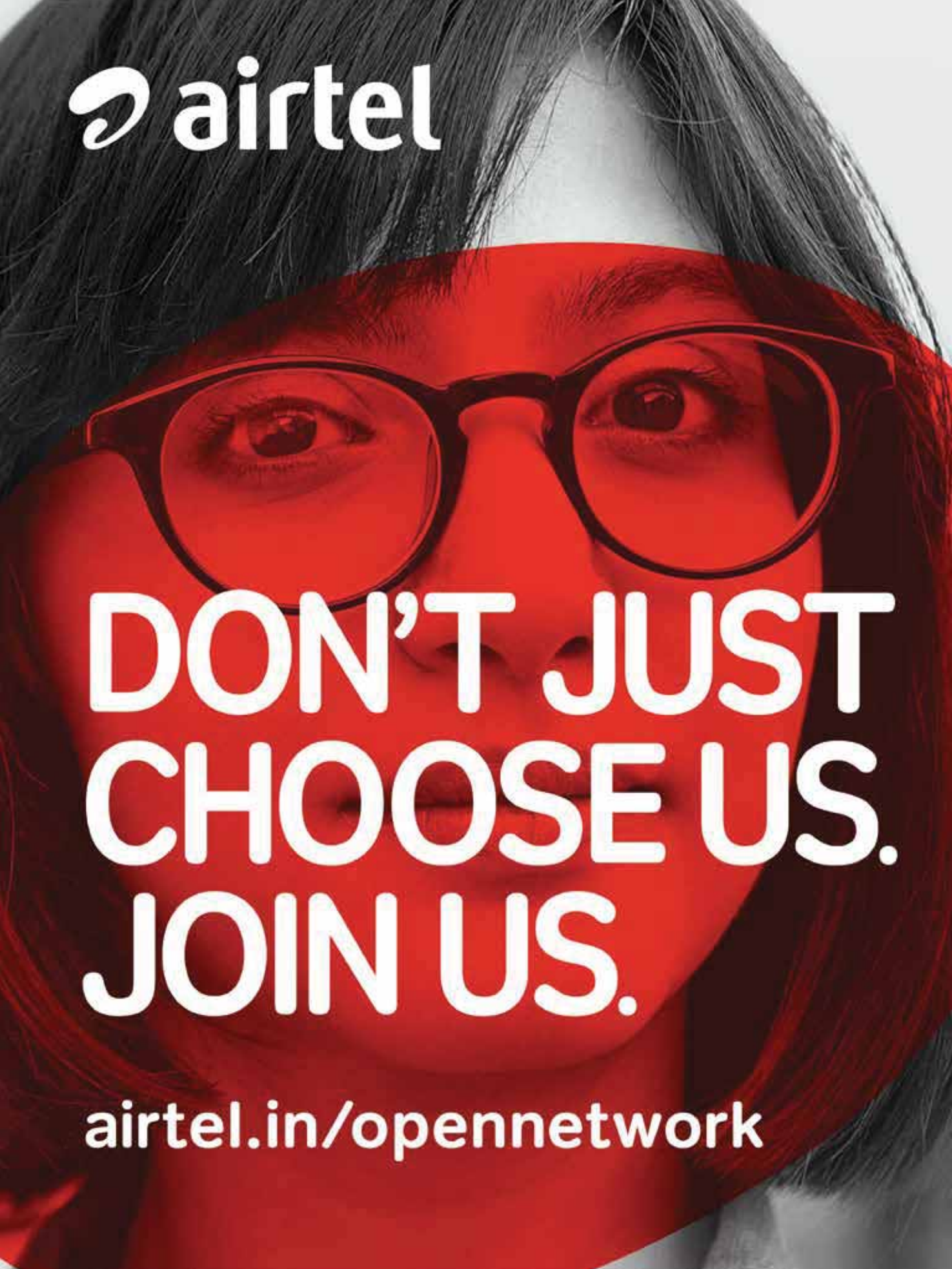
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