Bharti Infratel Limited

June 30, 2018

The BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001

The National Stock Exchange of India Limited
Exchange Plaza, C-1, Block - G, Bandra Kurla Complex,
Bandra (E), Mumbai 400 051

Ref: Bharti Infratel Limited (534816 / INFRATEL)

Sub: Notice of Record Date and Annual General Meeting

Dear Sir/Madam,

Pursuant to Regulation 30, 42, 44 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please be informed that:

- The Twelfth Annual General Meeting (AGM) of the Company will be held on Tuesday, July 24, 2018. Notice of the Twelfth AGM along with the Integrated Report & Annual Accounts 2017-18 is enclosed.
- July 20, 2018 shall be the Record Date for determining shareholders' entitlement to the proposed final dividend for the financial year ended March 31, 2018, subject to the shareholders' approval at the aforesaid AGM.
- The Company is offering e-voting facility to its members in respect of business(es) to be transacted at the AGM. The facility to exercise the vote at the aforesaid AGM by electronic means (remote e-voting) and voting at AGM venue on all resolutions as set out in the notice will be provided to those members, holding shares either in physical or in electronic form as on the cut-off date i.e. July 17, 2018. The remote e-voting will commence on Saturday, July 21, 2018 at 9:00 a.m. and will end on Monday, July 23, 2018 at 5:00 p.m. (both days inclusive).

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Bharti Infratel Limited

Samridhi Rodhe
Company Secretary

BHARTI INFRATEL LIMITED HARYANA

Cc:

1. Central Depository Services (India) Ltd., Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013.
2. National Securities Depository Ltd., Trade World, A wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400013
3. Karvy Computershare Private Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032

Bharti Infratel Limited
CIN L64201HR2006PLC073821
Bharti Crescent,
1, Nelson Mandela Road, Vasant Kunj,
Phase- II, New Delhi- 110070
Phone: +91 11 46666100 Fax: +91 11 41666137
Email: compliance.officer@bharti-infratel.in
www.bharti-infratel.com

Registered Office:
901, Park Centra, Sector 30, NH-8,
Gurugram, Haryana - 122001
Phone: +91 124 4132600
Fax: +91 124 4109580

BHARTI INFRATEL LIMITED

CIN: L64201HR2006PLC073821
Regd. Office: 901, Park Centra, Sector 30, NH-8, Gurugram, Haryana- 122001
Tel.: +91-124-4132600 **Fax:** +91-124-4109580
Email id: compliance.officer@bharti-infratel.in **Website:** www.bharti-infratel.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 12th (Twelfth) Annual General Meeting (AGM) of the members of Bharti Infratel Limited ("the Company"), will be held on Tuesday, July 24, 2018 at 11:00 a.m. at The Auditorium, Apparel House (near the Zest), Sector 44, Gurugram-122003, Haryana, India to transact the following business(es):

Ordinary Business(es)

To consider and, if thought fit, to pass, with or without modification, the following resolutions as Ordinary Resolutions:

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

   "Resolved that the audited standalone financial statements of the Company for the financial year ended March 31, 2018 as per IND- AS including reports of the Board and Auditors' thereon and audited consolidated financial statements of the Company for the financial year ended March 31, 2018 as per IND-AS including report of Auditors' thereon be and are hereby received, considered and adopted."

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

   "Resolved that a final dividend of ₹ 14/- per equity share of ₹ 10/- each fully paid up for the financial year 2017-18, as recommended by the Board, be and is hereby approved and declared."

3. **Re-appointment of Tao Yih Arthur Lang (DIN: 07798156) as a Director liable to retire by rotation**

   "Resolved that Tao Yih Arthur Lang (DIN: 07798156), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

4. **Ratification of the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Gurgaon (Registration no. 117366W/ W- 100018) as the Statutory Auditors of the Company**

   "Resolved that pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), and resolution passed by the members at their 11th Annual General Meeting held on July 22, 2017, the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Gurgaon (Registration no. 117366W/ W-100018), the Statutory Auditors of the Company who being eligible have offered themselves for ratification of their appointment, be and is hereby ratified by the members of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the 16th Annual General Meeting of the Company and the Board of Directors of the Company on the recommendation of the Audit & Risk Management Committee be and is hereby authorised to fix the remuneration payable to them for such appointment."

Special Business(es)

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

5. **Appointment of Anita Kapur (DIN: 07902012) as an Independent Director**

   "Resolved that pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof), Anita Kapur (DIN 07902012), who was appointed as an Additional Director in the capacity of an Independent Director of the Company by the Board of Directors w.e.f. January 17, 2018, and who holds office till the date of the AGM in terms of Section 161 of the Companies Act, 2013 be and is hereby appointed as a Director in the category of Independent Director of the Company, and shall hold office for a period of five consecutive years from the date of appointment i.e. January 17, 2018 up till January 16, 2023."

6. Re-appointment of Akhil Gupta (DIN: 00028728) as an Executive Chairman of the Company

"Resolved that pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, Articles of Association (AOA), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof), consent of the shareholders be and is hereby accorded for the re-appointment of Akhil Gupta as an Executive Chairman, not liable to retire by rotation, of the Company for a further period of five years w.e.f. August 1, 2018 up till July 31, 2023 on the following remuneration:

Fixed pay (inclusive of salary, allowance and retirement benefits) to be paid monthly:

Such sum as may be determined by the Board from time to time provided that the total fixed pay shall not exceed ₹ 9.00 Crore per annum.

Variable Pay (Performance linked incentive) to be paid annually after the end of the financial year:

Such sum as may be determined by the Board from time to time provided that the total variable pay shall not exceed ₹ 6.00 Crores per annum.

Perquisites:

a) Company provided car and reimbursement of expenses incurred on driver, fuel and maintenance at actual with respect to the said car.

b) Leave Encashment as per the Company policy and rules.

Employees Stock Options:

Such number of options as may be granted to him under any ESOP Scheme of the Company as applicable from time to time.

The aggregate remuneration inclusive of fixed pay, variable pay, perquisites, allowances and other benefits payable to Akhil Gupta as an Executive Chairman shall not exceed the overall ceilings laid down in Sections 2(78), 197 and Schedule V and other applicable provisions of the Companies Act, 2013 or any other law for the time being in force, if any.

Akhil Gupta shall also be entitled to reimbursement of all legitimate expense incurred by him in performance of his duties and such reimbursement will not form part of his remuneration.

Minimum remuneration

Where in any financial year during the tenure of Akhil Gupta as an Executive Chairman, the Company incurs losses or its profits are inadequate, the Company shall pay him the above remuneration by way of fixed pay, variable pay (Performance Linked Incentives), perquisites, allowances and other benefits payable as a minimum remuneration, subject to the approval of Central Government.

Resolved further that the Board be and is hereby authorized to vary, alter and modify the terms and conditions of re-appointment including relating to remuneration/ remuneration structure of Akhil Gupta, the Executive Chairman within the limits prescribed above.

Resolved further that the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

7. Approval of material related party transactions

"Resolved that in addition to the resolution dated August 11, 2015 passed by the shareholders of the Company and pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members be and is hereby accorded for the following related party transactions (collectively to be considered as material)

hitherto entered / to be entered with Bharti Airtel Limited at such price / pricing formula for such period / periods and on such other terms and conditions as decided / may be decided by the Board of Directors of the Company (the "Board", which term shall be deemed to include its duly constituted "Committee of Directors") from time to time:

1. To share or provide on sale/ rent or on lease basis (i) tower and other passive infrastructure including dark fiber/ duct space etc., and / or (ii) passive infrastructure required for active services viz. IBS, WiFi etc. and / or to provide services, including but not limited to, of project management or of provisioning, establishing, installation, operation and maintenance for and in relation to any or all element(s) / material mentioned in (i) and / or (ii) above;

2. To purchase or take on lease or rent tower(s), dark fiber / duct space and/ or any other passive infrastructure element(s)/ material from Bharti Airtel Limited.

3. Other activities allowed under Infrastructure Provider Category – I registration from time to time, issued by the DoT, subject to various registration conditions and compliance with applicable laws.

Resolved further that in this regard, the Board is hereby authorized to:

a. negotiate, finalise, vary, amend, renew, and revise the terms and conditions of the transactions(s), including prices / pricing formula and tenure;

b. enter into, sign, execute, renew, modify and amend all agreements, documents, letters, undertaking thereof, from time to time, provided that such amendments etc. are on arms' length basis;

c. do all such acts, matters, deeds and things and to settle any question, difficulty or doubt that may arise as may be necessary or desirable for the purpose of giving effect to this resolution."

Registered Office:
Bharti Infratel Limited
901, Park Centra, Sector 30,
NH-8, Gurugram,
Haryana- 122001
CIN: L64201HR2006PLC073821
Email id: compliance.officer@bharti.infratel.in

By order of the Board of Directors
For **Bharti Infratel Limited**

Samridhi Rodhe
Company Secretary
Membership No. A25440
901, Park Centra, Sector 30,
NH-8, Gurugram,
Haryana- 122001

Place: New Delhi
Date: April 23, 2018

NOTES:

1. The Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013 relating to the Special Business(es) to be transacted at the meeting is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF /HERSELF AND SUCH PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IN FORM MGT-11 IS ENCLOSED WITH THIS NOTICE.**

3. A person can act as proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person for his entire shareholding as proxy and such person shall not act as proxy for any other member.

4. The Notice of AGM will be sent to those members / beneficial owners whose name will appear in the register of members / list of beneficiaries received from the depositories as on Friday, June 15, 2018.

5. The route map and prominent land mark of the venue of AGM is enclosed for easy location.

6. The copy of Integrated Report & Annual Accounts 2017-18 ("Integrated Report") Notice of the 12th AGM, instruction for e-voting, along with attendance slip, route map with prominent landmark details and proxy form and dividend intimation etc. are being sent through electronic mode to all the members whose e-mail addresses are registered with Company/ depository participant (DPs) / Company's Registrar and Transfer Agent (RTA) and members whose e-mail id is not registered with the Company will be sent physical copies of such documents at their registered address through permitted mode.

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

   Members whose e-mail ids are registered with the Company and who wish to receive printed copy of the Integrated Report may send their request to the Company at its registered office address or to the RTA, Karvy Computershare Private Limited, at Karvy Selenium Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, India.

7. Integrated Report and Notice of the 12th AGM and related documents will also be available under the Investor Relations section on the website of the Company www.bharti-infratel.com.

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

   - For equity shares held in physical form - those shareholders whose names will appear in the Register of Members on the close of day on Friday, July 20, 2018, being the record date for the purpose of dividend.

   - For equity shares held in dematerialized form - those beneficiaries, whose names are furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owner on the close of day on Friday, July 20, 2018, being the record date for the purpose of dividend.

9. Members who hold equity shares in physical form and desirous of availing Electronic Clearance Scheme (ECS) facility for direct credit of dividend to their bank account, may submit their request to the Company's RTA. The ECS mandate, in order to be effective, should be submitted to the RTA on or before Thursday, July 12, 2018. Any query related to dividend should be directed to the RTA of the Company.

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

10. Members, who are holding shares in physical form are requested to address all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other share related matters

and / or change in address or updation thereof to the Company's RTA. Members, whose shareholding is in electronic format are requested to direct change of address notifications, registration of e-mail address and updation of bank account details to their respective DPs.

11. Non-resident Indian shareholders are requested to inform about the following to the Company or its Share Transfer Agent or the concerned Depository Participant, as the case may be, immediately of:-

    a. The change in the residential status on return to India for permanent settlement;

    b. The particulars of the NRE Account with a Bank in India, if not furnished earlier.

12. Members wishing to claim dividends, which has remained unclaimed are requested to contact Company's RTA. They are also requested to note that the amount of dividend not claimed within 7 years from the date of declaration will, as per Section 125 of the Companies Act, 2013 and the rules made thereunder, be transferred to Investor Education and Protection Fund along with the transfer of shares in case any dividend has not been encashed by the Members on such shares during the last seven years to the designated suspense account as prescribed by the IEPF Authority.

    Members may visit the Company's website www.bharti-infratel.com for tracking details of any unclaimed/ unpaid dividend.

13. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail this facility may send their nomination in the prescribed Form duly filled in to RTA. The Nomination Form in the prescribed format is available on the website of the Company at www.bharti-infratel.com. Members interested in obtaining a copy of the Nomination Form may write to the Company Secretary at the Company's registered office.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company's RTA.

15. Information regarding particulars of the Director to be appointed and the Director seeking re-appointment requiring disclosure in terms of the Secretarial Standard 2, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the explanatory statement pursuant to Section 102 of the Companies Act, 2013, are annexed hereto. The directorships held by the Directors considered for the purpose of disclosure does not include the directorships held in foreign companies. The committee chairmanships / memberships considered for the purpose of disclosure are those prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 viz. Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies.

16. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment, Rules, 2015, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the meeting through electronic voting service facility. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting ("remote e-voting").

17. In terms of provisions of Section 107 of the Companies Act, 2013, since the Company is providing the facility of remote e-voting to the shareholders, there shall be no voting by show of hands at the AGM. The facility for ballot / polling paper / electronic poll/ insta poll (hereinafter referred as voting at AGM venue) shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at AGM venue.

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

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

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

21. The Board has appointed Sanjay Grover, Managing Partner of M/s. Sanjay Grover & Associates, Company Secretaries, New Delhi (C.P. No. 3850) as Scrutinizer to scrutinize the voting at AGM venue and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same purpose.

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

Commencement of remote e-voting	:	From 9:00 a.m. (IST) on July 21, 2018
End of remote e-voting	:	Upto 5:00 p.m. (IST) on July 23, 2018

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

23. The voting rights of members for remote e-voting and for voting at AGM venue shall be in proportion to the paid up value of their shares in the equity share capital of the Company as on cut-off date i.e. Tuesday, July 17, 2018.

24. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e Tuesday, July 17, 2018 only shall be entitled to avail the facility of remote e-voting / voting at AGM venue.

25. Any person who becomes member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. Tuesday, July 17, 2018 may obtain the User Id and password in the manner as mentioned below:

    a) If the mobile number of the member is registered against Folio No./ DPID Client ID, the member may send SMS: MYEPWD<space> E-Voting Event Number +Folio no. or DPID Client ID to +91-9212993399

       Example for NSDL :
       MYEPWD<SPACE>IN12345612345678
       Example for CDSL :
       MYEPWD<SPACE>1402345612345678
       Example for Physical:
       MYEPWD<SPACE> XXXX1234567890

    b) If e-mail address or mobile number of the member is registered against Folio No. / DPID Client ID, then on the home page of https://evoting.karvy.com, the member may click "Forgot Password" and enter Folio No. or DPID Client ID and PAN to generate a password.

    c) Member may Call Karvy's Toll free number 1-800-3454-001

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

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

26. The Scrutinizer, after scrutinizing the voting at AGM venue and through remote e-voting, will, not exceeding Forty Eight (48) Hours of conclusion of the meeting, make a consolidated scrutinizer's report of the votes cast in favour or against, if any, and submit the same to the Chairman of the meeting. The Chairman or the authorized director shall declare the results. The results declared shall be available on the website of the Company (www.bharti-infratel.com) and on the website of the Karvy (https://evoting.karvy.com). The results shall simultaneously be communicated to the Stock Exchanges. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.

27. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and documents referred to in the Notice and explanatory statement, including certificate from the Auditors of the Company under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 are available for inspection at the registered office of the Company on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. upto the date of AGM and will also be available for inspection at the meeting.

28. Members having any question on financial statements or on any agenda item proposed in the Notice of AGM are requested to send their queries at least ten days prior to the date of AGM of the Company at its registered office address to enable the Company to collect the relevant information.

29. Members / proxies / authorized representatives are requested to bring duly filled attendance slips enclosed herewith to attend the meeting.

30. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.

31. Members are requested to bring their copies of Integrated Report to the meeting. In order to enable us to register your attendance at the venue of the AGM, members are requested to please bring their folio number/ demat account number/DP ID-Client ID to enable us to provide a duly filled attendance slip for your signature and participation at the meeting.

32. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

33. Corporate members intending to send their authorised representative(s) to attend the meeting are requested to provide a certified copy of the Board Resolution/ Authorization/ Power of Attorney to the Company, authorising their representative(s) to attend and vote on their behalf at the meeting.

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

35. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website https://evoting.karvy.com. In case of any other queries / grievances connected to remote e-voting, you may contact Ramesh Desai of M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31- 32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 at telephone number: 040- 67161522 or at email: evoting@karvy.com.

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

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

Item No. 5

Anita Kapur (DIN: 07902012) was appointed as an Additional Director in the capacity of an Independent Director on the Board of the Company w.e.f. January 17, 2018. Pursuant to the provisions of section 161(1) of the Companies Act, 2013, Anita Kapur will hold office upto the date of this Twelfth AGM.

Anita Kapur has confirmed her eligibility and consent to be appointed as an Independent Director of the Company and has also given a declaration to the effect that she meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has received a Notice under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Anita Kapur as Director in the capacity of an Independent Director of the Company. Anita Kapur is the ex-chairperson of Central Board of Direct Taxes (CBDT) and has undertaken various leadership and advisory roles in different governing bodies of India. She possesses rich experience of around 40 years and accordingly, it is proposed that Anita Kapur be appointed as an Independent Director of the Company for a term of five consecutive years i.e. January 17, 2018 up to January 16, 2023 and shall not be liable to retire by rotation.

A copy of the draft letter of appointment of Anita Kapur, setting out the terms and conditions are available for inspection by members at the registered office of the Company, and a brief profile is available on the website of the Company i.e. www.bharti-infratel.com.

Save and except Anita Kapur and her relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 5.

In the opinion of the Board, Anita Kapur fulfils the conditions specified the listing regulations, the Companies Act, 2013 and rules made there under and is independent of the management and accordingly the Board recommends the appointment of Anita Kapur as Director in the capacity of an Independent Director not liable to retire by rotation and propose to pass the resolution set out in item no. 5 of the Notice as an Ordinary Resolution.

Item No. 6

In terms of the provisions of Section 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, re- appointment of the Whole Time Director designated as an Executive Chairman requires approval of the shareholders by way of an ordinary resolution.

Akhil Gupta, was appointed as the Executive Chairman of the Company w.e.f. August 1, 2014 up till July 31, 2018 vide resolution passed by the shareholders through Postal Ballot dated March 21, 2014.

Upon recommendation of the HR, Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on April 23, 2018, subject to the approval of shareholders in this Annual General Meeting, had re- appointed Akhil Gupta as Executive Chairman for a further term of 5 years i.e. from August 1, 2018 to July 31, 2023. Keeping in view the vast experience and valuable contributions of Akhil Gupta towards the growth of the Company, the the Board of Directors is of the opinion that it will be in the best interest of the Company that he continues as the Executive Chairman of the Company. The Board proposes the re-appointment of Akhil Gupta, at the terms and remuneration as stated in the resolution set out at Item no. 6, for approval of shareholders as an ordinary resolution.

The terms as set out in the resolution and explanatory statement may be treated as an abstract of the terms of appointment pursuant to Section 196 of the Companies Act, 2013.

Save and except Akhil Gupta and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item no. 6.

Relevant resolutions passed at the Board and Committee Meetings and other allied documents being referred in the resolution, are available for inspection at the registered office of the Company on any working day between 11.00 a.m. to 1.00 p.m. upto the date of AGM and will also be available for inspection at the venue of the AGM.

Brief profile of Akhil Gupta is enclosed and detailed profile is available on www.bharti-infratel.com.

Item No. 7

Bharti Infratel Limited is in the business of providing tower and related passive infrastructure to various telecom service providers on non-discriminatory basis under long term service contracts. In the ordinary course, the Company provides its tower and related passive infrastructure on sharing basis to Bharti Airtel Limited, holding company ("Bharti Airtel") and also avail various telecom services from Bharti Airtel.

Pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), a transaction with a related party is considered material if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company. Such material transactions require shareholders' approval.

The transactions of the Company with Bharti Airtel are collectively considered as material related party transactions for which shareholders' approval was obtained in the general meeting held on August 11, 2015 for the following transactions:

1. to provide passive infrastructure services;
2. to avail various telecom services such as landline, mobile, leased line broadband facility, SIM Charges, USB Dongles etc.;
3. to use and allow usage of each other's passive infrastructure assets; and
4. rental/ reimbursement of charges towards usage of offices/ properties and availing related services.

With the rapid growth and consolidation in India's telecom landscape, data growth story and digital revolution, the Company may undertake other business activities allowed under an Infrastructure Provider Category-I registration issued by the DoT.

In view of the above, the Company may enter into the following transactions with Bharti Airtel Limited at a future date viz.

1. to share or provide on sale/ rent or on lease basis (i) tower and other passive infrastructure including dark fiber/ duct space etc., and / or (ii) passive infrastructure required for active services viz. IBS, WiFi etc. and / or to provide services, including but not limited to, of project management or of provisioning, establishing, installation, operation and maintenance for and in relation to any or all element(s) / material mentioned in (i) and / or (ii) above;

2. to purchase or take on lease or rent tower(s), dark fiber / duct space and/ or any other passive infrastructure element(s)/ material from Bharti Airtel Limited;

3. Other activities allowed under Infrastructure Provider Category – I registration from time to time, issued by the DoT subject to various registration conditions, requisite approval of the Board of Directors and compliance with applicable laws.

The aforesaid transactions to be entered into, individually or taken together with previous transactions approved by the shareholders' on August 11, 2015 will be collectively considered material and would require shareholders' approval pursuant to the provisions of Regulation 23 of Listing Regulations.

As the Company in the ordinary course of business evaluates various opportunities and activities from time to time, and the transaction(s) as set out at resolution no. 7 would require approval of shareholders, the Audit & Risk Management Committee and the Board has recommended to the shareholders the said transactions for their enabling approval. The aforesaid transactions whenever entered shall be on arm's length basis, in accordance with various registration conditions and subject to requisite approval of the Audit & Risk Management Committee and Board in compliance with the applicable laws.

In terms of the Listing Regulations, none of the related parties of the Company are allowed to vote on the resolution w.r.t. approval of material Related Party Transactions. Accordingly, all related parties of the Company, including Bharti Airtel, Directors and Key Managerial Personnel of the Company will not be entitled to vote on this resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution. However, Rajan Bharti Mittal, Director of Bharti Infratel Limited is brother of Sunil Bharti Mittal and Rakesh Bharti Mittal, who are the Directors of Bharti Airtel Limited. The Board recommends the resolution as set out at Item No. 7 of the Notice for approval by the shareholders as an Ordinary resolution.

Registered Office:
Bharti Infratel Limited
901, Park Centra, Sector 30,
NH-8, Gurugram,
Haryana- 122001
CIN: L64201HR2006PLC073821
Email id: compliance.officer@bharti.infratel.in

By order of the Board of Directors
For **Bharti Infratel Limited**

Samridhi Rodhe
Company Secretary
Membership No. A25440
901, Park Centra, Sector 30,
NH-8, Gurugram,
Haryana- 122001

Place: New Delhi
Date: April 23, 2018

Information of Directors to be appointed and the Directors seeking re-appointment at the forthcoming Annual General Meeting pursuant to the provisions of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Companies Act, 2013 including Secretarial Standard, as on the date of the Notice

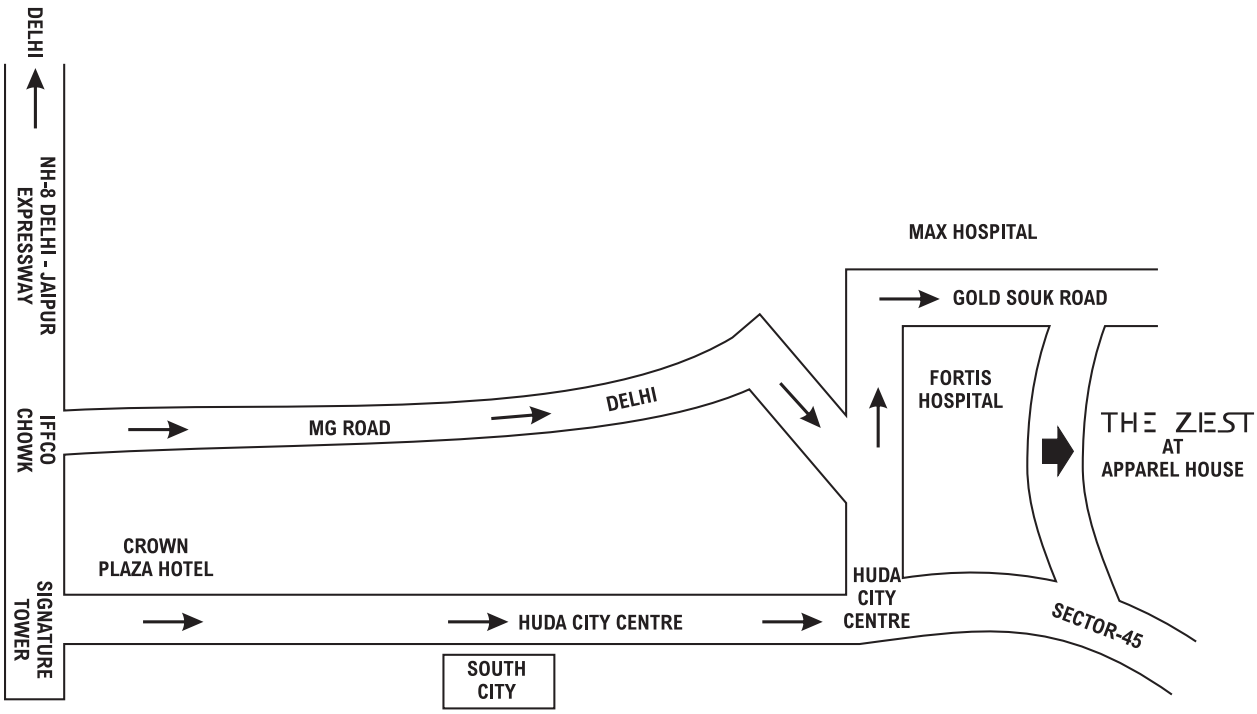
Name	Tao Yih Arthur Lang
DIN	07798156
Date of Birth	06/01/1972
Age	46 Years
Original date of appointment	08/05/2017*
Qualifications	• Master of Business Administration, Harvard University • Bachelor of Arts in Economics (Magna cum laude), Harvard University
Experience and expertise in specific functional area	Technology and General Management
Terms and conditions of appointment and remuneration	As per the Policy on Nomination, Remuneration and Board Diversity (annexed to Board's Report)
Remuneration last drawn	As mentioned in the Corporate Governance Report
No. of Board Meetings attended during the year	
Shareholding in Bharti Infratel Limited	NIL
Relationship with other Directors, Managers and Other Key Managerial Personnel	NIL
Directorships held in other companies in India	Bharti Telecom Limited
Membership/Chairmanship of committees in other public limited companies in India	In Bharti Telecom Limited: • Audit Committee – (Member) • Stakeholders Relationship Committee- (Member)

* w.e.f. conclusion of the Board meeting dated May 8, 2017.

Name	Anita Kapur
DIN	07902012
Date of Birth	08/11/1955
Age	62 Years
Original date of appointment	January 17, 2018
Qualifications	• Postgraduate in English • Tax Administrators' course conducted by the Inland Revenue Training Institute, Leeds, UK; • Leadership Programme conducted by the Wharton School of University of Pennsylvania of USA; • Leadership and Change Management Programme conducted by the Indian Institute of Management, Bangalore.
Experience and expertise in specific functional area	Taxation & Finance
Terms and conditions of appointment and remuneration	As per the Policy on Nomination, Remuneration and Board Diversity (annexed to Board's Report)
Remuneration last drawn	As mentioned in the Corporate Governance Report
No. of Board Meetings attended during the year	
Shareholding in Bharti Infratel Limited	Nil
Relationship with other Directors, Managers and Other Key Managerial Personnel	Nil
Directorships held in other public limited companies in India	Nil
Membership/Chairmanship of committees in public limited companies in India	Nil

Name	Akhil Gupta
DIN	00028728
Date of Birth	22/12/1955
Age	62 years
Original date of appointment	March 31, 2008
Qualifications	Chartered Accountant has also done an "Advanced Management Program" at the Harvard Business School in the year 2002
Experience and expertise in specific functional area	Finance Management
Terms and conditions of appointment and remuneration	As per the Policy on Nomination, Remuneration and Board Diversity (annexed to Board's Report)
Remuneration last drawn	As mentioned in the Corporate Governance Report
No. of Board Meetings attended during the year	
Shareholding in Bharti Infratel Limited	1,927,217 shares
Relationship with other Directors, Managers and Other Key Managerial Personnel	Nil
Directorships held in other public limited companies in India	• Bharti AXA Life Insurance Company Limited • Bharti AXA General Insurance Company Limited • Bharti Enterprises Limited • Smartx Services Limited • Indus Towers Limited
Membership/Chairmanship of committees in public limited companies in India	• Bharti Infratel Limited- Stakeholders' Relationship Committee (Member)

Route map to the venue of the Twelfth AGM of Bharti Infratel Limited



Venue: The Auditorium, Apparel House (near the Zest), Sector 44, Gurugram-122003, Haryana, India
Landmark: Near Huda City Centre Metro Station

BHARTI INFRATEL LIMITED

CIN: L64201HR2006PLC073821
Regd. Office: 901, Park Centra, Sector 30, NH-8, Gurugram, Haryana- 122001
Tel.: +91-124-4132600 Fax: +91-124-4109580
Email id: compliance.officer@bharti-infratel.in Website: www.bharti-infratel.com

ADMISSION SLIP

12TH Annual General Meeting

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

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

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

_____

_____

I / we hereby record my / our presence at the Twelfth Annual General Meeting of the Company being held on Tuesday, July 24, 2018 at 11:00 a.m at The Auditorium, Apparel House (near the Zest), Sector 44, Gurugram-122003, Haryana.

Please (₹) in the box

☐ Member ☐ Proxy

_____
Signature of Member/Proxy

*Applicable for member holding shares in physical form.

BHARTI INFRATEL LIMITED

CIN: L64201HR2006PLC073821
Regd. Office: 901, Park Centra, Sector 30, NH-8, Gurugram, Haryana- 122001
Tel.: +91-124-4132600 Fax: +91-124-4109580
Email id: compliance.officer@bharti-infratel.in Website: www.bharti-infratel.com

Form No. MGT-11

PROXY FORM

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

CIN: L64201HR2006PLC073821
Name of the Company: Bharti Infratel Limited
Registered office: 901, Park Centra, Sector 30, NH-8, Gurugram, Haryana- 122001

Name of the member (s): ……...

Registered address: ……

E-mail Id: ……

DP ID and Client ID / Folio No: ……..……

I/We, being the member (s) of Bharti Infratel Limited holding…… equity shares hereby appoint

1. Name:……..Address:.....……

   E-mail Id:……..Signature:……..……or failing him

2. Name:……..Address:……..……

   E-mail Id:……..Signature:……..……or failing him

3. Name:……..Address:……..……

   E-mail Id:……..Signature:……..……

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Twelfth Annual General Meeting of the Company scheduled to be held on Tuesday, July 24, 2018 at 11:00 a.m at The Auditorium, Apparel House (near the Zest), Sector 44, Gurugram-122003, Haryana, India or / and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	For	Against
Ordinary Business(es)			
1.	To receive, consider and adopt the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2018		
2.	Declaration of dividend on equity shares		
3.	Re-appointment of Tao Yih Arthur Lang (DIN: 07798156) as a Director liable to retire by rotation		
4.	Ratification of the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Gurgaon (Registration no. 117366W/ W- 100018) as the Statutory Auditors of the Company		
Special Business(es)			
5.	Appointment of Anita Kapur (DIN: 07902012) as an Independent Director		
6.	Re-appointment of Akhil Gupta (DIN: 00028728) as Executive Chairman of the Company		
7.	Approval of material related party transactions		

Signed this ……..day of ……..……..2018

Signature of Shareholder…….....

Signature of Proxy holder(s)…….....……..

Affix the revenue stamp of Re 1/-

Note

This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company situated at 901, Park Centra, Sector 30, NH-8, Gurugram, Haryana- 122001 not later than 48 hours before the commencement of the meeting.

ECS MANDATE FORM

[APPLICABLE FOR SHARES HELD IN PHYSICAL FORM ONLY]

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

Name of the First/ Sole Member	
Folio No.	

PAN / Email information

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

Particulars of Bank Account

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

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

Signature of the 1st Registered Holder/Sole Holder

NOTES

NOTES

BHARTI INFRATEL LIMITED

CIN:L64201HR2006PLC073821
Regd. Office: 901, Park Centra, Sector 30, NH-8, Gurugram, Haryana – 122001, India
Tel.: +91 124 4132600 **Fax:** +91 124 4109580
Email id: compliance.officer@bharti-infratel.in **Website:** www.bharti-infratel.com

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

Registered address of the sole/ first named member :

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

No. of shares held :

Dear Member(s),

Sub: Voting through electronic means

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide facility to its members to exercise their right to vote on resolutions proposed to be passed in the 12th (Twelfth) Annual General Meeting ("AGM") of the Company scheduled to be held on Tuesday, July 24, 2018 at 11:00 a.m., by electronic means (remote e-voting).

The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the authorised agency to provide remote e-voting facilities. The remote e-voting particulars are as follows:

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

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

Commencement of remote e- voting	From 09:00 am (IST) on July 21, 2018
End of remote e- voting	Upto 05:00 pm (IST) on July 23, 2018

The cut-off date for the purpose of remote e-voting is July 17, 2018.

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

This communication forms an integral part of the notice dated April 23, 2018 for the 12th (Twelfth) AGM scheduled to be held on Tuesday, July 24, 2018. Please read the instructions printed overleaf before exercising the vote.

The notice of the AGM and this communication is also available on the website of the Company at www.bharti-infratel.com.

Thanking you

For **Bharti Infratel Limited**

Samridhi Rodhe
Company Secretary
Membership No. A25440

Registered Office:
901, Park Centra, Sector 30,
NH-8, Gurugram, Haryana- 122001
CIN: L64201HR2006PLC073821
Email id: compliance.officer@bharti-infratel.in

Place: New Delhi
Date: April 23, 2018

CIN: L64201HR2006PLC073821
Regd. Office: 901, Park Centra, Sector 30, NH-8, Gurugram, Haryana – 122001, India

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

1. In case a member receives an email from Karvy [(for members whose email Ids are registered with the Company/Depository Participant(s)]:

(i) Launch internet browser by typing the URL: https://evoting.karvy.com in the address bar and click on "Enter". The Home screen will be displayed then click on shareholders icon in the homepage.

(ii) Enter the login credentials (i.e. User ID and password mentioned over leaf). Your Folio No. / DP ID/ Client ID will be your User ID. However, if you are already registered with Karvy for E-voting, you can use your existing User ID and password for casting your vote.

(iii) After entering these details appropriately, click on "LOGIN".

(iv) You will now reach password change Menu wherein you are required to mandatory change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, $ etc.). The system will prompt you to change your password and update your contact details like mobile number, email id etc. on first login. You may also enter a secret question and answer of your choice to retrieve password in case you forget it. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential.

(v) You need to login again with the new credentials.

(vi) On successful login, the system will prompt you to select the E-voting Event Number for Bharti Infratel Limited.

(vii) On the voting page, enter the number of shares (which represents the number of votes) as on the cut- off date under each of the heading of the resolution and cast your vote by choosing the "FOR/AGAINST" option or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date i.e. Tuesday, July 17, 2018. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head. Option "FOR" implies assent to the resolution and "AGAINST" implies dissent to the resolution.

(viii) Members holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.

(ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

(x) You may then cast your vote by selecting an appropriate option and click on "Submit".

(xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the resolution(s).

(xii) Corporate/ Institutional members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format/ JPG Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: evoting@karvy.com with a copy to contact@cssanjaygrover.in. They may also upload the same in the E-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT No."

2. In case a member receives physical copy of the AGM Notice by post [(for members whose email Ids are not registered with the Company/ Depository Participant(s)].

(i) User ID and initial password are provided overleaf.

(ii). Please follow all steps from sr. no. (i) to (xii) as mentioned in 1. above, to cast your vote.

3. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.

4. In case of any query pertaining to E-voting, please visit Help & FAQ's section available at Karvy's website https://evoting.karvy.com.

5. The members who have cast their votes by remote e-voting may also attend AGM, but shall not be entitled to cast their vote again.

6. The voting rights of the members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date i.e. July 17, 2018.

7. The Board of Directors has appointed Mr. Sanjay Grover, Managing Partner of M/s Sanjay Grover & Associates, Company Secretaries, New Delhi as a scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.

8. The facility for ballot / polling paper / electronic poll- insta poll (hereinafter referred as voting at AGM venue) shall be made available at the AGM and the members attending AGM who have not cast their vote by remote e-voting shall be able to vote at the AGM venue.

9. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories at the close of business hours on July 17, 2018 shall be entitled to avail the facility of remote E-voting/ voting at the AGM venue.

10. Any person who becomes member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. July 17, 2018 may obtain the User Id and password in the manner as mentioned below:

a. If the mobile number of the member is registered against Folio No. / DPID Client ID, the member may send SMS:

MYEPWD<space> E-Voting Event Number +Folio no. or DPID Client ID to +91-9212993399.

Example for NSDL: MYEPWD<SPACE>IN12345612345678
Example for CDSL: MYEPWD<SPACE>1402345612345678
Example for Physical: MYEPWD<SPACE> XXXX1234567890

b. if e-mail address or mobile number of the member is registered against Folio No. / DPID Client ID, then on the home page of https://evoting.karvy.com, the member may click "Forgot Password" and enter Folio No. or DPID Client ID and PAN to generate a password.

c. Member may Call Karvy's Toll free number 1-800-3454-001.

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

11. The Scrutinizer shall within a period not later than 48 hours from the conclusion of AGM shall unblock the votes in the presence of at least two (2) witness not in the employment of the Company and will make a consolidated scrutinizer's report of the votes cast in favour or against, if any, and submit the same to the Chairman of the meeting who shall countersign the same and declare the result forthwith.

12. The Results on resolutions shall be declared on or before Wednesday, July 25, 2018 and the resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.

13. The Results declared along with the Scrutinizer's Report(s) will be available on website of the Company (www.bharti-infratel.com) and on Karvy's website (https://evoting.karvy.com). The results shall simultaneously be communicated to BSE Limited and National Stock Exchange of India Limited.

Bharti Infratel Limited

Integrated Report & Annual Accounts

2017-18

Bharti Infratel Limited



Building a Digitally Connected India



Our first Integrated Report

"At Bharti Infratel, we have always been committed to integrate multiple stakeholders in our business model. Our purpose to create our first integrated report is to communicate the organisation's ability to generate consistent value over a period of time."

– Board of Directors



Reporting framework

Our report follows the International <IR> Framework <IR> as developed by the International Integrated Reporting Council (IIRC), which allows us to tell our members and other stakeholders how we create value for them.

www.integratedreporting.org/

The financial and statutory data presented are in line with the requirements of Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards.

www.mca.gov.in

www.icai.org

www.sebi.gov.in

www.icsi.edu

Scan this code with a QR reader app on your smartphone or tablet and know more about us

You can also find this report online on:
www.bharti-infratel.com

Materiality aspect

This Integrated Annual Report focuses on material developments and issues that have an impact both on financial and non-financial performance indicators. We have tried to cover all the aspects that may have a bearing on the business operations and the value created for stakeholders.

Reporting period

This Integrated Report primarily covers the period of 12 months from April 1, 2017 to March 31, 2018. However, there are sections of the report that represents facts and figures of previous years as well. The details and information in the Integrated Report pertains to Bharti Infratel Limited on standalone basis unless otherwise specified. Both the financial and non-financial aspects are in accordance with the applicable laws, regulations and standards of India.

Forward-looking statements

We have exercised utmost care in the preparation of this report. It might include forecasts and/ or information relating to forecasts. Facts, expectations, and past figures are the basis to form forecasts. As with all forward-looking statements, which means the actual result may deviate significantly from the forecast. As a result of the above-mentioned circumstances, we can provide no warranty regarding the correctness, completeness, and up-to-date nature of the information taken, and declared as being taken, from third parties, as well as for forward-looking statements, irrespective of whether these derive from third parties or ourselves. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Key company information

Bharti Infratel Limited

CIN: L64201HR2006PLC073821

BSE Code: 534816

NSE Code: INFRATEL

Listing date: December 28, 2012

Assurance

To ensure the integrity of the financial and non-financial numbers presented in the Integrated Report for the FY 2017-18 (Page no. 1-59), a Limited Assurance Statement on key performance indicators ("KPIs") has been obtained from Deloitte Haskins & Sells LLP which is available on our website at www.bharti-infratel.com.

Akhil Gupta
Chairman

D S Rawat
Managing Director & CEO

For the telecom industry, this year has been transformative. The mobile connectivity landscape, that has been escalating for the past few years, with higher penetration of affordable handsets, broader spectrum of mobile networks, a convergence of mobile-related services like entertainment, financial services, education, and lifestyle and the upsurge in IoT (Internet of Things) – it is no surprise that India is rapidly pacing towards being more digitally connected than ever.

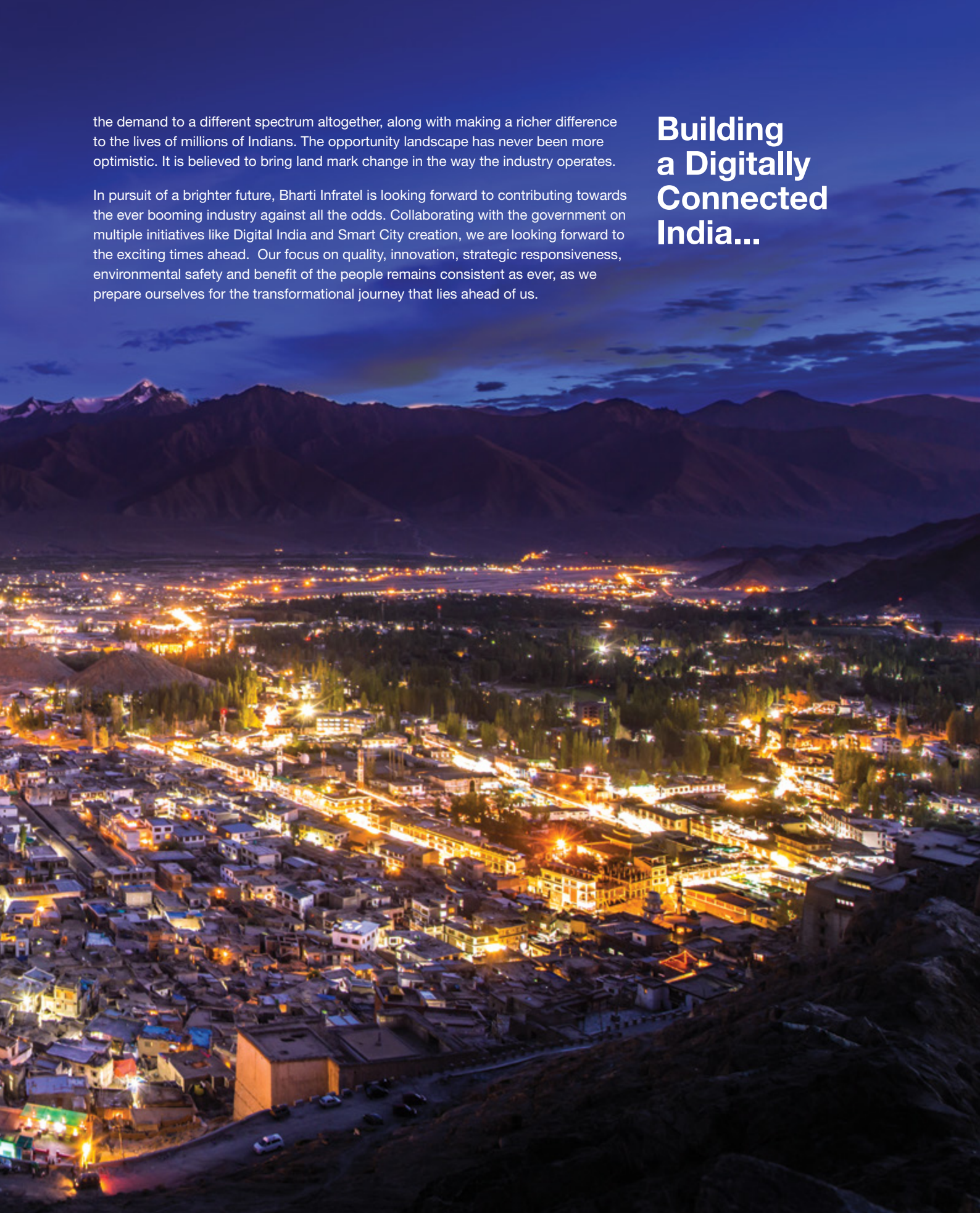
The changing times brings us evolutionary opportunities. The accelerated consolidation has left us with stronger operators. The progressive era assisted the operators, who had the vision to invest in wider and deeper nationwide networks, on a strong foothold. While investment in 4G remains high and competitive as ever, the advent of 5G is expected to take



the demand to a different spectrum altogether, along with making a richer difference to the lives of millions of Indians. The opportunity landscape has never been more optimistic. It is believed to bring land mark change in the way the industry operates.

In pursuit of a brighter future, Bharti Infratel is looking forward to contributing towards the ever booming industry against all the odds. Collaborating with the government on multiple initiatives like Digital India and Smart City creation, we are looking forward to the exciting times ahead. Our focus on quality, innovation, strategic responsiveness, environmental safety and benefit of the people remains consistent as ever, as we prepare ourselves for the transformational journey that lies ahead of us.

Building a Digitally Connected India...



Corporate Information

Board of Directors

Akhil Gupta
Chairman

Anita Kapur
Independent Director

Bharat Sumant Raut
Independent Director

D S Rawat
Managing Director & CEO

Jitender Balakrishnan
Independent Director

Leena Srivastava
Independent Director

N Kumar
Independent Director

Rajan Bharti Mittal
Non-Executive Director

R P Singh
Independent Director

Sanjay Nayar
Non-Executive Director

Tao Yih Arthur Lang
Non-Executive Director

Chief Financial Officer

Pankaj Miglani

Company Secretary and Compliance Officer

Samridhi Rodhe

Statutory Auditors

Deloitte Haskins & Sells LLP
Chartered Accountants

Internal Auditor

Amit Dang

Internal Assurance Partners

Ernst & Young, LLP

Secretarial Auditor

Chandrasekaran Associates
Company Secretaries

Registered Office

901, Park Centra, Sector 30, NH-8,
Gurugram, Haryana - 122 001, India

Corporate Office

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

Corporate Identification Number (CIN)

L64201HR2006PLC073821

Website

www.bharti-infratel.com

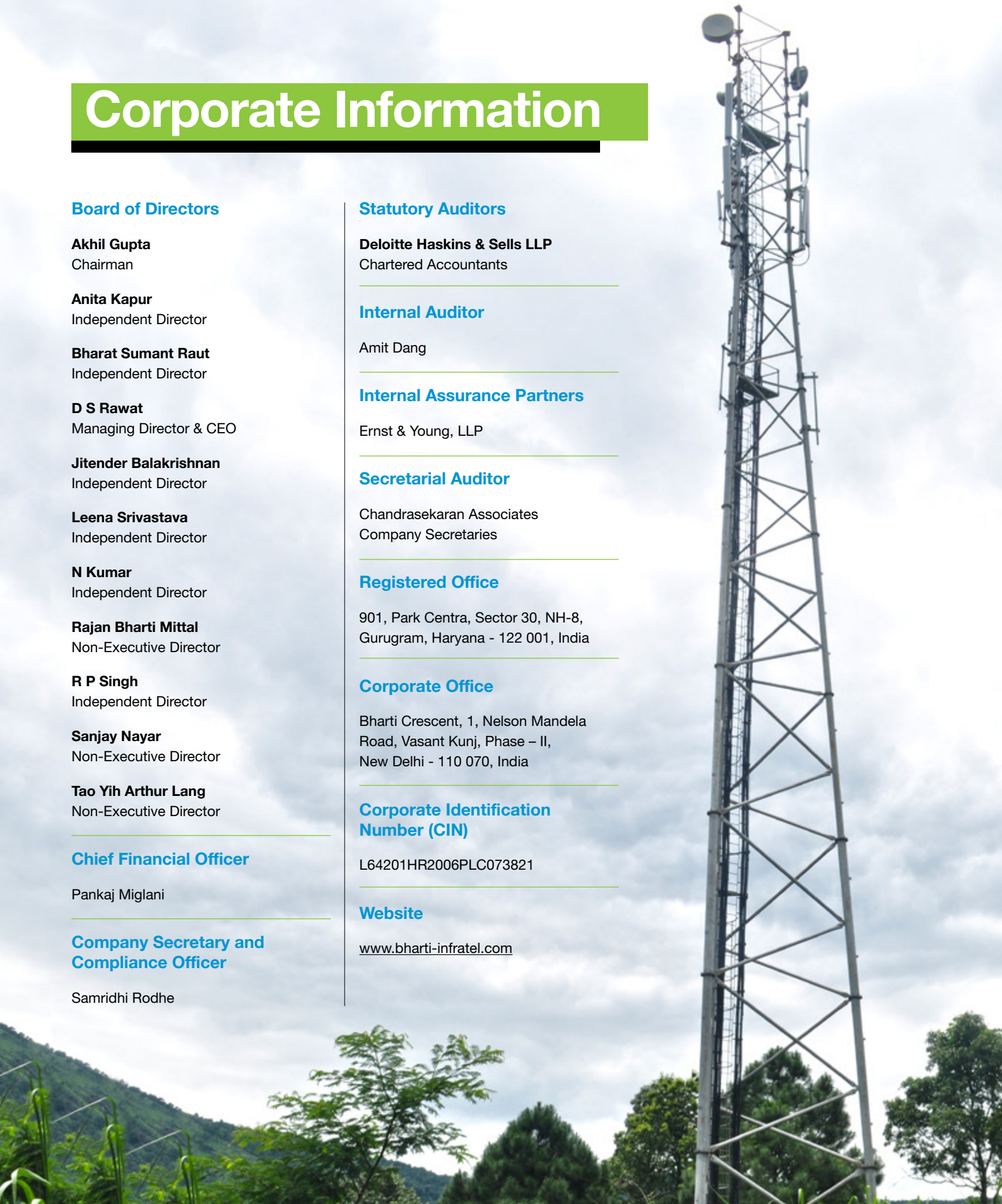


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About Bharti Infratel

Bharti Infratel is one of the largest pan-India tower infrastructure providers (on a consolidated basis), playing a critical role in enabling India's telecommunication revolution.

Vision

To be the best and most innovative passive communications infrastructure provider, globally known for:

Highest uptime | **Speed and quality of deployment** | **Cost and energy efficiencies** | **Environment friendliness**

Our Sustainability DNA

Bharti Infratel's sustainability strategy is built upon four DNA principles.

Drive for innovation

- Infuse new ideas to address emerging market needs and future possibilities
- Focus on quality and process simplification

Commercial thinking

- Make decisions based on cost impact and execute to add value

Develop people and partnership

- Establish mutually rewarding internal and external relationships
- Develop self and high performance teams
- Be transparent and consistent in words and actions

Drive for result

- Proactive approach to exceed challenging goals and customer expectations

Legacy

Incorporated in 2006, Bharti Infratel is an independent tower company, with strong telecom heritage, rich history of innovation, and in-depth understanding of the telecom industry. Prior to the incorporation of Bharti Infratel, the tower business was an integral part of Bharti Airtel Limited. In 2006 Bharti Infratel was incorporated as a subsidiary of Bharti Airtel whereby the tower business was transferred to Bharti Infratel pursuant to scheme of arrangement. The Company provides capex saving to telecom service providers with its pan-India tower infrastructure. In 2007 the Company formed Indus Towers, a joint venture between the Company, Vodafone and Idea Cellular. The Company holds 42% equity interest in Indus Towers.

Our business

We are one of the world's largest telecom tower infrastructure providers, that deploys, owns and manages telecom towers and communication structures for all wireless operators. We provide access to our towers to leading wireless telecommunications service providers on a shared basis, under long-term contracts. With our 42% equity stake in Indus Towers, we have nationwide presence with operations across 22 telecommunications circles with more than 91,000 towers.





Details	Bharti Infratel Circles	Indus Towers Circles	Overlapping Circles
No. of Circles	7	11	4
No. of Subs (m) [1]	251	663	254
Teledensity (%) [1]	88.1	118.6	79.3

Bharti Infratel Circles Indus Towers Circles Overlapping Circles

Note: Map not to scale. Map for representative purpose only in the computation of wireless teledensity, following assumptions have been made:
A. Since only UP state teledensity was available, it was assumed to be the same between UP(E) and UP(W); B. Since teledensity was reported for West Bengal including Kolkata, the same teledensity was assumed for both circles; C. Since teledensity was reported for Maharashtra including Mumbai, the same teledensity was assumed for both circles ; D. Delhi includes Ghaziabad, Noida, Gurgaon and Faridabad ; E. No. of SIMs refers to wireless subscribers

(1) Source: TRAI Performance Indicator Report December 2017

Performance Review[5]

Particulars	Units	Full Year Ended[4]				
		2014	2015	2016	2017	2018
Total Towers	Nos	83,368	85,892	88,808	90,646	91,451
Total Co-locations	Nos	167,202	182,294	195,035	210,606	205,596
Average Sharing factor	Times	1.96	2.06	2.16	2.26	2.29
Closing Sharing factor	Times	2.01	2.12	2.20	2.32	2.25
Sharing Revenue per Tower per month	₹	64,190	69,148	74,513	78,318	82,094
Sharing Revenue per Sharing Operator per month	₹	32,798	33,488	34,499	34,648	35,918
Consolidated financials						
Revenue[1]	₹ Mn	106,199	115,646	123,313	134,237	144,896
EBIDTA[1]	₹ Mn	42,106	49,215	54,478	59,420	64,272
EBIT[1]	₹ Mn	21,103	27,572	31,871	36,343	40,339
Finance Cost (Net)	₹ Mn	3,347	(3,364)	(1,848)	(4,414)	-
Profit before tax	₹ Mn	22,177	36,074	35,766	42,211	42,262
Profit after tax[3]	₹ Mn	13,332	22,027	22,474	27,470	24,937
Capex	₹ Mn	15,547	20,492	21,243	21,788	21,820
- of which maintenance & general Corporate capex	₹ Mn	4,071	5,116	4,753	5,048	5,166
Operating free cash flow[1]	₹ Mn	26,255	29,106	32,879	37,209	42,021
Adjusted Fund from operations (AFFO)[1]	₹ Mn	37,730	44,482	49,369	53,949	58,675
Total Capital Employed	₹ Mn	119,245	112,230	121,848	119,738	117,836
Net Debt /(Net Cash)	₹ Mn	(56,039)	(63,981)	(60,414)	(35,127)	(51,708)
Shareholder's Equity	₹ Mn	175,284	176,301	182,262	154,865	169,544
Key Ratios						
EBIDTA Margin[2]	%	39.6	42.6	44.2	44.3	44.4
EBIT Margin[2]	%	19.9	23.8	25.8	27.1	27.8
Net profit Margin[2]	%	12.6	19.0	18.2	20.5	17.2
Net Debt / (Net Cash) to EBIDTA (LTM)	Times	(1.33)	(1.30)	(1.11)	(0.59)	(0.80)
Interest Coverage ratio (LTM)	Times	8.94	13.65	18.50	22.17	24.83
Return on Capital Employed (LTM) Pre tax	%	15.1	23.8	27.2	30.1	34.0
Return on Shareholder's Equity Pre tax	%	12.7	20.5	19.9	25.0	26.1
Return on Shareholder's Equity (LTM) Post tax	%	7.6	12.5	12.5	16.3	15.4
Valuation indicators						
Market Capitalisation	₹ Bn	384	729	724	603	622
Enterprise value	₹ Bn	328	665	664	568	570
EV/EBIDTA (LTM)	Times	7.80	13.51	12.19	9.55	8.87
EPS (Diluted)	₹	6.72	11.63	11.86	14.73	13.49
PE Ratio	Times	30.25	33.10	32.22	22.13	24.92

1. Revenue, EBITDA, EBIT, Operating free cash flow and Adjusted Fund from Operations (AFFO) are excluding other income.
2. EBITDA, EBIT and Net profit margin have been computed on revenue excluding other income.
3. Profit after tax excludes impact of Other Comprehensive Income
4. Previous periods' figures have been regrouped/ rearranged wherever necessary to confirm to current period classifications
5. In the past, we have been presenting our consolidated financial results based on proportionate consolidation method as required under previous GAAP. In order to ensure continuity of comparison by our investors even after introduction of IND AS, we have consistently continued to disclose the results based on the erstwhile proportionate consolidation method (Proforma consolidated financials) for presentation in our quarterly audited results to investors. The Company has disclosed the above Proforma consolidated financials from FY 2015-16 onwards based on segment information in the audited consolidated financial statement of IND AS (refer note 45 of notes to consolidated financial statements on page number 206 for FY 2016-17 and FY 2017-18) and other relevant information. For FY 2013-14 and FY 2014-15 proforma consolidated financials (using proportionate consolidation method) are based on agreed upon procedure report of the auditors on previous GAAP audited financial information adjusted with the impact of adjustments due to IND AS accounting policies for these years.

Read more on page 28

2,272
On-roll employees

91,451
Total tower base

3,000+
Solar powered towers

22
Telecom circles across India

42,560+
Green sites

46%
Green network

205,596
Co-locations

2.25
Closing sharing factor

All figures are based on consolidated basis which includes proportionate share of Indus Towers (42%)

Letter from the Chairman



Dear Shareholders,

FY 2017-18 represents a landmark year in the history of the Indian Telecom Industry due to unprecedented consolidation in the wake of intense price war, which has led to five operators ceasing to exist either on account of mergers/acquisitions or outright shutdown of operations.

A positive outcome of the consolidation has been that the basic structure of Indian telecom industry, which was until now fragmented with 12-14 regional operators has improved to 3-4 large operators with an ability to invest in nationwide networks.

Post the closure of accounts for FY 2017-18, Bharti Infratel has also made a major announcement regarding an agreement to merge Indus with Bharti Infratel. With this announcement we seek to dissolve a dual structure where global investors can invest directly in the largest towerco outside China with a pan-India presence. This is much more desirable than the current structure where the only way to invest in Indus is through the listed Bharti Infratel entity.

The combined company, which will fully own the respective businesses of Bharti Infratel and Indus Towers, will change its

Foreign ownership touched an all-time high of

43.09%

as on March 31, 2018 as compared to

8.65%

at the time of IPO in December 2012.

name to Indus Towers Limited and will continue to be listed on the Indian Stock Exchanges. The combined company will continue to offer high quality passive infrastructure services to all telecom operators on a non-discriminatory basis, thus helping to support the delivery of the Government of India's vision of 'Digital India'. The transaction is conditional on regulatory and other approvals, including from CCI, SEBI, NCLT, DoT (FDI approval), Bharti Infratel shareholders and is expected to close before the end of the financial year ending March 31, 2019.

Coming back to the developments of the year, due to the ongoing consolidation, the tower companies saw significant exits of co-locations from exiting operators. At Infratel, while we reported strong gross co-location addition of 17,124 on a consolidated basis during FY 2017-18, we also witnessed consolidated exits for the full year of 22,134 due to the ongoing consolidation. It is important to highlight that with the above, bulk of the adverse impact from consolidation, other than the impending impact of Vodafone-Idea merger, is now behind us. As on March 31, 2018, the consolidated tower base stood at 91,451 with consolidated co-locations at 205,596 declining 2.4% YoY with a co-location factor of 2.25 at closing.

On the consumer side, the key metrics such as number of data subscribers, smartphone penetration, data consumption per user, data enabled affordable handsets continued to grow rapidly.

With this ideal industry structure and the fact that the data demand is growing at a very rapid pace, it is clear that remaining operators, particularly the three private operators, will have to invest heavily in rolling out 4G across the country to remain competitive. In addition, in the longer term, we all know that advent of 5G would significantly increase the demand for sites because of spectrum being in higher frequencies and the deployment of critical applications on Internet of Things (IoT) which would require ubiquitous coverage. As a result, we remain excited about the potential of tower industry in India in times to come.

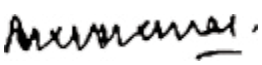
Despite the turbulence in the industry, the Company's financial performance during the year was strong with consolidated revenues for the year, at ₹144,896 Mn growing by 8% over the last year. Consolidated EBITDA improved to ₹64,272 Mn up 8% Y-o-Y, representing an operating margin of 44.4%. The Operating Free Cash Flow grew by 13% Y-o-Y to ₹42,021 Mn for the year. The Consolidated profit after tax came at ₹24,937 Mn. The Board of Directors have proposed a final dividend of ₹14 per share subject to shareholders' approval. Total cash outgo for the dividend for the full year, inclusive of tax on dividend would amount to ₹31,217 Mn, ~125% of the consolidated PAT.

Foreign ownership touched an all-time high of 43.09% as on March 31, 2018 as compared to 8.65% at the time of IPO in December 2012. This includes 10.3% stake held by global private equity funds - KKR and CPPIB.

We continued to improve our Green footprint during the year and move towards more diesel free sites in the long-run. On a consolidated basis, over 42,000 towers or 46% of our portfolio are Green as of March 31, 2018.

On the new revenue streams, both Companies are investing in Smart City projects in a selective manner as pilots in Bhopal by Infratel & Vadodara by Indus. Both these are in final stages of completion and commissioning.

To conclude, we do expect some more short-term challenges in form of cancellation of co-locations particularly due to Vodafone-Idea merger. However, with an improving industry structure of fewer operators, the rising consumer demand and the need to densify networks through 4G in the short-term and potentially 5G in the longer-term, we do expect the Industry to come out of this phase stronger. We believe both Bharti Infratel and Indus are in best position - both operationally and financially to cater to the ever-increasing passive infrastructure demand of the industry.



Akhil Gupta
Chairman

Message from Managing Director & CEO



Dear Shareholders,

This has been an eventful year with unprecedented data growth and accelerated but anticipated consolidation.

The exceptional data consumption is on rise; as per industry reports, it has increased ~20x in the last 2 years. We are already seeing all leading operators focusing on their data strategy including a pan India 4G presence – majority of the rollouts this year have been towards adding and augmenting their 4G networks. As a result, we recorded ~3x 4G data cabinet expansions this year compared to last year. This trend is expected to continue with higher penetration of 4G networks and matured handset ecosystem. With increased interest in 5G trials, India could see early adoption of 5G with the rest of the world as a wireline substitute.

The year saw the highest co-locations achieved in a quarter since IPO. Fueled by intense price wars, we also saw accelerated consolidation which has led to most of the operators shutting down or merging with the leading operators. The consolidation, once played out completely, will leave stronger players to grow and compete on

Operators have invested around

₹3,580

Bn in spectrum since 2010

India could see early adoption of

5G

with the rest of the world as wireline substitute.

service differentiation. Jio has already announced its aspiration to cover 99% of the nation in near future. We believe that the other leading operators would match this footprint to ensure quality of service in both urban and rural areas. Moreover, operators have invested ~₹3580 Bn in spectrum since 2010; this investment needs to be monetized by further enhancing coverage and capacity.

Passive infrastructure industry also saw consolidation; with ATC India announcing its acquisition of Vodafone and Idea towers held outside Indus and announcement of acquisition of Reliance Infratel tower portfolio by Jio. With these announcements, the passive infrastructure industry is driven by two large independent tower companies in form of Indus-Infratel and ATC India.

With so many changes happening, the future seems exciting with a lot of developments in sight – some being Government of India's Digital India and Smart City initiatives. Both Infratel and Indus have secured Smart City projects in Bhopal, New Delhi and Vadodara; currently in final stages of completion and commissioning. We expect other authorities to replicate these models as well. We are best positioned to capitalize on our shared infrastructure and experience in distributed operations for monetization.

On the operations front, we remain true to our vision of providing "Highest uptime, Speed & Quality of deployment, Cost & Energy efficiencies and Environment friendliness". These are achieved despite the environmental challenges faced – floods, snowfall and landslides. Our customers recognize the efforts we have put in to ensure timely restoration, maintaining uptime and reducing diesel consumption. As of March 31, 2018, we have managed to turn around 37% of the sites into 'Green Sites' on a standalone basis.

At Bharti Infratel, we believe people focus and process excellence to be our core strengths which are instrumental in achieving excellence across the various facets of the business. We are investing in our people to ensure they are more customer-centric and goal oriented in their day-to-day tasks. Due to their strong focus, we managed GST (Good and Service Tax) transition smoothly and also attained ISO 9001 certification in a record time of 3 months.

Our efforts have been lauded by various industry bodies – Golden Peacock Award for Risk Management, Gold Award - Business Excellence Framework by RE Assets and being listed in D&B India's Top 500 Companies. These awards are a testimony to the strong brand value of Bharti Infratel and collaborative efforts put in by all our employees at different levels.

Our CSR initiatives were also recognized by industry associations as well for efforts in area of Water and Sanitation with the 'Pad Man Award 2018' and for building an inclusive world for differently abled with ET NOW CSR Leadership Award. We are also proud to report that we have managed to place 16 diversity candidates in frontline workforce within one year of introducing the concept.

This year, we as a Company, have voluntarily decided to take a step towards Integrated Reporting framework, clearly explaining how we are creating value for different stakeholders with our business model.

We take this opportunity to express our appreciation to all our shareholders, customers, partners and employees for their continued enthusiasm, trust and support. The year ahead is expected to be full of opportunities and it is our endeavor to capitalize them. Together, we are confident to be a major beneficiary of the opportunities coming our way and will continue to surpass the benchmarks set by us.

Warm Regards,



D S Rawat
Managing Director and
Chief Executive Officer

Profile of Board of Directors



Akhil Gupta

Akhil Gupta is the Chairman of the Company and a Non-Independent and Executive Director. He is a Chartered Accountant and has over 30 years of professional experience. He has done an 'Advanced Management Programme' at the Harvard Business School (2002). He is also the Chairman of Tower and Infrastructure Providers Association (TAIPA) and the President of Telecom Sector Skill Council (TSSC).

Akhil is the recipient of numerous awards which include "EY Entrepreneur of the Year Award 2017" as an Entrepreneur CEO, CA Lifetime Achievement Award by ICAI, Lifetime Achievement Award by Amity University, "CEO of the Year" award at National Telecom Awards, "CA Business Achiever" award, "Asia Corporate Dealmaker" award at the Asia Pacific M&A Atlas Awards, "Best CFO" awards in multiple categories at CNBC – TV18 and induction to "Hall of Fame" by CFO India.



Anita Kapur

Anita Kapur, who joined the Indian Revenue Service (IRS) in 1978, held the position of Chairperson, Central Board of Direct Taxes (CBDT) during 2014-15. As Chairperson and earlier as Member CBDT (2012-14), and post retirement as Adviser in the Ministry of Finance (2015-16), she had the leadership role in formulating significant taxpayer friendly administrative measures and policy reforms to simplify tax laws, apply technology to enable tax assessments in an E- environment, reduce litigation, facilitate compliance, counter tax evasion and collect taxes fairly.

She had secondment stints with the Foreign Tax and Tax Research (FT&TR) Division and the Tax Policy & Legislation (TPL) Division of the Ministry of Finance; the capital market regulator of India i.e SEBI; and the Banking Division (currently known as Department of Financial Services) of the Ministry of Finance.

She was a Director on the Boards of Delhi Stock Exchange, Jaipur Stock Exchange, Kanpur Stock Exchange and Ludhiana Stock Exchange as nominee of SEBI. She was Government of India nominee on the Boards of Directors of Andhra Bank, Oriental Bank of Commerce, State Bank of Hyderabad, State Bank of Bikaner and Jaipur, Punjab and Sind Bank and Institute of Chartered Accountants of India. In her personal capacity as a Tax Expert, she was made a Member of the UN Committee of Experts on International Cooperation in Tax Matters (2009-2013), and then elected Vice Chairperson of this Committee twice, covering the entire term of her membership, in recognition of her proficiency in International Tax matters.

Her last assignment with the Government was as a Member of the Competition Appellate Tribunal (COMPAT) during FY 2016-17.



Bharat Sumant Raut

Bharat Sumant Raut is an Independent and Non-Executive Director of the Company and Chairman of the Audit and Risk Management Committee. He holds bachelor's degrees in law and commerce from the University of Bombay. He is a Chartered Accountant and a fellow member of ICAI. He was associated with Sharp and Tannan, Chartered Accountants as a partner, with Price Waterhouse, Chartered Accountants as a partner and with B S R & Co. LLP, (originally Bharat S Raut & Co.), Chartered Accountants and BSR & Associates LLP (originally BSR & Associates), Chartered Accountants, as their founding partner. Since 2006, he is a member of the Bar Council of Maharashtra & Goa, and has been practising as an advocate. He serves as an Independent and Non-Executive Director on the Board of various public companies.



D S Rawat

D S Rawat is the Managing Director and CEO of the Company. He is part of the Company since 2010. He is also a member of the Executive Council Committee of Tower and Infrastructure Providers Association (TAIPA) and the Northern Regional Council of Confederation of Indian Industry (CII).

He is an engineering graduate in Electronics & Communications. He had spent his initial years of professional life as an officer with the Indian Air Force. He has also done an Advanced Management Programme at the Wharton, University of Pennsylvania. He holds over 25 years of Telecom in-depth experience in handling P&L, technology, rollouts and regulatory interfaces - both from operator and supplier perspective. Previously, he has worked with leading telecom Companies like Ericsson and Huawei.

Board Committees

Chairman | Member

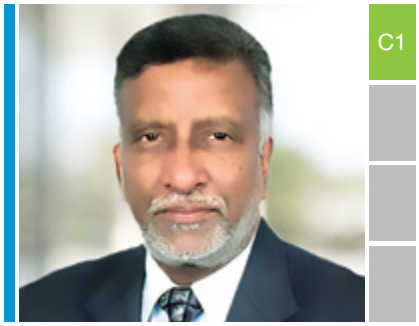
C1 Audit and Risk Management Committee

C2 HR, Nomination and Remuneration Committee

C3 Stakeholders' Relationship Committee

C4 Committee of Directors

C5 Corporate Social Responsibility Committee



C1

Jitender Balakrishnan

Jitender Balakrishnan is an Independent and Non-Executive Director of the Company. He holds a bachelor's degree in Mechanical Engineering from the University of Madras and a Post-Graduate Diploma in Industrial Management from the University of Bombay. He has experience in the financial sector with IDBI Bank Ltd, where he was the Deputy Managing Director and Group Head, Corporate Banking and thereafter, as an Advisor to the said Bank. He is currently an Advisor to IDFC Bank Ltd and various Corporates, besides serving as an Independent Director on the Boards of Public including Listed Companies and Chairman/ Member of various Committees of these Boards.



C2

C5

Leena Srivastava

Dr. Leena Srivastava is the Vice Chancellor of the TERI School of Advanced Studies, New Delhi – a unique inter-disciplinary higher education institution, focused on sustainable development. She is a member of various Committees and Boards both at the international and national levels, including the Advisory Board to the President of ADB on climate change and sustainable development; Co-Chair, Future Earth Advisory Committee; Member, Ad Hoc Informal Multi-stakeholder Technical Group of Advisors on Sustainable Development Goal 7, United Nations and on the Board of Bharti Infratel Limited; Strategic Mediaworks Private Limited; Meridian Institute, USA and the Stockholm Resilience Centre, Sweden. Dr. Srivastava has several publications to her credit. She has done her Masters in Economics from the University of Hyderabad and a Ph.D. in Energy Economics from the Indian Institute of Science in Bangalore, India.



C2

C5

N Kumar

N Kumar is an Independent and Non-Executive Director of the Company and is the Chairman of HR, Nomination and Remuneration Committee and Corporate Social Responsibility (CSR) Committee.

N Kumar is an Engineer and a fellow of the Indian National Academy of Engineering. He is the Vice Chairman of The Sanmar Group, Chennai and is the Honorary Consul General of Greece in Chennai. He is on the Board of various public companies and has over four decades of experience.

N Kumar has served as a President at the Confederation of Indian Industry and is also the President of the Indo-Japan Chamber of Commerce & Industry. He is the Chairman of Madhuram Narayanan Centre for Exceptional Children and Managing Trustee of The Indian Education Trust, which runs two schools.



C3
C2
C4
C5

Rajan Bharti Mittal

Rajan Bharti Mittal is the Vice-Chairman of Bharti Enterprises, one of India's leading conglomerates with diversified interests in telecom, insurance, real estate, agri and food, besides other ventures. Bharti has joint ventures with several global leaders: Singtel, AXA, Del Monte, SoftBank and Brightstar.

Bharti Airtel, the group's flagship company, is amongst the world's largest telecommunications companies, offering mobile, fixed broadband and digital TV solutions to over 413 million customers across India, South Asia and Africa.

Born in 1960, Rajan joined Bharti Enterprises after graduating from Punjab University. An alumnus of Harvard Business School, he is actively involved in overseeing the activities of the group at the corporate level. With his rich experience in the marketing function, he is also involved in many of the new business ventures of the Group.

Rajan serves as a member of several industry associations and policymaking bodies. He is currently on the Board of Trustees of Brookings Institution, the world's oldest and most prestigious think tank and a member of the President's Council on International Activities (PCIA), Yale University. He is also a member of the Indo-French CEOs Forum and India-Singapore CEO Forum.

In 2013, he was the President of ICC (International Chamber of Commerce) India. He was also the President of FICCI (Federation of Indian Chambers of Commerce and Industry) for the year 2010 - 2011 and is currently a Member of its Executive & Steering Committees. Rajan has also served as the President of Association of Basic Telecom Operators (now known as Association of Unified Telecom Service Providers of India - AUSPI) for 1999-2000.

Rajan has been honored with the "Indian Business Leader of the Year Award 2011" by Horasis, The Global Visions Community and has also been awarded the "Leonardo International Prize 2012" by Comitato Leonardo, the Italian Quality Committee.

Board Committees

Chairman Member

C1 Audit and Risk Management Committee

C2 HR, Nomination and Remuneration Committee

C3 Stakeholders' Relationship Committee

C4 Committee of Directors

C5 Corporate Social Responsibility Committee

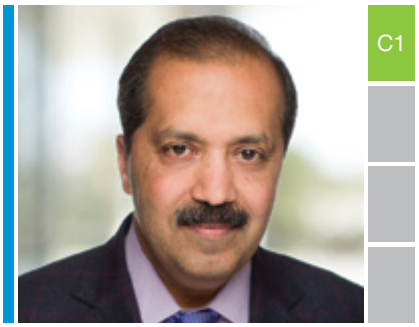


R P Singh

R P Singh is an Independent and Non-Executive Director of the Company. He holds a master's degree in mathematics from Advanced Centre for Pure Mathematics, Punjab University, Chandigarh. He taught pure mathematics & statistics to graduate classes, before he joined the Indian Administrative Service.

He has wide experience in regulatory areas of finance, industry, urban development and infrastructure. He worked both as Commissioner of Hyderabad Municipal Corporation & Vice Chairman of Hyderabad Urban Development Authority. R P Singh was also Managing Director of Andhra Pradesh Industrial Development Corporation and Commissioner of Taxation in Andhra Pradesh. He was posted to Punjab & Sind Bank as Chairman from March, 2005 to September, 2009.

He retired as Secretary to Government of India in the Department of Industrial Policy & Promotions and post retirement was appointed by the Government of India as Chairman of National Highways Authority of India (NHAI). At present, he is also holding the directorship with Maruti Suzuki India Limited, Lodha Developers Ltd. and IRB Infrastructure Pvt. Ltd.



Sanjay Nayar

Sanjay Nayar (Mumbai) joined KKR in 2009 and is a Member and CEO of KKR India. He is also a member of the Asia Portfolio Management Committee and Asian Investment Committee. He is on the board of KKR's portfolio companies, Radiant Healthcare, Bharti Infratel, Magma Financial Services, and Coffee Day Holdings, and has had significant involvement with KKR's investment in Apollo Hospitals. He also supports expanding the range of KKR's credit and capital markets offerings across the region. Prior to joining KKR, he served as CEO of Citigroup's Indian and South Asian operations and as a member of Citigroup's Management Committee and Asia Executive Operating Committee.

Currently, he is a member of the board of USISPF, and SEBI's NISM Board of Governors. Serves on the Board of Emerging Markets Private Equity Association (EMPEA), Washington D.C; and Indian School of Business (ISB); and Founding Member of Brookings. Mr. Nayar was the deputy chairman of the Indian Banks Association (IBA); the Committee of the Reserve Bank of India tasked with building a Centre for Advanced Financial Learning (CAFRAL); Co-Chairman of the Banking Committee for the Federation of Indian Chambers of Commerce and Industry (FICCI). He also served as the Chairman of the Indian Private Venture Capital Association.



C2

Tao Yih Arthur Lang

Mr Arthur Lang, 46, joined Singtel on 9 January 2017, as Chief Executive Officer, International (Designate) and became Chief Executive Officer, International on 1 April 2017. His main responsibilities are to oversee the growth of the Group's regional associates across India, Indonesia, the Philippines and Thailand, strengthen its relationship with overseas partners, and drive regional initiatives, such as the regional payments platform and gaming business, for scale and synergies.

Prior to joining Singtel, Arthur was Group Chief Financial Officer of CapitaLand Limited, where he directly oversaw the functions of treasury, financial reporting and controls, risk management, strategic projects, tax, investor relations and private equity fund management. As Group CFO of CapitaLand, Arthur received the Best CFO of the Year Award for listed companies with market capitalisation of S$1 billion and above at the Singapore Corporate Awards 2015.

Prior to CapitaLand, Arthur was at Morgan Stanley where he was co-head of the Southeast Asia investment banking division and prior to that, Chief Operating Officer of the Asia Pacific investment banking division.

Arthur is a board member of Globe Telecom, Bharti Infratel Limited, NetLink Trust, the Land Transport Authority of Singapore, the National Kidney Foundation and the Straits Times Pocket Money Fund.

Arthur holds an MBA from Harvard Business School and a Bachelor of Arts in Economics (magna cum laude) from Harvard University.

Board Committees

Chairman Member

C1 Audit and Risk Management Committee

C2 HR, Nomination and Remuneration Committee

C3 Stakeholders' Relationship Committee

C4 Committee of Directors

C5 Corporate Social Responsibility Committee

Our Business and Value Creation Model

	Source	Inputs
Financial Capital	Management of shareholder contributions and funding from investors and clients to ensure business sustainability	• Capex – **₹11,223 Mn** • Opex – **₹34,326 Mn**
Intellectual Capital	Offering clients the best of services through innovative solutions	• Average experience of Board members – **35+ years** • Average experience of leadership team – **20+ years** • State of the art technology at our Tower Operating Centre (TOC) • Robust systems and processes
Human Capital	Continue to invest in our people strengths to achieve operational excellence	• On-roll employees – **1,247** • Spent on training and development – **~₹26 Mn** • Employee benefit expense – **₹2,916 Mn**
Manufactured Capital	Prudently managing our capital investments to create a portfolio of assets that helps create value for our clients	• Total Tower base – **39,523** • Co-locations – **88,665** • No. of offices – **89**
Social & Relationship Capital	Build an enduring relationship with customers, communities, suppliers and government authorities	• Number of shareholders – **34,776** • Supplier Base – **1,100+** • Presence in states across India – **18** • Charity and donation – **₹294 Mn** • **Catering to all** the telecom operators in India.
Natural Capital	Strive to ensure we conduct our business to leave a positive impact on environment	• Spend on energy conservation equipment – **₹194 Mn**

Business process

Identification of site

Based on customers request, optimum location is identified. Site identification is a critical process ensured by the acquisition team to warrant continual expansion of our portfolio of assets for long-term sustainability.

Deployment of site

Once a location is identified, we lease the land from the owner and deploy tower infrastructure.

Infrastructure sharing

The established tower infrastructure is rented out to wireless tenants under long-term agreements (known as Master Service Agreements [MSA]) for a specified fee. The tenants own and operate the active equipment like, Antenna, BTS at site.

Sustainable revenue model

The tenancies are tenured for a period of more than seven years with exit penalties, helping us build a case of recurring revenue streams.

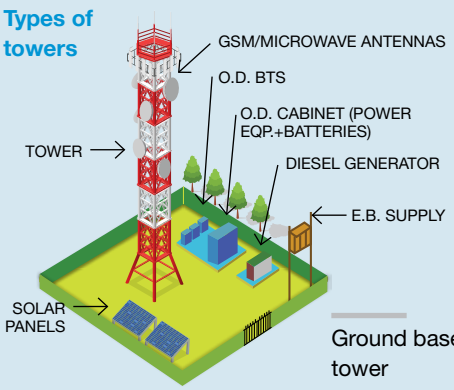
Margin accretive

New tenants added at sites come at a marginal additional operating cost against one time fixed cost, adds to the bottom line, resulting in higher profitability margins and wealth creation for stakeholders.

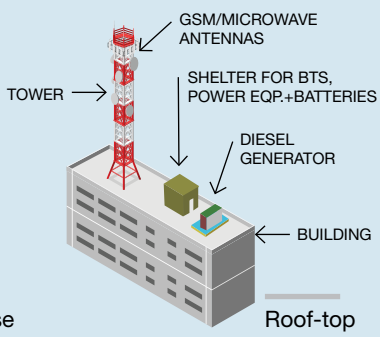
Business strategy

- Promote tower sharing
- Achieving cost efficiencies across tower portfolios
- Organic growth and acquisition opportunities
- Increasing revenue and capital productivity
- Capitalize on opportunities of Data growth, Digital India, Smart Cities Initiatives of Government

Types of towers



Ground base tower



Roof-top tower

Output

- Revenue* – **₹66,180 Mn**
- EBITDA* – **₹31,854 Mn**
- PAT – **₹24,139 Mn**
- Operating free cash flow – **₹20,389 Mn**

- New initiatives rolled out over last two years – **30**
  - Structural solutions – **5**
  - Energy solutions – **25**
- Tower Operations Centre (TOC) does robotic calls to prevent site outages due to infra reasons – **~15,000 times a day**
- ISO 27001:2013, ISO 22301:2012 and ISO 9001:2015 **certification**

- Attrition rate – **10.3%**
- Man days of training – **2,571**
- Internal succession rate – **69%**
- Gender Diversity – **9.1%**
- Adjudged as one of the **'Best Employers'** at the 'Aon Hewitt Best Employers' Awards for three times in a row

- Market presence – **11 circles**
- Uptime – **99.95%**
- Cost efficiencies to telecom operators

- Lives impacted through CSR – **185,000+**
- Contribution to Exchequer – **₹22,576 Mn**
- Partner satisfaction score (overall experience at Bharti Infratel) – **4.42**
- Dividend – **₹14 per share**
- Customer satisfaction score – **4.72**

- Solar sites – **2500+**
- Green sites – **14,000+**
- Reduction in Diesel consumption over last three years – **31%**

*Excluding other income

Engaging Better with Stakeholders

Over decades, we have built a business model that has created an enduring shared value for our business, investors, customers, stakeholders and communities in which we operate. Through various communication collaterals, we have been tracking, measuring and reporting our progress to various stakeholders thereby strengthening our stakeholder engagement.

Stakeholders	Who are they
Investors	• Fund Manager • Stock Market analysts • Institutional investors (Foreign and Domestic) • Retail shareholders
Regulatory bodies	• SEBI • MCA • RBI • ICAI/ICSI • TRAI • Taxation Authorities/ Department of Telecom (DoT) • Municipal Authorities
Employees	• On-roll • Off-roll
Business Partners	• Suppliers • Bankers • Landlords
Customers	• Telecom service providers
Community	• Underprivileged individuals • NGOs

What they expect	Communication medium	How we engage
• Shareholder returns • Access to adequate information about Company's performance and business activities • Corporate governance • Transparent and regular communication • Long term strategy • Financial position	• Annual General Meeting • Board Meetings • Quarterly Results • Investor Conference calls	• Hold timely Annual General Meeting for shareholders' to participate • Annual Reports • Hold timely Board Meetings for communication of financial results • Quarterly reports on the operational and financial performance • Quarterly earnings call with investors post Board Meeting for discussion on the performance • Investor and Analyst meets • Press release for significant matters • Stock Exchanges releases and updated website
• Transparent and ethical governance in business operations • Provide enabling environment for value creation • Adherence to laws and regulations	• Intimations • Notice • Reports	• Timely filings with regulators, intimation to Stock Exchanges • Conduct regular audits (financial and statutory) • Timely payment of taxes and levies to government • Adherence to environmental laws • Representations made through industrial bodies to the Regulators on industry specific/ macro level issues
• Employee satisfaction • Health and safety • Diversity and equality • Work culture • Development plans • Ease of communication and transparency	• E-mailers • Town Halls • Newsletter • Team meetings • Events	• Well defined policies viz. HR policy, Employee grievance policy etc. • Regular update through internal communication • Events held during the year towards employee engagement • Career opportunities • Conduct training programs • Instituted ESOP schemes to retain and motivate employees • Succession planning and internal placement • Employee satisfaction survey
• Opportunities to interact more with the Company • Responsibility throughout the supply chain • Fair treatment • Better Grievance Redressal mechanism	• Meetings • Seminars • Contracts	• Ensure transparency in communication through regular structured meetings • Annual vendor/ partner meet • 'Supplier Portal' providing a real time update for better communication • Co-develop projects to find safe, resource efficient solutions • Growing banking relationships
• Consistency in service offering • Business ethics • Personal data protection and privacy • Resource efficiency	• Contracts • Meetings	• Master Service Agreement (MSA) laying down non-discriminatory offering of services to all customers • Conduct annual surveys • Carry out initiatives for safety awareness • Privacy Policy • Staying connected with our Customers- Customer meet
• Financial support • Empowering lives • Community development • Impact of our business on environment	• Implementing partners	• Identifying social concerns and areas of interventions to provide support for social development • Partner with NGOs involved in providing support to beneficiaries • Recycling initiatives • Continued to evaluate our impact on environment and took steps to move towards being a green company

Risk Management



Bharti Infratel operates in dynamic business environment, making it imperative for us to have a judicious risk management system. Our dedicated team identifies, quantifies and manages the several risks that could have a possible impact on our business sustainability. Our structures, systems, procedures and practices are taken into account while assessing each risk to minimise its impact.

A regular review of the risk management framework further underpins the detailed structure and systems in place. The implementation of the risk management framework is ably supported by a positive culture that is instilled in the employees across the different levels of the organization. We have developed a dynamic and de-centralised process where risks are identified and mitigated with key persons responsible.

The Company has duly approved a Risk Management Policy. The objective of this Policy is to have a well-defined approach to risk. The policy lays down broad guidelines for timely identification, assessment and prioritization of risks affecting the Company in the short and foreseeable future. The Policy suggests framing an appropriate response action for the key risks identified, so as to make sure that the risks are adequately addressed or mitigated. At Bharti Infratel Limited, the Internal Audit function is responsible for assisting the Audit & Risk Management Committee on an independent basis, with a complete review of the risk assessment and associated management action plans.

	Key Risk	Level of criticality	Related materiality impact	Mitigations (FY 2017-18)
External risks	Environment	High	Environment pollution	**35.91%** of portfolio (14,193 towers as green sites)
	Regulatory	Moderate	Ethics and regulatory framework	**Strengthened** the governance framework
	Infrastructure	Moderate	Business operation	**3,007 Mn** Maintenance and general corporate capex
	Economy	Moderate	Revenue from operations	**~9%** Revenue growth
Internal risks	Strategy	High	Business sustenance	EBITDA growth **~12%** despite net tenancy loss of 598
	Technology	Low	Operational efficiency	**99.95%** Uptime
	Liquidity	Low	Working Capital	**4.2x** Current ratio
	Governance	Low	Shareholder value creation	**2** Grievances from shareholders received and resolved within time



External risks

Environment risk

Our business operations do have an impact on the environment, with the consumption of fuel and gas emissions. Considering the operations are dangerous, legal and financial risks related to environmental pollution do exist.

Mitigation: At Bharti Infratel, we have already installed 14,000+ green sites and 2,500+ solar towers across states. In addition, we have implemented innovative alternative solutions at our existing sites to reduce the fuel consumption and reduce the carbon and greenhouse gas emissions. We have institutionalised ZEN and P7 programs which are hinged on three pillars (i) reducing energy consumption at sites (ii) using more energy efficient equipment (iii) using alternate source of energy.

Regulatory risk

The regulatory environment continues to be challenging. Continuously changing regulatory reforms might affect the Indian telecom market and simultaneously affect Bharti Infratel's business viability.

Mitigation: The digital communication continues to gain momentum and is expected to grow exponentially in the near short-term. The regulatory norms also continue to evolve, at the same time, the rise in data connectivity continues to act as a catalyst to drive the industry forward. With inclusion of IP1 in RoW rules, we have seen more clarity in roll outs across the country. We expect the new Telecom Policy 2018 to be a driver for the growth in the telecom sector. To further strengthen the cause of sustainability, we are also members of several industry forums and associations, including confederation of Indian industry (CII) and Tower and Infrastructure Providers Association (TAIPA).

Infrastructure risk

The telecom towers remain subject to damage from risks like natural disasters and other external factors. Any potential damage to these towers might affect the operational viability and business sustainability in the long run.

Mitigation: All our towers are insured, equal to the replacement value of existing towers. The insurance covers protection against damages like fire, special perils and other unforeseen damages. In addition, we are investing adequately in business continuity plans and disaster recovery initiatives, which help us ensure seamless and uninterrupted business service for our customers.

Economy risk

The economic slump could have an adverse impact on the operations, with slowdown and reduction in revenue and profitability.

Mitigation: The economic slowdown coupled with the Indian telecom industry burdened with reduced revenues and consolidations, has convinced the telecom companies to consider looking for alternative optimism. Despite the pressures faced by the industry, Bharti Infratel is determined to foresee opportunities in the form of National Telecom Policy that will address regulatory issues, spectrum and licensing fees, ease of doing business, new technology frameworks like 5G and IoT. Our efforts towards initiatives like Digital India and Smart city, in addition to, provision of long-tenured contracts for the operators are believed to mitigate the concerns.



Internal risks

Strategy risk

In a rapidly changing environment with increasing competition, a decision without a decisive long-term action can affect the viability of the business.

Mitigation: Despite the recent consolidation witnessed in the telecom industry and exits of smaller tenants at some of our towers, there remains an increasing need to have a deeper penetration of mobile connectivity. Our strategy of rolling out mainly for the leading operators has paid off as we saw less exit compared to our competitors. This ensured our portfolio of leadings Opcos grew from 85% to 97%. Our expansion of towers over the years validates our intent regarding business expansion. With our economic interest of 42% in Indus towers; we have a pan India presence and a larger tenant base with a sustained rental flow. The expansion into newer revenue streams like 'Smart Cities' will only fuel the need for a wider telecom infrastructure base.

Technology risk

Non-adaptability to changing technology can result in loss of customers.

Mitigation: We continue to invest in new technologies that would help navigate the macro challenges and strengthen our business prospects. We continue to adopt and use the latest ready-for-deployment technology to improve the productivity and quality of the services. In addition our robust state-of-the-art Tower Operations Center, integrated IT systems and best-in-class processes facilitate seamless operations.

Liquidity risk

There remains an impending risk that the company's operations may hamper if it is unable to meet the current and future cash flow requirements.

Mitigation: We are a debt-free company in an industry that is marked by capital crunch and difficulty in sustaining operating profits. Our revenue model is structured to map the cash outflow, thereby helping us maintain a prudent balance sheet. Our efficient working capital management has helped maintain a healthy operating cash profit.

Governance risk

Unethical practices or lack of transparency in operations could cause a loss of confidence and trust among the shareholders of the company.

Mitigation: The Board of Directors undertakes the primary responsibility of ethical governance and transparent functioning of the Company. In addition, there is a separate Audit and Risk Committee formed that handles the various risks at management level. The composition, roles and responsibilities of the committee are laid down in the Corporate Governance Report that forms a part of this report.

Financial Capital

At Bharti Infratel, the robustness of our financial capital is essential to our operational success. Over the years we have leveraged our strong financial capital to invest in business expansion to sustain market leadership.



Bharti Infratel recorded commendable performance during the year with EBIDTA margin increasing to 48.1% in FY 2017-18 vs 46.9% in FY 2016-17. We demonstrated our strong liquidity position with 10% year-on-year increase in operating free cash flows and 13% increase in adjusted fund from operations.

Revenue and Expenses

During the year, we recorded a year-on year growth of around ~9% in revenues. Despite consolidation in Indian telecom industry with five operators ceasing to exist either on account of mergers or outright shut down of operations, the growth was witnessed due to deeper penetration by leading telecom operators, new rolls out by emerging OpCos, sound business models and leadership position.

EBITDA margins increased to 48.1% in FY 2017-18 vs 46.9% in FY 2016-17 reflecting a steady performance during the year under review, however PAT margins dropped to 36.5% in FY 2017-18 vs 44.5% in FY 2016-17 majorly on account of MTM adjustments as required under IND-AS.

Revenue (in ₹ Mn)

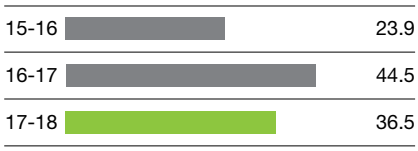


EBITDA Margin (in %)



***After excluding other income including dividend**

PAT Margin (in %)



Resource allocation strategy

Cash generated from operations is our primary source of liquidity. We believe that our cash and cash equivalents along with cash generated from operations will be sufficient to meet our working capital requirements.

The Company's cash flow from its operating, investing and financing activities, as reflected in the Statement of Cash Flows, is summarized in the table below:

Net Cash Provided by/ (used) in (₹ in Mn)	Year ended		YOY changes
	FY 2017-18	FY 2016-17	
Operating Activities	24,709	19,153	5,556
Investing Activities	(8,430)	7,175	(15,605)
Financing Activities	(35,683)	(26,710)	(8,973)
Net Change in cash & Cash equivalents	(19,404)	(382)	(19,022)

Cash flow from operating Activities:
Cash generated by operating activities for the year ended March 31, 2018 increased by ₹5,556 Mn. The increase in cash generated by operating activities is primarily due to improved working capital management.

Cash used in Investing Activities:
Cash used in investing activities for the year ended March 31, 2018 was 8,430 Mn. During the year the company has increased utilisation in Investing activities by ₹15,605 Mn primarily on account of surplus funds invested in Mutual Funds and other securities.

Cash used in Financing Activities:
Cash used in financing activities for the year ended March 31, 2018 was ₹35,683 Mn as against ₹26,710 Mn for the year ended March 31, 2017. This is primarily due to Payment toward the dividend including dividend distribution tax for ₹35,618 Mn in FY 2017-18 and buy back of shares & dividend for the year ended March 31, 2017 amounted to ₹26,710 Mn.

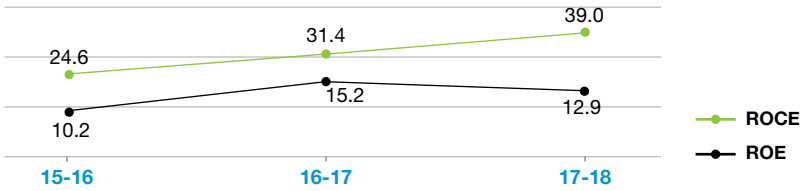
ZERO

Long-term debt as on March 31, 2018

Shareholder's Returns

We have always taken definite steps with regards to creating value for our shareholders. For us, wealth maximization of shareholders is a broader objective than profit maximization. It not only helps us increase our profits but also enables us to take decisions with the broader aim of providing shareholders significant value. The Board of Directors has recommended a final dividend of ₹14 per equity share for FY 2017-18. The dividend recommended by the Board is subject to approval of shareholder's in the ensuing general meeting.

ROCE and ROE (in %)





Ground base tower

Inter-linkage with capitals

- Infrastructure
- Human
- Social
- Relationship
- Intellectual
- Natural

Our prudent financial management and capital allocation have resulted in positive business growth. These efforts have simultaneously created an impact on infrastructure capital, human capital, social and relationship capital, wherein there has been a visible growth. The investments in each of these capitals have made an impact on value-creation.

Manufactured Capital

More than just being a network infrastructure player, we strive to be an enabler of communication. A connected India philosophy rests on the ambition of achieving digital connectivity. We believe our network infrastructure inherently remains a key aspect in building a digital India.



Our business model aligns with the philosophy of building businesses that benefits customers, investors and supports the communities. As one of the pioneers of 'Shared Tower' telecom infrastructure services, Infratel has helped telecom maximize their reach in a short period of time. Our efforts translate into compelling capex savings for the operators, making funds available for strengthening their network to enrich end-user experience.

Business model that drives value

In today's market disruption, our unique business model is critical to the long-term viability of our business. Our end-to-end ownership of the tower Infrastructure (including deploying, owning and managing the Towers) drives efficiencies and builds an enduring relationship with our customers. We continuously implement robust processes that drive new efficiencies, minimize carbon footprint and reduce downtime. Our value proposition drives the following benefits for the telecom operators:

- Reduced capital investment
- Faster-time-to-market
- Operational efficiencies
- Revenue maximization
- Highest uptime
- Lowest energy cost

Presence in

11

Circles across India

*** On a standalone basis**

Presence in

22

Circles across India

*** On a consolidated basis**

20 years

Designed useful life of our towers

Total Towers

Type of Tower	FY 2017-18	FY 2016-17
Ground based	35,603	35,198
Roof Top	3,920	3,901
Total Towers	**39,523**	**39,099**

As the telecom industry witnessed an intense price war, it resulted in consolidation among operators. As a result, we reported a net tenancy loss of 598 (standalone basis) for FY 2017-18. However, our strategy of rolling out new sites mainly for the leading operators paid off as our tenancy loss was significantly lower compared to industry average.

Total co-locations

88,665 < **89,263**

March'2018 | March'2017

Average sharing factor

2.26 > **2.25**

March'2018 | March'2017

Market leadership

As one of the leading tower infrastructure providers, together with our 42% equity interest in Indus Towers, we are present across all the states and Unions of India. Our presence in the remotest parts of the country enables millions of people to connect better. Our largest footprint within the operating circles, including some of the toughest terrains, has enabled wider telecom penetration.

91,451

Towers

205,596

Co-locations

*** figures on a consolidated basis as on March 31, 2018**

Emerging business opportunities

Bharti Infratel has been at the forefront to enable seamless connectivity through its network infrastructure. The growth and consolidation in India's telecom landscape, data growth story and the digital revolution are key factors that would shape the future of the industry. Aligning to the opportunities, some of the initiatives undertaken were:

In Building Solutions: Expand and distribute cellular signal within In Buildings Solutions (IBS) for the respective operators. Smartx Services Limited (a wholly

owned subsidiary of Bharti Infratel) has deployed IBS solution across Airports, Hotels and other buildings in India.

Wi-Fi: Smartx Services Limited, offers Wi-Fi and OFC network infrastructure to provide seamless network connectivity. We launched this in Smart City project at Bhopal and few other Airports.

Small Cell: In some areas, due to high data consumption, there might be a capacity constraint to serve the data requirement. In such areas, operators require outdoor and/or indoor small cells which are connected directly to the macro core network. Bharti Infratel has already done several pilot-runs on this product and foresee this as one of the emerging business in the future.

Smart City: As an enabler to Government of India's 'Digital India' initiative, Bharti Infratel has already secured Bhopal Smart City project where it has been assigned to provide an array of integrated services. Bhopal Smart City project, which is in final stages of completion, will be a benchmark in terms of the quality and services offered by Bharti Infratel. We continue to evaluate other Smart Cities projects. Bharti Infratel, with its healthy financial position, industry experience and technological competence is best positioned to capitalize the other Smart City projects in the near future.

Effective quality control

At Infratel, we have pro-actively evolved to develop products that create better experiences for our customers. This has been driven by a deep-rooted quality control philosophy that runs across all functions in the organization. We have adopted multi-pronged strategies to strengthen our quality process along with taking steps to continuously upgrade our quality strategies in order to align with our vision of ensuring 'First Time Right'. Our quality process includes:

- Pre-dispatch inspection of all critical materials
- On-site inspection during installation work-in-progress
- Quality audits post completion of work
- Periodic preventive maintenance activity to enhance assets useful life and optimum quality
- Process orientation and control of designs, materials, and workers at site
- Operations and maintenance throughout the life cycle

Delivering Uptime (%)

March'18		March'17
99.95	>	99.94

Technology that drives sustainability

Our state-of-art technological measures and advanced analytics have helped us bring efficiency in operations and reduce our diesel consumption. We have deployed variable speed power generators and smart logic based equipment. Integrated power solutions also helped us improve our power utilization ratios.

We also continue to invest in deploying energy-efficient technologies and alternate energy solutions for bringing down carbon emission levels.



Wind energy powered site

Inter-linkage with capitals

- Finance
- Relationship
- Natural

A sustained growth in tower infrastructure assets over the years has increased our business viability. It has helped us grow our customer base transcending into increased financial stability and enhanced wealth for investors. With expanding tower assets across the country, we are enabling telecommunication connectivity that helps facilitate the least energy expenditure, owing to a reduction in the need for physical transportation.

Intellectual Capital

A Company's true foundation rests on its intellectual capital that forms the basis of its technologies, skill-sets and market presence. At Bharti Infratel, our Intellectual Capital plays a crucial role in strengthening our competitiveness in the B2B environment, providing opportunities and services that maximise our reach, reaffirming our market leadership.



At Bharti Infratel, we are equipped to address technological developments, competitive pricing pressures and increasing customer expectations. Our technical team ensures the best use of technology with a focus on using alternate sources of energy, reduce carbon footprint, lower operational cost for customers and optimum use of assets to add value to services. Our intellectual capital can be broadly classified into:



Industry leading experience

To remain relevant in the ever-evolving telecom industry, our experience over decades is key to our business sustainability. A greater diversity in our boardroom enhances decision-making process backed by skills, business experience and background. Our leadership team remains steadfast in conducting business with integrity and business ethics, transcending into market leadership. The team's experience and commitment outline the responsibility framework among our employees.

4.5 years

Average experience employees gained while working with Bharti Infratel

35+ years

Average experience of Board members

20+ years

Average experience of Top Management

Innovative products and processes

Our team looks into new perspectives and know-how to stay competitive in today's dynamic business environment and accelerate business growth. We continue to explore new technological investments that help us unleash new business opportunities resulting in value-creation for stakeholders.

Displacement of existing processes with new emerging technologies has helped our telecom customers expand their market presence throughout the country.

We have developed a range of structural solutions be it monopoles, narrow base towers, smartpoles etc. to ensure that we deploy solution considering the demographic and geographic needs.

We continue to invest and develop energy solutions for varying needs, with an aim to improve efficiency, reduce cost of operations, improve alternate energy deployment, fulfilling customer and site requirements. At sites we have the latest technology deployed in terms of network monitoring and site management systems in form of SMPS, power interfaces optimising usage of different resources viz. DG/EB/Solar, alarm sensors, communication module, smart meters etc.

59

New initiatives tried during the last two years

15	42	2
Structural solutions	Energy solutions	Others

30

Initiatives adopted

5	25
Structural solutions	Energy solutions

TOC

Tower Operations Centre (TOC) is a technological innovation that has enabled us to remotely monitor our distributed sites. TOC works as a centralized control room directing our field team to focus on issues that need attention. TOC employees measures for preventing site outage. Every time there is a likelihood of site going down due to Infra reasons, TOC makes proactive robotic calls to the field teams ensuring someone is there on ground to attend the fault and hence prevent site outage. It also helps to record and maintain all the information about the towers through use of real-time technology. TOC has helped us record the highest uptime with low energy costs for the pan India operations.

~15000+

No. of robotic calls per day done by TOC to prevent site outages due to infra reasons



Our Tower Operation Centre team

Digital infrastructure

At Bharti Infratel, we are geared to act as a 'key enabler' to the Government of India's vision of a Smarter India. Our pan-India presence with quality infrastructure positions us to harness technology as a game-changer that would drive the 'data' connectivity and drive the economic growth.

Smart City is a new-age concept that is fast gaining traction in the country. Developing Smart cities aligns with the 'Digital India' program, where communication would be an integral aspect. Our role as a telecom infrastructure becomes more relevant with setting up towers, microsite and fiberized backhaul to ensure seamless connectivity for voice and data for our telecom customers. Our novel initiative of 'shared infrastructure' will contribute towards the development of an integrated digital infrastructure with growing customer base and increasing data usage.

Did you know?

A wholly owned subsidiary of Bharti Infratel, Smartx Services Limited was incorporated on September 21, 2015 with the objective of creating transmission network through Optic Fibre Cables and setting up IBS, Wi-Fi hotspots for providing services to telecom operators and others on sharing basis. In FY 2015-16, Bharti Infratel was selected as a successful bidder with a consortium of Smartx and others by Bhopal Smart City Development Corporation Limited for implementing Smart city projects in Bhopal, Madhya Pradesh.

Innovation- My Ideas

To achieve our growth aspirations we continue to transform Bharti Infratel with constant innovation. With this view, we introduced 'My Ideas' - our flagship program that works on the ideas given by our different stakeholders, to nurture and promote in-house innovation. Various sources are made available to the employees for sharing of ideas viz. idea boxes are installed across Bharti Infratel, including ZOM offices, designated emails and e-portals for easy accessibility. To encourage employee participation, we acknowledge and reward the employees for their unique ideas. This program has been appreciated by all and we have active participation at all levels within the organization from the technicians to the Circle Business Heads to the Top Management. Some of the initiatives implemented through 'My Ideas' include:

- Low cost battery theft protection - Overcoming battery theft issues in remote areas.
- Mobile Power Systems for overcoming uptime issues
- Replacement of tube light and incandescent lights with LED bulbs - Energy savings
- DCDB solution - Reduction in Capex
- Split Power System for overcoming terrain challenges
- Slim tower site - reduced capex and optimized utilization.

245

Number of ideas received till date

Energy efficient solutions

Bharti Infratel remains steadfast in keeping energy usage to minimum levels. As a commitment towards ensuring low energy consumption and reduce carbon emission, we undertook key measures:

1. Enhanced battery storage
2. Installation of alternate energy
3. Usage of high-end VLRA batteries and Li-Ion
4. Installation of power management systems like Integrated Project Management System (IPMS)
5. Replacing air-conditioner at sites with Solar energy based natural free cooling, large sized micro cooling cabinets and HEX based micro cooling units
6. Enhancing energy efficiency by instating latest generation of products including high efficiency rectifiers, variable acdg kits, dcdg kits.

Digitalization and automation



The synergies derived between business value streams, technologies and processes enable a thriving digital culture at Bharti Infratel, offering a competitive advantage across all business functions. Our futuristic Data Center hosts our applications in a secure environment with a fully functional Disaster Recovery Center. Sophisticated security tools keep our networks and systems safe from information-security threats like unauthorized access and hacking.

At Infratel, Information technology (IT) core team consists of leading global consultants and system integrators with global best practices, technologies and solutions for managing the operations. Our initiatives in the field of IT continue to focus on strengthening and extending solutions and services across emerging technology areas e.g., cloud, robotics process automation, business intelligence, and mobility.

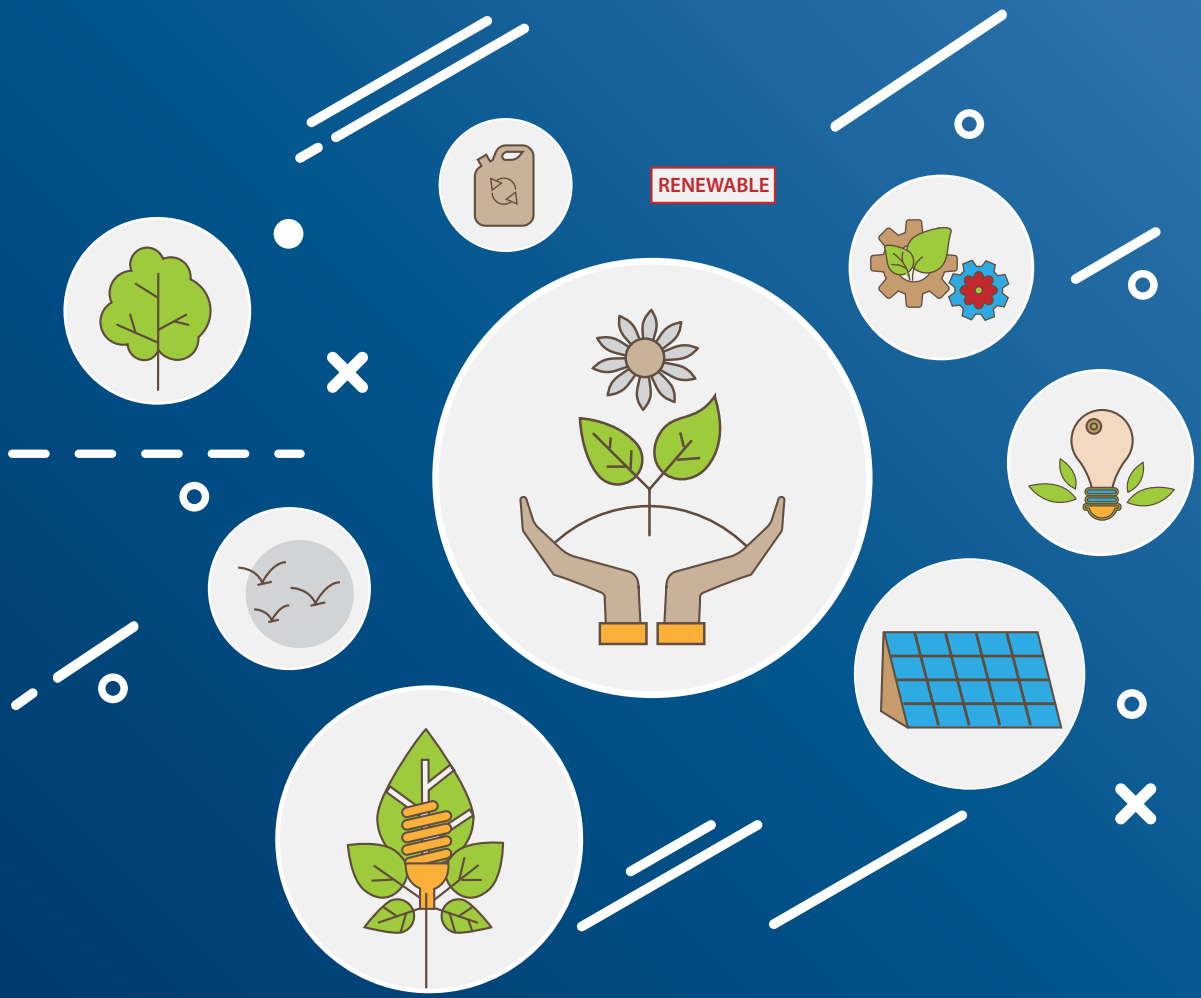
Inter-linkage with capitals

- Finance
- Relationship
- Human
- Social

Our investment in the intellectual capital remains fundamental to our sustainability as it contributes to the growth of our employees and increases our value proposition for customers, government and investors. The innovation in our processes and operations, leads to optimum utilisatioin of resources which helps in sustaining our market leadership and has long-term positive impact on our financial capital.

Natural Capital

In today's era, the role of Natural Capital is crucial in the development of a truly sustainable organization. At Bharti Infratel, we prioritize the enhancement of our Natural Capital in order to ensure better cost efficiencies, as well as to reduce the impact on the natural resources, thus creating enduring value for our stakeholders and the nation at large.



At Bharti Infratel, we developed a value-chain approach, seeking to identify the possible impacts not only on our own operations but also in the entire value-chain of our business. With changing time and evolving energy consumables, we have promoted the use of renewable sources to generate energy to conserve the finite natural resources.

We were among the pioneers to introduce the unique co-location model in telecom infrastructure industry in India. The model not only brought operational benefits for the telecom players like faster connectivity rollouts and higher customers, but it also resulted in reduced diesel consumption and lower emission levels.

In our pursuit to transform as a green-energy organisation, we are making positive strides towards the achievement of following objectives:



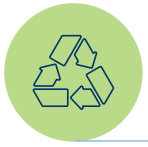
Reduction in Energy Consumption



Extensive use of renewable resources



Conservation of natural resources



Efficient and responsible waste disposal

We undertook the following initiatives to contribute positively towards environment protection:

ZEN model

Zero Emission Network (ZEN) model is our flagship program to reduce our diesel consumption and carbon emissions through optimum utilization of energy, enhanced battery storage and installation of alternate energy at feasible sites. The model was based on the seven ideas aimed at reducing diesel consumption and relative carbon footprint. Presently with more than 15 ideas at various stages of implementation, we are pursuing for more ideas and initiatives to achieve our environmental friendly goals.

The P7 program was based on three pillars - i. using renewables, ii. reducing site load, and iii. using energy efficient equipment.

31%

Reduction in Diesel Consumption over last three years

Indoor to Outdoor project

During the year we have focused on making our sites fully outdoor by removing AC (started in 2012). This has helped us to achieve more than 70% sites as outdoor in our site portfolio. Our actions have helped reduce energy cost and cut down the emission levels. As an alternative, we have created a complete solution gamut including solar based natural free cooling units, large sized micro cooling cabinets, HEX based micro cooling units, Free Cooling Unit (FCU) and Natural Cooling Unit (NCU) for the project.

Renewable Energy Service Company (RESCO) model

Solutions such as solar, wind, hydrogen-based fuel-cell, bio-mass have been tested in recent times and verified as feasible solutions among the modern day renewable energy generation assets. With RESCO we ensure community development by providing surplus power in rural areas. Currently, over 10,000 rural beneficiaries benefit through this model.

10,000

Rural beneficiaries supported through RESCO model.

Waste / by-products disposal

Bharti Infratel being a large passive network infrastructure service provider is categorized as a bulk consumer of batteries, electrical and electronic products under battery management and handling rules and e-waste management rules. Assets purchased and deployed for use are managed throughout the life cycle as per the guidelines and rules defined by Govt of India. Once the batteries retire from operations, assets are brought back at warehouse locations wherein a detailed health check is performed by engineers and experts to classify the assets either for reuse or for scrap.

If an asset is classified as scrap, the same is sold off to government authorized and certified recycling agencies through online auctioning service of MSTC Ltd (Govt of India enterprise) with details of sale.

Compliance and education

Our activities are designed to ensure that all our services are in compliance with environmental rules and regulations. Numerous training held within the company helped in educating the employees on all aspects of environment preservation. We also conduct audits to continuously improve our energy performance with regular meetings on energy conservation and outcomes informed to the Board.

Power optimisation

Apart from electrification, batteries act as a major catalyst for reduction of energy cost as it supports in the reduction of diesel generator run-hour in the absence of state electricity on site. We have added advanced VRLA and VRLA + Lithium LVCS based solution to our existing solution bucket comprising of high-end VRLA batteries, Li-Ion batteries. These have helped conserve energy to a large extent.

96.7%

Electrification of total towers achieved by FY 2017-18

Solar energy

We have been able to deploy the largest solar footprint in telecom industry leading to reduction in carbon emission levels. We have developed complete solar solution ensemble comprising of solutions based on charge controller, solar inverters and combination of solar inverter and charge controller across our tower infrastructure sites.

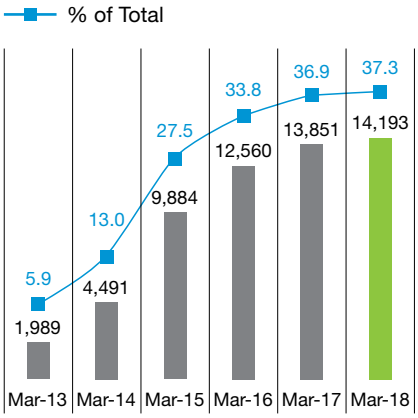


Solar energy powered site

2,500+

Sites with solar solutions

Green Sites



14,000+

Green Sites as on March 31, 2018

Outlook

For the FY 2018-19, we expect to further reduce energy costs with introduction of state-of-the-art remote monitoring equipment and big data analytic engines into the system. The said equipment will help accelerate our journey towards achieving energy excellence. We expect to expand our RESCO model in more states of the country resulting in cleaner and greener environment for a larger stakeholder community.

Inter-linkage with capitals

- Social and Relationship
- Manufacturing
- Financial

We believe environmental and business sustainability goals are interlinked since measures used for cost efficiency invariably comes from environmental sustainable solutions. Hence, our energy conservative deployments not only makes us cost efficient, but also reduce our carbon footprint.

Human Capital

An organization is always as good as the people that drive it ahead. Our Human Capital is one of our key strengths, with our employees being a valuable assets in the way they bring their skills, talent, and hard work to the table. Ingrained in our people is our core commitment to excel, which makes them invaluable.

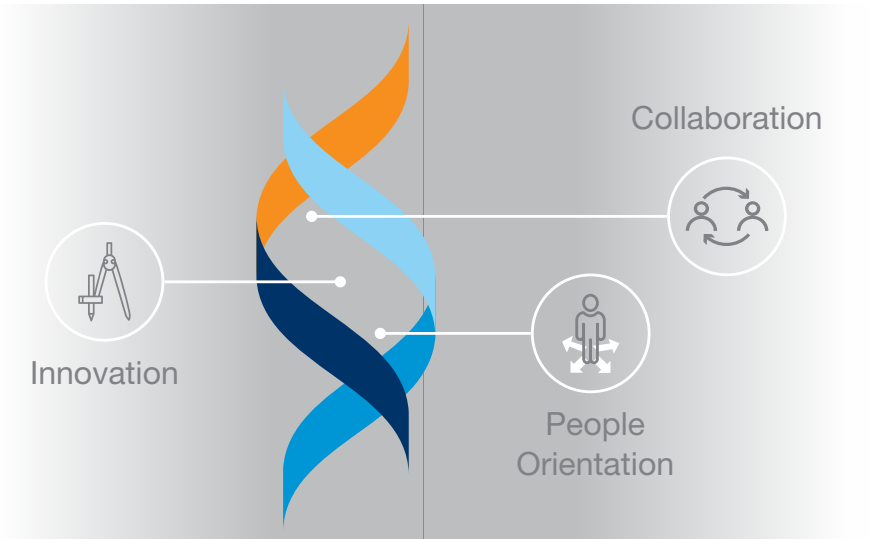


At Bharti Infratel, we believe people excellence is the foundation for building a culture of service excellence. Our aim is to sustain our fervor as an employer of choice, and we have outlined our key focus areas during the year to achieve that goal.

We completed 10 glorious years of our establishment last year. For an established organization, growing at a steady pace, it is important that the organization culture is well defined and articulated amongst all employees. Bharti Infratel is a B2B company with little or no brand presence for the end customer, therefore, it is imperative for us to make our presence felt as a preferred employer to potential employee segments enabling us to attract and retain the 'right' fits from across industries.

Culture at Bharti Infratel

We realized that the first step to creating an employer brand was to define and articulate the culture for Bharti Infratel which will be our differentiating factor as a brand for external and internal stakeholders. We, therefore, conducted a Culture Study not only to define and articulate the culture at Bharti Infratel but also to create a transformation roadmap for enabling change and aligning our systems and processes to the organization and leadership expectation. The approach to a definitive assessment included focus group discussions with employees, one on one interviews with Infratel leadership and also group brainstorming by the leaders. The clear themes emerging out of the study were around Collaboration, People Orientation and Innovation.



The people culture at Bharti Infratel is derived from its sustainability DNA that drives our team to achieve all-round excellence

The transformation roadmap includes the implementation of these cultural tenets in all our processes, policies and enabling this change through communication campaigns resulting in change in the behavior of the employees.



Birthday celebrations being held at the office

Safety – An Organizational Focus Area

Safety is viewed as a key parameter to demonstrate a commitment to our people and the community at large. It is an integral part of our decision-making and is the prime consideration in all spheres of our activities. We have an effective Safety Policy in place that strives for zero fatality and prevents all workplace injuries. The Safety Policy is available in English as well as Hindi to ensure last mile implementation.

In order to ensure safe work practices, 5 Cardinal Safety Rules and a Consequence Management Matrix have been framed and implemented. In FY 2017-18, to drive better awareness and consciousness on Safety, we started a Safety Communication Campaign which included observing National Road Safety Week (Jan 11-17)

and National Safety Week (Mar 5-9). The employee led activities during these weeks included Slogan contest, Safety themed Poster-making, Safety Quiz, My Safety Story, etc.

Safety Training continues to be an area of focus where we ensure all new joiners complete mandatory safety training and existing employees go through refresher training. The mandatory trainings include Road safety, Site Safety, Warehouse Safety and Office Safety and employees are mandated to complete these training depending on their location of job.

100%

Mandatory e-learning compliance in FY 2017-18

Initiatives for promoting safety and health:

- Communication campaign with 5 Cardinal Rules of Safety
- Advisory mailers sent for natural calamities, bad weather, and late night travel
- Vehicle sticker campaigns in all circles to promote the use of helmets and Seatbelts
- Introduced e-modules on road and safety (including translation in Hindi for maximum reach and understanding)
- Promote the use of Personal Protective Equipment (PPE) reflective jackets by all on field employees
- Group Term Life Insurance policy for all on-field employees
- Electrical safety for field employees is mandatory for new employees
- Refresher training is done by all existing employees

5 Cardinal Rules, which will keep you safe!

1. Don't direct an untrained person to undertake a hazardous task.
2. Use proper personal protective equipment while performing hazardous tasks.
3. Always wear a seat belt while commuting in a 4-wheeler and a helmet while travelling on a 2-wheeer
4. Never drive under the influence of alcohol
5. Report all incidences without fail



Safety training program being held among the employees

Rewards & Recognition

As a strategy, we are trying to build a company that reflects a diverse culture of people working together for achievement of long-term goals. For this, we have built a culture of recognition with our different functions to motivate and reward team members. Some of these initiatives were:

- Sending appreciation notes (High5) to colleagues (as a part of peer-to-peer recognition)
- Nominate colleagues for monetary awards (i-Appreciate, Star, Spotlight, Heroes)
- Encourage the philosophy of 'Own Your Development', by awarding i-Learn Toppers for completing online courses and contributing towards self-development
- Rewarding employees with Contest Award to recognize high impact projects at the circle level
- Introducing Heroes Award for best Front-line employees

Employee Connect

With employee strength of nearly 1247 (on Standalone basis) spread across our 11 circles and 74 zones, Last Mile Connect continues to be critical to drive and uphold employee motivation, engagement and loyalty. Connect forums and open house sessions were held across locations. The teams were recognized for their efforts and they were made aware of the processes and policies. Special emphasis was placed towards induction and orientation of new employees.

Manthan - Quarterly/Bi-annual zonal conclaves held in circle offices along with zonal rewards & recognition

Sampark - Open house sessions in clusters for our off-roll employees to register and solve their queries and grievances

Sambandh - Birthday celebration for all our off-roll employees in the field (technicians) along with their family by the Reporting Managers across locations

Biannual Employee - Communication Forums – All circles and HO connect either face to face or virtually and are addressed by MD & CEO and Bharti Infratel Leadership along with Q&A and employee talent show

Quarterly Townhalls by MD&CEO, DS Rawat - After every Board Meeting, DS addressed the employees in HO about the overall results, highs and lows for the quarter and the next steps for the organisation to take collectively.



Special zonal conclaves held at circle offices to strengthen employee engagement

Talent Management & Development

At Bharti Infratel, we strongly believe in identifying and developing internal talent to meet our growth objectives and drive business performance. Given the dynamic state of business in today's market, it is imperative that we pro-actively identify the weak spots and build capabilities of our mid-level leaders to be able to lead teams and deliver results even more efficiently & effectively. Addressing talent gaps and developing internal talent takes precedence at Bharti Infratel. The potential of our future leaders is critical to the organization's success and hence we follow a structured mechanism to assess and develop our mid level leaders so as to build a sustainable pipeline of internal talent. This year, we carried out an extensive study (Leadership Development Center) to create the leadership success profile defining key behaviors from operations, business and people standpoint. This was followed by an assessment of most of our mid-level leaders at BIL (successors in the pipeline) to understand the current level of potential and identify capability gaps against the leadership success profile. We have further built a focused and dedicated development approach for bridging the identified capability gaps and preparing them for future leadership roles.

While new employees receive training to familiarize them with our operations and processes, the existing employees were trained to enhance their efficiency levels as well as develop them as future leaders. Addressing talent gaps and developing internal talent takes precedence at Bharti Infratel. With the belief that an engaged workforce leads to organization sustainability, we continue to invest in employee learning and development and try to build a resilient and future-ready workforce.

1,100

No. of employees trained during FY 2017-18

69%

Internal succession rate

Diversity

In our continued endeavor to increase the Gender Diversity within the organization, we took an atypical route to attract women talent both in the field and non-field roles. We were successful in creating a audio-visual depicting the opportunities, handling the challenges and the work environment that we provide to our employees. We have seen positive traction with the overall diversity numbers moved from 7% to 9.14%.

In order to retain our women talent, there are on-going efforts to conduct Gender Sensitization workshops across geographies to increase awareness about the individual differences that both sexes bring to work. We also conduct informal connect sessions, Bits & Bytes, to enable and encourage women on-roll and off-roll employees to discuss their worklife, growth options and development areas over a cup of coffee. The two-pronged approach of attraction and retention has shown sustainable results this year.

Bharti Infratel has a diversified workforce across all age groups, since it makes our team a lot more dynamic and in sync with the times. We have always taken the required steps to ensure a mix of people from diverse age groups, to encourage a perfect blend of ideas, enthusiasm and philosophies.

16

No. of women for on-field roles in FY 2017-18 (compared to 6 in previous year)

62%

Of total employees aged between 31-40 years

Inter-linkage with capitals

- Financial
- Intellectual
- Relationship

Our people remain an integral part of our business success story. The impact on financial capital owing to the investment in training, recruiting, rewarding and engagement is more than compensated by the eventual value generated in business over the time that helps create long-term value for stakeholders.

Social & Relationship Capital

At Bharti Infratel we focus on providing a strong telecom infrastructure support across the country to meet our customers' needs and expectations. In the process, we build a strong relationship with diversified group of stakeholders, like suppliers, government and investors, taking effective measures to create maximum value for them.



Suppliers

Suppliers or vendors play a crucial role in our business functionality, and for us at Bharti Infratel, they are our true partners in success. To ensure consistency in the products we receive and deliver value to our clients, we work only with certified suppliers. Our vendors or partners bring with them expertise in their respective domains, and by leveraging those strengths, we are able to achieve efficiencies in our processes, the benefit of which is passed on to our customers.

Dedicated supply chain team

We have established a dedicated supply chain team to ensure a beneficial relationship with our suppliers and help us move forward in our long-term objectives. Some of the initiatives undertaken were as under:

- Conducted structured and scheduled governance meetings for deliverables
- Conducted an annual vendor/ partner meet
- Conducted an independent yearly survey to ascertain vendor engagement satisfaction score
- Ensured seamless information flow from the 'I Supplier Portal' to the in-house ERP system for real-time update of the information
- Inducting the suppliers as a part of our 'Safety First' programme

1,100+

Number of Suppliers

85

Number of people in supply chain team (On-roll)

Responsible sourcing

Development and management of renewable tower infrastructure sites involves the use of materials that need to be of highest quality. In our endevour to promote green sites and adopt good practices, we have set up green procurement specifications to promote responsible sourcing along our supply chain.

Key highlights of Partner Satisfaction Survey (P-SAT) for FY 2017-18 vs FY 2016-17

Truly Loyal - Partners have increased from
85% to 89%

Overall Experience with BIL - Mean score has improved from
4.37 to 4.42

Overall Experience with BIL, SCM Deptt - Mean score has increased from
4.23 to 4.38

Procurement Process - Mean score has increased from
4.07 to 4.17

Payment Process - Mean score increased from
4.16 to 4.32

Regulators

In a fast-emerging economy, Government is evolving the regulatory framework rapidly. At Bharti Infratel, transparent and accountable systems are in place at every circle and location to ensure compliance with the law of the land relevant to the products and services. Echoing the government's vision towards conscious and transparent governance, we make sincere efforts to abide by various statues applicable to the Company viz. taxation, environmental laws, corporate laws, industry-specific laws, etc. for running our business operations.

To further strengthen the cause of sustainability and progress we have acquired membership of several industry forums and associations like Confederation of Indian Industry (CII) and Tower and Infrastructure Providers Association (TAIPA). Our Chairman Akhil Gupta is also the Chairman of TAIPA. We also provide inputs to the associations/ industrial bodies for an appropriate representation to the regulator/ respective local authority of the concerned state, wherever any consultation paper is released by TRAI (Telecom Regulatory Authority of India) and / or policy / guideline related to industry is issued by regulatory authority. We also focus on public policies that maximize the ability of individuals and companies to innovate, enhance job creation, increase telecom penetration and benefit the daily lives of people, and strengthen the country's economy. Our commitment lies in supporting the growth and future of not just our industry but the economy as a whole.

Our business model and social responsibilities also encompass various government initiatives like Swachh Bharat Abhiyaan, Digital India and Smart City initiative.

₹22,576 Mn

Contribution to Exchequer

Investors

We endeavor to maximize shareholder returns by maintaining good corporate governance and improving level of transparency in communication. In an environment of increasing regulation, it is our objective to maintain a balance between the governance expectations of investors and the expectation to deliver increasing financial returns.



₹14

Per share of final dividend for FY 2017-18

₹13.05

EPS as on March 31, 2018

43.09%

Share of Foreign ownership in the equity (highest since 8.65% at the time of IPO)

622

Market Capitalisation (in ₹ Bn) as on March 31, 2018

One of the **highest**

dividend yielding stock on Nifty 50 as on March 31, 2018

Maximizing shareholder's wealth

Due to the inextricable linkage of wealth created, to both our short-term performance and long-term outlook, we have been successfully creating value for our shareholders, which has been possible by aligning the business to the following objectives:

- Aim to enhance market share and revenue through improvement and innovation while improving efficiencies in business
- Identify new value-accretive revenue opportunities in the telecom passive infrastructure industry to enhance shareholder returns
- Make sound business and financial decisions after considering potential risks that could compromise or outweigh the anticipated benefits
- Explore opportunities to return cash to shareholders via a combination of dividends, buyback, etc. in line with the Dividend Distribution Policy laid out by the Company
- Strive towards our goal of becoming a Green company by reducing our carbon footprint and investing in alternative sources of energy
- Follow the highest governance standard which is backed by an independent and fully informed board, comprehensive processes, policies and communication
- Maintaining a robust system of internal controls that facilitate the accurate and timely compilation of financial statements and management reports, ensures regulatory and statutory compliance and safeguards investor interest by ensuring the highest level of governance and periodic communication with investors.

Customers

Customers served during the year

With leading telecom operators in the country as our customers, our business model is all about helping them to widen their consumer base. The ever-evolving and competitive industry landscape that we operate in requires us to be proactive in developing our service portfolio to create better experiences for our customers.

Enhanced Customer Service

It is imperative to provide our customers with superior quality service, and we strive to bring measures to attain it, along with lower downtimes and faster problem-solving methods. Some of the efforts taken include:

- Identifying the need of clients or the operators, making continuous and targeted efforts to offer solutions that are in line with changing customer needs
- Conducting quarterly or monthly Governance Reviews with the leadership team with an aim to continuously monitor and improve our performance
- Strive to continuously improve our performance in all our service offerings. This helped us experience a significant improvement in uptime availability and faster time to market 2G, 3G, and 4G deployment

Uptime

Delivering uptime is hygienic for Bharti Infratel. We have improved the uptime from 99.94% in FY 2016-17 to 99.95% in FY 2017-18 which is less than a minute of downtime/day for each tenant. This has been achieved with customer focused approach, real time solution for reducing MTTR, proactive intervention by TOC and backed by strong process and governance. Over the time, we have recorded a reduction in our downtime. The following measures helped us improve our performance:

- Enhanced governance
- Quick and real time data
- Real time alerts and outage escalations

4.72

Customer satisfaction score

How we benefit our customers?

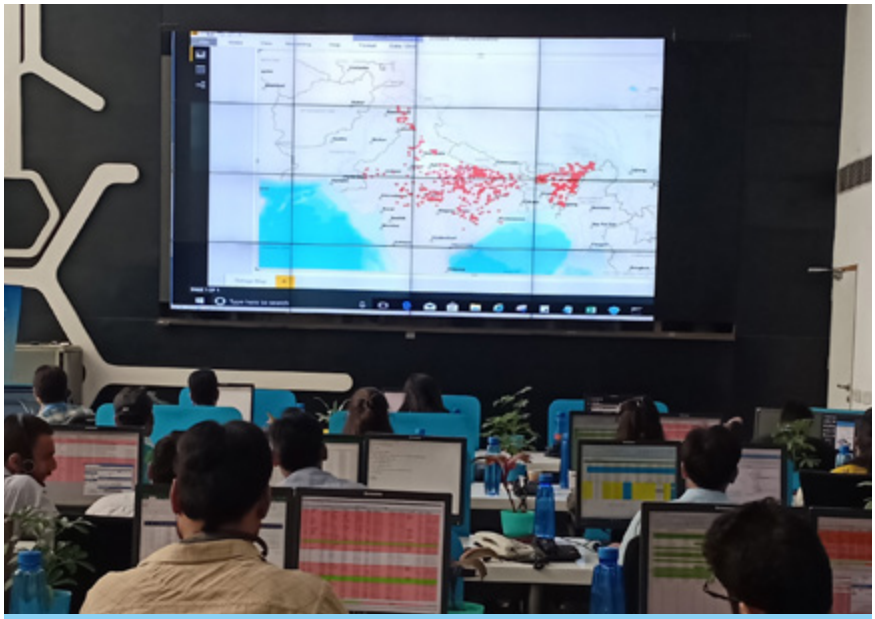
In a situation where the operators are largely dependent on our services to reach the market in a timely basis, we are integral to their business. Our team ensures minimal time is needed for our customers to penetrate new regions and have their operations running quickly. We provide the operators with the following benefits:

- Reduced capital investment
- Less time to market
- Operational efficiencies
- Revenue maximization

We have a long-term supply contract with our customers, benefitting them as we provide passive infrastructure and continuity in their network performance.

2,327

Increase in number of towers since March 2015 till date



Our Tower Operation Centre team monitoring sites

Social

At Bharti Infratel, our social responsibility reaches far beyond the business investments. It encompasses our responsibility towards the society through vivid activities that empower lives.

Our vision

To build an empowered society through education, community development, and environment sustainability. Our various need-based development initiatives focus on benefiting the marginalised and vulnerable sections of society.

Overview of FY 2017-18

Operating with a transparent mechanism, our Board CSR Committee met four times during the year. They interacted with our CSR project implementing partners, evaluated the performance of all projects, reviewed the amount of expenditure involved in each project and the impact created on the beneficiaries. A total investment of ~₹214 Mn during the reporting year, helped various social initiatives implemented across different geographies, leaving a positive impact on lives of thousands of children, youth, and adults.

~₹214 Mn

Total amount spent for FY 2017- 18

8

Total no. of projects

185,000+

Total no. of lives impacted

Inter-linkage with capitals

- Human
- Intellectual
- Relationship
- Financial

We remain committed to being an important enabler for social development of the communities. We make sincere efforts towards empowering people that need assistance through various activities. The efforts may impact the financial capital, however, when we plug the gap of social indifference, it helps create value for our people, business, community and stakeholders at large.

CSR initiatives in FY 2017-18

Project	Objective	Location	Impact
Satya Bharti School Program	Free quality education to disadvantaged and marginalised children in rural areas.	Haryana, Rajastan, West Bengal, Tamil Nadu, Uttar Pradesh, Punjab	• 45,388 students in 254 schools, across six states, • 1,617 teachers from the local community are employed • 49% of students and 70% of teachers are female • 76% of students belong to SC/ST/OBC
Satya Bharti Abhiyan	Create provision for sanitation facilities and awareness on its sustainability.	Amritsar (Rural) and Ludhiana (Rural and Urban) in Punjab	• 18,286 toilets in Ludhiana and Amritsar (both urban & rural areas so far) • 1010 villages surveyed and toilets constructed in 792 of them • Toilets were also constructed for 11 Urban local bodies • 14 Government schools were provided with toilet blocks for girl students • Reached out to 90,276 beneficiaries (All of the above figures are since inception i.e. 2014-15 till date)
Bharti Infratel Scholarship Programme	Financial support to students with disabilities for higher education through Bharti Infratel Scholarship Program	Assam, Meghalaya, Mizoram, Nagaland, Tripura, Sikkim, Manipur and Arunachal Pradesh	• 183 underprivileged students with disabilities, from Northeast, have access to the best educational institutions and opportunity to pursue courses of their choice • 43% of the beneficiaries are girl students
Facilitating learning on Water Sanitation & Hygiene (WASH)	Creating safe water provision and awareness on WASH (water, sanitation and hygiene) in marginalised urban schools	Odisha, Jharkhand, Madhya Pradesh, Haryana, Jammu & Kashmir, Assam	• 33 schools provided with clean water infrastructure including Rainwater Harvesting structures • Construction of similar infrastructure undergoing in 30 more schools • 192 knowledge workshops conducted on WASH for students across 6 cities • 103 teacher training, parents and community based workshops organised • Reached out to 33945 students, 3158 teachers/ parents and 10000+ community members
Telecom Gurukul	Creating Livelihood opportunities for unskilled rural youth in the Telecom and related sectors	Jharkhand	• 53 youth trained as Tower Technicians and Riggers • Assessment of each trainee conducted by relevant skill certification authority including TSSC • 44 trained youth provided with employment
Research and Advocacy on Education and Environment Sustainability	Examining education and environment scenario in the country	Pan - India	• Research papers and workshops discussing access to education and renewable energy in India • Collating suggestions on policy mechanism for improving education and sustainability of renewable energy in India

Awards

Intellectual Capital

- Bharti Infratel has won the "Gold Award - Business Excellence Framework-2018" by "RE Assets India" on 2nd February '18 at New Delhi. It was awarded by Dr. Ketan Shukla, Jt.Secretary, Ministry of External Affairs; Sh. G.K. Gupta, Jt.Secretary, MNRE & Sh. Rakesh Kumar, Director, ISA.
- Mr Akhil Gupta, Executive Chairman, Bharti Infratel and Vice Chairman of Bharti Group has been recognised with the 'CA Lifetime Achiever' honour by – The Committee for Professional Accountants in Business & Industry (CPABI). The recognition marks Mr Gupta's numerous contributions to the industry and having exhibited exemplary commitments to the CA community.
- Bharti Infratel was felicitated with Golden Peacock Award for Risk Management at The Singapore Global Convention. The event started with the theme of Building an Ethical & Risk Resilient Enterprise followed by a special keynote by Mr Jawed Ashraf, High Commissioner of India to Singapore. Followed by the felicitation by Peter Seah Lim Huat, Chairman, DBS Group under each category.
- Mr Akhil Gupta, Executive Chairman, Bharti Infratel and Vice Chairman of Bharti Group has won the 'Entrepreneurial CEO' Award at the EY Entrepreneur of the Year Award 2017. The recognition marks Mr. Gupta's numerous contributions to the Indian telecom industry. EY Entrepreneur of the Year is one the world's most prestigious business awards for entrepreneurs and is recognizing them through regional, national and global awards programs in more than 145 cities in 60 countries.
- Pankaj Miglani, Chief Financial Officer, Bharti Infratel, was selected as the winner in the category 'CA CFO – Information Technology & Telecom Sector' by The Committee for Professional Accountants in Business & Industry (CPABI) of The Institute of Chartered Accountants of India (ICAI). He has also been awarded the Annual CFO 100 Roll of Honour of CFO India for exceptional calibre and contribution to the world of finance.









Social and Relationship Capital

Bharti Infratel received the "ET NOW CSR Leadership Award 2018" for its efforts towards building an inclusive world, by supporting inclusion of differently abled people into the mainstream through the Bharti Infratel Scholarship Program, a CSR initiative being implemented in the North-east region of the country. It is an appreciation of efforts towards driving the agenda of inclusion through equal participation and access to opportunities through education for people with disabilities.





Bharti Infratel has received the Pad Man Award 2018 for CSR initiatives in the area of Water and Sanitation by Yuva Unstoppable, a non-profit organisation and presented by Filmmaker R Balki and actress Sonam Kapoor. Bharti Infratel proudly supports and implements CSR Projects through Satya Bharti Abhiyan and Facilitating Learning on Water, Sanitation & Hygienes which have provided access to safe water and sanitation infrastructure to more than 17,600 households and 44 schools in rural Ludhiana and marginalized urban schools in Bhubaneswar, Indore and Ranchi.

Human Capital

Bharti Infratel was adjudged as one of the 'Best Employers' at the 'Aon Hewitt Best Employers' 2017 Awards for the third year in a row.



Manufactured Capital

Bharti Infratel was announced as the winner under the category Telecom Infrastructure Development by Dun & Bradstreet Infra Awards 2017. It facilitates exemplary performances, under various verticals of infrastructure.

We Care

Bharti Infratel regularly engages with its stakeholders through significant financial support and active participation in several social development concerns. We interact closely with the local community and contribute to its inclusive social and economic development.

EDUCATION

SATYA BHARTI SCHOOL PROGRAM



A brief about Bharti Foundation

Bharti Foundation was set up in 2000 as the philanthropic arm of Bharti Enterprises. It implements and supports programs in the field of primary, elementary, senior secondary and higher education through the 'Satya Bharti School Program' as well as Government School interventions under its Satya Bharti Quality Support Program and Satya Bharti Learning Centres Program. These educational programs currently reach out to over 2,00,000 students through over 2,100 schools /centres, engaging close to 8,000 teachers across 13 Indian states.

Details of the program

Bharti Infratel is a proud supporter of Bharti Foundation's initiatives which promote access to quality education for marginalised children, especially in rural areas of the country.

Through 254 Satya Bharti Schools, we support the Foundation in providing free quality education to more than 45,380 underprivileged children from the rural areas of Punjab, Rajasthan, Haryana, Uttar Pradesh, Tamil Nadu & West Bengal. This programme aims to transform students into educated, confident, responsible and self-reliant employable citizens of India.

254

No. of Satya Bharti Schools across six states

45,380+

Underprivileged children benefitted

Outcome

Through this program we aim to provide:

- access to free and quality education in rural areas easily
- employment opportunities for educated rural youth as teachers
- more focus on empowering girl child through education
- increased awareness among the communities on the importance of education
- promotion of vocational education to ensure economic independence of beneficiaries
- several student welfare initiatives which include free mid-day meals, textbooks, notebooks, uniforms, etc.

KPIs

- 254 Schools
- Six States
- 45,388 Students
- 49% Girls
- 76% SC/ST/OBC
- 1,617 Teachers (70% Female Teachers)

Note: Data as of March 31, 2018

A structured impact assessment study of Satya Bharti School Program, conducted by Ernst & Young in May 2014 can be downloaded from *http://www.bhartifoundation.org/uploads/bhartifoundation/files/1487308160-social-impact-assessment-of-satya-bharti-school-program---report-by-ernst-young.pdf*

Guts and glory



At 14, Mahima Yadav, an alumna of Satya Bharti School Kohrar from the rural belt of Rewari (Haryana) remains unstoppable. An immensely talented girl, Mahima showed her true potential, not only in academics but also in extra-circular activities. She scored 95% in Class X Board Examinations and also maintained a focus on co-scholastic achievements as the cluster winner at the Annual Rang Tarang Competition held in all Satya Bharti Schools the cluster winner of yearly 'Rang Tarang' contest for the third time at Satya Bharti School. The list of achievements for this young achiever continues to grow at a pace only matched by her wit. Mahima recently qualified the National Talent Search Examination, conducted by NCERT and excelled in the entrance exam for Akash Coaching Center.

However, Mahima's journey was not an easy one. Her family's weak economic background was a big roadblock for her initially. The Satya Bharti School's quality education at no cost came to her aid in 2009.

Being a bright child, Mahima was a quick learner and performed well in her academics. However, when she was diagnosed with a Neuro disease, her parents confined her at home and forced her to drop her studies. However, the dedicated field team from Bharti Foundation, refused to give up on Mahima and pledged to bring her back to school. They engaged her parents through counseling sessions and persuaded them to let her join the school and continue her studies while also continuing with her treatment.

Mahima was back to school in 2013 and since then there has been nothing stopping our young achiever in her pursuit of knowledge and success.

BHARTI INFRATEL SCHOLARSHIP PROGRAMME



An overview

The Company launched the Bharti Infratel Scholarship Program in 2016, across the North-eastern region of India in partnership with Shishu Sarothi, a non-profit organisation working for upliftment of people with disabilities. The program aimed at promoting inclusion of students with disabilities in the mainstream, provide financial support to complete or pursue higher education.

Details of program

Create a cadre of young people: Support young students with disabilities, who will be able to pursue their educational aspiration and build a career or start their own enterprises

Disseminate information vis-à-vis Right to Persons with Disabilities Act 2016: Highlight the rights provided to them by law and encourage educational institutions to come forward and work towards adopting an inclusive development agenda for disabled students

Reach out to a neglected region: Assist in creating a new scope for these students from North East region in gaining skills and participating in the work force as equal citizens

Sensitise other Corporates: To come forward and support the inclusion of people with disabilities in the mainstream by helping create enabling conditions for them

Outcome

Bharti Infratel Scholarship Program has benefited 183 students from across North-eastern states in the past two years. Of these 40 students completed their course in FY 2017-18 and the rest are pursuing professional/ technical courses, graduation and post-graduation in different subjects.

Our effort of promoting inclusion of persons with disabilities in the mainstream, through access to higher education has been appreciated in several forums and was also felicitated with the ET NOW CSR Leadership Award in February 2018

Dreaming big



Azmal Hussain, 20 years of age, from Barpeta district of Assam was born with hearing impairment. His parents are cultivators with an annual income of approximately ₹30000. Unable to meet their daily needs due to lack of finances, Azmal fought all odds to become a meritorious student. Despite his disability, he scored 90.8% in Higher Secondary school examination. His hard work paid off and he got selected in Indian Institute of Technology (IIT), New Delhi to pursue Bachelor of Technology in Chemical Engineering. However, he was aware of his parent's economic situation and was very unsure of how he could pursue the course of his choice and that too far from his home in New Delhi.

In 2016, he got to know about the Bharti Infratel Scholarship Program from a family friend. Azmal immediately applied for the scholarship with the hope to get financial support for pursuing the course. He was selected for scholarship in FY 2016-17 and is currently pursuing the course at IIT, Delhi, without being a liability to his family. He aspires to complete his engineering successfully and work in the Public Sector Undertakings in India in future.

SANITATION

SATYA BHARTI ABHIYAN



1,000+

No. of villages surveyed

18,000+

Toilets constructed across Ludhiana and Amritsar so far

90,000+

Beneficiaries benefitted

An overview

In addition to its primary focus area of education, Bharti Foundation initiated 'Satya Bharti Abhiyan' to improve sanitation facilities in Punjab. Phase I of Satya Bharti Abhiyan has been a success, which was the focus area for improvement of rural sanitation and reduction of open defecation in India. The Government of India, through its Swachh Bharat Abhiyan has initiative, is trying its best to put an end to this practice and we are also doing our bit to bring about the required behavioural change and transformation towards health and hygiene through access to proper sanitation facilities.

Details of the program

A focused and time-bound approach by Bharti Foundation resulted in surveying 1010 villages and providing a total of 18286 Individual household toilets to identified beneficiaries and 14 girls' toilets in Government schools, since 2014-15. This project was able to reach out to more than 90,000 beneficiaries across 792 villages.

792

No. of villages with toilets constructed

The Phase II of the project began in Amritsar with the 2017 signing of a Memorandum of Understanding (MoU) between Bharti Foundation and Department of Water Supply & Sanitation (DWSS), Amritsar. The project is spread across villages located in four blocks - Chogawan, Majitha, Ajnala and Harsha Chhina of Amritsar and would provide household toilets to 20,000 families.

Outcome

Besides providing infrastructure, efforts and campaigns were organised to bring in the much-needed behavioural change towards health and wellness in the community. As a result of the successful implementation of Satya Bharti Abhiyan in Ludhiana, one of the largest and most populated districts of Punjab, rural Ludhiana was declared 'Open Defecation Free' in November 2016. With far-reaching social benefits, enhanced awareness levels, opportunities for generation of employment, positive health outcomes and long-term economic returns, the program has showcased a sustainable model of sanitation improvement among the underprivileged.



FACILITATING LEARNING ON WATER, SANITATION & HYGIENE (FLOW)



An overview

Project FLOW aims at providing access to safe water to fulfill the need of drinking in marginalised schools and create awareness on maintaining adequate hygiene and adopting healthy sanitation practices for sustainable development.

In partnership with TERI (The Energy and Resources Institute), through project FLOW, Bharti Infratel put emphasis on providing safe water infrastructure (including rainwater harvesting systems) for marginalised urban schools across six cities. Sixty schools and their neighbouring communities across Bhubaneswar, Ranchi, Indore, Jammu, Panipat, and Guwahati, will benefit from this intervention.

The infrastructure provided in 33 schools across Bhubaneswar, Ranchi, and Indore and maintained by Bharti Infratel in association with TERI and the school staff, educates on the sustainable use of the same. All these schools benefitted from water access and discharge system, along with water purification system, provision for storing purified drinking water as well as raw water and rooftop rainwater harvesting structures that were set up in all schools. As of 31st March 2018, the safe water infrastructure in 30 Schools across Panipat, Guwahati, and Jammu was under construction..

30
Community Interactions on WASH

10,000+
Community members interacted with

Highlights

16
Teacher training programs

57
Workshops for parents were conducted

3150+
Teachers and parents reached

63
Schools selected across 6 cities

190
Knowledge workshops conducted reaching out to 33945 students

60
School Action projects on WASH initiated

150+
Bharti Infratel employees volunteered for different initiatives of Project FLOW

6
City level multi-school water festival “Jal Tarang” organised

SKILL DEVELOPMENT & CREATING LIVELIHOOD OPPORTUNITIES

TELECOM GURUKUL



An overview

In the year FY 2017-18, Bharti Infratel launched a residential skill-development program for unskilled rural youth belonging to marginalised communities in different telecom and related trades, which would provide them with an assurance of placement in the telecom and related industries across the country. The company partnered with PARFI (Pan-IIT Alumni Reach for India Foundation) for implementing the project with Deoghar district in Jharkhand identified as the location for the first residential Gurukul in association with state government, which extended its support by providing the Gurukul building. The trainers were provided additional training in telecom tower maintenance by Bharti Infratel O&M team members.

Details of the program

In FY 2017-18, three batches (Trade: Tower Technician and Rigger) trained of which, 53 youth identified and selected from the state of Jharkhand and Bihar got training as Tower Technicians and Riggers as on 31st March 2018. 44 of these youth got employed in different telecom companies. The project envisages adding more need and opportunity based trades within the telecom and related sectors and reach out to more and more unskilled youth over the coming years.

RESEARCH & ADVOCACY ON EDUCATION AND ENVIRONMENT SUSTAINABILITY

Bharti Infratel supports policy research undertaken by the Brookings Institution India Center (Brookings India) in the areas of education and environment sustainability. Brookings India is helping to inform and resolve policy issues around quality education, especially for underprivileged children, as well as issues around scale and sustainability of renewable energy. The initiatives take place by producing and promoting high-quality, independent policy-oriented research in these areas and through stakeholder workshops and roundtables that provide key policy insights/ solutions, and presents possibilities of success case replication.

Business Responsibility Report

Section A: General Information about the Company

1.	Corporate Identity Number (CIN):	L64201DL2006PLC156038 (Old)
2.	Name of the Company	Bharti Infratel Limited
3.	Registered Address*	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070
4.	Website	www.bharti-infratel.com
5.	Email id	compliance.officer@bharti-infratel.in
6.	Financial Year reported	2017-2018
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Telecom Tower Infrastructure Sharing Services

* The data in the BRR pertains to financial year ended March 31, 2018. The registered office of the Company shifted to 901, Park Centra, Sector 30, NH-8, Gurugram, Haryana- 122001 w.e.f April 17, 2018.

Industrial Group	**Description**
612	Activities of providing Telecom Tower Infrastructure Sharing for telecommunication services
As per National Industrial Classification – Ministry of Statistics and Programme Implementation	
8. List three key products / services that the Company manufactures / provides (as in balance sheet):	Services related to Telecom Tower Infrastructure Sharing. (Acquire, build, own and operate towers and related infrastructure).
9. Total number of locations where business activity is undertaken by the Company	Bharti Infratel Ltd. is carrying out business activity across all States of Union of India either directly or through its joint venture i.e. Indus Towers Limited
Number of International Locations (Provide details of major 5)	Nil
Number of National Locations	Bharti Infratel Ltd. is carrying out business activity across all States of Union of India either directly or through its joint venture i.e. Indus Towers Limited
10. Markets served by the Company - Local / State / National / International	The Company is serving all Indian markets

Section B: Financial Details of the Company

1. Paid up capital (₹) : 18,496 Mn
2. Total turnover* (₹) : 66,180 Mn
3. Total profit after taxes** (₹) : 24,139 Mn
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : 0.88%
5. List of activities in which expenditure in 4 above has been incurred:
    1) Education of underprivileged children in rural areas across 6 States
    2) Scholarship to pursue/continue higher education to Students with Disabilities living in north east region of India
    3) Providing sanitation facilities in rural areas across Amritsar in Punjab
    4) Safe water provision and awareness on Water, Sanitation and Hygiene in marginalized urban schools across 6 cities
    5) Skilling unemployed youth belonging to marginalized communities in different telecom and related industry trades
    6) Supporting research on Education & Environment sustainability challenges to suggesting policy mechanisms for improving the education scenario and sustainability of renewable energy

*on standalone basis excluding other income

**on standalone basis

Section C: Other Details

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

    Yes

2. **Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).**

    No

3. **Do any other entity / entities (e.g. suppliers, distributors etc.), that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]**

    Few initiatives have been undertaken by our supplier/s, as per common practice, however, there is nothing significant to report.

Section D: BR Information

1. Details of Director / Directors responsible for BR:

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

DIN Number : 06798626
Name : Devender Singh Rawat
Designation : Managing Director & CEO

b) Details of the BR head:

Name : Rajiv Arora
Designation : Chief Legal, Regulatory & Corporate Affairs
Telephone no. : +91 124 4132222
e-mail id : rajiv.arora@bharti-infratel.in

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

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

Principle 1	Principle 2	Principle 3
Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	Businesses should promote the well-being of all employees

Principle 4	Principle 5	Principle 6
Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	Businesses should respect and promote human rights	Businesses should respect, protect, and make efforts to restore the environment

Principle 7	Principle 8	Principle 9
Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	Businesses should support inclusive growth and equitable development	Businesses should engage with and provide value to their customers and consumers in a responsible manner

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

* All the policies are formulated with detailed consultation and benchmarking across industry. The Policies also conform compliance majorly with all applicable laws.

** As per Company's practice, all the policies are approved by the concerned authority depending upon the nature of policy. The concerned authority could be either MD & CEO/Functional Head etc.

***All the policies have a Policy Owner and the respective policy owners are responsible for implementation of the Policy.

Except Code of Conduct / Ombudsperson Policy, all other policy documents are internal policies of the Company and thus, are not available on website of the Company. The Code of Conduct document can be accessed on the below link:

http://www.bharti-infratel.com/cps-portal/web/iSupplierTermsAndConditions.html

http://www.bharti-infratel.com/cps-portal/web/corporate_governance.html

Except the Ombudsperson Policy which is available on the website of the Company, all other policies being in house are uploaded on the intranet and are accessible to all employees of the Company.

Any Grievance relating to any of the policy can be escalated to the Policy owner/ MD & CEO/ Ombudsperson.

Implementation of the policies is evaluated as part of internal governance by policy owners.

2a. If answer to question at Sr. No 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles	-	-	-	-	-	-	-	-	-
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next six months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within next one year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR:

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

  The Managing Director & CEO assesses the BR performance of the Company on annual basis.

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

  Yes, the BR and sustainability reporting is covered in the Integrated Report.

Section E: Principle-wise Performance

Principle 1:

Ethics, Transparency and Accountability

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

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

Bharti Infratel Ltd.'s commitment towards compliance to the highest governance standard is backed by an independent and fully informed board, comprehensive processes, policies and communication. The Company adheres to the highest level of ethical business practices as articulated by its Code of Conduct to achieve its performance with integrity. Policy relating to ethics, bribery and corruption is duly covered under Bharti Code of Conduct. This policy extends to the entire Bharti Group and covers employees, suppliers and contractors, service providers and their employees. Additionally, the Company's Consequence Management Policy prescribes the action to be initiated in all confirmed cases of violation.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so.

In FY 2017-18, 27 cases of allegations of bribery/corruption were received. Post investigations, the allegations were substantiated in 5 cases in which action was initiated according to the Consequence Management Policy and in 6 cases, the investigation is in progress.

Principle 2:

Product Lifecycle Sustainability

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

1. List up to three of your products or services whose designs have incorporated social or environmental concerns, risks and/ or opportunities.

i) Installed solar powered sites as an alternate energy resource.

ii) Introduced free cooling units to replace existing air-conditioners at few sites for reducing the energy consumption.

iii) Introduced additional initiatives towards reducing energy consumption viz. battery bank hybrids, lithium ion batteries, indoor to outdoor conversion of BTS at sites.

iv) concertized and executed Indoor to outdoor project under which ACs' were removed from the BTS sites with modification in design, thereby saving huge energy.

v) Conceptualized NMTC (Nono Molecular Thermal Conductor), which will help make site greener with lower consumption of fuel.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material and so on) per unit of product (optional):

a) reduction during sourcing/production/distribution achieved since the previous year through out the value chain?

The Company has reduced energy and transportation costs as a result of the aforesaid initiatives.

b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company has reduced significant CO2 emissions by implementation of the aforesaid initiatives.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so.

Yes. The Company has implemented various sustainable supply chain practices and initiatives and at the same time ensures timely and cost effective deliveries for necessary resources.

4. **Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   Yes, the Company sources most of its products locally and regional suppliers are engaged to provide services. Their capacities have improved over a period of time by the Company giving them more business in phases.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling them (separately as <5%, 5-10%, >10%)? Also provide details thereof, in about 50 words or so.**

   Yes, the Company sells its products to recyclers for further usage. Also, the Company's products are refurbished for reuse from its principle supplier/s.

Principle 3:

Employee Well-being

Businesses should promote the well-being of all employees

1. **Total number of employees.**

   As on March 31, 2018, the strength of Bharti Infratel Ltd.'s on roll workforce stands at a total of 1247 on stand alone basis

2. **Total number of employees hired on temporary / contractual / casual basis**

   As on March 31, 2018, the strength of Bharti Infratel Ltd.'s workforce on temporary basis stands at a total of 4099

3. **Total number of permanent women employees.**

   As on March 31, 2018, the strength of Bharti Infratel Ltd.'s permanent women employees stands at a total of 114.

4. **Total Number of permanent employees with disabilities.**

   As on March 31, 2018, the strength of Bharti Infratel Ltd.'s permanent employees with disabilities stands at a total of 4.

5. **Do you have an employee association that is recognised by the Management?**

   No

6. **What percentage of your permanent employees is member of this recognised employee association?**

   Nil

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year are pending as on the end of the financial year.**

   No pending complaints in any category mentioned above

8. **What percentage of your under-mentioned employees were given safety and skill up-gradation training in the last year?**

a)	**Permanent employees**	100% New Joinees mandatory Safety Training, 97% Safety Refresher & 88% Skill Upgradation (Behavioral & Functional)
b)	**Permanent women employees**	100% New Joinees mandatory Safety Training, 88% Safety Refresher & 73% Skill Upgradation (Behavioral & Functional)
c)	**Casual/ Temporary/ Contractual Employees**	99% Safety Training (Refresher & New Joinee) and ongoing on the job training
d)	**Employees with disabilities**	100% Safety Refresher & 75% Skill Upgradation (Behavioral & Functional)

Principle 4:

Stakeholder Engagement

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

1. Has the Company mapped its internal and external stakeholders? Yes / No

Yes, the Company has mapped its stakeholders as a part of its stakeholder engagement process. Key categories are:

1) Customers
2) Shareholders/Investors
3) Partners (Suppliers/Vendors/Landlords)
4) Employees
5) Regulatory Bodies
6) Industry forum
7) Community at large including the disadvantages groups and vulnerable sections like children/ unskilled youth and the civil society

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

The Company through its CSR works with disadvantaged, vulnerable and marginalized stakeholders, in association with non-profit organizations like - Bharti Foundation, The Energy and Resources Institute (TERI), Shishu Sarothi, PanIIT Alumni Reach for India Foundation and Brookings Institute India Centre. All our beneficiaries through the social development projects implemented by the above mentioned organizations are centered around the marginalized, economically weak and disadvantaged sections of the society, especially the girl child, underprivileged women, persons with disabilities and unemployed youth. Our Company's community initiatives are being implemented in both rural and urban areas.

Besides the direct project implementation through these organizations, the Company with the support of its employees also contributes funds to several other non-profit organizations including Helpage India, SOS Children's Village of India, CRY (Child Rights and You), National Association for the Blind and Bharti Foundation.

3. Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?

Over the years, Bharti Infratel has been getting accolades for efforts on social concerns like education, access to safe water, sanitation and skill development. Our efforts to promote inclusion of people with disabilities and bring them into the mainstream have also been appreciated at different platforms including by the government.

Our commitment to building a business that has a positive impact on the society and caring for the community that we operate is an integral part of our business strategy. We have a very clear CSR vision of building an empowered society through education, community development and environment sustainability. Our CSR policy also defines the Company's focus on varied social intervention and the governance system that guide us in delivering the desired impact on ground.

This year also, the focus continues on promoting education of underprivileged children and students with disabilities, providing access to safe water facilities in marginalized schools and proper sanitation facilities in rural communities, besides supporting related issues on the community health/wellbeing but creating livelihood opportunities for marginalized youth through skill development and supporting research on promoting education and environment sustainability.

Education, being the main focus of our social development interventions, is being supported through Bharti Foundation, the philanthropic arm of Bharti Group. Through the Satya Bharti School Program, more than 45400 students are provided free quality education through 254 schools across 6 states of India (Haryana, Punjab, Rajasthan, West Bengal, Tamil Nadu and Uttar Pradesh). This program has also created employment opportunity for more than 1631 teachers from the surrounding communities. The education and other facilities like mid-day meals, books, uniforms, etc. are provided free. Community interactions are maintained on regular basis and several community based initiatives are organized to influence the behaviors of the rural community towards education and other social concerns specific to their region. This program also focuses on bringing about sustainable changes through the use of technology by these underprivileged children. In Satya Bharti Schools, 50% of our students are girls and 69%

of our teachers are females. Similarly, the Bharti Infratel Scholarship Program provided financial support for higher education to 183 underprivileged students with disabilities from the Northeastern region of the country and 43% of the scholarship beneficiaries are girls with disabilities.

Through project FLOW- Facilitating Learning on WASH, safe water infrastructure has been provided to 33 schools across Indore, Ranchi, Bhubaneswar and construction is going on in 30 schools across Panipat, Guwahati and Jammu. More than 345 awareness initiatives/campaigns/ water festivals have been organized across the schools in these 6 cities to enhance knowledge and create awareness on Water, Sanitation and Hygiene and issues associated with them. Over the past two years, these campaigns reached out to more than 37000 students and 3000+ parents and teachers across these cities.

We were instrumental in creating livelihood opportunities for marginalized women living in urban slums through technical and interpersonal skill development across 5 cities – Patna, Raipur, Lucknow, Ranchi & Bhubaneswar. These girls were trained in different trades including Housekeeping, Retail, Unarmed Security Guard, Bedside Assistant and Beauty & Wellness.

For our residential skilling program for telecom and related industry training, the initial part of the year was spent on refurbishing the infrastructure provided by the Government of Jharkhand and was made ready for training. Hiring of the trainers, mobilization and identification of local youth as per the eligibility criteria also started simultaneously from in and around Deogarh district. Two batches of 41 trainees completed their training as Tower Technicians and Riggers and 40 out of these were offered placement by different telecom firms/HR agencies. Training of the third batch of 23 trainees was undergoing as on March 31, 2018.

Also research projects and several workshops on education & environment sustainability challenges were supported by Bharti Infratel which aimed at suggesting policy mechanisms for improving the education scenario and sustainability of renewable energy in the country. The initiatives included organizing roundtable meetings/ discussions, writing policy papers, conducted workshops based on policy brief and drafting reports on education and environment along with policy insights and success cases that can be replicated.

Principle 5:

Human Rights

Businesses should respect and promote human rights

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

   Bharti Infratel Ltd. does not have a specific policy only on human rights. However, aspects of the same have been covered in Bharti's Code of Conduct, which extends to all employees and contractors, group companies, joint ventures and suppliers.

2. **How many stakeholder complaints were received in the past financial year and what percent was satisfactorily resolved by the Management?**

   No stakeholder complaint was received in FY 17-18.

Principle 6:

Environmental Management

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

1. **Does the policies related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

   The safety policy as of now is covering only the Company and its employees, contractors etc.

2. **Does the Company have strategies / initiatives to address global environmental issues, such as climate change, global warming, and others? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes. The Company has pro-actively taken steps to create positive impact on the environment. We continue to stride towards being a Zero Emission Network (ZEN) organisation. Refer the Natural Capital section of the Integrated Report for more details.

3. **Does the Company identify and assess potential environmental risks? Y / N**

   Yes

4. Project(s) related to Clean Development Mechanism.

Currently, the Company is not undertaking any project related to Clean Development Mechanism.

5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy and so on? If yes, please give hyperlink to web page and others.

Yes, the Company has taken multiple initiatives towards energy efficiency and use of renewable energy at its site. Refer the Natural Capital section of the Integrated Report for more details.

6. Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The Company in most of the cases is well within the permissible limits.

7. Number of show cause / legal notices received from CPCB / SPCB, which are pending (i.e. not resolved to satisfaction) as at the end of the financial year.

As per the records available with the Company, one notice received from MPPCB where the information regarding the DG sets installed on the towers was sought in response to the order passed by NGT. The main judgment passed by NGT has been challenged in Supreme Court by us and interim protection in favour of the Company has been granted therein.

Principle 7:

Public Advocacy

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

1. Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.

The Company is inter alia a member of the following business associations:

- Tower and Infrastructure Providers Association (TAIPA)
- Confederation of Indian Industry (CII)

2. Have you advocated / lobbied through the above associations for the advancement or improvement of public good? Yes / No; if yes, specify the broad areas (drop box: governance and administration, economic reforms, inclusive development polices, energy security, water, food security, sustainable business principles and others)

Whenever any consultation paper is released by TRAI and/ or policy/guideline related to towers is issued by any State or local authorities, the Company provides its inputs to the association for an appropriate representation to the regulator / respective State or local authority. Bharti Infratel Ltd. focuses on public policies that maximise the ability of individuals and companies to innovate, increase job creation, benefit the daily lives of people and strengthen the country's economy. We work to ensure that our public policy positions complement or advance our sustainability and citizenship objectives. Our focus is centred on the provision of robust telecom passive infrastructure at affordable price to our customers.

Principle 8:

Inclusive Growth

Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, provide details thereof.

Our business processes promote inclusion of our different stakeholders as per the requirements on ground, especially the communities that we operate in. These ensure that our people and communities at large are included and empowered through sustainable economic growth by:

- Building a quality driven telecommunication infrastructure even in the remotest and conflict hit locations including Kashmir, North East and the Naxalite areas and thereby connecting the unconnected.
- Generating employment on equal opportunity basis and business opportunities directly as well as indirectly, especially in rural areas wherein employment opportunities are otherwise minimal.
- Including the element of environment protection for the benefit of all communities that we operate in and ensuring awareness of the same.

The Company's contribution towards social development through its social responsibility programs and projects has slowly ensured that it enjoys the goodwill of the community that it operates in. Our focuses on multiple social concerns through a number of non-profit organizations has strengthened our reach and connect with the last mile beneficiary.

Our programs do the following on a large as well as small scale:

- Advocate on importance of quality education especially of the girl child in rural communities
- Provide sanitation infrastructure in rural areas and promote good health and wellbeing of marginalized school students and teachers by providing safe water and sanitation infrastructure and information for sustained learning
- Train and provide employment opportunities for local youth belonging to the marginalized sections of the society as Teachers
- Provide employment opportunities for mothers of the children who study in Satya Bharti Schools as mid-day meal vendors
- Providing access to funds for students with disabilities to pursue education and lead an empowered and dignified life
- Provide need based skills and livelihood opportunities to marginalized youth living in urban slums or rural areas for their economic empowerment and to lead life with dignity

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organisation?

Our partnership with our CSR project implementing partner organisations has not only helped in understanding issues in depth but we have also supported them in building their capacity, wherever required. We have been active in promoting social development programmes/projects through these partnerships at national, regional and state level. Our project implementing partners consist of in-house teams /own foundation/ external NGOs/ government structures. Education and sanitation programs at Infratel are being implemented through Bharti Foundation, The Energy and Resources Institute (TERI), Shishu Sarothi and Brookings Institute India Center. The Skill Development and livelihood programs are implemented in association with PanIIT Alumni Reach for India Foundation. Other agencies that are being supported by Infratel and its employees include SOS Village of India, Helpage India, National Association of Blind and Child Rights and You (CRY).

3. Have you done any Impact assessment of your initiative?

Impact assessment was done for Satya Bharti School Program a few years back by Bharti Foundation and in FY17-18, we also conducted a third party mid-term assessment of project FLOW to ascertain the progress and impact on school students and teachers. Other implementing partners including Shishu Sarothi, and PanIIT Alumni Reach for India Foundation will also share an impact assessment report after completion of their respective project timelines. In FY17-18, Bharti infratel was awarded the ET NOW CSR Leadership Award for contribution towards inclusion of persons with disabilities in the mainstream and Pad-Man award by Yuva Unstoppable for its work in area of safe water and sanitation across different geographies.

4. What is the Company's Direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken.

During the year 2017-2018, Bharti Infratel Ltd. has contributed ₹212 Mn towards various social development projects.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in around 50 words.

Periodic monitoring measures, meeting with beneficiaries and on ground need assessment is the basis for implementing our social development projects across different locations. Programs that are proposed to address issues like education, water & sanitation, skill development etc., have ensured involvement/participation of the community members as well. They are involved for better implementation and assessment of the projects in their respective areas. Various government departments including education, health, rural development, skill development, public relations and civil administration have also provided support for these projects. Our social initiatives are not focused only on an individual targets but looks at the holistic benefit of the community at large.

Principle 9:

Value for Customers

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

1. **What percentage of customer complaints / consumer cases is pending, as on the end of the financial year?**

   Two consumer cases are pending one each in UPW and UPE. Percentage is less than 1% at the end of the financial year. Pertinently, none of these are maintainable as the complainants do not fall within the definition of consumers.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information).**

   N.A.

3. **Cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as at the end of the financial year. If so, provide details thereof, in about 50 words or so.**

   No such case reported as per the records maintained by us.

4. **Did your Company carry out any consumer survey / consumer satisfaction trends?**

   Bharti Infratel Ltd. values its customer's voice and had actively engaged an external independent agency who has already carried out the Customer Satisfaction Survey across all customers for FY 2017-2018.

Board's Report

Dear Members,

Your Directors are pleased to present the Twelfth Board's Report on the business and operations of the Company together with the audited financial statements for the financial year ended March 31, 2018.

Business Overview

Bharti Infratel is a provider of tower and related infrastructure sharing services. On a consolidated basis, we are one of the largest pan-India tower infrastructure providers, based on the number of towers owned and operated by Bharti Infratel and Indus Towers, which are represented by Bharti Infratel's 42% equity interest in Indus Towers. The business of Bharti Infratel and Indus Towers is to acquire, build, own and operate towers and related infrastructure. Bharti Infratel and Indus Towers provide access to their towers primarily to wireless telecommunication service providers on a shared basis under long-term contracts. We cater to all telecom operators in India. Our three largest customers are Bharti Airtel, Vodafone India and Idea Cellular, which are the three leading wireless telecommunication service providers in India by wireless revenue.

We have a nationwide presence with operations in all 22 telecommunication circles in India, with Bharti Infratel and Indus Towers having operations in 4 overlapping circles.

As of March 31, 2018, Bharti Infratel owned and operated 39,523 towers with 88,665 co-locations in 11 telecommunication circles while Indus Towers operated 1,23,639 towers with 278,408 co-locations in 15 telecommunication circles. With Bharti Infratel's towers and its 42% interest in Indus Towers, we have an economic interest in the equivalent of 91,451 towers and 205,596 co-locations in India as of March 31, 2018.

We have entered into Master Service Agreements (MSAs) with our customers. The MSAs are long-term contracts which set out the terms on which access is provided to Bharti Infratel's and Indus's towers, with all service providers being offered substantially the same terms and receiving equal treatment at towers where they have installed their active infrastructure. Under the MSAs, Bharti Infratel and Indus Towers enter into service contracts in respect of individual towers. The MSAs and service contracts govern Bharti Infratel's and Indus's relationship with their customers, the services provided, the applicable charges and incorporate annual escalation clauses in respect of the applicable charges. This provides stability to our business and provides visibility with regard to future revenues.

Financial Highlights

A. Consolidated financial results as per Ind AS

(₹ Mn)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Revenue[1]	66,212	60,847
EBIDTA[1]	31,865	28,525
Profit before Tax	35,292	35,797
Profit after Tax	24,937	27,470

[1]Revenue & EBITDA are excluding other income

B. Standalone financial results as per Ind AS

(₹ Mn)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Revenue[1]	66,180	60,847
EBIDTA[1]	31,854	28,526
Profit before Tax	32,270	33,357
Profit after Tax	24,139	27,050

[1]Revenue & EBITDA are excluding other income

Share Capital

During the year, there was no change in the Company's issued, subscribed and paid-up equity share capital. On March 31, 2018, it stood at ₹18,496,082,460 represented by 1,849,608,246 equity shares of ₹10 each.

Transfer to Reserves

The Company has not transferred any amount to the General Reserve for the financial year ended March 31, 2018.

Dividend

The Board has recommended a final dividend of ₹14 per equity share of ₹10 each fully paid up (140% of face value) for FY 2017-18 amounting to ₹25,895 Mn (excluding tax on dividend). The payment of final dividend is subject to the approval of shareholders at the ensuing Annual General Meeting ("AGM") of the Company.

Dividend Distribution Policy

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), top 500 listed companies based on the market capitalization shall formulate a dividend distribution policy. Accordingly, the policy was adopted by the Board of Directors of the Company to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and / or retaining profits earned by the Company. The Dividend Distribution Policy is available on the Company's website at www.bharti-infratel.com and is annexed as Annexure A to this report.

Fixed Deposits

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

Directors and Key Managerial Personnel

Induction, Re-appointment and Resignation

Pursuant to the provisions of Section 149, 152, schedule IV and other applicable provisions of the Companies Act, 2013 and applicable provisions of Listing Regulations, Anita Kapur (DIN: 07902012), was appointed as an Additional Director in the capacity of Independent Director w.e.f January 17, 2018 for a term of 5 years in terms of section 161 of the Companies Act 2013. She will hold office upto the date of ensuing AGM. The Company has received notice from a member proposing the candidature of Anita Kapur under Section 160 of the Companies Act, 2013. The Board recommends her appointment as an Independent Director at the ensuing AGM.

Pursuant to the provisions of the Companies Act, 2013, Tao Yih Arthur Lang (DIN: 07798156), Director of the Company will retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment at the ensuing AGM.

Akhil Gupta (DIN: 00028728), Chairman of the Company, will be completing his present term on July 31, 2018. On the recommendation of the HR, Nomination and Remuneration Committee, the Board in its meeting held on April 23, 2018 subject to the approval of shareholders, has re-appointed Akhil Gupta as Executive Chairman of the Company for a further term of five years w.e.f. August 01, 2018. The Board recommends his re-appointment at the ensuing AGM.

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.

Shweta Girotra, Company Secretary has resigned w.e.f. September 13, 2017. The Directors placed on record their appreciation for the contribution made by her during her tenure. Samridhi Rodhe has been appointed as the Company Secretary and Compliance Officer of the Company w.e.f. January 17, 2018.

Declaration by Independent Directors

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

Policy on Nomination, Remuneration and Board Diversity

The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board will be able to leverage different skills, qualifications, professional experiences, perspectives and backgrounds, which is necessary for achieving sustainable and balanced development. The 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.bharti-infratel.com/cps-portal/web/pdf/Policy%20on%20Nomination,%20Remuneration%20and%20Board%20Diversity%20update.pdf and is annexed as Annexure B to this report.

Annual Board Evaluation and Familiarisation Programme for Board Members

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

The HR, Nomination and Remuneration Committee, in consultation with external agency hired for the purpose of Board evaluation, has put in place a robust framework for evaluation of the Board, Board Committees and Individual Directors. Customized questionnaires were circulated, responses were analyzed and the results were subsequently discussed by the Board. Recommendations arising from the evaluation process will be considered by the Board to optimize its effectiveness.

Board Meetings

During FY 2017-18, the Board of Directors met 4 times on May 8, 2017; July 24, 2017; October 30, 2017 and January 17, 2018. The period between any two consecutive meetings of the Board of Directors of the Company was not more than 120 days.

The details regarding composition, number of board meetings held and attendance of the Directors during FY 2017-18 are set out in the Report on Corporate Governance which forms part of this Integrated Report.

Board Committees

The Company has several Committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes. As on March 31, 2018, the Board has 5 Committees, namely, Audit & Risk Management Committee; HR, Nomination and Remuneration Committee; Corporate Social Responsibility (CSR) Committee; Stakeholders' Relationship Committee and Committee of Directors. The details with respect to the composition, powers, roles, terms of reference, no. of meetings etc. of the Committees held during the FY 2017-18 and attendance of the Directors at each meeting is provided in the Report on Corporate Governance which forms part of this Integrated Report.

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

Subsidiary/ Joint Venture/ Associate Company

As on March 31, 2018, Company has a wholly owned subsidiary named Smartx Services Limited. The Company has a joint venture named Indus Towers Limited. There was no change in the joint venture during the financial year under review.

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company, its subsidiary and joint venture, which forms part of the Integrated Report. A statement in Form AOC- 1, containing the salient features of the financial statements of the subsidiary and joint venture company is annexed as Annexure C to this report. The statement also provides the details of performance and financial position of the subsidiary and joint venture.

Audited financial statements of Smartx Services Limited for FY 2017-18 have been placed on the website of the Company, www.bharti-infratel.com. The audited financial statements of the subsidiary company is available for inspection at the Company's registered office and registered office of the subsidiary company. Shareholders interested in obtaining a copy of the audited financial statements of subsidiary company may write to the Company Secretary at the Company's registered office.

Human Resources

At Bharti Infratel, we believe people excellence is the foundation for building a culture of service excellence. Our aim is to sustain our fervor as an employer of choice and we have outlined our key focus areas during the year to achieve that goal.

We completed 10 glorious years of our establishment last year. For a ten year old organization growing at a steady pace, it is important that the organization culture is well defined and articulated amongst all employees. Infratel is a B2B company with little or no brand presence for the end customer, it is therefore imperative for us to make our presence felt as a preferred employer to potential employee segments enabling us to attract and retain the 'right' fits from across industries. We realized that the first step to creating an employer brand was to define and articulate the culture for Bharti Infratel which will be our USP and differentiating factor as a brand for external and internal employees. We therefore conducted a study not only to define and articulate the culture at BIL but also create a transformation roadmap for enabling change and aligning our systems and processes to the organization and leadership expectation. The clear themes emerging out of the study were around Collaboration, People Orientation and Innovation.

Safety is viewed as a key parameter to demonstrate commitment to our people and the community at large. It is an integral part of our decision-making and is the prime consideration in all spheres of our activities. We have an effective Safety Policy in place that strives for zero fatality and prevents all workplace

injuries. In order to ensure safe work practices, Cardinal Safety Rules and Consequence Management Matrix have been framed and implemented. This year to drive better awareness and consciousness on Safety we observed National Road Safety Week (Jan 11-17) and National Safety Week (Mar 5-9), through Slogan contest, poster making, Safety quiz, My Safety Story, etc. Safety Training continues to be an area of focus where we ensure all new joiners complete mandatory safety training and existing employees go through refresher training.

With employee strength of nearly 1247 (on Standalone basis) spread across our 11 circles and 74 zones, Last Mile Connect continues to be critical to drive and uphold employee motivation, engagement and loyalty. Connect forums & open house sessions were held across locations. The teams were recognized for their efforts and they were made aware of the processes and policies. Special emphasis was placed towards induction and orientation of new employees.

In our continued endeavor to increase the Gender Diversity within the organization, we took an atypical route to attract women talent both at the field and non-field roles. We were successful in creating an audio visual depicting the opportunities, challenges and the work environment that we provide to our employees. We have seen positive traction with the overall Diversity Numbers move from 7% to 9.4%, and with field roles Diversity number improving from 4.9% to 12.5%. In order to retain our women talent, there in on-going effort to conduct Gender Sensitization workshops across geographies to increase awareness about the individual differences that both sexes bring to work. The two pronged approach of attraction and retention has shown sustainable results.

At Infratel, we strongly believe in identifying and developing internal talent to meet our growth objectives and drive business performance. Given the dynamic state of business in today's market, it is imperative that we proactively identify the weak spots and build capabilities of our mid-level leaders to be able to lead teams and deliver results even more efficiently & effectively. Addressing talent gaps and developing internal talent takes precedence at Infratel. The potential of our future leaders is critical to the organization's success and hence we follow a structured mechanism to assess and develop our mid-level leaders so as to build a sustainable pipeline of internal talent. This year, we carried out an extensive study to create the leadership success profile defining key behaviors from operations, business and people stand point. This was followed by an assessment of most of our mid-level leaders at BIL to understand the current level of potential and identify capability gaps against the leadership success profile. We have further built a focused and dedicated development approach for bridging the identified capability gaps and preparing them for future leadership roles.

Employees Stock Option Plan

To retain, promote and motivate the best talent in the Company and to develop a sense of ownership among employees, the Company has instituted two ESOP schemes i.e. Employee Stock Option Scheme 2008 (ESOP Scheme 2008) and Employee Stock Option Scheme 2014 (ESOP Scheme 2014) with the approval of shareholders. The said schemes are in compliance with the SEBI (Share based Employee Benefits) Regulation, 2014, (ESOP Regulations). The HR, Nomination and Remuneration Committee monitors the Company's ESOP schemes.

In accordance with the ESOP Regulations, the Company had set up Bharti Infratel Employees' Welfare Trust (ESOP Trust) for the purpose of implementation of ESOP Schemes. Both the ESOP schemes are administered through ESOP Trust, whereby shares held by the ESOP Trust are transferred to the employees, upon exercise of stock options as per the terms of the Scheme. In terms of ESOP Regulations, neither the ESOP Trust nor any of its trustees shall exercise voting rights in respect of the shares of the Company held by the ESOP Trust.

During FY 2017-18, Company has granted 114,694 stock options under the ESOP Scheme 2014. A detailed report with respect to options exercised, vested, lapsed, exercise price, vesting period etc. under ESOP Scheme 2008 and ESOP Scheme 2014 is disclosed on the website of the Company at http://www.bharti-infratel.com/cps-portal/web/shares.html.

A certificate from M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors, with respect to ESOP Scheme 2008 and ESOP Scheme 2014 would be placed before the shareholders at the ensuing AGM and a copy of the same will also be available for inspection at the registered office of the Company.

Auditors and Auditors' Report

Statutory Auditors

In terms of the provisions of Section 139 of the Companies Act, 2013, M/s Deloitte Haskins & Sells LLP, Chartered Accountants, (firm registration number 117366W-W100018) ('Deloitte') were appointed as the Statutory Auditors of the Company by the shareholders in the 11th AGM of the Company for a period of five years i.e. up to 16th AGM. The said appointment is subject to ratification by the members at every AGM.

The Company has received a letter from M/s Deloitte Haskins & Sells LLP, Chartered Accountants, confirming their eligibility under section 139 and 141 of the Companies Act, 2013. The Board has recommended ratification of appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants, to the shareholders at the ensuing AGM till the next AGM. The annual ratification of auditors at the next AGM for their remaining term as aforesaid, shall be done, if required by the law.

Auditor's Report

The Board has duly examined the Statutory Auditor's Report on the Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2018 by M/s Deloitte Haskins & Sells LLP, Chartered Accountants, which is self-explanatory. The report does not contain any observations, disclaimer, qualification or adverse remarks.

Further, no fraud has been reported by the Statutory Auditors' in terms of Section 143(12) of the Companies Act, 2013 during the year.

Secretarial Auditor & their Report

The Company had appointed M/s. Chandrasekaran Associates, Company Secretaries, New Delhi, to conduct its Secretarial Audit for the financial year ended March 31, 2018. The Secretarial Auditor has submitted its Report, confirming compliance by the Company of all the provisions of applicable corporate laws. The Report does not contain any qualification, observation, disclaimer or adverse remark. The Secretarial Audit Report for the FY 2017-18 is annexed as Annexure D to this report.

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

Corporate Social Responsibility

At Bharti Infratel CSR has become embedded with its business operation and our employees also participate with great enthusiasm in creating a positive social change and supporting our ground level interventions through volunteering. Our social initiatives include providing education to underprivileged children in rural areas across several geographies, scholarship support to students with disabilities to pursue or continue higher education of their choice, providing safe water and sanitation facilities in rural and urban areas and schools, creating awareness on water, sanitation and hygiene, skilling unemployed youth belonging to marginalized communities and supporting research on education & environment sustainability challenges to suggesting policy mechanisms for improving the education scenario and sustainability of renewable energy.

Our CSR project beneficiaries have become a part of our larger family of stakeholders and the change these interventions have brought to their lives has been very encouraging – a skilled youth can now be more hopeful of getting a job and becoming economically independent, a girl child in a rural area can dream of pursuing education of her choice, a student with disability can break barriers of inaccessibility to scale new heights in education, explore new professions and no longer remain an invisible minority. Our work towards social development through CSR encompasses much more than just social outreach programs, we also maintain and align our 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 Integrated Report. The Company has also formulated a Corporate Social Responsibility Policy, which is available on the Company's website at http://www.bharti-infratel.com/cps-portal/web/pdf/Corporate%20Social%20Responsibility%20Policy_07062018.pdf.

The Company has made CSR contribution of ₹211.56 Mn under Section 135 of Companies Act, 2013 and the Company has also contributed ₹2.07 Mn to other charitable causes, during FY 2017-18.

The consolidated contribution of the Company towards various CSR activities during FY 2017-18 is ₹213.63 Mn (i.e. 1.07% of net profit of last three years). Since the external evaluation of new projects is planned in FY18-19, any new or scaling up of the current projects will be decided post the assessment. The Company will duly explore new opportunities or scale up current projects to increase its CSR expenditure to the prescribed level. As a socially responsible company, the Company is committed to play 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 section, which forms part of this Integrated Report. The Annual Report on Corporate Social Responsibility u/s 135 of the Companies Act, 2013 is annexed as Annexure E 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 a part of this Integrated Report.

Management Discussion and Analysis

The Management Discussion and Analysis Report for the year under review, as stipulated under the Listing Regulations, is presented in a separate section, forming part of this Integrated Report.

Corporate Governance

Your Company is committed to benchmark itself with global standards for providing good corporate governance. The Board constantly endeavours to take the business forward in such a way that it maximises long term value for the stakeholders. The Company has put in place an effective corporate governance system which ensures that the provisions of Listing Regulations are duly complied with.

A detailed report on the corporate governance pursuant to the requirements of the Listing Regulations forms part of this Integrated Report.

A certificate from the auditors of the Company, M/s Deloitte Haskins & Sells LLP, Chartered Accountants, confirming compliance of conditions of corporate governance as stipulated in Listing Regulations is annexed as Annexure F to this report.

Risk Management

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

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

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

Operationally, risk is being managed at the top level by Executive Committee, chaired by the Managing Director & CEO and at operating level by Executive Committees of Circles headed by Circles Business Head.

Detailed discussion on Risk Management forms part of Management Discussion & Analysis under the section 'Risks and Concerns', which forms part of this Integrated 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 their adequacy

The Company has established a robust framework for internal financial controls. The Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information. During the year, such controls were assessed and no reportable material weaknesses in the design or operation were observed. Accordingly, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2017- 18. The Internal financial controls of the Company have been further discussed in detail in the Management Discussion and Analysis section.

Vigil Mechanism

The Code of Conduct and vigil mechanism of the Company is available on the Company's website at www.bharti-infratel.com.

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

Quality Control

Quality control has been one of the prime forces behind customer delight through achievement of highest uptime and lowest energy cost across our footprint.

We have been consistently upgrading our quality strategies in line with our vision of ensuring First Time Right. Multi-pronged strategies have been adopted to strengthen the quality process including Pre-dispatch inspection of all major material, on-site inspection during installation work in progress, Quality audits post completion of work, preventive maintenance audits to ensure appropriate Controls, process orientation and control of designs, materials, and workmanship at site, operations and maintenance throughout the lifecycle.

Last year we had initiated three major activities for further strengthening of quality within organization i.e. up gradation of tower maintenance activities, creation of as built site drawings, integration of last quality leg into CIT via tablets. The referred activities have transformed the output and resulted in one of the highest quality KPI achievement during past years.

To further strengthen the already initiated journey, this year we are planning to put up all the collected data from our activities on a central platform "One View". This should help to us in continuing to support organization in optimum utilization of equipment throughout designed lives thus ensuring lower costs, lower network outages and improved P&L's for both operators and us.

Other Statutory Disclosures

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 Integrated Report.

All arrangements / transactions entered by the Company with its Related Parties during the year were in ordinary course of business and on an arm's length basis. Particulars of material related party transactions are given in form AOC- 2 as Annexure G to this report.

Names of Related Parties and details of transactions with them under Ind AS – 24 have been included in Note no. 43 of the standalone financial statements for the year ended March 31, 2018 on page 275.

The Policy on the Related Party Transactions is available on the Company's website.

Significant and material orders

Pursuant to the Order of the Regional Director, New Delhi dated April 02, 2018, the Company shifted its registered office from NCT of Delhi to the State of Haryana w.e.f. April 17, 2018. The Company has also altered its Object Clause during the year under review. Certificate of registration from ROC approving the alteration of Object Clause was received on March 23, 2018.

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

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

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

Particulars of loans, guarantees or investments

The details of loans given, investments made or guarantees given are provided in Note no. 7, 8 and 15 of the Standalone financial statements for the year ended March 31, 2018.

Particulars of Employees

Disclosures relating to remuneration of Directors u/s 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure H 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.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

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

Disclosure under Section 197(14) of Companies Act, 2013

Neither the Managing Director & CEO nor the Chairman & Whole-time Director of the Company receive any remuneration or commission from its holding or subsidiary company.

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 as Annexure K to this report.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors to the best of their knowledge and belief confirm that:

I. In the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards had been followed and there is no material departure from the same;

II. The Directors had selected such accounting policies and applied them consistently and made judgments 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 ended March 31, 2018 and of the profit of the Company for the year ended on that date;

III. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

IV. The Directors had prepared the annual accounts on a 'going concern basis';

V. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;

VI. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

Acknowledgements

The Directors wish to place on record their appreciation for the assistance and co-operation extended by customers, strategic investors, bankers, vendors, business partners, various agencies and departments of Government of India and State governments where Company's operations are existing, supporting the Company's various projects.

The Directors would also like to place on record their sincere appreciation for the valuable contribution, unstinted efforts and the spirit of dedication shown by the employees of the Company at all levels in ensuring an excellent all round operational performance.

For and on behalf of the Board

Akhil Gupta
Chairman
DIN: 00028728

Date: April 23, 2018
Place: New Delhi

Annexure A

Dividend Distribution Policy

1. Preamble, Objective and Scope

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

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

The objective of this Policy is to:

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

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

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

2. Dividend Philosophy

The Company intends to have a total distribution payout (including any dividend and/or any other form of distribution and related taxes, cess, levies, if any relating to the dividend or distribution) between 60% to 80% of net profit of the Company for the year; or 100% of any dividend or distribution received by the Company from its investee company (ies), whichever is higher, subject to the company retaining adequate liquidity to take care of planned business activities and expansion plans including capital expenditure and other use of such funds including, but not limited to, any debt servicing requirements, acquisitions, and ensuring an acceptable credit rating, as may be determined, by the Board from time to time.

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

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

A) Financial Parameters / Internal Factors:

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

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

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

(d) Debt repayment schedules;

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

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

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

B) External Factors:

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

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

(c) **Agreements with Lending Institutions:** The Board may consider protective covenants in a bond indenture or loan agreement that may

include leverage limits and restrictions on the payment of cash dividends in order to preserve the Company's ability to service its debt; and

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

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

There may be certain circumstances under which the shareholders of the Company may not expect dividend, including the circumstances where:

(a) The Company proposes to utilise as per our policy. surplus cash in entirety for alternative forms of distribution such as buy-back of securities;

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

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

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

5. Utilization of retained earnings

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

6. Parameters with regard to various classes

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

7. General

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

Annexure B

Policy on Nomination, Remuneration and Board Diversity

Preamble

The Board of Directors (the "Board") on the recommendation of the HR, Nomination and Remuneration Committee (the "Committee") has approved and adopted this Nomination, Remuneration and Board Diversity Policy (the "Policy") in compliance with the provisions of Section 178 of the Companies Act, 2013 and rules made thereunder, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Objectives

The main objectives of this Policy are:

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

A. Attributes, qualifications and diversity

Directors and Key Managerial Personnel

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

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

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

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

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

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

- Meet the baseline definition and criteria of "independence" as set out in Section 149 of the Companies Act, 2013 and the Listing Regulations and other applicable laws.

- Should not hold the position of Independent Director in more than six Indian listed companies and if serving as whole-time Director in any Indian listed company then in not more than three Indian listed companies.
- Should not hold any board / employment position with a competitor in the geographies where the Company is operating. However, the Board may in special circumstances waive this requirement.

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

Senior Management

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

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

B. Remuneration Policy

Board Members

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

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

Non-Executive Directors including Independent Directors

Pursuant to the provisions of Section 197 of the Companies Act, 2013, rules made thereunder and the shareholders' approval, the Board has approved the following remuneration:

(i) Non-Executive Directors: Profit linked commission of ₹750,000/- per annum.

(ii) Independent Directors: Profit linked commission of ₹1,500,000/- per annum.

(iii) Chairman of Audit & Risk Management Committee - Additional profit linked commission of ₹500,000/- per annum.

- The commission is payable annually after approval of the financial results for the year.
- The payment of commission is prorated to the number of meetings attended by the Directors in which quarterly results are considered and approved.

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

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

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

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

The remuneration of Key Managerial Personnel (other than Managing Director and whole-Time Director), shall be approved by the Board and any revision thereof shall be done as per the compensation and appraisal policy of the Company.

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

Disclosures by the Company

This Policy shall be disclosed in the Company's annual report.

General

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

Annexure C

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

1.	Sl. No.	1 (One)
2.	Name of the subsidiary	Smartx Services Limited
3.	The date since when subsidiary was acquired	September 21, 2015
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2017 to March 31, 2018
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
6.	Share capital	₹30 Mn
7.	Reserves & Surplus	₹5 Mn
8.	Total assets	₹226 Mn
9.	Total Liabilities	₹191 Mn
10.	Investments	Nil
11.	Turnover	₹32 Mn
12.	Profit before taxation	₹7 Mn
13.	Provision for taxation	₹2 Mn
14.	Profit/(loss) after taxation	₹5 Mn
15.	Proposed Dividend	Nil
16.	% of shareholding	100%

1. Names of subsidiaries which are yet to commence operations: Nil
2. Names of subsidiaries which have been liquidated or sold during the year: Nil

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Part "B": Associates and Joint Ventures

Name of Associates/Joint Ventures		Indus Towers Limited
1.	Latest audited Balance Sheet Date	March 31, 2018
2.	Date on which the Associate or Joint Venture was associated or acquired	December 17, 2007
3.	Shares of Associate/Joint Ventures held by the company on March 31, 2018	
	(i) No.	500,504 equity shares
	(ii) Amount of Investment in Associates/Joint Venture at Cost	₹60,419 Mn
	(iii) Extend of Holding %	42%
4.	Description of how there is significant influence	Bharti Infratel Limited holds 42% equity stake in Indus Towers Limited
5.	Reason why the associate/joint venture is not consolidated	Not Applicable
6.	Net worth attributable to Shareholding as per latest audited Balance Sheet	₹55,419 Mn (42% share of total Net worth)
7.	Profit / Loss for the year	
	(i) Considered in Consolidation	₹13,025 Mn (42% share)
	(ii) Not Considered in Consolidation	Nil

1. Names of associates or joint ventures which are yet to commence operations: Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of the board

Akhil Gupta
Chairman
(DIN: 00028728)

D S Rawat
Managing Director & CEO
(DIN: 06798628)

Samridhi Rodhe
Company Secretary

Pankaj Miglani
Chief Financial Officer

Date: April 23, 2018
Place: New Delhi

Annexure D

Secretarial Audit Report

For the Financial year ended March 31, 2018

The Members

Bharti Infratel Limited
901, Park Centra, Sector 30,
NH-8, Gurugram, Haryana - 122001

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

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

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

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

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

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

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable**, and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable**.

(vi) As confirmed and certified by the management, there is no Sectoral law specifically applicable to the Company based on the Sectors / Businesses.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs;

(ii) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

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

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance (and a shorter notice for which necessary approvals obtained), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the audit period, following major events have happened which are deemed to have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

a. The Company has shifted its Registered Office from National Capital Territory of Delhi to the State of Haryana after obtaining necessary approval of shareholders by way of postal ballot and subsequently from Central Government (Power delegated to Regional Director);

b. The Company has altered the object clause of Memorandum of Association of the Company after obtaining necessary approval of shareholders by way of postal ballot and subsequently from Registrar of Companies, NCT of Delhi and Haryana.

Dr. S. Chandrasekaran
Senior Partner

Chandrasekaran Associates
Company Secretaries
Membership No. 1644
Certificate of Practice No. 715

Date: April 23, 2018
Place: New Delhi

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

Annexure-A to the Secretarial Audit Report

The Members

Bharti Infratel Limited
901, Park Centra, Sector 30,
NH-8, Gurugram, Haryana - 122001

Our Report of even date is to be read along with this letter.

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

Dr. S. Chandrasekaran
Senior Partner

Chandrasekaran Associates
Company Secretaries
Membership No. 1644
Certificate of Practice No. 715

Date: April 23, 2018
Place: New Delhi

Annexure E

Annual Report on Corporate Social Responsibility (CSR) Activities

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Bharti Infratel's CSR vision is "To build an empowered society through education, community development and environment sustainability". The CSR Policy of the Company focuses on promoting: • Education amongst underprivileged section of the society and skill development initiatives • Rural development • Setting up of sanitation facilities • Environmental sustainability including contribution to approved technology incubators • Contribution to relief activities and the government approved relief funds **Web-links** **a. CSR Policy** http://www.bharti-infratel.com/cps-portal/web/corporate_gov.html#4 **b. Programs and Partners** **I. Bharti Foundation** http://www.bhartifoundation.org/page/our-partners http://www.bhartifoundation.org/page/satya-bharti-school-programs http://www.bhartifoundation.org/page/satya-bharti-abhiyan **II. Facilitating Learning on WASH (FLOW) - The Energy and Resources Institute (TERI)** http://www.teriin.org/project/project-flow-facilitating-learning-wash **III. Bharti Infratel Scholarship Program - Shishu Sarothi** http://www.shishusarothi.org/about_shishu_sarothi.html#partnership http://shishusarothi.org/we_do_units_bisp.html **IV. Tower Technician Gurukul - PanIIT Alumni Reach For India Foundation - PARFI** http://www.parfi.org/program-partners.html **V. Research on Education & Environment Sustainability - Brookings Institution India Center** https://www.brookings.in/wp-content/uploads/2018/06/Details-of-Domestic-Grants_20180606.pdf
2.	Composition of the CSR Committee.	1. N. Kumar (Independent Director)- Chairman 2. D S Rawat (Managing Director & CEO) 3. Leena Srivastava (Independent Director) 4. Rajan Bharti Mittal (Non-Executive Director)
3.	Average net profit of the Company for last three financial years	₹20,007 Mn

4.	Prescribed CSR Expenditure (2% of the amount as above)	₹400.14 Mn
5.	Details of CSR spent during the financial year:	
	(a) Total amount to be spent for the financial year	₹400.14 Mn
	(b) Amount unspent	₹188.58 Mn
	(c) Manner in which the amount spent during the financial year is detailed below.	

(in ₹ Mn)

(1) S. No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs subheads[$]: (1) Direct expenditure on projects or programs (2) Overheads:	(7) Cumulative expenditure up to the reporting period (Since April 1, 2014)	(8) Amount spent: Direct or implementing agency
CSR Spend under Section 135 of the Companies Act, 2013							
i.	Satya Bharti School Program	Education	Specified Below*	90	90	340	Implementing Agency- **Bharti Foundation** 1st Floor, C-Wing, Airtel Center, Plot No. 16, Udyog Vihar, Phase IV, Gurugram – 122015 Tel.: 0124-4823500
ii.	Contribution to Corpus of Bharti Foundation	Education - Satya Bharti School Program	Specified Below*	80	80	180	Implementing Agency- **Bharti Foundation** 1st Floor, C-Wing, Airtel Center, Plot No. 16, Udyog Vihar, Phase IV, Gurugram – 122015 Tel.: 0124-4823500
iii	Satya Bharti Abhiyan	Sanitation	Amritsar	30	30	200	Implementing Agency – **Bharti Foundation** 1st Floor, C-Wing, Airtel Center, Plot No. 16, Udyog Vihar, Phase IV, Gurugram – 122015 Tel.: 0124-4823500

(in ₹ Mn)

(1) S. No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs subheads[$]: (1) Direct expenditure on projects or programs (2) Overheads:	(7) Cumulative expenditure up to the reporting period (Since April 1, 2014)	(8) Amount spent: Direct or implementing agency
iv.	FLOW – Facilitating Learning on WaSH[#]	Sanitation	Odisha- District Khorda (Bhubaneswar) / Jharkhand- District Ranchi / Madhya Pradesh- District Indore / Haryana - District Panipat / Jammu & Kashmir- Districts Jammu / Assam- District Kamrup Metropolitan (Guwahati)	10.3	5.45	12.8	Implementing Agency- **The Energy and Resources Institute (TERI)** Darbari Seth Block, IHC Complex, Lodhi Road, New Delhi -03 Phone: +91-11-46444500, 24339606
v.	Bharti Infratel Scholarship Program[#]	Education	Assam, Meghalaya, Mizoram, Nagaland, Tripura, Sikkim, Manipur and Arunachal Pradesh	3.0	1.22	4.27	Implementing Agency- **Shishu Sarothi** Centre for Rehabilitation & Training for Multiple Disability, Off Ramakrishna Mission Road, Birubari, Guwahati – 781016, Assam Tel.: 0361-2470990 / 2478912
vi.	Tower Technician Gurukul[#]	Skill Development / Livelihood Creation	Jharkhand – District Deogarh Chhattisgarh – District Rajnandgaon Uttar Pradesh and Odisha – Yet to finalize location	0.53	0.53	1.85	Implementing Agency- **PanIIT Alumni Reach For India Foundation - PARFI** 2nd floor, CSC Building, IIT B, Powai, Mumbai - 400076, Maharashtra Tel.: +91-9666407383

(in ₹ Mn)

(1) S. No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs subheads[$]: (1) Direct expenditure on projects or programs (2) Overheads:	(7) Cumulative expenditure up to the reporting period (Since April 1, 2014)	(8) Amount spent: Direct or implementing agency
vii.	Research on Education & Environment Sustainability Challenges[#]	Education / Environment	Pan India	4.0	4.0	8.0	Implementing Agency- **Brookings Institution India Center** No. 6, Second Floor, Dr. Jose P Rizal Marg Chanakyapuri, New Delhi – 21 Phone: 011 24157600 Email: info@brookingsindia.org
viii.	Third Party Audit (Project FLOW)	CSR Project M&E	Odisha- District Khorda (Bhubaneswar) / Jharkhand - District Ranchi Madhya Pradesh- District Indore / Haryana - District Panipat / Jammu & Kashmir- Districts Jammu / Assam - District Kamrup Metropolitan (Guwahati)	0.36	0.36	0.36	Implementing Agency- **Innovative Financial Advisors Private Limited (Finnovation)** 24/30, Ground Floor, Okhla Industrial Estate, Phase III New Delhi – 110020 Tel.: 011-42332200
Total				**218.19**	**211.56**	**747.28**	
Other Contributions:							
ix.	Contribution to Bharti Foundation	Education - Satya Bharti School Program	Specified Below*	0.77	0.77	2.68	Implementing Agency- **Bharti Foundation** 1st Floor, C-Wing, Airtel Center, Plot No. 16, Udyog Vihar, Phase IV, Gurugram – 122015
x.	Ramadham	Old Age Home	Maharashtra	1.25	1.25	1.25	Implementing Agency- **Ramabai Keshav Thackeray Vishwast Sanstha** Ramadham Old Age Home Khopoli, Raigadh Maharashtra - 410203 Tel.: 02192 – 262736

(in ₹ Mn)

(1) S. No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs subheads[$]: (1) Direct expenditure on projects or programs (2) Overheads:	(7) Cumulative expenditure up to the reporting period (Since April 1, 2014)	(8) Amount spent: Direct or implementing agency
xi.	Madhuram Narayanan Centre for Exceptional Children	International Conference & National Workshop	Tamil Nadu	0.05	0.05	0.05	Implementing Agency- **Madhuram Narayanan Centre for Exceptional Children** 18, Prakasam Street T. Nagar, Chennai Pin – 600017
Total				**2.07**	**2.07**	**3.98**	
Grand Total				**220.26**	**213.63**	**751.26**	

6.	In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	In FY17-18, the Company contributed ₹211.56 Mn under Section 135 of Companies Act, 2013; representing 1.06% of the average net profit before tax of the Company for last three financial years. The Company has also contributed ₹2.07 Mn towards other charitable causes, during FY 2017-18. The consolidated contribution of the Company towards various CSR activities during FY 2017-18 is ₹213.63 Mn. The Company is in discussion with several non-profit organizations to explore new opportunities and also working on project/program scalability options with current partners to increase its CSR reach and expenditure to the prescribed level. To achieve this, Company has started a third party CSR project monitoring and evaluation exercise, to ascertain the progress of each project and its impact on ground. As a socially responsible company, the Company is committed to play a larger role in India's sustainable development by embedding wider but need based economic, social and environmental objectives.
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.	CSR Committee certifies that all the CSR projects implemented/funded by the Company in FY17-18 adhere to the objectives set in its CSR policy. The selection, implementation and monitoring of the CSR projects was also done in line with the CSR Policy.

* District wise/ State wise details of Satya Bharti School Program and Satya Bharti Abhiyan - Kaithal, Kurukshetra, Rewari, Mahendragarh, Jhajjar in Haryana; Jodhpur, Amer, Neemrana in Rajastan; Mushirdabad in West Bengal; Sivaganga in Tamil Nadu; Shahjahanpur, Farrukhabad, Bulandshehar in Uttar Pradesh and Amritsar, Ludhiana, Sangrur in Punjab.

\# Projects specified at sr. no. (iii), (vi), (v), (vi) and (vii) in the table above are multi-year projects with time span of 3 or more years for (iii), (iv) and (vi) and 2 years for (v) and (vii) respectively with total budget of ₹30 Mn, ₹24.2 Mn, ₹9.1 Mn, ₹8.5 Mn and ₹8 Mn.

$ Contribution in all the programs are direct expenditure.

For **Bharti Infratel Limited**

N. Kumar
Chairman of CSR Committee
(DIN: 00007848)

D S Rawat
Managing Director & CEO
(DIN: 06798626)

Date: April 23, 2018
Place: New Delhi

Annexure F

To,
The Members of Bharti Infratel Limited
Bharti Infratel Limited
901, Park Centra, Sector 30,
NH-8, Gurugram, Haryana- 122001

Independent Auditor's Certificate on Corporate Governance

1. This certificate is issued in accordance with the terms of our engagement letter dated July 22nd, 2017.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Bharti Infratel Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2018.

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W/W-100018

Hemant M. Joshi
Partner
Membership No: 38019

Place: New Delhi
Date: April 23, 2018

Annexure G

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2018, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

(a)	Name(s) of the related party and nature of relationship	Bharti Airtel Limited (Holding Company)
(b)	Nature of contracts/ arrangements/ transactions	• To provide passive infrastructure services • To avail various telecom services such as landline, mobile, leased line broadband facility, SIM charges, USB Dongles etc. • To use and allow usage of each other's passive infrastructure assets; • Rental/Reimbursement of charges towards usage of offices/properties and availing related services.
(c)	Duration of the contracts/ arrangements/ transactions	All the contracts/arrangements/transactions are ongoing basis except as under:- • 10/15 years for providing of passive infrastructure services to Bharti Airtel Limited for each colocation by Bharti Infratel Limited pursuant to Master Service Agreement executed between Bharti Airtel Limited & Bharti Infratel Limited. • 10 years for use of certain passive infrastructure assets of Bharti Airtel Limited by Bharti Infratel Limited from April 1, 2008 • 10 years for use of certain passive infrastructure assets of Bharti Infratel Limited by Bharti Airtel Limited from October 1, 2009 • By virtue of Amendment 3 to MSA executed with Bharti Airtel Limited, all tenancies with tenure expiring on or before March 31, 2022 got unconditionally extended upto March 31, 2022

(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	• To provide passive infrastructure services Bharti Infratel Limited has entered into Master Service Agreements (MSA) with Bharti Airtel Limited in December 2007 and subsequently three amendments have been executed till date. The MSA and its amendments executed between the parties sets out the terms and conditions relevant to sharing of passive infrastructure at sites and provision for related operation and maintenance services; and corresponding obligations of both the parties on a non-exclusive basis. Further, the MSA includes the SLA applicable to both the parties' w.r.t. their respective obligations under the MSA. The MSA also captures the tower sharing process, site selection, acquisition and deployment timelines, the service levels and uptimes to be maintained, site electrification requirements, the governance process and applicable charges including standard charges, annual increment, various site level premiums, additional charges determined basis the installed active equipments of the sharing operator etc. Further the parties have arrived at arrangement under which the energy consumed is charged at fixed rates. The parties have also entered into joint energy initiative arrangements and have implemented multiple energy efficient and environment friendly solutions. Both the parties vide MSA Amendment 3 effective April 1, 2016, have changed some of the existing clauses of the MSA in respect of increment freeze on existing tenancies, change in standard thresholds for additional charges and changes in the permitted exit for tenancy and active equipment in order to bring parity with new business. Overall monetary value of the transaction depends upon the number of sites provided, site location, number of co-location etc. and vary from time to time. The net value of such transaction for FY 2017-18 amounts to ₹29,906 Mn (Excluding Service Tax/GST). • To avail various telecom services such as landline, mobile, leased line broadband facility, SIM charges, USB Dongles etc. Bharti Airtel Limited is engaged in the business of providing various telecommunication services. The Company avails many of these telecom services such as landline, mobile, leased line broadband facility, SIM charges, USB Dongles etc. from Bharti Airtel on arm's length basis. Overall monetary value of the transaction depends upon the number / volume of services availed and the applicable rates of such services at the relevant time. The net value of such transaction for FY 2017-18 amounts to ₹165 Mn. • To use and allow usage of each other's passive infrastructure assets; The Company and Bharti Airtel use certain passive infrastructure assets of each other. Both Companies under mutual agreement have agreed to charge each other @ 10% p.a. of the Gross value of the assets for 10 years. Accordingly during the year Bharti Airtel Ltd. paid ₹95 Mn to Bharti Infratel Ltd. for use of Infratel Assets by Airtel. Similarly Bharti Infratel Ltd. paid ₹20 Mn to Bharti Airtel Ltd. for use of Airtel's assets during FY 2017-18. The net monetary value for the said transactions for FY 2017-18 amounts to ₹75 Mn (Excluding Service Tax/GST).

		• Rental/Reimbursement of charges towards usage of offices/properties and availing related services. Bharti Infratel has been occupying space in some offices and properties of Bharti Airtel and availing related facilities at such locations. Bharti Infratel reimburses charges for such usage and related services. Overall monetary value of the transaction depends upon the number / volume of services availed and the charges applicable at the relevant time. The value of such transaction incurred during FY 2017-18 amounts to ₹28 Mn.
(e)	Date(s) of approval by the Board, if any	April 27, 2015*
(f)	Amount paid as advances, if any	Nil

*Initial approval of Board dated April 27, 2015; subsequently approved by the Shareholders in the AGM held on August 11, 2015. MSAs have been subsequently amended from time to time. The related party transactions are placed before the Audit & Risk Management Commitee and the Board on quarterly basis for their review.

NOTE: The term "material" means a transaction to be entered individually or taken together with previous transactions in a financial year, which exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, as defined in the Related Party Transaction Policy of the Company.

For **Bharti Infratel Limited**

Date: April 23, 2018
Place: New Delhi

Akhil Gupta
Chairman
(DIN: 00028728)

Annexure H

Details Pertaining to Remuneration as Required Under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subsequent amendments thereto

(i)	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18	The median remuneration of employees is ₹600,658 per annum. Please refer Table A for the ratios.
(ii)	The percentage increase in remuneration of each director, CFO, CEO, CS or Manager in the financial year 2017-18	Please refer Table A
(iii)	The percentage increase in the median remuneration of employees in the financial year	(4.98%)
(iv)	The number of permanent employees on the rolls of the Company as on March 31, 2018 (on standalone basis)	1,247
(v)	Average percentage increase already made in the salaries of employees other than the managerial personnel in financial year 2017-18 and its comparison with the percentage increase in the managerial remuneration	Average percentage increase in the salaries of employees other than managerial personnel is 9.8%, whereas managerial remuneration has increased by 7.1% which is line with the remuneration of employees.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, remuneration paid is as per the remuneration policy of the Company.

Table A

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for FY 2017-18 (In ₹)	% increase in remuneration in FY 2017-18	Ratio of remuneration of each director to median remuneration of employees [e,f]
Executive Directors				
1	Akhil Gupta (Chairman)	87,774,778	5.96	146.13
2	D S Rawat (Managing Director & CEO)	31,534,866[#]	9.13	52.50
Non-Executive Directors				
3	Rajan Bharti Mittal	750,000[^]	NA	1.25
4	Tao Yih Arthur Lang	562,500[^,a]	NA	1.25
5	Sanjay Nayar	375,000[^,b]	NA	1.25
6	Mark Chin Kok Chong	187,500[^,c]	NA	1.25
Independent Directors				
7	Anita Kapur	375,000[^,d]	NA	2.50
8	Bharat Sumant Raut	2,000,000[^]	NA	3.33
9	Jitendra Balakrishnan	1,500,000[^]	NA	2.50
10	Leena Srivastava	1,500,000[^]	NA	2.50
11	N Kumar	1,250,000[^]	NA	2.50
12	Rajinder Pal Singh	1,500,000[^]	NA	2.50

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for FY 2017-18 (In ₹)	% increase in remuneration in FY 2017-18	Ratio of remuneration of each director to median remuneration of employees [e,f]
Key Managerial Personnel other than Executive Directors				
13	Pankaj Miglani (Chief Financial Officer)	17,911,079	9.06	NA
14	Shweta Girotra (Company Secretary)*	2,953,324	4.15	NA
15	Samridhi Rodhe (Company Secretary)@	194,608	NA	NA

[a] From May 9, 2017 to March 31, 2018

[b] From May 8, 2017 to March 31, 2018

[c] From April 1, 2017 to May 8, 2017

[d] From January 17, 2018 to March 31, 2018

[e.] Based on Annualized Remuneration

[f.] Remuneration of Employees and KMPs does not include perquisite value of stock options exercised during the FY 2017-18.

^ In terms of remuneration policy, Independent Directors are entitled for profit based commission of ₹1,500,000 per annum and Non-Executive Directors ₹750,000 per annum. Chairman of Audit & Risk Management Committee is entitled for an additional commission of ₹500,000 per annum. The payment of commission is based on attending the Board meeting in which quarterly results are adopted. There is no change in the commission paid to Independent Directors and Non-Executive Directors during the year. Company has not paid any sitting fees for FY 2017-18.

The remuneration of D S Rawat does not include perquisite value on exercise of ESOPs amounting to ₹5,158,995 as mentioned in Form MGT-9 annexed with Board's Report and payout of ₹9,706,510 under performance based long term incentive plan of the Company.

*Shweta Girotra resigned w.e.f. September 13, 2017.

@ Samridhi Rodhe was appointed w.e.f. January 17, 2018.

Annexure I

Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subsequent amendments thereto

Sl. No.	Name	Designation	Nature of Employment, whether contractual or otherwise	Nature of duties of the employee	Qualification(s)	Age (In years)	Date of Commencement of Employment (Infratel)	Total experience (in years)	Gross Remuneration (in ₹)	Previous Employment / Designation
(A)Name of top 10 employees in terms of remuneration drawn and employed throughout the financial year										
1	Akhil Gupta	Chairman	Contractual	General Management	General Management	61	01-Aug-08	33	82,839,497	Bharti Airtel Limited / Jt. Managing Director
2	Biswajit Patnaik	Chief Sales & Marketing Officer	Permanent	Sales & Marketing	Sales & Marketing	45	20-Oct-08	25	14,167,550	TVS InterconnectSystems Ltd / Genral Manager - Sales& Marketing
3	Devender Singh Rawat	Managing Director & CEO	Contractual	CEO's Office	CEO's Office	50	28-Jul-10	29	46,400,371	Huawei Telecommunications (I) Co. P Ltd / Executive Director
4	Dhananjay Joshi	Chief Operating Officer	Permanent	COO's Office	COO's Office	58	26-Feb-14	31	25,708,501	Ericssion India Ltd / VP & CU Head
5	Dipak Roy	Chief Human Resource Officer	Permanent	HR	HR	51	01-Jun-13	27	16,997,628	Bharti Airtel Ltd / Head HR- Consumer Business Operations
6	Pankaj Miglani	Chief Financial Officer	Permanent	Finance	Finance	48	08-Aug-11	23	17,911,079	Bharti Airtel Limited / Head - Global Voice
7	Rajiv Arora	Chief - Legal-Regulatory & Corp Affrs	Permanent	Legal-Regulatory & Corp Affrs	Legal-Regulatory & Corp Affrs	47	01-Oct-07	22	12,676,273	Bharti Airtel Ltd / Genral Manager
8	Prashant Jagdish Keole	Chief Deployment Officer	Permanent	Deployment	Deployment	49	01-Oct-07	24	12,097,214	Bharti Airtel Ltd./ DGM - Commercial
9	Prashant Veer Singh*	Chief Information Officer	Permanent	Technology Services	Technology Services	48	40,269	25	119,583,73	Bharti Airtel Limited/ Vice President - IT & Innovation
10	Sanjay Arvind Johari*	Circle Business Head	Permanent	Operations	Operations	45	42,220	22.4	10,209,808	Greenlight Planet/ VP Global Operations & Customer Service
	*Employed for part of FY 2017-18									
(B) Employed for part of financial year except top 10 employees mentioned in (A) above										
1	Sridhar V	Circle Business Head	Permanent	Operations	PG Diploma	46	20-Jul-09	25	9,679,513	Procall Pvt. Ltd./Zonal Business Head

Notes:
1. Gross Remuneration comprises of Salary, Taxable Allowances & Perquisities and Company's contribution to Provident Fund
2. The employee would qualify for being included in Category (A) or (B) on the following basis:
   For (A) top 10 employees in terms of remuneration drawn and if the aggregate remuneration drawn by him during the year was not less than ₹10,200,000 p.a.
   For (B) if the aggregate remuneration drawn by him during the part of year was not less than ₹850,000 p.m.
3. None of the employees mentioned above is a relative of any Director of the Company
4. None of the employees mentioned above holds 2% or more share capital of the Company
5. The employees are governed by the general terms and conditions of employment and the policies of the Company.

For Bharti Infratel Limited

Akhil Gupta
Chairman

Date: April 23, 2018
Place: New Delhi

Annexure J

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

Bharti Infratel Limited has always aimed to be an environment-friendly company. Our constant pursuit of being a green organisation goes back to year 2006, when the Company was incorporated. Over time, ambitions matured, and so did our efforts. Today, we feel proud in saying that we have a total of 14,193 green sites pan India.

Our unique business model allows the operators to lower their operational expenses significantly, by exploiting the best of our networks with the co-location model. This unique proposition serves a host of purposes including a considerable reduction in diesel cost per co-location, faster rollouts, and lowers emissions.

We, at Bharti Infratel have the vision to be the best and most innovative passive communications infrastructure provider globally known for – highest uptime, cost and energy efficiencies, speed and quality of deployment, and environment friendliness. Our strategy and actions are planned such that we objectively fulfil our vision of becoming a green company.

A. Conservation of Energy

(i) During the year under review, several steps were taken for conservation of energy and improving energy efficiency, some of which are listed below:

Infratel is committed for ensuring highest uptime at lowest energy costs in turn resulting in minimization of carbon emission as a whole. To support our vision, a new range of business engines and centralized reporting platform "One View" has been developed which provides single access to entire site details as well as ready to use energy and other infra health analysis reports thus helping in reduction of energy costs, improvement in infra utilization levels and in turn lowering our carbon footprint.

At Infratel we believe apart from electrification batteries act as major catalyst for reduction of energy cost/emissions as it supports reduction of DG run hour in absence of state electricity on site. Hence it is remains our core focus area, this year we have added advanced VRLA and VRLA + Lithium LVCS based solution to our existing solution bucket comprising of high end VRLA batteries, Li-Ion batteries.

As a result of our "Abandoning Air-conditioner' project, we have been able to convert almost 58% of our Indoor sites to Outdoor, thereby resulting in energy cost reduction as well as emissions from the site. For the said project, we have been able to create complete solution gamut including Solar based natural Free cooling units, large sized micro cooling cabinets, HEX based micro cooling units Free Cooling Unit (FCU),Natural Cooling Unit (NCU).

Our multipronged strategy for reducing consumption and losses along with operational efforts have yielded big results and have helped in reduction in diesel consumption by a great margin.

(ii) The following initiatives have been undertaken by the Company, to utilise alternate source of energy:

Infratel has always been the pioneer in usage of alternate energy sources for reducing dependence on carbon intensive energy sources. Regular scanning for conventional or non-conventional energy sources is carried out, whereby the solution is evaluated both technically and commercially in terms of deployment and scalability. Solutions such as solar, wind, hydrogen based fuel-cell, bio-mass have been tested and feasible solutions among these have been adopted.

Through persistent efforts we have been able to deploy the largest solar footprint in telecom industry leading to reduction in carbon emission. To further enhance our reach, we have developed complete solar solution ensemble comprising of solutions based on charge controller, solar inverters and combination of solar inverter and charge controller. We intend to continue deploying alternatives basis site feasibility analysis.

(iii) Future plan of action

As a committed movement towards green environment at Infratel, we plan to remain committed to our efforts towards optimization of energy consumption by increasing EB availability, improving efficiency, reducing load, deploying high end batteries, enhancing adoption of renewable energy sources and driving operational efficiencies.

For the year 2018-19, we intend to increase our energy cost reduction armour by introduction of state of the art remote monitoring and big data analytic engines into the system. The above referred stimulus should further accelerate our journey towards energy excellence.

To improve on utilization of renewables and increasing our contribution towards society, we intend to refocus our synergies for maximization of RESCO model in more states. Thus ensuring a reliable clean power to ourselves as well as do our bit for the betterment of community as a whole.

In our efforts towards load reduction and abandoning of air conditioners, we intend to put in more collaborative efforts with our active infra partners to ensure quicker adoption of low power consuming devices and conversion from indoor to outdoor.

(iv) The Capital investment on energy conservation equipment

(₹ Mn)

S. No.	Capex on Energy Conservation	Standalone	Consolidated
1	During the FY 2017-18	194	1,767
2	Cumulative as on March 31, 2018	3,088	7,664

The energy conservation measures have brought over 21% reduction in diesel consumption per co-location during the last 2 years and 31% reduction in diesel consumption per co-location during the last 3 years.

B. Technology Absorprtion

The Company continues to adopt and use the latest technologies to improve the productivity and quality of its services. However, this section is not applicable for the Company.

C. Foreign Exchange Earnings and Outgo

(i) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans;

Bharti Infratel Limited being a telecom tower Infrastructure service provider has not undertaken any activity relating to exports or development of export markets for services.

(ii) Total foreign exchange used and earned

(a) Total Foreign Exchange Earning: Nil

(b) Total Foreign Exchange Outgo: Nil

Annexure K

Form No. MGT-9

Extract of Annual Return

as on the financial year ended on March 31, 2018

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

I. Registration and other details:

i)	CIN:	L64201DL2006PLC156038 (Old)
ii)	Registration Date:	November 30, 2006
iii)	Name of the Company:	Bharti Infratel Limited
iv)	Category/ Sub- Category of the Company	Company limited by shares/ Public Non-Government Company
v)	Address of the registered office of the Company and contact details*	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi- 110070 Tel: +91-11-4666 6100 Fax: +91-11-4166 6137 Email ID: compliance.officer@bharti-infratel.in Website: www.bharti-infratel.com
vi)	Whether listed company	Yes
vii)	Name, Address and contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No. 31 & 32 Financial District, Nanakramguda, Gachibowli, Hyderabad-500032 Contact Person: Ravi Shankar Shukla Tel: +91-040-67161522 Email: einward.ris@karvy.com Website: www.karvycomputershare.com

* The data in Form No. MGT-9 pertains to financial year ended March 31, 2018. The registered office of the Company shifted to 901, Park Centra, Sector 30, NH-8, Gurugram, Haryana- 122001 w.e.f April 17, 2018.

II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated

Sl. No.	Name and Description of main products/ services	NIC Code of the product/ service*	% to total turnover of the Company
1	Activities of providing Telecom Tower Infrastructure sharing for telecommunication services	612	100%

*As per National Industrial classification- Ministry of Statistics and Programme Implementation.

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Bharti Airtel Limited Bharti Crescent, 1 Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi - 110070	L74899DL1995PLC070609	Holding Company	53.51%*	2(46)
2	Smartx Services Limited Bharti Crescent, 1 Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi- 110070	U64202DL2015PLC285515	Subsidiary Company	100.00%	2(87)
3	Indus Towers Limited Bharti Crescent, 1 Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi- 110070	U92100DL2007PLC170574	Associate Company	42.00%	2(6)

*includes 3.18% shares held by Nettle Infrastructure Investments Limited, wholly owned subsidiary of Bharti Airtel Limited.

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

i) Category-wise Share Holding

Category Code	Category of Shareholder	No. of shares held at the beginning of the year i.e. April 1, 2017				No. of shares held at the end of the year i.e. March 31, 2018				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	**Promoter and Promoter Group**									
(1)	**Indian**									
(a)	Individual /HUF	-	-	-	-	-	-	-	-	-
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	1,140,315,371	-	1,140,315,371	61.65%	989,780,979	-	989,780,979	53.51%	(8.14%)
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
Sub-Total A(1) :		**1,140,315,371**	**-**	**1,140,315,371**	**61.65%**	**989,780,979**	**-**	**989,780,979**	**53.51%**	**(8.14%)**
(2)	**Foreign**									
(a)	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
Sub-Total A(2) :		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total A=A(1)+A(2)		**1,140,315,371**	**-**	**1,140,315,371**	**61.65%**	**989,780,979**	**-**	**989,780,979**	**53.51%**	**(8.14%)**
(B)	**Public Shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds /UTI	18,645,508	-	18,645,508	1.01%	28,779,616	-	28,779,616	1.56%	0.55%
(b)	Financial Institutions / Banks	12,908,660	-	12,908,660	0.70%	19,10,215	-	1,910,215	0.10%	(0.59%)

Category Code	Category of Shareholder	No. of shares held at the beginning of the year i.e. April 1, 2017				No. of shares held at the end of the year i.e. March 31, 2018				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	11,481,645	-	11,481,645	0.62%	0.62%
(f)	Foreign Institutional Investors	635,145,630	-	635,145,630	34.34%	794,626,052	-	794,626,052	42.96%	8.62%
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-Total B(1) :		**666,699,798**	**-**	**666,699,798**	**36.05%**	**836,797,528**	**-**	**836,797,528**	**45.24%**	**9.20%**
(2)	**Non-Institutions**						-			
(a)	Bodies Corporate	11,599,647	-	11,599,647	0.63%	9,121,812	-	9,121,812	0.49%	(0.13%)
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹1 lakh	5,447,142	1,233	5,448,375	0.29%	4,726,774	1,503	4,728,277	0.26%	(0.04%)
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	3,311,781	-	3,311,781	0.18%	3,218,796	-	3,218,796	0.17%	(0.01%)
(c)	Others						-			
	Foreign Bodies	17,645,962	-	17,645,962	0.95%	2,145,693	-	2,145,693	0.12%	(0.84%)
	Clearing Members	2,291,703	-	2,291,703	0.12%	2,123,011	-	2,123,011	0.11%	(0.01%)
	Trusts*	1,010,757	-	1,010,757	0.05%	1,427,683	-	1,427,683	0.08%	0.03%
	Non resident Indians	1,284,852	-	1,284,852	0.07%	264,467	-	264,467	0.01%	(0.06%)
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-Total B(2) :		**42,591,844**	**1,233**	**42,593,077**	**2.30%**	**23,028,236**	**1,503**	**23,029,739**	**1.25%**	**(1.06%)**
Total B=B(1)+B(2) :		**709,291,642**	**1,233**	**709,292,875**	**38.35%**	**859,825,764**	**1,503**	**859,827,267**	**46.49%**	**8.14%**
Total (A+B) :		**1,849,607,013**	**1,233**	**1,849,608,246**	**100.00%**	**1,849,606,743**	**1,503**	**1,849,608,246**	**100.00%**	**-**
(C)	**Shares held by custodians, against which Depository Receipts have been issued**	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C) :		**1,849,607,013**	**1,233**	**1,849,608,246**	**100.00%**	**1,849,606,743**	**1,503**	**1,849,608,246**	**100.00%**	**-**

* Trust includes shares held by Bharti Infratel Employee Welfare Trust.

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year i.e April 1, 2017			Shareholding at the end of the year i.e March 31, 2018			% change in share holding during the year
		No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Bharti Airtel Limited	930,898,728	50.33	0.00%	930,898,728	50.33	0.00%	0.00
2	Nettle Infrastructure Investments Limited	209,416,643	11.32	0.00%	58,882,251	3.18	0.00%	(8.14)
Total		**1,140,315,371**	**61.65**	**0.00%**	**989,780,979**	**53.51**	**0.00%**	**8.14**

(iii) Change in Promoters' Shareholding:

Sl No.	Name	Shareholding at the beginning of the year/ end of the year		Date	Increase/ (Decrease) in shareholding	Reason of Increase or (Decrease)/ Balances	Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company				No. of shares	% of total shares of the Company
1	Bharti Airtel Limited	930,898,728	50.33	April 1, 2017		Opening Balance	930,898,728	50.33
				March 31, 2018		Closing Balance	930,898,728	50.33
2	Nettle Infrastructure Investments Limited	209,416,643	11.32	April 1, 2017		Opening Balance	209,416,643	11.32
				August 11, 2017	(67,534,392)	sale	141,882,251	7.67
				November 17, 2017	(83,000,000)	sale	58,882,251	3.18
				March 31, 18		Closing Balance	58,882,251	3.18

(iv) Shareholding Pattern of Top 10 shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Sl No.	Name of the Share Holder	Shareholding at the beginning of the year i.e April 1, 2017		Shareholding at the end of the year i.e March 31, 2018	
		No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	**SILVERVIEW PORTFOLIO INVESTMENTS PTE. LIMITED**				
	At the beginning of the year	130,803,065	7.07	130,803,065	7.07
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	130,803,065	7.07	130,803,065	7.07
2	**CANADA PENSION PLAN INVESTMENT BOARD**				
	At the beginning of the year	60,461,609	3.27	60,461,609	3.27
	Bought during the year	-	-	-	-
	sold during the year	-	-	-	-
	At the end of the year	60,461,609	3.27	60,461,609	3.27
3	**MERRILL LYNCH MARKETS SINGAPORE PTE. LTD**				
	At the beginning of the year	29,113,207	1.57	29,113,207	1.57
	Bought during the year	18,153,470	0.98	47,266,677	2.55
	Sold during the year	36,874,745	1.99	10,391,932	0.56
	At the end of the year	10,391,932	0.56	10,391,932	0.56
4	**MILLENNIUM MAURITIUS 1 LIMITED**				
	At the beginning of the year	17,645,962	0.95	17,645,962	0.95
	Bought during the year	-	-	-	-
	Sold during the year	15,500,269	0.84	15,500,269	0.84
	At the end of the year	2,145,693	0.12	2,145,693	0.12
5	**MATTHEWS ASIA DIVIDEND FUND**				
	At the beginning of the year	17,014,689	0.92	17,014,689	0.92
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	17,014,689	0.92	17,014,689	0.92
6	**FIDELITY INVESTMENT TRUST FIDELITY INTERNATIONAL**				
	At the beginning of the year	10,548,301	0.57	10,548,301	0.57
	Bought during the year	223,087	0.01	10,771,388	0.58
	Sold during the year	7,422,779	0.40	33,48,609	0.18
	At the end of the year	3,348,609	0.18	33,48,609	0.18

Sl No.	Name of the Share Holder	Shareholding at the beginning of the year i.e April 1, 2017		Shareholding at the end of the year i.e March 31, 2018	
		No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
7	**COMGEST GROWTH PLC A/C COMGEST GROWTH EMERGING MAR**				
	At the beginning of the year	15,129,736	0.82	15,129,736	0.82
	Bought during the year	1,244,014	0.07	16,373,750	0.89
	Sold during the year	7,843,178	0.42	8,530,572	0.46
	At the end of the year	8,530,572	0.46	8,530,572	0.46
8	**MORGAN STANLEY MAURITIUS COMPANY LIMITED**				
	At the beginning of the year	10,639,570	0.58	10,639,570	0.58
	Bought during the year	-	-	-	-
	Sold during the year	7,972,008	0.43	2,667,562	0.14
	At the end of the year	2,667,562	0.14	2,667,562	0.14
9	**LIFE INSURANCE CORPORATION OF INDIA**				
	At the beginning of the year	11,289,365	0.61	11,289,365	0.61
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	11,289,365	0.61	11,289,365	0.61
10	**MAGELLAN**				
	At the beginning of the year	11,500,523	0.62	11,500,523	0.62
	Bought during the year	-	-	-	-
	Sold during the year	6,243,080	0.34	5,257,443	0.28
	At the end of the year	5,257,443	0.28	5,257,443	0.28

Notes:

The details of top 10 Shareholders at any point of time during the FY 2017-18 has been provided.

The details of shareholding are maintained by respective depositories and it is not feasible to provide daily change in the shareholding of top 10 Shareholders. Therefore, Consolidated changes during the year 2017-18 has been provided.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year/ end of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company				No. of shares	% of total shares of the Company
1	Akhil Gupta (Chairman)	2,127,217	0.11	April 1, 2017		Opening Balance	2,127,217	0.11
				May 26, 2017	(200,000)	Sale	1,927,217	0.10
				March 31, 2018		**Closing Balance**	1,927,217	0.10
2	D S Rawat (Managing Director & CEO)	82,695	0.00	April 1, 2017		Opening Balance	82,695	0.00
				15, 2017	5,756	Purchase	88,451	0.00
				15, 2017	7,961	Purchase	96,412	0.01
				March 31, 2018		**Closing Balance**	96,412	0.01
No other Director held any shares of the Company during the year.								
Key Managerial Personnel other than Executive Directors								
1	Pankaj Miglani (Chief Financial Officer)	81,862	0.00	April 1, 2017		Opening Balance	81,862	0.00
				March 31, 2018		**Closing Balance**	81,862	0.00

Shweta Girotra, Company Secretary did not hold any shares in the Company during the year and she resigned w.e.f. September 13, 2017.

Samridhi Rodhe, Company Secretary did not hold any shares in the Company during the year.

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	-	2,785	-	2,785
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	**-**	**2,785**	**-**	**2,785**
Change in indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	2,785	-	2,785
Net change		**2,785**		**2,785**
Indebtedness at the end of the financial year				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	**-**	**-**	**-**	**-**

VI. Remuneration of Directors and Key Managerial Personnel

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

(in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
		Akhil Gupta (Chairman)	D S Rawat (Managing Director & CEO)	
1	**Gross Salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax act ,1961	80,338,552	39,805,376	120,143,928
	(b) Value of perquisites u/s 17(2) of Income tax Act, 1961			
	(i) Perquisite value of Car	39,600	-	39,600
	(ii) Perquisite value of ESOPs exercised during the year	-	5,158,995	5,158,995
	(iii) others			
	(c) Profit In lieu of salary under section 17(3) of Income tax Act, 1961	-		-
2	**Stock Option**			
	- Granted	-	-	-
	- Exercised (perquisite value)	-	-	-

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

(in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
		Akhil Gupta (Chairman)	D S Rawat (Managing Director & CEO)	
3	**Sweat Equity**			
	- Granted	-	-	-
	- Exercised (perquisite value)	-	-	-
4	**Commission**			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	**Others (Company's contribution to PF)**	7,396,626	1,436,000	8,832,626
	Total(A)	**87,774,778**	**46,400,371**	**134,175,149**
	Ceiling as per Companies Act, 2013			2,240,467,764

B. Remuneration to other Directors:

(in ₹)

Particulars of Remuneration	Particulars of Remuneration										Total Amount
	Anita Kapur**	Bharat Sumant Raut	N Kumar	Leena Srivastava	Jitender Balakrishnan	Rajinder Pal Singh	Tao Yih Arthur Lang@	Mark Chin Kok Chong#	Sanjay Nayar$	Rajan Bharti Mittal	
	Independent Director						Non-Executive Director				
Fee for attending board/ committee meetings	-	-	-	-	-	-	-	-	-	-	-
Commission*	375,000	2,000,000	1,125,000	1,500,000	1,500,000	1,500,000	562,500	187,500	375,000	750,000	9,875,000
Others, please specify	-	-	-	-	-	-	-	-	-	-	-
Total (B)	**375,000**	**2,000,000**	**1,125,000**	**1,500,000**	**1,500,000**	**1,500,000**	**562,500**	**187,500**	**375,000**	**750,000**	**9,875,000**
Ceiling as per the Companies Act, 2013											224,046,776
Total Managerial Remuneration (A+B)											**1,440,50,149**
Overall Ceiling as per the Companies Act, 2013											2,464,514,540

* Commission is paid to Directors on the basis of no. of Board meetings attended by them in which quarterly financial results are adopted.

** Anita Kapur was appointed as a Director w.e.f January 17, 2018.

@ Tao Yih Arthur Lang was appointed as a Director w.e.f conclusion of the Board Meeting held on May 8, 2017

Mark Chin Kok Chong ceased to be a Director w.e.f. May 8, 2017.

$ Sanjay Nayar appointed as a Director w.e.f May 8, 2017.

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

(in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Pankaj Miglani (Chief Financial Officer)	Shweta Girotra* (Company Secretary)	Samridhi Rodhe** (Company Secretary)	
1	**Gross Salary**				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax act ,1961	17,059,899	2,851,627	171,663	20,083,189
	(b) Value of perquisites u/s 17(2) of Income tax Act, 1961				
	(i) Perquisite value of Car	4,124	16,654	7,664	28,442
	(ii) Perquisite value of ESOPs exercised during the year				
	(iii) others				
	(c) Profit In lieu of salary under section 17(3) of Income tax Act, 1961				
2	**Stock Option**				
	- Granted				
	- Exercised (perquisite value)				
3	**Sweat Equity**				
	- Granted				
	- Exercised (perquisite value)				
4	**Commission**				
	- as % of profit				
	- others, specify				
5	**Others (Company's contribution to PF)**	847,056	85,043	15,281	947,380
	Total(A)	**17,911,079**	**2,953,324**	**194,608**	**21,059,011**

* Shweta Girotra resigned w.e.f. September 13, 2017.

** Samridhi Rodhe was appointed w.e.f. January 17, 2018.

VII. There were no penalties/punishment/compounding of offences for the year ending March 31, 2018.

Management Discussion & Analysis



Economic Overview

India is emerging to be the fastest growing economy in the world. As per Indian Monetary Fund, in the upcoming 10-15 years, India will be one of the top three economies in power held by strong democracy and partnerships. The estimated GDP growth for FY 2018 stands at 7.3%.

There were some major domestic policy developments in 2017 – first being the new taxation regime i.e. implementation of Goods and Services Tax which incorporates all the indirect taxes and ceases into one. Secondly, bank recapitalization worth ₹2.11 Lakh Crore along with Insolvency and Bankruptcy Code, announced to face twin balance sheet problem in India.

The Union Budget for 2018-19 focuses on upliftment of rural economy and agricultural sector. It also includes provisions related to improvement of healthcare facilities for the underprivileged, creation of infrastructure and improvement in quality of education.

According to IMF, global growth is expected to rise by 3.7% in 2018 leading to a boost in India's exports. The reform measures taken in the previous year are expected to get better in FY19 leading to a better growth momentum. Various initiatives like 'Bharat Net' and 'Digital India' have been introduced to convert India into a digital economy.

In the coming years, India expects a potential growth to achieve the 'upper middle class' income status with the help of digitization, reforms in practice along with the recovering global economic conditions.

Indian Telecom Industry overview

India is currently the world's second-largest telecommunications market with a wireless subscriber base of 1.18 Bn Subscribers (as of Mar 31, 2018, source – TRAI) along with being the fourth largest app economy in the world. Strong customer demand has led to a rapid growth in telecom sector. Easy access to telecom equipment and regulatory framework has ensured telecom services to customers at reasonable prices.

In 2017-18, the device ecosystem of 3G, 4G and VOLTE devices improved. According to Nokia's India Mobile Broadband Index 2017, overall data traffic grew 144% in 2017, driven by surge in 3G and 4G data consumption. 4G data traffic grew exponentially due to cheaper data traffic and availability of locally relevant content. 4G traffic captured 82% share of total data traffic in December 2017. The gap between 3G and 4G coverage declined significantly. Increase in data traffic was accompanied by increase in data consumption with 4G usage at about 11GB/user/month. Due to availability of affordable handsets, 3G and 4G device base grew. With 162 million VOLTE capable devices, there was 74% of LTE capable device base in 2017.

Key industry developments during the year:

1) Consolidation gathered pace with Bharti Airtel's acquisition of Tata, Telenor and Tikona. Vodafone-Idea merger has also received all approvals except for DoT. RCOM announced it was shutting down wireless operations and its merger with Aircel has been called off along with sale of tower assets to Brookfield. Reliance Jio later announced that it has inked

a definitive agreement with Reliance Communications (RCom) for the acquisition of wireless assets including spectrum, towers, fiber, etc. Aircel filed an application undertaking corporate insolvency resolution process under the Insolvency and Bankruptcy Code (2016)

2) National Telecom Policy 2018 was announced to enhance technological advancement in the sector

3) ATC Telecom Infrastructure Private Limited, which is a subsidiary of American Tower Corporation announced plans of acquiring Idea and Vodafone's standalone towers for an enterprise value of ₹7,850 crore.

4) Equity infusion at Idea with promoters infusing ₹3,250 crores followed by a Qualified Institutional Placement of ₹3,500 crores aiming to reduce the Company's net-debt before the merger with Vodafone. The same amount is expected to be raised by Vodafone.

5) Nokia, along with Bharti & BSNL plan to work on development of 5G technology and creating an ecosystem for 5G

The Government of India, with the Digital India Program, plans to connect rural and remote regions in the country with principle of more usage and less payment because of new tariff structure. The Government also plans to auction the 5G spectrum in bands of 3300 MHz and 3400 MHz to promote Internet of Things along with Smart Cities Initiative.

Highlights of the Year

- Foreign ownership touched an all-time high of 43.09% as on March 31, 2018 as compared to 8.65% at the time of IPO in December 2012.
- Bharti Infratel was announced as the winner under the category Telecom Infrastructure Development by Dun & Bradstreet Infra Awards 2017. It facilitates exemplary performances, under various verticals of infrastructure.
- Bharti Infratel has successfully qualified for the certification of ISO 9001:2015. This audit involved detailed assessment of methodology, documentation and on ground implementation. The company has achieved this in a record time of 3 months.

Regulatory changes in the sector

National Telecom Policy 2018

Department of Telecommunications has released consultative paper seeking inputs from all stakeholders and industry bodies on the draft National Telecom Policy 2018. TRAI has set objectives which will align with the government's agenda of rising up the ranks in ease of doing business in the telecom sector. The paper stated that these goals can be achieved by various initiatives like review of license fee, USOF levy, and spectrum usage charge, by declaring roadmap for availability and auction of spectrum in different bands.

DoT guidelines for common fiber corridor

DoT has issued guidelines to create a common OFC corridor along with all National Highways/ State Highways/District Roads/ Municipal Roads, which can be used by Telecom Service providers, Telecom Infrastructure Providers, Government telecom agencies, etc. This would increase optical fiber density in the country.

Right of Way Rules

Department of Telecommunications (DoT) Right of Way Rules, 2016 - Telecom Regulatory Authority of India (TRAI) has now formally recommended to DoT Secretary to revisit the Right of Way Rules released in November 2016 and include Infrastructure Providers-I in the same

TRAI recommendations on IBS

TRAI has responded to DoT that telecom operators and tower companies should be mandated to share in-building solutions (IBS) inside residential, commercial complexes and large public places such as malls, hotels and airports, to pre-empt any exclusive contracts, boost quality of indoor mobile coverage and minimize call drops

TRAI recommendations on approach towards sustainable telecommunications.

Following are the key recommendations:

a. Reduction in targets for carbon footprint reduction - the target for reduction in Carbon Emission be set as 30% by year 2019 - 20 taking base year as 2011 - 12 and 40% by the year 2022-23.

b. No targets for Renewable Energy Technology (RET) induction; Telecom Service Providers (TSPs) to voluntary adopt RET solutions, energy efficient equipment and high capacity fast charging storage solutions etc. to meet the reduction of carbon footprint.

c. No independent third party audit has been recommended and the report on carbon footprint reduction are required to be submitted annually.

d. TRAI has recommended that the government should pass all possible benefits related to deployment of RET power to the Service Providers as per extant government schemes.

Opportunities & Threats

Opportunities

High QoS demand by Government

The Indian wireless market is experiencing a rapid increase in demand for wireless broadband services, driven by India's strong demographics and availability of wide variety of affordable handsets. The growth in wireless broadband has also been fuelled by virtual non-existence of fixed line broadband networks. There has been a multiplication effect in data usage as the number of users are increasing through increased smartphone penetration and per user data usage is also increasing with proliferation of relevant applications and rich content.

Operators have spent approx ₹3,600 bn on the spectrum licenses since 2010 and are now intensely focused on growing the data story. During the recent times, leading operators have acquired spectrum to offer data services through 3G or 4G across all telecom circles. The strategy has been to acquire this additional spectrum through auctions or through spectrum trading deals. The leading operators have also increased their spectrum holding in select circles.

The expansion of 3G and 4G network services will require service providers to install additional active transmission equipment at the towers where they currently operate. In addition to this, we expect that the increasing proliferation of such services and the higher tower density required will lead to fresh demand for new towers and tenancies from customers. We are already witnessing demand for data only tenancies on account of densification requirements of the networks in Metros and Tier 1 cities.

New Revenue Streams

Considering the proliferation of data services through expansion of 3G / 4G network and infrastructure expansion across cities, we expect a likely surge in demand for small cells, fiberized backhaul, WiFi and In-building solutions (IBS) which are new revenue opportunities for tower companies. These will also be key to the 'Smart Cities' - 'Digital India' project which is one of the biggest focus areas of the Government of India.

Development of 'Smart Cities' is a key initiative under the 'Digital India' Program and the Government has already announced the creation of 100 'Smart Cities'. During the year, Bharti Infratel has been implementing the Bhopal Smart City project while our Joint Venture Indus won the bids for Smart city project of Vadodara and New Delhi Municipal Corporation area. For both the Companies, these projects will open a new avenue of business and we believe we can replicate the benefits of the shared infrastructure model in this segment as well. We shall assess all the available opportunities and businesses that are in accordance with the Companies' philosophies and are value accretive. All such businesses will be taken up in consultation with the respective Board of Directors.

Brief update on the potential new revenue streams for the Company:

Fiber – While wireless backhaul solutions such as microwave and millimeter wave remain significant for telecom networks, multi-fold increase in data-driven traffic warrant the need for further investments in fiber. Currently, we are evaluating various opportunities in this segment including offering of fiber connected towers to our customers;

IBS installations - In-building deployments are capacity solutions and are rolled out to create more bandwidth in a small area. These solutions are particularly helpful in high foot fall areas like Airports, Malls, Hospitals and Hotels etc. These solutions not only improve the user experience in the area but also free up macro network for street level coverage. We are deploying IBS network installations for our customers at high footfall locations;

Wi-Fi Hotspots - The Company is looking to foray into rollout of Wi-Fi hotspots and offer B2B Wi-Fi to all the operators on a non-discriminatory basis.

Low Rural Penetration Levels

Indian telecom market has a huge untapped potential in the rural areas. With wireless rural tele-density still at 58.7% (as of Mar 31, 2018, Source – TRAI), there is significant headroom for growth in voice services currently and in data services over time in these untapped areas. The high cost of providing services and the ability to quickly deploy state of the art networks will translate into growth opportunities for the Company. Already, Bharti Infratel has a wide footprint in the Category B and C circles enabling the expansion of networks in rural markets.

Threats

Operator Consolidation

The Indian telecom market has been witnessing operator consolidation with the number of operators reducing from 14 at its peak to <8 in the last year. Vodafone-Idea, Airtel-Telenor, Airtel-Tata, Airtel-Tikona, Reliance Jio-RCOM asset deals and Aircel, RCOM, MTS exits were among the notable events during FY2018. We believe potential consolidation amongst operators is positive for the industry in the long run because it would lead to financially-healthier larger operators vs. multiple smaller operators. While some of these transactions have led to rationalization in tenancies and are expected to continue to do so in the short-term, we believe any reduction in revenue on account of the overlaps will be more than offset by the exit charges as well as the incremental revenue on account of rapid rollouts by all operators.

Financial Health of Wireless Service Providers

During the year 2017-18, industry wireless revenues declined for the first time by 20% on a year-on-year basis, driven by entry of new operators and intense price competition. Bharti Infratel's business and growth prospects mainly depend on demand from wireless telecommunications service providers in India and any deterioration in their financial health due to increased competition, adverse regulatory regime, general economic conditions, policy changes etc. can affect their ability to pay for infrastructure services and which in turn could adversely affect Bharti Infratel's and Indus' revenues and financial condition.

General Economic Conditions in India

The Indian economy witnessed slow growth over the last several years that hurt investor sentiment and the industry had postponed capex investment. The Government has assured to take all the necessary steps to revive the investment sentiment in the country. We are already witnessing initial positive signs; recent GDP growth fiscal discipline and steps towards inclusive growth; all are positive indicators.

EMF Radiation Norms

EMF radiations are the invisible electric and magnetic forces arising from the active infrastructure installed at telecom towers. In the recent past some people have raised concerns around the radiations and its ill effects due to which securing a site for new tower addition has become difficult in few pockets. This might affect tower company business adversely if proper information is not disseminated to general public. The EMF radiation norms in India are even tougher than Europe and non-adherence can invite hefty fines from the regulator. The Department of telecom (DoT) presented before the Hon'ble Supreme Court of India that a small percentage of towers were exceeding radiation limits and were fined penalties. DoT has referenced on WHO report as well as 25,000 articles in the past 30 years to say that there was no confirmation of "any health consequences from exposure to low level electromagnetic fields."

Financial Results & Operations

On a consolidated basis the Company added 805 towers during the year, however net co-locations declined by 5,010 due to exits as a result of operator consolidation. As on March 31, 2018, average sharing factor stood at 2.30 times, on a consolidated basis (with a closing sharing factor of 2.25).

The Consolidated revenues for the year, at ₹144,896 mn grew by 8% over the corresponding period last year. Our consolidated revenue comprises of primarily revenues from co-locations of Bharti Infratel and 42% economic Interest in Indus Towers and their energy billings.

As on March 31, 2018, Bharti Infratel and Indus Towers had average sharing factors of 2.29 (with closing sharing factor of 2.24) and 2.30 (with closing sharing factor of 2.25) per tower, respectively.

Consolidated EBITDA improved to ₹64,272 mn up 8% Y-o-Y, representing an operating margin of 44.4%. Consolidated EBIT improved to ₹40,339 mn up 11% Y-o-Y. The Operating Free Cash Flow grew by 13% Y-o-Y to ₹42,021 mn for the year. The net profit for the year was ₹24,937 mn.

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian

Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 issues by the Ministry of Corporate Affairs.

Risks & Concerns

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

Bharti Infratel believes that risk management and internal control are fundamental to effective corporate governance and development of a sustainable business. Bharti Infratel has a robust process to identify key risks across its operations and prioritize relevant action plans that can mitigate these risks. Key risks that may impact the Company's business include:

Changes in Regulatory Environment

Despite huge improvements, the regulatory environment in India continues to be challenging. Regulatory developments will have significant implications on the future of telephony as well as India's global competitiveness. Any adverse regulatory changes, changes in taxation and policies may affect the profitability outlook of the Company.

Natural Disasters Damaging Telecom Networks

The Company's telecom networks are subject to risks from natural disasters or other external factors. The Company maintains insurance for its assets, equal to the replacement value of its existing telecommunications network, which provides cover for damage caused by fire, special perils and terrorist attacks. Such failures and natural disasters even when covered by insurance may cause disruption, though temporary, to the Company's operations. The Company has been investing significantly in business continuity plans and disaster recovery initiatives which will enable it to continue with normal operations and offer seamless service to our customers under most circumstances.

Technological Changes Affecting the Tower Demand

The potential future demand for towers could be affected by technological changes and advancements. There have been some trials in the past of new technologies which can provide wireless broadband access by placing balloons or low orbit satellites in the air thus bypassing the need for towers.

None of these solutions have been commercially/technically deployed yet and the cost is also unclear. We don't foresee any risk in near future and the Company keeps assessing all the new technology advancements in the sector for better understanding and preparedness.

Summary & Outlook

India's wireless tele-density is at ~91% (Mar 31, 2018) with ~1.18bn subscribers. However, wireless broadband penetration is still ~30% and internet speeds remain low vs. global standards, thus presenting a vast opportunity for growth for the country. This coupled with the Digital India initiative of the Government which aims to transform India into a digitally empowered society should lead to increased demand for data networks which bodes well for the Company.

Internal Control Systems

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are accountable for financial controls, measured by objective metrics on accounting hygiene and audit scores. The Company has deployed a robust system of internal controls that facilitates the accurate and timely compilation of financial statements and management reports, ensures regulatory and statutory compliance, and safeguards investor interest by ensuring the highest level of governance and periodic communication with investors. The Audit and Risk Management Committee reviews the effectiveness of the internal control system across the Company and also invites the senior management / functional heads to provide an update on their functions from time to time. A CEO and CFO Certificate included in the Corporate Governance. Report confirms the existence of effective internal control systems and procedures in the Company. The Company's Internal Assurance Group also conducts periodic assurance reviews to assess the adequacy of internal control systems and reports to the Audit and Risk Management Committee of the Board.

The Company has enhanced its internal control systems across all circle operations by significantly improving the quality and frequency of various reconciliations, enhancing the scope and coverage of revenue assurance checks, segregation of duties, rolling out self-validation checks, regular physical verification, systems audits, desktop reviews as well as continuous training and education. Bharti Infratel is certified by British Standards Institution (BSI) on Information Security (ISO 27001) and

Business Continuity (ISO 22301) Management Systems. With regular trainings and awareness sessions, all Infratel employees have been certified in the same. We are extremely protective of our customers' privacy and take reasonable measures to ensure the security of personal data that we collect, store, process or disseminate. Successful ISO certification reiterates our commitment towards providing our customers with a secure and trustworthy service. This is ensured through agreements and contracts which involve accessing, processing, communicating or managing the partner's information.

In summary, the healthy balance between empowerment and accountability at every operating level fosters a culture of responsible growth and well-judged risk taking.

Human Resources

At Bharti Infratel, we believe people excellence is the foundation for building a culture of service excellence. Our aim is to sustain our fervor as an employer of choice and we have outlined our key focus areas during the year to achieve that goal.

We completed 10 glorious years of our establishment last year. For a ten year old organization growing at a steady pace, it is important that the organization culture is well defined and articulated amongst all employees. Infratel is a B2B company with little or no brand presence for the end customer, it is therefore imperative for us to make our presence felt as a preferred employer to potential employee segments enabling us to attract and retain the 'right' fits from across industries. We realized that the first step to creating an employer brand was to define and articulate the culture for Bharti Infratel which will be our USP and differentiating factor as a brand for external and internal employees. We therefore conducted a study not only to define and articulate the culture at BIL but also create a transformation roadmap for enabling change and aligning our systems and processes to the organization and leadership expectation. The clear themes emerging out of the study were around Collaboration, People Orientation and Innovation.

Safety is viewed as a key parameter to demonstrate commitment to our people and the community at large. It is an integral part of our decision-making and is the prime consideration in all spheres of our activities. We have an effective Safety Policy in place that strives for zero fatality and prevents all workplace injuries. In order to ensure safe work practices, Cardinal Safety Rules and Consequence Management Matrix have been framed and implemented. This year to drive better awareness and consciousness on Safety we observed National Road Safety Week (Jan 11-17) and National Safety Week (Mar 5-9), through Slogan contest, poster making, Safety quiz, My Safety Story, etc. Safety Training continues to be an area of focus where we ensure all new joiners complete mandatory safety training and existing employees go through refresher training.

With employee strength of nearly 1247 (on Standalone basis) spread across our 11 circles and 74 zones, Last Mile Connect continues to be critical to drive and uphold employee motivation, engagement and loyalty. Connect forums & open house sessions were held across locations. The teams were recognized for their efforts and they were made aware of the processes and policies. Special emphasis was placed towards induction and orientation of new employees.

In our continued endeavor to increase the Gender Diversity within the organization, we took an atypical route to attract women talent both at the field and non-field roles. We were successful in creating an audio visual depicting the opportunities, challenges and the work environment that we provide to our employees. We have seen positive traction with the overall Diversity Numbers move from 7% to 9.1%, and with field roles Diversity number improving from 4.9% to 12.5%. In order to retain our women talent, there in on-going effort to conduct Gender Sensitization workshops across geographies to increase awareness about the individual differences that both sexes bring to work. The two pronged approach of attraction and retention has shown sustainable results.

At Infratel, we strongly believe in identifying and developing internal talent to meet our growth objectives and drive business performance. Given the dynamic state of business in today's market, it is imperative that we proactively identify the weak spots and build capabilities of our mid-level leaders to be able to lead teams and deliver results even more efficiently & effectively. Addressing talent gaps and developing internal talent takes precedence at Infratel. The potential of our future leaders is critical to the organization's success and hence we follow a structured mechanism to assess and develop our mid-level leaders so as to build a sustainable pipeline of internal talent. This year, we carried out an extensive study to create the leadership success profile defining key behaviors from operations, business and people stand point. This was followed by an assessment of most of our mid-level leaders at BIL to understand the current level of potential and identify capability gaps against the leadership success profile. We have further built a focused and dedicated development approach for bridging the identified capability gaps and preparing them for future leadership roles.

Report on Corporate Governance

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and some of the best practices followed internationally on Corporate Governance, the following report on governance lays down the ethos of Bharti Infratel Limited and its commitment to conduct business in accordance with sound Corporate Governance practices.

Governance Philosophy

Pursuant to Regulation 34 of the Listing Regulations and Companies Act, 2013, the report contains the details of Corporate Governance system and process at Bharti Infratel Limited. We believe in adopting the well accepted Corporate Governance practices and benchmark the same and strive to improve them continuously.

Our Corporate Governance is a reflection of our value system encompassing our culture, policies and relationships with our stakeholders. Integrity and transparency are key to our Corporate Governance practices and performance and we ensure that we gain and retain the trust of stakeholders at all the times. Our guiding principles and practices are summarized in this Corporate Governance Report. These are articulated through the Company's Code of Conduct, charters of various committees of the Board and Company's disclosure policies. These policies seek to focus on enhancement of long term stakeholders' value without compromising on Ethical Standards and Corporate Social Responsibilities.

The Board of Directors in our Company is at core of our Corporate Governance practice and oversees how the management serves and protects the long term interests of our stakeholders. Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance.

Our Corporate Governance philosophy and practices are based on the following principles:

- Well-experienced and diverse Board of Directors;
- Adoption of transparent procedures and practices and arriving at decision on the strength of adequate information;
- Ensuring compliance with regulatory and fiduciary requirements in letter and spirit;
- High levels of disclosures for dissemination of corporate, financial and operational information to all its stakeholders;
- Adoption of policy on tenure of independent Directors, rotation of auditors and a code of conduct for Directors and senior management;
- Formation of various committees like Audit & Risk Management Committee; HR, Nomination and Remuneration Committee; Stakeholders' Relationship Committee; Corporate Social Responsibility Committee and Committee of Directors to oversee specific areas and focus on diverse matters;
- Ensuring complete and timely disclosure of relevant operational information to enable the Board to play an effective role in guiding strategy;
- Meeting of Independent Directors without the presence of any Non-Independent Directors or representative of Management to identify areas where they need more clarity or information and then put them before the Board;
- Reviewing regularly and establishing effective meeting practices that encourage active participation and contribution from all Board members;
- Independence of Directors in reviewing and approving corporate strategy, major business plans and activities;
- Well defined corporate structure that establishes checks and balances and delegates decision making to appropriate levels in the organization, though the Board remains in effective control of the affairs of the Company at all times.

Governance Structure

The Corporate Governance structure of our Company is multi-tiered, comprising governing/functional business management boards at various levels, each of which is interlinked in the following manner:

a) Strategic supervision and direction – by the Board of Directors, who exercise independent judgment in overseeing management performance on behalf of the shareowners and other stakeholders and hence, play a vital role in the oversight and management of the Company;

b) Control and implementation – by the Infratel Executive Committee, chaired by the Managing Director and CEO. This team owns and drives company-wide processes, systems and policies and meets on a monthly basis to review execution of business strategy and ensure that operational synergies are achieved. This team also functions as a role model for leadership development and as a catalyst for imbibing customer centricity and meritocracy in the culture of the Company;

c) Operations management – by the Circle Executive Committee, headed by the Circle Business Head, for day-to-day management and decision making, focused on enhancing the efficiency and effectiveness of the circle business indicators; and

d) Risk Steering Committee which monitors the effectiveness of the risk management policy, and reviews the progress on the risk mitigation steps being taken by the Company.

Our Corporate Governance structure helps in clearly determining the responsibilities and entrusted powers of each of the business entities, thus enabling them to execute those responsibilities in the most effective manner. It also allows us to maintain our focus on the organizational DNA and current and future business strategy, besides enabling effective delegation of authority and empowerment at all levels.

Board of Directors

Board Diversity and Structure

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, industry experience, cultural and geographical background which will help us retain our competitive advantage. The Board has adopted a Policy which sets out the approach to diversity of the Board of Directors.

The Company has a broad-based Board of Directors, constituted in compliance with the Companies Act, 2013, Listing Regulations and in accordance with the best practices in Corporate Governance. The Board functions either as a full Board or through various committees constituted to oversee specific areas. Policy formulation, setting up of goals, evaluation of performance and control functions vest with the Board.

Composition of the Board

The Board of Directors, along with its committees, provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The Company's Board is an optimum mix of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As on March 31, 2018, the Board comprises of 11 members with an Executive Chairman, Managing Director & CEO besides 3 Non-Executive Non Independent Directors and 6 Non-Executive Independent Directors.

Detailed profile of each of the Directors is available on the website of the Company at www.bharti-infratel.com.

The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory, as well as business requirements.

Independent Directors

The Company has a policy on Independent Directors stipulating their roles, responsibilities and duties which is consistent with the provisions of the Listing Regulations and Section 149 of the Companies Act, 2013. The policy sets out the criteria of independence, age limits, recommended tenure, committee memberships, remuneration and other related terms of appointment. The policy emphasises on importance of independence.

The Company has issued letter of appointment(s) to all the Independent Directors and the terms and conditions of their appointment have been disclosed on the website of the Company i.e www.bharti-infratel.com.

At the time of appointment and thereafter at the beginning of each financial year, the Independent Directors submit a self-declaration, confirming their independence and compliance with various eligibility criteria laid down by the Company, among other disclosures and the Company also ensures that its Directors meet the above eligibility criteria. All such declarations are placed before the Board for information.

Lead Independent Director

The Company since a long time has followed a practice of appointing a Lead Independent Director. N. Kumar has been designated as the Lead Independent Director and his roles and responsibilities, inter alia, are to:

- Preside over all meetings of Independent Directors.
- Ensure that there is an adequate and timely flow of information between the Management and the Board.
- Provide objective feedback of the Independent Directors as a group to the Board on various matters including agenda and other matters relating to the Company.
- Perform such other roles as may be requested from time to time by the Board/ Independent Directors.

Meetings of Independent Directors

Even before the Companies Act, 2013 came into effect, meeting of Independent Directors is being held quarterly. The Independent Directors meet separately at least once in a quarter, prior to the commencement of Board meeting, without the presence of any Non-Independent Directors or representatives of Management. They meet to discuss and form an independent opinion on the agenda items, various other Board-related matters and to annually review the performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company taking into account the view of Executive Directors and Non- Executive Directors; to access the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors regularly engage with the Statutory as well as Internal Auditors to discuss internal audit effectiveness, environment control and invite their general feedback. The Lead Independent Director updates the Board about the outcome of the meetings and action, if any, required to be taken by the Company.

During the financial year 2017-18, the Independent Directors met four times on May 8, 2017; July 24, 2017; October 30, 2017 and January 17, 2018.

Familiarization Programme for Board Members

The Company has adopted a structured induction programme for orientation and training of Directors at the time of their joining so as to provide them with an opportunity to familiarize themselves with the Company, its management, its operations and the industry in which the Company operates.

The induction programme includes one-to-one interactive sessions with the top management team, business and functional heads among others and also includes site visits to understand the operations and technology. Apart from the induction program, the Management periodically presents update at the Board/Committee meetings to familiarize the Directors with Company's strategy, business performance, operations, finance, risk management framework, human resources and other related matters.

At the time of appointment, an appointment letter setting out the role, functions, duties and responsibilities, details regarding remuneration, training and development, performance evaluation process etc. is also given to the Directors. The Board also has an active communication channel with executive management which allows free flow of communication among Directors in terms of raising query, seeking clarifications for enabling a good understanding of the Company and its various operations.

Business updates on relevant changes are regularly circulated to the Directors to keep them abreast on significant developments in the Company.

The details of such familiarization programs are disclosed on the website of the Company at https://www.bharti-infratel.com/cps-portal/web/corporate_gov.html#4.

Board Meeting Schedules and Agenda

The calendar for the Board and Committee meetings, in which the financial results would be considered in the ensuing year are fixed in advance for the whole year. The Board calendar has been disclosed later in the report and has also been uploaded on the Company's Website. The Board meetings are held within 45 days from the end of the quarter in the manner that it coincides with the announcement of quarterly results. Time gap between two consecutive meetings does not exceed

120 days. In case of an urgent necessity, additional Board meeting is called.

The Audit & Risk Management Committee, CSR Committee, HR, Nomination and Remuneration Committee and Stakeholders' Relationship Committee meetings are held on the same dates as Board meetings. To ensure an immediate update to the Board, the Chairman of the respective Committee briefs the Board about the proceedings of the respective Committee meetings.

The Company Secretary, in consultation with the Chairman, prepares Board and Committee meetings' agenda. The detailed agenda along with explanatory notes and annexures, as applicable are sent to the Board and Committee members well in advance at least a week before the meetings. In special and exceptional circumstances, additional or supplementary item(s) are permitted to be taken up as 'any other item' with the permission of the Chairman and consent of majority of Board members/ Committee members. Sensitive subject matters are discussed at the meeting without written material being circulated in advance.

As a process, prior to each Board / Committee meeting, proposals are invited from all the Directors for discussion / deliberation at the meeting(s) and these are included in the agenda of the meeting.

CFO and other Senior Management members are invited to the Board meetings to present reports on the items being discussed at the meeting. In addition, the functional heads of various business segments / functions are also invited at regular intervals to present updates on their core area.

Information available to the Board

The Board has complete access to all the relevant information within the Company and to all the employees of the Company. The information shared on a regular basis with the Board specifically includes:

- Annual operating plans, capital budgets and updates therein;
- Quarterly and annual consolidated and standalone results & financial statements for the Company;
- Minutes of meetings of the Board and Board Committees, resolutions passed by circulations, and Board minutes of the unlisted subsidiary company;
- Information on recruitment / remuneration of senior officers just below Board level;
- Material important show cause, demand, prosecution notices and penalty notices, if any;
- Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems, if any;
- Any material default in financial obligations to and by the Company or substantial non-payment for services provided by the Company;
- Any issue which involves possible public or product liability claims of substantial nature, if any;
- Human resource updates and strategies; Quarterly treasury reports;
- Quarterly compliance certificates with the 'Exceptions Reports', if any, which includes non-compliance of any regulatory, statutory nature or listing requirements and shareholders service;
- Disclosures and declaration received from Directors;
- Proposals requiring strategic guidance and approval of the Board;
- Related party transactions;
- Regular business updates;
- Update on Corporate Social Responsibility activities;
- Report on action taken on last Board meeting decisions.

Number of Board Meetings

During the FY 2017-18, the Board met 4 times i.e. on May 8, 2017; July 24, 2017; October 30, 2017 and January 17, 2018. The Board approved 4 matters through resolution by circulation during FY 2017-18 and the same were presented in the next meeting for its noting.

Requisite information, according to the requirements of the Listing Regulations as at March 31, 2018 is provided below:

Name of Director (DIN)	Category	Number of other Directorships and committee memberships and chairmanships			No. of Meetings held during his tenure and attended		Whether attended last AGM
		Directorships[1]	Committees[2]				
			Chairman	Member	Held	Attended	
Akhil Gupta (DIN - 00028728)	Chairman-Executive Director	11	Nil	Nil	4	3	Yes
Anita Kapur[3] (DIN - 07902012)	Independent Director	Nil	Nil	Nil	1	1	NA
Bharat Sumant Raut (DIN - 00066080)	Independent Director	8	2	1	4	4	Yes
D S Rawat (DIN - 06798626)	Managing Director & CEO	1	Nil	Nil	4	4	Yes
Jitender Balakrishnan (DIN - 00028320)	Independent Director	10	3	3	4	4	Yes
Leena Srivastava (DIN - 00005737)	Independent Director	3	Nil	Nil	4	4	No
N Kumar (DIN - 00007848)	Independent Director	12	4	2	4	3	No
Rajan Bharti Mittal (DIN - 00028016)	Non-Executive Director	16	2	1	4	4	No
R P Singh (DIN - 02943155)	Independent Director	3	Nil	3	4	4	Yes
Sanjay Nayar[4] (DIN – 00002615)	Non-Executive Director	20	Nil	1	4	2	No
Tao Yih Arthur Lang[5] (DIN – 07798156)	Non-Executive Director	1	Nil	2	3	3	No

1. The Directorships, held by Directors, as mentioned above, do not include the Directorships held in foreign companies / body corporates and Bharti Infratel Limited.
2. Committees considered for the purpose are those prescribed under the Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies other than Bharti Infratel Limited. Committee memberships details provided do not include chairmanship of committees as it has been provided separately.
3. Anita Kapur was appointed as an additional director in the capacity of Independent Director w.e.f. January 17, 2018.
4. Sanjay Nayar was appointed as a director w.e.f. May 8, 2017.
5. Tao Yih Arthur Lang was appointed as a director w.e.f. conclusion of Board Meeting on May 8, 2017.

Notes:

- There are no inter-se relationships between the Board members.
- As on March 31, 2018, apart from Akhil Gupta, Chairman and D S Rawat, Managing Director & CEO who holds 1,928,067 and 96,412 equity shares respectively, no other Director of the Company holds shares in the Company.

Remuneration to Directors

The details of the remuneration paid to Directors for FY 2017-18 is given below:

(Amount in ₹)

Name of the Director(s)	Salary and Allowances[1]	Performance Linked Incentive	Perquisites[2]	Commission[3]	Total
Executive Directors					
Akhil Kumar Gupta	69,035,178	18,700,000	39,600	-	87,774,778
D S Rawat	30,057,580	11,183,796	-	-	41,241,376
Non-Executive Directors					
Anita Kapur	-	-	-	375,000	375,000
Bharat Sumant Raut	-	-	-	2,000,000	2,000,000
Jitender Balakrishnan	-	-	-	1,500,000	1,500,000
Leena Srivastava	-	-	-	1,500,000	1,500,000
Mark Chin Kok Chong	-	-	-	187,500	187,500
N. Kumar	-	-	-	1,125,000	1,125,000
Rajan Bharti Mittal	-	-	-	750,000	750,000
Rajinder Pal Singh	-	-	-	1,500,000	1,500,000
Sanjay Nayar	-	-	-	375,000	375,000
Tao Yih Arthur Lang	-	-	-	562,500	562,500
Total	**99,092,758**	**29,883,796**	**39,600**	**9,875,000**	**138,891,154**

1. The salary and allowance includes the Company's contribution to the Provident Fund.
2. This does not include perquisite value as mentioned in Annexure K annexed with the Board's Report with respect to exercise of stock options granted to D S Rawat.
3. Provision for profit based commission for FY 2017-18.

Notes:

- The value of the perquisites is calculated as per the provisions of the Income Tax Act, 1961.
- During the year, D S Rawat was granted 21,799 stock options on July 24, 2017 under ESOP Scheme 2014 of the Company at an exercise price of ₹10 per option, with vesting period spread over 3 years. The options can be converted into equity shares either in full or in tranches at any time upto seven years from the date of vesting. The unexercised vested options can be carried forward throughout the exercise period. The options which are not exercised will lapse after the expiry of the exercise period. No other Director has been granted any stock option during the year.
- No notice period or severance fee is payable to any Director.
- Performance Linked Incentive (PLI) is based on the actual payout made during the year.
- There were no other pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company.
- During FY 2017-18, the Company did not pay any sitting fees to the Directors.

Nomination, Remuneration & Board Diversity

In terms of the Listing Regulations and Companies Act, 2013, the Board has approved a Policy on Nomination, Remuneration and Board Diversity for Directors, KMPs and other Senior Management Personnel.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically.

The criteria of making payments to Non-Executive Directors forms part of the Policy on Nomination, Remuneration and Board Diversity. The detailed Nomination, Remuneration and Board Diversity Policy is annexed as Annexure B to the Board's Report. The Company affirms that the remuneration paid to the Directors is as per terms laid out in the Nomination, Remuneration and Board Diversity Policy of the Company.

Board Committees

In compliance with the statutory requirements, the Board has constituted various committees with specific terms of reference and scope. The objective is to focus effectively on the issues and ensure expedient resolution of the diverse matters. The Committees operate as the Board's empowered agents according to their charter / terms of reference. The Constitution and charter of the Board Committees are available on the Company's website, www.bharti-infratel.com, and are also stated herein.

Audit & Risk Management Committee

As on March 31, 2018, Audit & Risk Management Committee comprises of 4 Directors, out of which 3 members are Independent Directors and 1 member is a Non-Executive Director. The Chairman of the Audit & Risk Management Committee, Bharat Sumant Raut, Independent Director has sound financial knowledge as well as many years of experience in general management. All members of Audit & Risk Management Committee, including the Chairman, have accounting and financial management expertise. The composition of the Audit & Risk Management Committee meets the requirements of Section 177 of the Companies Act, 2013 and the Listing Regulations.

The Company Secretary is the secretary to the Committee. The Managing Director & CEO, CFO, Internal Auditor, the Statutory Auditors and the Internal Assurance Partner are permanent invitees of Audit & Risk Management Committee meetings.

The Chairman of the Audit & Risk Management Committee was present at the last AGM held on July 22, 2017.

Key Responsibilities of the Audit & Risk Management Committee, inter-alia, includes:

- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommend to the Board in respect of the appointment (including the filling of a casual vacancy), resignation or dismissal, remuneration and terms of appointment of the statutory auditor, internal auditors, cost auditors;
- Pre-approve limits in respect of non-audit services provided by the statutory auditor;
- Discuss with the statutory auditor, before the audit commences, the nature and scope of the audit to be conducted; also conduct post-audit discussion to ascertain any areas of concern;
- Review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' responsibility statement, included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of all related party transactions;
  - Qualifications in the draft audit report;
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions with specific details of the transactions, which are not in the normal course of business or the transactions which are not at arms' length price;
  - Quarterly compliance certificates confirming compliance with laws and regulations, including any exceptions to these compliances;
  - Management letter/letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses;
  - The financial statements, in particular the investments, if any, made by unlisted subsidiary companies.

- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Review the Company's financial and risk management policies; and implementation of treasury policies & strategies, and status of investor relation activities;
- To oversee the functioning of the Vigil / Whistle Blower mechanism;
- Review the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
- Approve the appointment, re-appointment and removal of Chief Financial Officer of the Company after assessing the qualifications, experience and background, etc. of the candidate;
- Ensure that the internal audit function is effective, adequately resourced, and to review coordination between internal and statutory auditors and (where relevant) the risk management department;
- Review the state and adequacy of internal controls with key members of the management, statutory auditors and internal auditors;
- Discuss with the internal auditor the coverage and frequency of internal audits as per the annual audit plan;
- Review & monitor the statutory and internal auditor's independence, performance & effectiveness of audit process;
- Review the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board;
- Scrutiny of inter-corporate loan & investments;
- Monitoring & reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Appointment of a registered valuers;
- Evaluation of internal financial controls and risk management systems;
- Approval or any subsequent modification of transactions of the company with related parties;
- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the listing agreement and the Companies Act, 1956/Companies Act, 2013;
- To formulate and review risk management policy;
- To implement, monitor and review the risk management framework, the risk management plan and related matters; and
- To delegate above said authorities to sub-committees, whenever required.

Powers of the Audit & Risk Management Committee:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice;
- To secure attendance of outsiders with relevant expertise, if it considers necessary;

Meeting, Attendance and Composition of the Audit & Risk Management Committee

During FY 2017-18, the Audit & Risk Management Committee met 4 times i.e. on May 8, 2017; July 24, 2017; October 30, 2017 and January 17, 2018. The time gap between two meetings was less than 120 days.

The Committee approved 2 matters through resolution by circulation during FY 2017-18 and the same were presented in the next meeting for its noting.

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

The composition of the Committee as on March 31, 2018 and the attendance of members at the meetings held during FY 2017-18, are given below:

Name of Members(s)	Category	No. of Meetings held during his tenure and attended	
		Held	Attended
Bharat Sumant Raut – Chairman	Independent Director	4	4
Jitender Balakrishnan	Independent Director	4	4
Rajinder Pal Singh	Independent Director	4	4
Sanjay Nayar[1]	Non-Executive Director	3	1

1. Sanjay Nayar was appointed as a member of the Committee w.e.f. conclusion of the Board Meeting held on May 8, 2017

HR, Nomination and Remuneration Committee

As on March 31, 2018, the HR, Nomination and Remuneration Committee comprises 4 Non-Executive Directors, of whom 2 members are Independent Directors. N. Kumar, Independent Director is the Chairman of the Committee. The composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and the Listing Regulations. The Company Secretary acts as the secretary of the Committee. The Chief Human Resource Officer is permanent invitee to the Committee meetings. Other senior management members are also invited to the meeting to present reports relating to the items being discussed at the meeting.

Key Responsibilities of the HR, Nomination and Remuneration Committee, inter-alia, includes:

HR Related:

- Attraction and retention strategies for employees;
- Formulation and recommendation to the Board, a policy relating to remuneration of Directors, key managerial personnel and other employees;
- Determine the compensation (including salaries and salary adjustments, incentives/benefits, bonuses) and Performance targets of the Chairman and of the Managing Directors & CEO's;
- Review employee development strategies;
- Assess the learning and development needs of the Directors and recommend learning opportunities which can be used by Directors to meet their needs for development;
- Review its Terms of Reference on an annual basis and recommend any changes to the Board;
- Review all human resource related issues including succession plan of key personnel;
- Approve the remuneration payable to managerial persons in case of no profit or inadequate profit taking into account the financial position of the company, trend in the industry, appointee's qualification, experience, past performance, past remuneration while bringing objectivity in determining the remuneration package while striking a balance between the interest of the company and the shareholders;

ESOP Related:

- Formulation of ESOP plans and decide on future grants from time to time.
- Formulation of terms and conditions on following under the present ESOP Schemes of the Company with respect to:
  - (i) Quantum of options to be granted under ESOP Scheme(s) per employee and in the aggregate under a plan;
  - (ii) Performance conditions attached to any ESOP Plan;
  - (iii) Conditions under which options vested in employees may lapse in case of termination of employment for misconduct;
  - (iv) Exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
  - (v) Specified time period within which the employee must exercise the vested options in the event of termination or resignation of an employee;
  - (vi) Right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

(vii) Procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;

(viii) Grant, vest and exercise of option in case of employees who are on long leave; and the procedure for cashless exercise of options;

(ix) Any other matter which may be relevant for administration of ESOP schemes from time to time;

- Other key issues as may be referred by the Board.

Nomination Related:

- Formulate the criteria / policy for appointment of Directors, senior management. The criteria / policy to include qualifications, positive attributes and independence of a Director;
- Review and recommend the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and Board Committees;
- Identify and recommend to the board, persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and their removal thereof;
- Evaluate the balance of skills, knowledge, experience and diversity on the Board for description of the role and capabilities required for particular appointment;
- Review succession planning for Executive and Non-Executive Directors and other senior executives particularly the Chairman, Managing Directors and CEO's;
- Recommend suitable candidate for the role of Lead Independent Director;
- Recommend the appointment of any Director to executive or other employment/place of profit in the Company;
- Conduct an annual evaluation of overall effectiveness of the Board, the committees of the Board and the performance of each Director.

The HR, Nomination and Remuneration Committee shall also consider any other key issues/matters as may be referred by the Board or as may be necessary in view of the Listing Regulations or any other statutory provisions.

Meeting, Attendance and Composition of the HR, Nomination and Remuneration Committee

During FY 2017-18, the Committee met 4 times i.e. on May 8, 2017; July 24, 2017; October 30, 2017 and January 17, 2018.

The Committee approved 1 matter through resolution by circulation during FY 2017-18 and the same was presented in the next meeting for its noting.

Name of Members(s)	Category	No. of Meetings held during his tenure and attended	
		Held	Attended
N. Kumar – Chairman	Independent Director	4	3
Jitender Balakrishnan[1]	Independent Director	3	0
Leena Srivastava	Independent Director	4	4
Mark Chin Kok Chong[2]	Non-Executive Director	1	1
Rajan Bharti Mittal	Non-Executive Director	4	3
Tao Yih Arthur Lang[3]	Non-Executive Director	3	3

1. Jitender Balakrishnan was appointed as a member of the Committee w.e.f July 21, 2017 and ceased to be a member w.e.f January 17, 2018.
2. Mark Chin Kok Chong ceased to be the member of the Committee w.e.f. conclusion of Board Meeting on May 8, 2017.
3. Tao Yih Arthur Lang was appointed as the member of the Committee w.e.f. conclusion of Board Meeting on May 8, 2017.

Board Evaluation

In compliance with the provisions of the Companies Act, 2013 and the Listing Regulations, HR, Nomination and Remuneration Committee has approved the process, attributes, criteria and format for the performance evaluation of the Board, Committees of the Board and Individual Directors including the Chairman and Managing Director & CEO.

The process provides that the performance evaluation shall be carried out on an annual basis. During the year, the evaluation

process was completed by the Company which included evaluation of the Board as a whole, Board Committees and individual Directors including the Chairman and Managing Director & CEO. The evaluation process was facilitated by an independent leading consulting firm.

Performance of the Board and Board Committees was evaluated on various parameters such as structure, composition, diversity, experience, Corporate Governance- competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness.

Performance of individual Directors was evaluated on parameters such as attendance at the meetings, participation and contribution, engagement with colleagues on the Board, responsibility towards stakeholders and independent judgement. All the Directors were subject to peer-evaluation.

Chairman and Managing Director & CEO were evaluated on certain additional parameters such as performance of the Company, leadership, relationships and communications.

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

- Devotion of sufficient time and attention towards professional obligations for independent decision and acting in the best interest of the Company;
- Provides strategic guidance to the Company and determine important policies with a view to ensure long term viability and strength;
- Bringing external expertise and independent judgement that contributes to the objectivity of the Board's deliberation, particularly on issues of strategy, performance and conflict management.

All the Directors participated in the evaluation process. In accordance with the requirement of law, the results of evaluation was discussed in the Independent Directors' meeting, respective Committee meetings and in the Board Meeting held on April 23, 2018. The Board discussed the performance evaluation reports of the board, board committees, individual Directors, Chairman and Managing Directors & CEO and also noted the suggestions / inputs of Independent Directors, HR, Nomination and Remuneration Committee and respective committee Chairman. Recommendations arising from this entire process were deliberated upon by the Board to augment its effectiveness and optimize individual strengths of the Directors.

Stakeholders' Relationship Committee

In compliance with requirements of the Listing Regulations and provisions of Section 178 of the Companies Act, 2013, the Company has a Stakeholders' Relationship Committee. As on March 31, 2018, the Committee comprises 3 members of whom 2 are Executive Directors and 1 Non-Executive Director. Rajan Bharti Mittal, Non-Executive Director, is the Chairman of the Committee. The Company Secretary acts as a secretary to the Committee.

Key Responsibilities of the Stakeholders' Relationship Committee, inter-alia, includes:

- Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- Consider and resolve the complaints/grievances of security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend;
- Dematerialize or rematerialize the share certificates;
- Approve the transmission of shares or other securities arising as a result of death of the sole/ anyone joint shareholder;
- Sub-divide, consolidate and/or replace any share or other securities certificate(s) of the Company;
- Issue duplicate share/other securities, certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
- Approve, register, and refuse to register transfer/ transmission of shares and other securities;
- To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s);
- Oversee & review, all matters connected with the transfer of securities of the Company;
- Oversee the performance of Registrar and Share Transfer Agent of the Company;
- Recommend methods to upgrade the standard of services to the investors;

- To deal with the unclaimed / undelivered shares of the company;
- To do all such acts, deeds and things as may be necessary in this regard.

The meetings of the Committee are generally held as and when deemed necessary, to review and ensure that all investor requests/ grievances are redressed within a stipulated time period.

Meeting, Attendance and Composition of the Stakeholders' Relationship Committee

During FY 2017-18, the Stakeholders' Relationship Committee met 7 times i.e. on May 8, 2017; May 22, 2017; July 24, 2017; October 30, 2017; November 15, 2017; December 15, 2017 and January 17, 2018.

The composition of the Committee as on March 31, 2018 and the attendance of members at the meetings held during FY 2017-18, are given below:

Name of Members(s)	Category	No. of Meetings held during his tenure and attended	
		Held	Attended
Rajan Bharti Mittal – Chairman	Non-Executive Director	7	7
Akhil Gupta	Executive Director	7	5
D S Rawat	Executive Director	7	6

Compliance Officer

Shweta Girotra acted as the Company Secretary and Compliance Officer of the Company till the closing of the business hours of September 13, 2017. Samridhi Rodhe was appointed as the Compliance Officer of the Company on September 14, 2017 for complying with the requirements of the Listing Regulations and applicable laws.

Samridhi Rodhe was also appointed as the Company Secretary of the Company w.e.f. January 17, 2018.

Nature of Complaints and Redressal Status

During FY 2017-18, the complaints and queries received by the Company were general in nature, which include issues relating to non-receipt of dividend warrants, Annual Reports and others, which were resolved to the satisfaction of the shareholders.

Details of the investor complaint(s) received during FY 2017-18 are as follows:

Type of complaint	Number	Redressed	Pending as on March 31, 2018
Non-receipt of dividend	2	2	Nil

To redress investor grievances, the Company has a dedicated e-mail id, compliance.officer@bharti-infratel.com to which investors may send their grievances.

Committee of Directors

To cater to various day-to-day requirements and to facilitate seamless operations, the Company has formed a functional Committee known as the Committee of Directors. The Committee meets as and when deem necessary to cater to the day to day requirements of the Company.

As on March 31, 2018, the Committee comprises 3 members of whom 2 are Executive Directors and 1 Non- Executive Director. Akhil Gupta, Executive Director, is the Chairman of the Committee. The Company Secretary acts as a secretary to the Committee.

Key Responsibilities of the Committee of Directors (within the limit approved by the Board), inter-alia, includes:

Investment Related

- To make loans to any Body corporate / entity within the overall limits approved by the Board of Directors;
- To give guarantee(s) in connection with loan made to any Body corporate/entity within the overall limits approved by the Board of Directors;
- To negotiate, finalise, amend, modify, approve and accept the terms and conditions with respect to aforesaid loans and/or Guarantee(s) from time to time;

- To purchase, sell, acquire, subscribe, transfer, sell or otherwise deal in the shares / securities of any company, body corporate or other entities within the limits approved by the Board;

Treasury Related

- To borrow such sum of money and such other credit facilities as may be required by the Company from time to time provided that the money already borrowed, together with the money to be borrowed by the Company does not exceed the limits i.e. upto the paid up capital and free reserve of the Company;
- To create security / charge(s) on all or any of the assets of the Company for the purpose of securing credit facility(ies) of the Company;
- To deal in government securities, units of mutual funds, fixed income and money market instruments (including commercial papers, ICDs and short term deposits of corporate), fixed deposits & certificate of deposit program of banks and other instruments / securities / treasury products of banks & financial institutions etc. as per treasury policy of the Company;
- To deal in foreign exchange and financial derivatives linked to foreign exchange and interest rates including, but not limited to foreign exchange spot, forwards, options, currency swaps and interest rates swaps;
- To open, operate, close, change in authorization for any Bank account, Subsidiary General Ledger (SGL) Account, Dematerialization / Depository Account;
- To approve, finalise and authorize the execution of any deed, document, letter or writing in connection with the aforesaid activities including borrowing / credit facilities, creation of charge etc.

Allotment of Shares

- Allotment of shares of the Company from time to time, in one or more tranches, as per the terms of the ESOP Schemes for the time being in force;
- To seek listing of shares issued as above on one or more Stock Exchanges in India and all such shares being pari-passu with the existing equity shares of the Company in all respects;
- to do all such acts, deeds and things, as may be necessary and incidental to allotment and listing of shares;

General Authorizations

- To open, shift, merge, close any branch office, circle office etc;
- To approve for participation into any tender, bid, auction etc. by the Company;
- To register the Company with any Central / State Government authorities, Semi-Government authorities, local authorities, tax authorities including sales tax, service tax, value added tax authorities, labour law authorities, administrative authorities, business associations and other bodies;
- To purchase, sell, take on lease / license, transfer or otherwise deal with any property;
- To apply for and surrender any electricity, power or water connection;
- To appoint any Merchant Banker, Chartered Accountant, Advocate, Company Secretary, Engineer, Technician, Consultants and / or Professionals for undertaking any assignment for and on behalf of the Company;
- To constitute, reconstitute, modify, and dissolve any trust or association with regard to the administrative matters or employee related matters and to appoint, reappoint, remove, replace the trustees or representatives;
- To authorize one or more employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s) jointly or severally to represent the Company before Central Government, State Governments, Judicial, Quasi-judicial and other statutory / administrative authorities or any other entity;
- negotiate, finalise, execute, modify, sign, accept, and withdraw all deed, agreements, undertakings, certificates, applications, confirmations, affidavits, indemnity bonds, surety bonds, and all other documents and papers;
- affix common seal of the Company;
- enter into, sign, execute and deliver all contracts for and on behalf of the Company;

- To do all such acts, deeds and things as may be required for the smooth conduct of the operations of the Company and which does not require the specific approval of the Board of Directors of the Company or which has specifically been delegated by the Board of Directors to any other committee of the Board or any officer, employee or agent of the Company;
- To perform such other functions as may be authorized / delegated by the Board of Directors or as might have been authorized / delegated to the erstwhile Borrowing and Investment Committee;
- To authorize/delegate any or all of its power to any person, officer, representative.

Meeting, Attendance and Composition of the Committee of Directors

During FY 2017-18, the Committee met 6 times i.e. on July 18, 2017; July 24, 2017; August 31, 2017; September 25, 2017; November 3, 2017; December 15, 2017.

The composition of the Committee as on March 31, 2018 and the attendance of members at the meetings held during FY 2017 -18 are given below:

Name of Members(s)	Category	No. of Meetings held during his tenure and attended	
		Held	Attended
Akhil Gupta - Chairman	Executive Director	6	5
D S Rawat	Executive Director	6	5
Rajan Bharti Mittal	Non-Executive Director	6	6

Corporate Social Responsibility (CSR) Committee

In compliance with the requirements of the Companies Act, 2013, the Company has constituted the Corporate Social Responsibility (CSR) Committee.

As on March 31, 2018, the Committee comprises 4 members of whom 2 are Independent Directors, 1 Non- Executive Director and 1 Executive Director. N Kumar, Independent Director, is the Chairman of the Committee. The Company Secretary acts as a secretary to the Committee.

Key Responsibilities of the CSR Committee, inter-alia, includes:

- Formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate activities to be undertaken by the Company;
- Recommend the amount of expenditure to be incurred on the activities undertaken;
- Monitor the Corporate Social Responsibility Policy of the Company from time to time;
- Review the performance of the Company in the area of CSR;
- Evaluate social impact of the Company's CSR Activities;
- Review the Company's disclosure of CSR matters including any annual social responsibility report;
- Review the following, with the management, before submission to the Board for approval:
  a) The Business Responsibility Report and Sustainability Report
  b) CSR Report
- Institute a transparent monitoring mechanism for implementation of the CSR Project or programs or activities;
- Approve the appointment or re-appointment of Directors responsible for Business Responsibility;
- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the Listing Regulations, Corporate Social Responsibility Voluntary Guidelines and the Companies Act, 2013.

On the recommendation of the CSR Committee, the Board had approved the Corporate Social Responsibility Policy (CSR Policy) of the Company. The CSR Policy intends to strive for economic development that positively impacts the society at large with a minimal resource footprints. The Policy is posted on the website of the Company and can be accessed at www.bharti-infratel.com.

Meeting, Attendance and Composition of the Corporate Social Responsibility (CSR) Committee

During FY 2017-18, the CSR Committee met 4 times i.e. on May 8, 2017; July 24, 2017; October 30, 2017 and January 17, 2018.

The Composition of the Committee as on March 31, 2018 and the attendance of the members at the meetings held during FY 2017-18, are given below:

Name of Members(s)	Category	No. of Meetings held during his tenure and attended	
		Held	Attended
N. Kumar – Chairman	Independent Director	4	3
D S Rawat	Executive Director	4	4
Leena Srivastava	Independent Director	4	4
Rajan Bharti Mittal	Non-Executive Director	4	3

Committee Report for the year ended March 31, 2018

The CSR report for the year ended March 31, 2018 is annexed as Annexure E to the Board's Report.

General Body Meetings

The details of last three Annual General Meetings are as follows:

Year	Time, Day, Date & Location	Summary of Special Resolutions
2016 - 2017	4:00 P.M. IST July 22, 2017 (Saturday) Air Force Auditorium, Subroto Park, New Delhi – 110010	No Special Resolution was passed
2015-2016	10:30 A.M. IST August 10, 2016 (Wednesday) Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003	No Special Resolution was passed
2014 - 2015	10:30 A.M. IST August 11, 2015 (Tuesday) Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003	• Adoption of new Articles of Association of Company as per Companies Act, 2013 • To approve Related Party Transactions with Bharti Airtel Limited

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

Postal Ballot

The Company passed following Special Resolutions through postal ballot/ e- voting on Wednesday, March 7, 2018:

- Shifting of Registered Office of the Company from the National Capital Territory (NCT) of Delhi to the State of Haryana
- Alteration of the Object Clause of the Memorandum of Association of the Company
- Alteration of the Liability Clause of the Memorandum of Association of the Company

Person conducting the Postal Ballot / E-voting

D S Rawat, Managing Director & CEO and Samridhi Rodhe, Company Secretary were appointed as persons responsible for postal ballot/ e-voting process. Sanjay Grover of M/s Sanjay Grover & Associates, Company Secretaries, New Delhi (CP No. 3850) was appointed as scrutinizer for conducting the postal ballot/ e-voting process in a fair and transparent manner. Sanjay Grover conducted the postal ballot/ e-voting process and submitted his report to the Company.

Procedure followed for Postal Ballot/ E-voting

I. In Compliance with the Listing Regulations and Section 108, 110 and other applicable provisions of the companies Act, 2013, read with the rules made thereunder, the Company provided electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engaged the services of Karvy Computershare Pvt. Ltd. (Karvy) for the purpose of providing e-voting facility. The members had the option to vote either by physical postal ballot or e- voting.

II. The Company dispatched the postal ballot notice, dated January 17, 2018, containing draft resolution together with the explanatory statement, postal ballot form and self-addressed business reply envelopes to the members whose names appeared in the register of members / list of beneficiaries as on cut-off date i.e. January 19, 2018. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and applicable rules.

III. Members were advised to carefully read the instructions printed on the postal ballot form before casting their vote and return the duly completed form in the attached self-addressed business reply envelope so as to reach the scrutinizer on or before the close of business hours on Wednesday, March 7, 2018 in case of members desiring to exercise their votes by physical postal ballot forms. Members voting through electronic mode were requested to follow the instructions for e-voting and could vote from Tuesday, February 6, 2018 at 9:00 a.m. to Wednesday, March 7, 2018 at 5:00 p.m.

IV. After due scrutiny of all the postal ballot forms/ e-voting received upto the close of working hours on Wednesday, March 7, 2018, scrutinizer submitted his final report on Friday, March 9, 2018.

V. The result of the postal ballot/ e-voting was declared on Friday, March 9, 2018. In terms of provisions of Secretarial Standard -2 as Notified by Ministry of Corporate Affairs, the last day for receipt of postal ballot form/e-voting has been taken as the date of passing the resolutions.

VI. The result of postal ballot/ e-voting is placed at the website of the Company at www.bharti-infratel.com besides being communicated to Stock Exchanges and Registrar and Share Transfer Agent.

Details of Voting Pattern

Based on the Scrutinizers' Report, the details of voting pattern in respect of the Special Resolutions is as under:

Details of Resolutions	Number of valid Votes	Votes cast in favour of the resolution (no & % age)	Votes cast against the resolution (no & % age)
Shifting of Registered Office of the Company from the National Capital Territory (NCT) of Delhi to the State of Haryana.	1,667,685,787	1,667,683,220 (99.9998 %)	2,567 (0.0002 %)
Alteration of the Object Clause of the Memorandum of Association of the Company	1,667,782,910	1,667,195,543 (99.9648 %)	587,367 (0.0352 %)
Alteration of the Liability Clause of the Memorandum of Association of the Company	1,667,685,133	1,667,682,189 (99.9998 %)	2,944 (0.0002 %)

Disclosures and Policies

Disclosure on Materially Significant Related Party Transactions that may have Potential Conflict with the Interest of Company at large

All transactions entered into with related parties as defined under the Companies Act, 2013 and the Listing Regulations during the financial year were in the ordinary course of business and on an arm's length pricing basis or were approved by the Board / Audit & Risk Management Committee under specific provisions of Companies Act, 2013.

None of the transactions with any of the related parties were in conflict with the interest of the Company rather, they synchronize and synergise with the Company's operations. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 43 of the Standalone Financial Statements, forming part of the Integrated Report.

The required statements / disclosures, with respect to the Related Party Transactions, are placed before the Audit & Risk Management Committee as well as to the Board of Directors, on quarterly basis in terms of the Listing Regulations and other applicable laws for approval / information. Prior omnibus approval is obtained for Related Party Transactions which are repetitive in nature.

In terms of the Listing Regulations, Company shall obtain approval of shareholders for material related party transactions i.e. the transaction / transactions or series of transactions with a related party in any financial year exceeds 10% of the consolidated turnover of the Company. Accordingly, Company has obtained approval of shareholders in the 9th AGM held on August 11, 2015 for all the material Related Party Transactions entered / to be entered between the Company and its Holding Company, Bharti Airtel Limited.

The Board of Directors has formulated a Policy on dealing with Related Party Transactions pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties. The Policy is posted on the website of the Company at http://www.bharti-infratel.com/cps-portal/web/corporate_gov.html#4.

Prevention of Sexual Harassment

Bharti Infratel is committed towards creating a respectful workplace, free from any form of harassment and discrimination, which is exemplified by its 'zero-tolerance' approach towards any act of sexual harassment. The Company has a comprehensive policy which is in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been constituted. The Committee's constituents include a senior-level woman chairperson, one member from the legal team, an external NGO representative and one member from the Ombudsperson's office. All such investigations are conducted as per the tenets of the law and the Company policy. The list of ICC members is prominently displayed across all offices in publicly accessible areas. Further, awareness and training sessions about the Prevention of Sexual harassment at workplace are conducted for all employees, including our associates. During FY 17-18, one sexual harassment case was reported to ICC which has been addressed by the Ombuds office.

Details of Non-compliance with regard to Capital Markets during the last three years

There have been no instances of non-compliances by the Company and no penalties and / or strictures have been imposed by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

Insider Trading

In compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has established systems and procedures to prohibit insider trading activity and has formulated a Code on Insider Trading for designated persons, who may have access to the Company's price sensitive information. The Code lays down procedures to be followed and disclosures to be made, while trading in the Company's shares.

The Company follows highest standards of transparency and fairness in dealing with all stakeholders and ensures that no insider shall use his or her position with or without knowledge of the Company to gain personal benefit or to provide benefit to any third party.

Whistle Blower Policy

Bharti Infratel has an independent and strong vigil mechanism that is administered through the office of the Ombudsperson. It provides a robust process for stakeholders to report any unethical conduct that may be in breach with the Bharti Code of Conduct.

The policy encourages genuine complainants to raise their concerns in full confidence, without any fear of retaliation or victimisation. The Ombudsperson administers a formal process to review and investigate any concerns raised. It also undertakes all appropriate actions required to resolve the reported matter. Instances of serious misconduct dealt with by the Ombudsperson are reported to the Audit & Risk Management Committee. All employees of the Company as well as external stakeholders that have a grievance can access the Ombudsperson through phones, emails or even meetings in person. During the year under review, no employee was denied access to the Chairperson of Audit & Risk Management Committee.

Code of Conduct

In compliance with the Listing Regulations and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct for all Directors and Senior Management personnel. The code is available on the Company's website www.bharti-infratel.com. The Code is applicable to all Board members and Senior Management executives who directly report to the Chairman, the Managing Director & CEO. The Code is circulated to all Board members and Senior Management Personnel and its compliance is affirmed by them annually.

Besides, the Company also procures a quarterly confirmation of material financial and commercial transactions entered into by Senior Management personnel with the Company that may have a potential conflict of interest.

A declaration signed by the Managing Director & CEO, regarding affirmation of the compliance with the Code of Conduct by Board Members and Senior Management for the financial year ended March 31, 2018, is annexed as Annexure A to this report.

Along with the Code of Conduct for the Board members and Senior Management, the Company has also laid down a Code of Conduct for its employees. As a process, an annual confirmation is also sought from all employees. All employees are expected to confirm compliance to the Code annually.

Regular training programmes are conducted across locations to explain and reiterate the importance of adherence to the code.

CEO and CFO Certification

The certificate required under Regulation 17(8) of the Listing Regulations, duly signed by the Managing Director & CEO and CFO was placed before the Board. The same is annexed as Annexure B to this report.

Auditors' Certificate on Corporate Governance

As required under Regulation 34 of the Listing Regulations, the auditors' certificate on Corporate Governance is annexed as Annexure F to the Board's Report.

Subsidiary Company

The Company monitors performance of subsidiary Company, inter alia, by the following means:

- Financial Statements, in particular investments made by unlisted subsidiary company, are reviewed quarterly by Company's Audit & Risk Management Committee;
- Minutes of Board Meeting of unlisted subsidiary company are placed before the Company's Board regularly;
- A statement containing significant transactions and arrangements entered into by unlisted subsidiary

Companies is placed before the Company's Board.

The Company does not have any material non-listed Indian subsidiary in terms of the provisions of Listing Regulations. The Board of Directors have formulated a Policy for determining material subsidiaries pursuant to the provisions of the Listing Regulations. The same is posted on the Company's website at www.bharti-infratel.com.

Compliance with the Mandatory Requirements as Specified in Regulations 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations

The Board of Directors periodically review the compliance of all applicable laws. The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated under the Listing Regulations. It has obtained a certificate affirming the compliances from M/s. Deloitte Haskins

& Sells, LLP, Chartered Accountants, the Company's Statutory Auditors and the same is attached to the Board's Report.

Details of Compliances with the Non-mandatory Requirements of Regulation 27 of the Listing Regulations

In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements in terms of the Listing Regulations:

Shareholders' Rights and Auditors' Qualification

The Company has a policy of announcement of the audited quarterly results. The results, as approved by the Board of Directors are first submitted to the Stock Exchanges within 30 minutes of the conclusion of the Board Meeting. Once taken on record by the Stock Exchanges, the same are disseminated in the media through press release. The quarterly financial results are published in newspapers and uploaded on Company's website www.bharti-infratel.com.

On the next day of the announcement of the quarterly results, an earnings call is organised where the management responds to the queries of the investors / analysts. These calls are webcast live and transcripts posted on the website.

Audit Qualifications

Company's financial statements are unqualified.

Separate posts of Chairman and CEO

The positions of the Chairman of the Board and the Managing Director & Chief Executive Officer of the Company are held by separate individuals.

Reporting of Internal Auditor

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

Green Initiatives by MCA

In compliance with the provisions of Section 20 of the Companies Act, 2013 and as a continuing endeavour towards the 'Go Green' initiative, the Company proposes to send all correspondences / communications through email to those shareholders, who have registered their email id with their depository participant's / Company's registrar and share transfer agent. In case the shareholders desire to receive printed copy of such communications, they may send requisition to the Company. The Company will forthwith send a printed copy of the communication to the respective shareholder.

Status of Dividend Declared

Status of the unclaimed / unpaid dividend amount as on March 31, 2018 is as under:

Financial Year	Dividend	Rate of Dividend per equity share of ₹10 each	Total Dividend Amount (₹) (In Mn)	Amount unpaid to the shareholders (₹) (In Mn)
2012-2013	Final	3.00	5,666	0.20
2013-2014	Final	4.40	8,316	0.15
2014-2015	Interim	4.50	8,505	0.14
2014-2015	Final	6.50	12,326	0.11
2015-2016	Final	3.00	5,548	0.08
2016-2017	Interim	12.00	22,195	0.31
2016-2017	Final	4.00	7,398	0.14

The Company constantly endeavours to reduce the unpaid dividend amount. The shareholders, who have not claimed their dividend for the above financial years are requested to contact the Company or its Share Transfer Agent.

Status of Unclaimed / Unpaid IPO Refund Amount

As on March 31, 2018, your Company has 4,53,500/-lying as unclaimed amount in the IPO refund account with HDFC Bank Limited, details of which are available on www.bharti-infratel.com under Investor Relations section. The applicants of the IPO, who have not claimed their refund amount are requested to contact the Company or its Share Transfer Agent.

Equity Shares in the Suspense Account

In terms of Regulation 34 of the Listing Regulations, the details in respect of shares lying in the demat account 'Bharti Infratel Limited- Unclaimed Suspense Account' as on March 31, 2018 are as under:

Particulars	Number of shareholders	Number of equity shares
Number of shareholders and aggregate number of shares as transferred to the Unclaimed Suspense Account outstanding as on April 1, 2017	1	50
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	Nil	Nil
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2018	1	50

The voting rights on the shares in the suspense account as on March 31, 2018 shall remain frozen till the rightful owners of such shares claim the shares.

Means of Communication

Quarterly Results: The Company's Quarterly Audited Results are published in prominent daily newspapers, viz. Mint (English daily) and Hindustan (vernacular newspaper) and are also posted on the Company's website, www.bharti-infratel.com.

News releases, presentations: Official news releases and official media releases are sent to the Stock Exchanges and posted on Company's website, www.bharti-infratel.com.

Earning Calls & Presentations to Institutional Investors / Analysts: The Company organises an earnings call with analysts and investors on the next day of announcement of results, which is also broadcast live on the Company's website. The transcript is posted on the website soon after. Any specific presentation made to the analysts/ others is also uploaded on the website www.bharti-infratel.com.

NSE Electronic Application Processing System (NEAPS)/ BSE Corporate Compliance & Listing Centre: The NEAPS/BSE's Listing Centre is web-based application designed for corporates. All periodical compliance fillings like shareholding pattern, corporate governance report, media releases and other material information is also filed electronically on the designated portals.

Website: Up-to-date financial results, annual reports, shareholding patterns, official news releases, financial analysis reports, latest presentation made to the institutional investors and other general information about the Company are available on the website, www.bharti-infratel.com.

Since the time of listing of shares, Bharti Infratel Limited adopted a practice of releasing a quarterly report, which contains financial and operating highlights, key industry and Company developments, results of operations, stock market highlights, ratio analysis, summarised financial statements and so on. The quarterly reports are posted on the Company's website and are also submitted to the Stock Exchanges, where the Company's shares are listed.

General Shareholders Information

12th Annual General Meeting

Date: July 24, 2018
Day: Tuesday
Time: 11:00 a.m.
Venue: The Auditorium Apparel House (near the Zest), Sector 44, Gurugram- 122003, (Haryana) India.

Financial Calendar

(Tentative schedule, subject to change):

Financial year : April 1 to March 31

Results for the quarter ending

June 30, 2018 : July 25, 2018 (Wednesday)
September 30, 2018 : October 24, 2018 (Wednesday)
December 31, 2018 : January 16, 2019 (Wednesday)
March 31, 2019 : April 22, 2019 (Monday)

Dividend and Dividend Pay-out Date

The Board has recommended a final dividend of ₹14/- per equity share of ₹10/- each fully paid up for FY 2017-18, which shall be paid on or after July 24, 2018 (within the statutory time limit of 30 days of the declaration of dividend i.e. up to August 23, 2018), subject to the approval of the shareholders.

Equity Shares Listing, Stock Code and Listing Fee Payment

Name and address of the Stock Exchange, Scrip code and Status of fee paid for FY 2018-19:

Name and address of the Stock Exchange	Scrip code	Status of fee paid
National Stock Exchange of India Limited Exchange Plaza' 'C-1 Block G Bandra Kurla Complex, Bandra (C), Mumbai – 400001	INFRATEL	Paid
The BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001	534816	Paid

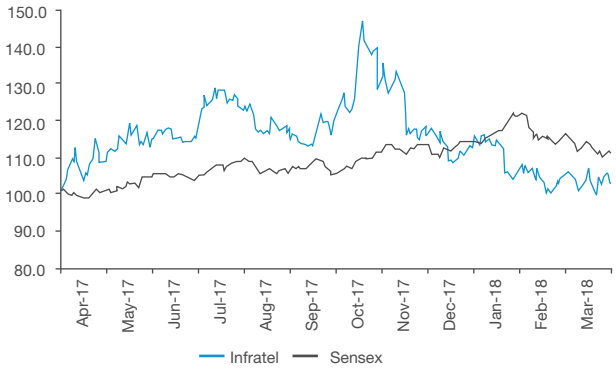
Stock Market Data

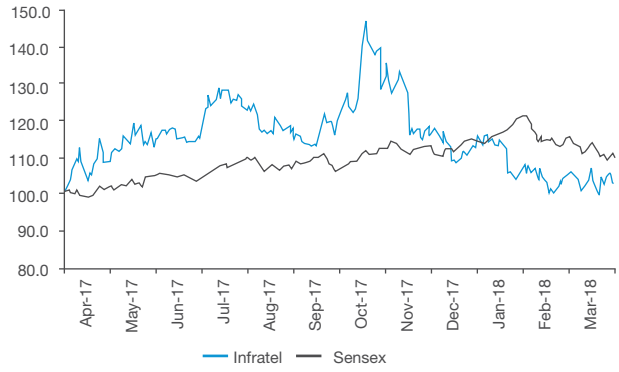
The monthly high & low during each month, in last financial year, is as below:

Month	BSE		NSE	
	High (in ₹)	Low (in ₹)	High (in ₹)	Low (in ₹)
Apr-17	378.00	318.65	377.50	318.75
May-17	396.20	350.00	396.50	349.30
Jun-17	389.00	369.15	389.85	368.80
Jul-17	439.00	374.75	425.00	374.45
Aug-17	408.45	368.45	408.90	367.05
Sep-17	411.00	364.25	411.70	363.65
Oct-17	481.90	397.80	482.80	397.55
Nov-17	447.40	370.80	452.00	373.10
Dec-17	388.00	347.60	388.45	347.10
Jan-18	384.00	338.00	383.45	337.85
Feb-18	353.90	322.75	354.10	322.55
Mar-18	351.70	320.85	352.20	320.05

Source: www.bseindia.com Source: www.nseindia.com

Share Price performance in comparison to broad based indices such as BSE Sensex and NSE NIFTY is as under:





Note: Base is considered to be 100 as at March 31, 2017

Suspension of Company's Securities

Company's securities are never suspended from trading since its listing.

Registrar and Share Transfer Agent (RTA)

Karvy Computershare Private Limited is the Company's Registrar and Transfer Agent for handling the work related to share registry, both in electronic and demat form.

Share Transfer System

Approximately 100% of the Company's equity shares are in electronic format. Transfer of shares in physical form is processed within 15 days from the date of receipt, provided the documents are complete in all respects. All transfers are first processed by the Transfer Agent and are submitted thereafter to the Company for approval. The Transfer Agent has been authorized to transfer minor shareholding up to 50 shares without the Company's involvement. Such transfer details are placed before the Stakeholders' Relationship Committee and the Board of Directors on quarterly basis.

Pursuant to the Listing Regulations, we obtain certificates from a practicing Company Secretary on a half-yearly basis to the effect that all the transfers are completed within the statutory stipulated period. A copy of the certificates so received is submitted to both Stock Exchanges, where the shares of the Company are listed.

Distribution of shareholding

By number of shares held as on March 31, 2018

S. No.	Category (by no. of shares)	No. of shareholders	% to holders	Number of shares	% of shares
1	1-5000	34,315	92.45	2,621,845	0.14
2	5001-10000	1,233	3.32	966,867	0.05
3	10001-20000	410	1.10	609,482	0.03
4	20001-30000	149	0.40	375,393	0.02
5	30001-40000	73	0.20	253,692	0.01
6	40001-50000	53	0.14	242,977	0.01
7	50001-100000	117	0.32	892,253	0.05
8	100001 and above	769	2.07	1,843,645,737	99.68
	Total	**37,119**	**100**	**1,849,608,246**	**100**

By number of shares held as on March 31, 2018

Sl. No.	Category	Number of Shares	%
I	Promoter and Promoter Group		
	(i) Indian	989,780,979	53.51
	(ii) Foreign	-	-
	Total Promoters shareholding	989,780,979	53.51
II	Public Shareholding		
	(A) Institutions		
	(i) Mutual Funds	28,779,616	1.56
	Foreign Portfolio Investors	794,626,052	42.96
	Financial Institutions/Banks	1,910,215	0.10
	Insurance Companies	11,481,645	0.62
	Total – Institutions	836,797,528	45.24
	Non-Institutions		
	Individual shareholders holding nominal share capital up to ₹2 lakhs	5,066,605	0.27
	Individual shareholders holding nominal share capital in excess of ₹2 Lakhs	2,880,468	0.16
	NBFCs Registered with RBI	2,751	0.00
	Trust	665,573	0.04
	Non Resident Indians	176,528	0.01
	Clearing Members	2,123,011	0.11
	Non Resident Indian Non Repatriable (NRN)	87,939	0.00
	Bodies Corporate	9,119,061	0.49
	Foreign Corporate Bodies	2,145,693	0.12
	Total - Non-Institutions	22,267,629	1.20
	Total - Public Shareholding	859,065,157	46.45
	Non Promoter-Non Public - Shares held by Employes Trusts	762,110	0.04
	Total	**1,849,608,246**	**100**

Dematerialization of Shares and Liquidity

The shares of the Company are compulsorily traded in dematerialised form and are available for trading with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders can hold the Company's shares with any of the depository participants, registered with these depositories. ISIN for the Company's shares is INE121J01017. As on March 31, 2018, 1849606743 representing approx. 100% of the total issued and paid up capital are in demat form with the depositories.

The Company's equity shares are frequently traded at the BSE Limited and the National Stock Exchange of India Limited.

Outstanding GDRs / ADRs / Warrants or any other Convertible instruments, conversion date and likely impact on equity

The Company does not have any outstanding GDRs / ADRs / Warrants or any other Convertible instruments as on date.

Commodity price risk or foreign exchange risk and hedging activities

The nature of the business of the Company is such that it does not involve any material risk on account of foreign exchange and commodity prices. Therefore, the Company has not undertaken any hedging activities during the year.

Plant Locations

Being a service provider company, Bharti Infratel Limited has no plant locations. The Company's Circle Office addresses are provided at the end of the Integrated Report.

Communication Addresses

	Contact	Email	Address
For Corporate Governance and Other Secretarial related matters	**Samridhi Rodhe** Company Secretary and Compliance Officer	compliance.officer@bharti-infratel.in	Correspondence Address Bharti Infratel Limited Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi 110 070 Telephone no. +91 11 46666100 Fax no. +91 11 41666137 Website: www.bharti-infratel.com
For queries relating to Financial Statements	**Surabhi Chandna** Chief Investor Relations Officer	ir@bharti-infratel.in	
For Corporate Communication related matters	**Raza Khan** Head – Group Corporate Communications	corporate.communications@bharti.in	
Registrar & Transfer Agent	Karvy Computershare Pvt. Ltd.	einward.ris@karvy.com	Karvy Selenium Tower B | Plot Number 31 & 32 | Financial District | Nanakramguda | Serilingampally Mandal | Hyderabad - 500032 | India P : +91 040 6716 1518 Fax No.: 040 23420814 Einward.ris@karvy.com Website: www.karvy.com Toll Free No. 1-800-3454001

Annexure - A

Declaration

I hereby confirm that Company has received from all members of the Board and Senior Management, for the financial year ended March 31, 2018, a confirmation that they are in compliance with the Company's Code of Conduct.

For Bharti Infratel Limited

D S Rawat
Managing Director & CEO

Date: April 23, 2018
Place: New Delhi

Annexure - B

Certification

We, D S Rawat, Managing Director & CEO and Pankaj Miglani, Chief Financial Officer of Bharti Infratel Limited, to the best of our knowledge and belief hereby certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of our knowledge and belief:

  (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit & Risk Management Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit & Risk Management Committee:

  (i) Significant changes in internal control over financial reporting during the year;

  (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: New Delhi
Date: April 23, 2018

D S Rawat
Managing Director & CEO

Pankaj Miglani
Chief Financial Officer

Consolidated Financial Statements

Independent Auditor's Report

TO THE MEMBERS OF
BHARTI INFRATEL LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Bharti Infratel Limited (hereinafter referred to as "the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), which includes Group's share of profit in its joint venture, comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Joint venture in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditor on separate financial statements of joint venture referred to below in the Other Matter paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter

The consolidated Ind AS financial statements also include the Group's share of net profit after tax of Rs. 3,287 million and Rs. 13,025 million and total comprehensive income of Rs. 3,293 million and Rs. 13,026 million for the quarter and year ended March 31, 2018, respectively, as considered in the consolidated Ind AS financial statements, in respect of Indus Tower Limited, the joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture is based solely on the report of the other auditor.

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and the other financial information of subsidiary and the joint venture company incorporated in India, referred in the Other Matter paragraph above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on March 31, 2018 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary company and joint venture company incorporated in India, none of the directors of the Group companies and joint venture company incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

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

opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

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

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture.

ii. The Group and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary company and joint venture company incorporated in India.

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

Hemant M. Joshi
(Partner)
(Membership No. 38019)

Place: New Delhi
Date: April 23, 2018

Annexure "A" to the Independent Auditor's Report

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Bharti Infratel Limited (hereinafter referred to as "the "Parent") and its subsidiary company and joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary company and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary company and its joint venture, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor referred to in the Other Matter paragraph below, the Parent, its subsidiary company and its joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

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

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

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

Hemant M. Joshi
(Partner)
(Membership No. 38019)

Place: New Delhi
Date: April 23, 2018

Consolidated Balance Sheet

as at March 31, 2018

(₹ millions)

Particulars	Note	As at March 31, 2018	As at March 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	6	55,845	57,811
Capital work-in-progress		1,103	585
Intangible asset	6	103	131
Investment in Joint Venture	7	55,419	55,509
Financial assets			
Investment	8	2,777	41,221
Other financial assets	9	1,246	1,163
Income tax assets		871	1,776
Deferred tax assets	10	542	-
Other non - current assets	11	2,770	2,456
		120,676	**160,652**
Current assets			
Financial assets			
Investment	8	65,073	14,990
Trade receivables	12	2,746	3,000
Cash and cash equivalents	13	308	22,498
Other bank balance	14	4	-
Other financial assets	9	5,436	4,741
Other current assets	15	2,553	3,530
		76,120	**48,759**
Total Assets		**196,796**	**209,411**
Equity and liabilities			
Equity			
Equity share capital	16	18,496	18,496
Other equity	17	151,148	136,497
Equity attributable to equity holders of the parent		**169,644**	**154,993**
Non-current liabilities			
Financial liabilities			
Other financial liabilities	18	2,523	2,373
Long term provisions	19	2,484	2,243
Deferred tax liabilities	10	2,356	2,434
Other non - current liabilities	20	1,630	1,633
		8,993	**8,683**
Current liabilities			
Financial liabilities			
Borrowings	21	-	2,785
Trade payables	22	10,996	11,214
Other financial liabilities	23	2,487	24,129
Other current liabilities	24	4,096	7,331
Provisions	19	143	134
Current tax liabilities		437	142
		18,159	**45,735**
Total liabilities		**27,152**	**54,418**
Total equity and liabilities		**196,796**	**209,411**

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W/ W-100018

Hemant M. Joshi
Partner
Membership No: 38019

Place: New Delhi
Date: April 23, 2018

For **and on behalf of the Board of Directors of Bharti Infratel Limited**

Akhil Gupta
Chairman

Pankaj Miglani
Chief Financial Officer

D S Rawat
Managing Director & CEO

Samridhi Rodhe
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

(₹ millions, except share data)

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	25	66,212	60,847
Other income	26	1,052	711
Total income		**67,264**	**61,558**
Expenses			
Power and fuel	27	22,817	21,143
Rent	28	3,518	3,184
Employee benefit expenses	29	2,916	2,746
Repairs and maintenance	30	4,062	4,084
Other expenses	31	1,034	1,165
Total expenses		**34,347**	**32,322**
Profit before depreciation and amortisation, finance costs, finance income, charity and donation, share of profit of joint venture, exceptional items and tax		**32,917**	**29,236**
Depreciation and amortisation expense	32	12,188	12,167
Less: adjusted with general reserve in accordance with the scheme of arrangement with Bharti Airtel Limited (refer note 44)	32	(387)	(510)
		11,801	**11,657**
Finance costs	33	465	394
Finance income	33	(2,170)	(6,936)
Charity and donation (refer note 50)		294	274
Profit before share of profit of joint venture, exceptional items and tax		**22,527**	**23,847**
Share of profit of joint venture		13,025	11,950
Profit before exceptional items and tax		**35,552**	**35,797**
Exceptional items	34	260	-
Profit before tax		**35,292**	**35,797**
Income tax expense :	10	**10,355**	**8,327**
Current tax		10,979	10,530
Deferred tax		(624)	(2,203)
Profit for the year		**24,937**	**27,470**
Other comprehensive income (OCI)			
Items that will not be re-classified to profit and loss			
Remeasurement of the gain/ (loss) of defined benefit plans(net of tax)		1	(6)
Share of profit/(loss) in OCI of joint venture		1	(9)
Items that will be re-classified to profit and loss			
Fair Value changes on financial assets through OCI (net of tax)		22	99
Other comprehensive income for the year (net of tax)		**24**	**84**
Total comprehensive income for the year (net of tax)		**24,961**	**27,554**
Earnings per share (nominal value of share ₹10 each)	35		
Basic		13.488	14.728
Diluted		13.487	14.727

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W/ W-100018

Hemant M. Joshi
Partner
Membership No: 38019

Place: New Delhi
Date: April 23, 2018

For **and on behalf of the Board of Directors of Bharti Infratel Limited**

Akhil Gupta
Chairman

Pankaj Miglani
Chief Financial Officer

D S Rawat
Managing Director & CEO

Samridhi Rodhe
Company Secretary

Consolidated Statement of Change in Equity

as at March 31, 2018

A. Equity share capital

Particulars	No's in thousands	Amount ₹ in Mn's
As at April 1, 2016		
Opening balance	**1,896,667**	**18,967**
Shares extinguished pursuant to Buy-back	(47,059)	(471)
As at March 31, 2017	**1,849,608**	**18,496**
As at April 1, 2017	**1,849,608**	**18,496**
As at March 31, 2018	**1,849,608**	**18,496**

B. Other equity

(₹ millions)

Particulars	Reserves and Surplus						Other comprehensive income	Total equity
	Securities Premium	Treasury shares	Share based payment reserves	Capital redemption reserve	General reserve	Retained earnings		
As at April 1, 2016	**68,366**	**(559)**	**123**	**-**	**75,981**	**19,561**	**(18)**	**163,454**
Profit for the year	-	-	-	-	-	27,470	-	27,470
Other comprehensive income	-	-	-	-	-	-	84	84
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**27,470**	**84**	**27,554**
Options exercised/forfeited during the year	-		(103)	-	5	-	-	(98)
Utilisation for premium on buyback (refer note 48)	(19,528)	-	-	-	-	-	-	(19,528)
Utilisation for buyback expenses (net of tax)	-	-	-	-	(31)	-	-	(31)
Shares issued to employees on exercise of ESOP & Buyback of shares	-	235	-	-	-	-	-	235
Transfer to capital redemption reserve pursuant to buyback (refer note 48)	-	-	-	471	(471)	-	-	-
Amount transferred to Stock option outstanding during the vesting period (refer note 37)	-	-	31	-	-	-	-	31
Amount transferred from stock options outstanding & premium on exercise of ESOP's* (refer note 37)	-	-	-	-	(63)	-	-	(63)
Amount transferred to statement of profit and loss during the year in accordance with the scheme of arrangement with bharti airtel limited (refer note 44)	-	-	-	-	(515)	-	-	(515)
Amount adjusted during the year in accordance with the indus scheme	-	-	-	-	-	(1,163)	-	(1,163)
Final dividend on equity shares (refer note 16)	-	-	-	-	-	(5,545)	-	(5,545)
Tax on final dividend on equity shares	-	-	-	-	(1,130)	-	-	(1,130)
Interim dividend on equity shares (refer note 23)	-	-	-	-	-	(22,185)	-	(22,185)
Tax on interim dividend on equity shares	-	-	-	-	(4,519)	-	-	(4,519)
As at March 31, 2017	**48,838**	**(324)**	**51**	**471**	**69,257**	**18,138**	**66**	**136,497**

Consolidated Statement of Change in Equity

as at March 31, 2018

B. Other equity (Contd..)

(₹ millions)

Particulars	Reserves and Surplus						Other comprehensive income	Total equity
	Securities Premium	Treasury shares	Share based payment reserves	Capital redemption reserve	General reserve	Retained earnings		
As at April 1, 2017	**48,838**	**(324)**	**51**	**471**	**69,257**	**18,138**	**66**	**136,497**
Profit for the year	-	-	-	-	-	24,937	-	24,937
Other comprehensive income	-	-	-	-	-	-	24	24
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**24,937**	**24**	**24,961**
Gross compensation for options forfeited/excercised during the year	-	-	(24)	-	-	-	-	(24)
Shares issued to employees on exercise of ESOP & Buyback of shares	-	35	-	-	-	-	-	35
Amount transferred to Stock option outstanding during the vesting period (refer note 37)	-	-	49	-	-	-	-	49
Premium on exercise of ESOP's* (refer note 37)	-	-	-	-	(7)	-	-	(7)
Amount transferred to statement of profit and loss during the year in accordance with the scheme of arrangement with bharti airtel limited (refer note 44)	-	-	-	-	(393)	-	-	(393)
Final dividend on equity shares (refer note 16)	-	-	-	-	-	(7,398)	-	(7,398)
Tax on final dividend on equity shares	-	-	-	-	(1,506)	-	-	(1,506)
Amount adjusted during the year in accordance with the Indus scheme	-	-	-	-	-	(1,066)	-	(1,066)
As at March 31, 2018	**48,838**	**(289)**	**76**	**471**	**67,351**	**34,611**	**90**	**151,148**

* Represents the cost of purchase price in excess of fair value of grant recognised w.r.t shares vested during this year (net of forfeiture).

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W/ W-100018

Hemant M. Joshi
Partner
Membership No: 38019

Place: New Delhi
Date: April 23, 2018

For **and on behalf of the Board of Directors of Bharti Infratel Limited**

Akhil Gupta
Chairman

Pankaj Miglani
Chief Financial Officer

D S Rawat
Managing Director & CEO

Samridhi Rodhe
Company Secretary

Consolidated Statement of Cash Flows

for the year ended March 31, 2018

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Cash flows from operating activities		
Profit before taxation	**35,292**	**35,797**
Adjustments for -		
Depreciation and amortization expense	11,801	11,657
Finance income	(2,172)	(6,936)
Finance costs	450	365
Dividend income	10,010	9,510
Share of profits in joint venture	(13,025)	(11,950)
Gain/loss on disposal of property, plant & equipment	(626)	(581)
Provision for doubtful trade receivables	(87)	36
Exceptional Item	260	-
Others	(249)	(258)
Operating profit before changes in assets and liabilities	**41,654**	**37,640**
Changes in trade receivables	82	(325)
Changes in trade payables	(167)	1,047
Changes in other current liabilities	1,284	1,037
Changes in other non current assets	6	(144)
Changes in other long term financial liabilities	(111)	124
Changes in long term provisions	22	(118)
Changes in short term provisions	9	17
Changes in other financial assets	(1,162)	(1,784)
Changes in other long term financial assets	(78)	58
Changes in other financial liabilities	14	(362)
Changes in other non current liabilities	243	87
Changes in other current assets	984	(654)
Cash generated from operations	**42,780**	**36,623**
Income tax paid (net of refunds)	(8,086)	(7,961)
Net cash flow from operating activities (A)	**34,694**	**28,662**
Cash flows from investing activities		
Purchase of property, plant & equipment	(10,724)	(10,088)
Proceeds from sale of property, plant & equipment	1,236	1,028
Investment in Bonds	(1,012)	-
Investment in Commercial paper	(234)	-
Investment in Non convertible debenture	(1,000)	-
Purchase of commercial paper	-	(475)

Consolidated Statement of Cash Flows

for the year ended March 31, 2018

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Investment in certificate of deposit	-	(3,946)
Investment in Mutual Funds	(73,602)	(124,613)
Proceeds from Fixed Deposit	(4)	11,462
Proceeds from sale of Mutual Funds	23,256	-
Proceeds from government securities	37,581	15,430
Proceeds from sale of investments	-	168,999
Proceeds from sale of Certificate of deposits	1,482	5,394
Proceeds from sale of Commercial paper	498	-
Proceeds from sale of bonds	-	1,217
Proceeds from exercise of stock options	6	62
Purchase of government securities	-	(68,501)
Interest received	3,966	1,659
Net cash flow from /(used in) investing activities (B)	**(18,551)**	**(2,372)**
Cash flows from financing activities		
Interest - others	(17)	
Proceeds from borrowings	3,250	-
Repayment of borrowings	(3,250)	-
Buyback of shares	-	(20,031)
Interest income on Loan	73	-
Dividend paid	(29,579)	(5,549)
Tax on dividend paid	(6,025)	(1,130)
Net cash flow (used in) financing activities (C)	**(35,548)**	**(26,710)**
Net increase in cash and cash equivalents during the year (A+B+C)	**(19,405)**	**(420)**
Cash and cash equivalents at the beginning of the year	19,713	20,133
Cash and cash equivalents at the end of the year (refer note 13)	**308**	**19,713**

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W/ W-100018

Hemant M. Joshi
Partner
Membership No: 38019

Place: New Delhi
Date: April 23, 2018

For **and on behalf of the Board of Directors of Bharti Infratel Limited**

Akhil Gupta
Chairman

D S Rawat
Managing Director & CEO

Pankaj Miglani
Chief Financial Officer

Samridhi Rodhe
Company Secretary

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

1. Corporate information

Bharti Infratel Limited ('the Company' or 'BIL') was incorporated on November 30, 2006 with the object of, inter-alia, setting up, operating and maintaining wireless communication towers. The Company received the certificate of commencement of business on April 10, 2007 from the Registrar of Companies. The Registered office of the Company was situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070. The Registered office of the Company has been shifted to 901, Park Centra, Sector 30 NH-8, Gurugram, Haryana – 122001 w.e.f April 17, 2018.

Bharti Infratel Limited together with its wholly owned subsidiary, controlled trust and joint venture is hereinafter referred to as "the Group".

Bharti Infratel Limited is a subsidiary of Bharti Airtel Limited ('BAL') and BAL holds 50.33% shares in the Company. Nettle Infrastructure Investments Limited, Wholly owned Subsidiary of BAL also holds 3.18% shares in the Company as on March 31, 2018.

The Company is publicly traded on National Stock Exchange of India (NSE) and BSE Limited.

The Company had entered into a joint venture agreement with Vodafone India Limited and Aditya Birla Telecom Limited to provide passive infrastructure services in 15 Telecom circles of India and formed Indus Towers Limited for such purpose which is a Company incorporated in India. The Company and Vodafone India Limited are holding 42% each in Indus Towers Limited, 11.15% is held by Aditya Birla Telecom Limited.

A wholly owned subsidiary, Smartx Services Limited, was incorporated on September 21, 2015 with the object of transmission through Optic Fiber Cables and setting up Wi-Fi hotspots for providing services to telecom operators and others on sharing basis.

The Company incorporated a Trust named Bharti Infratel Employees' Welfare Trust on January 07, 2015 with the object of acquiring shares through secondary acquisitions, hold them in trust for employees eligible to receive shares, and transfer such shares in accordance with ESOP Schemes.

The consolidated financial statements are approved for issuance by the Company's Board of Directors on April 23, 2018.

2. Basis of preparation

a. Statement of compliance

These Consolidated financial statements ("financial statements") have been prepared to comply in all material aspects with the Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017 issued by the Ministry of Corporate Affairs ('MCA').

The financial statements have been prepared under historical cost convention on accrual and going concern basis, except for the certain financial instruments which have been measured at fair value as required by relevant Ind ASs.

Effective April 1, 2016, the Group has adopted Indian Accounting Standards (Ind AS) and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian GAAP as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Amounts for the year ended and as at March 31, 2017 were audited by previous auditors – S.R. Batliboi & Associates LLP.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

b. Basis of Consolidation

The Consolidated financial statements comprises the financial statements of the Group, its subsidiary, joint venture and its directly controlled entity which are as follows:-

Entity	Country of Incorporation	Principal Service	Relationship	Shareholding as at March 31,2018	Shareholding as at March 31,2017
Indus Towers Limited*	India	Passive Infrastructure Services	Joint Venture	42%	42%
Smartx Services Limited*	India	Optical Fibre Service	Subsidiary	100%	100%

Details of Controlled Trust

Name of Trust	Country of Incorporation
Bharti Infratel Employee Welfare Trust*	India

*Refer note 1

Accounting for Subsidiary:

A subsidiary is an entity controlled by the Group. Control exists when the parent has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Subsidiary is fully consolidated from the date on which Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies and accounting period in line with those used by the Group. All intra-group transactions, balances, income and expenses and cash flows are eliminated on consolidation.

The Group consolidates its directly controlled trust on the line by line consolidation basis and according to principles of Ind AS 110, Consolidated Financial Statements.

Interest in Joint Venture

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

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, investments in joint venture are carried in the consolidated Balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture, less any impairment in the value of the investments. Additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the joint venture.

The joint venture is accounted for from the date on which Group obtains joint control over joint venture for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or '₹') and are rounded to the nearest million (Mn) except per share data and unless stated otherwise.

3. Significant accounting policies

a. Property, Plant and Equipment

Property, plant and equipment including Capital work in progress is stated at cost, except assets acquired under Schemes of Arrangement, which are stated at fair values as per the Schemes, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the Property, plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognizes such parts as separate component of assets with specific useful lives and provides depreciation over their useful life. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance costs are recognised in the Consolidated Statement of Profit and Loss as incurred.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer note 4 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is derecognised.

Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives. Estimated useful lives of the assets are as follows:

	Useful lives
Office Equipment	2 years / 5 years
Computer	3 years
Vehicles	5 years
Furniture and Fixtures	5 years
Plant & Machinery	3 to 20 Years
Leasehold Improvement	Period of Lease or useful life whichever is less

The existing useful lives of tangible assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Group believes that this is the best estimate on the basis of technical evaluation and actual usage period.

The existing realizable values of tangible assets are different from 5% as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Group believes that this is the best estimate on the basis of actual realization.

The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for impairment, and adjusted prospectively.

On transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment (including assets acquired under Schemes of Arrangement) except with an adjustment in decommissioning cost recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the cost of the property, plant and equipment.

b. Intangible Assets

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

At initial recognition, the separately acquired intangible assets are recognised at cost. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the Consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Software is capitalized at the amounts paid to acquire the respective license for use and is amortised over the period of license, generally not exceeding three years. Acquired telecom license is initially recognised at cost and subsequently measured at cost less accumulated amortisation and impairment losses, if any. Amortisation is recognised over the unexpired period of license.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss within other income when the asset is derecognised.

c. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses, if any, are recognized in Consolidated Statement of Profit and Loss as a component of depreciation and amortisation expense.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited to the extent the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the Consolidated Statement of Profit and Loss when the asset is carried at the revalued amount, in which case the reverse is treated as a revaluation increase.

d. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

e. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of an arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Consolidated Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group policy on the borrowing costs.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term and escalation in the contract, which are structured to compensate expected general inflationary increase are not straight lined. Contingent rents are recognized as expense in the period in Consolidated Statement of Profit and Loss in which they are incurred.

Group as a Lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Groups net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases where the Group does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Lease rentals under operating leases are recognized as income on a straight-line basis over the lease term and escalation in the contract, which are structured to compensate expected general inflationary increase are not straight lined. Contingent rents are recognized as revenue in the period in which they are earned.

f. Share-based payments

The Group issues equity-settled and cash-settled share-based options to certain employees. These are measured at fair value on the date of grant.

The fair value determined at the grant date of the equity-settled share-based options is expensed over the vesting period, based on the Group's estimate of the shares that will eventually vest.

The fair value determined on the grant date of the cash settled share based options is expensed over the vesting period, based on the Group's estimate of the shares that will eventually vest. At the end of the each reporting period, until the liability is settled, and at the date of settlement, the fair value of the liability is recognized, with any changes in fair value pertaining to the vested period recognized immediately in Consolidated Statement of Profit and Loss.

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At the vesting date, the Group's estimate of the shares expected to vest is revised to equal the number of equity shares that ultimately vest.

Fair value is measured using Black-Scholes framework and is recognized as an expense, together with a corresponding increase in equity/ liability as appropriate, over the period in which the options vest using the graded vesting method. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations. The expected volatility and forfeiture assumptions are based on historical information.

Where the terms of a share-based payments are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it is vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options if any is reflected as additional share dilution in the computation of diluted earnings per share.

g. Cash and Cash equivalents

Cash and cash equivalents in the consolidated balance sheet comprises cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Groups cash management are included as a component of cash and cash equivalents for the purpose of the consolidated Statement of Cash Flows.

h. Treasury shares

The Group has formed Bharti Infratel Employee Welfare Trust, for administration of ESOP Schemes of the Group. The Trust bought shares of the Group from the market, for giving shares to employees. The Group treats Trust as its extension and shares held by Trust are treated as treasury shares.

Own equity instruments ("treasury shares") which are reacquired through Bharti Infratel Employees Welfare Trust are recognized at cost and deducted from equity. No gain or loss is recognized in the Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in the share based payment reserves. Share options exercised during the reporting period are satisfied with treasury shares.

i. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through Profit or Loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

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Debt Instruments at Amortised Cost

The category applies to the Group's trade receivables, unbilled revenue, security deposits, etc.

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The accretion of EIR is recorded as a finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss.

Debt instrument at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent solely payment of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals in the Consolidated Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Consolidated Statement of Profit and Loss.

Interest earned whilst holding FVTOCI debt instrument is reported as interest income.

The Group has classified Investment in tax free bonds, commercial paper, certificate of deposits within this category.

Debt instrument at fair value through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or at FVTOCI, is classified at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated Statement of Profit and Loss. This category applies to the Group investment in government securities, mutual funds, taxable bonds and non convertible debentures.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as FVTPL.

Equity investments

All equity investments in scope of Ind AS 109, Financial instruments are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination, if any to which Ind AS 103, Business combinations applies are classified as at fair value through Profit or loss. Further, there are no such equity investments measured at Fair value through profit or loss or fair value through other comprehensive income in the Group.

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or

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- The Group has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets

In accordance with Ind AS 109, Financial instruments the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Financial assets that are debt instruments and are initially measured at fair value with subsequent measurement at amortised cost e.g Trade receivables, unbilled revenue etc.

The Group follows 'simplified approach' for recognition of impairment loss allowance for trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade payables, security deposits, etc.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through Profit and Loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109, Financial instruments are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in Other Comprehensive Income. These gains/ loss are not subsequently transferred to Consolidated Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Consolidated Statement of Profit and Loss.

Financial Liabilities at Amortised Cost

This Category includes Security deposit received, trade payables etc. After initial recognition, such liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation

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process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

Reclassification of Financial Assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

j. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received/ receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group assesses its revenue arrangements against specific criteria, i.e., whether it has exposure to the significant risks and rewards associated with the rendering of services, in order to determine if it is acting as principal or as an agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

Service revenue

Service revenue includes rental revenue for use of sites and energy revenue for the provision of energy for operation sites. Rental revenue and energy revenue is recognized as and when services are rendered on a monthly basis as per the contractual terms under agreements entered with customer.

The Group has ascertained that the lease payment received are structured to increase in line with expected inflationary increase in cost and therefore not straight-lined.

Unbilled revenue represents revenues recognized after the last invoice raised to customer to the period end. These are billed in subsequent periods based on the rates specified in the master service agreement with the operators. The Group collects GST on behalf of the government and therefore, it is not an economic benefit flowing to the Group, hence it is excluded from revenue.

Dividend income

Dividend income is recognised in Consolidated Statement of Profit and Loss on the date that the Group's right to receive payment is established.

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k. Finance income

Finance income comprises interest income on funds invested and changes in the fair value of financial assets at fair value through profit or loss, and that are recognised in Consolidated Statement of Profit and Loss. Interest income is recognised as it accrues in Consolidated Statement of Profit and Loss, using the effective interest rate (EIR) which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

l. Taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.

Current tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Group's income tax obligation for the period are recognised in the balance sheet as current income tax assets / liabilities. Any interest, related to accrued liabilities for potential tax assessments are not included in Income tax charge or (credit), but are rather recognised within finance costs. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax is not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Further, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

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

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Group currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relates to income tax levied by the same taxation authority.

m. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

n. Dividend Payments

Provision for dividend is recognized, when it is approved by the shareholders and the distribution is no longer at the discretion of the Group. However, Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

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o. Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

p. Retirement and other employee benefits

Short term employee benefits are recognised in the period during which the services have been rendered.

The Group post-employment benefits include defined benefit plan and defined contribution plans. The Group also provides other benefits in the form of deferred compensation and compensated absences.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts. The Group contributions to defined contribution plans are recognized in Consolidated Statement of Profit and Loss when the services have been rendered. The Group has no further obligations under these plans beyond its periodic contributions.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under the defined benefit retirement plan, the Group provides retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to eligible employees at retirement or termination of employment based on respective employee salary and years of experience with the Group.

The cost of providing benefits under this plan is determined on the basis of actuarial valuation carried out quarterly as at the reporting date by an independent qualified actuary using the projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income forming part of Consolidated Statement of Profit and Loss.

The obligation towards the said benefit is recognised in the consolidated balance sheet as the difference between the fair value of the plan assets and the present value of the plan liabilities. Scheme liabilities are calculated using the projected unit credit method and applying the principal actuarial assumptions as at the date of consolidated Balance Sheet. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies.

All expenses excluding remeasurements of the net defined benefit liability (asset), in respect of defined benefit plans are recognized in the profit or loss as incurred. Remeasurements, comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)), are recognized immediately in the consolidated Balance Sheet with a corresponding debit or credit through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The Group provides other benefits in the form of compensated absences and long term service awards. The employees of the Group are entitled to compensated absences based on the unavailed leave balance. The Group records liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave encashment liability as a current liability in the balance sheet, since the Group does not have an unconditional right to defer its settlement for more than 12 months after the reporting date.

Under the long term service award plan, a lump sum payment is made to an employee on completion of specified years of service. The Group records the liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the Consolidated Statement of Profit and Loss and are not deferred.

The amount charged to the Consolidated Statement of Profit and Loss in respect of these plans is included within operating costs.

q. Provision

(i) General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic

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benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e., unwinding of discount) is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

(ii) Contingent Assets/ Liabilities

Contingent assets are not recognised. However, when realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Contingent liabilities are disclosed in notes to accounts when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(iii) Asset Retirement Obligations

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Group has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease.

Asset retirement obligation are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the site restoration obligation. The unwinding of the discount is expensed as incurred and recognized in the Consolidated Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

r. Earnings per share (EPS)

The Group Basic Earnings per share is determined based on the net profit attributable to the shareholders of the parent. Basic Earnings Per Share is computed using the weighted average number of Equity shares outstanding during the period excluding shares purchased by the Group and held as treasury shares.

Diluted EPS is computed using the weighted average common and dilutive common equivalents shares outstanding during the period including shares options except where the result would be anti-dilutive.

s. Fair Value Measurement

The Group measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value measurements. Other fair value related disclosures are given in the relevant notes.

t. Foreign Currency

Functional and presentation currency

The Group financial statements are presented in INR, which is also the Group's functional currency. Presentation currency is the currency in which the financial statement of the group is presented. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. All the financial information presented in Indian Rupees (INR) has been rounded to the nearest of million rupees, except where otherwise stated.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in Consolidated Statement of Profit and Loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Group financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Operating lease commitments – Group as lessor

The Group has assessed that its master service agreement ("MSA") with operators contains lease of its tower sites and plant and equipment and has

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determined, based on evaluation of the terms and conditions of the arrangements such as various lessees sharing the same tower sites with specific area, the fair value of the asset and all the significant risks and rewards of ownership of these properties retained by the Group, that such contracts are in the nature of operating lease and has accounted for as such.

The Group has ascertained that the annual escalations in the lease payment received under the MSA are structured to compensate the expected inflationary increase in cost and therefore has not been straight-lined.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(b) Impairment of non-financial assets

The carrying amounts of the Group non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are Grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Groups of assets ('CGU').

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized, if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount and are recognised in Consolidated Statement of Profit and Loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of goodwill, if any, allocated to the units and then to reduce the carrying amounts of the other assets in the unit (Group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversal is recognized in the statement of profit and loss except when the asset is carried at revalued amount, the reversal is treated as a revaluation reserve

(c) Property, plant and equipment

Refer Note 3(a) for the estimated useful life of Property, plant and equipment.

Property, plant and equipment also represent a significant proportion of the asset base of the Group. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Consolidated Statement of Profit and Loss.

The useful lives and residual values of Group assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life, such as changes in technology.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

During the Financial Year 2014-15, the Group had re-assessed the useful life and residual value of all its assets, accordingly, effective April 1, 2014, it has revised the useful life of certain class of shelters from 15 years to 10 years and revised the residual value of certain plant and machineries (batteries and DG sets) from Nil and 5% to 25% and 10%, respectively. Set out below is the impact of above change on future period depreciation:

Particulars	Year ending March 31, 2019	After March 31, 2019
Decrease in Depreciation	592	1,886

(d) Allowance of doubtful trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous Groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

(e) Asset Retirement obligation

The Group uses various leased premises to install its tower assets. A provision is recognised for the cost to be incurred for the restoration of these premises at the end of the lease period, which is estimated based on actual quotes, which are reasonable and appropriate under these circumstances. It is expected that these provisions will be utilised at the end of the lease period of the respective sites as per respective lease agreements

(f) Share based payment

The Group initially measures the cost of cash-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the Profit and Loss. This requires a reassessment of the estimates used at the end of each reporting period.

5. Recent accounting pronouncements issued but not yet effective upto the date of issuance of financial statement

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, 'Revenue from Contracts with Customers' (a new revenue standard) and Appendix B to Ind AS 21, 'Foreign Currency Transactions and Advance Consideration'. These amendments are applicable to the group from April 1, 2018.

Ind AS 115, Revenue from Contracts with Customers

This standard requires an entity to recognise revenue on the basis of 5 step model given in the standard. The Standard focuses on identification of various performance obligations on the basis of promised goods and services to the customers as per contract, allocation of contract price on the various performance obligations and recognition of revenue when entity satisfies the performance obligation. The Standard Scopes out lease agreements from its scope.

There is no impact on transition of Ind AS 115 (new standard) from Ind AS 18 (old standard) on Revenue.

Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

There is no impact on the group due to notification of this Appendix.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

6. Property, plant and equipment and Intangible asset

(₹ millions)

Particulars	Land	Plant and equipment	Office furniture and equipment	Vehicles	Computers	Leasehold improvements	Total Tangible assets	Computer software	License fee	Total Intangible assets
Cost										
As at April 1, 2016	**2**	**127,531**	**196**	**9**	**731**	**277**	**128,746**	**412**	**-**	**412**
Additions	-	9,557	28	-	154	60	9,799	96	28	124
Disposals/adjustment	-	(3,165)	(6)	-	(2)	(15)	(3,188)	(3)	-	(3)
As at March 31, 2017	**2**	**133,923**	**218**	**9**	**883**	**322**	**135,357**	**505**	**28**	**533**
Additions	-	10,755	13	-	37	19	10,824	20	-	20
Disposals/Adjustment	-	(4,063)	(4)	(2)	-	-	(4,069)	-	-	-
As at March 31, 2018	**2**	**140,615**	**227**	**7**	**920**	**341**	**142,112**	**525**	**28**	**553**
Accumulated Depreciation/ Amortization										
As at April 1, 2016	**-**	**67,151**	**142**	**5**	**683**	**203**	**68,184**	**341**	**-**	**341**
Charge for the year	-	11,954	51	1	59	41	12,106	61		61
Disposals	-	(2,722)	(6)	-	(1)	(15)	(2,744)	-	-	-
As at March 31, 2017	**-**	**76,383**	**187**	**6**	**741**	**229**	**77,546**	**402**	**-**	**402**
Charge for the year	-	12,023	17	-	78	22	12,140	46	2	48
Disposals	-	(3,413)	(4)	(2)	-	-	(3,419)	-	-	-
As at March 31, 2018	**-**	**84,993**	**200**	**4**	**819**	**251**	**86,267**	**448**	**2**	**450**
Net block										
As at March 31, 2017	**2**	**57,540**	**31**	**3**	**142**	**93**	**57,811**	**103**	**28**	**131**
As at March 31, 2018	**2**	**55,622**	**27**	**3**	**101**	**90**	**55,845**	**77**	**26**	**103**

(i) "Plant and equipment" comprise of assets given on operating lease. For details, refer note 38(b).

(ii) Depreciation charge for the year includes ₹671 Mn (FY 2016-17 - ₹804 Mn) being the amount provided for asset obsolescence/impairment with respect to assets not in active use.

(iii) Disposal/adjustment includes cost and accumulated depreciation for assets sold and the assets for which insurance claims are made by the Group.

(iv) Net book value of computers of ₹68 Mn (March 31, 2017: ₹108 Mn) are under finance lease.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

7. Investment in joint venture

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Unquoted at cost		
Indus Towers Limited: 500,504 shares (March 31, 2017- 500,504) equity shares of ₹1 each fully paid	55,419	55,509
	55,419	**55,509**

8. Investment

a) Non-current investments

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Investment carried at fair value through profit and loss		
Mutual funds (quoted)	334	306
Government securities (quoted)	290	38,784
Investment carried at fair value through other comprehensive income		
Bonds (quoted)	2,153	2,131
	2,777	**41,221**

b) Current investments

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Investment carried at fair value through profit and loss		
Mutual funds (quoted)	51,038	-
Bonds (quoted)	1,001	-
Non convertible debenture (quoted)	997	-
Government securities (quoted)	11,798	13,088
Investment carried at fair value through other comprehensive income		
Certificate of deposit (quoted)	-	1,425
Commercial paper (quoted)	239	477
	65,073	**14,990**
Aggregate value of quoted Investment (cost)	67,580	56,851
Aggregate market value of quoted Investment	67,850	56,211

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Non-current investments

Details of investments in mutual funds are provided below:

(₹ millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
BOI AXA Corporate Credit Spectrum Fund - Regular Plan	25,000,000	334	25,000,000	306
	25,000,000	**334**	**25,000,000**	**306**

Details of investments in government securities are provided below:

(₹ millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
6.97% Govt Stock 2026	3,000,000	290	52,000,000	5,300
7.59% Govt Stock 2026	-	-	319,500,000	33,484
	3,000,000	**290**	**371,500,000**	**38,784**

Details of investments in bonds are provided below:

(₹ millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
National Highway Authority of India	500	540	500	526
NTPC Limited	300	320	300	320
Housing and Urban Development Corporation Limited	200,000	227	200,000	228
Indian Railway Finance Corporation Limited	1,000	1,066	1,000	1,057
	201,800	**2,153**	**201,800**	**2,131**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Current investments

Details of investments in mutual funds are provided below:

(₹ millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
L& T Liquid - Growth	1,323,618	3,145	-	-
UTI - Liquid Cash Plan - Institutional Growth	141,432	401	-	-
JM High Liquidity Fund - Growth Option	10,679,744	506	-	-
Axis Liquid Fund - Growth	2,702,957	5,192	-	-
Birla Sun Life Floating Rate Fund Short Term Plan-Growth-Regular Plan	5,213,799	1,205	-	-
Tata Liquid Fund Regular Plan- Growth	65,041	208	-	-
ICICI Prudential Liquid Plan- Growth	16,090,248	4,125	-	-
Baroda Pioneer Liquid Fund - Plan A - Growth	1,722,777	3,427	-	-
Birla Sun Life Cash Plus - Regular - Growth	15,314,618	4,261	-	-
DSP Blackrock Liquidity Fund - IP - Growth	943,747	2,335	-	-
Kotak Liquid Scheme Plan A - Growth	104,454	367	-	-
Reliance Liquid Fund - Treasury Plan - Growth	458,135	1,934	-	-
SBI Magnum Insta Cash - Growth	262,794	1,006	-	-
UTI Money Market Fund -Institutional Plan - Growth	2,028,686	3,935	-	-
Invesco India Liquid Fund - Growth	1,522,476	3,629	-	-
IDFC Cash Fund - Regular - Growth	1,028,673	2,164	-	-
Reliance Quarterly Interval Fund - Series II - Growth Plan	42,323,385	1,010	-	-
Tata Money Market Fund Regular Plan-Growth	992,823	2,707	-	-
DHFL Pramerica Insta Cash Plus Fund - Growth	14,494,770	3,261	-	-
Reliance Fixed Horizon Fund	60,000,000	605	-	-
HDFC Liquid Fund-Regular Plan-Growth	14,831	51	-	-
ICICI Prudential Fixed Maturity Plan	60,000,000	604	-	-
Kotak Floater Short Term- Growth (Regular Plan)	1,743,940	4,960	-	-
	239,172,948	**51,038**	**-**	**-**

Details of investments in bonds are provided below:

(₹ millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
8.57% HDFC 2018	2,000	1,001	-	-
	2,000	**1,001**	**-**	**-**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Details of investments in non-convertible debentures are provided below:

(₹ millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
Indiabulls Housing Limited	1,000	997	-	-
	1,000	**997**	**-**	**-**

Details of investments in government securities are provided below:

(₹ millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
7.68% Govt Stock 2023	98,000,000	9,947	100,000,000	10,416
8.27% Govt Stock 2020	18,000,000	1,851	25,500,000	2,672
	116,000,000	**11,798**	**125,500,000**	**13,088**

Details of investments in certificate of deposit are provided below:

(₹ millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
AXIS Bank Limited	-	-	5,000	474
Yes Bank Limited	-	-	10,000	951
	-	**-**	**15,000**	**1,425**

Details of investments in commercial paper are provided below:

(₹ millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
Bajaj Finance Limited	1,000	239	-	-
Housing Development Finance Corporation Ltd	-	-	1,000	477
	1,000	**239**	**1,000**	**477**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

9. Other financial assets

a) Non current

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Security deposits	1,231	1,148
Unsecured, considered good	288	257
Unsecured, considered doubtful	(288)	(257)
Less: Provision for doubtful deposit	**1,231**	**1,148**
	15	15
Fixed deposits for more than one year	**1,246**	**1,163**

Security Deposit includes ₹3 Mn (March 31, 2017 – ₹3 Mn) given to related parties. For details, refer note 43.

b) Current

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Unbilled revenue	4,857	3,740
Security Deposit	1	1
Claims Recoverable	81	52
Less: Provision	(23)	(29)
Claims Recoverable (Net)	58	23
Interest accrued on investments	520	977
	5,436	**4,741**

"Unbilled revenue" includes amount pertaining to related parties amounting to ₹2,880 Mn as at March 31, 2018 (March 31, 2017 - ₹2,224 Mn). For detail,refer note 43.

10. Taxes

a) Income tax expense

The major components of income tax expense are:

i) Profit and loss

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current tax	10,979	10,530
Deferred tax	(624)	(2,203)
Income tax expense :	**10,355**	**8,327**

The Company has adjusted DDT of ₹2,038 Mn (Previous year - ₹1,936 Mn) on dividend distributed by Joint venture company in quarter ended June 30, 2017 and accordingly recognized current tax expense and deferred tax credit with same amount.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

ii) Other Comprehensive Income

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Deferred tax on re-measurements of defined benefits plan*	-	3
Fair Value changes of Financial Assets at FVTOCI	(3)	(10)
Income tax charged to OCI	**(3)**	**(7)**

*Amount for the current year is less than ₹1 Mn

b) Reconciliation of effective tax rate:

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit before taxes	35,292	35,797
Enacted tax rate in India	34.61%	34.61%
Computed tax expense	**12,214**	**12,388**
Increase/(reduction) in taxes on account of:		
Share of (profits)/losses in joint ventures	(4,508)	(4,136)
Tax on undistributed earnings of joint venture	2,222	2,020
Tax effect of long-term MTM loss/(gain) on non-current investment	(62)	101
Tax effect of long term capital loss/(gain) on sale of non current investment	513	(2,070)
Tax effect on exempted income under Indian tax act	(50)	-
Others	26	24
Income tax expense recorded in the consolidated statement of profit & loss	**10,355**	**8,327**

The applicable Indian statutory tax rate for financial year 2017-18 and 2016-17 is 34.61%.

c) Deferred tax assets/ (liabilities)

The components that gave rise to deferred tax assets and liabilities are as follows:

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax liabilities in relation to:		
Property, plant and equipment and intangible asset (excluding ARO)	788	1,432
Investment carried at Fair value through profit or loss/ OCI	210	39
Security deposit received measured at amortised cost	110	114
Gain on disposal of subsidiary	116	115
Total deferred Tax liabilities	**1,224**	**1,700**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Tax Assets in relation to:		
Asset retirement obligation	626	530
Investment carried at Fair value through profit or loss/ OCI	60	136
Security deposit paid measured at amortised cost	57	46
Provision for doubtful debts and advance	469	436
Provision for employee benefits	99	94
Employee Stock option plans	120	119
Short term capital loss carried forward	28	-
Long term capital loss carried forward	259	-
Others	48	77
Total deferred tax assets	**1,766**	**1,438**
Deferred tax (asset)/liabilities	**(542)**	**262**
DDT on undistributed profit of joint venture	2,356	2,172
Net deferred tax liabilities	**1,814**	**2,434**

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

The Group recognises dividend distribution tax (DDT) on undistributed profits of the Joint venture as deferred tax liability (DTL). DTL relating to dividend tax paid on actual distribution of dividend by the Joint venture company is adjusted with the carrying amount of Investment. Accordingly ₹2,038 Mn of DTL being DDT on amount distributed as dividend adjusted during the year has been adjusted with the carrying amount of Investment.

Current tax expense includes tax reversal of ₹64 Mn (March 31, 2017 – tax expense of ₹16 Mn) and deferred tax expense includes expense of ₹53 Mn (March 31, 2017- tax reversal of ₹16 Mn), respectively relating to earlier periods.

The Reconciliation of Net deferred tax asset/liability is follows:

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening balance	263	(2,542)
Tax expense during the year recognised in consolidated statement of profit and loss	(805)	2,280
Closing balance	**(542)**	**(262)**

During the year ended March 31, 2018, the Group has adjusted DDT of ₹2,038 Mn (Previous year - ₹1,936 Mn) on dividend distributed by Joint venture company in quarter ended June 30, 2017 and accordingly recognised current tax expense and deferred tax credit with the same amount. Hitherto, in the year of dividend payout, Deferred tax liability/ Investment was directly adjusted in the balance sheet.

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for the year ended March 31, 2018

11. Other Non-Current Assets

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Capital advances		
Unsecured, considered good	2	23
Unsecured, considered doubtful	18	20
Less: Provision for doubtful advances	(18)	(20)
	2	**23**
Others		
Considered good	2,732	2,397
Considered doubtful	18	18
Less: Provision	(18)	(18)
	2,732	**2,397**
Deferred Lease -security deposit	36	36
	2,770	**2,456**

"Others" comprise of payments made under protest to the Government authorities. For details, refer note 39(b).

12. Trade Receivables

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good	2,746	3,000
Unsecured, considered doubtful	1,305	1,223
Less: Allowance for doubtful receivables	(1,305)	(1,223)
	2,746	**3,000**

Includes receivables from related parties amounting to ₹835 Mn (March 31, 2017 - ₹1,251 Mn). For details, refer note 43. Trade receivables are non-interest bearing and due after 15 days from the date of invoice.

13. Cash and Cash Equivalents

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks		
on current accounts	58	22,495
Deposits with original maturity of less than three months	250	-
Cheques on hand	-	3
	308	**22,498**

Cash and cash equivalents as at March 31, 2018 includes earmarked bank balances of Nil (March 31, 2017 - ₹22,195 Mn) on account of unpaid interim dividend kept in separate bank account.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise of following:-

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Cash & Cash equivalent as per balance sheet	308	22,498
Bank overdraft	-	(2,785)
	308	**19,713**

14. Other Bank Balances

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Fixed deposits with original maturity less than twelve months	4	-
	4	**-**

15. Other Current Assets

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Advance to supplier	1,948	2,458
Other taxes recoverable	482	1,008
Prepaid expenses	95	56
Others	28	8
	2,553	**3,530**

"Advance to supplier" is net of provision of ₹69 Mn (March 31, 2017 - ₹92 Mn). "Other Taxes recoverable" is net of provision of ₹44 Mn (March 31, 2017 - Nil)

16. Share Capital

a) Equity share capital:

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Authorized Shares		
3,500,000,000 equity shares of ₹10 each (3,500,000,000 equity shares as at March 31, 2017)	35,000	35,000
Issued, subscribed and fully paid-up shares		
1,849,608,246 equity shares of ₹10 each fully paid-up (March 31, 2017- 1,849,608,246 equity shares)	18,496	18,496
	18,496	**18,496**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

b. Terms/ rights attached to equity shares:

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

The Board of directors of the Company at its meeting held on March 22, 2017 had approved an interim dividend of ₹12 per equity share for FY 2016-17.

The Board of Directors, in its meeting held on May 8, 2017, proposed a final dividend of ₹4 per equity share for FY 2016-17 and the same was approved by the shareholders at the Annual General Meeting held on July 22, 2017.

c. Shares held by holding Company:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No.	₹ Million	No.	₹ Million
Equity shares of ₹10 each fully paid				
Bharti Airtel Limited	930,898,728	9,309	930,898,728	9,309

d. Details of shareholders holding more than 5% shares in the Company:

(₹ millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	No.	% holding	No.	% holding
Equity shares of ₹10 each fully paid				
Bharti Airtel Limited	930,898,728	50.33%	930,898,728	50.33%
Nettle Infrastructure Investments Limited	58,882,251	3.18%	209,416,643	11.32%
Silverview Portfolio Investments Pte. Ltd.	130,803,065	7.07%	130,803,065	7.07%
Total	1,120,584,044	60.58%	1,271,118,436	68.72%

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

During the year ended March 31, 2013, the Company further allotted 1,161,605,820 equity shares as fully paid bonus shares by capitalization of securities premium account.

During the year ended March 31, 2016, the Company allotted 2,897,776 equity shares (2014-15, 2013-14 and 2012-13 - 4,468,180, 558,059 and 100,212 equity shares respectively) of ₹10 each to its employees on exercise of stock options under the Employee Stock Option Plan 2008 wherein part consideration was received in form of employee services, refer note 37.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

f. Aggregate number and class of shares bought back during the period of five years immediately preceding the reporting date:

During the previous year ended March 31, 2017, the Company brought back 47,058,823 equity shares of ₹10 each by way of tender offer through stock exchange mechanism for cash at price of ₹425 per equity share.

g. Shares reserved for issue under options:

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 37.

17. Other equity

(₹ millions)

Nature	As at March 31, 2018	As at March 31, 2017
Share premium	48,838	48,838
Treasury shares	(289)	(324)
Share based payment reserve	76	50
Capital redemption reserve	471	471
Retained earnings	101,962	87,396
Other comprehensive income	90	66
	151,148	**136,497**

18. Other Financial Liabilities, Non-Current

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Security deposits	2,523	2,373
	2,523	**2,373**

The above security deposit is the fair value of total security deposit at transaction value for ₹4,010 Mn as at March 31, 2018 (March 31, 2017 ₹4,034 Mn)

"Security deposits" include transaction value of ₹2,031 Mn (March 31, 2017 - ₹2,019 Mn) amounts received from related parties. For details, refer note 43.

19. Provisions

a) Long term provisions

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Asset retirement obligation (ARO)	2,322	2,102
Gratuity (refer note 36)	140	125
Long term service award	22	16
	2,484	**2,243**

Notes to Consolidated Financial Statements

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The Group uses various premises on lease to install plant and equipment. Provision is recognised for the costs to be incurred for the restoration of these premises at the end of the lease period. It is expected that this provision will be utilized at the end of the lease period of the respective sites as per the respective lease agreements. The movement of Provision in accordance with Ind AS 37 on 'Provisions, Contingent liabilities and Contingent Assets', is given below:

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	2,102	1,899
Provision during the year	48	54
Unwinding of discount on ARO	172	149
Closing Balance	**2,322**	**2,102**

b) Short term provisions

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Gratuity (refer note 36)	54	48
Leave encashment	89	86
	143	**134**

20. Other non-current liabilities

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred lease-security deposit	1,172	1,332
Unearned revenue	458	301
	1,630	**1,633**

21. Borrowings

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Bank Overdraft (unsecured)	-	2,785
	-	**2,785**

The bank overdraft carries interest rate of 8.15% per annum.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

22. Trade payables

a) Trade Payable include ₹80 Mn, (March 31, 2017 - ₹78 Mn) payable to parent & fellow subsidiary company and includes ₹140 Mn (March 31, 2017 - ₹190 Mn) payable to other related parties. For details, refer note 43.

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
- Total outstanding dues of micro, small and medium enterprises	22	15
- Total outstanding dues other than micro, small and medium enterprises	10,974	11,199
	10,996	**11,214**

b) Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	22	15
Principal amount due to micro and small enterprises	-	-
Interest due on above	22	15
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period/ year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	33	30
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by management. This has been relied upon by the auditors.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

23. Other financial liabilities

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Equipment supply payables	1,123	1,070
Payable to employees	233	219
Unpaid interim dividend	-	22,185
Creditors for capital expenditure	1,131	655
	2,487	**24,129**

The Board of Directors of the Company at its meeting held on March 22, 2017 has approved an interim dividend of ₹12 per equity share for FY 2016-17 which is paid during the current year.

24. Other current liabilities

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Accrued expenses	2,857	2,504
Other taxes payable	1,085	92
Unearned revenue	14	21
Corporate dividend tax on interim dividend	-	4,519
Liability for cash settled options (refer note 37)	11	26
Others	129	169
	4,096	**7,331**

25. Revenue from Operations

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of services		
Rent	40,748	37,968
Energy (including recoveries for rates and taxes)	25,464	22,879
	66,212	**60,847**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

26. Other income

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest income (others)	370	60
Profit on sale of property plant and equipment	626	581
Miscellaneous income	56	70
	1,052	**711**

27. Power and fuel

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Network	22,795	21,118
Others	22	25
	22,817	**21,143**

28. Rent

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Network	3,365	3,031
Others	153	153
	3,518	**3,184**

29. Employee benefit expenses

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	2,589	2,454
Contribution to provident fund	81	79
Equity settled/cash settled option expense	65	32
Staff welfare expenses	116	108
Others	65	73
	2,916	**2,746**

"Salaries, wages and bonus" includes gratuity and other post-employment benefits. For details, refer note 36. Further, for details of employee stock/cash option expense, refer note 37

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

30. Repairs and maintenance

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Repair and maintenance		
- Plant and machinery	3,168	3,006
- Building	3	6
- Others	891	1,072
	4,062	**4,084**

31. Other expenses

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Insurance	53	50
Travelling and conveyance	148	148
Communication expenses	93	105
Legal and professional	418	426
IT expenses	266	207
Provision for doubtful debts and advances (net)	(87)	36
Miscellaneous expenses		
- Network	9	127
- Others	134	66
	1,034	**1,165**

32. Depreciation and amortization expense

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation	12,140	12,104
Amortization	48	63
	12,188	**12,167**
Less: adjusted with general reserve in accordance with the scheme of arrangement with bharti airtel limited (refer note 44)	(387)	(510)
	11,801	**11,657**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

33. Finance costs and Income

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Finance costs		
Interest cost	25	20
Bank charges	7	9
Unwinding of discount on asset retirement obligation	172	149
Unwinding of discount on security deposit received	261	216
	465	**394**

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Finance income		
Interest income on financial assets carried at amortized cost		
Interest on bank deposit	199	627
Interest on security deposit paid	41	40
Interest income on loans	73	-
Interest income on financial assets carried at fair value through other comprehensive income		
Interest on tax free bonds	144	263
Interest on Certificate of deposits	56	14
Interest on Commercial paper	26	2
Interest income on financial assets carried at fair value through profit or loss		
Interest on Government Securities	2,987	777
Interest on taxable bonds	79	-
Interest on Non Convertible debentures	62	-
Gain/(loss) on investments (including MTM gain/(loss))	(1,497)	5,213
	2,170	**6,936**

34. Exceptional items

Aircel was one of the leading customer of the Group. During the quarter ended March 31, 2018, Aircel filed for bankruptcy with NCLT. Pursuant to the same, the Group assessed the recoverability of dues and has taken a charge of ₹260 Mn (March 31, 2017 – Nil) as an exceptional item.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

35. Earnings per Share (EPS)

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Nominal value of equity shares (₹)	10	10
Profit attributable to equity shareholders for computing Basic and Dilutive EPS (A) (₹ Million)	24,937	27,470
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	1,848,846,136	1,865,170,386
Dilutive effect on weighted average number of equity shares outstanding during the year	103,329	115,903
Weighted average number of equity shares and equity equivalent shares for computing Diluted EPS (C)	1,848,949,465	1,865,286,288
Basic earnings per share (A/B) (₹)	13.488	14.728
Diluted earnings per share (A/C) (₹)	13.487	14.727

36. Employee benefits

The Group has recognised the following amounts in the consolidated statement of profit and loss:

Defined contribution plan

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Employer's contribution to Provident Fund	81	79
	81	**79**

Defined benefit plan

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each reporting period. The plan is not funded by the Group. Such liability is included in salaries, wages and bonus (refer note 29).

Gratuity

i. Amount charged to the consolidated statement of profit and loss:

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Service cost	32	31
Interest cost	13	11
	45	**42**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

ii. Due to its defined benefit plans, the Group is exposed to the following significant risks:

Changes in bond yields - A decrease in bond yields will increase plan liability.

Salary risk - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

iii. The assumptions used to determine the benefit obligation are as follows: -

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Discount rate	7.85%	7.40%
Expected rate of increase in compensation levels	10.00%	10.00%
Expected average remaining working lives of employees (years)	22.76	23.13

iv. Reconciliation of opening and closing balances of defined benefit obligation:

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Present value of benefit obligation at beginning of year	172	141
Current service cost	32	31
Interest cost	13	11
Benefits paid	(22)	(19)
Actuarial (gain)/ loss	(1)	9
Acquisition Adjustment	-	(1)
Present value of benefit obligation at end of year	**194**	**172**

v. Amount recognised in Other Comprehensive Income:

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening net cumulative unrecognised	(12)	(3)
Actuarial gain/(loss)	1	(9)
Unrecognised actuarial gain/(loss) at the end of year	**(11)**	**(12)**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

vi. The discount rate is based on the average yield on government bonds at the reporting date with a term that matches that of the liabilities.

vii. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

viii. Estimated amounts of expense to be recognized within next year are ₹46 Mn (2016-17 – ₹43 Mn).

ix. The table below discloses maturity profile of defined benefit obligation is as follows: -

Period	Amount
April 2018- March 2019	54
April 2019- March 2020	23
April 2020- March 2021	20
April 2021- March 2022	16
April 2022 onwards	81

x. Sensitivity analysis: -

(₹ millions)

Particulars	Change in Assumption		Impact on Gratuity	
	Year ended		Year ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Discount rate	+1%	+1%	(8)	(7)
	-1%	-1%	9	8
Salary Growth rate	+1%	+1%	8	8
	-1%	-1%	(8)	(7)

The above sensitivity analysis is based on a change in an assumption by a percentage while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. While calculating the sensitivity of the defined benefit obligation to significant actuarial assumption, same method i.e. Projected Unit Credit method has been applied as when calculating the gratuity liability recognized within the Balance sheet.

37. Employee stock/cash option plans

Pursuant to the board resolution dated July 22, 2008 and the resolution of the shareholders in extraordinary general meeting dated August 28, 2008, the Group instituted the Employee Stock Option Scheme 2008 (the 2008 Scheme).

In FY 2013-14 and 2014-15, the Group had announced performance unit plan (cash settled plan) for its employees.

In FY 2015-16, 2016-17 and 2017-18, the Group had announced Long term incentive plan (LTIP) 2015 (Grant 2015), Long term incentive plan (LTIP) 2015 (Grant 2016) and Long term incentive plan (LTIP) 2015 (Grant 2017) respectively for its employees.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

The following table provides an overview of all existing stock/cash option plans of the Group:

(₹ millions)

Scheme	Plan	Stock options outstanding (in thousands)	Vesting period (years)	Contractual term (years)	Weighted average exercise price (₹)	Classification/ accounting treatment
Equity settled plans						
Infratel plan	2008 Plan	108	1 - 5	7	110	Equity settled
Infratel plan	Long term incentive plan (LTIP)	-	1 - 3	7	10	Equity settled
Infratel plan	Long term incentive plan (LTIP) 2015 (Grant 2015)	45	1 - 3	7	10	Equity settled
Infratel plan	Long term incentive plan (LTIP) 2015 (Grant 2016)	83	1 - 3	7	10	Equity settled
Infratel plan	Long term incentive plan (LTIP) 2015 (Grant 2017)	110	1 - 3	7	10	Equity settled
Cash settled plans						
Infratel plan	Performance Unit Plan (2013 and 2014)	23	1 - 3	7	-	Cash settled

The following table provides details of vesting schedule (graded vesting) of all the existing stock/cash option plans of the Group:-

(₹ millions)

Particulars	Vesting period from the grant date	Vesting schedule
Company		
1. ESOP Scheme 2008 (including LTIP)		
For options with a vesting period of 36 months:	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
For options with a vesting period of 48 months:	On completion of 12 months	15%
	On completion of 24 months	20%
	On completion of 36 months	30%
	On completion of 48 months	35%
For options with a vesting period of 60 months:	On completion of 12 months	20%
	On completion of 24 months	20%
	On completion of 36 months	20%
	On completion of 48 months	20%
	On completion of 60 months	20%

Notes to Consolidated Financial Statements

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The following table provides details of vesting schedule (graded vesting) of all the existing stock/cash option plans of the Group:-

(₹ millions)

Particulars	Vesting period from the grant date	Vesting schedule
2. Performance Unit Plan (cash settled plan) (2013 and 2014)		
For options with a vesting period of 36 months:	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
3. Long term incentive plan (LTIP) 2015 (Grant 2015)		
For options with a vesting period of 36 months:	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
4. Long term incentive plan (LTIP) 2015 (Grant 2016)		
For options with a vesting period of 36 months:	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
5. Long term incentive plan (LTIP) 2015 (Grant 2017)		
For options with a vesting period of 36 months:	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%

Information concerning the movement in stock options during the year and outstanding at the year end is as follows:

(₹ millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of stock options ('000)	Exercise price (₹)	Number of stock options ('000)	Exercise price (₹)
Company				
Plan 2008				
Outstanding at beginning of the year	158	110	732	110
Granted	-	-	-	-
Forfeited	(1)	110	(10)	110
Exercised	(49)	110	(564)	110
Outstanding at the year end	108	110	158	110
Exercisable at end of the year	108	110	158	110

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Information concerning the movement in stock options during the year and outstanding at the year end is as follows:

(₹ millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of stock options ('000)	Exercise price (₹)	Number of stock options ('000)	Exercise price (₹)
LTI Plan (Part of 2008 plan)				
Outstanding at beginning of the year	2	10	4	10
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	(2)	10	(2)	10
Outstanding at the year end	-	-	2	10
Exercisable at end of the year	-	-	2	10
Cash settled Plan (2013 and 2014)				
Outstanding at beginning of the year	75	NA	183	NA
Granted	-	-	-	-
Forfeited	-	-	(3)	-
Exercised	(52)	NA	(105)	NA
Outstanding at the year end	23	NA	75	NA
Exercisable at end of the year	23	NA	25	NA
LTI Plan 2015 (Grant 2015)				
Outstanding at beginning of the year	68	10	90	10
Granted	-	-	-	-
Forfeited	(4)	10	(5)	10
Exercised	(18)	10	(17)	10
Outstanding at the year end	45	10	68	10
Exercisable at end of the year	16	10	9	10
LTI Plan 2015 (Grant 2016)				
Outstanding at beginning of the year	105	10	-	-
Granted	-	-	105	10
Forfeited	(6)	10	-	-
Exercised	(16)	10	-	-
Outstanding at the year end	83	10	105	10
Exercisable at end of the year	15	10	-	-
LTI Plan 2015 (Grant 2017)				
Outstanding at beginning of the year	-	-	-	-
Granted	115	10	-	-
Forfeited	(5)	10	-	-
Exercised	-	-	-	-
Outstanding at the year end	110	10	-	-
Exercisable at end of the year	-	-	-	-

Notes to Consolidated Financial Statements

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The following table summarises information about weighted average remaining contractual life, weighted average fair value and weighted average share price for the options:

(₹ millions)

Plan	Weighted average remaining contractual life for the options outstanding as of (years)		Weighted average share price for the options granted during the year ended (₹)		Weighted average share price for the options exercised during the year ended (₹)	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Equity settled plans						
Plan 2008	2.66	3.46	-	-	385.35	330.72
LTI Plan (Part of 2008 plan)	-	5.11	-	-	420.30	369.60
LTI plan 2015 (Grant 2015)	6.87	7.44	-	-	380.92	353.81
LTI plan 2015 (Grant 2016)	7.62	8.42	-	382.44	368.71	-
LTI plan 2015 (Grant 2017)	8.44	-	377.42	-	-	-
Cash settled plans						
PUP 2013 and 2014	5.59	6.75	-	-	418.45	365.50

The fair value of the options granted during the year was estimated using the Black Scholes method of valuation with the following assumptions:

Particulars	LTIP Plan 2015 (Grant 2017)	LTIP Plan 2015 (Grant 2016)
	As at March 31, 2018	As at March 31, 2017
Risk free interest rates	6.17% to 6.90%	6.32% to 7.10%
Vesting period	36 months	36 months
Weighted average share price (`)	314.52	318.70
Volatility	33.82%	38.94%
Dividend yield	3.99%	1.83%

Total employee stock/cash options expense recognised for the year ended March 31, 2018 and March 31, 2017 is ₹65 Mn and ₹32 Mn, respectively.

Notes:

(i) The Group has decided to issue equity shares on exercise of ESOPs through ESOP trust. The loan has been given to ESOP trust to purchase these Equity Shares of the Company from open market as permitted by SEBI (Share Based Employee Benefits) Regulations, 2014.

(ii) During FY 2014-15, Bharti Infratel Employee Welfare Trust (a trust set up for administration of Employee Stock Option Plan ('ESOP') of the Group) has acquired 1,652,000 equity shares of the Company from the open market at an average price of ₹377.72 per share. As of March 31, 2018, Bharti Infratel Employee Welfare Trust ('the Trust') holds 762,110 shares (Face Value of ₹10 each) (March 31, 2017: 852,656 equity shares) of the Company.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2018	As at March 31,2017
	Number of Shares		(₹ Million)	
Opening Balance	852,656	1,470,439	324	559
Issued during the year	(90,546)	(586,612)	(35)	(222)
Buyback	-	(31,171)	-	(13)
Closing Balance	**762,110**	**852,656**	**289**	**324**

38. Leases

(a) Operating lease: Group as a lessee

The lease rentals paid under non-cancelable leases relating to rentals of building premises and cell sites as per the agreements with escalation rates ranging from 0% to 25% per annum and maximum obligation on long-term non-cancelable operating leases are as follows:

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Lease rental charged to statement of profit and loss	3,505	3,184
Obligation on non-cancelable lease:		
Not Later than one year	3,446	3,167
Later than one year but not later than five years	14,632	11,294
Later than five years	13,199	16,225
	31,277	**30,686**

(b) Operating lease: Group as a lessor

The Group has given sites on operating lease to telecom operators. As per the agreements with the operators the escalation rates range from 0% to 2.5% per annum. The service charges recognised as income during the year for non-cancellable arrangements relating to provision for passive infrastructure sites as per the agreements is ₹40,649 Mn and ₹37,433 Mn for the year ended March 31, 2018 and March 31, 2017s respectively.

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Future minimum lease payments:		
Not Later than one year	39,974	38,481
Later than one year but not later than five years	132,513	145,920
Later than five years	47,575	59,356
	220,062	**243,757**

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39. Contingencies

a. Guarantees

The financial bank guarantees have been issued to regulatory authorities.

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Total guarantees issued by banks and financials institutions on behalf of the Group	53	54
Total	**53**	**54**

b. Claims against the group not acknowledged as debt

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
a) Taxes, duties and other demands (under adjudication/appeal/dispute)@		
Sales tax (refer to a below)#	2	458
Stamp duty (refer to b below)	192	192
Entry tax (refer to c below)	2,374	2,230
Municipal taxes (refer to d below)	1,360	1,147
Service tax (refer to e below)	16,272	16,115
b) Other claims under legal cases including arbitration matters (refer to f below)	106	127
c) Income tax matters (refer to g below)#	1,398	2,590
Total	**21,704**	**22,859**

In addition to the above, the Group's share of joint ventures contingent liabilities is ₹18,379 and ₹15,397 as of March 31, 2018 and March 31, 2017 respectively.

@ the amount includes demand amount and interest till the date of demand.

Includes ₹2 Mn (Sales Tax) and ₹1,398 Mn (March 31, 2017 - ₹458 Mn for Sales tax and ₹2,497 Mn for Income tax) for which the possibility of tax demand materializing is remote, based on internal assessment of the Group.

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

(a) Sales tax

The claims for sales tax as of March 31, 2018 comprise of the case relating to levy of penalty for the year 2008-09 in right to use litigation wherein the main demand has already been quashed by Hon'ble High Court ('HC') of Indore. The Company has filed Writ petition against the penalty before Hon'ble High Court which is pending for hearing on merits. Further the department has filed an appeal before Hon'ble Supreme Court ('SC') against the favorable order of Hon'ble High Court. The matter was heard on March 19, 2018 before Ld. bench of Hon'ble SC where SLP was dismissed by the apex court.

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(b) Stamp duty

The Group has received demand in certain states for stamp duty on execution of Leave and License Agreement of Cell Sites.

(c) Entry tax

Hon'ble Apex Court on November 11, 2016 while upholding the constitutional validity of entry tax levied by few States wherever its applicable, referred all the cases back to regular benches of the Court/s to decide all existing cases on merits while testing inter alia that whether the present levies in each such case/ State is discriminatory in nature or not.

Accordingly, all the said cases were listed before the regular bench of Supreme Court wherein after taking up all pending cases on State by State basis court have found that prima facie inter alia discrimination issues still exists and all the listed petitions have been remanded back with direction, to file fresh writ petitions before respective High Courts on the ground of discrimination as well as other directions as laid down in the aforesaid judgment of nine member bench of Hon'ble Supreme Court. Company has filed fresh writ petition in the state of Orissa, Madhya Pradesh, Chhattisgarh, Rajasthan, Mizoram and Assam.

The revenue counsel has filed counters against writ petition filed by the Company and further in reply to that, rejoinders have been filed by the Company. Fresh writ petition filed before Hon'ble HC of Bihar & J&K. No active hearing took place in quarter ending March 2018 in others matter. Pending disposition of each case by the High Courts, the Group has decided to maintain 'Status Quo' on its position/assessment.

(d) Municipal taxes

The Group based on its assessment of the applicability and tenability of certain municipal levies, which is an industry wide phenomenon, does not consider the impact of such levies to be material.

Further, in the event these levies are confirmed by the respective government authorities, the Group would recover these amounts from its customers in accordance with terms of Master Service Agreement.

(e) Service tax

The service tax department has issued certain orders for the disallowance of cenvat credit availed on Inputs, Capital Goods and Input Services for the period starting from August, 2007 to March, 2014 The Group has filed an appeal before Hon'ble High Court of Delhi against the Larger Bench CESTAT decision while the appeal is pending before Division Bench, Chandigarh on merits has been heard before bench of Hon'ble High Court of Delhi and argued by the Company's counsels. Next date of hearing is scheduled on May 11, 2018 for completion of arguments from Revenue and Company's counsels.

For the year 2014-15 & 2015-16, Commissioner, Service tax has allowed Cenvat Credit on telecom towers & related services however confirmed demand on pre-fabricated shelters and Input services used in creation of immovable property.

In separate proceeding before Directorate General of Central Excise Intelligence, the department has issued order for disallowance of Cenvat credit on items sold as scrap. The Group has filed appeal before CESTAT against such order.

(f) Other claims mainly include site related legal disputes.

(g) Income tax matters

This mainly includes tax demands for Assessment years 2011-12 to 2014-15. The Principal bench of ITAT and CIT(A) in AY 2008-09, 2009-10 and 2011-12 and 2013-14 in respective assessment years has given relief on main issue involved in all of the assessment years i.e. disallowance of lease equalization revenue and lease equalization charges claimed/ disallowed in computation of Income of respective assessment years as being notional in nature.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

40. Capital commitment

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts to be executed on capital account and not provided for in the financial statements (net of capital advances)	2,674	1,980
	2,674	**1,980**

In addition to the above, the Group's share of joint ventures capital commitment is ₹1,866 and ₹2,972 as of March 31, 2018 and March 31, 2017 respectively.

41. Fair Value of Financial Assets and Liabilities

Set out below is the comparison by class of the carrying amounts and fair value of the Group's financial instruments that are recognised in the financial statements.

(₹ millions)

Particulars	Carrying Amount		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial Assets				
At fair value through profit or loss				
Investment in government securities	12,088	51,872	12,088	51,872
Investment in mutual funds	51,372	306	51,372	306
Investment in taxable bonds	1,001	-	1,001	-
Investment in non convertible debenture	997	-	997	-
At fair value through other comprehensive income				
Investment in tax free bonds	2,153	2,131	2,153	2,131
Investment in certificate of deposits	-	1,425	-	1,425
Investment in commercial paper	239	477	239	477
At amortised cost				
Cash and cash equivalents	308	22,498	308	22,498
Other bank balance	4	-	4	-
Trade receivables	2,746	3,000	2,746	3,000
Other financial assets	6,682	5,904	6,682	5,904
	77,590	**87,613**	**77,590**	**87,613**
Financial Liabilities				
At amortised cost				
Borrowings	-	2,785	-	2,785
Trade payables	10,996	11,214	10,996	11,214
Other financial liabilities	5,010	26,502	5,010	26,502
	16,006	**40,501**	**16,006**	**40,501**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

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

i) The carrying value of cash and cash equivalents, other bank balances, trade receivables, borrowings and trade payables approximate their fair value mainly due to the short-term maturities of these instruments.

ii) The fair values of financial assets classified as fair value through profit or loss like investment in mutual funds, taxable bonds, non-convertible debenture and government securities is based on quoted market price / net asset values at the reporting date.

iii) The fair value of other financial assets and other financial liabilities is estimated by discounting future cash flows using rates applicable to instruments with similar terms, currency, credit risk and remaining maturities. The fair values of other financial assets and other financial liabilities are assessed by the management to be same as their carrying value and is not expected to be significantly different if estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

iv) The fair value of financial asset classified as fair value through other comprehensive income like Investment in tax free bonds, commercial paper, certificate of deposits etc are based on market value / net asset values at the reporting date.

There are no significant unobservable inputs used in the fair value measurement.

42. Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 : Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents the financial instruments measured at fair value, by level within the fair value measurement hierarchy:

(₹ millions)

Financial Assets	As at March 31, 2018		As at March 31, 2017	
	Level 1	Level 2	Level 1	Level 2
Fair Value through Profit or loss				
Investment in Mutual Funds	51,372	-	306	-
Investment in Government Securities	12,088	-	51,872	-
Investments in Taxable Bonds	1,001	-	-	-
Investments in Debenture	997	-	-	-
Fair Value through OCI				
Investment in Tax Free Bonds	-	2,153	-	2,131
Investment in Certificate of Deposits	-	-	-	1,425
Investments in Commercial Paper	-	239	-	477
	65,458	**2,392**	**52,178**	**4,033**

During the year ended March 31, 2018, there were no transfers between Level 1 and Level 2 fair value measurements as well as in to and out of Level 3 fair value measurements for the investments listed above.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

43. Related party Disclosures

In accordance with the requirements of Ind AS - 24 "Related Party Disclosures", the names of the related parties where control exists and/ or with whom transactions have taken place during the period and description of relationships, as identified and certified by the management are as below:

A. List of related parties

i. Key management personnel (KMP)

Akhil Kumar Gupta,	Chairman
D.S. Rawat,	Managing Director and CEO
Pankaj Miglani,	Chief Financial Officer
Shweta Girotra,	Company Secretary (ceased to be related party w.e.f. September 14, 2017)
Samridhi Rodhe,	Company Secretary (w.e.f January 17, 2018)

ii. Related parties where control exists irrespective of whether transactions have occurred or not

Parent Company	Bharti Airtel Limited
Ultimate controlling entity (w.e.f. November 3, 2017)	Bharti Enterprises (Holding) Private Limited.

It is held by private trust of Bharti family, with Mr. Sunil Bharti Mittal's family trust effectively controlling the said Company.

iii. Other related parties with whom transactions have taken place during the period

Name of related party	Relationship
Bharti Hexacom Limited	Fellow Subsidiary
Bharti Telemedia Limited	Fellow Subsidiary
Nxtra Data Limited	Fellow Subsidiary
Nettle Infrastructure Investments Limited	Fellow Subsidiary
Indus Towers Limited	Joint Venture
Bharti Enterprises Limited	Group Company
Centum Learning Limited	Group Company
Bharti Foundation	Group Company
Bharti Infratel Employees Welfare Trust	Group Company
Bharti Realty Holdings Limited	Group Company
Bharti Realty Limited	Group Company
Bharti insurance Holdings Private Limited	Group Company

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for the year ended March 31, 2018

Group Company' though not 'Related Parties' as per the definition under Ind-AS 24, 'Related party disclosures', have been included by way of a voluntary disclosure.

B. Related Party Transactions during the year:

Related party transactions represent transactions entered into by the Group with parent company of the Group, entities having significant influence over the Group, joint venture and fellow subsidiary. The transactions with these related parties for the year ended March 31, 2018 and March 31, 2017 are described below:

(₹ millions)

Relationship	Year ended March 31		Year ended March 31		Year ended March 31		Year ended March 31	
	2018	2017	2018	2017	2018	2017	2018	2017
	Parent Company		Group Company		Fellow subsidiaries		Joint venture	
Nature of transaction								
Loan given	-	-	(6,100)	-	-	-	-	-
Loan repaid	-	-	6,100	(15)	-	-	-	-
Advance given	(60)	-	-	-	-	-	-	-
Buy Back of Shares	-	(12,368)	-	-	-	-	-	-
Revenue from operations*	34,822	34,364	-	-	2,934	2,608	-	-
Expenses (other than employee related) incurred on behalf of Company	-	-	(247)	(245)	-	-	-	-
Reimbursement of expenses	(42)	(45)	-	-	-	-	-	20
Employee related expenses incurred on behalf of Company	-	-	-	-	(6)	(5)	-	-
Procurement of services	(171)	(167)	(14)	(22)	(33)	(32)	-	-
Security deposit received	(15)	(23)	-	-	(6)	(2)	-	-
Security deposit refunded	10	3	-	-	1	-	-	-
Security deposit paid	-	-	-	3	-	-	-	-
Commission paid	-	-	-	-	-	-	(80)	(99)
Dividend paid/ declared	(3,724)	(15,163)	-	-	(838)	(2,513)	-	-
Donation given	-	-	(200)	(201)	-	-	-	-
Interest Income	-	-	73	-	-	-	-	-
	30,820	**6,601**	**(388)**	**(480)**	**2,052**	**56**	**(80)**	**(79)**

* Inclusive of service tax/GST

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

(₹ millions)

Relationship	As at March 31 2018	As at March 31 2017	As at March 31 2018	As at March 31 2017	As at March 31 2018	As at March 31 2017	As at March 31 2018	As at March 31 2017
	Parent Company		Group Company		Fellow subsidiary		Joint venture	
Trade payables and Other current liabilities	(71)	(69)	-	-	(9)	(9)	(140)	(190)
Short-term loans and advances	60	-	-	-	-	-	-	-
Other current assets	2,689	2,111	-	1	191	113	-	-
Trade receivables	701	1,144	-	-	134	107	-	-
Long-term loans and advances	-	-	3	3	-	-	-	-
Security deposits received	(1,878)	(1,871)	-	-	(153)	(148)	-	-
	1,501	**1,315**	**3**	**4**	**163**	**63**	**(140)**	**(190)**

Figures in bracket indicate liability and figures without bracket indicates assets.

Payments made to Key management personnel/ non-executive directors were as follows:

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Short-Term employee benefits (including salary and sitting fee)	132	124
Post-Employment benefits	14	16
Share based payment	17	12
	163	**152**

Amount received from KMP for ESOP exercised ₹1 Mn during the year ended March 31, 2018 (March 31, 2017: ₹7 Mn).

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the end of the year are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

44. As per transitional provisions specified in Ind AS 101, first time adoption of Indian Accounting Standards, the Group has continued to apply the accounting prescribed under the scheme with respect to mergers listed below.

(a) Scheme accounting ("Bharti Airtel Scheme")

During the year ended March 31, 2008, pursuant to the Scheme of Arrangement with Bharti Airtel Limited ('BAL Scheme') under sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of Bharti Airtel Limited was transferred to the Company. Pursuant to the Scheme, the depreciation charged by the Company on the excess of the fair values over the original book values of the assets transferred by Bharti Airtel Limited is being off-set against General Reserve. Accordingly, depreciation charges on the excess of fair value over the original value is charged to general reserve.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

(b) Scheme accounting ("Indus Scheme")

The Scheme of Arrangement ('Indus Scheme') under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities, as defined in Indus scheme, from Bharti Infratel Ventures Limited (BIVL), erstwhile wholly owned subsidiary company, to Indus Towers Limited (Indus), was approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 and filed with the Registrar of Companies on June 11, 2013 with appointed date April 1, 2009 i.e. effective date of Indus Scheme and accordingly, effective June 11, 2013, the erstwhile subsidiary company has ceased to exist and has become part of Indus. The company was carrying investment in BIVL at ₹59,921 Mn.

Pursuant to Indus Scheme, the company has additionally got 504 shares in Indus in lieu of transfer of its investment in BIVL to Indus and recorded these additional shares at their fair value of ₹60,419 Mn in accordance with the requirements of Previous GAAP. The resultant gain of ₹382 Mn (net of taxes ₹116 Mn) has been disclosed as adjustment to carry forward balance of Consolidated Statement of Profit and Loss as at April 1, 2009.

45. Segment Information

The Consolidated segment information has been prepared in line with the review of operating results by the chief operating decision maker (CODM) which includes review of the results of the joint venture on proportionate consolidation basis. The results of the joint venture which were hitherto consolidated and/or accounted under proportionate consolidation method under the previous GAAP but have now been accounted for under equity method of accounting under Ind AS. The Group, however, considers joint venture as "Operating Segment" as defined under Ind AS 108, Operating segment based on review by CODM and accordingly presented segment information for two segments i.e. Infratel (including subsidiaries) and Indus (proportionate share). The total segment revenue and segment results have also been reconciled with the amount reported in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Segment Consolidated Balance Sheet Information as at March 31, 2018

(₹ millions)

Particulars	Infratel (including subsidiaries) (A)		Proportionate share of JV (B)		Eliminations/ Adjustment* (C)		Total Reportable Segments D = (A+B+C)		Reversal of Proportionate share including elimination (+) Equity accounting (E)		Total (F)	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Segment assets												
Non-current assets												
Property, plant and equipment	55,845	57,811	74,639	78,253	(101)	(130)	130,383	135,934	(74,538)	(78,123)	55,845	57,811
Capital work-in-progress	1,103	585	2,963	1,983	-	-	4,066	2,568	(2,963)	(1,983)	1,103	585
Intangible assets	103	131	254	261	-	-	357	392	(254)	(261)	103	131
Investment in joint ventures	60,419	60,419	-	-	(60,419)	(60,419)	-	-	55,419	55,509	55,419	55,509
Financial assets												
Investment	2,777	41,221	-	-	-	-	2,777	41,221	-	-	2,777	41,221
Other Financial Assets	1,246	1,163	3,478	3,042	-	-	4,724	4,205	(3,478)	(3,042)	1,246	1,163
Income tax assets	871	1,776	2,175	2,464	-	-	3,046	4,240	(2,175)	(2,464)	871	1,776
Deferred tax Assets	542	-	-	-	(542)	-	-	-	542	-	542	-
Other non - Current assets	2,770	2,456	1,152	1,088	-	-	3,922	3,544	(1,152)	(1,088)	2,770	2,456
Current assets												
Financial assets												
Investment	65,073	14,990	-	-	-	-	65,073	14,990	-	-	65,073	14,990
Trade receivables	2,746	3,000	6,504	762	(65)	(98)	9,185	3,664	(6,439)	(664)	2,746	3,000
Cash and cash equivalents	308	22,498	447	472	-	-	755	22,970	(447)	(472)	308	22,498
Other Bank Balances	4	-	-	-	-	-	4	-	-	-	4	-
Other Financial Assets	5,436	4,741	4,997	4,782	-	-	10,433	9,523	(4,997)	(4,782)	5,436	4,741
Other Current Assets	2,553	3,530	2,585	1,674	-	-	5,138	5,204	(2,585)	(1,674)	2,553	3,530
Total Assets	**201,796**	**214,321**	**99,194**	**94,781**	**(61,127)**	**(60,647)**	**239,863**	**248,455**	**(43,067)**	**(39,044)**	**196,796**	**209,411**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Segment Consolidated Balance Sheet Information as at March 31, 2018

(₹ millions)

Particulars	Infratel (including subsidiaries) (A)		Proportionate share of JV (B)		Eliminations/ Adjustment* (C)		Total Reportable Segments D = (A+B+C)		Reversal of Proportionate share including elimination (+) Equity accounting (E)		Total (F)	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Segment liabilities												
Equity												
Equity Share capital	18,496	18,496	1	1	(1)	(1)	18,496	18,496	-	-	18,496	18,496
Other Equity	158,504	143,578	55,419	55,511	(62,875)	(62,720)	151,048	136,369	100	128	151,148	136,497
Equity attributable to equity holders of the parent	177,000	162,074	55,420	55,512	(62,876)	(62,721)	169,544	154,865	100	128	169,644	154,993
Non-current liabilities												
Financial Liabilities												
Other Financial Liabilities	2,523	2,373	2,978	2,526	-	-	5,501	4,899	(2,978)	(2,526)	2,523	2,373
Long-term borrowings	-	-	4,014	4,447	-	-	4,014	4,447	(4,014)	(4,447)	-	-
Long Term Provisions	2,484	2,243	3,896	3,586	-	-	6,380	5,829	(3,896)	(3,586)	2,484	2,243
Deferred tax liability	-	263	4,409	4,715	1,814	2,172	6,223	7,150	(3,867)	(4,716)	2,356	2,434
Other non - Current liabilities	1,630	1,633	2,053	1,897	-	-	3,683	3,530	(2,053)	(1,897)	1,630	1,633
Current liabilities												
Financial Liabilities												
Short-term borrowings	-	2,785	12,887	10,118	-	-	12,887	12,903	(12,887)	(10,118)	-	2,785
Trade payables	10,996	11,214	7,649	6,271	(65)	(98)	18,580	17,387	(7,584)	(6,173)	10,996	11,214
Other financial liabilities	2,487	24,129	3,695	5,015	-	-	6,182	29,144	(3,695)	(5,015)	2,487	24,129
Other Current Liabilities	4,096	7,331	2,050	552	-		6,146	7,883	(2,050)	(552)	4,096	7,331
Provisions	143	134	143	142	-	-	286	276	(143)	(142)	143	134
Current tax liability (net)	437	142	-	-	-	-	437	142	-	-	437	142
Total liabilities	**201,796**	**214,321**	**99,194**	**94,781**	**(61,127)**	**(60,647)**	**239,863**	**248,455**	**(43,067)**	**(39,044)**	**196,796**	**209,411**

* Deferred tax liability/adjustment includes deferred tax liability on undistributed profit on Joint Venture Company.

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for the year ended March 31, 2018

Segment Consolidated Profit and Loss Information for the year ended March 31, 2018

(₹ millions)

Particulars	Infratel (including subsidiaries) (A)		Proportionate share of JV (B)		Eliminations/ Adjustment* (C)		Total Reportable Segments D = (A+B+C)		Reversal of Proportionate share including elimination (+) Equity accounting (E)		Total (F)	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Income												
Revenue from operations - External												
Rent	40,714	37,935	48,980	46,392	-	-	89,694	84,327	(48,980)	(46,392)	40,714	37,935
Energy (including rates and taxes)	25,464	22,879	29,738	27,031	-	-	55,202	49,910	(29,738)	(27,031)	25,464	22,879
Intersegment revenue	34	33	-	-	(34)	(33)	-	-	34	33	34	33
Other income	11,062	10,222	1,371	743	(10,010)	(9,510)	2,423	1,455	(1,371)	(744)	1,052	711
Total Income	**77,274**	**71,069**	**80,089**	**74,166**	**(10,044)**	**(9,543)**	**147,319**	**135,692**	**(80,055)**	**(74,134)**	**67,264**	**61,558**
Expenses												
Power and fuel	22,817	21,143	27,955	25,390	-	-	50,772	46,533	(27,955)	(25,390)	22,817	21,143
Rent	3,518	3,185	9,097	8,443	-	-	12,615	11,628	(9,097)	(8,444)	3,518	3,184
Employee expenses	2,916	2,746	2,086	1,933	-	-	5,002	4,679	(2,086)	(1,933)	2,916	2,746
Repairs and maintenance	4,062	4,084	4,976	5,073	-	-	9,038	9,157	(4,976)	(5,073)	4,062	4,084
Other expenses	1,034	1,165	2,163	1,655	-	-	3,197	2,820	(2,163)	(1,655)	1,034	1,165
Intersegmental expense	-	-	34	34	(34)	(34)	-	-	-	-	-	-
Total Expense	**34,347**	**32,323**	**46,311**	**42,528**	**(34)**	**(34)**	**80,624**	**74,817**	**(46,277)**	**(42,496)**	**34,347**	**32,321**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Segment Consolidated Profit and loss account for the year ended March 31, 2018

(₹ millions)

Particulars	Infratel (including subsidiaries) (A)		Proportionate share of JV (B)		Eliminations/ Adjustment* (C)		Total Reportable Segments D = (A+B+C)		Reversal of Proportionate share including elimination (+) Equity accounting (E)		Total (F)	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Profit/(Loss) before share of profit of a joint venture, Depreciation, Finance cost, exceptional items and tax	**42,927**	**38,746**	**33,778**	**31,638**	**(10,010)**	**(9,509)**	**66,695**	**60,875**	**(33,778)**	**(31,638)**	**32,917**	**29,236**
Finance Costs	465	394	2,123	2,285	-	-	2,588	2,679	(2,123)	(2,285)	465	394
Finance Income	(2,170)	(6,936)	(418)	(158)	-	-	(2,588)	(7,094)	418	158	(2,170)	(6,936)
Depreciation and Amortization Expense	11,801	11,657	11,661	10,969	-	-	23,462	22,626	(11,661)	(10,969)	11,801	11,657
Charity & Donation	294	274	177	177	-	-	471	451	(177)	(177)	294	274
Profit/(Loss) before share of profit of a joint venture, exceptional items and tax	**32,537**	**33,357**	**20,235**	**18,365**	**(10,010)**	**(9,509)**	**42,762**	**42,212**	**(20,235)**	**(18,365)**	**22,527**	**23,847**
Share of profits in Joint Venture	-	-	-	-	-	-	-	-	13,025	11,950	13,025	11,950
Profit before exceptional items and tax	**32,537**	**33,357**	**20,235**	**18,365**	**(10,010)**	**(9,509)**	**42,762**	**42,212**	**(7,210)**	**(6,415)**	**35,552**	**35,797**
Exceptional items	260	-	240	-	-	-	500	-	(240)	-	260	-
Profit before tax	**32,277**	**33,357**	**19,995**	**18,365**	**(10,010)**	**(9,509)**	**42,262**	**42,212**	**(6,970)**	**(6,415)**	**35,292**	**35,797**
Income tax	8,133	6,307	6,970	6,415	2,222	2,020	17,325	14,742	(6,970)	(6,415)	10,355	8,327
Profit for the year	**24,144**	**27,050**	**13,025**	**11,950**	**(12,232)**	**(11,529)**	**24,937**	**27,471**	**-**	**-**	**24,937**	**27,470**
Other comprehensive income	23	93	1	(9)	-	-	24	84	-	-	24	84
Total comprehensive income for the year	**24,167**	**27,143**	**13,026**	**11,941**	**(12,232)**	**(11,529)**	**24,961**	**27,555**	**-**	**-**	**24,961**	**27,554**

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46. Interest in Joint Venture

The Group has a 42% interest in Indus Towers Limited, a joint venture involved in establishing, operating and maintaining wireless communication towers in India. The Group's interest in Indus Towers Limited is accounted for using the equity method in the consolidated financial statements.

Summarised financial information of Indus Towers Limited based on its Ind AS financial statements and reconciliation with the carrying amount of the investment in consolidated financial statements is as follows: -

Summarised information on Balance sheet

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Assets		
Non Current Assets	**201,576**	**207,357**
Current Assets		
Cash and cash equivalents	1,063	1,121
Other current assets (excluding cash and cash equivalents)	33,534	17,182
Total current assets	**34,597**	**18,303**
Liabilities		
Non current liabilities		
Non current financial liabilities (other than trade and other payables and provisions) - Loans and borrowings	9,556	10,589
Other non current liabilities	31,751	30,294
Total non current liabilities	**41,307**	**40,883**
Current liabilities		
Current financial liabilities (other than trade and other payables and provisions) - Loans and borrowings	30,683	24,090
Other current liabilities	32,233	28,522
Total current liabilities	**62,916**	**52,612**
Equity	**131,950**	**132,165**
Percentage of group's ownership interest	42%	42%
Interest in joint venture	55,419	55,509
Carrying amount of investment	**55,419**	**55,509**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Summarised information on statement of profit and loss

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Revenue	187,424	174,817
Other Income	3,264	1,769
Power and fuel	66,559	60,452
Rent	21,659	20,103
Employee expenses	4,962	4,604
Repairs and maintenance	11,847	12,077
Other expenses	5,659	4,446
Depreciation and amortisation	27,766	26,116
Finance cost	5,053	5,440
Finance Income	(995)	(376)
Income tax expense	16,593	15,273
Exceptional items	572	-
Profit for the year	**31,013**	**28,451**
Other comprehensive income for the year	3	(22)
Percentage of group's ownership interest	42%	42%
Group's share in joint venture's profit for the year	13,025	11,950
Group's share in joint venture's other comprehensive income for the year	1	(9)
Group's share in joint venture's total comprehensive income for the year	13,026	11,941
Dividend received from joint venture	**10,010**	**9,510**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

47. Additional information, as required under Schedule III to the companies act, 2013 for entities consolidated as subsidiary, controlled trust and joint ventures

(₹ millions)

Name of the entity	2018								2017							
	Net assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income		Net assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent																
Bharti Infratel Limited	76%	177,254	65%	24,139	96%	23	65%	24,162	75%	162,371	69%	27,050	111%	93	69%	27,143
Subsidiary																
Smartx Service Limited	0%	35	0%	5	0%	-	0%	5	0%	30	0%	(0)	0%	-	0%	(0)
Joint Venture (as per equity method)																
Indian																
Indus Towers Limited	24%	55,419	35%	13,025	4%	1	35%	13,026	25%	55,509	31%	11,950	-11%	(9)	31%	11,941
Controlled Trust																
Bharti Infratel Employee Welfare Trust	0%	(259)	0%	3	0%	-	0%	3	0%	(297)	0%	16	0%	-	0%	16
Total (Gross)	**100%**	**232,449**	**100%**	**37,172**	**100%**	**24**	**100%**	**37,196**	**100%**	**217,613**	**100%**	**39,016**	**100%**	**84**	**100%**	**39,100**
Adjustment arising out of consolidation	-	(62,805)	-	(12,235)	-	-	-	(12,235)	-	(62,620)	-	(11,546)	-	-	-	(11,546)
Total (Net)		**169,644**		**24,937**		**24**		**24,961**		**154,993**		**27,470**		**84**		**27,554**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

48. Buyback of Shares

In accordance with Sec 68, 69, 70 and other applicable provisions of the Companies Act, 2013 and SEBI regulations and pursuant to the public announcement for buy back made by the Company, the Company initiated a buy back during FY 2016-17 by way of tender offer through stock exchange mechanism for cash at price of ₹425 per equity share for an aggregate amount of ₹20,000 Mn

Date of Board Meeting approving the Buy Back	April 26, 2016
Date of Public Announcement	June 13, 2016 published on June 14, 2016
Record Date	June 16, 2016
Number of shares purchased (in Mn)	47
Face value of share purchased	10
Consideration paid towards buy back (in Mn)	20,000
Share capital reduction (in Mn)	471
Securities premium utilised (in Mn)	19,529
General reserve utilised for CRR (inclusive of expenses incurred for Buyback) (in Mn)	501
Amount transferred to Capital redemption reserve (CRR) on extinguishment of share capital (in Mn)	471

49. During financial year 2016-17, the Group (concessionaire) has entered into a service concession agreement as a lead member with Bhopal Smart City Development Corporation Limited (BSCDL/ grantor) along with other consortium members for implementation and maintenance of "Bhopal Smart City project" (the project) vide agreement dated October 28, 2016. As per the terms of the agreement, the Group along with the consortium members has to work on Build, Own, Operate and Transfer (BOOT) model on Public Private Partnership (PPP) basis. Smartx Services Limited is one of the Consortium members of the project.

The concession period granted as per the agreement is 15 years (excluding implementation period of 1 year) further extendable by another 15 years based on mutually agreed terms and conditions.

The title of interest, ownership and rights with regard to project implemented by the Group along with fixtures/ fittings provided therein shall rest with the Group until the expiry/ termination of the agreement and the rights related to the land allotted by the BSCDCL shall vest with the BSCDCL, except that, these will be operated and maintained by the Group at its own cost and expenses as agreed in the concession agreement.

These project facilities and assets constructed shall be transferred to BSCDCL at zero cost on expiry/ termination of the agreement. On obtaining the Completion Certificate from the specified authority, The Group shall be exclusively entitled to demand and collect revenue from the project assets in any manner.

The Concessionaire shall pay a fixed quarterly revenue share, as specified by the terms of agreement, to BSCDCL over the concession period.

50. The Group was required to spend ₹400 Mn towards CSR expenditure as per the requirement of the Companies Act 2013. During the year ₹212 Mn were spent towards ongoing long term CSR projects basis approval from the board. The disbursement of committed funds was based on the individual project work plans and milestones achieved over the year. All projects are being monitored and evaluated on the progress made and impact created during the routine course of the business.

The Group also contributed as charity/donation to Ramabai Keshav Vishwasth Sanstha (₹1 Mn) and Bharti Foundation towards promotion of formal education in rural areas (₹1 Mn via Airtel Delhi Half Marathon).

Charity and donation includes ₹80 Mn (FY 2016-17 : ₹50 Mn) paid to Prudent electoral trust (erstwhile Satya electoral trust).

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

51. Financial risk management objectives and policies

The Group's principal financial liabilities comprise trade payables, security deposits, short term borrowings, etc. The main purpose of these financial liabilities is to manage finances for the Group's operations. The Group's principal financial assets include Investment in Mutual Funds, Bonds and Government Securities, trade and other receivables, unbilled revenue, cash and cash equivalents, security deposits, etc. that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance frame work for the Group are accountable to the Board Audit Committee. This process provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and Group risk appetite. The Group has not entered into any derivative transactions. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, foreign currency risk and price risk. Financial instruments affected by market risk include interest bearing investment in bonds, government securities and fixed deposits.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

The Group's exposure to financial risks is to a variety of financial risks, including the effect of changes in foreign currency exchange rates, if any. The Group uses derivative financial instruments such as foreign exchange contracts to manage its exposures and foreign exchange fluctuations, if any.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has invested in Government securities and bonds which will fetch a fixed rate of interest, hence, the income and operating cash flows are substantially independent of changes in market interest rates.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Indian Rupee is the Group's functional currency. As a consequence, the Group's results are presented in Indian Rupee and exposures are managed against Indian Rupee accordingly. The Group has very limited foreign currency exposure mainly due to incurrence of some expenses. The Group may use foreign exchange option contracts or forward contracts towards operational exposures resulting from changes in foreign currency exchange rates exposure. These foreign exchange contracts, carried at fair value, may have varying maturities depending upon the primary host contract requirement.

The Group manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by the Board as per established risk management policy.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

(iii) Price risk

The Group invests its surplus funds mainly in government securities, taxable and tax free quoted debt bonds, liquid schemes of mutual funds (liquid investments) and higher duration short term debt funds and income funds (duration investments). These are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. The Group manages the price risk through diversification from time to time.

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 15 days credit term. Outstanding customer receivables are regularly monitored. The ageing analysis of gross trade receivables as of the reporting date is as follows:

(₹ millions)

Particulars	Within due date	Less than 30 days	30 to 60 days	60 to 90 days	above 90 days	Total
Trade receivables as at March 31, 2018	367	456	567	827	1,834	**4,051**
Trade receivables as at March 31, 2017	1,549	97	315	202	2,060	**4,223**

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by Group's treasury in accordance with the board approved policy. Investment of surplus funds are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. The Group monitors ratings, credit spreads and financial strength on at least quarterly basis. Based on its on-going assessment of counterparty risk, the Group adjusts its exposure to various counterparties. The Group's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2018, March 31, 2017 is the carrying amounts as illustrated in Note 41.

(c) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group's principal sources of liquidity are cash and cash equivalents and the cash flow generated from operations. The Group closely monitors its liquidity position and deploys a robust cash management system.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

(₹ millions)

Particulars	As at March 31, 2018					
	Carrying Amount	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Trade payables	10,996	10,996	-	-	-	10,996
Other Financial liabilities	5,010	4,964	16	16	14	5,010
Total	**16,006**	**15,960**	**16**	**16**	**14**	**16,006**

(₹ millions)

Particulars	As at March 31, 2017					
	Carrying Amount	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Bank Overdraft	2,785	2,785	-	-	-	2,785
Trade payables	11,214	11,214	-	-	-	11,214
Unpaid Interim dividend	22,185	22,185	-	-	-	22,185
Other Financial liabilities	4,317	4,239	16	16	46	4,317
Total	**40,501**	**40,423**	**16**	**16**	**46**	**40,501**

Capital management

Capital includes equity attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group has availed Bank overdraft facility for ₹ Nil (Mar 31, 2017 - ₹2,785 Mn) which is integral part of cash management and the cash and cash equivalent amounting to ₹308 mn as at March 31, 2018 (March 31, 2017 - ₹22,498 mn). The Cash and Cash equivalent net of Bank overdraft is ₹308 mn. The Group is not having any interest bearing debt as at March 31, 2018 and March 31, 2017 except disclosed above.

52. The Board of Directors has recommended a final dividend of ₹14 per equity share in its meeting held on April 23, 2018 for financial year 2017-18. The dividend recommended by the Board of Directors is subject to approval of the shareholders in the ensuing general meeting.

53. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2018.

54. Previous year's figures in the financial statements, including the notes thereto, have been reclassified wherever required to conform to the current period's presentation/classification. These are not material and do not affect the previously reported net profit or equity.

Standalone Financial Statements

Independent Auditor's Report

To The Members of
Bharti Infratel Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Bharti Infratel Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Hemant M. Joshi
(Partner)
(Membership No. 38019)

Place: New Delhi
Date: April 23, 2018

Annexure "A" to the Independent Auditor's Report

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

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

We have audited the internal financial controls over financial reporting of Bharti Infratel Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Hemant M. Joshi

(Partner)
(Membership No. 38019)

Place: New Delhi
Date: April 23, 2018

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets and capital work in progress were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the title deeds comprising the immovable property of land are held in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans.

(v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Entry Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where the dispute is pending	Period to which amount relates	Amount unpaid (Rs. in Mn)*
Income Tax Act, 1961	Income Tax	CIT(Appeals)	FY 2011-12	-
		Income Tax Appellate Tribunal	FY 2010-11 and FY 2013-14	462
		Assessing Officer (TDS)	FY 2008-09 to FY 2016-17	#

Name of Statute	Nature of dues	Forum where the dispute is pending	Period to which amount relates	Amount unpaid (Rs. in Mn)*
Bihar Entry Tax Act, Jammu and Kashmir Entry Tax Act, Madhya Pradesh Entry Tax Act, Himachal Pradesh Entry Tax Act, Nagaland Entry Tax Act, Mizoram Entry Tax Act, Assam Entry Tax Act, Orissa Entry Tax Act, Rajasthan Entry Tax Act, Chhattisgarh Entry Tax Act	Entry Tax	Hon'ble High Court	FY 2007-08 to FY 2017-18	572
Chhattisgarh Entry Tax Act, Madhya Pradesh Entry Tax Act, Orissa Entry Tax Act		Tribunal	FY 2007-08 to FY 2012-13	67
Uttar Pradesh Entry Tax Act		Deputy Commissioner, Appeal	FY 2008-09 to FY 2009-10	-
Bihar Entry Tax Act, Rajasthan Entry Tax Act		Joint Commissioner, Appeal	FY 2007-08, FY 2013-14 and FY 2014-15	-
Uttar Pradesh Value Added Tax Act, 2007	Sales Tax	UP Commercial Tax Appellate Authority	FY 2009-10 to FY 2014-15	#
		Additional Commissioner Appeals, Lucknow	FY 2014-15	#
Uttar Pradesh Value Added Tax Act, 2007, Madhya Pradesh VAT Act, 2002		Deputy Commissioner, Commercial Tax	FY 2012-13	#
Bihar Value Added Tax Act, 2005		Joint Commissioner, Appeal	FY 2014-15	#
Finance Act, 1994	Service Tax	Hon'ble High Court, Delhi	FY 2007-08 to FY 2012-13	15,322
		CESTAT	FY 2013-14 to FY 2015-16	678

- Less than ₹1 Million

* - Of the above mentioned cases, total amount paid under protest; against income tax, entry tax and service tax is ₹936 Mn, ₹1,533 Mn and ₹272 Mn, respectively.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of borrowings to banks. The Company has not taken any loan or borrowing from financial institution and government and has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi,
Date: April 23, 2018

Balance Sheet

as at March 31, 2018

(₹ millions)

Particulars	Note	As at March 31, 2018	As at March 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	6	55,814	57,811
Capital work-in-progress		998	585
Intangible assets	6	77	103
Investment in joint venture	7	60,419	60,419
Financial assets			
Investment	8	2,807	41,251
Other financial assets	9	1,367	1,163
Income tax assets		871	1,776
Deferred tax assets (net)	10	542	-
Other non-current assets	11	2,770	2,455
		125,665	**165,563**
Current assets			
Financial assets			
Investment	8	65,073	14,990
Trade receivables	12	2,745	3,000
Cash and cash equivalents	13	305	22,494
Other bank balance	14	4	-
Other financial assets	9	5,466	4,741
Other current assets	15	2,782	3,838
		76,375	**49,063**
Total assets		**202,040**	**214,626**
Equity and liabilities			
Equity			
Equity share capital	16	18,496	18,496
Other equity	17	158,758	143,875
		177,254	**162,371**
Non-current liabilities			
Financial liabilities			
Other financial liabilities	18	2,523	2,373
Long term provisions	19	2,484	2,243
Deferred tax liabilities (net)	10	-	263
Other non - current liabilities	20	1,630	1,633
		6,637	**6,512**
Current liabilities			
Financial liabilities			
Borrowings	21	-	2,785
Trade payables	22	10,995	11,214
Other financial liabilities	23	2,479	24,138
Other current liabilities	24	4,096	7,331
Provisions	19	143	134
Current tax liabilities		436	141
		18,149	**45,743**
Total liabilities		**24,786**	**52,255**
Total equity and liabilities		**202,040**	**214,626**

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W/ W-100018

Hemant M. Joshi
Partner
Membership No: 38019

Place: New Delhi
Date: April 23, 2018

For **and on behalf of the Board of Directors of Bharti Infratel Limited**

Akhil Gupta
Chairman

Pankaj Miglani
Chief Financial Officer

D S Rawat
Managing Director & CEO

Samridhi Rodhe
Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2018

(₹ millions, except share data)

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
Income			
Revenue from operations	25	66,180	60,847
Other income	26	11,061	10,221
Total Income		**77,241**	**71,068**
Expenses			
Power and fuel	27	22,813	21,143
Rent	28	3,505	3,184
Employee benefit expenses	29	2,916	2,746
Repairs and maintenance	30	4,062	4,084
Other expenses	31	1,030	1,164
Total Expenses		**34,326**	**32,321**
Profit before depreciation and amortization, finance cost, finance income, charity and donation and exceptional items		**42,915**	**38,747**
Depreciation and amortization expense	32	12,183	12,167
Less: adjusted with general reserve in accordance with the Scheme of arrangement with Bharti Airtel Limited (refer note 45)	32	(387)	(510)
		11,796	11,657
Finance costs	33	465	394
Finance income	33	(2,170)	(6,935)
Charity and donation	49	294	274
Profit before exceptional items and tax		**32,530**	**33,357**
Exceptional items	34	260	-
Profit before tax		**32,270**	**33,357**
Income tax expense:		**8,131**	**6,307**
Current tax	10	8,939	8,594
Deferred tax	10	(808)	(2,287)
Profit for the year		**24,139**	**27,050**
Other comprehensive income ('OCI')			
Items that will not be re-classified to Profit and Loss			
Remeasurements gains/(loss) of defined benefit plans (net of tax)		1	(6)
Items that will be re-classified to Profit and Loss			
Fair value changes on financial assets through OCI (net of tax)		22	99
Other comprehensive income for the year, net of tax		**23**	**93**
Total comprehensive income for the year, net of tax		**24,162**	**27,143**
Earnings per share (Nominal Value of share ₹10 each)			
Basic	35	13.051	14.494
Diluted	35	13.051	14.494

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W/ W-100018

Hemant M. Joshi
Partner
Membership No: 38019

Place: New Delhi
Date: April 23, 2018

For **and on behalf of the Board of Directors of Bharti Infratel Limited**

Akhil Gupta
Chairman

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Chief Financial Officer

D S Rawat
Managing Director & CEO

Samridhi Rodhe
Company Secretary

Statement of Change in Equity

as at March 31, 2018

A. Equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	No's in thousands	Amount ₹ in Mn's
As at April 1, 2016	**1,896,667**	**18,967**
Shares extinguished pursuant to buy-back	(47,059)	(471)
As at March 31, 2017	**1,849,608**	**18,496**
As at April 1, 2017	1,849,608	18,496
As at March 31, 2018	**1,849,608**	**18,496**

B. Other equity

(₹ millions)

Particulars	Reserves and Surplus					Other comprehensive income	Total equity
	Securities Premium	Share based payment reserves	General Reserve	Capital redemption reserve	Retained earnings		
As at April 1, 2016	**68,366**	**123**	**75,981**	**-**	**25,855**	**4**	**170,329**
Profit for the year	-	-	-	-	27,050	-	**27,050**
Other comprehensive income	-	-	-	-	-	93	**93**
Total comprehensive income	**-**	**-**	**-**	**-**	**27,050**	**93**	**27,143**
Gross compensation for options forfeited/ exercised during the year.	-	(103)	5	-	-	-	**(98)**
Utilisation for premium on buyback (refer note 46)	(19,529)	-	-	-	-	-	**(19,529)**
Utilisation for buyback expenses (net of tax)	-	-	(31)	-	-	-	**(31)**
Transfer to capital redemption reserve pursuant to buyback (refer note 46)		-	(471)	-	-	-	**(471)**
Transfer from General Reserve pursuant to buyback (refer note 46)	-	-	-	471	-	-	**471**
Amount transferred to statement of profit and loss during the year in accordance with the Scheme of arrangement with Bharti Airtel Limited (refer note 45)	-	-	(515)	-	-	-	**(515)**
Amount transferred to stock options outstanding during the vesting period (refer note 37)	-	31	-	-	-	-	**31**
Premium on exercise of ESOP's * (refer not 37)	-	-	(63)	-	-	-	**(63)**
Final dividend on equity shares	-	-	-	-	(5,548)	-	**(5,548)**
Tax on Final dividend on equity shares	-	-	(1,130)	-		-	**(1,130)**
Interim dividend on equity shares (refer note 23)	-	-	-	-	(22,195)	-	**(22,195)**
Tax on Interim dividend on equity shares	-	-	(4,519)	-	-	-	**(4,519)**
As at March 31, 2017	**48,837**	**51**	**69,257**	**471**	**25,162**	**97**	**143,875**

Statement of Change in Equity

as at March 31, 2018

B. Other equity (Contd..)

(₹ millions)

Particulars	Reserves and Surplus					Other comprehensive income	Total equity
	Securities Premium	Share based payment reserves	General Reserve	Capital redemption reserve	Retained earnings		
As at April 1, 2017	**48,837**	**51**	**69,257**	**471**	**25,162**	**97**	**143,875**
Profit for the year	-	-	-	-	24,139	-	**24,139**
Other comprehensive income	-	-	-	-	-	23	**23**
Total comprehensive income	**-**	**-**	**-**	**-**	**24,139**	**23**	**24,162**
Gross compensation for options forfeited/ exercised during the year.	-	(24)	-	-	-	-	**(24)**
Amount transferred to statement of profit and loss during the year in accordance with the Scheme of arrangement with Bharti Airtel Limited	-	-	(393)	-	-	-	**(393)**
Amount transferred to stock options outstanding during the vesting period (refer note 37)	-	49	-	-	-	-	**49**
Premium on exercise of ESOP's * (refer note 37)	-	-	(7)	-	-	-	**(7)**
Final dividend on equity shares (refer note 16)	-	-		-	(7,398)	-	**(7,398)**
Tax on Final dividend on equity shares	-	-	(1,506)	-	-	-	**(1,506)**
As at March 31, 2018	**48,837**	**76**	**67,351**	**471**	**41,903**	**120**	**158,758**

* Represents the cost of purchase price in excess of fair value of grant recognised w.r.t shares vested during this year (net of forfeiture).

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W/ W-100018

Hemant M. Joshi
Partner
Membership No: 38019

Place: New Delhi
Date: April 23, 2018

For **and on behalf of the Board of Directors of Bharti Infratel Limited**

Akhil Gupta
Chairman

Pankaj Miglani
Chief Financial Officer

D S Rawat
Managing Director & CEO

Samridhi Rodhe
Company Secretary

Statement of Cash Flows

for the year ended March 31, 2018

(₹ millions, except share data)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Cash flows from operating activities		
Profit before taxation	**32,270**	**33,357**
Adjustments for -		
Depreciation and amortization expense	11,796	11,657
Finance income	(2,172)	(6,935)
Finance costs	450	365
Dividend income	(10,010)	(9,510)
Gain/loss on disposal of property, plant & equipment	(626)	(581)
Provision for doubtful trade receivables	(88)	36
Exceptional items	260	-
Others	(249)	(257)
Operating profit before changes in assets and liabilities	**31,631**	**28,132**
Changes in other long term financial assets	(78)	58
Changes in other non current assets	6	(144)
Changes in trade receivables	83	(325)
Changes in other current assets	1,007	(654)
Changes in other financial assets	(1,148)	(1,784)
Changes in other financial liabilities	14	(362)
Changes in other long term financial liabilities	(111)	124
Changes in long term provisions	22	(118)
Changes in other non current liabilities	243	87
Changes in trade payables	(167)	1,047
Changes in other current liabilities	1,284	1,037
Changes in short term provisions	9	15
Cash generated from operations	**32,795**	**27,113**
Income tax paid (net of refunds)	(8,086)	(7,960)
Net cash flow from operating activities (A)	**24,709**	**19,153**
Cash flows from investing activities		
Purchase of property, plant & equipment	(10,627)	(10,078)
Proceeds from sale of property, plant & equipment	1,236	1,028
Investment in mutual funds	(73,602)	(124,613)
Investment in government securities	-	(68,501)
Investment in commercial paper	(234)	(475)
Investment in certificate of deposit	-	(3,946)
Investment in bonds	(1,012)	-
Investment in non convertible debenture	(1,000)	-

Statement of Cash Flows

for the year ended March 31, 2018

(₹ millions, except share data)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Proceeds from fixed deposit (net)	(4)	11,462
Proceeds from sale of mutual funds	23,256	168,999
Proceeds from sale of government securities	37,581	15,430
Proceeds from sale of certificate of deposits	1,482	5,394
Proceeds from sale of commercial paper	498	-
Proceeds from sale of bonds	-	1,217
Loan repaid by trust	14	28
Proceeds from exercise of stock options	6	62
Interest received	3,966	1,658
Loan given to group companies	(6,100)	-
Repayment of loan to group companies	6,100	-
Dividend received	10,010	9,510
Net cash flow from /(used in) investing activities (B)	**(8,430)**	**7,175**
Cash flows from financing activities		
Interest income on loan	73	-
Proceeds from borrowings	3,250	-
Repayment of borrowings	(3,250)	-
Loan given to subsidiary	(121)	-
Buyback of shares	-	(20,031)
Dividend paid	(29,593)	(5,549)
Tax on dividend paid	(6,025)	(1,130)
Interest - others	(17)	-
Net cash flow (used in) financing activities (C)	**(35,683)**	**(26,710)**
Net increase in cash and cash equivalents during the year (A+B+C)	**(19,404)**	**(382)**
Cash and cash equivalents at the beginning of the year	19,709	20,091
Cash and cash equivalents at the end of the year (refer note 13)	**305**	**19,709**

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W/ W-100018

Hemant M. Joshi
Partner
Membership No: 38019

Place: New Delhi
Date: April 23, 2018

For **and on behalf of the Board of Directors of Bharti Infratel Limited**

Akhil Gupta
Chairman

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Managing Director & CEO

Pankaj Miglani
Chief Financial Officer

Samridhi Rodhe
Company Secretary

Notes to Financial Statements

for the year ended March 31, 2018

1. Corporate information

Bharti Infratel Limited ('the Company' or 'BIL') was incorporated on November 30, 2006 with the object of, inter-alia, setting up, operating and maintaining wireless communication towers. The Company received the certificate of commencement of business on April 10, 2007 from the Registrar of Companies. The Registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070. The Registered office of the Company has been shifted to 901, Park Centra, Sector 30 NH-8, Gurugram Haryana – 122001 w.e.f April 17, 2018.

Bharti Infratel Limited is a subsidiary of Bharti Airtel Limited ('BAL') and BAL holds 50.33% shares in the Company. Nettle Infrastructure Investments Limited, Wholly owned Subsidiary of BAL also holds 3.18% shares in the Company as on March 31, 2018.

The Company is publicly traded on National Stock Exchange of India (NSE) and BSE Limited.

The Company had entered into a joint venture agreement with Vodafone India Limited and Aditya Birla Telecom Limited to provide passive infrastructure services in 15 Telecom circles of India and formed Indus Towers Limited for such purpose which is a Company incorporated in India. The Company and Vodafone India Limited are holding 42% each in Indus Towers Limited, 11.15% is held by Aditya Birla Telecom Limited.

A wholly owned subsidiary, Smartx Services Limited, has been incorporated on September 21, 2015 with the object of transmission through Optic Fibre Cables and setting up Wi-Fi hotspots for providing services to telecom operators and others on sharing basis.

The financial statements are approved for issuance by the Company's Board of Directors on April 23, 2018.

2. Basis of preparation

The Standalone financial statements ("financial statements") have been prepared to comply in all material aspects with the Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017 issued by the Ministry of Corporate Affairs ('MCA').

The financial statements have been prepared under historical cost convention on accrual and going concern basis, except for the certain financial instruments which have been measured at fair value as required by relevant Ind ASs.

Effective April 1, 2016, the Company has adopted Indian Accounting Standards (Ind AS) and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian GAAP as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Amounts for the year ended and as at March 31, 2017 were audited by previous auditors – S.R. Batliboi & Associates LLP.

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or '₹'), and are rounded to the nearest million (Mn) except per share data and unless stated otherwise.

3. Significant accounting policies

a) Property, Plant and Equipment

Property, plant and equipment including Capital work in progress is stated at cost, except assets acquired under Schemes of Arrangement, which are stated at fair values as per the Schemes, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the Property, plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognizes such parts as separate component of assets with specific useful lives and provides depreciation over

Notes to Financial Statements

for the year ended March 31, 2018

their useful life. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer note 4 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives. Estimated useful lives of the assets are as follows:

	Useful lives
Office Equipment	2 years / 5 years
Computer	3 years
Vehicles	5 years
Furniture and Fixtures	5 years
Plant & Machinery	3 to 20 Years
Leasehold Improvement	Period of Lease or useful life, whichever is less

The existing useful lives of tangible assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Company believes that this is the best estimate on the basis of technical evaluation and actual usage period.

The existing realizable values of tangible assets are different from 5% as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Company believes that this is the best estimate on the basis of actual realization.

The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for impairment, and adjusted prospectively.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment (including assets acquired under Schemes of Arrangement) except with an adjustment in decommissioning cost recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the cost of the property, plant and equipment.

b) Intangible Assets

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

At initial recognition, the separately acquired intangible assets are recognised at cost. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Notes to Financial Statements

for the year ended March 31, 2018

Software is capitalized at the amounts paid to acquire the respective license for use and is amortised over the period of license, generally not exceeding three years.

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

c) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses, if any, are recognized in Statement of Profit and Loss as a component of depreciation and amortisation expense.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited to the extent the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss when the asset is carried at the revalued amount, in which case the reverse is treated as a revaluation increase.

d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

e) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of an arrangement at inception date: whether fulfillment of the

Notes to Financial Statements

for the year ended March 31, 2018

arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Company as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's policy on the borrowing costs.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term and escalation in the contract, which are structured to compensate expected general inflationary increase are not straight-lined. Contingent rents are recognized as expense in the period in Statement of Profit and Loss in which they are incurred.

Company as a Lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases where the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Lease rentals under operating leases are recognized as income on a straight-line basis over the lease term and escalation in the contract, which are structured to compensate expected general inflationary increase are not straight lined. Contingent rents are recognized as revenue in the period in which they are earned.

f) Share-based payments

The Company issues equity-settled and cash-settled share-based options to certain employees. These are measured at fair value on the date of grant.

The fair value determined at the grant date of the equity-settled share-based options is expensed over the vesting period, based on the Company's estimate of the shares that will eventually vest.

The fair value determined on the grant date of the cash settled share based options is expensed over the vesting period, based on the Company's estimate of the shares that will eventually vest. At the end of each reporting period, until the liability is settled, and at the date of settlement, the fair value of the liability is recognized, with any changes in fair value pertaining to the vested period recognized immediately in the Statement of Profit and Loss.

At the vesting date, the Company's estimate of the shares expected to vest is revised to equal the number of equity shares that ultimately vest.

Fair value is measured using Black-Scholes framework and is recognized as an expense, together with a corresponding increase in equity/ liability as appropriate, over the period in which the options vest using the graded vesting method. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations. The expected volatility and forfeiture assumptions are based on historical information.

Notes to Financial Statements

for the year ended March 31, 2018

Where the terms of a share-based payments are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it is vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options if any, is reflected as additional share dilution in the computation of diluted earnings per share.

g) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

h) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through Profit or Loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt Instruments at Amortised Cost

This category applies to the Company's trade receivables, unbilled revenue, security deposits etc.

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instrument at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

Notes to Financial Statements

for the year ended March 31, 2018

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss.

Interest earned whilst holding FVTOCI debt instrument is reported as interest income.

The Company has classified investment in tax free bonds and Investment in commercial paper and certificate of deposits within this category.

Debt instrument at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or at FVTOCI, is classified at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. This category applies to the Company's investment in government securities, mutual funds, taxable bonds and non convertible debentures.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument at FVTPL.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination, if any to which Ind AS 103 applies are classified as at fair value through Profit or loss. Further, there are no such equity investments measured at fair value through profit or loss or fair value through other comprehensive income in the company.

De-recognition:- A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a) The contractual rights to receive cash flows from the asset have expired, or

b) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Financial assets that are debt instruments and are initially measured at fair value with subsequent measurement at amortised cost e.g Trade receivables, unbilled revenue etc.

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant

Notes to Financial Statements

for the year ended March 31, 2018

increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, security deposits, etc.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit or Loss.

Financial Liabilities at Amortised cost

This category includes security deposit received, trade payables etc After initial recognition, such liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Notes to Financial Statements

for the year ended March 31, 2018

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

i) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company assesses its revenue arrangements against specific criteria, i.e., whether it has exposure to the significant risks and rewards associated with the rendering of services, in order to determine if it is acting as principal or as an agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized.

Service revenue

Service revenue includes rental revenue for use of sites and energy revenue for the provision of energy for operation sites. Rental revenue and energy revenue is recognized as and when services are rendered on a monthly basis as per the contractual terms under agreements entered with customer.

The Company has ascertained that the lease payment received are structured to increase in line with expected general inflationary increase in cost and therefore not straight-lined.

Unbilled revenue represents revenues recognized after the last invoice raised to customer to the period end. These are billed in subsequent periods based on the rates specified in the master service agreement with the operators. The Company collects GST on behalf of the government and therefore, it is not an economic benefit flowing to the Company, hence it is excluded from revenue.

Dividend Income

Dividend Income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend in case of final dividend and approval by Board of Directors in case of interim dividend.

j) Finance income

Finance income comprises interest income on funds invested and changes in the fair value of financial assets at fair value through profit or loss, and that are recognised in Statement of Profit and Loss. Interest income is recognised as it accrues in Statement of Profit and Loss, using the effective interest rate (EIR) which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

k) Taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.

Current tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Company's income tax obligation for the period are recognised in the balance sheet as current income tax assets / liabilities. Any interest, related to accrued liabilities for potential tax assessments are not included in Income tax charge or (credit), but are rather recognised within finance costs. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes to Financial Statements

for the year ended March 31, 2018

Deferred tax

Deferred tax is recognised, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax is not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relates to income tax levied by the same taxation authority.

l) Dividend Payments

Final dividend is recognized, when it is approved by the shareholders and the distribution is no longer at the discretion of the Company. However, Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

n) Retirement and other employee benefits

Short term employee benefits are recognised in the period during which the services have been rendered.

The Company post employment benefits include defined benefit plan and defined contribution plans. The Company also provides other benefits in the form of deferred compensation and compensated absences.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts. The Company contributions to defined contribution plans are recognized in Statement of Profit & Loss when the related services are rendered. The Company has no further obligations under these plans beyond its periodic contributions.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under the defined benefit retirement plan, the Company provides retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to eligible employees at retirement or termination of employment based on respective employee salary and years of experience with the Company.

The cost of providing benefits under this plan is determined on the basis of actuarial valuation carried out quarterly as at the reporting date by an independent qualified actuary using the projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income forming part of Statement of Profit and Loss.

The obligation towards the said benefit is recognised in the balance sheet as the difference between the fair value of the plan assets and the present value of the plan liabilities. Scheme liabilities are calculated using the projected unit credit method and applying the principal actuarial assumptions as at the date of Balance Sheet. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies.

All expenses excluding remeasurements of the net

Notes to Financial Statements

for the year ended March 31, 2018

defined benefit liability (asset), in respect of defined benefit plans are recognized in the profit or loss as incurred. Remeasurements, comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)), are recognized immediately in the Balance Sheet with a corresponding debit or credit through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The Company provides other benefits in the form of compensated absences and long term service awards. The employees of the Company are entitled to compensated absences based on the unavailed leave balance. The Company records liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the entire leave encashment liability as a current liability in the balance sheet, since the Company does not have an unconditional right to defer its settlement for more than 12 months after the reporting date.

Under the long term service award plan, a lump sum payment is made to an employee on completion of specified years of service. The Company records the liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred. The amount charged to the Statement of Profit and Loss in respect of these plans is included within operating costs.

o) Provisions

(i) General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount) is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

(ii) Contingent Assets/ Liabilities

Contingent assets are not recognised. However, when realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Contingent liabilities are disclosed in notes to accounts when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(iii) Asset Retirement Obligations

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Company has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease.

ARO are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the site restoration obligation. The unwinding of the discount is expensed as incurred and recognized in

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for the year ended March 31, 2018

the Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

p) Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity shareholders of the Company by the weighted average number of Equity shares outstanding during the period.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity shareholders of the Company by the weighted average number of Equity shares outstanding during the period plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

q) Fair Value Measurement

The Company measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

I. **Level 1**- Quoted prices (unadjusted) in active markets for identical assets or liabilities.

II. **Level 2**- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

III. **Level 3**- Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value measurement. Other fair value related disclosures are given in the relevant notes.

r) Foreign Currency

Functional and presentation currency

The Company's financial statements are presented in INR, which is also the Company's functional currency. Presentation currency is the currency in which the company's financial statements are presented. Functional currency is the currency of the primary economic environment in which an entity operates

Notes to Financial Statements

for the year ended March 31, 2018

and is normally the currency in which the entity primarily generates and expends cash. All the financial information presented in Indian Rupees (INR) has been rounded to the nearest of million rupees, except where otherwise stated.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in Statement of Profit or Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

4. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

a) Operating lease commitments – Company as lessor

The Company has assessed that its master service agreement ("MSA") with operators contains lease of its tower sites and plant and equipment and has determined, based on evaluation of the terms and conditions of the arrangements such as various lessees sharing the same tower sites with specific area, the fair value of the asset and all the significant risks and rewards of ownership of these properties retained by the Company, that such contracts are in the nature of operating lease and has accounted for as such.

The Company has ascertained that the annual escalations in the lease payment received under the MSA are structured to compensate the expected inflationary increase in cost and therefore has not been straight-lined.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

b) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or

Notes to Financial Statements

for the year ended March 31, 2018

CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized, if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount and are recognised in Statement of Profit and Loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of goodwill, if any, allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversal is recognised in the statement of profit and loss except when the asset is carried at revalued amount, the reversal is treated as a revaluation increase.

c) Property, plant and equipment

Refer Note 3(a) for the estimated useful life of Property, plant and equipment.

Property, plant and equipment also represent a significant proportion of the asset base of the Company. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Profit and Loss.

The useful lives and residual values of Group assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life, such as changes in technology.

During the financial year 2014-15, the Company had re-assessed the useful life and residual value of all its assets, accordingly, effective April 1, 2014, it has revised the useful life of certain class of shelters from 15 years to 10 years and revised the residual value of certain plant and machineries (batteries and DG sets) from Nil and 5% to 25% and 10%, respectively. Set out below is the impact of above change on future period depreciation:-

Particulars	Year ending March 31, 2019	After March 31, 2019
Decrease in Depreciation	592	1,886

d) Allowance of doubtful trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

e) Asset retirement obligation

The Company uses various leased premises to install its tower assets. A provision is recognised for the cost to be incurred for the restoration of these premises at the end of the lease period, which is estimated based on actual quotes, which are reasonable and appropriate under these circumstances. It is expected that these provisions will be utilised at the end of the lease period of the respective sites as per respective lease agreements.

Notes to Financial Statements

for the year ended March 31, 2018

f) Share based payment

The Company initially measures the cost of cash-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the profit or loss. This requires a reassessment of the estimates used at the end of each reporting period.

5. Recent accounting pronouncement issued but not yet effective upto the date of issuance of financial statements

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, 'Revenue from Contracts with Customers' (a new revenue standard) and Appendix B to Ind AS 21, 'Foreign Currency Transactions and Advance Consideration'. These amendments are applicable to the company from April 1, 2018.

Ind AS 115, Revenue from Contracts with Customers

This standard requires an entity to recognise revenue on the basis of 5 step model given in the standard. The Standard focuses on identification of various performance obligations on the basis of promised goods and services to the customers as per contract, allocation of contract price on the various performance obligations and recognition of revenue when entity satisfies the performance obligation. The Standard Scopes out lease agreements from its scope.

There is no impact on transition of Ind AS 115 (new standard) from Ind AS 18 (old standard) on Revenue.

Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

There is no impact on the company due to notification of this Appendix.

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for the year ended March 31, 2018

6. Property, Plant and Equipment and Intangible Asset

(₹ millions)

Particulars	Land	Plant and equipment	Office furniture and equipment	Vehicles	Computers	Leasehold improvements	Tangible assets Total	Computer Software	Intangible asset Total
Cost or valuation									
As at April 1, 2016	**2**	**127,641**	**196**	**8**	**732**	**277**	**128,856**	**412**	**412**
Additions	-	9,558	28	-	154	60	9,800	96	96
Disposals/Adjustment	-	(3,165)	(6)	-	(2)	(15)	(3,188)	(3)	(3)
As at March 31, 2017	**2**	**134,034**	**218**	**8**	**884**	**322**	**135,468**	**505**	**505**
Additions	-	10,721	13	-	37	19	10,790	20	20
Disposals/Adjustment	-	(4,063)	(4)	(2)	-	-	(4,069)	-	-
As at March 31, 2018	**2**	**140,692**	**227**	**6**	**921**	**341**	**142,189**	**525**	**525**
Accumulated Depreciation/ Amortisation									
As at April 1, 2016	**-**	**67,262**	**142**	**5**	**683**	**203**	**68,295**	**341**	**341**
Charge for the year	-	11,954	51	1	59	41	12,106	61	61
Disposals	-	(2,722)	(6)	-	(1)	(15)	(2,744)	-	-
As at March 31, 2017	**-**	**76,494**	**187**	**6**	**741**	**229**	**77,657**	**402**	**402**
Charge for the period	-	12,019	17	-	79	22	12,137	46	46
Disposals	-	(3,413)	(4)	(2)	-	-	(3,419)	-	-
As at March 31, 2018	**-**	**85,100**	**200**	**4**	**820**	**251**	**86,375**	**448**	**448**
Net block									
As at March 31, 2017	**2**	**57,540**	**31**	**2**	**143**	**93**	**57,811**	**103**	**103**
As at March 31, 2018	**2**	**55,592**	**27**	**2**	**101**	**90**	**55,814**	**77**	**77**

(i) "Plant and equipment" comprise of assets given on operating lease.

(ii) Depreciation charge for the year includes ₹671 Mn (FY 2016 - 17 - ₹804 Mn) being the amount provided for asset obsolescence/impairment with respect to assets not in active use.

(iii) Disposal/adjustment includes cost and accumulated depreciation for assets sold and the assets for which insurance claims are made by the Company.

(iv) Net book value of computers of ₹68 Mn (March 31, 2017: ₹108 Mn) are under finance lease.

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for the year ended March 31, 2018

7. Investment in joint venture

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Unquoted, at cost		
Indus towers Limited: 500,504 (March 31, 2017- 500,504) equity shares of ₹1 each fully paid up	60,419	60,419
	60,419	**60,419**

8. Investment

a) Non Current Investment

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Investment in subsidiary (Unquoted) at cost		
Smartx Services Limited: 3,000,000 (March 31,2017- 3,000,000) equity shares of ₹10 each fully paid up	30	30
Investments carried at fair value through profit or loss		
Mutual funds (quoted)	334	306
Government securities (quoted)	290	38,784
Investments carried at fair value through other comprehensive income		
Bonds (quoted)	2,153	2,131
	2,807	**41,251**

b) Current Investment

(₹ millions)

Particulars	As at March 31, 20 18	As at March 31, 2017
Investments carried at fair value through profit or loss		
Mutual funds (quoted)	51,038	-
Bond (quoted)	1,001	-
Non convertible debentures (quoted)	997	-
Government securities (quoted)	11,798	13,088
Investments carried at fair value through other comprehensive income		
Certificate of deposits (quoted)	-	1,425
Commercial paper (quoted)	239	477
	65,073	**14,990**
Aggregate value of unquoted Investments (cost)	30	30
Aggregate value of quoted Investments (cost)	67,580	56,851
Aggregate market value of quoted Investments	67,850	56,211

Notes to Financial Statements

for the year ended March 31, 2018

Non Current Investments

Details of investments in mutual funds are provided below:

(₹ millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
BOI AXA Corporate Credit Spectrum Fund - Regular Plan	25,000,000	334	25,000,000	306
	25,000,000	**334**	**25,000,000**	**306**

Details of investments in government securities are provided below:

(₹ millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
6.97% Govt Stock 2026	3,000,000	290	52,000,000	5,300
7.59% Govt Stock 2026	-	-	319,500,000	33,484
	3,000,000	**290**	**371,500,000**	**38,784**

Details of investments in bonds are provided below:

(₹ millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
National Highway Authority of India	500	540	500	526
NTPC Limited	300	320	300	320
Housing and Urban Development Corporation Limited	200,000	227	200,000	228
Indian Railway Finance Corporation Limited	1,000	1,066	1,000	1,057
	201,800	**2,153**	**201,800**	**2,131**

Current Investments

Details of investments in mutual funds are provided below:

(₹ millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
L& T Liquid - Growth	1,323,618	3,145	-	-
UTI - Liquid Cash Plan - Institutional Growth	141,432	401	-	-
JM High Liquidity Fund - Growth Option	10,679,744	506	-	-
Axis Liquid Fund - Growth	2,702,957	5,192	-	-

Notes to Financial Statements

for the year ended March 31, 2018

Details of investments in mutual funds are provided below:

(₹ millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
Birla Sun Life Floating rate fund short term plan-Growth	5,213,799	1,205	-	-
Tata Liquid Fund Regular plan- Growth	65,041	208	-	-
ICICI Prudential Liquid Plan- Growth	16,090,248	4,125	-	-
Baroda Pioneer Liquid Fund - Plan A - Growth	1,722,777	3,427	-	-
Birla Sun Life Cash Plus - Regular - Growth	15,314,618	4,261	-	-
DSP BlackRock Liquidity Fund - IP - Growth	943,747	2,335	-	-
Kotak Liquid Scheme Plan A - Growth	104,454	367	-	-
Reliance Liquid Fund - Treasury Plan - Growth	458,135	1,934	-	-
SBI Magnum Insta Cash - Growth	262,794	1,006	-	-
UTI-Money Market Fund -Institutional Plan - Growth	2,028,686	3,935	-	-
Invesco India Liquid Fund - Growth	1,522,476	3,629	-	-
IDFC Cash Fund - Regular - Growth	1,028,673	2,164	-	-
Reliance Quarterly Interval Fund - Series II - Growth Plan	42,323,385	1,010	-	-
Tata money market fund regular plan-Growth	992,823	2,707	-	-
DHFL Pramerica Insta Cash Plus Fund - Growth	14,494,770	3,261	-	-
Reliance Fixed Horizon Fund	60,000,000	605	-	-
HDFC liquid fund-Regular Plan-Growth	14,831	51	-	-
ICICI prudential fixed maturity plan	60,000,000	604	-	-
Kotak Floater Short Term- Growth (Regular Plan)	1,743,940	4,960	-	-
	239,172,948	**51,038**	**-**	**-**

Details of investments in bonds are provided below:

(₹ millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
8.57% HDFC 2018	2,000	1,001	-	-
	2,000	**1,001**	**-**	**-**

Details of investments in non convertible debentures are provided below:

(₹ millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
Indiabulls Housing Limited	1,000	997	-	-
	1,000	**997**	**-**	**-**

Notes to Financial Statements

for the year ended March 31, 2018

Details of investments in government securities are provided below:

(₹ millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
7.68% Govt Stock 2023	98,000,000	9,947	100,000,000	10,416
8.27% Govt Stock 2020	18,000,000	1,851	25,500,000	2,672
	116,000,000	**11,798**	**125,500,000**	**13,088**

Details of Certificate of deposits are provided below:

(₹ millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
Axis Bank Limited	-	-	5,000	474
Yes Bank Limited	-	-	10,000	951
	-	**-**	**15,000**	**1,425**

Details of commercial paper are provided below:

(₹ millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
Bajaj Finance Limited	1,000	239	-	-
Housing Development Finance Corporation Ltd	-	-	1,000	477
	1,000	**239**	**1,000**	**477**

9. Other financial assets

a) Non current

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Security deposit		
Unsecured, considered good	1,231	1,148
Unsecured, considered doubtful	288	257
Less :- Provisions	(288)	(257)
	1,231	**1,148**
Loans given to Subsidiary	121	-
Fixed deposits for more than one year	15	15
	1,367	**1,163**

"Security deposit" includes ₹3 Mn given to related parties (March 31, 2017- ₹3 Mn). For details, refer note 43.

The Company has granted an interest free unsecured loan to its wholly owned subsidiary company "Smartx Services Limited".

Notes to Financial Statements

for the year ended March 31, 2018

b) Current

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Unbilled revenue	4,827	3,740
Interest accrued on Investments	520	977
Security Deposit	1	1
Claim Recoverable	81	52
Less :- Provision	(23)	(29)
Claims Recoverable	58	23
Other Recoverables	60	-
	5,466	**4,741**

"Unbilled revenue" includes amount pertaining to related parties amounting to ₹2,880 Mn as at March 31, 2018 (March 31, 2017 - ₹2,224 Mn). Other recoverable includes ₹60 Mn (March 31, 2017 - Nil) receivable from related parties. For details refer note 43

10. Taxes

a) Income tax expense

The major components of income tax expense are:

i. Profit and loss

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current tax	8,939	8,594
Deferred tax	(808)	(2,287)
Income tax expense	**8,131**	**6,307**

ii. Other Comprehensive Income

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Deferred tax on re-measeurements of defined benefits plan*	-	3
Fair Value changes of financial assets at FVTOCI	(3)	(10)
Income tax charged to other comprehensive income	**(3)**	**(7)**

*Amount for current year is less than ₹1 Mn

Notes to Financial Statements

for the year ended March 31, 2018

b) Reconciliation of effective tax rate:

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net income before taxes	32,270	33,357
Enacted tax rate in India	34.61%	34.61%
Computed tax expense	**11,168**	**11,544**
Increase/(reduction) in taxes on account of:		
Tax effect on exempted income under Indian tax act	(3,515)	(3,341)
Tax effect of long-term MTM loss/(gain) on non-current investment	(62)	152
Tax effect of long term capital loss/(gain) on sale of non current investment	513	(2,070)
Others	27	22
Income tax expense recorded in the statement of profit and loss	**8,131**	**6,307**

The applicable Indian statutory tax rate for financial year 2017-18 and financial year 2016-17 is 34.61%.

c) Deferred tax assets/ (liabilities)

The components that gave rise to deferred tax assets and liabilities are as follows:

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax liability in relation to:		
Property, plant and equipment and intangible asset (excluding ARO)	788	1,434
Investment carried at Fair value through profit or loss/ OCI	210	39
Security deposit received measured at amortised cost	110	114
Gain on disposal of subsidiary (refer note 45(b))	116	115
Total deferred Tax liabilities	**1,224**	**1,702**
Deferred Tax Assets in relation to:		
Asset retirement obligation	626	530
Investment carried at Fair value through profit or loss/ OCI	60	136
Short term capital loss carried forward	28	-
Long term capital loss carried forward	259	-
Security deposit paid measured at amortised cost	57	46
Provision for doubtful debts and advance	469	436
Provision for employee benefits	99	94
Employee Stock option plans	120	119
Others	48	78
Total deferred tax assets	**1,766**	**1,439**
Net deferred tax liabilities/(asset)	**(542)**	**263**

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

Current tax expense includes tax reversal of ₹64 Mn (March 31, 2017 – tax expense of ₹16 Mn) and deferred tax expense includes tax expense of ₹53 Mn (March 31, 2017 – tax reversal of ₹16 Mn), respectively relating to earlier periods.

Notes to Financial Statements

for the year ended March 31, 2018

The reconciliation of net deferred tax liability/ (asset) is follows:

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening balance	263	2,542
Tax expense during the year recognised in Statement of profit and loss	(805)	(2,279)
Closing balance	**(542)**	**263**

11. Other non-current assets

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Capital advances		
Unsecured, considered good	2	23
Unsecured, considered doubtful	18	20
Less: provision for capital advances	(18)	(20)
	2	**23**
Others		
Considered good	2,732	2,397
Considered doubtful	18	18
Less - provision	(18)	(18)
	2,732	**2,397**
Deferred lease - security deposit	36	35
	2,770	**2,455**

"Others" comprise of payments made under protest to the government authorities. For details, refer note 39(b).

12. Trade receivables

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good	2,745	3,000
Unsecured, considered doubtful	1,305	1,223
Less: Allowance for doubtful receivables	(1,305)	(1,223)
	2,745	**3,000**

Includes receivables from related parties amounting to ₹835 Mn (March 31, 2017 - ₹1,251 Mn), respectively. For details, refer note 43. Trade receivables are non-interest bearing and due after 15 days from the date of invoice.

Notes to Financial Statements

for the year ended March 31, 2018

13. Cash and cash equivalents

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance with banks		
On current accounts	55	22,491
Deposits with original maturity of less than three months	250	-
Cheques on hand	-	3
	305	**22,494**

Cash and cash equivalents as at March 31, 2018 includes earmarked bank balances of Nil (March 31, 2017 - ₹22,195 Mn) on account of unpaid interim dividend kept in separate bank account.

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

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents as per balance sheet	305	22,494
Bank Overdraft	-	(2,785)
	305	**19,709**

14. Other Bank Balances

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Fixed deposits with original maturity less than twelve months	4	-
	4	**-**

15. Other Current Assets

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Loans and advance to related parties (refer note 43)	259	308
Advance to supplier	1,946	2,458
Other taxes recoverable	454	1,008
Prepaid expenses	95	56
Others	28	8
	2,782	**3,838**

"Advance to supplier" is net of provision of ₹69 Mn (March 31, 2017 - ₹92 Mn). "Other Taxes recoverable" is net of provision of ₹44 Mn (March 31, 2017 - ₹ Nil)

Notes to Financial Statements

for the year ended March 31, 2018

16. Share capital

a) Equity share capital:

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Authorized Shares		
3,500,000,000 equity shares of ₹10 each (3,500,000,000 equity shares as at March 31, 2017)	35,000	35,000
Issued, subscribed and fully paid-up shares		
1,849,608,246 equity shares of ₹10 each fully paid-up (March 31, 2017- 1,849,608,246 equity shares)	18,496	18,496
	18,496	**18,496**

b) Terms/ rights attached to equity shares:

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

The Board of Directors, in its meeting held on March 22, 2017 had approved an interim dividend of ₹12 per equity share for FY 2016-17.

The Board of Directors, in its meeting held on May 8, 2017, proposed a final dividend of ₹4 per equity share for FY 2016-17 and the same was approved by the shareholders at the Annual General Meeting held on July 22, 2017.

c) Shares held by holding Company:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No.	₹ Million	No.	₹ Million
Equity shares of ₹10 each fully paid				
Bharti Airtel Limited	930,898,728	9,309	930,898,728	9,309

Notes to Financial Statements

for the year ended March 31, 2018

d) Details of shareholders holding more than 5% shares in the Company:

(₹ millions)

Particulars	As at March 31, 2018		As at March 31, 2017	
	No.	% holding	No.	% holding
Equity shares of ₹10 each fully paid				
Bharti Airtel Limited	930,898,728	50.33%	930,898,728	50.33%
Nettle Infrastructure Investments Limited	58,882,251	3.18%	209,416,643	11.32%
Silverview Portfolio Investments Pte. Ltd.	130,803,065	7.07%	130,803,065	7.07%
Total	**1,120,584,044**	**60.58%**	**1,271,118,436**	**68.72%**

e) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

During the year ended March 31, 2013, the Company allotted 1,161,605,820 equity shares as fully paid bonus shares by capitalization of securities premium account.

During the year ended March 31, 2016, the Company allotted 2,897,776 equity shares (F.Y 2014-15, 2013-14 and 2012-13 - 4,468,180, 558,059 and 100,212 equity shares respectively) of ₹10 each to its employees on exercise of stock options under the Employee Stock Option Plan 2008 wherein part consideration was received in form of employee services. (refer note 37).

f) Aggregate number and class of shares bought back:

During the previous year ended March 31, 2017, the Company brought back 47,058,824 equity shares of ₹10 each by way of tender offer through stock exchange mechanism for cash at price of ₹425 per equity share.

g) Shares reserved for issue under options:

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 37.

17. Other Equity

(₹ millions)

Nature	As at March 31, 2018	As at March 31, 2017
Securities Premium	48,837	48,837
Share Based Payment reserves	76	51
General Reserve	67,351	69,257
Capital Redemption Reserve	471	471
Retained Earnings	41,903	25,162
Other Comprehensive Income	120	97
	158,758	**143,875**

Notes to Financial Statements

for the year ended March 31, 2018

18. Other financial liabilities, non-current

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Security deposits	2,523	2,373
	2,523	**2,373**

The above security deposit is the fair value of total security deposit at transaction value for ₹4,010 Mn as at March 31, 2018 (March 31, 2017 ₹4,034 Mn).

"Security deposits" includes transaction value of ₹2,031 Mn (March 31, 2017 - ₹2,019 Mn) towards amounts received from related parties. For details, refer note 43.

19. Provisions

a) Long Term Provisions

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Asset retirement obligation (ARO)	2,322	2,102
Gratuity (refer note 36)	140	125
Long-term service award	22	16
	2,484	**2,243**

The Company uses various premises on lease to install plant and equipment. Provision is recognised for the costs to be incurred for the restoration of these premises at the end of the lease period. It is expected that this provision will be utilized at the end of the lease period of the respective sites as per the respective lease agreements. The movement of Provision in accordance with Ind AS 37 on 'Provisions, Contingent liabilities and Contingent Assets' is given below:

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	2,102	1,899
Provision during the year	48	54
Unwinding of discount	172	149
Closing Balance	**2,322**	**2,102**

Notes to Financial Statements

for the year ended March 31, 2018

b) Short Term Provisions

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Gratuity (refer note 36)	54	48
Leave encashment	89	86
	143	**134**

20. Other non-current liabilities

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred lease- security deposit	1,172	1,332
Unearned revenue	458	301
	1,630	**1,633**

21. Borrowings

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Bank overdraft (unsecured)	-	2,785
	-	**2,785**

The bank overdraft is repayable on demand and carries interest rate of 8.15% per annum.

22. Trade payables

a) Trade Payable include ₹80 Mn (March 31, 2017 - ₹78 Mn) payable to Parent company and fellow subsidiary Company. Further ₹140 Mn (March 31, 2017- ₹190 Mn) payable to related parties. For details, refer note 43.

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Total outstanding dues of micro enterprises and small enterprises	22	15
Total outstanding dues other than micro enterprises and small enterprises	10,973	11,199
	10,995	**11,214**

Notes to Financial Statements

for the year ended March 31, 2018

b) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	22	15
Interest due on above	-	-
	22	15
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period/ year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	33	30
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by management. This has been relied upon by the auditors.

23. Other financial liabilities

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Equipment supply payables	1,115	1,069
Payable to employees	233	219
Unpaid Interim dividend	-	22,195
Creditors for capital expenditure	1,131	655
	2,479	**24,138**

The Board of directors of the Company at its meeting held on March 22, 2017 had approved an interim dividend of ₹12 per equity share for FY 2016-17 which was paid during the current year.

Notes to Financial Statements

for the year ended March 31, 2018

24. Other current liabilities

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Accrued expenses	2,857	2,503
Other taxes payable	1,085	92
Unearned revenue	14	21
Corporate dividend tax on interim dividend	-	4,519
Liability for cash settled option (refer note 37)	11	26
Others	129	170
	4,096	**7,331**

25. Revenue from Operations

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of services		
Rent	40,720	37,968
Energy (Including recoveries for rates and taxes)	25,460	22,879
	66,180	**60,847**

26. Other Income

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest income (Others)	369	60
Dividend income from joint venture	10,010	9,510
Profit on sale of property, plant and equipment	626	581
Miscellaneous income	56	70
	11,061	**10,221**

27. Power and Fuel

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Network	22,791	21,118
Others	22	25
	22,813	**21,143**

Notes to Financial Statements

for the year ended March 31, 2018

28. Rent

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Network	3,352	3,031
Others	153	153
	3,505	**3,184**

29. Employee benefit expenses

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	2,589	2,454
Contribution to provident fund	81	79
Equity settled/cash settled option expense	65	32
Staff welfare expenses	116	108
Others	65	73
	2,916	**2,746**

"Salaries, wages and bonus" includes gratuity and other post employment benefits. For details, refer note 36.

Further, for details of employee stock/cash option expense, refer note 36.

30. Repairs and maintenance

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Repair and maintenance		
- Plant and machinery	3,168	3,006
- Building	3	6
- Others	891	1,072
	4,062	**4,084**

Notes to Financial Statements

for the year ended March 31, 2018

31. Other expenses

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Insurance	53	50
Travelling and conveyance	148	148
Communication expenses	93	105
Legal and professional	418	425
IT expenses	266	207
Provision for doubtful debts and advances (net)	(88)	36
Miscellaneous expenses		
- Network	6	119
- Others	134	74
	1,030	**1,164**

Payment to auditor (net of GST/ Service tax)

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Audit fee	5.2	7.6
Reimbursement of expenses	0.4	0.6
	5.6	**8.2**

32. Depreciation and amortization expense

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation	12,137	12,104
Amortization	46	63
	12,183	**12,167**
Less: adjusted with general reserve in accordance with the Scheme of arrangement with Bharti Airtel Limited (refer note 45)	(387)	(510)
	11,796	**11,657**

Notes to Financial Statements

for the year ended March 31, 2018

33. Finance costs and Income

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Finance costs		
Interest cost	25	20
Bank charges	7	9
Unwinding of discount on asset retirement obligation	172	149
Unwinding of discount on security deposit received	261	216
	465	**394**

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Finance Income		
Interest income on financial assets carried at amortized cost:		
Interest on bank deposit	199	626
Interest on security deposit paid	41	40
Interest income on loans	73	-
Interest income on financial assets carried at fair value through other comprehensive income:		
Interest on tax free bonds	144	263
Interest on certificate of deposits	56	14
Interest on commercial paper	26	2
Interest income on financial assets carried at fair value through profit or loss:		
Interest on government securities	2,987	777
Interest on taxable bonds	79	-
Interest on non convertible debentures	62	-
Gain/(loss) on investments (including MTM gain/(loss))	(1,497)	5,213
	2,170	**6,935**

34. Exceptional items

Aircel was one of the leading customer of the Company. During the quarter ended March 31, 2018, Aircel filed for bankruptcy with NCLT. Pursuant to the same, the Company assessed the recoverability of dues and has taken a charge of ₹260 Mn (Previous Year – Nil) as an exceptional item.

Notes to Financial Statements

for the year ended March 31, 2018

35. Earnings per Share (EPS)

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Nominal value of equity shares (₹)	10	10
Profit attributable to equity shareholders for computing Basic and Dilutive EPS (A) (₹ million)	24,139	27,050
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	1,849,608,246	1,866,368,923
Dilutive effect on weighted average number of equity shares outstanding during the year	-	-
Weighted average number of equity shares and equity equivalent shares for computing Diluted EPS (C)	1,849,608,246	1,866,368,923
Basic earnings per share (A/B) (₹)	13.051	14.494
Diluted earnings per share (A/C) (₹)	13.051	14.494

36. Employee benefits

The Company has recognised the following amounts in the statement of profit and loss:

Defined contribution plan

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Employer's contribution to provident fund	81	79
	81	**79**

Defined benefit plan

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each reporting period. The plan is not funded by the Company. Such liability is included in salaries, wages and bonus, refer note 29.

Gratuity

i. Amount charged to the statement of profit and loss:

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Service cost	32	31
Interest cost	13	11
	45	**42**

Notes to Financial Statements

for the year ended March 31, 2018

ii. Due to its defined benefit plans, the Company is exposed to the following significant risks:

Changes in bond yields - A decrease in bond yields will increase plan liability.

Salary risk - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The assumptions used to determine the benefit obligation are as follows:

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Discount rate	7.85%	7.40%
Expected rate of increase in compensation levels	10.00%	10.00%
Expected average remaining working lives of employees (years)	22.76	23.13

iii. Reconciliation of opening and closing balances of defined benefit obligation:

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of benefit obligation at beginning of year	172	141
Service cost	32	31
Interest cost	13	11
Benefits paid	(22)	(19)
Actuarial (gain)/ loss	(1)	9
Acquisition Adjustment	-	(1)
Present value of benefit obligation at end of year	**194**	**172**

iv. Amount recognised in Other Comprehensive Income

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Net Cumulative unrecognized	(12)	(3)
Actuarial Gain / (Loss)	1	(9)
Unrecognized Actuarial Gain/(Loss) at the end of year	**(11)**	**(12)**

v. The discount rate is based on the average yield on government bonds at the reporting date with a term that matches that of the liabilities.

vi. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

vii. Estimated amounts of expense to be recognized within next year is ₹46 Mn (March 31, 2017– ₹43 Mn).

Notes to Financial Statements

for the year ended March 31, 2018

viii. The Maturity profile of defined benefit obligation is as follows

(₹ millions)

Period	Amount
April 2018- March 2019	54
April 2019- March 2020	23
April 2020- March 2021	20
April 2021- March 2022	16
April 2022 onwards	81

ix. Sensitivity analysis

Particulars	Change in Assumption		Impact on Gratuity	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Discount rate	+1%	+1%	(8)	(7)
	-1%	-1%	9	8
Salary Growth rate	+1%	+1%	8	8
	- 1%	-1%	(8)	(7)

The above sensitivity analysis is based on a change in an assumption by a percentage while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. While calculating the sensitivity of the defined benefit obligation to significant actuarial assumption, same method i.e. Projected Unit Credit method has been applied as when calculating the gratuity liability recognized within the Balance sheet

37. Employee stock/cash settled option plans

Pursuant to the board resolution dated July 22, 2008 and the resolution of the shareholders in extraordinary general meeting dated August 28, 2008, the Company instituted the Employee Stock Option Scheme 2008 (the 2008 Scheme).

In FY 2013-14 and 2014-15, the Company had announced new performance unit plan (cash settled option plan) for its employees.

In FY 2015-16, 2016-17 and 2017-18, the Company had announced Long term incentive plan (LTIP) 2015, Long term incentive plan (LTIP) 2016 and Long term incentive plan (LTIP) 2017 respectively for its employees.

The following table provides an overview of all existing stock/cash option plans of the Company:

Scheme	Plan	Stock options outstanding (in thousands)	Vesting period (years)	Contractual term (years)	Weighted average exercise price (₹)	Classification/ accounting treatment
Equity settled Plans						
Infratel Plan	2008 Plan	108	1 - 5	7	110	Equity settled
Infratel Plan	Long term incentive plan (LTIP)	-	1 - 3	7	10	Equity settled
Infratel Plan	Long term incentive plan (LTIP) 2015 (Grant 2015)	45	1 - 3	7	10	Equity settled
Infratel Plan	Long term incentive plan (LTIP) 2015 (Grant 2016)	83	1 - 3	7	10	Equity settled
Infratel Plan	Long term incentive plan (LTIP) 2015 (Grant 2017)	110	1 - 3	7	10	Equity settled

Notes to Financial Statements

for the year ended March 31, 2018

Scheme	Plan	Stock options outstanding (in thousands)	Vesting period (years)	Contractual term (years)	Weighted average exercise price (₹)	Classification/ accounting treatment
Cash settled Plans						
Infratel Plan	Performance Unit Plan (2013 and 2014)	23	1 - 3	7	-	Cash settled

The following table provides details of vesting schedule (graded vesting) of all the existing stock/cash settled option plans of the Company:

Particulars	Vesting period from the grant date	Vesting schedule
1. ESOP Scheme 2008 (including LTIP)		
For options with a vesting period of 36 months:	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
For options with a vesting period of 48 months:	On completion of 12 months	15%
	On completion of 24 months	20%
	On completion of 36 months	30%
	On completion of 48 months	35%
For options with a vesting period of 60 months:	On completion of 12 months	20%
	On completion of 24 months	20%
	On completion of 36 months	20%
	On completion of 48 months	20%
	On completion of 60 months	20%
2. Performance Unit Plan (Cash settled plan)		
For options with a vesting period of 36 months:	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
3. Long term incentive plan (LTIP) 2015 (Grant 2015)		
For options with a vesting period of 36 months:	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
4. Long term incentive plan (LTIP) 2015 (Grant 2016)		
For options with a vesting period of 36 months:	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
5. Long term incentive plan (LTIP) 2015 (Grant 2017)		
For options with a vesting period of 36 months:	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%

Notes to Financial Statements

for the year ended March 31, 2018

Information concerning the movement in stock options during the year and outstanding at the year end is as follows:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of stock options (In '000)	Exercise price (₹)	Number of stock options (In '000)	Exercise price (₹)
Plan 2008				
Outstanding at beginning of the year	158	110	732	110
Granted	-	-	-	-
Forfeited	(1)	110	(10)	110
Exercised	(49)	110	(564)	110
Outstanding at the year end	108	110	158	110
Exercisable at end of the year	108	110	158	110
LTI Plan (Part of 2008 plan)				
Outstanding at beginning of the year	2	10	4	10
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	(2)	10	(2)	10
Outstanding at the year end	-	10	2	10
Exercisable at end of the year	-	10	2	10
Cash settled Plan (2013 and 2014)				
Outstanding at beginning of the year	75	NA	183	NA
Granted	-	NA	-	NA
Forfeited	-	NA	(3)	NA
Exercised	(52)	NA	(105)	NA
Outstanding at the year end	23	NA	75	NA
Exercisable at end of the year	23	NA	25	NA
LTI Plan 2015 (Grant 2015)				
Outstanding at beginning of the year	68	10	90	10
Granted	-	-	-	-
Forfeited	(4)	10	(5)	10
Exercised	(18)	10	(17)	10
Outstanding at the year end	45	10	68	10
Exercisable at end of the year	16	10	9	10
LTI Plan 2015 (Grant 2016)				
Outstanding at beginning of the year	105	-	-	-
Granted	-	10	105	10
Forfeited	(6)	10	-	-
Exercised	(16)	10	-	-
Outstanding at the year end	83	10	105	10
Exercisable at end of the year	15	-	-	-
LTI Plan 2015 (Grant 2017)				
Outstanding at beginning of the year	-	-	-	-
Granted	115	10	-	-
Forfeited	(5)	10	-	-
Exercised	-	-	-	-
Outstanding at the year end	110	10	-	-
Exercisable at end of the year	-	-	-	-

Notes to Financial Statements

for the year ended March 31, 2018

The following table summarises information about weighted average remaining contractual life, weighted average fair value and weighted average share price for the options:

Plan	Weighted average remaining contractual life for the options outstanding as of (years)		Weighted average share price for the options granted during the year ended (₹)		Weighted average share price for the options exercised during the year ended (₹)	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Equity settled plans						
Plan 2008	2.66	3.46	-	-	385.35	330.72
LTI Plan (Part of 2008 plan)	-	5.11	-	-	420.30	369.60
LTI plan 2015 (Grant 2015)	6.87	7.44	-	-	380.92	353.81
LTI plan 2015 (Grant 2016)	7.62	8.42	-	382.44	368.71	-
LTI plan 2015 (Grant 2017)	8.44	-	377.42	-	-	-
Cash settled plans						
PUP 2013 & 2014	5.59	6.75	-	-	418.45	365.50

The fair value of the options granted during the year was estimated using the Black Scholes, method of valuation with the following assumptions:

Particulars	LTIP Plan 2015 (Grant 2017) As at March 31, 2018	LTIP Plan 2015 (Grant 2016) As at March 31, 2017
Risk free interest rates	6.17% to 6.90%	6.32% to 7.10%
Vesting period	36 months	36 months
Weighted average share price (₹)	314.52	318.70
Volatility	33.82%	38.94%
Dividend yield	3.99%	1.83%

Total employee stock/cash options expense recognised for the year ended March 31, 2018 and March 31, 2017 is ₹65 Mn and ₹31 Mn respectively.

Notes:

(i) The Company has decided to issue equity shares on exercise of ESOPs through ESOP trust. The loan of ₹625 Mn has been given to ESOP trust during F.Y 2014-15 to purchase the Equity Shares of the Company from open market as permitted by SEBI (Share Based Employee Benefits) Regulations, 2014.

(ii) During the FY 2014-15 Bharti Infratel Employee Welfare Trust (a trust set up for administration of Employee Stock Option Plan ('ESOP') of the Company) has acquired 1,652,000 equity shares of the Company from the open market at an average price of ₹377.72 per share. As of March 31, 2018, Bharti Infratel Employee Welfare Trust ('the Trust') holds 762,110 shares (of Face Value of ₹10 each) (March 31, 2017- 852,656 equity shares) of the Company.

Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2018	As at March 31,2017
	Number of Shares		(₹ Million)	
Opening Balance	852,656	1,470,439	324	559
Issued during the year	(90,546)	(586,612)	(35)	(222)
Buyback	-	(31,171)	-	(13)
Closing Balance	**762,110**	**852,656**	**289**	**324**

Notes to Financial Statements

for the year ended March 31, 2018

38. Leases

(a) Operating lease: Company as a lessee

The lease rentals paid under non-cancelable leases relating to rentals of building premises and cell sites as per the agreements with escalation rates ranging from 0% to 25% per annum and maximum obligation on long-term non-cancelable operating leases are as follows:

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Lease rental charged to statement of profit and loss	3,505	3,184
Obligation on non-cancelable lease:		
Not Later than one year	3,446	3,167
Later than one year but not later than five years	14,632	11,294
Later than five years	13,199	16,225
	31,277	**30,686**

b) Operating lease: Company as a lessor

The Company has given sites on operating lease to telecom operators. As per the agreements with the operators the escalation rates range from 0% to 2.5% per annum. The service charges recognised as income during the year for non-cancellable arrangements relating to provision for passive infrastructure sites as per the agreements is ₹40,649 Mn and ₹37,433 Mn for the year ended March 31, 2018 and March 31, 2017 respectively:

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Future minimum lease payment receivable:		
Not Later than one year	39,974	38,481
Later than one year but not later than five years	132,513	145,920
Later than five years	47,575	59,356
	220,062	**243,757**

39. Contingencies

a) Guarantees

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Guarantees issued by banks and financials institutions on behalf of the Company	2	3
	2	**3**

Notes to Financial Statements

for the year ended March 31, 2018

b) Claims against the Company not acknowledged as debt

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
(i) Taxes, duties and other demands (under adjudication / appeal / dispute)@		
- Sales tax (refer to a below)#	2	458
- Stamp duty (refer to b below)	192	192
- Entry tax (refer to c below)	2,374	2,230
- Municipal taxes (refer to d below)	1,360	1,147
- Service tax (refer to e below)	16,272	16,115
(ii) Other claims under legal cases including arbitration matters (refer to f below)	106	127
(iii) Income tax matters (refer to g below)#	1,398	2,590
	21,704	**22,859**

@ the amount includes demand amount and interest till the date of demand.

Includes ₹2 Mn (Sales tax) and ₹1,398 Mn (Income tax), (March 31, 2017 - ₹458 Mn for Sales tax and ₹2,497 Mn for Income tax) for which the possibility of tax demand materializing is remote, based on internal assessment of the Company.

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

a) Sales tax

The claims for sales tax as of March 31, 2018 comprise of the case relating to levy of penalty for the year 2008-09 in right to use litigation wherein the main demand has already been quashed by Hon'ble High Court ('HC') of Indore. The Company has filed Writ petition against the penalty before Hon'ble High Court which is pending for hearing on merits. Further the department has filed an appeal before Hon'ble Supreme Court ('SC') against the favorable order of Hon'ble High Court. The matter was heard on March 19, 2018 before Ld. Bench of Hon'ble SC where SLP was dismissed by the apex court.

b) Stamp duty

The Company has received demand in certain states for stamp duty on execution of Leave and License Agreement of Cell Sites.

c) Entry tax

Hon'ble Apex Court on November 11, 2016 while upholding the constitutional validity of entry tax levied by few States wherever its applicable, referred all the cases back to regular benches of the Court/s to decide all existing cases on merits while testing inter alia that whether the present levies in each such case/ State is discriminatory in nature or not.

Accordingly, all the said cases were listed before the regular bench of Supreme Court wherein after taking up all pending cases on State by State basis court have found that prima facie inter alia discrimination issues still exists and all the listed petitions have been remanded back with direction, to file fresh writ petitions before respective High Courts on the ground of discrimination as well as other directions as laid down in the aforesaid judgment of nine member bench of Hon'ble Supreme Court. Company has filed fresh writ petition in the state of Orissa, Madhya Pradesh, Chhattisgarh, Rajasthan, Mizoram and Assam.

Notes to Financial Statements

for the year ended March 31, 2018

The revenue counsel has filed counters against writ petition filed by the Company and further in reply to that, rejoinders have been filed by the Company. Fresh writ petition filed before Hon'ble HC of Bihar & J&K. No active hearing took place in quarter ending March 2018 in others matter. Pending disposition of each case by the High Courts, the Company has decided to maintain 'Status Quo' on its position/assessment.

d) Municipal taxes

The Company based on its assessment of the applicability and tenability of certain municipal levies, which is an industry wide phenomenon, does not consider the impact of such levies to be material.

Further, in the event these levies are confirmed by the respective government authorities, the Company would recover these amounts from its customers in accordance with terms of Master Service Agreement.

e) Service tax

The service tax department has issued certain orders for the disallowance of cenvat credit availed on Inputs, Capital Goods and Input Services for the period starting from August, 2007 to March, 2014 The Company has filed an appeal before Hon'ble High Court of Delhi against the Larger Bench CESTAT decision while the appeal is pending before Division Bench, Chandigarh on merits, the matter has been heard before bench of Hon'ble High Court of Delhi and argued by the Company's counsels. Next date of hearing is scheduled on May 11, 2018 for completion of arguments from Revenue and Company's counsels.

For the year 2014-15 & 2015-16, Commissioner, service tax has allowed Cenvat Credit on telecom towers & related services however confirmed demand on pre-fabricated shelters and Input services used in creation of immovable property.

In separate proceeding before Directorate General of Central Excise Intelligence, the department has issued order for disallowance of Cenvat credit on items sold as scrap. The Company has filed appeal before CESTAT against such order.

f) Others claims include site related legal disputes.

g) Income tax matters

This mainly includes tax demands for Assessment years 2011-12 to 2014-15. The Principal bench of ITAT and CIT(A) in AY 2008-09, 2009-10 and 2011-12 and 2013-14 in respective assessment years has given relief on main issue involved in all of the assessment years i.e. disallowance of lease equalization revenue and lease equalization charges claimed/ disallowed in computation of Income of respective assessment years as being notional in nature.

40. Capital Commitment

(₹ millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts to be executed on capital account and not provided for in the financial statements (net of capital advances)	2,623	1,980
	2,623	**1,980**

Notes to Financial Statements

for the year ended March 31, 2018

41. Fair Values

Set out below is the Category wise details as to the carrying amount and fair value of the Company's financial instruments that are recognised in the financial statements.

(₹ millions)

Particulars	Carrying Amount		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial Assets				
At fair value through profit or loss				
Investment in mutual funds	51,372	306	51,372	306
Investment in government securities	12,088	51,872	12,088	51,872
Investment in non convertible debentures	997	-	997	-
Investment in taxable bonds	1,001	-	1,001	-
At fair value through other comprehensive income				
Investment in tax free bonds	2,153	2,131	2,153	2,131
Investment in certificate of deposits	-	1,425	-	1,425
Investment in commercial paper	239	477	239	477
At amortised cost				
Cash and cash equivalents	305	22,494	305	22,494
Other bank balances	4	-	4	-
Trade receivables	2,745	3,000	2,745	3,000
Other financial assets	6,833	5,904	6,833	5,904
	77,737	**87,609**	**77,737**	**87,609**
Financial Liabilities				
At amortised cost				
Borrowings	-	2,785	-	2,785
Trade payables	10,995	11,214	10,995	11,214
Other financial liabilities	5,002	26,511	5,002	26,511
	15,997	**40,510**	**15,997**	**40,510**

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

i. The carrying value of cash and cash equivalents, other bank balances, trade receivables, borrowings and trade payables approximate their fair value mainly due to the short-term maturities of these instruments.

ii. The fair values of financial assets classified as Fair Value through Profit or Loss like investment in mutual funds, taxable bonds, non convertible debentures and government securities is based on quoted market price/ net assets value at the reporting date.

iii. The fair value of other financial assets and other financial liabilities is estimated by discounting future cash flows using rates applicable to instruments with similar terms, currency, credit risk and remaining maturities. The fair values of other financial assets and other financial liabilities are assessed by the management to be same as their carrying value and is not expected to be significantly different if estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Notes to Financial Statements

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iv. The fair value of financial asset classified as Fair Value through other comprehensive income like investment in commercial paper, certificate of deposits and tax free bonds etc are based on market value/net assets value at the reporting date.

There are no significant unobservable inputs used in the fair value measurement.

42. Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents the financial instruments measured at fair value, by level within the fair value measurement hierarchy:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Level 1	Level 2	Level 1	Level 2
Financial Assets				
At fair value through profit or loss				
Investments in mutual funds	51,372	-	306	-
Investments in government securities	12,088	-	51,872	-
Investments in debentures	997		-	-
Investments in taxable bonds	1,001	-	-	-
At fair value through other comprehensive income				
Investments in tax free bonds	-	2,153	-	2,131
Investments in certificate of deposits	-	-	-	1,425
Investments in commercial paper	-	239	-	477
Total	**65,458**	**2,392**	**52,178**	**4,033**

During the year ended March 31, 2018, there were no transfers between Level 1 and Level 2 fair value measurements as well as in to and out of Level 3 fair value measurements for the investments listed above.

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43. Related party Disclosures

In accordance with the requirements of Ind AS - 24 "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, as identified and certified by the management are as below:

A. List of related parties

1. Key management personnel (KMP)

Akhil Kumar Gupta,	Chairman
D.S. Rawat,	Managing Director and CEO
Pankaj Miglani,	Chief Financial Officer
Shweta Girotra,	Company Secretary (ceased to be related party w.e.f September 14, 2017)
Samridhi Rodhe,	Company Secretary (w.e.f January 17, 2018)

2. Related parties where control exists irrespective of whether transactions have occurred or not

Parent Company	Bharti Airtel Limited
Ultimate controlling entity (w.e.f. November 3, 2017)	Bharti Enterprises (Holding) Private Limited.

It is held by private trust of Bharti family, with Mr. Sunil Bharti Mittal's family trust effectively controlling the said Company.

Subsidiary Company	Smartx Services Limited

3. Other related parties with whom transactions have taken place during the year

Name of related party	Relationship
Bharti Hexacom Limited	Fellow Subsidiary
Bharti Telemedia Limited	Fellow Subsidiary
Nxtra Data Limited	Fellow Subsidiary
Nettle Infrastructure Investments Limited	Fellow Subsidiary
Indus Towers Limited	Joint Venture
Bharti Enterprises Limited	Group Company
Centum Learning Limited	Group Company
Bharti Foundation	Group Company
Bharti Infratel Employees Welfare Trust	Group Company
Bharti Realty Holdings Limited	Group Company
Bharti Realty Limited	Group Company
Bharti insurance Holdings Private Limited	Group Company

'Group Company' though not 'Related Parties' as per the definition under Ind AS 24, 'Related party disclosures', have been included as a voluntary disclosure.

Notes to Financial Statements

for the year ended March 31, 2018

B. Related Party Transactions during the year:

Related party transactions represent transactions entered into by the Company with parent Company, Subsidiary Company, entities having significant influence over the Company/Group Company, joint venture and fellow subsidiaries. The transactions with these related parties for year ended March 31, 2018 and March 31, 2017 and balances as at March 31, 2018 and March 31, 2017 are described below:

(₹ millions)

Relationship	Year ended March 31		Year ended March 31		Year ended March 31		Year ended March 31		Year ended March 31	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Nature of transaction	**Parent Company**		**Subsidiary Company**		**Group Company**		**Fellow subsidiaries**		**Joint Venture**	
Loan given	-	-	(121)	-	(6,100)	-	-	-	-	-
Loan repaid	-	-	-	-	6,149	(15)	-	-	-	-
Advance given	60	-								
Sale of fixed assets	-	-	34	-	-	-	-	-	-	-
Buy Back of Shares	-	(12,368)	-	-	-	(13)	-	-	-	-
Revenue from operations*	34,822	34,364	-	-	-	-	2,934	2,608	-	-
Expenses (other than employee related) incurred on behalf of Company	-	-	-	-	(247)	(245)	-	-	-	-
Reimbursement of expenses	(42)	(45)	26	-	-	-	-	-	-	20
Employee related expenses incurred on behalf of Company	-	-	-	-	-	-	(6)	(5)	-	-
Procurement of services	(171)	(167)	-	-	(14)	(22)	(33)	(32)	-	-
Security deposit received	(15)	(23)	-	-	-	-	(6)	(2)	-	-
Security deposit refunded	10	3	-	-	-	-	1	-	-	-
Security deposit paid	-	-	-	-	-	3	-	-	-	-
Commission paid	-	-	-	-	-	-	-	-	(80)	(99)
Dividend received	-	-	-	-	-	-	-	-	10,010	9,510
Dividend paid/declared	(3,724)	(15,163)	-	-	(3)	(14)	(838)	(2,513)	-	-
Donation given	-	-	-	-	(200)	(201)	-	-	-	-
Interest Income	-	-	-	-	73	-	-	-	-	-
	30,940	**6,601**	**(61)**	**-**	**(342)**	**(507)**	**2,052**	**56**	**9,930**	**9,431**

* Inclusive of service tax amount/GST

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for the year ended March 31, 2018

(₹ millions)

Relationship	Year ended March 31		Year ended March 31		Year ended March 31		Year ended March 31		Year ended March 31	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Nature of transaction	Parent Company		Subsidiary Company		Group Company		Fellow subsidiaries		Joint Venture	
Trade payables and Other current liabilities	(71)	(69)	-	-	-	-	(9)	(9)	(140)	(190)
Short-term loans and advances	60	-	60	-	259	308	-	-	-	-
Other current assets	2,689	2,111	-	-	-	1	191	113	-	-
Trade receivables	701	1,144	-	-	-	-	134	107	-	-
Long-term loans and advances	-	-	121	-	3	3	-	-	-	-
Other deposits	-	-	-	-	-	-	-	-	-	-
Security deposits received	(1,878)	(1,871)	-	-	-	-	(153)	(148)	-	-
	1,501	1,315	181	-	262	312	163	63	(140)	(190)

Figures in bracket indicate liability and figures without bracket indicates assets.

Particulars in respect of loans and advance in the nature of loans as required by regulation 53(F) read with para A of Schedule V of the SEBI (listing Obligatios and Disclosure requirements) Regulations, 2015

(₹ millions)

Particulars	Balance as at		Maximum outstanding during	
	March 31, 2018	March 31, 2017	2017-18	2016-17
Loan given to related parties				
Smartx Services Ltd	121	-	121	-
Bharti Infratel Employees' Welfare Trust	259	308	308	560

Amount received from KMP for ESOP exercised ₹1 Mn during the year ended March 31, 2018 (March 31, 2017 ₹7 Mn).

Payments made to Key management personnel/ non executive directors:

(₹ millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Short-Term employee benefits (including salary and sitting fee)	132	124
Post-Employment benefits	14	16
Share based payment	17	12
	163	152

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the end of the year are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Notes to Financial Statements

for the year ended March 31, 2018

44. The Company is engaged in the business of establishing, operating and maintaining wireless communication towers. This is the only activity performed and there are no components of the Company that may be identified as a reportable segment. Further, as the Company does not operate in more than one geographical segment, the relevant disclosures as per Ind AS 108 – operating segments are not applicable to the Company on a standalone basis.

45. As per transitional provisions specified in Ind AS 101, The Company has continued to apply the accounting prescribed under the scheme with respect to mergers listed below.

a) Scheme accounting – Bharti Airtel Scheme

During the year ended March 31, 2008, pursuant to the Scheme of Arrangement with Bharti Airtel Limited ('BAL Scheme') under sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of Bharti Airtel Limited was transferred to the Company. Pursuant to the Scheme, the depreciation charged by the Company on the excess of the fair values over the original book values of the assets transferred by Bharti Airtel Limited is being off-set against General Reserve. Accordingly, depreciation charges on the excess of fair value over the original book values is charged to General Reserve.

b) Scheme accounting – The Indus Scheme

The Scheme of Arrangement ('Indus Scheme') under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities, as defined in Indus scheme, from Bharti Infratel Ventures Limited (BIVL), erstwhile wholly owned subsidiary Company, to Indus Towers Limited (Indus), was approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 and filed with the Registrar of Companies on June 11, 2013 with appointed date April 1, 2009 i.e. effective date of Indus Scheme and accordingly, effective June 11, 2013, the erstwhile subsidiary Company has ceased to exist and has become part of Indus. The Company was carrying investment in BIVL at ₹59,921 Mn. Pursuant to Indus Scheme, the Company has additionally got 504 shares in Indus in lieu of transfer of its investment in BIVL to Indus and recorded these additional shares at their fair value of ₹60,419 Mn in accordance with the scheme. The resultant gain of ₹382 Mn (net of taxes ₹116 Mn) has been disclosed as adjustment to carry forward balance of Statement of Profit and Loss as at April 1, 2009.

46. Buyback of Shares

In accordance with Sec 68, 69, 70 and other applicable provisions of the Companies Act, 2013 and SEBI regulations and pursuant to the public announcement for buy back made by the Company, the Company initiated a buy back during FY 2016-17 by way of tender offer through stock exchange mechanism for cash at price of ₹425 per equity share for an aggregate amount of ₹20,000 Mn.

Date of Board Meeting approving the Buy Back	April 26, 2016
Date of Public Announcement	June 13, 2016 published on June 14, 2016
Record Date	June 16, 2016
Number of shares purchased (in Mn)	47
Face value of share purchased	10
Consideration paid towards buy back (in Mn)	20,000
Share capital reduction (in Mn)	471
Securities premium utilised (in Mn)	19,529
General reserve utilised (inclusive of expenses incurred for Buyback) (in Mn)	501
Amount transferred to Capital redemption reserve (CRR) on extinguishment of share capital (in Mn)	471

Notes to Financial Statements

for the year ended March 31, 2018

47. During FY 2016-17, the Company (concessionaire) has entered into a concession agreement as a lead member with Bhopal Smart City Development Corporation Limited (BSCDL/ grantor) along with other consortium members for implementation and maintenance of "Bhopal Smart City project"(the project) vide agreement dated October 28, 2016. As per the terms of the agreement, the Company along with the consortium members has to work on Build, Own, Operate and Transfer (BOOT) model on Public Private Partnership (PPP) basis.

The concession period granted as per the agreement is 15 years (excluding implementation period of 1 year) further extendable by another 15 years based on mutually agreed terms and conditions.

The title of interest, ownership and rights with regard to project implemented by the Company along with fixtures/ fittings provided therein shall rest with the Company until the expiry/ termination of the agreement and the rights related to the land allotted by the BSCDCL shall vest with the BSCDCL, except that, these will be operated and maintained by the Company at its own cost and expenses as agreed in the concession agreement.

These project facilities and assets constructed shall be transferred to BSCDCL at zero cost on expiry/ termination of the agreement. On obtaining the Completion Certificate from the specified authority, the Company shall be exclusively entitled to demand and collect revenue from the project assets in any manner.

The Concessionaire shall pay a fixed quarterly revenue share, as specified by the terms of agreement,to BSCDCL over the concession period.

48. During the year ended March 31, 2018, the Company has received dividend of ₹20,000 per equity share from joint venture company amounting to ₹10,010 Mn which has been disclosed under other Income.

49. The Company was required to spend ₹400 Mn towards CSR expenditure as per the requirement of the Companies Act 2013. During the year ₹212 Mn were spent towards ongoing long term CSR projects basis approval from the board. The disbursement of committed funds was based on the individual project work plans and milestones achieved over the year. All projects are being monitored and evaluated on the progress made and impact created during the routine course of the business.

The Company also contributed as charity/donation to Ramabai Keshav Vishwasth Sanstha (₹1 Mn) and Bharti Foundation towards promotion of formal education in rural areas (₹1 Mn via Airtel Delhi Half Marathon).

Charity and donation includes ₹80 Mn (FY 2016-17 : ₹50 Mn) paid to Prudent electoral trust (erstwhile Satya electoral trust).

50. Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade payables, security deposits received, short term borrowings etc. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's principal financial assets include Investment in Mutual Funds, Bonds and Government Securities, trade and other receivables, unbilled revenue, cash and cash equivalents, security deposits paid, etc. that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance frame work for the Company are accountable to the Board Audit Committee. This process provides assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and Company's risk appetite. The Company has not entered into any derivative transactions. All derivative activities if any, for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

Notes to Financial Statements

for the year ended March 31, 2018

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, foreign currency risk and price risk. Financial instruments affected by market risk include interest bearing Investment in bonds, Government Securities and fixed deposits etc.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

The Company's exposure to financial risks is to a variety of financial risks, including the effect of changes in foreign currency exchange rates, if any. The Company uses derivative financial instruments such as foreign exchange contracts to manage its exposures and foreign exchange fluctuations, if any.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has invested in Government securities and bonds which will fetch a fixed rate of interest, hence, the income and operating cash flows are substantially independent of changes in market interest rates.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Indian Rupee is the Company's functional currency. As a consequence, the Company's results are presented in Indian Rupee and exposures are managed against Indian Rupee accordingly. The Company has very limited foreign currency exposure mainly due to incurrence of some expenses. The Company may use foreign exchange option contracts or forward contracts towards operational exposures resulting from changes in foreign currency exchange rates exposure. These foreign exchange contracts, carried at fair value, may have varying maturities depending upon the primary host contract requirement.

The Company manages its foreign currency risk if any, by hedging appropriate percentage of its foreign currency exposure, as approved by the Board as per established risk management policy.

(iii) Price risk

The Company invests its surplus funds in various Government securities, taxable and tax free quoted debt bonds, liquid schemes of mutual funds (liquid investments) and higher duration short term debt funds and income funds (duration investments).

These are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. The Company manages the price risk through diversification from time to time.

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade and other receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

Notes to Financial Statements

for the year ended March 31, 2018

(i) Trade receivables

Customer credit risk is managed in accordance with Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 15 days credit term. Outstanding customer receivables are regularly monitored. The ageing analysis of trade receivables as of the reporting date is as follows:

(₹ millions)

Particulars	Within due date	Less Than 30 days	30 to 60 days	60 to 90 days	above 90 days	Total
Trade receivables as at March 31, 2018	366	456	567	827	1,834	**4,050**
Trade receivables as at March 31, 2017	1,549	97	315	202	2,060	**4,223**

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by Company's treasury in accordance with the board approved policy. Investment of surplus funds are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. The Company monitors ratings, credit spreads and financial strength on at least quarterly basis. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2018 and March 31, 2017 is the carrying amounts as illustrated in Note 41.

(c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company principal sources of liquidity are cash and cash equivalents and the cash flow generated from operations. The Company closely monitors its liquidity position and deploys a robust cash management system.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(₹ millions)

Particulars	As at March 31, 2018					
	Carrying Amount	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Trade payables	10,995	10,995	-	-	-	10,995
Other Financial liabilities	5,002	4,956	16	16	14	5,002
Total	**15,997**	**15,951**	**16**	**16**	**14**	**15,997**

Notes to Financial Statements

for the year ended March 31, 2018

(₹ millions)

Particulars	As at March 31, 2017					
	Carrying Amount	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Bank Overdraft	2,785	2,785	-	-	-	2,785
Trade payables	11,214	11,214	-	-	-	11,214
Unpaid Interim dividend	22,195	22,195	-	-	-	22,195
Other Financial liabilities	4,316	4,238	16	16	46	4,316
Total	**40,510**	**40,432**	**16**	**16**	**46**	**40,510**

Capital management

For the purpose of Company's Capital management, Capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company has availed Bank overdraft facility for Nil (March 31, 2017 – ₹2,785 Mn) which is integral part of cash management and the cash and cash equivalent amounting to Nil as at March 31, 2018 (March 31, 2017 - ₹22,494 Mn). The Cash and Cash equivalent net of Bank overdraft is ₹190 Mn (March 31, 2017 – ₹19,709 Mn). The Company is not having any interest bearing debt as at March 31, 2018 and March 31, 2017 except disclosed above.

51. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2018.

52. The Board of Directors has recommended a final dividend of ₹14 per equity share in its meeting held on April 23, 2018 for financial year 2017-18. The dividend recommended by the Board of Directors is subject to approval of the shareholders in the ensuing general meeting.

53. Previous period's figures in the financial statements, including the notes thereto, have been reclassified wherever required to conform to the current period's presentation/classification. These are not material and do not affect the previously reported net profit or equity.

Glossary

Company Related Terms	
4 Overlapping circles	Represent the telecommunication circles of Haryana, Rajasthan, Uttar Pradesh (East) and Uttar Pradesh (West) wherein Bharti Infratel and Indus Towers have overlapping operations. Bharti Infratel is not permitted to roll out any new towers in these telecommunications Circles, although it continues to own andoperate its existing telecommunications towers in these Circles, and add additional sharing operators to these towers. New tower rollout in these telecommunication circles is done by Indus.
7 Circles	Represents the telecommunications circles of Bihar, Madhya Pradesh and Chhattisgarh, Odisha, Jammu and Kashmir, Himachal Pradesh, Assam and North East states wherein Bharti Infratel operates on exclusive basis.
11 Circles	Represents the 7 telecommunications circles of Bihar, Madhya Pradesh and Chhattisgarh, Odisha, Jammu and Kashmir, Himachal Pradesh, Assam and North East states wherein Bharti Infratel operates on exclusive basis and the 4 common circles of Haryana, Rajasthan, Uttar Pradesh (East) and Uttar Pradesh (West) wherein Bharti Infratel and Indus Towers have overlapping operations.
15 Circles	Represents the 11 telecommunication circles of Andhra Pradesh, Delhi, Gujarat, Karnataka, Kerala, Kolkata, Maharashtra & Goa, Mumbai, Punjab, Tamil Nadu (including Chennai) and West Bengal wherein Indus operates on exclusive basis and the 4 common telecommunication circles of Haryana, Rajasthan, Uttar Pradesh (East) and Uttar Pradesh (West) wherein Bharti Infratel and Indus Towers have overlapping operations.
Adjusted Fund from Operations (AFFO)	It is not an Ind AS measure and is defined as EBITDA adjusted for Maintenance and General Corporate Capex, revenue equalisation and lease rent equalisation (which represents straight lining of revenue and expense).
Average Co-locations	Average co-locations are derived by computing the average of the Opening and Closing co-locations at the end of relevant period.
Average Sharing Factor	Average Sharing factor is calculated as the average of the opening and closing number of co-locations divided by average of the opening and closing number of towers for the relevant period.
Average Towers	Average towers are derived by computing the average of the opening and closing towers at the end of relevant period.
BISL	Bharti Infratel Services Limited
BIVL	Bharti Infratel Ventures Limited
Bn	Billion
Capex	It includes investment in gross fixed assets and capital work in progress for the relevant period.
Capital Employed	Capital Employed is defined as sum of equity attributable to equity shareholders and Net Debt/ (Net Cash).

Company Related Terms	
Cash Profit from operations	It is not an Ind AS measure and is defined as operating income adjusted for depreciation and amortisation, revenue equalisation, lease rent equalisations and finance costs.
Circle(s)	22 service areas that the Indian telecommunications market has been segregated into
Closing sharing factor	Closing sharing factor is calculated as the closing number of co-locations divided by closing number of towers as at the end of relevant period.
Co-locations	Co-location is the total number of sharing operators at a tower, and where there is a single operator at a tower; 'co-location' refers to that single operator. Co-locations as referred to are revenue-generating co-locations.
Consolidated Financial statements	The Consolidated financial statements of the company till FY 2012-13 represent the financials of Bharti Infratel Ltd Standalone taken together with its wholly owned subsidiary Bharti Infratel Ventures Ltd and Bharti Infratel's 42% equity interest in Indus Towers Ltd. accounted for by proportionate consolidation. Consequent to Indus Merger, the financial statements of Indus have been prepared after giving effect to the Merger Scheme. Accordingly the Consolidated Financial Results of the Company from quarter ended June 2013 and onwards represent the financials of Bharti Infratel Ltd. Standalone taken together with its 42% equity interest in Indus Towers Ltd. accounted for by proportionate consolidation and consolidating the subsidiary Bharti Infratel Services Ltd. & Smartx Services Ltd. till March 31, 2016 under Indian GAAP. Post transition to Ind AS, the Consolidated financial results of the Company represent financials of Bharti Infratel Ltd. Standalone taken together with its 42% interest in Indus Towers Ltd accounted for under Equity method and consolidation of subsidiary Smartx Services Ltd. and controlled trust Bharti Infratel Employee Welfare Trust.
Cumulative Investments	Cumulative Investments comprises of gross property, plant & equipment (including Capital Work In Progress).
Earnings per Share (EPS) (Basic)	It is computed by dividing net profit or loss attributable for the period to equity shareholders by the weighted average number of equity shares outstanding during the period.
Earnings per Share (EPS)- (Diluted)	Diluted earnings per share is calculated by adjusting net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period for the effects of all dilutive potential equity shares.
EBIT	Earnings before interest, taxation excluding other income for the relevant period.
EBIT (Including Other Income)	Earnings before interest, taxation including other income for the relevant period.
EBITDA	Earnings before interest, taxation, depreciation and amortisation and charity and donations excluding other income for the relevant period. It is defined as operating income and does not include depreciation and amortisation expense, finance cost and tax expense.
EBITDA (Including Other Income)	Earnings before interest, taxation, depreciation and amortisation and charity and donations including other income for the relevant period.
Enterprise Value (EV)	Calculated as sum of Market Capitalisation plus Net Debt/ (Net Cash) as at the end of the relevant period.
EV / EBITDA (times) (LTM)	Computed by dividing Enterprise Value as at the end of the relevant period (EV) by EBITDA for the preceding (last) 12 months from the end of the relevant period.
Future Minimum Lease Payment Receivable	The Company has entered into long term non-cancellable agreements to provide infrastructure services to telecom operators. Future Minimum Lease Payment Receivable represents minimum amounts receivable in future under the above long term non-cancellable agreements.
GAAP	Generally Accepted Accounting Principle
Green Site	Sites wherein there is minimal diesel consumption to ensure DG's performance (approx 1 litre or 30 min running per day tracked quarterly)

Company Related Terms	
Ind AS	Indian Accounting Standards
IGAAP	Indian Generally Accepted Accounting Principle
Indus Merger	During the quarter ended June 30, 2013, the Scheme of Arrangement (Scheme) under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities as defined in the Scheme from Bharti Infratel Ventures Limited (BIVL), wholly owned subsidiary of the Company, Vodafone Infrastructure Limited (formerly known as Vodafone Essar Infrastructure Limited), and Idea Cellular Tower Infrastructure Limited (collectively referred to as 'The Transferor companies') to Indus Towers Limited (Indus) was sanctioned by the Hon'ble High Court of Delhi vide its order dated on April 18, 2013 subject to the final order in another appeal pending before the Division Bench of Delhi High Court and any other orders in any further proceedings thereafter. The Scheme had become operative from June 11, 2013 upon filing of certified copy of the order with the Registrar of Companies with an appointed date of April 1, 2009 i.e. effective date of scheme and accordingly effective June 11, 2013 the transferor companies have ceased to exist and have become part of Indus Towers Ltd. Pursuant to the Indus Merger the IRU agreements between the Transferor Companies and Transferee Company Ceases to exist.
Indus Consolidation	Indus Consolidation represents consolidation of Bharti Infratel's 42% proportionate shareholding in Indus Towers Ltd and 100% of BIVL till FY end 31st March 2013 net of IRU eliminations. W.e.f quarter ending June'13 and onwards Indus Consolidation represents consolidation of Bharti Infratel's 42% proportionate shareholding in Indus Towers Ltd under Indian GAAP. Post transition to Ind-AS, Indus consolidation represents consolidation of Bharti Infratel's 42% equity interest in Indus Towers Ltd accounted as per Equity Method.
Intangibles	Comprises of acquisition cost of software.
∞	Not ascertainable (infinite)
Interest Coverage Ratio (LTM)	It is computed by dividing EBITDA for the preceding (last) 12 months from the end of relevant period by interest on borrowing for the preceding (last) 12 months.
IRU	Indefeasible right to use
Lease Rent Equalisation	It represents the effect of fixed escalations (as per the terms of lease agreements with landlords) recognised on straight line basis over the fixed, non-cancellable term of the agreement, as applicable
LTM	Last Twelve months
Market Capitalisation	Number of issued and outstanding shares as at end of the period multiplied by closing market price (NSE) as at end of the period.
Mn	Million
MSA	Master Service Agreement
Maintenance & General Corporate Capex	Represents the capital expenditure undertaken by the company for general maintenance, upkeep and replacement of equipments installed at the towers which is undertaken on the end of their useful life as well as General Corporate related capital expenditure such as on office/ facilities and information technology.
Net Debt/ (Net Cash)	It is not an Ind AS measure and is defined as the long-term borrowing, short-term borrowings and current portion of long-term borrowings minus cash and cash equivalents, current and non-current investments, fixed deposits included in other non-current assets with maturity for more than 12 months and short term loan to the parent company adjusted for unpaid dividend declared and adjusted in equity as at the end of the relevant period.

Company Related Terms	
Net Debt / (Net Cash) to EBITDA (LTM)	It is computed by dividing Net Debt/ (Net Cash) as at the end of the relevant period by EBITDA for preceding (last) 12 months from the end of the relevant period.
Net Debt / (Net Cash) to Funded Equity Ratio	It is computed by dividing Net Debt/ (Net Cash) as at the end of the relevant period by equity attributable to equity shareholders as at the end of the relevant period.
Operating Free Cash flow	It is not an Ind AS measure and is defined as EBITDA adjusted for Capex, revenue equalisation and lease rent equalisation.
PE Ratio	Price to Earnings ratio is calculated as closing market price (NSE) as at the end of relevant period, divided by diluted annual earnings per share. Annual Diluted Earnings per share is calculated by adding the preceding last four quarters diluted Earnings per share
ROC	Registrar of Companies
Return on Capital Employed (ROCE) Pre Tax - (LTM):	ROCE is computed by dividing the sum of EBIT for the period by average (of opening and closing) capital employed
Green Site	Sites wherein there is minimal diesel consumption to ensure DG's performance (approx 1 litre or 30 min running per day tracked quarterly)
Return on Equity (ROE) (LTM)	ROE is computed by dividing the sum of Profit after tax for the period by average (of opening and closing) equity shareholders' funds
Revenue per Employee per month	It is computed by dividing the Total Revenues (net of inter-segment eliminations) by the average number of on – roll employees in the business unit and number of months in the relevant period
Revenue Equalisation	It represents the effect of fixed escalations (as per the terms of service agreements with customers) recognised on straight line basis over the fixed, non-cancellable term of the agreement, as applicable.
SHA	Shareholders Agreement
SLA	Service Level Agreements
Sharing Operator	A party granted access to a tower and who has installed active infrastructure at the tower
Sharing Revenue	It represents service revenue accrued during the relevant period and includes revenue equalisation net of service level credits.
Sharing revenue per Sharing Operator per month	Is calculated on the basis of sharing revenues accrued during the relevant period divided by the average number of co-locations for the period, determined on the basis of opening and closing number of co-locations for the relevant period.
Sharing revenue per Tower per month	Is calculated on the basis of sharing revenues accrued during the relevant period divided by the average number of towers for the period, determined on the basis of opening and closing number of towers for the relevant period
Towers	Infrastructure located at a site which is permitted by applicable law to be shared, including, but not limited to, the tower, shelter, diesel generator sets and other alternate energy sources, battery banks, air conditioners and electrical works. Towers as referred to are revenue generating towers
Tower and related infrastructure	Infrastructure Located at site which is permitted by applicable law to be shared, including, but not limited to, the tower, shelter, diesel generator sets and other alternate energy sources, battery banks, air conditioners and electrical works.

Company Related Terms

Regulatory Terms

CSR	Corporate social responsibility
BSE	The Bombay Stock Exchange Ltd
DoT	Department of Telecommunications
IP1	Infrastructure Provider Category 1
IPO	Initial Public Offering
ISP license	Internet Service Provider license by DoT
NLD license	National Long Distance license by DoT
NSE	National Stock Exchange
SEB	Securities and Exchange Board of India
TEC	Telecom Engineering Center
TRAI	Telecom Regulatory Authority of India

Industry Specific & Other Terms

AGM	Annual General Meeting
BTS	Base Transceiver Station
CII	Confederation of Indian Industry
DG	Diesel Generator
EMF	Electro Magnetic Field
FCU	Free Cooling Unit
GBT	Ground Based Tower
IPMS	Integrated Power Management System
Li-Ion	Lithium Ion Battery
NCU	Natural Cooling Unit
PAN	Presence across Nation
PPC	Plug and Play Cabinet
RESCO	Renewable Energy Service Company
RET	Renewable Energy Technology
RTT	Roof Top Tower
TAIPA	Tower and Infrastructure Providers Association
VRLA	Valve-Regulated Lead-Acid Battery
Wi-fi	Wireless Fidelity
Company, We, Our	Bharti Infratel Limited

Notes

Circle Offices

Bihar & Jharkhand
Alankar Business Centra, 2nd Floor, East Boring Canal Road, Budha Colony, Patna - 800001, Bihar

Haryana & Himachal Pradesh
8th Floor (South Side), Anantraj Technology Park, Plot No. 1, Sector 22, IT Park Panchkula, Haryana - 134109

Jammu & Kashmir
3rd Floor, 29- GMC, TRG Complex, Opp Bahu Plaza, Jammu - 180012 Jammu & Kashmir

Madhya Pradesh & Chhattisgarh
H-3, 4th Floor, Metro Tower, Scheme No.54, A.B. Road, Indore - 452010, Madhya Pradesh

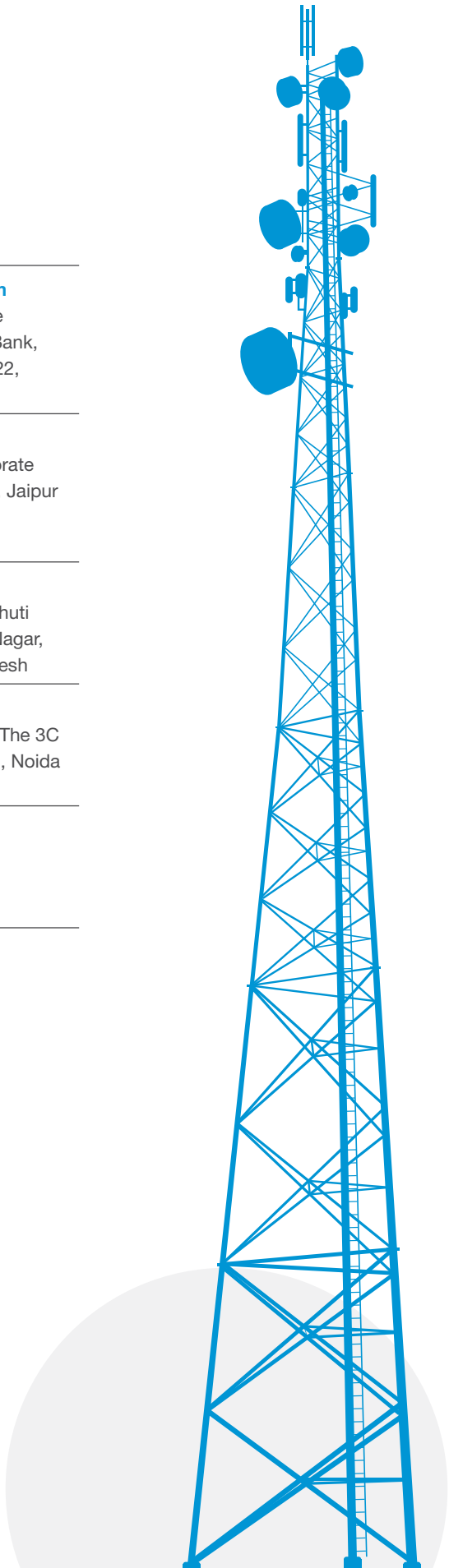
Odisha
IDCO Plot No. C-3/2, Chandaka Industrial Area, Chandrasekharpur, Bhubaneswar - 751021, Odisha

North East States and Assam
6th Floor, Bijay Cresent, Above Reliance Trends, Near HDFC Bank, Rukminigaon, Guwahati-781022, Assam

Rajasthan
6th Floor, Plot No. 8 & 9 Corporate Park, Gopal Bari, Azmer Road, Jaipur - 302006, Rajasthan

Uttar Pradesh (East)
BBD Viraj Tower, 5th Floor, Vibhuti Khand, Shaheed Path Gomti Nagar, Lucknow - 226010, Uttar Pradesh

Uttar Pradesh (West)
Knowledge Boulevard, A-8-A, The 3C Building, 9th Floor, Sector - 62, Noida - 201301, Uttar Pradesh





Bharti Infratel Limited
Registered office: 901, Park Centra, Sector 30,
NH-8, Gurugram, Haryana - 122 001, India
CIN: L64201HR2006PLC073821
www.bharti-infratel.com

a K&A creation | www.kalolwala.co.in