BHARTI AIRTEL LIMITED

Bharti Airtel Limited (the "**Issuer**" or the "**Company**") was originally incorporated as 'Bharti Tele-Ventures Limited' on July 7, 1995 at New Delhi, as a public limited company under the Companies Act, 1956 and a certificate of incorporation was granted to our Company by Registrar of Companies, National Capital Territory of Delhi and Haryana ("**RoC**"). Our Company received the certificate of commencement of business from the RoC on January 18, 1996. Subsequently, the name of our Company was changed to 'Bharti Airtel Limited' pursuant to which a fresh certificate of incorporation was granted on April 24, 2006 by the RoC.

Registered and Corporate Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi 110 070, India
Tel: +91 11 4666 6100

Contact Person: Mr. Rohit Krishan Puri, Deputy Company Secretary and Compliance Officer
Tel: +91 11 4666 6100 **E-mail**: compliance.officer@bharti.in; **Website**: www.airtel.in
Corporate Identity Number: L74899DL1995PLC070609

Our Company is issuing 323,595,505 equity shares of face value of ₹ 5 each ("**Equity Shares**") at a price of ₹ 445 per Equity Share, including a premium of ₹ 440 per Equity Share ("**Equity Issue Price**"), aggregating to ₹ 144,000 million ("**Issue**"). For details, see "*Summary of the Issue*" on page 26.

In addition to this Issue, our Board, Shareholders and the Special Committee of Directors for Fund Raising have, pursuant to resolutions dated December 4, 2019, January 3, 2020, and January 14, 2020, respectively, approved an issuance of foreign currency convertible bonds ("**FCCBs**") of an aggregate principal amount of US$ 1,000 million of 1.50 per cent. due 2025 ("**FCCB Issue**"). Simultaneously with the closing of this Issue, the Special Committee of Directors for Fund Raising has also authorised the closing of the FCCB Issue. The proceeds of the FCCB Issue will be used for (i) capital expenditure, (ii) repayment of existing indebtedness, and/or (iii) any other use, each as permitted under applicable laws and regulations from time to time. The completion of this Issue is not conditional on the completion of the FCCB Issue.

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS"), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED ("PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER ("COMPANIES ACT").

Our Company's outstanding Equity Shares are listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**", and together with **BSE**, "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE as on January 7, 2020 was ₹ 445.35 and ₹ 445.10 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to this Issue, from BSE and NSE, both dated January 8, 2020. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE.

The information on the website of our Company or our Subsidiaries or any website directly or indirectly linked to such websites (except for this Placement Document) or the websites of the Managers and their respective affiliates does not form part of this Placement Document, and prospective investors should not rely on such information contained in, or available through, such websites for their investment in this Issue. Copies of the Preliminary Placement Document and this Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter)) have been delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. This Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority, and is intended only for use by Eligible QIBs (as defined hereinafter). The Preliminary Placement Document and this Placement Document have not been and shall not be filed as a prospectus with the RoC, shall not be circulated or distributed to the public in India or any other jurisdiction, and this Issue shall not constitute a public offer in India or any other jurisdiction. The placement of Equity Shares proposed to be made pursuant to this Placement Document is meant solely for Eligible QIBs on a private placement basis and is not an offer to the public or to any other class of investors.

THIS ISSUE AND DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBS IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS AND SECTION 42 OF THE COMPANIES ACT, 2013 AND THE RULES FRAMED THEREUNDER. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBS. THIS PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBS WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC, OR TO ANY OTHER PERSON OR CLASS OF INVESTORS, WITHIN OR OUTSIDE INDIA, OTHER THAN TO ELIGIBLE QIBs.

YOU MAY NOT AND ARE NOT AUTHORISED TO: (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON, OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER, OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THIS ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE COMPANIES ACT, 2013, SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THIS ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "RISK FACTORS" ON PAGE 29 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THIS ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES ISSUED PURSUANT TO THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT. PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THE PRELIMINARY PLACEMENT DOCUMENT AND/OR THIS PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORIZED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

Invitations, offers and sales of Equity Shares to be issued pursuant to this Issue shall only be made pursuant to the Preliminary Placement Document, together with the Application Form, this Placement Document and the Confirmation of Allocation Note (each as defined herein). For details, see "*Issue Procedure*" on page 183. The distribution of this Placement Document or the disclosure of its contents without our Company's prior consent to any person other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**Securities Act**"), or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act ("**Rule 144A**") and referred to in this Placement Document as a "U.S. QIB") in transactions exempt from the registration requirements of the Securities Act, and (b) outside the United States only to investors who are not "U.S. persons" as defined in Regulation S of the Securities Act ("**Regulation S**") in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 198 and 207, respectively.

GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS			BOOK RUNNING LEAD MANAGERS				
Axis Capital Limited	**Citigroup Global Markets India Private Limited**	**J.P. Morgan India Private Limited**	**BNP Paribas**	**DSP Merrill Lynch Limited**	**Goldman Sachs (India) Securities Private Limited**	**HDFC Bank Limited**	**HSBC Securities and Capital Markets (India) Private Limited**

This Placement Document is dated January 14, 2020.

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document and to the best of our knowledge and belief, having made all reasonable enquiries, we confirm that this Placement Document contains all information with respect to us and the Equity Shares, which we consider material in the context of this Issue. The statements contained in this Placement Document relating to us and the Equity Shares are, in all material respects, true and accurate and not misleading, the opinions and intentions expressed in this Placement Document with regard to us and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, are based on information presently available to us and are based on reasonable assumptions. There are no other facts in relation to us and the Equity Shares, the omission of which would, in the context of this Issue, make any statement in this Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by us to ascertain such facts and to verify the accuracy of all such information and statements. The information contained in this Placement Document has been provided by our Company and other sources identified herein.

The Managers have not separately verified all the information contained in this Placement Document (financial, legal or otherwise). Accordingly, neither the Managers nor any of their affiliates including any of their respective shareholders, employees, counsels, officers, directors, representatives, agents or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted, by the Managers or any of their affiliates including any of their respective shareholders, employees, counsels, officers, directors, representatives, agents or affiliates, as to the accuracy or completeness of the information contained in this Placement Document or any other information supplied in connection with this Issue of Equity Shares or their distribution. Each person receiving this Placement Document acknowledges that such person has neither relied on the Managers nor on any of their affiliates including any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of us and the merits and risks involved in investing in the Equity Shares issued pursuant to this Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of us, or by or on behalf of the Managers. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The Equity Shares have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction. No authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary may be a criminal offense in other jurisdictions.

The Equity Shares have not been and will not be registered under the Securities Act, or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, (a) the Equity Shares are being offered and sold in the United States only to persons reasonably believed to be U.S. QIBs in transactions exempt from the registration requirements of the Securities Act, and (b) the Equity Shares are being offered and sold outside the United States only to investors who are not "U.S. persons" as defined in Regulation S in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described in the section "*Transfer Restrictions*" on page 207. Until 40 days after the commencement of the offering of the Equity Shares, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in transactions exempt from the registration requirements of the Securities Act. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 198 and 207, respectively.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of us to any person, other than Eligible QIBs specified by the Managers or their representatives, and those retained by Eligible QIBs to advise them with respect to their subscription of the Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this

Placement Document. Any reproduction or distribution of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Placement Document and this Issue of the Equity Shares in certain jurisdictions may be restricted by law. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the Managers which would permit an issue of the Equity Shares or distribution of this Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares in this Issue may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

The RBI has granted a banking license dated April 11, 2016 to Airtel Payments, one of our Subsidiaries in accordance with the Companies Act, for establishing payments bank and by way of letter dated March 11, 2016 to Airtel Payments stipulated that our Articles of Association shall be amended to incorporate the clause for seeking prior approval of the RBI in case of any change in shareholding of 5% or more of the total issued capital of our Company. Accordingly, our Company has amended its Articles of Association by insertion of article number 42A, to state that "No person / group of persons shall acquire any shares of the Company which would take his / her / its holding to a level of 5% or more (or any such percentage imposed by Reserve Bank of India from time to time) of the total issued capital of the Company unless prior approval of the Reserve Bank of India has been obtained by such person / group of persons".

Accordingly, any person or group of persons who holds less than 5% of the total issued share capital of our Company, can subscribe to such number of Equity Shares which would not take their total equity shareholding in our Company to a level of 5% or more of the post-Issue issued and paid-up share capital of our Company. In the event any application made by any QIB exceeds such limits, such QIB would be required to submit a copy of the approval obtained from the RBI with such application. Such approval from the RBI should clearly mention the name(s) of the persons who propose to apply in this Issue and the aggregate shareholding of such QIB (individually or together with a group) in the pre-Issue paid-up share capital of our Company, if any. In case of failure by such QIB to submit the RBI approval, our Company may at its sole discretion keep on hold the Allotment to such QIB applicant until necessary approvals are received from such applicant or it may decide to Allot such number of Equity Shares, that will limit the resultant aggregate shareholding of the applicant to less than 5% of the post-Issue paid-up equity share capital of our Company. However, such limit shall not be applicable to any person or group of persons who holds 5% or more of the total issued share capital of our Company. For details, see "*Risk Factors – An investor will not, without prior RBI approval, be able to acquire or convert Equity Shares if such acquisition or conversion would result in an individual or group holding 5.00% or more of our post-Issue issued and paid-up share capital.*" on page 81.

In making an investment decision, prospective investors must rely on their own examination of us and the terms of this Issue, including the merits and risks involved. Investors should not construe the contents of this Placement Document as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning this Issue. In addition, neither our Company nor the Managers are making any representation to any investor, purchaser or subscriber of the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares in this Issue by such investor, subscriber or purchaser under applicable legal, investment or similar laws or regulations. Each investor of the Equity Shares should conduct their own due diligence on the Equity Shares and us. If you do not understand the contents of this Placement Document, you should consult an authorized financial advisor and/or legal advisor.

Each such investor, subscriber or purchaser of the Equity Shares in this Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under Indian law, including under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013, read with Rule 14 of the PAS Rules and that is not prohibited by SEBI or any other statutory, regulatory or judicial authority in India or any other jurisdiction from buying, selling or dealing in securities including the Equity Shares or otherwise accessing the capital markets in India.

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents.

The information on the website of our Company, www.airtel.com, or on the website of our Subsidiaries, or on any website directly and indirectly linked to such websites or on the respective websites of the Managers and of their affiliates, does not constitute nor form part of this Placement Document. Prospective investors should not rely on any such information contained in, or available through, any such websites.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

For information to investors in certain other jurisdictions, see the sections "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 198 and 207, respectively.

REPRESENTATIONS BY INVESTORS

All references to "you" and "your" in this section are to the prospective investors in this Issue. By bidding for and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Company and the Managers, as follows:

1. You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations / making necessary filings with appropriate regulatory authorities including RBI, if any in connection with this Issue or otherwise accessing the capital markets;

2. That you are eligible to invest in India under applicable law, including those issued by the RBI, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("**FEMA Non-Debt Rules**") and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by the SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India;

3. You are aware that in accordance with our Articles of Association, any person or group of persons who holds less than 5% of the total issued share capital of our Company, can subscribe to such number of Equity Shares which would not take their total equity shareholding in our Company to a level of 5% or more of the post-Issue issued and paid-up share capital of our Company. In the event any application made by any QIB exceeds such limits, such QIB would be required to submit a copy of the approval obtained from the RBI with such application. Such approval from the RBI should clearly mention the name(s) of the persons who propose to apply in this Issue and the aggregate shareholding of such QIB (individually or together with a group) in the pre-Issue paid-up share capital of our Company, if any. In case of failure by such QIB to submit the RBI approval, our Company may at its sole discretion keep on hold the Allotment to such QIB applicant until necessary approvals are received from such applicant or it may decide to Allot such number of Equity Shares, that will limit the resultant aggregate shareholding of the applicant to less than 5% of the post-Issue paid-up equity share capital of our Company. However, such limit shall not be applicable to any person or group of persons who holds 5% or more of the total issued share capital of our Company.

4. You will provide the information as required under the Companies Act, 2013, the PAS Rules and applicable SEBI regulations and rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number and bank account details;

5. If you are Allotted Equity Shares pursuant to this Issue, you shall not sell the Equity Shares for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges;

6. You understand that the Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly, may not be offered or sold, subject to certain exceptions, within the United States, except in reliance on an exemption from the registration requirements of the Securities Act;

7. You have made, or are deemed to have made, as applicable, the representations set forth under sections titled "*Transfer Restrictions*" and "*Selling Restrictions*" on pages 207 and 198, respectively;

8. You are aware that the Preliminary Placement Document and this Placement Document have not been, and will not be, registered as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations, or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. The Preliminary Placement Document and this Placement Document have not been reviewed, verified or affirmed by the SEBI, the RBI, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by Eligible QIBs. The Preliminary Placement Document and this Placement Document have been filed with the Stock Exchanges for record purposes

only and be displayed on the websites of our Company, Managers and the Stock Exchanges;

9. You are entitled to subscribe for and acquire the Equity Shares under the laws of India and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents and approvals, governmental or otherwise, and authorisations and complied with all necessary formalities, to enable you to commit to, and to, participate in this Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;

10. Neither our Company, the Managers nor any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with this Issue and your participation in this Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares, be a client of the Managers. Neither the Managers nor any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to this Issue and are not in any way acting in any fiduciary capacity;

11. You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents ("**Company Presentations**") with regard to us or this Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Managers may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Managers has advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that, to the best of your knowledge, you have not been provided any material information relating to us and this Issue that was not publicly available;

12. All statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Placement Document. None of our Company, the Managers or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Placement Document;

13. You are aware and understand that the Equity Shares are being offered only to Eligible QIBs in the manner set forth herein and are not being offered to the general public, and the Allotment of the same shall be on a discretionary basis;

14. You are aware that the Equity Shares being issued pursuant to this Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and shall rank *pari passu* in all respects with the existing Equity Shares, as applicable;

15. You have been provided a serially numbered copy of the Preliminary Placement Document and this Placement Document, and have read it in its entirety, including in particular the "*Risk Factors*" on page 29;

16. In making your investment decision, you have (i) relied on your own examination of our Company and our Subsidiaries, Joint Ventures and Associates and the terms of this Issue, including the merits and risks involved, (ii) made your own assessment of our Company and our Subsidiaries, Joint Ventures

and Associates, the Equity Shares and the terms of this Issue based on such information as is publicly available, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, the effects of local laws (including tax laws), (iv) relied solely on the information contained in the Preliminary Placement Document and this Placement Document and no other disclosure or representation by our Company or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares, and (vi) relied upon your own investigation and resources in deciding to invest in this Issue;

17. Neither our Company nor the Managers or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to this Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Managers or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including but not limited to this Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert any claim against our Company or any of the Managers or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated; You are seeking to subscribe to/acquire the Equity Shares in this Issue for your own investment and not with a view to resale or distribute. You are aware that Equity Shares are being offered only to Eligible QIBs and are not being offered to the general public. Eligible QIBs do not have the right of renunciation with respect to Equity Shares, proposed to be issued;

18. You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to our Company and/or any of the Managers or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with this Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investments in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the securities in the near future. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment;

19. If you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and to make (and you hereby make) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

20. You have no rights under a shareholders' agreement or voting agreement entered into with the Promoter or members of the Promoter Group, no veto rights or right to appoint any nominee director on our Board, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares;

21. You agree that in terms of Section 42 of the Companies Act, 2013 and Rule 14 of PAS Rules, we shall make necessary filings with the RoC as may be required under the Companies Act, 2013;

22. You have no right to withdraw your Bid or revise your Bid downwards after the Issue Closing Date (as defined herein);

23. You are not a 'promoter' of our Company as defined under Section 2(69) of the Companies Act, 2013 and the SEBI ICDR Regulations, and are not a person related to any of the Promoter, either directly or indirectly and your Bid does not directly or indirectly represent any Promoter or Promoter Group of our Company or persons or entities related thereto;

24. You are eligible to apply and hold the Equity Shares Allotted to you together with any Equity Shares held by you prior to this Issue. Further, you confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

25. The Bid made by you would not eventually result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("**SEBI Takeover Regulations**");

26. To the best of your knowledge and belief, your aggregate holding, together with other Eligible QIBs in this Issue that belong to the same group or are under common control as you, pursuant to the Allotment under this Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

    a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other QIB ; and

    b) 'Control' shall have the same meaning as is assigned to it under the SEBI Takeover Regulations;

27. You are aware that after Allotment, final applications will be made for obtaining listing and trading approvals for listing and admission of the Equity Shares and for trading on the Stock Exchanges, and that there can be no assurance that such approvals will be obtained on time or at all. Neither our Company nor the Managers nor any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

28. You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares are issued by the Stock Exchanges;

29. You are aware that the pre-Issue and post-Issue shareholding pattern of our Company, as required by the SEBI Listing Regulations, will be filed by our Company with the Stock Exchanges, and if you together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, our Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted, to the Stock Exchanges and the Stock Exchanges will make the same available on their websites and you consent to such disclosures being made by our Company;

30. You are aware and understand that the Managers have entered into a placement agreement with our Company, whereby the Managers have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their reasonable efforts to seek to procure subscription for the Equity Shares on the terms and conditions set out therein;

31. You are subscribing to the Equity Shares to be issued pursuant to this Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act;

32. The contents of this Placement Document are exclusively the responsibility of our Company and that neither the Managers nor any person acting on its or their behalf or any of the counsels or advisors to this Issue has or shall have any liability for any information, representation or statement contained in

this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting participation in this Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Managers or our Company or any other person and neither the Managers nor our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them and the Managers and their respective affiliates will not be liable for your decision to accept an invitation to participate in this Issue based on any other information, representation, warranty, statement or opinion;

33. Neither the Managers nor any of their respective affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in this Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with this Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

34. Any dispute arising in connection with this Issue will be governed and construed in accordance with the laws of the Republic of India, and the courts in New Delhi, India, shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Placement Document;

35. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in this Issue. You agree to indemnify and hold our Company and the Managers and their respective affiliates and their respective directors, officers, employees and controlling persons harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

36. Our Company, the Managers, their respective affiliates, directors, officers, employees and controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Managers on their own behalf and on behalf of our Company, and are irrevocable. You are not an affiliate of our Company, or a person acting on behalf of an affiliate of our Company;

37. You are aware that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document. However, disclosure of such details in relation to the proposed Allottees in this Placement Document will not guarantee Allotment to them, as Allotment in this Issue shall continue to be at the sole discretion of our Company, in consultation with the Managers;

38. You are aware that in terms of the FEMA Non-Debt Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than fifty percent or common control) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together, including any other direct and indirect foreign investments in our Company, shall not exceed 24% of the paid-up Equity Share capital of our Company. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that (i) the individual investment of the FPI in our Company shall be less than 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed 24% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the

entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations; and

39. You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the Managers.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 ("**SEBI FPI Regulations**"), FPIs, including the affiliates of the Managers, who are registered as category I FPI can issue, subscribe and deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) (all such offshore derivative instruments are referred to herein as "**P-Notes**") and persons who are eligible for registration as category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. Such P-Notes can be issued post compliance with the KYC norms and such other conditions as specified by SEBI from time to time. P-Notes have not been, and are not being offered, or sold pursuant to the Preliminary Placement Document and this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including, without limitation, any information regarding any risk factors relating thereto.

Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Managers do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Managers and do not constitute any obligations of or claims on the Managers. Respective affiliates of the Managers which are Eligible FPIs may purchase the Equity Shares in this Issue, and may issue P-Notes in respect thereof, in each case to the extent permitted by applicable law.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document and this Placement Document have been submitted to the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of any of the contents of the Preliminary Placement Document and this Placement Document;

2. warrant that the Equity Shares issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Company, our management or any scheme or project of our Company,

and it should not for any reason be deemed or construed to mean that the Preliminary Placement Document and this Placement Document have been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to "you", "your", "offeree", "purchaser", "subscriber", "recipient", "investors" and "potential investor" are to the Eligible QIBs pursuant to this Issue, references to "our Company", the "Company", or the "Issuer" are to Bharti Airtel Limited on a standalone basis and references to "our", "us", or "we" are to Bharti Airtel Limited together with our Subsidiaries, Associates and Joint Ventures on a consolidated basis.

In this Placement Document, references to (a) "Rs.", "Rupees", "INR", "Indian Rupees" or "₹" are to the legal currency of the Republic of India and (b) "USD", "US$" and "U.S. Dollars" are to the legal currency of the United States. All references herein to the "U.S." or the "United States" are to the United States of America and its territories and possessions and all references to "India" are to the Republic of India and its territories and possessions. All references herein to the "Central Government", "Government", "Government of India" or "State Government" are to the Government of India, central or state, as applicable. All the numbers in this document, have been presented in million or in whole numbers where the numbers have been too small to present in million, unless stated otherwise.

Our Fiscal year ends on March 31 of each year, and references to a particular Fiscal are to the twelve-month period ended March 31 of that year.

Our Company presents its financial statements under Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor does our Company provide a reconciliation of its audited consolidated financial statements to IFRS or U.S. GAAP. Accordingly, the degree to which the audited consolidated financial statements for Fiscals 2017, 2018 and 2019, and for six month period ended September 30, 2019, as included in this Placement Document, prepared in accordance with Ind AS, will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting policies and practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited. See "*Risk Factors – Significant differences exist between IND-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with IND-AS contained in this Placement Document.*" on page 72.

We have included in this Placement Document the audited consolidated financial statements for Fiscals 2017, 2018 and 2019 and Interim Condensed Financial Statements**.**

Unless otherwise stated or unless the context requires otherwise, the financial information contained in this Placement Document is derived from our audited consolidated financial statements for the six months ended September 30, 2019 and for Fiscals 2019 and 2018. Further, unless the context otherwise requires, all financial information contained in this Placement Document as at or for Fiscal 2017 has been derived from the comparatives presented in the annual financial statements for the Fiscal 2018. For details, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 265 and 100, respectively.

Unless otherwise stated, references in this Placement Document to a particular year are to the calendar year ended on December 31 and to a particular "Financial Year", "Fiscal", or "FY" are to the financial year of our Company ending on March 31 of a particular year.

Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off.

Our Company's audited consolidated financial results for the quarter and six months period ended September 30, 2019 and audited consolidated financial statements for Fiscals 2019 and 2018, as included in this Placement Document have been audited by Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors and our Company's audited consolidated financial statements for the Fiscal 2017, as included in this Placement Document have been audited by S. R. Batliboi & Associates LLP, Chartered Accountants ("**SRBA**"), the erstwhile statutory auditors of our Company. Our Company's audited standalone financial results for six months period ended September 30, 2019 and for Fiscals 2019 and 2018 and have been audited by Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors and our Company's audited standalone financial statements for the Fiscal 2017 have been audited by SRBA, the erstwhile statutory auditors of our Company.

Deloitte Haskins & Sells LLP ("**DHS LLP**"), the current statutory auditors of our Company, is a firm registered with the Institute of Chartered Accountants of India. It has been reported that in connection with certain alleged lapses identified by the Serious Fraud Investigation Office in one of its audit assignments, the Ministry of Corporate Affairs in India ("**MCA**") has filed, among others, a petition with the National Company Law Tribunal ("**NCLT**") seeking an order under Section 140(5) of the Companies Act to impose a restriction on DHS LLP (and another large audit firm which was the joint auditor with DHS LLP of our Company in a recent past fiscal year) from being appointed as an auditor of any company for a five-year period, (the "**Proposed Restriction**"). The MCA has also made other applications before other judicial/quasi-judicial forums seeking certain other orders against DHS LLP and the other audit firm. Both the auditors have raised objections to the proceedings on technical and legal grounds. DHS LLP has challenged against the orders issued by the NCLT including, in particular, the applicability of Section 140(5) to it and appeals are pending before the National Company Law Appellate Tribunal ("**NCLAT**"). Separately, the other audit firm has also challenged the proceedings before the Bombay High Court and the matter is under appeals. The matters are currently subjudice. As of date, there are no orders that prevent DHS LLP from continuing as auditors of our Company. These alleged lapses are completely unrelated to our Company's financial statements and procedures.

S.R. Batliboi & Co. LLP was informed by the RBI via a press release dated June 3, 2019 that the RBI will not approve S.R. Batliboi & Co. LLP for carrying out statutory audit assignments for commercial banks for one year commencing from April 1, 2019. This does not impact SRBA's role as the statutory auditor of our Company for the year ended March 31, 2017.

INDUSTRY AND MARKET DATA

Market and Industry data used in this Placement Document has been obtained or derived from publicly available information as well as various industry publications and sources.

Information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which we compete. Unless stated otherwise, the statistical information included in this Placement Document relating to the industry in which we operate has been reproduced from various trade, industry and government publications and websites.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made on the basis of such information. This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Neither we nor the Managers have independently verified this data and do not make any representation regarding the accuracy or completeness of such data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Managers can assure potential investors as to their accuracy.

The extent to which the market and industry data used in this Placement Document is meaningful depends solely on the reader's familiarity with and understanding of the methodologies used in compiling such data. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – Industry and market data used in this Placement Document has been obtained or derived from publicly available information as well as various industry publications and sources. There can be no assurance that such data is either complete or accurate.*" on page 67. Thus, neither our Company nor the Managers can assure you of the correctness, accuracy and completeness of such data. Accordingly, investment decisions should not be based solely on such information.

We have not commissioned any report for the purposes of this Placement Document. Further, this Placement Document includes certain industry related information from the report "Overview of Indian Telecom Industry" dated December 30, 2019 ("**CRISIL Report**") published by CRISIL Research, a division of CRISIL Limited. CRISIL Research has consented to the use of such information in this Placement Document subject to the following disclaimer by CRISIL Research:

"*CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Bharti Airtel Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval.*"

Further, this Placement Document includes certain industry related information from the report "Africa telecommunications wireless, data and mobile money trends" dated May 2019 ("**Delta Partners Report**") published by Delta Partners. Delta Partners has consented to the use of such information in this Placement Document subject to the following disclaimer by Delta Partners:

"*Delta Partners has taken due care and caution in preparing this report (Report) based on the Information obtained by Delta Partners from sources which it considers reliable (Data). However, Delta Partners does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Delta Partners especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as Delta Partners providing or intending to provide any services in jurisdictions where Delta Partners does not have the necessary permission and/or registration to carry out its business activities in this regard. Bharti Airtel Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. No part of this Report may be published/reproduced in any form without Delta Partners' prior written approval.*"

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute 'forward looking statements'. Investors can generally identify forward-looking statements by terminology including 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', 'future', 'forecast', 'target', 'guideline', 'will likely result', 'is likely', 'are likely', 'expected to', 'will continue', 'will achieve', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements contained in this Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause actual results to differ materially from our Company's expectations include, among others:

- Changes in laws, regulations or governmental policy affecting our business activities;
- Failure to obtain relief in review petitions filed by our Company and Bharti Hexacom in material legal proceedings pertaining to Adjusted Gross Revenue;
- Significant competition from other companies, including from those with pan-India footprints;
- Foreign investment restrictions under Indian law that limits our ability to attract foreign investors;
- Ability to renew licenses in many countries, which have come up for renewal;
- Comparability of our future results with our historical financial statements upon completion of merger between Bharti Infratel and Indus Towers;
- Payment of additional spectrum charges for excess spectrum held or surrender excess spectrum held by our Company to the GoI;
- Ability to provide telecommunications or related services that are technologically up to date;
- Exposure to a high risk of customer churn, resulting into increase in subscriber acquisition costs and loss of future subscriber revenues; and
- Ability to service our significant indebtedness and comply with its covenants to avoid refinancing risk.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited, to those discussed under "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*" and "*Our Business*" on pages 29, 100, 128 and 146 respectively.

The forward-looking statements contained in this Placement Document are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of our Company. Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and neither our Company nor any of the Managers undertakes any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. Our chairman, and majority of our Directors and key managerial personnel/ senior management personnel are residents of India. A substantial portion of our assets are located in India. As a result, it may be difficult for the investors to affect service of process upon our Company or such persons, outside India or to enforce judgments obtained against such parties outside India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments and execution of a foreign judgment is provided for under Sections 13 and 44A respectively, of the Code of Civil Procedure, 1908 (the "**Civil Procedure Code**") on a statutory basis.

Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud, or (vi) where the judgment sustains a claim founded on a breach of any law in force in India. A foreign judgment which is conclusive under section 13 of the Civil Procedure Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution. Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Under Section 14 of the Civil Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction.

Each of the United Kingdom, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit upon the foreign judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currency of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth, for the periods indicated, information with respect to the exchange rates between the Rupee and the U.S. dollar (in Rupees per U.S. dollar), based on the reference rates released by the RBI/FBIL, which are available on the website of the RBI/FBIL. No representation is made that any Rupee amounts actually represent such amounts in U.S. dollars or could have been, or could be converted into, U.S. dollars at any particular rate, the rates indicated, any other rates or at all.

(₹ per US$)

Period	Period End(1)	Average(2)	High(3)	Low(4)
	US$	US$	US$	US$
Calendar:				
2019	71.27	70.41	72.19	68.37
2018	69.79	68.36	74.39	63.35
2017	63.93	65.12	68.23	63.63
Quarter ended:				
March 31, 2019	69.17	70.49	71.75	68.58
June 30, 2019	68.92	69.56	70.42	68.49
September 30, 2019	70.69	70.34	72.19	68.37
December 31, 2019	71.27	71.23	72.05	70.68
Month ended:				
July 31, 2019	68.86	68.81	69.06	68.37
August 31, 2019	71.76	71.15	72.18	69.06
September 30, 2019	70.69	71.33	72.19	70.69
October 31, 2019	70.81	71.04	71.51	70.73
November 30, 2019	71.73	71.45	72.05	70.68
December 31, 2019	71.27	71.19	71.78	70.72

(Source: www.rbi.org.in and www.fbil.org.in)

1. *The price for the period end refers to the price as on the last trading day of the respective calendar, quarterly or monthly periods.*
2. *Average of the official rate for each Working Day of the relevant period.*
3. *Maximum of the official rate for each Working Day of the relevant period.*
4. *Minimum of the official rate for each Working Day of the relevant period.*

Notes:

- *If the reference rate is not available on particular date due to a public holiday, exchange rates of the previous Working Day have been disclosed.*
- *The reference rates are rounded off to two decimal places.*

CERTAIN DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Placement Document is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Placement Document shall have the meaning as defined hereunder. Further any references to any agreement, document, statute, rules, guidelines, regulations or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Taxation", "Statement of Possible Tax Benefits" "Industry Overview", "Financial Statements" and "Legal Proceedings" on pages 224, 218, 128, 265 and 227, respectively, shall have the meaning ascribed to such terms in these respective sections.

Terms Related to our Company

Term	Description
"Company" / "our Company" / "the Company" / "the Issuer"	Bharti Airtel Limited, on a standalone basis, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its Registered and Corporate Office situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi 110 070, India
"We", "Our", "Us" or "our Group"	Bharti Airtel Limited on a consolidated basis, including its Subsidiaries, Joint Ventures and Associates, unless otherwise specified
Airtel Africa Group	Airtel Africa Plc and its consolidated subsidiaries and subsidiary undertakings
Airtel Payments	Airtel Payments Banks Limited
Articles or Articles of Association	The articles of association of our Company, as amended from time to time
Associates	Companies constituting the associate companies of our Company as determined in terms of Section 2(6) of the Companies Act or applicable accounting standards. For details, see "*Organisational Structure and Principal Shareholders*" on page 175
Audit Committee	Audit Committee of our Company, as disclosed in "*Board of Directors and Senior Management*" on page 167
Audited Financial Statements	Audited consolidated financial statements of our Company for Fiscals 2019 and 2018 and comparative information for Fiscal 2017 as contained in the audited consolidated financial statements of Fiscal 2018
Bharti Airtel Employees' Welfare Trust	The trust, earlier known as the Bharti Tele-Ventures Employees Welfare Trust, and created vide a trust deed dated March 31, 2001 with its office at Qutab Ambiance, H-5/12, Mehrauli Road, New Delhi – 110 030 or such other trust as may be formed and/or designated by our Company for the administration of ESOP 2001 and ESOP 2005
Bharti Digital	Bharti Digital Networks Private Limited (earlier known as Tikona Digital Networks Private limited)
Bharti Hexacom	Bharti Hexacom Limited
Bharti Infratel	Bharti Infratel Limited
Board of Directors or Board	Our board of directors or any duly constituted committee thereof
BTL/ Bharti Telecom	Bharti Telecom Limited
Corporate Social Responsibility Committee	Corporate social responsibility committee of our Company, as disclosed in "*Board of Directors and Senior Management*" on page 167
Directors	Any or all the directors on our Board, as may be appointed from time to time
Equity Shares	Equity shares of our Company of face value of ₹ 5 each
FCCBs	Foreign currency convertible bonds
FCCB Issue	The issuance of FCCBs of an aggregate principal amount of US$ 1,000 million of 1.50 per cent. due 2025, approved pursuant to our Board, Shareholders', the Special Committee of Directors for Fund Raising resolutions dated December 4, 2019, January 3, 2020, and January 14, 2020, respectively. Simultaneously with the closing of this Issue, the Special Committee of Directors for Fund Raising has also authorised the closing of the FCCB Issue. The proceeds of the FCCB Issue will be used for (i) capital expenditure, (ii) repayment of existing indebtedness,

Term	Description
	and/or (iii) any other use, each as permitted under applicable laws and regulations from time to time. The completion of this Issue is not conditional on the completion of the FCCB Issue
Financial Statements	Audited Financial Statements and Interim Condensed Financial Statements. For details, see "*Financials Statements*" on page 265
HR and Nomination Committee	HR and Nomination committee of our Company, as disclosed in "*Board of Directors and Senior Management*" on page 167
Independent Director	A non-executive and independent director of our Company as per the Companies Act and the SEBI Listing Regulations
Interim Condensed Financial Statements	Audited interim condensed consolidated financial statements of our Company as at and for the six month period ended September 30, 2019
Indus Towers	Indus Towers Limited
Joint Ventures	Companies constituting the joint ventures of our Company as determined in terms of Section 2(6) of the Companies Act or applicable accounting standards. For details, see "*Organisational Structure and Principal Shareholders*" on page 175
Key Managerial Personnel or KMP	Key managerial personnel as decided by our Company pursuant to Section 2(51) of the Companies Act and Regulation 2(bb) of the SEBI ICDR Regulations. For details, see "*Board of Directors and Senior Management*" on page 167
Memorandum or MoA or Memorandum of Association	The memorandum of association of our Company, as amended
Other Indus Shareholders	Vodafone Group, Vodafone-Idea and Providence
Pastel	Pastel Limited
Preference Shares / RPS	Fully paid up redeemable, non-participating, non-cumulative, unlisted preference shares (mandatorily redeemable at par at the end of 18 months from July 26, 2019) of our Company
Promoter	The promoter of our Company being, BTL. Pastel, who is a member of our Promoter Group, had been disclosed as a 'deemed promoter' in regulatory filings under the SEBI Takeover Regulations
Promoter Group	Persons and / or entities constituting the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered and Corporate Office	Registered and corporate office of our Company situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi 110 070, India
Registrar of Companies or RoC	Registrar of Companies, NCT of Delhi and Haryana at New Delhi
Risk Management Committee	Risk management committee of our Company, as disclosed in "*Board of Directors and Senior Management*" on page 167
Senior Management	Senior management of our Company, as disclosed in "*Board of Directors and Senior Management*" on page 167
Shareholders	The shareholders of our Company
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company, as disclosed in "*Board of Directors and Senior Management*" on page 167
Statutory Auditors	The statutory auditors of our Company, being Deloitte Haskins & Sells LLP
Subsidiaries	Companies or body corporates constituting the subsidiaries of our Company as determined in terms of Section 2(87) of the Companies Act. For details, see "*Organisational Structure and Principal Shareholders*" on page 175
Telkom Kenya	Telkom Kenya Limited
Telenor	Telenor (India) Communications Private Limited
TNL	Telesonic Networks Limited
TTML	Tata Teleservices (Maharashtra) Limited
TTSL	Tata Teleservices Limited

Issue Related Terms

Term	Description
Allocated or Allocation	The allocation of Equity Shares, following the determination of Issue Price, to Eligible QIBs on the basis of the Application Forms submitted by them, by our Company, in consultation with the Managers and in compliance with Chapter VI of the SEBI ICDR Regulations
Allotment or Allotted or Allot	The issue and allotment of Equity Shares pursuant to this Issue
Allottees	Eligible QIB Bidders to whom Equity Shares are Allotted pursuant to this Issue
Application Form	The form, including any revisions thereof, pursuant to which an Eligible QIB was required to submit a bid for Equity Shares in this Issue. Please refer to page 693

Term	Description
Bid Amount	With respect to a Bidder, shall mean the aggregate amount paid by such Bidder at the time of submitting a Bid in this Issue in respect of the Equity Shares
Bid Closing Date/ Issue Closing Date	January 14, 2020, which is the date on which our Company (or the Managers on behalf of our Company) has ceased acceptance of the Application Forms and the Bid Amount
Bid Opening Date/ Issue Opening Date	January 8, 2020, which is the date on which our Company (or the Managers on behalf of our Company) commenced acceptance of the Application Forms and the Bid Amount
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to this Issue. The term "Bidding" shall be construed accordingly
Bidder(s)	Any prospective investor, being an Eligible QIB, who made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
Bidding Period/ Issue Period	The period between the Bid Opening Date and Bid Closing Date, inclusive of both dates, during which Eligible QIBs could submit their Bids including any revision and/or modifications thereof along with Bid Amount
Book Running Lead Managers or BRLMs	Collectively, BNP Paribas, DSP Merrill Lynch Limited, Goldman Sachs (India) Securities Private Limited, HDFC Bank Limited and HSBC Securities and Capital Markets (India) Private Limited
CAN or Confirmation of Allocation Note	Note or advice or intimation to the Successful Bidders confirming the Allocation of Equity Shares after discovery of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to this Issue shall be made, *i.e.*, on or before January 15, 2020
Designated Date	The date of credit of Equity Shares pursuant to this Issue to the Allottees' demat accounts, as applicable to the relevant Allottees
Eligible FPI	FPIs that are eligible to Bid for Equity Shares to be Allotted in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices
Eligible QIBs or Eligible Qualified Institutional Buyer	QIBs which are eligible to participate in the Issue and who are (i) not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, (ii) not restricted from participating in the Issue under applicable law, including the SEBI ICDR Regulations, and (iii) outside the United States and are not "U.S. persons" as defined in Regulation S purchasing the Equity Shares in "offshore transactions" in reliance upon Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. Within the United States, the Equity Shares are being offered and sold only to U.S. QIBs
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, opened with the Escrow Bank in the name and style "BHARTI AIRTEL LIMITED – QIP SHARE ESCROW ACCOUNT", subject to the terms of the Escrow Agreement, into which the Bid Amount was required to be deposited by Eligible QIBs and refunds, if any, remitted to unsuccessful Bidders
Escrow Agreement	Agreement dated January 8, 2020 amongst our Company, the Managers and the Escrow Bank in relation to this Issue
Escrow Bank	Axis Bank Limited
Floor Price	The floor price of ₹ 452.09 per Equity Share, which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company has offered a discount of 1.57% amounting to ₹ 7.09, on the Floor Price, in terms of the SEBI ICDR Regulations
GCBRLMs or Global Co-ordinators and Book Running Lead Managers	Collectively, Axis Capital Limited, Citigroup Global Markets India Private Limited and J.P. Morgan India Private Limited
Issue	The issue, offer and Allotment of the Equity Shares to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Price	₹ 445 per Equity Share
Issue Size	The issue of 323,595,505 Equity Shares aggregating to ₹ 144,000 million
Managers	Collectively, GCBRLMs and BRLMs
Placement Agreement	The placement agreement dated January 8, 2020 entered into between our Company and the Managers
Placement Document	This placement document dated January 14, 2020, issued in accordance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 and the rules thereunder
Preliminary Placement Document	The preliminary placement document dated January 8, 2020 for this Issue issued in accordance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 and the rules thereunder
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 read with the applicable rules of the

Term	Description
	PAS Rules
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Bid Amount submitted by such Bidder pursuant to this Issue
Refund Intimation Letter	Letters from our Company intimating the Bidders on the amount to be refunded, if any, either in part or whole, to their respective bank accounts issued on the date of issuance of CAN
Relevant Date	January 8, 2020, which is the date of the meeting in which the Special Committee of Directors for Fund Raising decided to open this Issue
Stock Exchanges	Collectively, the BSE Limited and the National Stock Exchange of India Limited
Successful Bidder	The Bidders who have Bid at or above the Issue Price, duly paid the Bid Amount and who have been Allocated Equity Shares
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Industry related terms

Term	Description
AGR	Adjusted Gross Revenue
ATC	American Tower Corp
BSNL	Bharat Sanchar Nigam Limited
BTS	base transceiver stations
Cisco VNI	Report named Cisco Visual Networking Index; Forecast in Trends 2017-2022
COAI	Cellular Operators Association of India
CRISIL Report	CRISIL report titled 'Overview on Indian Telecom Industry' dated December 30, 2019
Deloitte Report	Report named "The Deloitte Consumer Review – Africa: a 21st century view" published by Deloitte LLP in 2014"
Delta Partners Report	Delta Partners report named 'Africa telecommunications wireless, data and mobile money trends' dated May 2019
DG Sets	Diesel generator sets
DoT	Department of Telecommunications
DSL	Digital Subscriber Line
EDS	Enterprise data services
EMF	Electromagnetic fields
GBT	Ground Based Towers
ICT	Information Communication Technology
IoT	Internet of Things
IPTV	Internet Protocol TV
ITC	International termination charges
ITC-2018 Regulations	Telecommunication Interconnection Usage Charges (Fourteenth Amendment) Regulations, 2018 dated January 12, 2018
IUC	Interconnect Usage Charges
LCOs	Local cable operators
McKinsey Report	McKinsey Global Institute report named 'Lions on the move II: realizing the potential of Africa's economies – 2016'
MIMO	Massive Multiple-Input Multiple-Output
MNP	Mobile Number Portability
MPS	Mobile payment bank
MSOs	Multi-system cable operators
NDCP-2018	National Digital Communications Policy, 2018.
NLD	National Long Distance
NTO	New tariff order
NTP-1994	National Telecom Policy 1994
NTP-1999	National Telecom Policy 1999
NTP-2012	National Telecom Policy 2012
Opensignal October 2019 Report	Report named Opensignal Awards – India: Mobile Network Experience Report October 2019
OTT	Over-the-top services
POI	Point of interconnection
QoS	Quality of service
Reliance JIO / JIO	Reliance Jio Infocomm Limited
RTTs	Roof Top Towers

SACFA	Standing Advisory Committee on Radio Frequency Allocations of the Wireless Planning and Coordination wing of the Ministry of Communications, Government of India
SDCA	Short distance charging area
SMS	Short Messaging Service
South Asia	South Asia shall mean the geographic areas of Sri Lanka and Bangladesh. For purposes of our Company's financial and management reporting, India is not included as part of South Asia
Symantec	Symantec Asia Pacific Pte. Ltd.
TDD	Time Division Duplex
TDSAT	Telecom Disputes Settlement and Appellate Tribunal
Tower / Tower and related infrastructure	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
Tower infrastructure services	Tower Infrastructure Services include setting up, operating and maintaining wireless communication towers
TRAI	Telecom Regulatory Authority of India, constituted under the Telecom Regulatory Authority of India Act, 1997
Transfer-Merger Guidelines	The guidelines for transfer/merger of various categories of telecommunication service licenses/authorization under unified license on compromises, arrangements and amalgamation of the companies.
TSP	Telecom service providers
TV	Television
UAS	Unified Access Service
UASL	Unified Access Service License
UL	Unified License
United Nations Report	United Nations report 'World Urbanization Prospects: The 2018 Revision' dated May 16, 2018
Uptime	Time during which a service provider's wireless telecommunications network is operational, as measured by the service provider's network operations centre and the tower infrastructure provider's tower operations centre
VAS	Value Added Services
VCN	Virtual Card Number
VSAT	Very Small Aperture Terminal
VNOs	Virtual Network Operators
Vodafone Idea	Vodafone Idea Limited
WLL	Wireless in local loop
World Bank Report	Report by the United Nations, Department of Economic and Social Affairs, Population Division (2019) 'World Population Prospects 2019'
WPC	Wireless Planning Commission

Conventional and General Terms/ Abbreviations

Term	Description
144A	Rule 144A under Securities Act
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CEO	Chief executive officer
CFO	Chief financial officer
CIN	Corporate identity number.
Civil Procedure Code or Civil Code or CPC	The Code of Civil Procedure, 1908
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act, 2013 / Companies Act	Companies Act, 2013, along with the rules made thereunder
Cr.P.C. or Cr. PC	The Code of Criminal Procedure
CSR	Corporate social responsibility
Delhi Stock Exchange	Delhi Stock Exchange Association Limited
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India

Term	Description
	(Depositories and Participant) Regulations, 1996, as amended
Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director identification number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), GoI
EBITDA/ Earnings Before Interest, Taxes, Depreciation and Amortization Expenses	EBITDA, on a consolidated basis, is calculated as profit from operating activities before depreciation, amortisation and exceptional items as presented in the statement of profit and loss in the financial statements
EGM	Extra-ordinary general meeting
EPS	Earnings per share
FDI	Foreign direct investment
FDI Policy	The Consolidated FDI Policy, effective from August 28, 2017, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time
FEMA	The Foreign Exchange Management Act, 1999, as amended, and the regulations issued thereunder
FEMA Non-Debt Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FEMA Debt Regulations	Foreign Exchange Management (Debt Instruments) Regulations, 2019
Financial Year, Fiscal, or FY	Period of 12 months ended March 31 of that particular year, unless otherwise stated
FIR	First information report
Form PAS-4	The private placement offer cum application letter in terms of Form PAS-4 as prescribed under Rule 14 of the PAS Rules
GDP	Gross domestic product
Government/ GoI	Government of India, unless otherwise specified
GST	Goods and services tax
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian accounting standards as notified by the MCA vide Companies (Indian Accounting Standards) Rule 2015, as amended, notified under Section 133 of the Companies Act
IPC	Indian Penal Code, 1860
IT Act	Income-tax Act, 1961
IPO	Initial Public Offering
MCA	The Ministry of Corporate Affairs, Government of India
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A.	Not Applicable
NCLT	National Company Law Tribunal
NI Act	Negotiable Instruments Act, 1881
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
PAN	Permanent account number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PAT	Profit After Tax
RBI	The Reserve Bank of India
Regulation S	Regulation S under the Securities Act.
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations / Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
Securities Act	United States Securities Act of 1933, as amended

Term	Description
SME	Small and medium-sized enterprises
Stock Exchanges	Together, BSE and the NSE
STT	Securities transaction tax
Telegraph Act	Indian Telegraph Act, 1885
U.S. or United States	United States of America
U.S. QIB	Persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act)
VAT	Value added tax
VCF	Venture capital fund

SUMMARY OF THE ISSUE

The following is a general summary of the terms of this Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including the sections "*Use of Proceeds*", "*Placement*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 84, 196, 183 and 213, respectively.

Issuer	Bharti Airtel Limited
Issue Size	Issue of 323,595,505 Equity Shares, aggregating to ₹ 144,000 million. A minimum of 10% of the Equity Issue Size was made available for Allocation to Mutual Funds only, and the balance have been Allocated to all Eligible QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation only to Mutual Funds, such portion or part thereof would have been Allocated to other Eligible QIBs
Face value	₹ 5 per Equity Share
Issue Price	₹ 445 per Equity Share
Floor Price	The floor price for Equity Shares to be issued in this Issue, calculated in accordance with Regulation 176 under Chapter VI of the SEBI ICDR Regulations, is ₹ 452.09 per Equity Share. Our Company has offered a discount of 1.57% amounting to ₹ 7.09, on the Floor Price in terms of the SEBI ICDR Regulations
Date of Board resolution	December 4, 2019
Date of Shareholders' resolution	January 3, 2020
Authority for the Issue	This Issue has been authorised by resolutions of our Board and Shareholders dated December 4, 2019 and January 3, 2020, respectively
Eligible investors	QIBs which are eligible to participate in the Issue and who are (i) not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, (ii) not restricted from participating in the Issue under applicable law, including the SEBI ICDR Regulations, and (iii) outside the United States and are not "U.S. persons" as defined in Regulation S purchasing the Equity Shares in "offshore transactions" in reliance upon Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. Within the United States, the Equity Shares are being offered and sold only to U.S. QIBs. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form have been delivered, was determined by the Managers in consultation with our Company. For details, see "*Issue Procedure – Qualified Institutional Buyers*" on page 188
Equity Shares issued and outstanding immediately prior to this Issue*	5,131,961,850 Equity Shares
Equity Shares issued and outstanding immediately after this Issue**	5,455,557,355 Equity Shares
Listing and trading	Our Company has obtained in principle approvals from NSE and BSE, both dated January 8, 2020, under Regulation 28(1)(a) of the SEBI Listing Regulations. Our Company shall apply to the Stock Exchanges for the final listing and trading approvals, after the Allotment and after the credit of Equity Shares to the beneficiary account with the Depository Participant, respectively
Lock-in	For details in relation to lock-in, see "*Placement - Lock-in*" on page 196 for a description of restrictions on our Company, Promoter and members of Promoter Group in relation to Equity Shares
Transferability restriction	The Equity Shares to be issued and Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. For details on further transfer restrictions, see "*Transfer Restrictions*" on page 207
Use of proceeds	The gross proceeds from this Issue is approximately ₹ 144,000 million. The net proceeds of this Issue, after deducting the estimated fees, commissions and expenses in relation to this Issue, amounting to ₹ 1,080 million, is approximately ₹ 142,920

	million. For details regarding use of net proceeds of this Issue, see "*Use of Proceeds*" on page 84	
Risk factors	See "*Risk Factors*" on page 29 for a discussion of factors that you should consider before investing in the Equity Shares	
Closing Date	The Allotment of the Equity Shares pursuant to this Issue is expected to be made on or before January 15, 2020	
Ranking	The Equity Shares being issued pursuant to this Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of dividends and voting rights The holders of Equity Shares (who hold Equity Shares as on the applicable record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, SEBI Listing Regulations and other applicable laws and regulations. The holders of such Equity Shares may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act, 2013. For details, see "*Dividend Policy*" and "*Description of the Equity Shares*" on pages 99 and 213, respectively	
Security codes for the Equity Shares	ISIN	INE397D01024
	BSE Code	532454
	NSE Code	BHARTIARTL

* *For details of Preference Shares issued by our Company, see "Capital Structure" on page 86*
***Not accounting for Equity Shares to be issued on conversion of the FCCBs issued pursuant to FCCB Issue*

SELECTED FINANCIAL INFORMATION

The following tables set forth the selected financial information derived from audited consolidated financial statements of our Company for Fiscals 2019 and 2018 and comparative information for Fiscal 2017 as contained in the audited consolidated financial statements for Fiscal 2018. The selected financial information presented below should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 100 and 265, respectively.

Selected Financial Information for Fiscals 2019, 2018, 2017 and half year ended September 30, 2019 (Consolidated)

(in ₹ million)

Parameters	Half year ended September 30, 2019	Fiscal 2019	Fiscal 2018	Fiscal 2017^
Net Worth[1]	870,149	849,480	783,483	743,313
Total Debt	1,069,363	1,206,730	1,113,335	1,072,877
of which - Non-Current Maturities of Long Term Borrowing	882,892	824,901	849,420	896,373
- Short Term Borrowing	102,612	310,097	129,569	129,442
- Current Maturities of Long Term Borrowing	83,859	717,32	134,346	470,62
Net Fixed Assets[2]	802,506	815,228	706,079	620,088
Non- Current Assets	2,759,625	2,422,918	2,170,826	2,150,614
Cash and Cash Equivalents	106,957	62,121	49,552	12,817
Current Investments	60,383	46,232	68,978	16,923
Current Assets	596,601	329,057	334,990	182,038
Current Liabilities	1,271,032	930,549	782,399	634,597
Net Sales	418,692	807,802	826,388	954,683
EBITDA	172,914	261,101	303,279	354,504
EBIT[3]	35,976	47,626	110,848	156,774
Interest[4]	65,800	110,134	93,255	95,466
PAT[5]	(252,223)	16,875	21,835	42,414
Dividend amounts	-	24,096	18,475	6,543
Current ratio	0.47	0.35	0.43	0.29
Interest Coverage Ratio (Times)[6]	2.63	2.37	3.25	3.71
Gross debt / equity ratio[7]	1.23	1.42	1.42	1.44
Debt Service Coverage Ratios	1.00	0.91	3.12	1.79

1. *Net Worth includes non-controlling interest*
2. *Net Fixed Assets represent Net Block of Property, Plant and Equipment*
3. *EBIT = EBITDA – Depreciation*
4. *Interest includes finance cost and excludes fair value hedge Re-class*
5. *Total PAT including amount attributable to non-controlling interest*
6. *Interest Coverage ratio: EBITDA / Interest Expense*
7. *Gross debt equity ratio: Total debt (borrowing long term incl. current maturity + short term borrowing) /Equity (Share capital + other equity + NCI)*

^ The audited financial information (including the nomenclature of financial statement captions) for Fiscal 2017 is derived from the comparative information in audited consolidated financial statements for Fiscal 2018.

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Placement Document, including the risks and uncertainties described below, before making an investment in the Equity Shares. This section should be read together with "Industry Overview", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as the financial statements, including the notes thereto, and other financial information included elsewhere in this Placement Document.

The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us, or that we currently believe to be immaterial, may also adversely affect our business, prospects, financial condition and results of operations and cash flow. If any or some combination of the following risks, or other risks that are not currently known or believed to be material, actually occur, our business, financial condition and results of operations and cash flow could suffer, the trading price of, and the value of your investment in, Equity Shares could decline and you may lose all or part of your investment. In making an investment decision you must rely on your own examination of us and the terms of this Issue, including the merits and risks involved.

This Placement Document also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors including the considerations described below and elsewhere in this Placement Document.

Unless otherwise stated, references to "we", "us", "our" and similar terms are to Bharti Airtel Limited on a consolidated basis.

Risks Relating to Our Business

The telecommunications market is highly regulated and changes in laws, regulations or governmental policy could potentially adversely affect our business, prospects, financial condition, cash flows and results of operations.

Telecommunications businesses in each of our markets are subject to governmental regulation regarding licensing, competition, frequency allocation, costs and arrangements pertaining to interconnection and leased lines. Changes in laws, regulations or governmental policy affecting our business activities could adversely affect our business, prospects, financial condition, cash flows and results of operations.

In various jurisdictions in which we operate, local regulators have significant latitude in the administration and interpretation of telecommunications licenses. In addition, actions taken by these regulators in the administration and interpretation of the licenses may be influenced by local political and economic pressures. Decisions by regulators, including the amendment or revocation of any existing licenses, could adversely affect our business, prospects, financial condition, cash flows and results of operations.

India

Regulations in the telecommunications business have evolved since the introduction of the New Telecom Policy, 1999. The DoT has issued the National Digital Communications Policy, 2018 ("**NDCP-2018**"), in September 2018, which contemplates, among others, establishment of a national digital grid by (i) creating a National Fibre Authority; (ii) establishing common service ducts and utility corridors in all new cities and highway road projects; (iii) creating a collaborative institutional mechanism between the central government, the state governments and the local bodies for common rights of way, (iv) standardization of costs and timelines; (v) removal of barriers to approvals; and (vi) facilitating development of open access next generation networks.

NDCP-2018 has set goals and targets to be achieved by the sector by 2022 which includes a target to attract investments of up to USD 100 billion by 2022 in the digital communications sector. While NDCP-2018 includes many forward-looking strategies, certain strategies included in the NDCP-2018 may pose a risk to our business. For instance, NDCP-2018 has included the strategy for de-licensing of spectrum for proliferation of broadband services. Any additional de-licensing of spectrum will negatively impact operators who have invested extensively in procuring the licensed spectrum through the auction route. DoT has also included a strategy for introducing public data office ("**PDO**") and public data office aggregators ("**PDOA**") for promoting open public Wi-Fi hubs. If Department of Telecommunication ("**DOT**") approves the introduction of PDO/PDOA through a registration mechanism as recommended by Telecom Regulatory Authority of India ("**TRAI**") then it will lead to creation of non-level playing field between licensed operators and unlicensed PDOAs as the latter will be able to provide internet access services without any obligation to pay license fee and without having to follow licensing conditions and the regulations issued by the TRAI.

The DoT retains the right to modify the terms and conditions of our licenses at any time, if in its opinion it is necessary or expedient to do so in the interest of the public or for the proper operation of the telecommunication sector. A change in certain significant terms of any of the licenses, such as their duration, the amount of charges payable by telecom service providers ("**TSPs**") under the licenses, the range of services permitted or the scope of exclusivity, if any, could have a material adverse effect on our business and prospects.

In September 2015, the DoT issued guidelines for Sharing of Access Spectrum by Access Service Providers. In October 2015, the DoT issued guidelines for Trading of Access Spectrum by Access Service Providers. The spectrum sharing and trading leads to greater competition, provides incentives for innovation, better/ new services being available to consumers at cheaper tariffs, better choice to consumer, etc. This also facilitates ease of doing business in India by allowing free play in the commercial decisions and leads to optimization of resources apart from improving the spectral efficiency and quality of service.

In February 2016, the DoT permitted sharing of active infrastructure comprising antenna, feeder cable, Node B, radio access network and transmission systems, amongst service providers based on mutual agreements entered amongst them, could increase competition or could increase the service quality and reduce costs of our competition, if they were to enter into such contracts. Equally, we cannot assure you that we will be able to secure agreements for sharing of active infrastructure on favorable terms.

In May 2016, DoT issued the guidelines for introduction of virtual network operators ("**VNOs**"), and permitted such VNOs to provide telecom services to subscribers by leasing network capacity from multiple facilities-based telecom operators, thereby eliminating the need for VNOs to own telecom infrastructure or spectrum. The Indian telecom sector is already hyper-competitive and tariffs are amongst the lowest in the world which has put pressure on the profitability of the operators. In such a hyper-competitive environment, introduction of VNOs may further increase the competition.

On January 1, 2018, TRAI issued Telecommunication Interconnection Regulations, 2018, applicable as of February 1, 2018. The authority laid down procedure and framework for Interconnection agreement, Bank Guarantee guidelines, provisioning and augmentation of ports at point of interconnection ("**POI**"), Interconnection charges, procedure for disconnection of POI's and financial disincentive on Interconnection matters. On July 5, 2018 the TRAI issued amendments for POI augmentation as per which, the POI utilization has to be maintained at 75%. Interconnect partners have to allot additional E1s for bringing projected traffic utilization (of 85%) at 75%. The projected utilization has to be calculated on the basis of the daily Busy Hour traffic of the preceding sixty days. Non-allotment of capacity for POI may result in non-compliance with TRAI's regulation. The resulting increase in utilization required may lead to congestion on POI impacting our quality of service ("**QoS**") parameters. Non-allotment of capacity for POI and/or insufficient QoS parameters may result in non-compliance with these TRAI regulations and possible penalties levied, which could have a material adverse effect on our business, prospects and financial conditions.

In June 2018, based on the recommendations of TRAI on Regulatory Framework for Internet Telephony, DoT issued certain amendments to the Cellular Mobile Telecommunication Services/ Unified Access Services License to allow the access service provider to provide Internet telephony services to the customers using internet service of other service providers. However, the DoT through its letter dated June 19, 2018, referred back one of the recommendations made by TRAI on the use of short distance charging area ("**SDCA**") linked number series for internet telephony by a service provider. TRAI, in its response dated July 16, 2018, stated that it does not concur with the views of the DoT. While the DoT has not yet accepted this recommendation, if it is accepted, this would allow internet telephony for fixed access services based on SDCA linked numbering series and will allow access service providers to provide services by using internet service of other service providers, which can have a material adverse effect on our business, prospects and financial condition.

In September 2018, DoT issued amendments to the guidelines for transfer/merger of various categories of telecommunication service licenses/authorizations under unified license on compromises, arrangements and amalgamation of companies dated February 20, 2014 (the "**Merger and Acquisition Guidelines of 2014**") which have been implemented with immediate effect. The same are as follows:

1. Merger Approval:

After the sanction of the scheme by the relevant Tribunal/Company Judge, the licensor will provide its written approval within 30 days of receipt of request for approval to the transfer/ merger of licenses/ authorizations under Unified License.

2. Excess Spectrum Post Merger:

The resultant/merged entity can now, in addition to surrendering the total excess spectrum beyond prescribed limit, also trade the excess spectrum held by it within one year post the merger.

In September 2018, DoT issued an amendment to Unified Licenses for regulatory framework on "Net-Neutrality" prohibiting the licensees providing Internet Access Services from entering into any arrangement, agreement or contact that has the effect of discriminatory treatment of content. The net-neutrality provisions are not applicable on specialized services (which means services other than Internet Access Services that are optimized for specific content, protocols or user equipment), provided that these services are not usable or offered as a replacement of Internet Access Service and provision of these specialized services is not detrimental to availability and overall quality of Internet Access Service.

In October 2018, DoT issued amendments in the various licenses by which the provision of interest levied in case of delayed payments of License Fee and Spectrum Usage Charges was revised from PLR + 2% to MCLR + 4% with retrospective effect from April 1, 2016. The amendments with respect to the NLD and ILD Licenses were issued in February 2019.

On December 13, 2018, the TRAI issued Telecommunication Mobile Number Portability (Seventh Amendment) Regulations, 2018 ("**MNP Seventh Amendment Regulations**") which has come into force on December 16, 2019. The salient points of the MNP Seventh Amendment Regulations are as below:

(1) All the cases except corporate porting cases; the generation & delivery of Unique Porting Code (UPC) has been provisioned to establish a query response mechanism to enable the Mobile Number Portability Service Provider (MNPSP) to query the database of the Donor Operator on real time basis to obtain the response for the queries. Based on the result of queries made by MNPSP and fulfilment of other prescribed conditions, the allocation and delivery of UPC shall be ensured by MNPSP.

(2) Every Access Provider shall set up, in its mobile network, a mechanism for the purpose of receiving SMS from its subscribers requesting for a UPC and forwarding the same to the Mobile Number Portability zone to which the mobile number belongs.

(3) The porting timeline of two working days has been provisioned for the requests of Intra-Licensed Service Area (Intra-LSA) numbers except the requests made under corporate category and the timelines of four working days has been provisioned for all the porting requests of Inter-Licensed Service Area (Inter-LSA) numbers and there is no change in the porting timelines for corporate category.

(4) The validity of UPC has been kept four days in place of the earlier 15 days for all LSAs except for the LSAs of Jammu & Kashmir, Assam and North East for which the validity of UPC remains unchanged.

(5) Telecom Service Provider will be liable to pay an amount, by way of financial disincentive not exceeding ten thousand rupees for each case of providing wrong /false information or each wrongful rejection of the request for porting or for, as the authority may, by order direct.

On July 19, 2018, TRAI issued the Telecom Commercial Communication Customer Preference Regulations ("**TCCCP Regulations**"). The TCCCP Regulations have introduced a new framework on distributed ledger technology ("**DLT**") to be implemented by February 28, 2019. However, due to complexities involved with DLT, its implementation is still underway. While TRAI has issued no communication regarding the delay and is being regularly updated on the implementation process, the TCCCP Regulations permit TRAI to impose financial disincentives on service providers in cases of delay.

On November 20, 2019, pursuant to the AGR Ruling (defined subsequently), the Government approved the option for TSPs to defer the payment, with interest, of the spectrum auction instalments due for 2020–21 and 2021–22, either for one or both years, to be spread equally in the remaining instalments.

On December 17, 2019, TRAI has issued the Telecommunication Interconnection Usage Charges (Fifteenth Amendment) Regulations, 2019, whereby the effective date for the bill and keep was extended by one year to January 1, 2021. The key features of the amendment are as follows:

- Up to December 31, 2020, for wireless to wireless domestic calls, termination charges would continue to remain as Re. 0.06 (paise six only) per minute; and

- From January 1, 2021 onwards, there will no longer be any termination charges for wireless to wireless domestic calls.

In August 2019, DoT granted permission to us to launch in-flight connectivity services, both for voice and data services on ships within Indian territorial waters and on aircraft within or above Indian soil or Indian territorial waters.

Any disagreements or disputes with regulatory and other authorities in the jurisdictions in which we operate or plan to operate can potentially affect our business, prospects, financial condition, cash flows and results of operations, including with respect to the level of control we assert over our operating assets.

With respect to telecommunication infrastructure, the Wireless Planning and Co-ordination Wing of the DoT ("**WPC**") issues licenses to establish, maintain and operate wireless stations. All license holders intending to offer mobile services must also obtain a separate wireless license from the WPC. The WPC is divided into licensing and regulation, the new technology group, and the Standing Advisory Committee on Radio Frequency Allocation ("**SACFA**"), which grants site clearance for tower sites.

Additionally, in order to establish and maintain assets like dark fibers, right of way, duct space and towers and to allow us to lease, rent, and sell this infrastructure to other telecom operators licensed under Section 4 of the Indian Telegraph Act 1885 on mutually agreed terms, we require an Infrastructure Provider Category-1 registration, which is granted by the DoT. Similar infrastructure can also be established under UL (Access Service Authorization) / UASL.

In addition, we are required to obtain and renew several approvals from various other regulatory bodies, including various local and municipal bodies, from time to time. If we fail to obtain, maintain or renew required approvals, licenses, registrations and permits at the requisite time, this may result in the interruption of our operations and will have an adverse effect on our business, results of operations and prospects. The terms and conditions of these licenses may be amended at the discretion of the issuing authorities, and such amendments could be unfavorable to us. Changes to the terms and conditions of these licenses could subject us to additional liabilities and may adversely affect our business, financial condition, results of operations and prospects. Further, we cannot assure you that the approvals, licenses, registrations and permits issued to us will not be suspended or revoked in the event of an alleged or actual non-compliance with any terms or conditions thereof, or pursuant to any regulatory action in the future.

Africa

The political and regulatory environment in certain African countries where we operate continues to be challenging. For example, the threat of insecurity and violence arising from terrorism in East Africa and Boko Haram in Nigeria, Niger and Chad, resulting in the loss of property and disruption of our business operations continues to be of real concern to businesses in the region. Changes in governments also results in regulatory uncertainty.

We foresee that the pressure of additional taxes and levies from governments in various countries in Africa will continue to bear on the business.

An area of increased regulatory focus across Africa is consumer protection through enforcement of 'Network Quality of Service' requirements which may lead to penalties in case of non-compliance. Another area of consumer related regulatory focus is driving down interconnect costs between operators, to ensure widespread affordability of telecom services. There is also a sustained push for a reduction in roaming charges for calls within the region.

A trend that is also gathering momentum is the requirement for local shareholding in many countries, including the requirement to list on local stock exchanges. While we have local shareholding in some of the countries in

Africa that we operate in, given the significant challenges faced in achieving compliance with the requirements of local shareholding and listing, we cannot guarantee that we will be able to negotiate waivers or postponement of the requirements where market conditions make it difficult. Non-compliance of such regulatory conditions may have an adverse impact on our business and operations.

Our Company and Bharti Hexacom, our Subsidiary, are involved in material legal proceedings pertaining to Adjusted Gross Revenue, which may adversely affect our operations or the financial position.

Telecom services companies pay revenue share in the form of license fees at 8% of adjusted gross revenue ("AGR") and also spectrum usage charges at rates ranging from 3% to 5% of AGR from the wireless access subscribers. AGR, as defined by the DoT, includes telecom service revenue as well as other non-core revenue. However, the Cellular Operators Association of India ("COAI") had challenged this definition in 2003. It argued that AGR was to include only revenue from core licensed telecom services. The Telecom Disputes Settlement and Appellate Tribunal ("TDSAT") in 2007 held that the revenue from non-licensed activities cannot be included for the purposes of the license fee. The Supreme Court in 2011, against the appeal to the 2007 order of the TDSAT, held that the TDSAT does not have the jurisdiction to determine inclusion of the heads in the definition but can interpret the heads included in the definition.

Thereafter, a ruling by the TDSAT in 2015 interpreted the heads and held that AGR should include revenue from non-core sources, such as rent, profit on sale of fixed assets, dividend, and interest. However, it exempted a large number of streams from the definition, such as capital receipts, bad debt, foreign exchange fluctuations, sale of scrap, and waivers of late fees. The telecom service providers filed appeals before the Supreme Court challenging the decision of the TDSAT. In 2016, the Supreme Court passed an interim order stating that though DoT can continue to raise demands as per its understanding, the DoT cannot enforce any demand until the final determination in the matter. On the basis of the interim orders, and given the favorable orders of the TDSAT, the telecom service providers did not make provisions against the DoT complete demands.

The Supreme Court's judgment dated October 24, 2019 has now upheld the DoT's position, and overturned the 2015 ruling of the TDSAT ("AGR Ruling"). Accordingly, the telecom services companies are now liable to pay the DoT's demands, which also includes interest, penalty and interest on penalty. The telecom service companies have been asked to pay the full amount of dues payables within three months of the order (i.e. by January 23, 2020) and report compliance. The DoT has asked us to make the payments of the due amounts on the basis of self-assessment. While we are currently in the process of determining our self-assessed amount of dues payable by us to the DoT, in July 2019 during the time of the hearing of the matter, the DoT had stated an amount of ₹ 216,821.3 million to the Supreme Court as payable by us in relation to license fees. Consequently, as a result of the AGR Ruling, we have provided for an additional amount aggregating to ₹ 284,500 million as a charge in our financial statements for the quarter ended September 30, 2019 (comprising of principal of ₹ 61,640 million, interest of ₹ 122,190 million, penalty of ₹ 37,600 million, and interest on penalty of ₹ 63,070 million) with respect to the license fee as estimated based on the AGR Ruling and spectrum usage charges (SUC) as estimated based on the definition of AGR. We have provided for the SUC even though we believe that the same is not covered as part of the AGR Ruling. As a result, the liabilities/provisions as at September 30, 2019 aggregate to ₹ 342,600 million (comprising of principal of ₹ 87,470 million, interest of ₹ 154,460 million, penalty of ₹ 37,600 million and interest on penalty of ₹ 63,070 million). However, the final amount payable by us in relation to additional license fees, spectrum usage charges, and interest and other penalties could be different from such amount after the completion of our self-assessment process.

Additionally, several of the affected parties, including us, have filed review petitions against the Supreme Court's order dated October 24, 2019. The outcome on the review petition is pending and there can be no assurance that our Company will be successful in the legal proceedings and/or obtain any relief from the Government of India and/or that we will not have to pay a higher amount to the Government of India, including in relation to our acquisitions of spectrum from other companies or acquisition of any other companies in the past. Our Audited Interim Condensed Consolidated Financial Statements for the six months ended September 30, 2019 were prepared assuming that we will continue as a going concern. However, the statutory auditor's report dated November 14, 2019, observed a material uncertainty related to the AGR Ruling which may cast significant doubt about our ability to continue as a going concern. As such, the AGR Ruling could materially and adversely affect our business reputation, results of operations, financial condition and prospects. For further details, see "*Legal Proceedings*" on page 227. See also Note 2 to our Company's Audited Interim Condensed Consolidated Financial Statements for the six months ended September 30, 2019, included elsewhere in this Placement Document.

We face intense competition that may reduce our market share and lower our profits.

Competition in the Indian telecommunications industry is intense. We face significant competition from other companies, including from those with pan-India footprints such as Reliance Jio Infocomm Limited and Vodafone Idea Limited. Competition in the Indian telecommunications industry has increased notably due to liberalization of the foreign direct investment ("**FDI**") policy of India. Liberalization led to the privatization of the telecommunication industry, allowed, and encouraged FDI and the provision of services by several mobile operators in various cellular zones established in India by the DoT. With further liberalization, new foreign and domestic competitors may enter the market, which will further increase competition.

According to the CRISIL Report, the competitive landscape in India has also notably changed post the launch of services by a new operator three years ago. Intense pricing pressures, coupled with a general downward trend in prices of telecom services, and the need for future network expansion have led to a spree of consolidation and exits from the sector. Such increasing pricing pressure has affected and may continue to affect our profitability and ARPU as well as an increase in customer churn and selling and promotional expenses. Intense competition may impact our ability to retain the long-term contracts with enterprise clients and may result in loss of business.

In addition, mobile number portability, which enables customers to switch their providers of mobile telecommunications services without changing their phone numbers, was introduced in India in the first quarter of the 2011 calendar year. This has resulted in a greater movement of customers among providers of mobile telecommunications services, has increased the marketing, distribution and administrative costs of our Company, slowed growth in subscribers and reduced revenues. As a substantial number of our subscribers are prepaid, we do not have long-term contracts with those subscribers and are therefore, more susceptible to subscriber churn.

On February 20, 2014, the DoT issued guidelines for transfer/merger of various categories of telecommunication service licenses/authorization under unified license on compromises, arrangements and amalgamation of the companies ("**Transfer-Merger Guidelines**") in order to regulate the transfer and merger of various categories of licenses under the unified licensing regime. The Transfer-Merger Guidelines permit merger, acquisition or amalgamation of companies up to 50% of the market share in any service area. Any such merger, acquisition, amalgamation, compromise or arrangement under the unified licensing regime may result in enhanced competition through consolidation of our competitors with other operators, which could have an adverse impact on our business, prospects and results of operations.

We may also be subject to competition from providers of new telecommunication services as a result of technological developments and the convergence of various telecommunication services. For example, internet-based services, such as Google Voice, WhatsApp, Yahoo Voice and Skype, allow users to make calls, send text messages and offer other advanced features such as the ability to route calls to multiple handsets and access to internet services without the same amount of regulatory costs and scrutiny as subjected to telecom operators. It may reduce customers' reliance on more traditional telecom services such as voice calls and short message service ("**SMS**"), resulting in a decrease in our revenues.

Our competitors may introduce new telecommunications services with specialized or more expensive and exclusive content from time to time. Access to such specialized, expensive and exclusive content may be available to our competitors that allow them to deliver their services at lower prices, at higher quality or with other add-on services that might make our competitors' services more competitive than our services. With resources at our disposal that may be more limited than our competitors, we may not be able to capture the opportunities in the market and may lose customers to our competitors.

We believe that as a result of the prevailing competitive conditions in the telecom industry in India, our results of operations have been adversely affected in recent periods, and as a result, our revenue reduced to ₹ 807,802 million in fiscal 2019, from ₹ 826,388 million in fiscal 2018, and we had a reduced profit for the period of ₹ 16,875 million in fiscal 2019 compared with a profit for the period of ₹ 21,835 million in fiscal 2018.

We also face substantial competition in our operations outside India. Across Africa, we face various levels of competition, including intense competition in a number of larger markets, such as Nigeria, resulting in decreasing ARPU in these markets. In Sri Lanka, we compete with several larger service providers that have been operating in Sri Lanka for significantly longer periods than us, and we expect to face intense competition from these providers in our attempt to expand further. If we are not able to successfully compete in our markets, this could have a material adverse effect on our reputation, business, prospects, financial condition, cash flows and results of operations. The availability of spectrum in Sri Lanka is limited and if we are unable to obtain more spectrum to launch additional services and to boost existing services, this could have a material adverse effect on our reputation, business, prospects, financial condition, cash flows and results of operations. The Airtel Africa Group operates in an increasingly competitive environment, particularly with respect to pricing and market share, across its markets and segments, which may adversely affect our revenue and margins. The existing and future competitors of the Airtel Africa Group may enjoy certain competitive advantages that we do not have, such as having easier access to financing, greater personnel resources or fewer regulatory burdens, which may in turn negatively impact the competitive position of the Airtel Africa Group. Further, any failure of the Airtel Africa Group to compete effectively, including in terms of pricing of services, acquisition of new customers, retention of existing customers, developing and deploying of new or improved products and services and enhancing networks could have a material adverse effect on our reputation, business, prospects, financial condition, cash flows and results of operations of the Airtel Africa Group.

In Africa, social networking sites and messaging applications pose a threat to traditional telecommunications revenue streams such as pre-paid mobile, voice services, which have historically comprised a significant part of the revenue of the Airtel Africa Group. Any reduction in demand for traditional paid voice services across the telecom industry may lower the revenue that the Airtel Africa Group is able to generate from interconnect services. The ability of the Airtel Africa Group to retain and attract subscribers or provide an attractive alternative to traditional subscriber models could materially and adversely affect the profitability, business, results of operations and financial condition of the Airtel Africa Group.

Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under the FDI Policy, issued by the erstwhile Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, foreign investment up to 100% is permitted in the telecom services sector, of which, foreign investment up to 49% is permitted through the automatic route and beyond 49% is permitted subsequent to the approval of the Government, subject to satisfaction of certain conditions. As of December 31, 2019, the total foreign investment in our Company was 42.73% which may further increase upon completion of this Issue and the FCCB Issue.

Our Company has filed an application dated June 7, 2019 before the DoT and DPIIT seeking approval for increase in foreign investment sectoral cap from 49% to 100%. Such approval from the DoT may not be forthcoming. If we do not receive such approval from the DoT, the total foreign investment in our Company will remain capped at 49% and consequently, investors may be restricted in their ability to trade in the Equity Shares on the Stock Exchanges, which in turn may adversely impact the trading price of our Equity Shares.

Also, under the foreign exchange regulations currently in force in India, where we fall under the automatic route, transfers of shares between non-residents and residents are permitted (subject to certain exceptions) if they comply with, among other things, the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares does not comply with such requirements, including pricing guidelines or reporting requirements, or falls under any of the exceptions referred to above, then prior approval of the RBI will be required.

Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate any such foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

From time to time, we also face uncertainties in many countries where licenses have come up for renewal.

Our Company, through Airtel Africa Plc and its consolidated subsidiaries and subsidiary undertakings ("**Airtel Africa Group**"), operates in a number of emerging markets, in which the interpretation and application of laws and regulations affecting telecom services may be subject to increased uncertainties due to developing or incomplete regulatory regimes and monitoring and ensuring compliance may be more difficult compared to more developed markets. In many of the countries in which the Airtel Africa Group operates, local regulators have significant latitude in the administration and interpretation of telecom licenses and laws, rules and regulations. In addition, the actions taken by these regulators in the administration and interpretation of these licenses and laws, rules and regulations may be influenced by local political and economic pressures.

The enforcement of regulations in the emerging markets in which the Airtel Africa Group operates may also be subject to increased uncertainties as a result of limited regulatory history or historic inconsistencies in the application of regulations and the penalties rendered, which may be sizeable. Consequently, we cannot provide any assurance that the Airtel Africa Group will not be subject to future regulatory enforcement actions, which may include fines that could be substantial, which could have a material adverse effect on its reputation and its business, results of operations, financial condition and prospects.

In several of our companies, we have minority shareholders and joint venture partners having minority interests. While the relationship with such shareholders is well documented and forms part of the formal agreements, we cannot provide assurance that the relationship with such minority shareholders shall continue to be amicable at all times or that there may not be certain disputes that may arise with such minority shareholders leading to adverse business impact for such entities and businesses.

Upon completion of the merger between Bharti Infratel and Indus Towers, Bharti Infratel would cease being our Subsidiary, being accounted as an equity method investee, and therefore, our future financial results may not be comparable with our historical financial statements, including the Audited Consolidated Financial Statements included in this Placement Document.

In April 2018, Bharti Infratel and Indus Towers announced their intention to merge and create a pan-India tower company with an estimated combined revenue of ₹ 254 billion, with over 163,000 towers post completion ("**Indus Merger**"). This was followed by a scheme of amalgamation and arrangement submitted before the NCLT Chandigarh on August 31, 2018. The merged entity will (i) fully own the combined businesses of Bharti Infratel and Indus Towers, (ii) change its name to Indus Towers Limited and (iii) continue to be listed on the Stock Exchanges.

Prior to the closing of the merger, Vodafone-Idea has an option to receive cash for its shareholding in Indus Towers. Similarly, Providence also has the option to elect to receive cash in lieu of 3.35% of its 4.85% shareholding in Indus (in the event of a cash election by Vodafone-Idea); and in case of a share election by the Vodafone-Idea it has the option to receive cash with respect to its entire 4.85% shareholding. The cash election or the merger ratio will be subject to pre-closing adjustments.

The Competition Commission of India and the NCLT Chandigarh have approved the Indus Merger. The Department of Telecommunications' approval for enhancement of foreign direct investment limit is the only approval outstanding as of the date of this Placement Document. Given the delay in procuring the approval of the Department of Telecommunications, the long stop date for effectuating the scheme has been extended until February 24, 2020, on the basis of agreements on closing adjustments and other conditions precedent for closing, with each party retaining the right to terminate and withdraw the scheme. However, there is a risk that the merger will not be effectuated if the Department of Telecommunication does not provide its approval in a timely manner or the parties are unable to complete the conditions precedent for the scheme within the extended timelines, or the parties opt to withdraw the scheme, which could negatively impact our synergies and prospects, resulting in an adverse effect on our business and cash flows. See "*Business—Business Operations—Passive Infrastructure Services—The Indus Merger*" for further information.

Once the Indus Merger becomes effective, our shareholding will be reduced from our current 53.5% ownership in Bharti Infratel to a range that may extend between 37.2% and 33.8% depending on whether there is an all cash election or all share election or a combination of the two and subject to certain pre-closing adjustments. However, as intimated by Bharti Infratel Limited to the Stock Exchanges on October 24, 2019, it is now expected that the dilution of equity stake held by the current shareholders of Bharti Infratel shall be lower vis-à-vis the illustrative shareholdings disclosed above. In any case, post- merger, the merged entity would be accounted for as an equity method investee by us, rather than a Subsidiary, and therefore, would no longer be consolidated on a line-by-line basis in our financial statements. This change in accounting method will have an impact on the presentation of our financial statements and results of operations and consequently, our future financial statements will not be comparable with our historical financial statements, including the Audited Consolidated Financial Statements included in this Placement Document.

We may have to pay additional spectrum charges for excess spectrum held or surrender excess spectrum held by our Company to the GoI.

According to the Performance Audit Report of the Comptroller and Auditor General of India on the "Issue of Licenses and Allocation of 2G Spectrum" dated November 8, 2010, for fiscal 2010 (the "**Report**"), we held an aggregate of 32.4 MHz of additional spectrum in 13 circles beyond the upper limit laid down in the UAS license agreement without having paid any upfront charges in respect of such additional spectrum. In the Report, eight other operators were also stated to be holding excess spectrum.

Subsequently, based on TRAI's recommendations, on December 28, 2012, the DoT issued an order for the levy of one-time charge for spectrum on incumbent telecom operators holding spectrum held in excess of 6.2 MHz between July 1, 2008 and December 31, 2012 and in excess of 4.4 MHz, effective from January 1, 2013, payable on an annual basis for remainder of the term of license. On January 8, 2013, DoT issued a demand notice to us and Bharti Hexacom Limited levying one-time spectrum charges amounting to ₹ 52,012 million. We challenged this demand for one-time charge in the Bombay High Court, which has stayed the enforcement of the demand. Further, the DoT has revised the said demand of ₹ 52,012 million *through* its letter dated June 27, 2018 to ₹ 84,140 million. For further details, see "*Legal Proceedings*" on page 227.

Further, the DoT by its letter dated June 22, 2018, which was subsequently revised on June 26, 2018, demanded from our Company one-time spectrum charges of ₹ 12,879.70 million for allowing the use of Chennai spectrum (6.2 MHz in 900 MHz and 3 MHz in 1800 MHz) from November 30, 2014 to September 27, 2021. We have provided detailed responses to the DoT on July 12, 2018 and sent another representation to DoT on December 24, 2018 challenging the demand on various grounds and requested the DoT to withdraw the demand order. The DoT is yet to respond on the same. For further details, see "*Legal Proceedings*" on page 227.

Further, through its letter dated April 10, 2019, DoT, while granting its approval for the merger of Tata Teleservices Limited with our Company & Bharti Hexacom Limited has imposed, among others, a condition to securitize the one-time spectrum charge for the Chennai region. This demand notice was challenged by us before the TDSAT. Through its orders dated May 2, 2019 and May 6, 2019, the TDSAT has, among other things, stayed the enforcement of the demand subject to us submitting 50% of the demand amount by way of a bank guarantee with the TDSAT. The TDSAT had also directed DoT to take the merger on record. We have complied with the above condition of TDSAT and have submitted a bank guarantee of ₹ 6,439.85 million to the TDSAT. The matter is currently pending with the TDSAT. Further, DoT had filed SLPs before Hon'ble Supreme Court vide challenging the TDSAT Orders dated May 2, 2019 and May 6, 2019, wherein the Hon'ble Supreme Court did not interfere with the TDSAT Orders and disposed of the said SLPs vide its order dated November 18, 2019. Therefore, the TDSAT orders remain in force and are binding on the parties. The matter is currently pending. We cannot guarantee the outcome in the court and if the verdict is held against us, the said demands would be required to be paid.

If we do not continue to provide telecommunications or related services that are technologically up to date, we may not remain competitive, and our business, prospects and results of operations may be adversely affected.

We believe the telecommunications industry is characterized by technological changes, including an increasing pace of change in existing mobile systems, industry standards, customer demand, preferences, behavior, and ongoing improvements in the capacity and quality of network. As new technologies develop, our equipment may need to be replaced or upgraded, or our networks may need to be rebuilt in part or in whole in order to sustain our competitive position in the Indian telecommunications industry. Furthermore, technology cycles are increasingly becoming shorter, thereby speeding up the time until which new technology becomes obsolete. As a result, we may require substantial capital expenditures and access to related technologies in order to integrate new technologies with our existing technology and phase out outdated and unprofitable technologies. If we are unable to modify our networks and equipment on a timely and cost effective basis, we may lose subscribers.

High-speed data services have emerged as a key competitive factor in India. Deployment of new telecom technologies, including fifth generation mobile telecom or 5G, in the future may involve significant additional resources including time, funds, and thereby could impact on our results of operations, financial condition and cash flows. Technologies such as mobile money payment services, innovative mobile applications, and other over the top ("**OTT**") and value-added service products are also of growing importance to our customers. We may not be able to provide such technologies or expand our offerings in a manner that enables us to compete effectively in the Indian telecom sector. If the costs associated with new technologies are higher than anticipated, our business, financial condition and results of operation may be adversely affected. In addition, we face the risk of unforeseen complications in the deployment of new services and technologies, and we cannot assure you that these new technologies will be commercially successful, once deployed. Our results of operations would also suffer if our new services and products are not well received by our subscribers, are not appropriately timed with market opportunities or are not effectively brought to market or where our investments in such ventures do not generate commensurate returns.

Additionally, we may be unable to successfully respond to technological advances and evolving industry standards due to the following:

- Upgrading our services in response to market demand may require the adoption of new technologies including 5G that could render many of the technologies that we are currently implementing less competitive or obsolete. We may also need to gain access to related or enabling technologies in order to integrate the new technology with our existing technology, including updating our technology and services to ensure compatibility with our customers' hardware and software. Consistent with the experience of other industry players, our new services may contain flaws or other defects when first introduced to the market and will take some time to stabilize and get adopted.

- New telecommunications services are introduced by our competitors from time to time, including competitors who may bundle such telecom services with other offerings such as content, music, applications, e-commerce and other allied services. Our competitors may gain access to new advanced technology that allows them to deliver their services at lower prices, at higher quality or with other add-on services that might make our competitors' services more competitive or attractive than our services. If we do not anticipate these changes and promptly adopt new and innovative services in response, we may not be able to capture the opportunities in the market and may lose our customers.

- To compete successfully, we may need to increase the diversity and sophistication of the services that we offer and upgrade our telecommunications technology, including technology that we use for our broadband internet and DTH services. We may be required to make substantial capital expenditures and may not be successful in modifying our network infrastructure and/or upgrading to use other technology in a timely and cost-effective manner in response to these changes. For example, if DTH content providers migrate their channels from standard definition to high definition, 4K or 8K definition, we will have to ensure our technology platform is able to support the migration of a substantial number or all of our customers from standard to high and ultra-high definition channels, which may require us to incur additional costs and deploy additional resources. Additionally, new technology or trends in the telecommunications industry could have an adverse effect on the services we currently offer and may cause significant write-downs of our fixed assets. Increased adoption of these or other competing technology may lead to a decline in our turnover and profitability. For example, while consumers are accustomed to viewing DTH content delivered over their television, consumers' preference may shift towards viewing content on OTT platforms through other devices, which use broadband internet or wireless mobile internet to receive such content. This may adversely affect our DTH service business.

- Advancements in technology or new technology developed in related or adjacent segments of the telecommunications industry, such as 5G wireless mobile internet services, may offer consumers attractive services, which are akin to or close alternatives to wired broadband internet services, and may reduce the relevance of or demand for our wired broadband internet services. This may result in a loss of customers, a decrease in ARPU and hence a substantial decline in our broadband internet business.

- Developing new services can be complex. We may not be able to implement the new services effectively, promptly and economically to meet customer demand. In developing new services, we may need to make significant investments in our network infrastructure and/or otherwise in order to support these services. If we exceed our budgeted capital expenditure and cannot meet the additional capital requirements through operating cash flows and planned financings, we may have to delay projects, which could make us less competitive and lead to customer loss.

- Our new services may not be commercially successful. The failure of any of our services to achieve commercial acceptance could result in lower than expected turnover.

To respond to technological changes, including consumer demand for internet services at higher speeds, we may need to invest to further upgrade our existing technologies to prevent them from becoming obsolete. These changes may require us to replace and/or upgrade our network infrastructure and as a result, incur additional capital expenditure (which may be significant) in order to maintain the latest technological standards and remain competitive against newer products and services and may impair the value of our existing assets. If we cannot respond to new technology successfully and offer the new services to meet the demands of our customers in a timely manner and at competitive prices, our business, financial condition, results of operations and prospects could be adversely affected

For our Africa operations, commercial success depends on providing attractive products and services such as voice, data, mobile money, connectivity and other value-added services to our customers on a timely basis and at a competitive cost. If the Airtel Africa Group is unable to anticipate customer preferences, respond to technological changes or industry changes or if they are unable to modify its service offerings or otherwise react to changing customer demands on a timely and cost-effective basis, they may lose customers and quality of services and it may have an adverse impact on business, results of operations financial condition and prospects of the Airtel Africa Group.

It is possible that the development of technologies, products and services may intensify competition due to the entrance of new competitors or the expansion of services offered by existing competitors or from players of adjacent industries such as internet companies and OTT players. We cannot predict which of the many possible future technologies, products, or services will be important to maintain our competitive position. To the extent we do not keep pace with technological advances or fail to respond in a timely manner to changes in the competitive environment affecting the industry, we could lose market share or experience a decline in our business, prospects and results of operations.

We are exposed to a high risk of customer churn, which increases our subscriber acquisition costs, resulting in the loss of future subscriber revenues.

The Indian mobile telecommunication industry has historically experienced a high rate of churn in the subscriber base. The high churn rate is a consequence of, among other things, mobile number portability and intense competition, which have led telecom operators to introduce promotional tariffs in order to add customers. Subscribers do not sign service contracts, which make our customer base susceptible to switching to other wireless service providers. It can be difficult to determine actual churn rates as customers may frequently keep switching networks, and definition to account for customers may not be uniform across all operators. In addition, many of our subscribers are first time users of wireless telecommunications services. First time users have a tendency to migrate between service providers more frequently, in light of availability of incentives or lower tariffs, than established users. Increased availability of incentives from our competitors increases the risk of churn in our subscribers. We launched “Minimum ARPU plans” across India in the third quarter of fiscal 2019 and witnessed a sharp reduction in subscriber base in the same quarter. Though we believe that bulk of the impact is already factored in, there may be some impact of these plans on customer churn going forward as well. Churn is also a function of overall network quality and overall customer satisfaction. Our inability to retain existing prepaid customers and manage churn levels could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

The telecommunication market has undergone a vast change over the past 3 years with the launch of a new player providing free services, which coincided with the change in several regulations resulting a need to change the way tariffs were offered and services were provided. The Indian Telecommunication markets have seen a reduction in the number of operators from 8 to 4, due to the consolidation of operators. This also resulted in the overall revenues of the industry falling. Any such similar disruption in the market could result in financial stress and the overall reduction in revenues. Any reduction in our revenue could lead to less investments leading to a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

The following table sets forth the rate of churn in the subscriber base in mobile services and digital TV services segments for the years ended March 31, 2017, 2018 and 2019 and the six months ended September 30, 2019:

	For the year ended March 31,		**For the six months ended September 30,**	
	2017	**2018**	**2019**	**2019**
	(Per cent. monthly churn)			
Mobile services...	3.30	3.45	3.75	2.37

	For the year ended March 31,		For the six months ended September 30,	
	2017	2018	2019	2019
	(Per cent. monthly churn)			
Digital TV services.....................................	1.00	1.15	1.14	1.29

A high churn rate increases the average cost of signing up a new customer (the "**Subscriber Acquisition Costs**"). However, we may be unable to recover such increased Subscriber Acquisition Costs from existing and future customers and further, find it difficult to recover outstanding liabilities from post-paid subscribers who have been deactivated from the system or where such customers have to migrate to other telecom service providers. Higher churn in post-paid subscribers increases the incidence of bad debts. A high rate of churn or an increase in bad debts could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

We have incurred significant indebtedness, and we must service this debt and comply with its covenants to avoid defaulting on its borrowings and refinancing risk. Further, we are subject to risks arising from interest rate fluctuations, currency fluctuation and regulatory changes, which could adversely affect its business, results of operations, cash flows and financial condition.

Our Company borrows funds in the domestic and international markets from various banks and financial institutions to meet the short-term and long-term funding requirements for our operations and funding our growth initiatives. Such indebtedness may be substantial in relation to our shareholders' equity, increasing our risk of default. As at September 30, 2019, we have consolidated long term borrowings (including current maturities of long-term borrowings) of ₹ 966,751 million, out of which our consolidated outstanding secured long-term borrowings aggregated to ₹ 704 million. Further, concurrently with the Issue, our Company expects to issue U.S.$ 1,000 million 1.50 per cent. convertible bonds due 2025 which will result in additional indebtedness. In addition, we may also incur additional indebtedness in the future, including indebtedness incurred to fund capital contributions to our Subsidiaries, subject to limitations imposed by our financing arrangements and applicable law. We may not be able to generate sufficient cash flow from operations in the future and future working capital borrowings may not be available in an amount sufficient to enable us to do so. Further, financing may not be available for refinancing our existing and future debt obligations. Working capital facilities are typically uncommitted and may be callable. There is no guarantee that these facilities will continue to be available to us. We have routine commercial paper program, factors impacting us or the Indian economy or changes in guidelines, regulations with respect to commercial papers may cause this source of funds to dry up. We also have significant bank guarantees issued to cover, including but not limited to, our disputes as well as spectrum liabilities, license fees and other regulatory obligations which may materialize and we may not be able to honor such obligations. We may not be able to obtain bank guarantees to meet any future bank guarantee requirements or to renew our existing bank guarantees. Similarly, we have also given corporate guarantees of ₹ 726,123 million as of September 30, 2019 for our Subsidiaries, namely, Bharti Airtel International (Netherlands) B. V. and Network i2i Limited and may have contractual obligations to provide incremental corporate guarantees to these and other entities. Any performance lag/default on those debt obligations by Subsidiaries may cause guarantees to be accelerated and we may not be able to honor such obligations. In addition, some of our loan agreements may also extend charges on specific assets held in India and/or overseas. See "*—We have substantial capital requirements and may not be able to raise the additional funds required to meet these requirements, which may have an adverse effect on our business, results of operations and prospects.*" An increase in debt levels beyond the levels acceptable to rating agencies or any adverse impact in operations, may also put downward pressure on our ratings, which can increase the financing costs and reduce/restrict availability of further debt for our Company. For more information regarding changes in our credit ratings, see "*—Adverse change in credit ratings assigned to us may affect our ability to raise funds for future capital requirements, which may have an adverse effect on our business, results of operations and prospects*."

For details

Our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of actions, without the prior consent of the respective lender or require prior intimation to lenders of any such events or covenants that give rights to the lenders, in a limited manner, to ask for mandatory prepayment of the loans granted. Amongst others, we are required to obtain prior approval or cause prior intimation of the following events:

(i) Creation or allowing to exist any security interest on our movable and immovable assets without the prior approval of relevant lender except in specific circumstances as set forth in various relevant loan documents.

(ii) Passing any resolution or otherwise taking any steps towards voluntary winding up or liquidation or dissolution by our Company.

(iii) Undertaking any amalgamation, demerger, merger or corporate reconstruction except in specific circumstances as set forth in the relevant loan documents.

(iv) Making any substantial change in the general nature of our business.

(v) Conveying, selling, leasing or otherwise disposing of all or substantially all of our assets or receivables except for those assets, which are required to be disposed of in the ordinary course of business.

(vi) Prepayment of loans in case of insolvency applications under the Insolvency and Bankruptcy Code.

Further, for certain facilities, we may be required to mandatorily prepay the outstanding amount of the loan obligations if any Bharti entities (those entities of Bharti Group which hold shares in our Company) together cease to directly or indirectly control our Company. We cannot assure that the lenders will grant the required approvals in a timely manner, or at all. We are also required to maintain certain financial ratios under certain of our financing arrangements. These financial ratios and the restrictive provisions could limit our flexibility to engage in certain business transactions or activities, which could put us at a competitive disadvantage and could have an adverse effect on our business, results of operations and financial condition. Further, any change in control or occurrence of event of default may require us to make the prepayment of entire outstanding amount of the loan obligations. We may not be able to procure sufficient funds to make the repayments thereof and it may adversely affect our ability to conduct our business and operations.

Further, we borrow funds in the domestic and international markets from various banks and financial institutions to meet the long-term and short-term funding requirements for our operations and funding our growth initiatives. Increases in interest rates will increase the cost of debt that we incur. In addition, the interest rate that we will be able to secure in any future debt financing will depend on market conditions at the time and may differ from the rates on our existing debt. If the interest rates are high when we need to access the markets for additional debt financing, or if interest rates increase on our floating rate debt, our business, results of operations and financial condition may be adversely affected. We have debt denominated in various currencies at floating rates of interest. We may not be able to successfully manage currency or interest rate risk and accordingly our liability to repay on debt obligation may inflate. For instance, Indian Rupee depreciated from Rs. 65.04 to Rs. 69.17 per USD during fiscal 2019. In addition, various aspects including tenor, purpose/end use, costs of raising debt are guided by regulatory change such as changes in regulations relating to external commercial borrowing or changes with respect to the Large Exposure Framework of the Reserve Bank of India that can cause our interest rates to fluctuate or impose additional hedging requirements or otherwise cause adverse impact on availability of capital. Further, any such hedging activity is likely to increase cost and has no assurance of fully mitigating the impact of variations caused by mentioned factors.

The Airtel Africa Group also has substantial debt in aggregate of interest-bearing loans and borrowings outstanding under its borrowing arrangement. As of September 30, 2019, net debt of the Airtel Africa Group was ₹ 225,157 million (converted from USD 3,191 million as per closing exchange rate of ₹ 70.56 per 1 USD for quarter ended September 30, 2019) which represents 19.06% of our total consolidated net debt (in USD terms). As a result, the Airtel Africa Group must dedicate a substantial portion of its cash flow from operating activities to the payment of principal of, and interest on, its borrowings, thereby reducing the availability of such cash flow to fund working capital, acquisitions or other general corporate purposes. The amount of the indebtedness of the Airtel Africa Group could reduce its flexibility to respond to general adverse economic and industry conditions and could place it at a disadvantage compared to competitors with lower levels of indebtedness.

Moreover, under the terms of some of its existing debt, Airtel Africa Plc and its subsidiaries are subject to certain restrictions and financial covenants which could limit the ability of Airtel Africa Plc or its subsidiaries to pay dividends, may limit the ability of the Airtel Africa Group to finance future operations and capital needs and may limit its ability to pursue business opportunities and activities.

We have substantial capital requirements and may not be able to raise the additional funds required to meet these requirements, which may have an adverse effect on our business, results of operations and prospects.

We operate in a capital-intensive industry with long gestation periods. Our funding requirements are primarily for award of licenses, purchase of spectrum, network expansion and upgrades, the roll-out of new networks following award of new licenses, spectrum and technological advancements, refinancing of existing debt and general corporate purposes. The actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, future cash flows being less than anticipated, price increases, unanticipated expenses, imposition of taxes or regulatory dues, regulatory and technological changes, and limitations on spectrum availability, market developments and new opportunities in the industry.

The financing required for such investments may not be available on terms acceptable to us or at all and we may be restricted by our existing or future financing arrangements. If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase, which could have significant adverse effect on our profitability and other financial measures. We have, in the past and in the future, may continue to rely on financial support from our Promoter, Promoter Group, Shareholders and related parties and we cannot assure you that such funding will be available in the future. Our ability to finance capital expenditure plans is also subject to a number of risks, contingencies and other factors, some of which are beyond our control, including borrowing or lending restrictions under applicable laws, any restrictions on the amount of dividend payable and general economic and markets conditions.

Prudential norms including but not limited to single and group borrower concentration limits prescribed by the RBI or other regulatory bodies to bank lenders in India (as well as corresponding limits under our financing arrangements with such bank lenders) may restrict our ability to seek additional credit facilities from our current bank lenders to fund our business requirements in the future. Therefore, we may be required to maintain multiple banking relationships on an ongoing basis, or enter into new banking relationships in the future. We cannot assure you that new bank credit facilities will be available to us in a timely manner, on commercially viable terms, or at all.

Further, RBI or other regulators continue to amend the regulations regarding the granting or access of credit from time to time. Such amendments may impact the availability, longevity, terms or other nuances of capital available to us. For example, we are currently classified as a Specified Borrower/Large Borrower, and therefore we need to arrange capital in a certain manner, including from the capital markets in accordance with such regulation. We can provide no assurance that we will be able to do so.

Any inability to obtain sufficient financing could result in the delay or abandonment of our development and expansion plans, the failure to meet roll-out obligations pursuant to our licenses or our inability to continue to provide appropriate levels of service in all or a portion of the telecom circles we operate in (which may lead to penalties or loss of license). As a result, if adequate amount of capital is not available, there could be an adverse effect on our business, results of operations and prospects.

Similarly, the operations of the Airtel Africa Group require substantial amounts of capital and other long-term expenditures, including those relating to the development and acquisition of new networks and the expansion or improvement of existing networks. Our capital expenditure has been stable in the last two years for the Airtel Africa Group at ₹ 43,483 million in fiscal 2019 (converted from USD 616 million at the yearly average exchange rate of ₹ 70.56 per 1 USD) and ₹ 28,367 million in the fiscal 2018 (converted from USD 402 million at the yearly average exchange rate of ₹ 70.56 per 1 USD). As of September 30, 2019, the Airtel Africa Group had spent ₹ 17,358 million in capital expenditure (converted from USD 246 million at quarterly average exchange rate of ₹ 70.56 per 1 USD) during the beginning of the fiscal year 2020. Any failure to arrange sufficient external financing from banks or other lenders on a timely basis or on satisfactory terms could have a material adverse effect on the business, prospects, results of operations and financial condition of the Airtel Africa Group.

Our telecommunications licenses, permits and frequency allocations are subject to finite terms and any failure or delay in renewal of licenses could adversely affect our business, prospects, financial condition, cash flows and results of operations.

The terms of our licenses, permits and frequency allocations are subject to finite terms, ongoing review and the renewal of license is required for the licensee to continue its services as well as purchase of spectrum in auctions. While we do not expect our Company or any of our Subsidiaries, Joint Ventures or Associate Companies to be required to cease operations at the end of the terms of their respective licenses in relation to usage of spectrum, there can be no assurance that these business arrangements or licenses will be extended on equivalent satisfactory terms, or at all. Upon termination, the licenses and spectrum held by these companies may revert to the local governments or local regulators in the respective jurisdiction, in some cases without any or adequate compensation being paid. Our licenses and allocations are subject to varying interpretations and the licensor reserves the unilateral right to amend the terms and conditions of its telecommunication licenses. In the event the licensor exercises such right, our business, prospects, results of operations and financial condition may be adversely affected. Supply of spectrum is limited by the restrictions on the participation in auctions, and we may not be able to effectively win spectrum back in these auctions. We are also required to comply with certain conditions such as maintaining the minimum net worth, minimum paid up equity capital and capitalization requirements specified under the terms of our telecom licenses.

We have migrated our existing unified access service ("**UAS**") licenses of Delhi and Kolkata, which were due for renewal in November 2014 to unified license ("**UL**") (access authorization). Subsequently, the licenses, which came for renewal in 2015 and 2016, were also migrated to the UL regime.

We have also purchased spectrum for a period of 20 years in the spectrum auctions of February 2014, March 2015 and October 2016 to ensure continuity of services in the license service areas where our licenses were due to expire between 2014 and 2016. Typically, the UL is valid for 20 years and we will be required to renew its ULs upon expiry of such period.

In 14 service areas, namely Tamil Nadu (including Chennai), Gujarat, Haryana, Kerala, Madhya Pradesh, Maharashtra (excluding Mumbai), Mumbai, Uttar Pradesh West, Uttar Pradesh East, Bihar, Jammu & Kashmir, Odisha, West Bengal and Assam, we operate under UAS license with administratively allocated spectrum, which are due to expire between 2021 and 2024. However, we have also acquired liberalized spectrum in these 14 service areas through auctions, mergers and spectrum trading for the continuity of its services.

While we believe that we have presently safeguarded ourselves against the risk arising from the expiry of our administratively allocated spectrum which is due to expire in the next five years by acquiring spectrum in auctions/trading as well as acquiring additional spectrum from other TSPs through our recent acquisitions such as that of TTML, TTSL and Telenor, there can be no assurance that we will be able to implement the same strategy in the future when our current auction acquired spectrum reaches its expiry or that there would be adequate acquisition opportunities, at commercially acceptable terms, available at such time. Further, while we have acquired such spectrum usage for blocks of 20 years through the auction process, or otherwise, at a significant cost to our Company, if the technology and associated ecosystems and platforms change sooner than that, we may not be able to put this spectrum to commercial use for its full life.

We anticipate that we may have to pay increasingly significant license fees and spectrum charges in certain markets, as well as meet specified network build-out requirements. We cannot assure you that we will be successful in obtaining or funding these licenses, or, if licenses are awarded, that they can be obtained on terms commercially acceptable to it. Furthermore, if we renew existing licenses or obtain additional licenses, we may need to seek future funding through additional borrowings or equity offerings, and we cannot assure you that such funding will be obtained on satisfactory terms or at all, which could adversely affect our business, prospects, financial condition, cash flows and results of operations.

Our Company and our subsidiaries are involved in certain material legal proceedings which may adversely affect our operations and financial position.

Our Company and our subsidiaries are involved in certain material litigation proceedings where, if an adverse outcome is reached, there may be an adverse impact on our operations or the financial position.

We are a party to certain matters pertaining to the revision of 2G spectrum charges applicable to telecom service providers by the DoT.

Our Company and our Subsidiary, Bharti Hexacom, are involved in a proceeding wherein the DoT prescribed Spectrum Usage Charges to be calculated at a rate based on weighted average for the spectrum held by telecom service providers across all access spectrum bands excluding the spectrum in 2300 MHz/2500 MHz band acquired/allocated prior to 2015-16 for calculating the floor amount of SUC which was challenged by us.

Our Company and our Subsidiary, Bharti Hexacom filed a writ petition challenging the Telecommunication Interconnection Usage Charges (Eleventh Amendment) Regulations, 2015 dated February 23, 2015 ("**IUC–2015 Regulations**") before the Delhi High Court.

Further, our Company and our Subsidiary, Bharti Hexacom filed a writ petition challenging the Telecommunication Interconnection Usage Charges (Thirteenth Amendment) Regulations, 2017 dated September 19, 2017 ("IUC-2017 Regulations") before the Bombay High Court.

Our Company and our subsidiary, Bharti Hexacom, have also filed another writ petition challenging the Telecommunication Interconnection Usage Charges (Fourteenth Amendment) Regulations, 2018 dated January 12, 2018 ("**ITC-2018 Regulations**") which, among other things, reduced the International Termination Charge ("**ITC**") from ₹ 0.53 per minute to ₹ 0.30 per minute, before the Bombay High Court.

Additionally, (i) our Company and certain third party telecommunications providers are involved in certain legal proceedings pertaining to SMS termination charges; and (ii) our Subsidiary, Bharti Hexacom Limited and us, are impleaded in a number of material legal and regulatory environment proceedings, that comprises demands or penalties raised by DoT alleging violation of electromagnetic fields ("**EMF**") norms.

We are, and may in the future be, party to other litigation and legal, tax and regulatory proceedings, the outcome of which may affect our business, results of operations, financial condition and prospects. There can be no assurance that our Company and our subsidiaries will be successful in any of these legal proceedings.

For further details on these matters, please see "*Legal Proceedings*" on page 227. See also "*—We are dependent on third party telecommunications providers over which we have no direct control for the provision of interconnection and roaming services*" and "*—Actual or perceived health risks or other problems relating to mobile handsets or transmission and/or network infrastructure could lead to litigation or decreased mobile communications usage.*"

Adverse change in credit ratings assigned to us may affect our ability to raise funds for future capital requirements, which may have an adverse effect on our business, results of operations and prospects

Adverse change in credit ratings assigned to our Company may affect our ability to raise funds for future capital requirements. Given the significant competition in the Indian telecom industry we face and the consequent impact on our rating metrics, some of the ratings or outlook on ratings of our Company had been revised by rating agencies. In a press release dated February 5, 2019, Moody's Investors Service ("**Moody's"**) has downgraded senior unsecured rating for our Company as well as the backed senior unsecured notes issued by our wholly-owned subsidiary, Bharti Airtel International (Netherlands) B.V. from Baa3 to Ba1 (with a negative outlook) and retained the Ba1 rating and negative outlook for our Company by way of a press release on November 29, 2019. Additionally, Moody's has assigned a Ba1 (with a negative outlook) corporate family rating to Bharti and withdrawn our Baa3 issuer rating. ICRA Limited ("**ICRA**") through its report dated December 17, 2018, has downgraded our rating and rating for term loans and working capital limits (rated on long term scale) from [ICRA]AA+(Negative) to [ICRA]AA(Stable). Further, pursuant to the adverse AGR Ruling, ICRA, on November 25, 2019 ("**ICRA Ruling**"), has downgraded our long-term rating to [ICRA]AA- and reaffirmed our short-term rating at [ICRA]A1+ with the rating remaining under watch with negative implications. Similarly, pursuant to the AGR Ruling, CRISIL, by way of its press release dated November 22, 2019 has retained the credit rating assigned to our long-term bank facility and various non-convertible debentures as 'CRISIL AA' with the rating remaining under watch with negative implications. On October 30, 2019, Fitch placed our credit long-term foreign currency issuer default rating of BBB- on Rating Watch Negative. In May 2018, Standard & Poor's ("**S&P**") changed the outlook of our credit rating from BBB-/Stable/-- to BBB-/Negative/-- and placed the rating on CreditWatch with negative implications on October 31, 2019, On December 5, 2019, S&P kept our long-term issuer credit rating at BBB- and our issue ratings on debt issued or guaranteed on CreditWatch with negative implications. We aim to resolve the CreditWatch around January 22, 2020 and there can be no assurance that the rating will not be further downgraded. Any downgrade in our credit ratings may impact on our ability to raise additional funds and/or the interest cost at which we borrow the additional funds and could have an adverse effect on our business and results of operations. Certain additional restrictive covenants may also become applicable on a part of our indebtedness in case of downward revision of certain ratings. Further, we cannot assure that we will not tie any of our future indebtedness that have linkages to rating levels changes in which may result in increase in pricing, restrictions on debt and other actions.

Our ability to grow our business and the number of our subscribers is dependent on the quality and quantity of spectrum owned by our Company.

The operation of our mobile telecommunications network is limited by the quality and quantity of spectrum owned by us. In India, telecom operators obtain access spectrum through competitive bidding in GoI held auctions or by entering into spectrum sharing or trading arrangements with other telecom operators. Acquisition of spectrum is subject to certain conditions, risks and uncertainties, including:

- high reserve prices being set by the GoI for the auction of spectrum;
- our competitors outbidding it at the spectrum auctions and entering into spectrum sharing and trading arrangements with each other to our exclusion;
- regulatory uncertainties including delayed access to spectrum already acquired through competitive bidding; and the unavailability of spectrum in certain bands in certain telecom circles and inability to acquire contiguous spectrum.

The operation of our mobile telecommunications networks is limited by the amount of spectrum procured to us in the jurisdictions where we operate. Liberalized spectrum acquired through auction in all the bands (800 MHz, 900 MHz, 1800 MHz, 2100 MHz and 2300 MHz) can be used to provide wireless broadband services by the TSPs, with the next auction also including spectrum in 3300 MHz band. In India, the DTH services are offered in Ku band and within the band, ISRO allocates specified spots (transponders) as per the requirements of the operator. Procurement of spectrum in India is determined by the DoT and by various local/jurisdictional regulators across our African operations and is also subject to caps on the amount of spectrum any telecommunications operator may obtain and hold. In determining spectrum distribution, governmental authorities generally seek to ensure choice of services, efficient use of spectrum and continuity of customer service while maintaining technology neutrality and providing a stable investment environment. The current spectrum procurement may not be sufficient for expected subscriber growth going forward, and our future profitability and cash flows may be materially and adversely affected if our procured spectrum proves inadequate in the future for the expansion of our telecommunications business or if we are unable to procure additional spectrum in the future for the expansion of our telecommunications business. Additional spectrum may also be required to maintain quality of service. As the number of subscribers simultaneously using the same spectrum increases, the quality of the service may suffer, which may lead to a loss of subscribers and revenues. This could have an adverse effect on our business and results of operations. Further, with the introduction of stringent norms for telecom operators related to quality of service and call drops issues we may not be able to maintain, control or improve the quality of our service and may be subject to monetary penalty or any adverse action by regulators.

In August 2018, the TRAI has given its recommendation on auction of spectrum to DoT. TRAI has suggested that entire available spectrum available in 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz, 3300-3400 MHz and 3400-3600 MHz bands in the forthcoming auction should be auctioned, as a single band and time division duplex ("**TDD**") based frequency arrangement should be adopted for this band. Reserve price for 700 MHz and 3300-3600 MHz has been recommended as ₹ 65,680 million/MHz and ₹ 4,920 million/MHz for pan India, respectively. While the DoT proposed a reduction in the abovementioned reserve price in its letter dated July 1, 2019 in relation to the proposed rollout of 5G services, TRAI reiterated its pricing recommendations issued in August, 2018 through a response issued on July 8, 2019. The DoT is likely to auction spectrum in these bands in future. If we decide to bid for any additional spectrum that may come to auction in the future, it may incur high capital expenditure for the acquisition of such spectrum and we may have to undertake additional indebtedness for the same or increase its mobile phone tariffs as a result. An increase in mobile phone tariffs may lead to reduced consumption of our services by its subscribers or a shift of such subscribers to one of its competitors. Similarly, any additional indebtedness may impact our profitability and could have a material adverse impact on our business, prospects, financial condition, cash flows and results of operations.

Further, TRAI in its response issued on July 8, 2019 also suggested that all of the administratively allocated spectrum in 800 MHz, 900 MHz and 1800 MHz bands whose validity is due to expire by December 31, 2021 should also be kept in the forthcoming auction.

Currently, the price of the bid in relation to auction of spectrum is the most important selection criteria. Increased competition may drive bidding prices for spectrum higher and we may not be able to acquire additional spectrum or may be required to pay a higher amount for acquiring additional spectrum. We cannot assure that there will be further auctions for spectrum in the future, or that we will be successful in acquiring additional spectrum that it bid for, within a reasonable time, or at all. Further, we may not realize the expected benefits from its investment in additional spectrum that it anticipated when it submitted its bid for such additional spectrum.

Spectrum usage rights offered in auctions are typically awarded for a period of 20 years in case of mobile telecommunication and we may not be a successful bidder when bidding for the same spectrum after expiry of such validity period. Moreover, spectrum acquired through competitive bidding may suffer from interference, which may limit its utility, temporarily or for a sustained period. Our business, financial condition, results of operation and prospects may also be adversely affected if the GoI amends spectrum-holding caps in the future, which limit the amount of spectrum that can be held by one telecom operator. If we cannot acquire spectrum of the necessary quality and quantity to deploy its services on a timely basis and at adequate cost, its ability to attract and retain customers and its ability to successfully compete would be adversely affected.

If we do not acquire 5G spectrum in the upcoming 2020 auction, we could be competitively disadvantaged.

The DoT has tentatively scheduled the 5G spectrum auction to take place between March and April 2020. According to the media reports, DoT has accepted the reserve price suggested by TRAI and is expected to auction around 8,300 MHz of spectrum, valued at an estimated Rs 5.23 trillion calculated based on the base reserve price.

According to industry sources, the 5G Spectrum is priced significantly high considering the current financial stress and revenues of the telecom industry. According to industry analyst reports, it is expected that the proposed auction may not have an encouraging response from the operators if the auction is conducted at the scheduled time at the current base rates. Further, given that the 5G ecosystem is still under development, it is likely that 5G deployment for mass usage may be delayed.

If we decide not to participate in the 5G spectrum auction, and other operators participate and win the 5G spectrum, or if we are unable to acquire 5G spectrum, we could be competitively disadvantaged which may significantly impact our ability to compete with other operators providing 5G services, resulting in a material adverse effect on our business, prospects and financial condition.

We have rapidly expanded internationally, which could affect future growth.

We have significantly expanded our international operations (in terms of geography and scope) through our Subsidiaries and associate entities. These include the acquisition of new licenses and building of our own network infrastructure and purchasing interests in existing businesses. For example, we commenced telecommunications operations in Sri Lanka in 2009, Bangladesh in 2010 with the acquisition of Warid Telecom, and Africa in 2010 with the acquisition of Zain Telecom's operations in 15 African countries. We have, *inter alia*, divested our operations in Bangladesh (now with a minority stake in Robi Axiata which is a leading telecom service provider in Bangladesh), Sierra Leone and Burkina Faso. We have expanded our operations in Rwanda by acquiring Millicom's operations in Rwanda, and our operations in Ghana have been merged with Millicom's operations, in which we presently hold 49.95% equity interest. We have also undertaken, and may undertake in the future, certain inorganic activities including additional mergers, acquisitions, demergers and slump sales.

Our ability to manage our increased scope of operations both through organic and inorganic growth and to achieve future growth and profitability depends upon a number of factors, including our ability:

- to effectively increase penetration of our service and the scope of our management, operational and financial systems and controls to handle the increased complexity, expanded breadth and geographic area of our operations, particularly in Africa;

- to recruit, train and retain qualified staff to manage and operate our growing business across locations;
- to accurately evaluate the contractual, financial, regulatory, environmental and other obligations and liabilities associated with our international acquisitions and investments, including the appropriate implementation of financial oversight and internal controls and the timely preparation of financial statements that are in conformity with our accounting policies;
- to accurately judge market dynamics, demographics, growth potential and competitive environment;
- to effectively determine, evaluate, manage and respond to the risks and uncertainties in entering new markets, including political, economic and regulatory risks and uncertainties, and acquiring new businesses through our due diligence and other processes, particularly given the heightened risks in emerging markets;
- to effectively and efficiently respond to the competitive environment and manage varied customer demands and preferences in international markets; and
- to obtain and maintain necessary permits, licenses, spectrum allocation and approvals from governmental and regulatory authorities and agencies.

Additionally, we have in place an Internal Assurance Group (IAG) headed by Chief Internal Auditor, supported by internal assurance partners (global audit firms) to conduct the internal audit on the basis of a detailed internal audit plan reviewed each year in consultation with the IAG and the Audit Committee.

Any difficulties in addressing these issues or integrating one or more of our existing or future international operations could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations. In addition, the value of our investments in associates (operating companies in which it has less than a controlling interest) could decline, requiring us to record impairments to those assets in our financial statements.

In Africa, business has historically and in recent years grown inorganically through mergers and acquisitions alongside organic growth, and the Airtel Africa Group has undertaken strategic divestments to streamline our footprint and focus on our core subscriber-facing operations. The inorganic component of the growth strategy of the Airtel Africa Group is based, in part, on strategic streamlining of our operational footprint, which included our exit from Burkina Faso and Sierra Leone in July 2016 and August 2016 respectively, as well as the expected continuation of our ongoing divestitures of tower assets. The growth strategy of the Airtel Africa Group depends in part on its ability to develop and integrate new services into its existing services offering, including in connection with the expansion of their networks, as well as to expand its footprint into new markets, including through acquisitive growth. The Airtel Africa Group may be unable to identify or accurately evaluate suitable partners for acquisition or merger, or to complete or integrate past or prospective acquisitions or mergers successfully or in a timely or cost-effective manner, which could adversely affect our overall strategy. In addition, the Airtel Africa Group may also face risks with respect to any of its divestments. Any failures, material delays or unexpected costs related to the implementation of the growth strategy of the Airtel Africa Group could have a material adverse effect on its business, results of operations, financial condition and prospects.

We are exposed to certain risks in respect of the development, expansion and maintenance of our mobile telecommunications networks.

Our ability to increase our subscriber base depends upon the success of the expansion and management of our networks and upon our ability to obtain sufficient financing to facilitate these plans. The build-out of our networks is subject to risks and uncertainties, which could delay the introduction of services in some areas and increase the cost of network construction, including obtaining sufficient financing. We are engaged in a number of network expansion and infrastructure projects, including in India, Sri Lanka and in the African countries in which we operate. The speed at which we are able to expand our network and upgrade technology is critical to our ability to increase our subscriber base. Thus, if any of these risks transpire, our business, financial condition, cash flows and results of operations may be adversely affected.

We purchase or rely on the purchase of commodities, such as diesel, steel and zinc, to support the development and maintenance of our tower network. Volatility in global commodity prices, in particular metal and fuel prices will make it more difficult for us to accurately forecast and plan the cost of equipment required for network maintenance and expansion, besides increasing our operating costs and capital expenditure.

Additionally, increases in such global commodity prices will increase the amount of capital expenditure required to finance our expansion plans, which will exert downward pressure on our profit margins if we are unable to pass these cost increases through to our customers. Our operating costs, including that of the Airtel Africa Group, are subject to fluctuations, including changes in energy consumption costs, costs of obtaining and maintaining licenses, spectrum and other regulatory requirements. Any volatility in these and other variable operating costs or any inability to pass on increased costs to the customers could have a material adverse effect on our business, results of operations, financial condition and prospects.

In connection with our network strategy, our Company, from time to time, considers establishing partnerships with other carriers in our markets which may involve the sale of assets and may require funding from our Company. Network expansion and infrastructure projects, including those in our development pipeline, typically require substantial capital expenditure throughout the planning and construction phases and it may take significant amount of time before we can obtain the necessary permits and approvals for such projects to be completed and accrue benefits from such expansion, during which time we are subject to a number of construction, financing, operating, regulatory and other risks beyond our control, including, but not limited to:

- an inability to secure any necessary financing arrangements on favorable terms, if at all;
- changes in demand for our services;
- our technology becoming obsolete or outdated resulting in reduced commercial success of our services;
- shortage of material, equipment and labor, coupled with labor disputes and disputes with sub-contractors;
- inability to hire, train and retain qualified technical personnel;
- inadequate infrastructure, including as a result of failure by third parties to fulfill their obligations relating to the provision of utilities and transportation links that are necessary or desirable for the successful operation of a project;
- failure to complete projects according to specifications;
- adverse weather conditions and natural disasters;
- accidents;
- changes in local governmental priorities; and
- inability to obtain and maintain project development permission or requisite governmental licenses, permits or approvals.

The occurrence of one or more of these events may have a material adverse effect on our ability to complete our current or future network expansion projects on schedule or within budget, if at all, and may prevent us from achieving our targeted increases in subscriber base, revenues, internal rates of return or capacity associated with such projects. There can be no assurance that we will be able to generate revenues from our expansion projects that meet our planned targets and objectives, or that they will be sufficient to cover the associated construction and development costs, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

Our Subsidiary (Bharti Telemedia Limited) operates in an industry which is highly regulated and it requires certain approvals, licenses, registrations and permissions to conduct our digital TV business.

Bharti Telemedia Limited's business activity involves the provision of DTH services. The provision of such service in India is regulated and governed by the Ministry of Information and Broadcasting ("**MIB**") and the TRAI, in terms of the applicable statutory regulations. In terms of such regulations, Bharti Telemedia Limited is required to obtain a license from the MIB, for the provision of DTH services, and is required to comply with the conditions prescribed under such regulation and license. Additionally, TRAI may from time to time also prescribe new conditions and/or regulatory requirements for providing such services. If we fail or are unable to satisfy such conditions, comply with the terms of our license or conduct our business activities in a manner contrary to or in violation of the prevailing statutory regulations, our license could be revoked. As of today, there are regulations which affect our industry like obligations placed on us to ensure that no objectionable, obscene, unauthorized or illegal content, messages or communications are carried out on our network.

Set forth below are certain specific risks arising out of regulatory requirements applicable to our DTH operations.

DTH operations: TRAI has already mandated implementation of a revised regulatory framework for broadcasting and cable services, requiring DTH service providers to allow customers to purchase access to channels individually or alternatively as a combination of a-la-carte/ bouquet. This framework has been implemented and the migration of the entire customer base was completed on March 31, 2019. Further, the GoI is in the process of introducing new DTH guidelines for DTH operators (the "**Proposed DTH Guidelines**") and the MIB has presently issued us an interim renewal of our license under the existing framework, which is valid until December 31, 2019, or the date of notification of the revised regulatory framework, whichever is earlier. Once the Proposed DTH Guidelines are notified, we will be required to apply as per the terms and conditions of the DTH Guidelines for providing DTH services in India. There can be no assurance that we will continue to be in compliance with the conditions stipulated under such new licensing conditions or that we will be successful in obtaining a license thereunder. Any failure to obtain such license will have an adverse impact on our DTH business and our operations. As MIB is yet to issue the Proposed DTH Guidelines, we applied to MIB seeking extension of the interim renewal period until December 31, 2020. However, MIB has extended the interim renewal of the License until June 30, 2020. We cannot guarantee that the MIB will extend the license in the future, since historically the MIB has not extended the licenses for all DTH operators and the services were being provided on the basis of pending extension. If we fail to comply with any of the regulations applicable to us, we may not be able to continue to offer DTH services, which would affect our business, results of operations, financial condition and prospects.

Apart from Linear Channels, we also offer the Platform Services or the Value Added Services for which the regulatory framework is still under deliberation with TRAI and MIB, and therefore the formal framework is still pending. Such a framework is essential as it will help to validate such services. In terms of DTH License, the STB used for providing services should be inter-operable but the complete DTH industry including our Company do not meet this requirement for technical reasons as well as commercial considerations. Once the regulatory framework has been finalized, it may result in significant compliance costs or obstacles for us, which could affect our business, results of operations, financial condition and prospects.

We are dependent on third party telecommunications providers over which we have no direct control for the provision of interconnection and roaming services.

Our ability to provide high quality and commercially viable mobile telecommunications services depends, in some cases, on our ability to interconnect with the telecommunications networks and services of other local, domestic and international mobile and fixed-line operators including our optical fiber cable transmission network. We also rely on other global telecommunication operators for the provision of international roaming services for our subscribers. While we have interconnection and international roaming agreements in place with such Indian and global telecommunication operators, we have no direct control over the quality of their networks and the interconnections and international roaming services they provide. Any difficulties or delays in interconnecting with other networks and services, or the failure of any operator to provide reliable interconnections or roaming services to us on a consistent basis, could result in fall in number of subscribers or a decrease in traffic, which could adversely affect our business, prospects, financial condition, reputation, cash flows and results of operations. Further, there have been disputes between our Company and third-party telecommunications providers like BSNL, Aircel Limited, Reliance Communications Limited, Tata Teleservices (Maharashtra) Limited, and Tata Teleservices Limited, pertaining to SMS termination charges, which if determined against us, could have a material adverse effect on our business, results of operations, cash flows and financial condition. For details, see "*Legal Proceedings—Litigation involving our Company—Proceedings involving material violations of statutory regulations by our Company.*"

The Airtel Africa Group is also dependent on third parties for the supply of certain of its services. Any significant disruption or other adverse event affecting the relationship with any of the major suppliers of the Airtel Africa Group, the inability or unwillingness of key equipment and service providers to provide the operations of the Airtel Africa Group with adequate equipment and services on a timely basis and to manage its infrastructure in accordance with best practices, including at attractive prices, could materially adversely impact the ability of these operations to retain and attract subscribers or provide attractive product offerings, either of which could materially adversely affect the business, results of operations, financial condition and prospects of the Airtel Africa Group. Additionally, in the past, some of our Subsidiaries, namely, Bharti Airtel Nigeria Holdings II B.V., Bharti Airtel Africa B.V., Bharti Airtel International (Netherlands) B.V, Bharti Airtel Nigeria B.V. and Airtel Networks Limited, were involved in a number of legal proceedings with Econet Wireless Limited, in Nigeria and The Netherlands. These litigation proceedings were subsequently settled by way of an agreement dated October 29, 2016.

We are dependent on suppliers and vendors for supply of equipment and services to build, develop, maintain and rollout our networks and operate our businesses over which we have no direct control.

We depend upon suppliers and vendors to provide us with equipment and services that we need to build, develop, maintain and roll out our networks and operate our businesses. We avail the services of vendors like Nokia, Ericsson and Huawei, and from various local vendors for ensuring operations and maintenance. We are dependent on these vendors for supplying components for future expansions besides also maintaining the networks and ensuring their upkeep. We cannot be certain that we will be able to obtain satisfactory equipment and service on commercially acceptable terms or that our vendors will perform as expected. If our contractual arrangements with such vendors expire or terminate, or if we fail to receive the quality of equipment and maintenance services that we require, to negotiate appropriate financial terms for equipment and services, obtain adequate supplies of equipment in a timely manner, or if our key suppliers discontinue the supply or maintenance of such equipment and services due to withdrawal from the Indian mobile telecommunications market or otherwise, we may find it difficult to replace a vendor on a timely basis without significant capital expenditure which could significantly disrupt our services. The occurrence of any such events could have an adverse effect on our business and results of operations.

We are dependent upon certain external suppliers of important services both to our Company and to our subscribers. We also import the services from vendors, and any adverse effect to import policies including increase in import duties and tariffs, or any embargo on imports from countries from which our vendors supply may have negative impact on our business operations. In particular, trade tensions between the United States and major trading partners, including particularly with China, continue to escalate following the introduction of a series of tariff measures by the United States and/or its trading partners. Any further change in the United States' global trade policy against its trading partners, including tightening regulatory restrictions, industry specific quotas, tariffs, non-tariff barriers and taxes may have an adverse effect on our ability to procure the requisite components or services from suppliers located in the United States and/or its trading partners. For example, Huawei, one of our suppliers, is currently experiencing significant disruptions to its operations stemming from the United States-China trade war, where the government of the United States has banned almost all American companies from utilizing information and communications technology supplied by Huawei. The approach of our Company will eventually have to be in-line with the approach of the GoI. Any additional export restrictions imposed by United States against Huawei and its designated affiliates, as well as any future sanctions the United States may impose against Huawei entities, as well as any damage to Huawei's image or reputation could potentially have an adverse effect on our business, prospects, results of operations and cash flows.

As a result, we are exposed to the supply and service capabilities of each of these vendors, which may be impacted by their ability to retain and attract appropriate personnel, their financial position and many other factors which are outside of our control. If such a vendor fails to perform adequately or if we terminate the vendor, we may not be able to provide such services ourselves or find an alternative supplier without disruption to our services or incurring additional costs.

We are increasingly dependent on revenue generated from data services and a failure to successfully compete in providing data services could have an adverse effect on our business, financial condition, results of operations and prospects.

Our business is increasingly dependent on revenue generated from data services. Various factors such as rising income levels, decline in prices of smartphones, increasing availability of mobile-based content, higher data demanding media including videos, games and other applications on smartphones and the rollout of long term evolution ("**LTE**") networks have led to a rapid growth of data usage in the telecom sector in India. Equally, our dependence on voice revenues, which has traditionally been the mainstay of telecom companies is reducing. We cannot assure you that these trends will continue in the future and that we will continue to benefit from growth in data usage. We may also need to upgrade and expand our network infrastructure in order to remain competitive in the provision of data services, including 4G and potentially even 5G data services in the future, to our customers, which will require us to incur additional capital expenditure. If we are unable to expand or upgrade our networks and equipment for the provision of data services on a timely and cost-effective basis or at all, we may lose existing customers or fail to attract new customers.

Growth in our data revenues is dependent on the prices we are able to charge for various data offerings and the level of data usage by our customers. We cannot assure you that data usage growth will be adequate to compensate for any future reduction in data prices. Further, if our competitors are able to offer data services that are, or that are perceived to be, more affordable or of a higher quality than those offered by our Company, we may be required to reduce the price of our data offerings or risk losing market share. In recent times, we have reduced prices while increasing the amount of data which is offered to our customers within each of our price brackets, due to various factors, including competitive pressure in relation to data offerings. If we are unable to remain competitive in providing data services in the future, our business, prospects, results of operations and financial condition may be adversely affected. See also "*—we face intense competition that may reduce our market share and lower our profits.*"

Increased sharing of existing and new passive telecommunication infrastructure and increasing competition in the tower infrastructure services industry may create pricing pressures that may adversely affect our tower infrastructure services business. We depend on various tower companies for our passive infrastructure needs and change in contracts may impact business.

We believe that growth and demand for mobile telecommunication services in India will lead to an increased impetus for the sharing and integration of passive telecommunications infrastructure such as towers, poles, conduits and physical sites, as mobile telecommunication operators will increasingly need to outsource their passive telecommunication infrastructure needs as high speed data transfer becomes more commonplace. There can be no assurance, however, that Indian telecommunication operators will not increasingly share existing and new passive telecommunication infrastructure constructed by other Indian telecommunication operators, other existing telecommunication infrastructure companies or their respective affiliates, which could adversely affect our tower infrastructure services business and consequently our financial condition, cash flows and prospects.

In addition, if BSNL and MTNL, large wireless service providers in India, were to begin to engage in significant amounts of site sharing with other operators or otherwise offer tower infrastructure services sharing availability, this could create a significant new competitor to our tower infrastructure services business.

Our tower infrastructure services business currently faces competition principally from:

- Indian wireless communication operators that share their own tower infrastructure services with other carriers;
- Indian power transmission operators such as Power Grid Corporation of India Limited, who may let their existing infrastructure be utilized by wireless telecommunication service providers;
- International, national and regional tower infrastructure services companies, including joint ventures formed by other wireless communication operators;
- Site development companies that purchase antenna space on existing towers for wireless carriers and manage new tower site construction; and
- Public sector entities such as the Indian railway authority, which have a dedicated telecommunications infrastructure arm and offer mass communication facilities to cellular and broadcast operators.

Competitive pricing pressures for customers from these competitors could adversely affect our tower infrastructure services business' growth prospects and revenue. With the merger of the telecom operators Vodafone and Idea, the telecommunications industry in India is consolidating and has a limited number of wireless telecommunications service providers. This has led to a substantial percentage of tower companies revenues being attributable to a small number of customers. If we lose further customers in this space due to pricing pressures or otherwise, we may not be able to find new customers, which may have an adverse effect on profitability and cash flows in our tower infrastructure services business. Increasing competition in this business could also make the acquisition of high-quality tower assets and securing the rights to land for our towers, costlier. Competition can also lead to the inability to gain new customers. We cannot therefore assure you that we will be able to successfully compete within this increasingly competitive business sector.

We have entered into long term contracts for use of towers with various tower companies. We cannot assure that the agreements will always be entered on most favorable terms with such tower companies as compared to rates offered by other tower companies. Further, we cannot assure that all of our Subsidiaries will be able to renew such agreements, at the terms beneficial to them. Further, ability to provide high quality and commercially viable mobile telecommunications services depends on robust network and infrastructure. Third party tower companies are responsible for running and maintenance of the network. Our Company and our Subsidiaries have no direct control over the quality of the networks and the interconnections provided by such third-party tower companies. Any difficulties or delays in providing the reliable infrastructure services by such tower companies, or the failure of any operator to provide reliable services to our Subsidiaries on a consistent basis, could result in loss of subscribers or a decrease in traffic, which could adversely affect our business, prospects, financial condition, reputation, cash flows and results of operations. Third-party vendors may in future increase charges or renegotiate prices or we may not be able to renew contracts at terms commercially acceptable to it or at all. This could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

Decrease in demand for tower space could materially and adversely affect our business, results of operations, cash flows and financial condition.

We deploy, own, operate and manage passive infrastructure pertaining to telecommunication operations through our Subsidiary Bharti Infratel, and through the independent telecommunication passive infrastructure company Indus Towers, of which Bharti Infratel owns a 42.00% equity interest in. Passive infrastructure is the business of installing, acquiring, owning, operating and maintaining tower and related infrastructure and providing access to these towers to wireless telecommunications service providers. Upon completion of the Indus Merger, we would no longer directly own the passive infrastructure services which we previously had access to via our subsidiary. See "*Our Business—Business Operations—Passive Infrastructure Services—The Indus Merger*" for further information. However, for so long as we are an equity holder of a passive infrastructure service provider, it will be exposed to the risks associated with passive infrastructure services, including a decrease in demand for tower space in India. Factors affecting this demand include:

- mergers or consolidations among mobile telecommunications operators and shutting down the business by some telecom operators, which have resulted in reduced average sharing factor for co-locations on our towers during fiscal 2019, as compared with fiscal 2018;

- a general deterioration in the financial condition of mobile telecommunications service providers due to declining tariffs, media convergence or other factors;

- a decrease in the ability and willingness of mobile telecommunications service providers to maintain or increase capital expenditures;

- a decrease in the growth rate of mobile telecommunications or of a particular segment of the wireless communications sector;

- adverse developments with respect to auctioning of spectrum by the GoI and changes in telecommunications regulations;

- increased use of network sharing, roaming or resale arrangements by mobile telecommunications service providers amongst themselves;

- deteriorating financial condition and access to capital by mobile telecommunications service providers;

- changing strategy of mobile telecommunications service providers with respect to owning or sharing tower infrastructure services;
- adverse developments with regard to zoning, environmental, health and other government regulations;
- technological changes; and
- general economic conditions.

The passive infrastructure services business and the growth thereof is based on the premise that the subscriber base for wireless telecommunications services in India will grow at a rapid pace and that Indian wireless service providers have, to a certain degree, adopted the tower infrastructure services sharing model. If the Indian wireless telecommunications services market does not grow or grows at a slower rate than we expect, or the behaviors of market players do not meet our current expectations, the demand for tower infrastructure and our growth prospects will be adversely affected, which would have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

We deploy and manage passive infrastructure pertaining to telecom operations through our subsidiary, Bharti Infratel, which are required to obtain certain licenses and permits which are diverse and may be difficult to obtain, and once obtained, may be amended or revoked or may not be renewed.

We deploy, own, operate and manage passive infrastructure pertaining to telecommunication operations through our subsidiary Bharti Infratel, and through the independent telecommunication passive infrastructure company Indus Towers, of which Bharti Infratel owns a 42.00% equity interest in. Passive infrastructure is the business of installing, acquiring, owning, operating and maintaining tower and related infrastructure and providing access to these towers to wireless telecommunications service providers. Upon completion of the Indus Merger, we would no longer own passive infrastructure services (that we previously had access to via our subsidiary). See "*Business—Business Operations—Passive Infrastructure Services—The Indus Merger*" for further information. However, for so long as the Indus Merger is not complete, we remain exposed to the risks associated with passive infrastructure services, including risks arising from obtaining certain licenses and permits.

The roll out of towers requires approvals from various state/local authorities, including no-objection certificates from the local or municipal authorities, environmental approvals from the pollution control boards for operating diesel generator sets (beyond a certain load), *etc*. These licenses are subject to review, interpretation, modification or termination by the relevant authorities. Further, the delay in implementation and adoption of uniform national policy issued by DoT *i.e.*, right of way rules, 2016 ("**RoW**"), across different states, for granting permission to deploy towers, has resulted in local civic authorities/state governments often creating ad hoc, overlapping policies, imposition of exorbitant charges beyond the amounts prescribed in the RoW and delay in granting the permission to deploy towers. As a result, these policies vary widely across civic authorities and from state to state, comprising different terms and conditions, policies, annual fees, tariff bases, local taxes, levies and differing environmental standards.

Bharti Infratel and our Company have applied for various approvals from various authorities as and when they are due for renewal. There can be no assurance that the relevant authorities will issue such permits, approvals to us and Bharti Infratel or that they will be issued in a timely manner or as expected. Further, these permits and approvals are subject to conditions and we cannot assure you that our Company or Bharti Infratel will be able to meet these conditions on an ongoing basis, which may lead to cancellation, revocation or suspension of the relevant permits, or approvals. Failure on our or Bharti Infratel's part to renew, maintain or obtain the required permits, or approvals may result in the interruption of our operations and may have a material adverse impact on our business. We cannot assure you that the relevant authorities will not take any action or impose any conditions in relation to such licenses that could materially and adversely affect our operations and business. In addition, if we are unable to obtain any of these approvals and permits, we may be required to seek alternative sites and incur considerable effort and expense where a suitable alternative tower is not available.

The merger of TTSL with our Company and Bharti Hexacom and TTML with our Company could be unwound.

Our Company and Bharti Hexacom Limited together hold Unified Access Service License/Unified Access Service License (with Access Service Authorization) with access spectrum in various bands in the 22 service areas. Further, we acquired the spectrum and subscribers from Tata Teleservices Limited (TTSL) in the service areas of Karnataka, Andhra Pradesh, Tamil Nadu (including Chennai), Madhya Pradesh, Uttar Pradesh (E), Uttar Pradesh (W), Punjab, Haryana, Gujarat, Delhi, Kolkata, Kerala, Orissa, Bihar, West Bengal, Himachal Pradesh and Rajasthan, and from Tata Teleservices (Maharashtra) Limited (TTML) in the service areas of Mumbai and Maharashtra along with its access spectrum in various bands.

The jurisdictional NCLTs approved (i) a scheme of arrangement under Sections 230 to 232 of the Companies Act, 2013 involving TTSL, our Company and Bharti Hexacom through order dated January 30, 2019; and (ii) a scheme of arrangement under Sections 230 to 232 of the Companies Act, 2013 involving TTML and our Company through orders dated December 4, 2018 and January 30, 2019. The parties pursuant to the approval of the NCLTs and pursuant to the requirements under the Merger Guidelines of the DoT notified the DoT on February 12, 2019 and requested the DoT to take the merger in respect of the above-mentioned service areas on record. The DoT, in its letters dated April 10, 2019, granted an in-principle approval for the mergers of (i) the consumer mobile business of TTSL with our Company and Bharti Hexacom; and (ii) consumer mobile business of TTML with our Company, but imposed certain conditions for taking the merger on record. The imposed conditions included, among others, the following:

(1) Provision of bank guarantees to secure the demand of One Time Spectrum Charges for ₹ 71,559.3 million and ₹ 10,425.1 million.

(2) Payment of ₹ 12,879.7 million to DoT towards the alleged OTSC dues for the extended period of license of erstwhile Chennai Service Area.

(3) Submission of an unconditional and unequivocal undertaking to DoT for payment of past demands inclusive of anything remaining unpaid of the past period and subject to outcome of the judicial process.

The above conditions were challenged by our Company and Bharti Hexacom before the TDSAT. The TDSAT in its order dated May 2, 2019 and May 6, 2019 stayed the OTSC demand of ₹ 71,559.3 million and ₹ 10,425.1 million, and directed the DoT to take the mergers on record, subject to fulfillment of certain conditions by our Company and Bharti Hexacom, which included giving a bank guarantee for 50% of the alleged OTSC dues for the extended period of license of the previous Chennai Service Area (the demand being ₹ 12,879.7 million) and also allowed us to operationalize the spectrum and take all consequential actions.

On May 22, 2019 Bharti Hexacom and our Company have complied with the rest of the conditions as specified in DoT letter dated April 10, 2019, and also with the conditions as modified by the TDSAT orders referred to above. TDSAT, which is the appellate authority over the DoT, specifically directed the concerned authorities of the GoI to take the merger on record. The principal bench of the NCLT Delhi and NCLT Mumbai bench also passed orders dated May 30, 2019 and June 12, 2019, respectively, allowing for filing the orders of approval of Scheme of Arrangement with the RoC. Accordingly, we have filed the schemes of arrangement with the ROC and informed the DoT that (i) the merger of consumer mobile business of TTSL to our Company and Bharti Hexacom; and (ii) consumer mobile business of TTML with our Company, have been completed, with an appointed and effective date as of July 1, 2019. While (i) the merger of the consumer mobile business of TTSL with our Company and Bharti Hexacom; and (ii) consumer mobile business of TTML with our Company, have been completed on the basis of the orders of the TDSAT and the NCLTs, it is likely that the DoT could challenge the orders of the TDSAT and the NCLTs in a higher court of law. Though we believe that we have an arguable case since the mergers were completed based on court orders, there can be no assurance that the higher court will rule in favor of us, and there is no certainty of the outcome of such a case. Further, DoT had filed SLPs before the Supreme Court challenging the TDSAT orders dated May 2, 2019 and May 6, 2019, wherein the Supreme Court did not interfere with the TDSAT orders and disposed of the said SLPs through its order dated November 18, 2019. Therefore, the TDSAT orders remain in force and continue to be binding on the parties.

We may be unable to effectively manage our growth and derive the anticipated synergies or efficiencies from mergers and acquisition arrangements.

Our growth, including by way of mergers with Airtel Broadband Services Private Limited, Telenor, Bharti Digital Networks Private Limited, TTSL and TTML, is expected to place significant demands on our management and operational resources. In order to manage growth effectively, we must implement and improve operational systems, procedures and internal controls on a timely basis. If we fail to do so, or if there are any weaknesses in our internal control and monitoring systems that would result in inconsistent internal standard operating procedures, we may not be able to service our clients' needs, hire, train and retain employees, pursue new business opportunities or operate our existing and future business effectively. Failure to effectively manage new site construction for towers or properly budget or accurately estimate operational and other costs, which could result in delays in executing client contracts, trigger service level penalties, or cause our profit margins to not meet expectations or historical profit margins. Our inability to execute our growth strategy or to manage our planned business expansion effectively could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

The Competition Commission of India and the NCLT Chandigarh have approved the Indus Merger. The Department of Telecommunications' approval for enhancement of foreign direct investment limit is the only approval outstanding as of the date of this Placement Document to effectuate the Indus Merger. Given the delay in procuring the approval of the Department of Telecommunications, the long stop date for effectuating the scheme has been extended until February 24, 2020, on the basis of agreements on closing adjustments and other conditions precedent for closing, with each party retaining the right to terminate and withdraw the scheme. See "*Business—Business Operations—Passive Infrastructure Services—The Indus Merger*" for further information. We cannot assure you that the merger of the aforesaid tower companies will be approved or that the approvals will be received and completion will take place or that the parties will be able to complete the conditions precedent for the scheme within the extended timelines. In the event the merger is not approved, we may not be able to successfully integrate a large tower company and the current structure of two parallel companies may continue to exist, which may be sub-optimal. Failure to merge the tower companies may have an impact on stock price of Bharti Infratel and we may not be able to realize the expected strategic and/or operational benefits from the merger. We also could experience difficulty in combining operations and cultures and may not realize the anticipated synergies or efficiencies from such transaction, should the transaction be consummated.

Our reputation and business may be harmed, and we may be subject to legal claims if there is loss, disclosure or misappropriation of or access to our subscribers' or our own information or other breaches of our information security.

We make extensive use of online services and centralized data processing services, including through third-party service providers. The secure maintenance and transmission of subscriber information is an important element of our operations. Our information technology and other systems, or those of service providers, that maintain and transmit subscriber information may be compromised by a malicious third-party penetration of our network security, or that of a third-party service provider, or impacted by advertent or inadvertent actions or inactions by our employees, or those of a third-party service provider.

In addition, we and our third-party service providers process and maintain proprietary business information and personal data related to subscribers or suppliers. Our information technology and other systems that maintain and transmit this information, or those of third party service providers, may be compromised by a malicious third-party penetration of our network security or that of a third-party service provider, or impacted by intentional or inadvertent actions or inactions by our employees or those of a third-party service provider. As a result of any of these risks, our business information, or subscriber or supplier data may be lost, disclosed, accessed or taken without consent.

Any major compromise of our data or network security, failure to prevent or mitigate the loss of our services or any subscriber information and delays in detecting any such compromise or loss could disrupt our operations, damage our reputation and subscribers' willingness to purchase its service and subject it to additional costs and liabilities, including litigation. For instance, we are, from time to time, involved in legal disputes initiated by customers alleging fraudulent access of their data by third parties without their consent and there can be no assurance that we will be successful in contesting any or all of these disputes. Should we be held liable in a large number of these disputes, our reputation, business and operations may be adversely affected.

The Airtel Africa Group could experience breaches in privacy laws and other information security requirements, which may materially adversely affect its reputation, lead to subscriber lawsuit or, loss of subscribers or hinder its ability to gain new subscribers. Further, if severe customer data security breaches are detected, the relevant regulatory authority could sanction one or more of our subsidiaries forming part of the Airtel Africa Group, and such sanctions could include a temporary suspension of operations. These factors, individually or in the aggregate, could have a material adverse effect on the business, results of operations, financial condition and prospects of the Airtel Africa Group.

Any inability on our part to protect our rights to the land on which our tower sites are located could adversely affect our business, results of operations, cash flows and financial condition.

To install our active network infrastructure, which is necessary for us to carry on our business, we obtain a substantial amount of space for physical infrastructural towers from Infrastructure Providers ("**IPs**") pursuant to commercial agreements. IPs take the right to use the land and property on which the towers are located under commercial contract with the landlord. In general, these lease arrangements are for periods ranging between 10 and 20 years.

A loss of any IP interests or right to use over the land / property, including an IP's actual non-compliance with the terms of these contracts, termination thereof, or the IP's inability to secure renewal thereof on commercially reasonable terms when they expire, could interfere with our ability to operate our active network infrastructure and generate revenues.

Moreover, IPs may not own the land underlying their infrastructure towers, and any dispute between IPs and the owners of land on which infrastructure towers are located may force IPs to relocate certain towers. Any such change or disruption in the infrastructure portfolio may have an adverse effect on our ability to maintain our network and generate revenues. The cost to IPs of relocating our active network infrastructure is significant. IPs may not be able to pass these costs on to their customers and any such relocation could cause significant disruption to our customers. For various reasons, IPs may not always have the ability to access, analyze and verify all information regarding titles and other issues prior to entering into contracts in respect of our sites, which may lead to litigation for eviction against certain IPs, and consequently us, from such lands and properties.

Bharti Infratel has, from time to time, been named as a party to several litigation proceedings relating to the rentals of private land by it for its towers. Most of these proceedings pertain to disputes regarding the ownership of the lessors of these parcels of lands or the ability to use such land for installing towers, as well as suits for permanent and mandatory injunctions and determination of leases. Our inability to protect our rights with respect to such lands and properties on which our active network infrastructure is located could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

In Africa, disagreements with local communities with respect to existing or proposed tower sites in which the Airtel Africa Group operates could adversely impact the business and reputation of the Airtel Africa Group.

Actual or perceived health risks or other problems relating to mobile handsets or transmission and/or network infrastructure could lead to litigation or decreased mobile communications usage.

The effects of any damage caused by exposure to an electromagnetic field have been and continue to be the subject of careful evaluations by the international scientific community, but to date there is no conclusive scientific evidence of harmful effects on health. However, we cannot rule out that exposure to electromagnetic fields or other emissions originating from wireless handsets or transmission infrastructure is not, or will not be found to be, a health risk.

Our costs could increase, and revenue could decrease due to perceived health risks from radio emissions, especially if these perceived risks are substantiated. Public perception of potential health risks associated with cellular and other wireless communications media could slow the growth of wireless companies such as ours. In particular, negative public perception of, and regulations regarding, these perceived health risks could slow the market acceptance of wireless communications services, which could materially restrict our ability to expand our business. Such perception could also increase opposition to the development and expansion of tower infrastructure sites, which could force Bharti Infratel, and other IPs that we rely upon, and consequently, our Company, to relocate existing sites, which could adversely impact our business, results of operations, cash flows and financial condition.

The potential connection between radio frequency emissions and certain negative health effects has been the subject of substantial study by the scientific community in recent years, and numerous health related lawsuits have been filed against wireless carriers and wireless device manufacturers in various jurisdictions. In the past in India, petitions have also been filed against the installation of towers near residential areas, schools, hospitals and playgrounds owing to concerns relating to the adverse effects of electromagnetic radiation. Beginning September 1, 2012 (and now superseded by regulations notified in June 2018), the DoT has implemented standards in relation to electromagnetic radiation emitted by towers as well as mobile handsets. The DoT has also issued new guidelines to all states in India with regard to clearance for installation of mobile towers. Further, the Rajasthan High Court had, pursuant to orders dated August 22, 2012 and November 27, 2012, directed the removal of mobile towers from school, college, and hospital premises and also ordered to remove mobile towers falling within 500 meters of jails, as they were suspected to be containing potentially hazardous radiation. Our Company and other telecommunication operators have challenged these orders before the Supreme Court of India. Similar orders could be passed against us in other such matters pending before other fora. Further, the DoT issued various demand notices to our Company and Bharti Hexacom for alleged violation of EMF radiation norms. For details, see "*Legal Proceedings—Litigation involving our Company—Proceedings involving material violations of statutory regulations by our Company.*" If a scientific study resulted in a finding that radio frequency emissions posed health risks to consumers, it could negatively impact the market for wireless communications services, which would adversely affect our business, prospects, results of operations, cash flows and financial condition.

Actual or perceived health risks or other problems relating to the use of mobile handsets or network transmissions or infrastructure could lead to litigation or decreased mobile communications usage. This could negatively impact the market for wireless services, as well as the wireless carrier customers of the Airtel Africa Group, which could materially and adversely affect the business, results of operations, financial condition and prospects of the Airtel Africa Group.

Our operations are subject to risks relating to fraud, bribery, theft and corruption.

While we maintain and regularly update our IT and control systems, anti-corruption training program, codes of conduct, KYC procedures and other safeguards, it may not be possible for us to detect or prevent every instance of fraud, bribery, theft and corruption in every jurisdiction in which our employees, agents, sub-contractors or commercial partners are located. If adverse investigations or findings are made against us or our directors, officers, employees, commercial partners or third-party contractors are found to be involved in bribery or corruption or other illegal activity, this could result in criminal or civil penalties, including substantial monetary fines, against us or our subsidiaries which could damage our reputation and business.

We are exposed to the risk of violations of sanctions laws or other similar regulations.

We operate in jurisdictions that may expose it to heightened risks with respect to anti-bribery and sanctions laws and regulations. Violations of sanctions laws and regulations could expose us to potential civil or criminal penalties under the relevant applicable sanctions laws, which may have material adverse consequences on our business, financial condition, results of operations and prospects. There can be no assurance that other persons and entities with whom we now, or in the future may, engage in transactions and employ will not be subject to sanctions laws and regulations. Further, we derive a negligible portion of our revenues from roaming agreements with other telecom operators located in countries subject to sanctions. As a result, investors in the Equity Shares may incur reputational or other risk as a result of our dealings with sanctioned persons or countries.

Current and future antitrust and competition laws in the countries in which we operate may limit our growth and subject us to antitrust and other investigations or legal proceedings.

The antitrust and competition laws and related regulatory policies in many of the countries in which we operate generally favor increased competition in the telecommunications industry and may prohibit us from making further acquisitions or continuing to engage in particular practices to the extent that we hold a significant market share in such countries.

Antitrust and competition laws are subject to change and existing or future laws may be implemented or enforced in a manner that is materially detrimental to us. Regulators are particularly focused on establishing rules and a regulatory framework for interconnection between mobile networks and between fixed and mobile networks, including mobile termination (*i.e.*, the ability of a telecommunications provider to terminate a call on another operator's network or place a call between networks) and the related pricing mechanisms (*i.e.*, mobile termination rates). Decisions by any of our relevant regulators requiring a user to provide mobile termination and interconnection services well below current rates, including the change in India's mobile termination rates from fourteen (14) paise to six (6) paise that was made effective from October 1, 2017, and further to zero with effect from January 1, 2020. Recently, the Regulator has further amended this provision such that the mobile termination rates of six (6) paise would be effective only up to December 31, 2020, and would then be eliminated starting from January 1, 2021. The elimination of termination charges could prevent us from realizing a significant amount of revenue and can have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

In addition, violations of such laws and policies could expose us to administrative proceedings, civil lawsuits or criminal prosecution, including fines and imprisonment, and to the payment of punitive damages.

We cannot predict the effect that current or any future lawsuits, appeals or investigations by regulatory bodies or by any third party in any of the countries in which we operate will have on our business, prospects, financial condition and results of operations. For instance, Reliance JIO had approached the Competition Commission of India ("**CCI**") alleging cartelization by COAI and certain telecom operators, *i.e.*, being, our Company, Idea Cellular and Vodafone India. While the CCI directed investigation in the matter, the Bombay High Court and subsequently, the Supreme Court have quashed the order, reversed the findings of the CCI ordering an investigation on the grounds that the CCI could exercise jurisdiction only after proceedings under the TRAI Act had concluded/ attained finality. However, the Supreme Court has upheld the powers of the CCI on adjudicating upon matters pertaining to the telecom industry, and held that in respect of contracts / licenses under the TRAI Act, the CCI would have the jurisdiction to decide questions of anti-competitive practice only after the determination of the respective rights and obligations under such licenses/contracts by the authorities under the TRAI Act.

There can be no assurance that we will not be involved in antitrust or competition related lawsuits in the future, which may cause us material losses and require us to incur significant expenses and significantly divert the time and attention of our management from our operations. In addition, fines, or other penalties imposed on us, if any, by an antitrust or competition authority as a result of any such investigation, or any prohibition on us engaging in certain types of business in one or more markets in which we operate, could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

Compliance with subscriber verification norms, KYC regulations and data privacy norms may require us to incur significant expenditure, which may adversely impact our financial condition and cash flows.

Regulators are introducing stringent subscriber verification and KYC guidelines, including verification and quality of KYC documents. We are required to comply with KYC requirements and processes in relation to our customers as per applicable Indian law.

In recent years, we have observed greater regulatory focus on Know Your Customer ("**KYC**") and anti-money laundering compliance due to initiatives to enhance national security. Strong emphasis on KYC may slow down customer uptake and may also increase the cost of customer acquisition. Non-compliance would result in significant penalties, and loss of revenues as a result of deactivation of customers who are not properly registered.

Additionally, a significant portion of our new subscribers are acquired through a KYC application. If the KYC application experiences technical disruptions for a substantial amount of time, it could result in loss of potential revenues, which could have a material and adverse effect on our business, results of operations and cash flows.

If we are unable to develop, maintain and update customer information in accordance with applicable KYC norms and the directions of the regulator/licensor or are unable to prevent the misuse of our services, we may be held liable for non-compliance with governmental regulations. In a judgment, the Supreme Court upheld the constitutional validity of 'Aadhaar' and has simultaneously restricted its use by private entities for verification of the identity of the mobile phone users and limited the use of Aadhaar for social welfare schemes of GoI. Telecom service operators like ourselves had built their electronic KYC authentication systems around the biometric database of Aadhaar. Restrictions on usage of Aadhaar by the Supreme Court has led to our Company requiring to revamp and rework the process and infrastructure for verification of customers for ensuring KYC compliance, from online verification system based on Aadhaar to the alternate modes of verification, which has had substantial cost implications on our business and operations. Thereafter we had built a new digital acquisition process basis the directions of the Licensor for the completion of the KYC and the acquisition of new customers. It is likely that the said digital process may undergo a change or may be scrapped and replaced with some new process in the future. Alternate mode of KYC verification could be expensive, time consuming and onerous for us for the compliance with data privacy norms.

We are subject to data privacy laws, rules and regulations that regulate the use of customer data. Compliance with these laws, rules and regulations may restrict our business activities, require us to incur increased expense and devote considerable time to compliance efforts. The existing and emerging data privacy regulations limit the extent to which we can use personal identifiable information and limit our ability to use third-party firms in connection with customer data. Certain of these laws, rules and regulations are relatively new and their interpretation and application remain uncertain. Data privacy laws, rules and regulations are also subject to change and may become more restrictive in the future. For instance, the Personal Data Protection Bill, 2018 ("**PDP Bill**") which was cleared by the Union Cabinet on December 4, 2019 and introduced in Lok Sakha on December 11, 2019, applies to processing of personal data, which has been collected, disclosed, shared or processed within India. It imposes restrictions and obligations on data fiduciaries, resulting from dealing with personal data and further, provides for levy of penalties for breach of obligations prescribed under the PDP Bill. Changes or further restrictions in data privacy laws, rules and regulations could have a material adverse effect on our business, financial condition and results of operations. The cost and operational consequences of implementing further data protection measures could be significant and this may have a material adverse effect on our business, financial condition and results of operations.

If the broadcasters who provide signal input to our DTH business for the provision of their programming encounter any technical failures, our business, financial condition and results of operations may be adversely affected.

In order to successfully operate our business, we depend on third-party broadcasters for the input of signals to provide us with their programming. If such broadcasters encounter technical failures in the provision of such input, we may be unable to provide uninterrupted programming offerings to our subscribers or the audiovisual quality of such programming may be reduced. If we are unable to provide our programming as a result of such technical failures, our business, financial condition and results of operations may be adversely affected.

We significantly rely on IT infrastructure and on outsourced personnel to develop and maintain our internal IT infrastructure, which if not properly managed, could result in disruption of critical internal services and as a result, adversely affect our operations.

We are dependent on effective IT/engineering systems and platforms. These systems support key business functions such as recharges, digital care, customer care facilitation, business and customer insights, personalized information, research and development and billing capabilities, and are an important means of communication, internal and with customers and suppliers. Any significant disruption or failure of these IT/Engineering systems could materially and adversely affect our operations. We also have certain outsourcing arrangements in respect of critical processes, services and the support of IT infrastructure and our increasing dependency on these outsourcing providers could negatively impact our ability to deliver on business targets and to maintain our compliance status and reputation. In particular, we outsource the Airtel Cloud and data center management to IBM, BSS/OSS platforms to Amdocs and network management to Ericsson, Nokia Solutions and Huawei (for India, Sri Lanka and Africa). Any failure of our outsourcing providers to deliver services in accordance with our requirements or if we are unable to effectively manage our outsourcing arrangements or outsourcing providers, could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

Any significant disruption in or unauthorized access to our computer systems or those of third parties that we utilize in our operations, including those relating to cybersecurity or arising from cyber-attacks, could result in a loss or degradation of service, unauthorized disclosure of data, which could adversely impact our business.

Our reputation and ability to attract, retain and serve our consumers is dependent upon the reliable performance and security of our computer systems and those of third parties that we utilize in our operations. These systems may be subject to damage or interruption from earthquakes, adverse weather conditions, other natural disasters, terrorist attacks, power loss, telecommunications failures, and cybersecurity risks. Interruptions or malfunctions (including those due to equipment damage, power outages, computer viruses and a range of other hardware, software and network problems) in these systems, or with the internet in general, could make our service unavailable or degraded or otherwise hinder our ability to deliver streaming content. Service interruptions, errors in our software or the unavailability of systems used in our operations could diminish the overall attractiveness of our service to existing and potential subscribers. Our systems and those of third parties we use in our operations can be vulnerable to cybersecurity risks, including cyber-attacks, both from state-sponsored and individual activity, such as denial of service attacks, physical or electronic break-ins and similar disruptions. These systems periodically experience directed attacks intended to lead to interruptions and delays in our service and operations as well as loss, misuse or theft of data or intellectual property. Any attempt by hackers to obtain our data, disrupt our service, or otherwise access our systems, or those of third parties we use, if successful, could harm our business, be expensive to remedy and damage our reputation.

We have devoted and will continue to devote significant resources to the security of our systems and platforms using state-of-the-art technology; however, we cannot guarantee that we will not experience such malfunctions, attacks or interruptions in the future. Any malfunction or attack or interruption to our systems could adversely affect our operations.

Poor quality of network and information technology including redundancies and disaster recoveries can adversely affect our business, prospects and results of operations.

Our operations and assets are spread across wide geographies. The telecom networks are subject to risks of technical failures, partner failures, human errors, or willful acts or natural disasters. Equipment delays and failures, spare shortages, energy or fuel shortages, software errors, fiber cuts, lack of redundancy paths, weak disaster recovery fallback, and partner staff absenteeism, among others are few examples of how network failures happen.

Our IT/Engineering systems are critical to run the customer facing and market-facing operations, besides running internal systems. In many geographies or telecom circles, the quality of IT connectivity or access through internet can occasionally be erratic, which affects the delivery of services, such as, recharges, customer query, distributor servicing, customer activation, and billing. Natural calamities such as tropical cyclones "*Titli*" in Odisha and Andhra Pradesh, heavy floods in Kerala and north eastern states in 2018, and in Maharashtra and Karnataka in 2019, have, in the past, disrupted telecommunications network and have resulted in network downtime. Further, such calamities have also led to increased costs and expenses being incurred on the repair and rework of the IT systems.

The systems landscape is ever changing due to newer versions, upgrades and 'patches' for innovations, price changes, among others. We make considerable efforts to ensure we mitigate any such risks by continuously upgrading our technology and using AI led operations to maximize auto-resolution of issues in a very timely manner where possible. Airtel runs AI-led human-less Engineering NOC to monitor and manage our systems and data centers.

We have a technologically advanced Network Operations Centre for both India as well as Africa to monitor real time network activity and to take proactive and immediate action to ensure maximum uptime of network. Network planning is increasingly being done in-house, to ensure that intellectual control on architecture is retained with us. However, if we are not able to cope with the network failures effectively, it may materially adversely impact our business, prospects, financial condition, cash flows and results of operations.

We may be subject to additional regulations regarding net neutrality, which could adversely affect our business, prospects, financial condition, cash flows and results of operations.

In September 2018, DoT amended the terms of Unified License (UL), UL (VNO) agreement, "Cellular Mobile Telephone Service" license agreement and UAS license agreement to include the regulatory framework on 'Net Neutrality'. Pursuant to these amendments, the telecom licensees are not permitted to engage in discriminatory treatment of content, including any discrimination based on the sender or receiver or the user equipment. The licensees have been expressly prohibited from entering into any arrangement or agreement with any person that has the effect of discriminatory treatment of content. However, these provisions do not apply on specialized services provided by a licensee and required that specialized services are not usable or offered as a replacement for internet access services and provision of specialized services is not detrimental to availability and overall quality of internet access service. Restrictions contemplated under regime of net neutrality may be adverse to the telecommunication operators' interests, and it may impair our ability to offer innovative services and products and could adversely affect our business and operations.

Airtel Payments Bank Limited ("APBL"), requires certain approvals, licenses and registrations and is required to comply with certain statutory regulations and guidelines issued by RBI to conduct the business of Payments Bank.

APBL obtained a payment banking license from RBI on April 11, 2016 and commenced its operation on November 23, 2016. APBL currently provides savings accounts, semi-closed prepaid payment instruments and remittance services to its customers. As per applicable RBI guidelines, APBL cannot directly undertake lending activities but can offer savings and current accounts, issue prepaid wallets, offer remittance products and distribute non-risk sharing financial products such as insurance and mutual funds. If APBL fails to meet such conditions, or to comply with the terms of the license or conducts its business activities in a manner contrary to or in violation of the prevailing statutory regulations and guidelines by RBI, its license could be revoked along with the imposition of financial penalties, which would materially and adversely affect our business, results of operations, financial condition and prospects. We have in the past been subject to restrictions and penalties imposed by the UIDAI and RBI alleging that we had opened bank accounts for customers without their specific consent. The RBI issued a show-cause notice in January 2018 alleging certain non-compliances by APBL, including opening of bank accounts without specific consent of customers and inadequate KYC documentation in respect of various accounts opened by it. The RBI, by an order dated March 7, 2018, imposed an aggregate monetary penalty of ₹ 50 million on APBL, holding that APBL had contravened the Operating Guidelines for Payment Banks dated October 6, 2016 and directions contained in the Master Direction DBR.AML.BC.No.81/14.01.001/2015-16 dated February 25, 2016, and subsequently updated on July 8, 2016 and December 8, 2016, issued by RBI, and had prohibited APBL from opening accounts. Further, in December 2017, the UIDAI passed an interim order deactivating the e-KYC license key issued to APBL and us, alleging certain violations of applicable law and the Authentication User Agencies Agreement ("AUA Agreement"), including using the Aadhaar information submitted by multiple customers for obtaining mobile connection to open an Airtel Payments Bank account without specific consent of the customers. Further, the UIDAI, while observing that the AUA Agreement imposes a penalty of ₹ 0.10 million per day for such violation, directed each of APBL and us to deposit ₹ 12.70 million towards such penalty. While these restrictions were removed and the e-KYC license key activated, APBL and us are under a duty to ensure continuous compliance with the applicable provisions of law and the AUA Agreement, failing which, we face the risk of suspension of our e-KYC license key or our banking license and/or imposition of further penalties, all of which could have a material adverse effect on our payments bank business. If the license of APBL is revoked or if APBL fails to comply with any of the regulations and guidelines applicable, it may not be able to continue to offer payments bank services, which would adversely affect our business, results of operations, financial condition and prospects.

We may not be able to adequately protect our intellectual property, which could harm the value of our brand and services and adversely affect our business, financial condition, results of operations, cash flows and prospects.

Our business is dependent upon successfully protecting our intellectual property – including but not limited to our trademarks, copyright and patents. As part of our efforts towards ensuring their protection, we have successfully applied for and registered several trademarks including the word mark AIRTEL and its variations and formatives including its various logo marks such as airtel. We have over 200 registered trademarks including word marks, logos and device marks in various classes in India in addition to several trademark applications pending registration. We do not have any control over the registration of a trademark and a pending mark may not be granted registration for various reasons including being descriptive, non-distinctive or similar to a prior trademark. Furthermore, a trademark may also be opposed by third parties that claim to have similar marks. Such actions are not within our control and can severely impact business and may result in requirement to undertake rebranding exercises, all of which result in additional costs for us and could also impact our reputation. A party could also proceed against a registered trademark and request for its cancellation on various grounds which include bad faith use and non-use for a period of five years from grant of registration.

Generating and maintaining recognition for our brand is critical to our business. The success of our business depends on our ability to use our trademarks in order to compete effectively in our existing markets and increase penetration and awareness for our brand and further promote our business in newer markets. If we are unable to maintain or enhance subscriber awareness of our brand and generate demand in a cost-effective manner, it would adversely affect our ability to compete in the telecommunications industry and would have an adverse effect on our business and results of operations.

We routinely monitor third party trademarks, including domain names, by watching trademarks journals for advertised marks and keep a check on the use of our trademarks on the internet (including on application stores). However, it is possible that we are not aware of misuse of our trade marks as a domain or application name due to the sheer volume of domain names and applications. This could potentially cause loss of our reputation, which could impact our business and may even affect our goodwill.

While we have sought to register most of the trademarks that we use or have used in the past, even if these trademarks are not registered, those that have garnered a reputation over the years and are associated with us are protected under common law allowing us to prevent a third party from using a deceptively similar trademark. This, however, is subject to us taking action against such a third party trademark and proving that our trademark while unregistered is associated exclusively with us. The use of a deceptively similar third-party mark will result in a loss/injury to us. Such an action can also become a lengthy and costly exercise for us and may not always be in favor of our Company. While for registered trademarks, we have greater protection because of the statutory protection afforded against similar marks being used /registered for similar goods and services, we may not be able to adequately protect unregistered marks that are not as well recognized.

Our logos are protected under copyright laws as artistic works from the date of publication of the logos. A similar right is also granted to our literary works, including software programs, under copyright laws from the date of their publication. However, copyright may not provide adequate protection to artistic or literary works and we may not be able to protect our copyright works or prevent their infringement solely on the basis of copyright. Additionally, we may be required to litigate to protect these works, which may increase our costs and operational expenditure. These events could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

We have also filed several patent applications, however, none of these patents have been granted registration yet and their registration is beyond our control. There is a possibility that registration of such patents might not be granted which could have a material adverse effect on our business, prospect and results of operations. In the event that a prior patent exists we may also be subject to patent infringement claims which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations. We could also potentially face similar claims for design infringement in the event that we are using an industrial design that has already been registered by a third party.

While we have taken and will continue to take protective actions with respect to our intellectual property, these actions may not be sufficient to prevent, and we may not be aware of all incidents of, unauthorized usage or imitation by others. Moreover, other parties may challenge the validity, scope and protection of our intellectual property. Any such unauthorized usage or imitation of our intellectual property, including the costs related to enforcing our rights, could adversely affect our business and results of operations. Our intellectual property rights are fundamental to our brand and we believe that the strength of our brand gives us a competitive advantage. We use our intellectual property rights to protect the goodwill of our brand, promote our brand name, enhance our competitiveness and otherwise support our business goals and objectives. We cannot assure you that the steps we take to obtain, maintain and protect our intellectual property rights will be adequate, which could in turn materially and adversely affect our business and prospects.

Additionally, we may not be aware of all intellectual property rights that our services or the products may potentially infringe or pass off under common law. Certain services, products, technology and other intellectual property is provided to us by our third-party suppliers which may also utilize intellectual property belonging to other third-parties. We cannot assure you that our suppliers will not infringe the intellectual property of third-parties by supplying us with their services, products, technology etc., or that our use of such intellectual property including services, products or technology from these suppliers will not cause us to infringe the intellectual property rights of third-parties or otherwise give rise to any unforeseen liabilities or new claims towards these third parties or the suppliers. Therefore, there can be no assurance that our services or the products will not infringe a third party's intellectual property or otherwise give rise to any liability or claim vis-à-vis the supplier or any other third party. While we may contest any claims brought forth against us, there can be no assurance that a court will conclude the matter in our favor. Further, there can be no assurance that our Company or our suppliers would be able to amicably settle the matter, obtain licenses from third-party owners of such intellectual property rights on commercially favorable terms or at all, and if we were unable to obtain such licenses, that our suppliers or us would be able to redesign our services or the products used to transmit or receive our services to avoid infringement. Any imposed penalties relating to third-party intellectual property rights could have a material and adverse effect on our business, financial condition, results of operations and prospects.

The Bharti Group and the STI Group will continue to have certain privileges, including the right to approve certain corporate actions.

By virtue of our Articles of Association, certain rights and privileges have been granted to Bharti Group (which includes those entities of Bharti Group which hold shares in our Company) and STI Group (which comprises Singapore Telecom International Pte. Ltd., Pastel Limited ("**Pastel**"), Singapore Telecommunications Limited ("**SingTel**") and any and all of SingTel's direct or indirect Subsidiaries), including the right to be considered a preferred partner in India, right of BTL and Pastel to appoint the nominee directors on our Board, presence of nominee of Pastel to constitute quorum for our Board meetings in which certain reserved matters are proposed to be approved, and the approval of Pastel for such reserved matters, which includes, among other things, any changes to our Articles of Association or Memorandum of Association, approval of any merger or amalgamation of our Company or Subsidiaries, the creation, allotment, variation, reorganization or issue of our share capital other than by way of public issue or rights issue, and/or grant of loan to us or our Subsidiaries above a specific threshold, among others. There could be a possibility of a time lag in obtaining the requisite consents for such reserved matters thereby, at times, adversely impacting our ability to monetize a business opportunity in the event the requisite approvals are obtained with a delay or are not obtained. Also, the STI Group has a right of first refusal with respect to an opportunity, business or venture in which such entities of Bharti Group, which hold any equity interest in our Company, proposes to procure or seek an investment from a telecom operator. Also, members of the Bharti Group and the STI Group have certain non-compete restrictions in connection with our domestic long-distance telecommunications operations, corporate data network service business, and mobile business.

While we have enjoyed a very productive partnership with the STI Group since their acquisition of certain equity interest in the year 2000, events in future cannot be predicted with any degree of certainty. In the event of a conflict of interest, in future, between Bharti Group and STI Group, there could be an adverse effect on our ability to execute our business strategy or operate our business and may have a material adverse effect on our operations.

Although we reported net income for fiscal years ended March 31, 2017, 2018 and 2019, we have incurred a net loss for the six months ended September 30, 2019.

We recorded a net loss of ₹ 252,223 million (U.S$3,568 million) for the six months ended September 30, 2019. The loss resulted primarily from exceptional losses due to incremental provision for license fee and SUC of ₹ 110,257 million (net of tax of ₹ 57,893 million) and ₹ 76,538 million (net of tax of ₹ 39,812 million) respectively as an estimate based on the AGR Judgment. We will require significant additional financing to discharge our obligations under the AGR Judgment. However, there can be no assurance of the success of our management's plans to access additional sources of finance to the extent required and to raise these amounts in a timely manner. Further, we may continue to incur operating and net losses and negative cash flow from operations. If we are unable to avoid these types of exceptional costs in the future, there could be an adverse effect on our business, prospects, results of operations and cash flows.

Our contingent liabilities could adversely affect our financial condition if they materialize.

We have disclosed certain contingent liabilities as per Ind AS 37 in our Financial Statements. The total amount of contingent liabilities as of September 30, 2019 is ₹ 166,315 million. There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal or in the future and that our existing contingent liabilities will not have material adverse effect on our business, financial condition and results of operations. For further details in relation to our contingent liabilities, please see Note 9 to our Interim Condensed Financial Statements included elsewhere in this Placement Document.

Environmental and health regulation imposes additional costs and may affect the results of our operations.

Our tower infrastructure and telecom business are subject to various national, state-level and municipal environmental laws and regulations in India concerning issues such as damage caused by air emissions, noise emissions and electromagnetic radiation. These laws can impose liability for non-compliance with applicable regulations and are becoming more stringent with enforcing service quality standards and levying related penalties and may in the future create substantial environmental compliance or remediation liabilities and costs. While we intend to comply with applicable environmental legislation and regulatory requirements and believe that we are materially in compliance with these as of today, it is possible that such compliance may become costly. In addition to potential clean-up liability, we may become subject to monetary fines and penalties for violation of applicable environmental laws, regulations or administrative orders. This may also result in closure or temporary suspension or adverse restrictions on our operations. We may also, in the future, become involved in proceedings with various regulatory authorities that may require us to pay fines, comply with standards that are more rigorous or other requirements or incur capital and operating expenses for environmental compliance. In addition, third-parties may sue us for damages and costs resulting from environmental contamination emanating from our properties.

The discharge of materials that are chemical in nature or of other hazardous substances or other pollutants into the air, soil or water may nevertheless cause us to be liable to the national governments or the state governments where our towers are located, including India, Sri Lanka and throughout our operations in Africa.

Our group, including the Airtel Africa Group, is subject to health, safety and environmental laws and regulations and industry standards related to the operations in each of our operating countries. The requirements of these laws and regulations are complex, change frequently and could become more stringent in the future, including new laws and regulations that may increase the cost of operating the real estate sites underlying the Airtel Africa Group towers above currently expected levels and require substantial future capital and other expenditures. The effect of any future laws and regulations or industry standards or any changes to existing laws and regulations or industry standards, or their current interpretation, could have a material adverse effect on the business, results of operation, financial condition and prospects of the Airtel Africa Group.

We have entered into, and may continue to enter into, certain related-party transactions.

We have entered into certain related party transactions, which have been disclosed in our Financial Statements, included in this Placement Document in accordance with Ind-AS 24 (related party transactions). See "*Related Party Transactions*" on page 98. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties.

Our ability to operate our business effectively could be impaired if we fail to attract and retain key personnel.

Our ability to operate our business and implement our strategy depends, in part, on the continued contributions of our executive officers and other key employees. The loss of any of our key senior executives could have an adverse effect on our business unless and until a replacement is found. A limited number of persons exist with the requisite experience and skills to serve in our senior management positions. We may not be able to locate or employ qualified executives on acceptable terms. In addition, we believe that our future success will depend on our continued ability to attract and retain highly skilled personnel with experience in the key business areas in which we operate. Competition for such persons is intense and we may not be able to successfully recruit, train or retain qualified managerial personnel.

There can be no assurance that we will attract and retain skilled and experienced employees and, should we fail to do so, or lose any of our key personnel, our business and growth prospects may be harmed and our cash flows, results of operations and financial condition could be adversely affected.

Similarly, the success of the Airtel Africa Group relies on its central and local management team and other highly skilled personnel. The ability of the Airtel Africa Group to maintain its competitive position and to implement its business strategy relies on the continued services of its executive officers and other members of senior management, both at the Airtel Africa Plc level and at its key operating subsidiaries. The inability of the Airtel Africa Group to successfully integrate, recruit, train, retain and motivate key skilled employees could have a material adverse effect on our business, results of operations, financial condition and prospects. The Airtel Africa Group depends on good relations with its employees, and any significant labor. Our Company's and/or our Subsidiaries' disputes or work stoppages may materially adversely affect our business, results of operations, financial condition and prospects.

Our business relies on sophisticated billing, credit control systems, and any problems with these systems could interrupt our operations.

Sophisticated billing and credit control systems are critical to our ability to increase revenue streams, avoid revenue losses, monitor costs, potential credit problems, and bill customers properly and in a timely manner. New technologies and applications are expected to create increasing demands on billing and credit control systems. Any damage or interruptions in operation or failure of servers, which are used for our billing and credit control systems, could result in an interruption in our operations, and this in turn could materially and adversely affect our business, prospects, financial condition, cash flows and results of operations.

We are dependent on several complex software packages that record minutes used, calculate the appropriate charge and then deduct the amount due from the account of the pre-paid subscriber or record the amount payable by the relevant post-paid subscriber. Any failure to properly capture the services provided or to charge the appropriate amount could have an adverse effect on our revenue. While no system or process can ensure total capture and some loss of income is common, if such leakages with respect to revenue determination increase, or are higher than those of our competitors, then our business and results of operations could be adversely affected.

Similarly, we are also dependent on several sophisticated processes for our customer verification and activation services. Our customer verification and activation function ensures that all necessary documents are procured from pre-paid customers at the time of subscription in compliance with regulatory requirements in relation to verification of the identity of our customers. The DoT issues guidelines for the verification of customers, customer activation processes, disconnection and other related matters. There are outstanding proceedings initiated against us for undertaking inadequate KYC, which may be adjudicated against us, resulting in our Company incurring penalties.

In the event regulatory agencies direct us to release certain customer data and records in accordance with applicable law and upon analyzing such information, it is alleged that we did not maintain acceptable internal processes for customer verification and activation, we may be subject to penalties and fines by DoT or TRAI. Further, weak internal processes could adversely affect our market position, especially if competitors have faster and better-coordinated systems for mobility subscriber activation.

A failure of our internal controls over financial reporting may have an adverse effect on our business, results of operations, cash flows and financial condition.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting for external purposes, including with respect to record keeping and transaction authorization. In recent years, we have focused on improving the internal controls of the businesses. Because of our inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. Any failure to maintain an effective system of internal control over financial reporting could limit our ability to report our financial results accurately and in a timely manner, or to detect and prevent fraud, which could have a material adverse effect on our business, results of operations, cash flows and financial condition.

Our business depends on the delivery of an adequate and uninterrupted supply of electrical power and fuel at a reasonable cost.

Our tower sites require an adequate and cost-effective supply of electrical power to function effectively. We principally depend on power supplied by regional and local electricity transmission grids operated by the various state electricity providers in which our sites are located. In order to ensure that the power supply to our sites is constant and uninterrupted, we also rely on batteries and diesel generators, the latter of which requires diesel fuel.

Our operating costs will increase if the price at which we purchase electrical power from the state electricity providers or fuel increases. While we believe that our current supply of electricity from third parties is sufficient to meet our existing requirements, there is no assurance that we will have an adequate or cost effective supply of electrical power at our sites or fuel for the generation of captive power, lack of which could disrupt our Company's and our customers' businesses, adversely affecting our business, cash flows and results of operations. Further, any increase in the cost of electrical power, to the extent that we are not able to pass this through to our customers, would also adversely affect our profitability and cash flows.

Our ability to exercise control over our Subsidiaries, Associates and Joint Ventures is, in some cases, dependent upon the consent and cooperation of other participants who are not under our control.

We currently operate mobile telecommunications services in countries, including India, through Subsidiaries, Associates and Joint Ventures. Our level of ownership of each of our Subsidiaries, Associates and Joint Ventures varies from market to market, and we do not always have a majority interest. Although the terms of our investments vary, our business, prospects, financial condition, cash flows and results of operations may be materially and adversely affected if disagreements develop with our partners.

Since Airtel Africa Plc is now a publicly listed company, we may be limited in our access to information derived from the Airtel Africa Group, especially information that is otherwise not publicly disclosed.

Airtel Africa Plc was admitted to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the main market for listed securities of the London Stock Exchange and the Nigeria Stock Exchange on the Official Trading List of the Nigerian Stock Exchange in July 2019 and accordingly is now a publicly listed company. Though still a Subsidiary of our Company, Airtel Africa Plc now operates independently, with its own board of directors and management who are accountable to all of the shareholders of Airtel Africa Plc and not just our Company. As a publicly listed company, Airtel Africa Plc has an obligation to ensure equal access to information to all of its shareholders, and is prohibited from selectively disclosing information to certain shareholders. Accordingly, commercially valuable information that we were previously privy to may no longer be available to us, which could have a negative impact on our ability to operate effectively and make strategic decisions for the Group as a whole, especially in the regions in which the Airtel Africa Group operates, which could have a material and adverse effect on our business, prospects, financial condition, results of operations and cash flows.

We are dependent on our subsidiaries, associates and joint ventures to distribute cash upstream, in the form of dividends, and in some cases, the ability of our subsidiaries to distribute cash upstream may be subject to various conditions and limitations.

To receive investment income, we are dependent on the distribution of funds from our subsidiaries, associates and joint ventures. This distribution is typically in the form of a dividend payment, the declaration of which is beyond our control or influence, such as claims or other actions by a third party, including creditors, or by the law of the subsidiaries', associates' or joint ventures' jurisdiction of incorporation which regulate the payment of dividends. For example, as a public limited company incorporated under English law, Airtel Africa Plc can pay dividends only to the extent that it has sufficient distributable reserves available or, in certain cases, the creation of distributable reserves by other means. Accordingly, if Airtel Africa Plc neither has, nor has the ability to create, distributable reserves, then it will be restricted from paying dividends to us. Consequently, the lack of distribution of funds from subsidiaries, associates and joint ventures could have a material and adverse effect on our business, prospects, financial condition and cash flows.

If we fail to effectively manage our relationship with our Subsidiaries, Associates and Joint Ventures, and if in the future we were to sell all or a majority of our stake in any of our Subsidiaries, Associates and Joint Ventures which provide services material to our customers, we may be materially affected if we are unable to retain access to the services provided or substitute a suitable alternative supplier for the services.

Our Subsidiaries, Associates and Joint Ventures provide services that are material to our customers, such as broadband and passive infrastructure services. If we fail to effectively manage our relationships with our subsidiaries, associates and joint ventures either now or in the future if we were to sell all or a majority of our stake, the subsidiary, associate or joint venture may unilaterally terminate its service supply to us, or change the terms of the services in an unfavorable manner resulting in a higher cost or lower quality service provided to us, and ultimately, our customers. For example, we currently have master service agreements with each of Bharti Infratel and Indus Towers for the provision of passive infrastructure services. These agreements are typically for a minimum period of five years and can be voluntarily terminated prior to expiration of its term for a pre-determined mutually agreed exit fee. If the master service agreement is terminated, all service orders / agreements made under it will also be pre-terminated. See "*Business—Network Partners and Joint Ventures—Network Partners—Passive Infrastructure Partners*" for further information. Once the Indus Merger has been completed, Bharti Infratel would cease being our Subsidiary, and instead, would become a joint venture. Furthermore, subsequent to the completion of the Indus Merger, we are planning to divest our entire investment in Indus Towers. In either situation, if we failed to effectively manage our relationship with either Bharti Infratel or (pre-merger) Indus Towers, and if we are unable to find a suitable alternative supplier for the services in a timely manner on commercially acceptable terms, or at all, then our costs, revenues, reputation and relationship with our customers may be negatively impacted, which may have a material and adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Our Company has not independently verified the information pertaining to Joint Ventures and Associate Companies.

Our Company has 15 Joint Ventures and Associate Companies. Such entities operate independently, and we are not involved in the day-to-day management of operations of our Joint Ventures and Associate Companies. The information pertaining to Joint Ventures and Associate Companies, which is included in this Placement Document has not independently verified by our Company and is based on certificates, confirmations, and representations received from such entities or from certificates received from an independent chartered accountant.

Our performance metrics may not be comparable to the performance metrics of other mobile telecommunication companies.

The methodology for calculating key performance and operating metrics, such as adjusted gross revenue, revenue and the number of customers, is not standardized across the mobile telecommunications industry and thus varies substantially between industry players, particularly in Africa. Additionally, there is a lack of published statistical data on the performance of telecommunication companies in the countries where we operate. As a result, operating metrics reported by us may not be comparable to similar operating metrics disclosed by other companies, and consequently, an investor is limited in his or her ability to adequately compare companies when making an investment decisions. This may result in a negative impact on investment decisions in circumstances where operating metrics are calculated in a more favorable manner for competitor companies, which could have a material and adverse effect on our business, prospects, financial condition and cash flows.

Industry and market data used in this Placement Document has been obtained or derived from publicly available information as well as various industry publications and sources. There can be no assurance that such data is either complete or accurate.

We have obtained and derived certain industry and market data used in this Placement Document, from certain publicly available sources as well as various industry publications and sources. These sources and reports are subject to various limitations and based upon certain assumptions that are subjective in nature. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the industry information, the industry information has not been prepared or independently verified by us, or the Managers or any of our or their respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Placement Document.

Risks Relating to India

A significant part of our business is located in India and as a result, the political and economic conditions in India could adversely affect our business.

As at March 31, 2018 and 2019, 77.16% and 77.65%, respectively, of our property, plant and equipment and intangible assets were located in India and 78.15% and 73.38%, respectively, of our total revenue was derived from our operations in India. As at September 30, 2018 and 2019, 77.43% and 77.81%, respectively, of our property, plant and equipment and intangible assets were located in India and 71.31% and 72.63%, respectively, of our total revenue was derived from our operations in India. Consequently, our performance is significantly influenced by the political and economic situation and governmental policies in India.

A significant change in the GoI's economic liberalization and deregulation policies could adversely affect general business and economic conditions in India and our business.

Since 1991, the GoI has pursued policies of economic liberalization, including significant relaxations of restrictions on the private sector. Nevertheless, the GoI continues to exercise a dominant influence on telecommunications companies, including our Company, and on market conditions and prices of Indian securities.

India has a mixed economy with a large public sector and an extensively regulated private sector. The role of the GoI and the state governments in the Indian economy and the effect on producers, consumers, service providers and regulators have remained significant over the years. The GoI has in the past, among other things, imposed controls on the prices of a broad range of goods and services, restricted the ability of businesses to expand existing capacity and reduce the number of their employees, and determined the allocation to businesses of raw materials and foreign exchange.

While the GoI has announced several economic reforms initiatives during its term in office, there is no guarantee that the GoI will be able to enact an optimal set of reforms or that any such reforms would continue or succeed if there were a change in the current majority leadership in the GoI in the future. There is also no guarantee that the GoI will announce an optimal set of reforms or policies in the future. The rate of economic liberalization is subject to change and specific laws and policies affecting banking and finance companies, foreign investment, currency exchange and other matters affecting investment in our securities are continuously evolving as well. Other major reforms that have been implemented include the goods and services tax and the general anti-avoidance rules. Any significant change in the GoI's economic liberalization and deregulation policies could adversely affect business and economic conditions in India and could also adversely affect our business, our future financial performance and the trading price of the Equity Shares.

A prolonged slowdown in economic growth in India or in other countries could cause our business to suffer.

The growth rate of India's GVA at basic prices according to the RBI, was 7.88 per cent, 6.9 per cent and 6.63 per cent. in the years ended March 31, 2017, 2018 and 2019, respectively. Notwithstanding the RBI's policy initiatives, the course of market interest rates continues to be uncertain due to factors such as inflation, fiscal deficit and the GoI borrowing program. Any increase in inflation in the future, because of increases in prices of commodities such as crude oil or otherwise, may result in a tightening of monetary policy. The uncertainty regarding liquidity and interest rates and any increase in interest rates or reduction in liquidity could materially and adversely impact the Group's business.

In addition, the Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly those of emerging market countries in Asia. Investors' reactions to developments in one country may have adverse effects on the economies of other countries, including the Indian economy. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability could influence the Indian economy and could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Asia, U.S., Russia and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the trading price of the Equity Shares.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. In particular, sub-prime mortgage loans in the United States have experienced increased rates of delinquency, foreclosure and loss. Since September 2008, liquidity and credit concerns and volatility in the global credit and financial markets increased significantly with the bankruptcy or acquisition of, and government assistance extended to, several major U.S. financial institutions.

Developments in the Eurozone have exacerbated the ongoing global economic crisis. Large budget deficits and rising public debts in Europe have triggered sovereign debt finance crises that resulted in the bailouts of European economies and elevated the risk of government debt defaults, forcing governments to undertake aggressive budget cuts and austerity measures, in turn underscoring the risk of global economic and financial market volatility. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and/or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union. On June 23, 2016, the United Kingdom held a referendum on its membership in the European Union and voted to leave ("**Brexit**"). There is significant uncertainty at this stage as to the impact of Brexit on general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments.

Trade tensions between the U.S. and major trading partners, most notably China, continue to escalate following the introduction of a series of tariff measures in both countries. Although China is the primary target of U.S. trade measures, value chain linkages mean that other emerging markets, primarily in Asia, may also be impacted. China's policy response to these trade measures also presents a degree of uncertainty. There is some evidence of China's monetary policy easing and the potential for greater fiscal spending, which could worsen existing imbalances in its economy. This could undermine efforts to address already high debt levels and increase medium-term risks.

These and other related factors such as concerns over recession, inflation or deflation, energy costs, geopolitical issues, slowdown in economic growth in China and Renminbi devaluation, commodity prices and the availability and cost of credit have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the United States, Europe and the global credit and financial markets. A lack of clarity over the process for managing the exit and uncertainties surrounding the economic impact could lead to a further slowdown and instability in financial markets. This and any prolonged financial crisis may have an adverse impact on the Indian economy, and in turn on our business, financial condition and results of operations.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any worldwide financial instability could influence the Indian economy. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any increase in interest rates by the United States Federal Reserve will lead to an increase in the borrowing costs in the United States which may in turn impact global borrowing as well. Furthermore, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressure for the introduction of a protectionist regime is building and such developments could adversely affect Indian exports. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current adverse conditions in the global credit markets continue or if there is any significant financial disruption, this could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

Terrorist attacks, civil disturbances and regional conflicts in India and South Asia may have a material adverse effect on our business.

India has, from time to time, experienced social and civil unrest within the country and hostilities with neighboring countries. There have been continuing tensions between India and Pakistan over the states of Jammu and Kashmir. From May to July 1999, there were armed conflicts over parts of Kashmir involving the Indian army, resulting in a heightened state of hostilities, with significant loss of life and troop conflicts. Isolated troop conflicts and terrorist attacks continue to take place in such regions. The potential for hostilities between India and Pakistan could be particularly threatening because both India and Pakistan are nuclear power states. These hostilities and tensions could lead to political or economic instability in India and a possible adverse effect on our business and future financial performance. There can be no assurance that such situations will not recur or be more intense than in the past.

Terrorist attacks and other acts of violence or war may adversely affect global markets and economic growth. These acts may also result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business, prospects, financial condition, cash flows and results of operations. In addition, any deterioration in international relations may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. India has witnessed localized terrorist attacks recently, including the terrorist attacks in Mumbai in 2008 and 2011, in New Delhi in 2011, in Pathankot and Uri in 2016 and Pulwama in 2019. Such incidents could also create an increased perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business.

Natural calamities, climate change and health epidemics could adversely affect the Indian economy.

India has experienced natural calamities, such as earthquakes, floods and drought in recent years, including the tsunami that struck the coasts of India and other Asian countries in December 2004, the severe flooding in Mumbai in July 2005 and the earthquake that struck India in April 2006. Natural calamities could have an adverse impact on the Indian economy which, in turn, could adversely affect our business, and may damage or destroy our facilities or other assets. Similarly, global or regional climate change or natural calamities in other countries where we operate could affect the economies of those countries.

Since April 2009, there have been outbreaks of swine flu, caused by H1N1 virus, in certain regions of the world, including India and several other countries in which we operate. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect our business.

Investors in the Equity Shares may not be able to enforce a judgment of a foreign court against us or our management, except by way of a suit in India on such judgment.

We are a limited liability company incorporated under the laws of India and majority of our directors and all executive officers are residents of India. It may be difficult for the investors to affect service of process upon us or such persons outside India or to enforce judgments obtained in courts outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908 (the "**Civil Code**"). Judgments or decrees from jurisdictions, which do not have reciprocal recognition with India, cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us or our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment in the same manner as any other suit filed to enforce a civil liability in India. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of such a judgment. See "*Enforceability of Civil Liabilities*" for further details.

There may be less company information available in the Indian securities market than in securities markets in other more developed countries.

There is a difference between the level of regulation, disclosure and monitoring of the Indian securities markets and the activities of investors, brokers and other participants, and that of markets and market participants in the United States and other more developed economies. SEBI is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. The SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may be, however, less publicly available information about Indian companies than is regularly made available by public companies in more developed economies.

As a result, investors may have access to less information about the business, prospects, financial condition, cash flows and results of operations of our Company and our competitors that are listed on stock exchanges in India than companies subject to reporting requirements of other more developed countries.

Any downgrading of India's credit rating by an international rating agency could have a negative impact on our business and the trading price of the Equity Shares.

As of the date of this Placement Document, India was rated Baa2 (Negative) by Moody's, BBB- (Stable) by Fitch and BBB- (Stable) by S&P. S&P stated that its rating reflects the view that India's improved political setting offers an environment which is conducive to reforms that could boost growth prospects and improve fiscal management. Going forward, the sovereign ratings outlook will remain dependent on whether the GoI is able to transition the economy out of a low-growth and high inflation environment, as well as exercise adequate fiscal restraint. However, in the event of a major economic slowdown, S&P had indicated that India may have its debt downgraded.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ratings, the rating of the Equity Shares and the terms on which we are able to finance future capital expenditure or refinance any existing indebtedness. This could have an adverse effect on our capital expenditure plans, business, cash flows and financial performance, and the trading price of the Equity Shares.

The Insolvency and Bankruptcy Code in India may adversely affect our ability to pay back creditors.

The Insolvency and Bankruptcy Code, 2016 (the "**Bankruptcy Code**") provides for reorganization and insolvency resolution of corporate persons. The Bankruptcy Code offers a uniform, comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial service providers). It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates an institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms that facilitate a formal and time-bound insolvency resolution and liquidation process. The Bankruptcy Code enables a creditor to initiate a corporate insolvency resolution process ("**CIRP**") against the debtor, including on default in payment of debt by the debtor. Further, in the event the petition for the CIRP is admitted by the National Company Law Tribunal against the debtor, the moratorium provisions under the Bankruptcy Code prohibits, among other things, the creation of encumbrances, disposing of assets of the debtor, any action to enforce the security interest of the debtor and the institution or continuation of legal proceedings against the debtor. If the Bankruptcy Code provisions are invoked against us, it may adversely affect our ability to pay back creditors and enforcement of creditor rights will be subject to the Bankruptcy Code.

The proposed new taxation system could adversely affect our business.

The operations, profitability and cash flows could be adversely affected by any unfavorable changes in central and state-level statutory and/or regulatory requirements in connection with direct and indirect taxes and duties, including income tax, goods and service tax and/or by any unfavorable interpretation taken by the relevant taxation authorities and/or courts and tribunals.

Further, the Government of India has implemented two major reforms in Indian tax laws, namely the goods and services tax ("**GST**"), and provisions relating to general anti-avoidance rules ("**GAAR**"). The GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise, collected by the central and state governments. The GST has increased administrative compliance for Indian companies, which is a consequence of increased registration and form filing requirements.

Currently, GST on telecom services is levied at the rate of 18%. If the GST rate were to increase, though we may be able to pass on the costs to our customers through higher pricing, there is no assurance that this will not have a negative effect on the public's demand for telecommunication services and potential lost revenue, which could have a material and adverse effect on our business, prospects, financial condition, results of operations and cash flows.

With regards to GAAR, the provisions have come into effect from April 1, 2017. The GAAR provisions intend to catch arrangements declared as "impermissible avoidance arrangements", which is defined in the Income-tax Act, 1961 as any arrangement, the main purpose of which is to obtain a tax benefit and which satisfies at least one of the following tests: (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part;

or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. The onus to prove that the transaction is not an "impermissible avoidance agreement" is on the taxpayer. If GAAR provisions are invoked, then the Indian tax authorities have wide powers, including the ability to deny a tax benefit or deny a benefit under a tax treaty.

Significant differences exist between IND-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with IND-AS contained in this Placement Document.

The Financial Statements for the years ended March 31, 2017, 2018 and 2019 and for the six months ended September 30, 2018 and 2019 presented in this Placement Document are prepared and presented in accordance with IND-AS. The MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 on March 30, 2019, notifying the leasing standard IND-AS 116 "Leases", which replaces the prior standard (IND-AS 17). IND-AS 116 is applicable to companies in India from the fiscal year beginning on or after April 1, 2019. We have adopted IND-AS 116 from April 1, 2019, which has an impact on our reported consolidated assets, liabilities, income statement and cash flow statement. In implementing IND-AS 116, our Interim Condensed Financial Statements have been prepared under the modified retrospective approach pursuant to which comparative results are not restated. Accordingly, the Interim Condensed Financial Statements and the summary financial information in the tables below include, where applicable, a reconciliation of our results of operations for the six months ended September 30, 2019 (which were prepared in accordance with IND-AS 116) to our results of operations for the six months ended September 30, 2018 (for which IND-AS 116 was not applicable) in order to facilitate a comparison of our results of operations for the periods presented. We refer (i) to our results of operations as at and for the six months ended September 30, 2019, as adjusted to exclude the impact of IND-AS 116, as the "Frozen GAAP Interim Financial Information" or as information "presented on a Frozen GAAP basis" and have included such financial information in certain financial tables in this Placement Document under the columns titled "Frozen GAAP" and (ii) to our results of operations as at and for the six months ended September 30, 2019, as calculated in accordance with IND-AS 116, as the "IND-AS Interim Financial Information" and have included such financial information in certain financial tables in this Placement Document under the columns titled "IND-AS". See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Our Company's Financial Statements—Changes to Accounting Standards—IND-AS 116*."

IND-AS differ from accounting principles with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between IND-AS, U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with IND-AS contained in this Placement Document. Accordingly, the degree to which the financial information included in this Placement Document will provide meaningful information is dependent on the Investor's familiarity with IND-AS and the Companies Act. Any reliance by persons not familiar with IND-AS on the financial disclosures presented in this Placement Document should accordingly be limited.

Additional Risk Factors Specific to the Airtel Africa Group

The Airtel Africa Group is reliant on local management to provide accurate and timely reporting.

The business model of the Airtel Africa Group emphasizes local decision-making and responsibility through a decentralized organizational structure, in which local managing directors retain substantial autonomy regarding the management and oversight of operations in its local markets. As a result of such decentralization, the Airtel Africa Group relies on local management for financial and other reporting purposes. A failure of local management to report, a delay in reporting, or inaccurate reporting could lead the Airtel Africa Group to omit to take decisions, or to take decisions on an uninformed basis or to report inaccurate data.

Mobile money services in Africa are subject to a new and evolving regulatory environment.

In markets in which the Airtel Africa Group has launched or intends to launch Airtel Money services, the regulations governing mobile money services are new and evolving and, as it develops, regulations could become more onerous, either by imposing additional licensing, reporting, pricing or control requirements or by limiting the flexibility of the Airtel Africa Group to design or implement new products, either of which may limit its ability to provide mobile money services efficiently or at all. Any need to obtain licenses, certifications or other regulatory approvals could impose substantial costs and involve considerable delay to the provision or development of Airtel Money services in a given market, or could require significant and costly operational changes or prevent the Airtel Africa Group from providing any services in a given market, which could materially adversely affect its business, results of operations, financial condition and prospects.

Certain of the operating subsidiaries of Airtel Africa Plc are loss-making.

The operating subsidiaries of Airtel Africa Plc in Democratic Republic of Congo, Chad, Congo Brazzaville, Niger and Gabon are regulated by the Organization for the Harmonization of Business Law in Africa ("**OHADA**"), a system of corporate law and implementing institutions adopted by 17 countries in west and central Africa. OHADA promulgated the Uniform Act on Commercial Companies and Economic Interest Groups in April 1997 and adopted a revised version thereof in January 2014 (together, the "**Uniform Act**"), which regulates the behavior of commercial companies with a registered office in any country that is party to the OHADA Treaty on the Harmonization of Business Law in Africa. Among other provisions, the Uniform Act requires companies to maintain shareholders' equity levels corresponding to at least half of the registered share capital in order to limit the risk of bankruptcy. Where an entity is non-compliant with this requirement and fails to rectify any non-compliance within two years, any interested party can petition the relevant court to seek the winding up of the entity.

The primary operating subsidiaries of Airtel Africa Plc in each of these countries except Airtel Money Congo RDC S.A. in DRC, are not in compliance with this requirement. Although each of these entities has a shareholder loan in place, in each case except Airtel Gabon S.A. and Airtel Niger GSM which is in excess of the respective operating subsidiaries' negative reserves and which is convertible into equity, and although the Airtel Africa Group has developed a strategy to effect the recapitalization of each non-compliant entity, there can be no assurance that the subsidiaries' respective third-party creditors will not initiate winding up procedures, or that the shareholder loans can be converted into equity within the six-month curative period provided by the Uniform Act. In such event, the entity shall be given six months to proceed with the recapitalization.

The Airtel Africa Group operates a large distribution and channel partner network and is exposed to various risks relating to its franchisees and other third-party distributors.

The Airtel Africa Group sells the majority of its services through physical locations across its footprint. The distribution network comprises of over 24,379 exclusive Airtel stores comprising of Airtel shops, Money branches, mini-shops and kiosks, approximately 143,571 SIM card selling outlets, 26,781 freelancers and brand ambassadors, 296,629 Airtel Money agents and over 1.25 million outlets selling airtime. Thus, we significantly rely on third parties, such as distributors, SSOs and RSOs. If these third parties terminate their partnership with the Airtel Africa Group, this could negatively impact distribution potential and consequently, revenues of the Airtel Africa Group. Furthermore, if franchisees or third parties fail to perform according to the operational standards of the Airtel Africa Group, the Airtel Africa Group could be exposed to the risk of fraud and money laundering, imposition of fines or other penalties, which could result in potential reputational damage. The potential loss in revenues, fines, penalties and reputational damage could have a material and adverse effect on our business, prospect, financial condition, results of operation and prospects.

Certain of the operating subsidiaries of Airtel Africa Plc are, or may in the future be, subject to local listing or ownership requirements, which may be difficult or costly to comply with in a timely manner, or at all, and which could make it harder for the Airtel Africa Group to achieve its strategic objectives or which could otherwise have an adverse effect on the Airtel Africa Group.

In certain jurisdictions, the Airtel Africa Group may choose or be required due to legal requirements to undertake a listing of all or some of the shares of the operating subsidiaries of Airtel Africa Plc on a local stock exchange or be required to comply with local ownership requirements. Airtel Malawi Limited ("**Airtel Malawi**"), the primary operating subsidiary of Airtel Africa Plc in Malawi, must comply with a similar requirement of at least 20% Malawian citizenship ownership (the "**Malawian Citizenship Ownership Requirement**") under the Communications Act of 2016 and the Communications (Telecommunications and Broadcasting Licensing) Regulations of 2016, which required compliance with the Malawian Citizenship Ownership Requirement by November 25, 2018. Airtel Africa Plc is taking all actions to list 20% of its ordinary shares on the Malawi Stock Exchange (MSE). On December 16, 2019, the MSE granted its approval for the prospectus and listing of 20% of Airtel Malawi PLC ordinary shares on the MSE subject to the MSE listing requirements and the approval of the Registrar of Financial Institutions. On December 20, 2019 the Registrar of Financial Institutions gave its go ahead to the listing. The IPO opened on December 27, 2019 and is expected to close on January 31, 2020. The shares of Airtel Malawi PLC will be officially listed on February 24, 2020.

If the Airtel Africa Group fails to comply in a timely manner with any of these requirements or in other jurisdictions into which a similar requirement is introduced, it could be subject to fines, penalties (including criminal penalties), litigation and other enforcement actions, including, in extreme cases, withdrawal of the applicable network facilities license, which could have a material adverse effect on the business, results of operations, financial condition and prospects of the Airtel Africa Group.

The Airtel Africa Group is dependent on interconnection with its competitors' networks and associated infrastructure as well as roaming arrangements with other international telecommunications operators.

Interconnection agreements allow the Airtel Africa Group to connect local, long distance and international calls that originate on its networks but terminate on other operators' networks, or vice versa. In the future, the Airtel Africa Group may not be able to maintain or renew its interconnection agreements on a timely basis or on terms that are commercially acceptable to it and any material increase in the interconnection expenses could have a material adverse effect on the Airtel Africa Group financial condition and the results of operations.

The Airtel Africa Group is also dependent, to a lesser extent, upon roaming agreements with other international telecommunications operators as a source of revenue when other telecommunications operators' customers roam on the networks of the Airtel Africa Group and when the customers of the Airtel Africa Group roam on other international telecommunications operators' networks. If these roaming agreements were to terminate, or if the other international telecommunications operators were to deploy technologies that are incompatible with the networks of Airtel Africa Plc, the roaming revenues and profits of the Airtel Africa Group may be materially reduced.

The operations of the Airtel Africa Group are partly dependent upon the economic cycles of the markets in which the Airtel Africa Group operates.

The Airtel Africa Group operates in countries with economies in various stages of development and structural reform, some of which are subject to rapid fluctuations in consumer prices, employment levels, gross domestic product and interest and foreign exchange rates. Such fluctuations may impact the ability of customers to pay for the products and services of the Airtel Africa Group or the amount of disposable income otherwise available to consumers in the markets in which it operates, which could have a material adverse effect on the business, results of operations and financial condition of the Airtel Africa Group.

It may be difficult for the Airtel Africa Group to obtain all licenses, permits, frequency allocations or other authorizations required to operate its existing network or to expand its operations or any other required licenses, permits or other authorizations, and once obtained they may be subject to finite terms, ongoing review or periodic renewal, any of which may result in modification, suspension or early termination.

The operation of telecom networks and the provision of related services are regulated to varying degrees by national, state, regional or local governmental and regulatory authorities in the countries where the Airtel Africa Group operates. The operating licenses or authorizations of the Airtel Africa Group specify the services it is permitted to offer. The operating licenses are subject to review, interpretation, modification or termination by the relevant authorities and the regulatory framework applicable to such licenses may be amended from time to time. There can be no assurance that the relevant authorities will not take any action that could materially adversely affect the operations of the Airtel Africa Group. In addition, the Airtel Africa Group may have difficulty obtaining the necessary licenses, permits, frequency allocations or authorizations to the extent it seeks to expand its existing operations, including by entering into new markets. There can be no assurance that the Airtel Africa Group will be successful in obtaining or funding these licenses or allocations, or, if such licenses or allocations are awarded, that they can be obtained on terms acceptable to the Airtel Africa Group.

While Airtel Africa Plc does not expect that it or any of its subsidiaries will be required to cease operations at the end of the term of their business arrangements or licenses, and while many of these licenses provide for terms on which they may be renewed, there can be no assurance that these business arrangements or licenses will in all cases be renewed on equivalent or satisfactory terms, or at all. A suspension or termination of the licenses or other necessary governmental authorizations of the Airtel Africa Group could have a material adverse effect on the reputation, business, results of operations, financial condition and prospects of the Airtel Africa Group.

Several countries and regions in which the Airtel Africa Group operates have experienced economic,

regulatory, political and civil instability that could adversely affect the economy in the markets of the Airtel Africa Group and, therefore, the business, results of operations, financial condition and prospects of the Airtel Africa Group.

Many of the countries in which the Airtel Africa Group operates can be affected by economic downturns attributable to factors such as commodity price fluctuations, reduced financial aid, capital inflows and remittances, which can have an adverse effect on consumer spending which in turn could have a material adverse effect on the business of the Airtel Africa Group.

Further, governmental instability in one or more countries in which the Airtel Africa Group operates could in turn negatively impact the country's economy which could have a material adverse effect on the business, results of operations and financial condition of the Airtel Africa Group. The Airtel Africa Group may also be exposed to a lack of certainty with respect to the legal systems in a number of countries in which it operates, and, such legal systems may not be immune from the influence of political pressure, corruption or other factors that are inconsistent with the rule of law. The occurrence of such risks could have a material adverse effect on the business, results of operations and financial condition of the Airtel Africa Group.

Actions by governments, political events or instability or changes in public policy in the countries in which the Airtel Africa Group operates could have an adverse effect on the business of the Airtel Africa Group.

Governments in some of the countries in which the Airtel Africa Group operates may at times be influenced by political or commercial considerations outside of the control of the Airtel Africa Group. For example, in December 2017, the Tanzanian government, then a 40% shareholder in Airtel Tanzania plc, the primary Tanzanian operating subsidiary of Airtel Africa Plc ("**Airtel Tanzania**"), alleged that the initial privatization of Tanzania Telecommunications Company Limited, resulting in the creation of Celtel Tanzania B.V. (now Airtel Tanzania) in 2001 and certain divestments in 2005 were completed in violation of applicable law, and that the Tanzanian government was, therefore, entitled to sole ownership of Airtel Tanzania. Further, in March 2018, the Government of Tanzania raised tax claims of approximately US$874 million against Bharti Airtel International (Netherlands) B.V. ("**BAIN**"), primarily relating to capital gains on transfers of ownership of Airtel Tanzania in 2005 and in 2010 and has assessed various taxes against Airtel Tanzania totaling approximately U.S.$47 million. In April 2018, the Government of Tanzania also issued a compliance decision alleging Airtel Tanzania failed to obtain the requisite approvals from the Tanzania Communications Regulatory Authority ("**TCRA**") in connection with transfers of ownership that took place in 2005 and 2010 and levied a fine of approximately U.S.$183 million.

The Airtel Africa Group disputed the merits of each of these claims in its entirety. In January 2019, the Government of Tanzania and the Group agreed, subject to detailed agreements in June 2019 comprising an agreement to restructure Airtel Tanzania and settle disputes, a support services agreement and a subscription and shareholders agreement in respect of Airtel Tanzania plc (collectively the "Settlement Agreements"), pursuant to which, inter alia, (i) Airtel Tanzania will be granted a one-time tax clearance certificate for all historical tax claims for the period up to 31 December 2018, such that (a) Airtel Tanzania will not become subject to any new tax assessments, claims or demands by the Government of Tanzania or any entity thereof for such period of the clearance and (b) subject to verification and consideration of the records by the TRA, the tax loss balance recorded in Airtel Tanzania's corporate tax return for the financial year ended 31 December 2017 will be allowed to be carried forward; (ii) the aforesaid tax claims and the TCRA fines will be treated as settled without any liability, it being agreed that such settlement shall not be construed as an admission of fact or law or as a concession or admission of wrongdoing, obligation or liability by any party to the Settlement Agreements, and Airtel Tanzania will not be subject to any tax arising in connection with the transactions contemplated by the Settlement Agreements; (iii) Airtel Tanzania will make a monthly payment of TZS1 billion for a period of 60 months (such payments having commenced from April 2019) for the provision of support services by the Government of Tanzania to Airtel Tanzania on a "best efforts" basis in order to support Airtel Tanzania's development; (iv) the Government of Tanzania and Airtel Tanzania will co-operate in the completion of the sale of towers owned by Airtel Tanzania, and the proceeds thereof will be distributed in a pre-defined manner towards repayment of the shareholder loans to be retained in Airtel Tanzania, with the balance to be distributed as a special one-time payment to the Government of Tanzania. On receipt of its share of the towers sale proceeds, BATBV will waive the balance of shareholder loans; (v) a waiver of Airtel Tanzania's listing obligations will be granted and, in case of listing, an agreement that BATBV's shares in Airtel Tanzania will not be subject to listing; and (vi) the Government of Tanzania's shareholding in Airtel Tanzania will increase by way of a new share issuance, to 49% at zero effective cost, while BATBV will own 51%. On June 7, 2019, Airtel

Africa Plc and the Government of Tanzania signed a comprehensive agreement on terms similar to the ones initially agreed to in January 2019.

Any similar actions in other markets in which the Airtel Africa Group operates could negatively impact the Airtel Africa Group.

Price regulations in certain of the operating countries of the Airtel Africa Group influence, and will continue in the future to influence, the margins of the Airtel Africa Group and impact return on investment.

The Airtel Africa Group is subject to price regulation with respect to retail price controls in certain countries in which it operates. In these countries, the relevant government or regulator restricts the price at which certain of the voice and data services of the Airtel Africa Group can be sold. If a government or regulator elects to introduce new or more restrictive pricing regulations in the markets in which the Airtel Africa Group operates, the business, results of operations and financial condition of the Airtel Africa Group could be materially adversely affected.

The imposition of exchange controls and limits on convertibility of funds in the countries in which the Airtel Africa Group operates may restrict the ability of the Airtel Africa Group to transfer and receive funds from within the Airtel Africa Group.

The introduction of new foreign exchange controls, new interpretations of existing foreign exchange controls or future shortages of foreign currency would subject local currency held by the operating subsidiaries of Airtel Africa Plc to variations in the exchange rate between the local currency and the relevant foreign currency and could also cause delays and impact on fungibility of cash. Further, if the Airtel Africa Group fails to adequately protect against currency exchange risk, the costs of servicing its foreign currency debt obligations and import payables may increase, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

Underdeveloped infrastructure in certain of the countries in which the Airtel Africa Group does business could have an adverse effect on the business, results of operations and financial condition of the Airtel Africa Group.

Underdeveloped infrastructure in certain of the countries in which the Airtel Africa Group does business can result in increased costs for the Airtel Africa Group as well as create situations that could negatively impact the ability of the Airtel Africa Group to conduct and grow its business, which could have an adverse effect on the business, results of operations and financial condition of the Airtel Africa Group. A lack of access to, or inadequate opportunities to expand the network capacity of the Airtel Africa Group in line with subscriber growth and increased usage per subscriber, could also negatively impact its ability to offer new services to customers or impede its ability to expand its operations into new markets.

The Airtel Africa Group faces risks relating to its property and towers portfolio, including failure by the Airtel Africa Group to renew leases, which could lead to decreased revenue, reduce its network capacity and markets or raise its costs.

The Airtel Africa Group has to obtain the rights to construct and operate its towers and base stations (including broadband stations), distribution outlets and other premises on land owned by third parties and governmental agencies. The Airtel Africa Group is, as a result, subject to the possibility of more burdensome terms and increased costs to maintain necessary land use if its leases and rights-of-way lapse or terminate or it is determined that the Airtel Africa Group does not have valid leases or rights-of-way. The loss by the Airtel Africa Group of these rights, through its inability to renew contracts or otherwise, could have a material adverse effect on its business, results of operations and financial condition and prospects.

The tax laws of the countries in which the Airtel Africa Group operates or changes thereto or to the tax profile of the Airtel Africa Group could result in a higher tax expense or a higher effective tax rate on the earnings of the Airtel Africa Group.

A change in these tax laws, regulations or treaties or in the interpretation thereof, or in the valuation of the deferred tax assets of the Airtel Africa Group, which are beyond the control of the Airtel Africa Group, could result in a materially higher tax expense or a higher effective tax rate on the earnings of the Airtel Africa Group.

Additionally, any expansion into new jurisdictions could adversely affect the tax profile of the Airtel Africa Group and significantly increase its future cash tax payments.

The operations of the Airtel Africa Group in Nigeria represent a large percentage of the operations of the Airtel Africa Group, and changes in demand for the services of the Airtel Africa Group in Nigeria or other factors could have a negative effect on the business of the Airtel Africa Group.

The operations of the Airtel Africa Group in Nigeria contribute a significant portion of the revenues of the Airtel Africa Group and profit from operating activities, and are likely to continue to account for a large portion of the business of the Airtel Africa Group in the future. There can be no assurance that the Airtel Africa Group can sustain these current levels or that demand in Nigeria for the services of the Airtel Africa Group will increase. In the event that there are adverse political, regulatory, competitive or other developments in Nigeria, revenues from these markets could decline and the business of the Airtel Africa Group may be adversely affected.

The Airtel Africa Group is subject to inflation risks, which might adversely affect its business, results of operations, financial condition and prospects.

The Airtel Africa Group operates in several countries, some of which have at times experienced relatively high and volatile rates of inflation. The volatility of the local currencies in those jurisdictions is a significant factor in reporting the costs of the Airtel Africa Group on a USD basis. High rates of inflation in some of the countries in which the Airtel Africa Group operates may also cause consumer purchasing power to decrease, which may reduce consumer demand for the services of the Airtel Africa Group, particularly in those markets with lower levels of disposable income. It is possible that significantly higher inflation in the future could have a material adverse effect on the business, results of operations, financial condition and prospects the Airtel Africa Group.

Two of our subsidiaries in Africa have not complied with applicable statutory requirements relating to the filing of financial statements.

The financial statements of our two subsidiaries, Bharti Airtel Africa B.V. and Bharti Airtel International (Netherlands) B.V., for the fiscal years 2018 and 2019, are still under audit. Audited financial statements of these subsidiaries are required to be filed within seven months from the closing of the financial year, in the respective jurisdiction. While discussions with the auditors are approaching completion and the relevant registrar of companies has not issued any warning letters, nor has any fine been imposed, there can be no assurance that our subsidiaries, Bharti Airtel Africa B.V. and Bharti Airtel International (Netherlands) B.V. will not incur any fines or legal prosecution on account of these non-compliances.

External Risk Factors

Our operations are conducted across geographies and our results of operations are subject to fluctuation in exchange rates of currencies.

We maintain our accounts and report our financial results in Indian Rupees. However, a number of our Subsidiaries, Associates and Joint Ventures operate in countries outside India, including in Sri Lanka and various countries in Africa where a substantial portion of their revenues are denominated in their respective local currencies. Our revenues from Mobile Services Africa and South Asia segment were ₹ 195,118 million and ₹ 219,464 million for fiscal 2018 and fiscal 2019, respectively, which constituted 23.61% and 27.17% of our consolidated revenue from operations, respectively, for the corresponding periods. Additionally, we make significant purchases of services and equipment in foreign currencies. Further, we have outstanding debt capital market instruments in multiple currencies – USD, Euros, CHF, INR and other borrowings in currencies such as INR, XAF, XOF, LKR, JPY, RWF, UGX, NGN, ZMK and KES, as on September 30, 2019. As such, we are exposed to risks relating to exchange rate fluctuations, particularly in USD and Euros. We use various foreign exchange forwards and derivative instruments to manage the risks arising from fluctuations in exchange rates and interest rates. The availability of any such derivative/hedging instruments are subject to regulations, market conditions in the geographies of our presence and thus may not be available at all points of time or in an efficacious manner. Further, such derivative instruments may not fully mitigate the risk of fluctuations and we may continue to not fully cover our foreign exchange and interest rate exposure. Unfavorable movements in currency exchange and interest rates may materially adversely impact our business, results of operations, cash flows and financial condition.

Airtel Africa Plc prepares its financial statements in USD but derives revenue and incurs costs in the local currencies used in the different countries in which they have operations. Further, extracting cash from certain countries in which the Airtel Africa Group operates can be challenging due to exchange controls, liquidity deficits and cash shortages in respect of international payments from time to time. Accordingly, movements in exchange rates between these currencies and the USD could have a negative effect on the results of operations and financial condition of the Airtel Africa Group to the extent there is a mismatch between its earnings in any foreign currency and its costs that are denominated in that currency.

Where possible, the Airtel Africa Group manages foreign currency risk by matching same currency revenue to same currency expenses, and by strategically denominating debt in certain functional currencies in order to match with projected functional currency revenues. Nonetheless, the Airtel Africa Group has a material amount of borrowings, operating and capital expenses in currencies other than those in which it derives revenue. Where appropriate, the Airtel Africa Group continues to enter into certain hedging and/or derivative instruments to mitigate foreign exchange risk. However, there is no guarantee that the Airtel Africa Group will be successful with this strategy as the hedging and/or derivative instruments may not be fully efficient due to the associated costs, illiquid markets and regulatory restrictions.

Our infrastructure, including our network equipment and systems may be vulnerable to natural disasters, security risks and other events that may disrupt our services and could affect our business, financial condition, cash flows and results of operations and other unforeseen damage for which our insurance may not provide full coverage.

Our business depends on providing subscribers with service reliability, network capacity, security and account management. This, however, may be subject to disruptions resulting from numerous factors, including fire, flood or other natural disasters, signal jamming, power outages, acts of terrorism and vandalism, equipment or system failures and breaches of network or information technology security. Also, our network operations have been interrupted as a result of natural calamities such as the floods in Kerala in August 2018, Maharashtra and Karnataka in August 2019, floods and landslides in the North Indian state of Uttarakhand that occurred in June 2013, and the super cyclonic storms in the eastern and southern states of India that occurred in December 2016. Similarly, the recent lock down of communications services in Kashmir, where the entire network was switched off due to security reasons as per the orders of the Government of India, led to reduction in the recharges and use of the services, which impacted our revenues during the lock down period. The Airtel Africa Group is also dependent on the uninterrupted operation of its telecommunications networks to provide its services. The network of the Airtel Africa Group, including its information systems, information technology and infrastructure, and the networks of other operators with which its customers interconnect, are vulnerable to damage or interruptions in operation from a variety of sources including power loss, equipment and technical failure, signal jamming, power outages, acts of terrorism and vandalism, breaches of network or information technology security network software flaws, aging infrastructure, human error, willful acts of destruction, transmission cable disruption or other similar events. Any interruption in the operations of our Company or the Airtel Africa Group or the provision of any service could damage its ability to attract and retain customers, cause significant customer dissatisfaction and have a material adverse effect on our brand, business, results of operations, financial condition and prospects. The operations of the Airtel Africa Group could be adversely affected by natural disasters or other catastrophic events beyond its control. The occurrence of any of these events may cause disruptions to the operations of the Airtel Africa Group in part or in whole, may increase the costs associated with providing services as a result of, among other things, costs associated with remedial work, may subject the Airtel Africa Group to liability or impact its brands and reputation and may otherwise hinder the normal operation of the business of the Airtel Africa Group, which could materially adversely affect its business, results of operations, financial condition and prospects.

While the percentage of assets covered under insurance vis-a vis the total assets (calculated as the sum of gross block value of total property, plant and equipment (excluding land, vehicles and intangible assets) and capital work in-progress on consolidated basis) of our Company, as of March 31, 2019, was approximately 96%, we may not have insurance against all the contingencies, or our insurance may not be adequate to cover all losses from these events. If any of these events were to occur, it could cause limited or severe service disruption, which could result in subscriber dissatisfaction, regulatory penalties and reduced revenues. In addition, we rely on manufacturers of telecommunications equipment for continued maintenance service and supply, and their continued cooperation is important for us to maintain our operations without disruption. Any interruption in services could harm our business and reputation and reduce the confidence of our subscribers and consequently impair our ability to obtain and retain subscribers and could lead to a violation of the terms of our various licenses, each of which could materially or adversely affect our business, financial condition, cash flows and results of operations.

The operations of the Airtel Africa Group subject it to various risks that are either not fully insured against or not insured against at all. Any future damage caused by its products or services that is not covered by insurance, is in excess of policy limits, or is not limited by contractual limitations of liability, could adversely affect the business, results of operations, financial condition and prospects of the Airtel Africa Group.

Economic uncertainties in the emerging and developing markets in which we operate could adversely affect our business, results of operations, cash flows and financial condition.

We have presence and operations across 18 countries. Our strategy is to focus on growth opportunities in emerging and developing markets. These markets are characterized by low to medium mobile penetration, low internet penetration and relatively lower per capita incomes, thus offering more growth potential. However, these markets fall within countries, which are more prone to economic uncertainties, such as capital controls, varying inflation, volatile interest rates and currency fluctuations. These countries are also affected by economic downturns, primarily due to commodity price fluctuations, reduced financial aid, capital inflows and remittances. Slowing down of economic growth tends to affect consumer spending and might cause a slowdown in telecom sector.

We follow a prudent risk management policy, including hedging mechanisms to protect the cash flows, however, economic conditions may determine availability of efficacious hedging products/mechanism and depth of markets to provide adequate risk management solutions. We have spread our debt profile across local and overseas sources of funds however, availability of capital in various currencies may be limited and is affected by market conditions and single obligor limits of lenders in those geographies among other things. Further, we have adopted a pricing strategy for effective management of our business operations, however, economic uncertainties may materially adversely impact our business, results of operations and financial conditions.

Hostilities, wars and other acts of violence or manmade disasters could adversely affect the financial markets and our business.

Wars, terrorism and other acts of violence or manmade disasters may adversely affect our business. These acts may result in a loss of business confidence and have other consequences that could have an adverse effect on our business. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business.

Risks Relating to the Equity Shares and the Issue

After this Issue, the price of the Equity Shares may be volatile.

The Equity Issue Price will be determined by us in consultation with the Managers, based on the Bids received, in compliance with Chapter VI of the SEBI ICDR Regulations, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete.

The price of the Equity Shares on the Stock Exchanges may decline after this Issue as a result of several factors, including:

- volatility in the Indian and the global securities market or in the Rupee’s value relative to the U.S. dollar, the Euro and other foreign currencies;
- our profitability and performance;
- perceptions about our future performance or the performance of Indian companies in general;
- performance of our competitors and the perception in the market about investments in the telecom sector;
- adverse media reports about us or the Indian telecom sector;
- a comparatively less active or illiquid market for Equity Shares;

- changes in the estimates of our performance or recommendations by financial analysts;
- significant developments in India's economic liberalization and deregulation policies;
- significant developments in India's fiscal and environmental regulations; and
- any other political or economic factors.

There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares are offered in this Issue or the price at which the Equity Shares will trade in the market subsequent to this Issue.

We may, at any time in the future, make further issuances or sales of the Equity Shares or convertible securities or other equity linked securities, and this could significantly affect the trading price of the Equity Shares.

The further issuance of Equity Shares by us, including by way of the upcoming FCCB Issue, and by way of preferential allotment or rights issue which may be done at any time in the future, the disposal of Equity Shares by any of our major Shareholders, or the perception that such issuance or sales of Equity Shares may occur, may significantly affect the trading price of the Equity Shares. There can be no assurance that such future issuance by us will be at a price equal to or more than the Equity Issue Price, as applicable.

Our Company or our Promoter, will either cease to be 'owned' by resident Indian citizens or will be a 'foreign owned' company as per the FDI Policy and the applicable FEMA regulations, if equity interest beneficially owned by non-resident entities increases to 50.0% or more in our Company or our Promoter, and consequently, any investment by our Company or our Promoter in its subsidiaries or joint ventures will classified as downstream investments under Indian foreign investment laws.

Indian companies, which are owned or controlled by non-resident entities or which are not owned and not controlled by resident Indian citizens, are subject to investment restrictions specified in the FDI Policy and the FEMA Non-Debt Rules. Under the FDI Policy, an Indian company is considered to be 'owned' by a non-resident entity if more than 50.0% of its equity interest is beneficially owned by non-resident entities. Also, an Indian company would cease to be owned by resident Indian citizens if more than 50.0% of its equity interest is not beneficially owned by resident Indian citizens. As of December 31, 2019, the non-resident shareholding in our Company and our Promoter was 42.73% and 49.44%, respectively, and therefore, if equity interest beneficially owned by non-resident entities increases to 50.0% or more in our Company or our Promoter, our Company or our Promoter will either cease to be 'owned' by resident Indian citizens or be 'owned' by non-resident entities as per the FDI Policy and FEMA Non-Debt Rules. Consequently, any investment by our Company or our Promoter in the subsidiaries or joint ventures will be considered as downstream investment and is subject to various requirements specified under the FDI Policy and other applicable law, including sectoral restrictions.

Additionally, our Company has filed an application dated June 7, 2019 before the DoT and DPIIT seeking approval for increase in foreign investment sectoral cap from 49% to 100%. Such approval from the DoT may not be forthcoming. If we do not receive such approval from the DoT, the total foreign investment in our Company will remain capped at 49% and consequently, investors may be restricted in their ability trade in the Equity Shares on the Stock Exchanges, which in turn may adversely impact the trading price of our Equity Shares.

Our Promoter and Promoter Group have significant control over us and have the ability to direct our business and affairs; their interests may conflict with the interests of the Shareholders.

Our Promoter and Promoter Group hold a significant portion of our equity and are entitled to certain rights to recommend directors to our Board. While we are professionally managed and overseen by an independent board of directors, our Promoter and Promoter Group have significant control over us. Additionally, the Promoter's and Promoter Group's concentration of ownership may adversely affect the trading price of our Equity Shares to the extent investors perceive a disadvantage in holding stock of a company with a significant shareholder.

The Promoter's and Promoter Group's control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our best interest. The Promoter and members of the Promoter Group may exert some influence on the material policies of our Company in a manner that could conflict with the interests of our other shareholders.

There is no guarantee that the Equity Shares issued pursuant to this Issue will be listed on the BSE and the NSE in a timely manner, or at all.

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to this Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. Any failure or delay in obtaining the approval would restrict an investor's ability to dispose of the Equity Shares.

An investor will not be able to sell any of the Equity Shares subscribed in this Issue other than across a recognized Indian stock exchange for a period of 12 months from the date of the issue of the Equity Shares.

Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the issue of the Equity Shares in this Issue, Eligible QIBs subscribing to the Equity Shares may only sell their Equity Shares on the floor of the NSE or the BSE and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. Further, Allotments made to certain categories of Eligible QIBs in the Issue are subject to the rules and regulations that are applicable to them. This may affect the liquidity of the Equity Shares purchased by such investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws and regulations, capital gains arising from the sale of shares in an Indian company are generally taxable in India. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of Equity Shares held for more than 12 months, may be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the stock exchanges, the quantum of gains and any available treaty exemptions. Further, any gain realized on the sale of listed Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Anti-takeover provisions under Indian law could prevent or deter an entity from acquiring us.

The Takeover Regulations contains certain provisions that may delay, deter or prevent a future takeover or change in control. These provisions may discourage a third party from attempting to take control over our business, even if change in control would result in the purchase of our Equity Shares at a premium to the market price or would otherwise be beneficial to the investor. For more information, see "*The Securities Market of India*" on page 210.

SEBI operates an index-based market-wide circuit breaker. Any operation of a circuit breaker may adversely affect a shareholder's ability to sell, or the price at which it can sell, the Equity Shares at a particular point in time.

We are subject to an index-based market-wide circuit breaker generally imposed by SEBI on Indian stock exchanges. This may be triggered by an extremely high degree of volatility in the market activity (among other things). Due to the existence of this circuit breaker, there can be no assurance that shareholders will be able to sell the Equity Shares at their preferred price or at all at any particular point in time.

An investor will not, without prior RBI approval, be able to acquire or convert Equity Shares if such

acquisition or conversion would result in an individual or group holding 5.00% or more of our post-Issue issued and paid-up share capital.

The RBI has granted banking license dated April 11, 2016 to Airtel Payments Bank Limited, our Subsidiary in accordance with the Companies Act, for establishing payments bank and by way of letter dated March 11, 2016 to Airtel Payments Bank Limited stipulated that our Articles of Association shall be amended to incorporate the clause for seeking prior approval of the RBI in case of any change in shareholding of 5% or more of the total issued capital of our Company. Accordingly, our Company has amended our Articles of Association by insertion of article number 42A, to state that "No person / group of persons shall acquire any shares of our Company which would take his / her / its holding to a level of 5% or more (or any such percentage imposed by Reserve Bank of India from time to time) of the total issued capital of our Company unless prior approval of the Reserve Bank of India has been obtained by such person / group of persons".

Accordingly, any person or group of persons who holds less than 5% of the total issued share capital of our Company, can subscribe to such number of Equity Shares which would not take their total shareholding in our Company to a level of 5% or more of the post-Issue issued and paid-up share capital of our Company.

In the event any application made by any QIB exceeds such limits and an application for approval is made by such QIB, the approval from the RBI may not be forthcoming. Further, in the event of receipt of such approval, such QIB would be required to submit a copy of the approval obtained from the RBI with such application. Such approval from the RBI should clearly mention the name(s) of the persons who propose to apply in the Issue and the aggregate shareholding of such QIB in the pre-Issue paid-up share capital of our Company, if any. In case of failure by such QIB to submit the RBI approval, our Company may at its sole discretion keep on hold the allotment to such QIB applicant until necessary approvals are received from such applicant or it may decide to allot such number of Equity Shares, that will limit the resultant aggregate shareholding of the applicant to less than 5% of the post-Issue paid-up equity share capital of our Company. However, such limit shall not be applicable to any person or group of persons who holds 5% or more of the total issued share capital of our Company.

Applicants to the Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

In terms of the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw or revise downwards their Bids after the Bid/Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with its depository participant could take approximately seven days and up to 10 working days from the Bid/Issue Closing Date. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence without the prior approval of SEBI. We may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since our Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, 2013 a company incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of Equity Shares to maintain their existing ownership percentages prior to the issuance of any new Equity Shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the Equity Shares who have voted on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

USE OF PROCEEDS

The gross proceeds of this Issue aggregates to approximately ₹ 144, 000 million. The net proceeds of this Issue, after deducting fees, commissions and expenses relating to this Issue of approximately ₹ 1,080 million, will be approximately ₹ 142,920 million ("**Net Proceeds**").

Purpose of the Issue

Our Company proposes to utilize the Net Proceeds (i) for any payments that may be required to be made, arising out of the a judgment of the Supreme Court of India delivered on October 24, 2019 in relation to a long outstanding industry wide case in respect of the definition of Adjusted Gross Revenue, (ii) to augment its long term resources and strengthen its balance sheet, for servicing and/or repayment of short term and long term debts, capital expenditures, long term working capital requirements of our Company, refinancing of existing borrowings, (iii) general corporate purposes or other purposes as permitted under applicable law. For details on Adjusted Gross Revenue matter see, "*Risk Factor - Our Company and Bharti Hexacom, our Subsidiary, are involved in material legal proceedings pertaining to Adjusted Gross Revenue, which may adversely affect our operations or the financial position*" on page 33.

In the event of any favourable order or judgment of the Supreme Court or other decision which provides relief to our Company from making any payments arising out of the long outstanding industry wide case in respect of the definition of Adjusted Gross Revenue (which may include but not be limited to partial payment, moratorium period, waiver, *etc.*), our Company will utilize the entire or part of the Net Proceeds (i) to augment its long term resources and strengthen its balance sheet, for servicing and/or repayment of short term and long term debts, capital expenditures, long term working capital requirements of our Company, refinancing of existing borrowings, and (ii) general corporate purposes or other purposes as permitted under applicable law.

The Net Proceeds are proposed to be deployed towards the purpose set out above and are not proposed to be utilized towards any specific project. Accordingly, the requirement to disclose (i) the break-up of cost of the project (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project, is not applicable.

Our Company shall disclose the utilization of funds raised through QIP in its annual report every year until such funds are fully utilized.

Neither our Promoter nor our Directors are making any contribution either as a part of this Issue or separately in furtherance of the use of the Net Proceeds.

CAPITALIZATION STATEMENT

The following table sets forth our capitalization statement as at September 30, 2019 on a consolidated basis derived from audited consolidated financial statements of our Company as at and for the period ended September 30, 2019 and as adjusted for this Issue. This table should be read in conjunction with "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 29, 100 and 265, respectively.

(*₹ in million*)

Particulars	Pre-Issue (as at September 30, 2019)	Proposed proceeds from the issue of equity shares	Post-Issue(*)	Proposed proceeds from the FCCB Issue (**) (^)	Post Issue and FCCB Issue (**)#
	(a)	(b)	(c)=(a)+(b)	(d)	(e)= (c)+(d)
Short term borrowings					
- Secured	2,977	-	2,977	-	2,977
- Unsecured	99,635	-	99,635	-	99,635
Long term borrowings (excluding current maturities)					
- Secured	1	-	1	-	1
- Unsecured	882,891	-	882,891	71,114	954,005
Current maturities of long term borrowings	83,859	-	83,859	-	83,859
Total borrowings (A)	**1,069,363**	-	**1,069,363**	**71,114**	**1,140,477**
Equity share capital	25,660	1,618	27,278	-	27,278
Other equity	674,173	142,382	816,555	-	816,555
Total equity (B)	**699,833**	**144,000**	**843,833**	-	**843,833**
Total capitalization (A+B)	**1,769,196**	**144,000**	**1,913,196**	**71,114**	**1,984,310**
Ratio: Total debts/ Total equity (A/B)	**1.53**		**1.27**		**1.35**

* *The figures for the respective financial statements line items under Post Issue column are derived after considering the impact due to proposed issue of Equity Shares and it does not consider any other transactions or movements for such financial statements line items after September 30, 2019. The debt-equity ratio post the Issue is indicative on account of the assumed gross inflow (before adjusting any issuance cost) of ₹ 144,000 million from the proposed Issue in the Equity Shares as on September 30, 2019. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the date of Allotment.*

** *The figures for the respective financial statements line items under Post Issue column are derived after considering the impact due to proposed issue of Equity Shares and Foreign Currency Convertible Bonds and it does not consider any other transactions or movements for such financial statements line items after September 30, 2019. The debt-equity ratio post the Issue is indicative on account of the assumed gross inflow (before adjusting any issuance cost) of ₹ 215,114 million from the proposed Issue in the Equity Shares and Foreign Currency Convertible Bonds as on September 30, 2019. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the date of Allotment.*

^ ***US$ to INR conversion rate: 71.1136 (Source: RBI Reference rate as of January 10, 2020).***

\# *In addition to this Issue, our Company is also concurrently undertaking the FCCB Issue; the gross inflow of which has been considered as borrowings. Simultaneously with the closing of this Issue, the Special Committee of Directors for Fund Raising has also authorised the closing of the FCCB Issue*

In addition to this Issue, our Board, Shareholders and the Special Committee of Directors for Fund Raising have, pursuant to resolutions dated December 4, 2019, January 3, 2020, and January 14, 2020, respectively, approved the FCCB Issue. Simultaneously with the closing of this Issue, the Special Committee of Directors for Fund Raising has also authorized the closing of the FCCB Issue. The proceeds of the FCCB Issue will be used for (i) capital expenditure, (ii) repayment of existing indebtedness, and/or (iii) any other use, each as permitted under applicable laws and regulations from time to time. The completion of this Issue is not conditional on the completion of the FCCB Issue.

CAPITAL STRUCTURE

The equity share capital of our Company as at the date of this Placement Document is set forth below:

(In ₹ except share data)

	Particulars	Aggregate value at face value (except for securities premium account)
A	**AUTHORISED SHARE CAPITAL**	
	29,555,980,000 Equity Shares of face value of ₹ 5 each	147,779,900,000
	1,000 Preference Shares of face value of ₹ 100 each	100,000
	TOTAL	147,780,000,000
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**	
	5,131,961,850 Equity Shares	25,659,809,250
	497 Preference Shares	49,700
	TOTAL	25,659,858,950
C	**PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT**[(1)]	
	323,595,505 Equity Shares, aggregating to ₹ 144,000 million	1,617,977,525
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**	
	5,455,557,355 Equity Shares	27,277,786,775
	497 Preference Shares	49,700
E	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE CONVERSION OF CONVERTIBLE INSTRUMENTS**	27,277,836,475 [(1)*]
F	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (as on December 31, 2019)	350,983,000,000
	After the Issue	493,365,022,200

[(1)]This Issue has been authorized by our Board pursuant to their resolution passed on December 4, 2019 and by our Shareholders pursuant to their special resolution dated January 3, 2020. In addition to this Issue, our Board, Shareholders and the Special Committee of Directors for Fund Raising have, pursuant to resolutions dated December 4, 2019, January 3, 2020, and January 14, 2020 respectively, approved the FCCB Issue. Simultaneously with the closing of this Issue, the Special Committee of Directors for Fund Raising has also authorized the closing of the FCCB Issue. The proceeds of the FCCB Issue will be used for (i) capital expenditure, (ii) repayment of existing indebtedness, and/or (iii) any other use, each as permitted under applicable laws and regulations from time to time. The completion of this Issue is not conditional on the completion of the FCCB Issue.

[*]The issued, subscribed and paid-up capital after the conversion of convertible instruments excludes number of Equity Shares to be issued on conversion of the FCCBs issued pursuant to FCCB Issue and includes the Equity Shares issued pursuant to the Issue.

Equity Share Capital History of our Company

(a) The history of the equity share capital of our Company is provided in the following table.

Date of issue	No. of equity shares issued	Face value (in ₹)	Issue price (in ₹)	Type of issuance	Cumulative number of equity shares (No. of equity shares)	Form of consideration
July 7, 1995	7	10	10.00	Subscribers to MOA	7	Cash
December 27, 1995	793	10	10.00	Preferential Allotment	800	Cash
April 3, 1996	200	10	9,843,472.23	Preferential Allotment	1,000	Cash
February 24, 1997	49,999,000	10	N. A	Bonus Issue	50,000,000	N.A.
September 20, 1999	2,777,778	10	215.77	Preferential Allotment	52,777,778	Cash
December 31, 1999	9,722,222	10	215.21	Preferential Allotment	62,500,000	Cash
March 30, 2000	3,125,022	10	215.65	Preferential Allotment	65,625,022	Cash
August 30, 2000	20,050,000	10	49.88	Preferential	85,675,022	Cash

Date of issue	No. of equity shares issued	Face value (in ₹)	Issue price (in ₹)	Type of issuance	Cumulative number of equity shares (No. of equity shares)	Form of consideration
				Allotment		
December 5, 2000	6,174,000	10	27.38	Preferential Allotment	91,849,022	Cash
December 5, 2000	14,120,294	10	670.00	Rights Issue	105,969,316	Cash
March 20, 2001	265,744	10	15.15	Preferential Allotment	106,235,060	Cash
April 20, 2001	934,256	10	492.37	Preferential Allotment	107,169,316	Cash
May 1, 2001	2,670,684	10	107.20	Preferential Allotment	109,840,000	Cash
June 30, 2001	21,159,165	10	564.26	Preferential Allotment	130,999,165	Cash
August 16, 2001	18,333,332	10	563.61	Preferential Allotment	149,332,497	Cash
August 28, 2001	616,600	10	565.14	Preferential Allotment	149,949,097	Cash
August 31, 2001	1,360,000	10	565.00	Preferential Allotment	151,309,097	Cash
September 28, 2001	80,000	10	565.00	Preferential Allotment	151,389,097	Cash
September 29, 2001	250,000	10	10.00	Preferential Allotment	151,639,097	Cash
September 30, 2001	1,516,390,970	10	N.A.	Bonus Issue	1,668,030,067	N.A.
February 14, 2002	185,336,700	10	45.00	IPO	1,853,366,767	Cash
April 25, 2005	5,424,479	10	184.35	Conversion of OCRDs	1,858,791,246	Cash
May 10, 2005	14,538,078	10	187.54	Conversion of OCRDs	1,873,329,324	Cash
June 9, 2005	125,888	10	186.67	Conversion of OCRDs	1,873,455,212	Cash
August 12, 2005	2,722,125	10	N.A.	Pursuant to scheme of amalgamation of Bharti Cellular Limited, and Bharti Infotel Limited with Bharti Tele-Ventures Limited	1,876,177,337	Other than Cash
August 12, 2005	840,673	10	233.17	Conversion of FCCBs	1,877,018,010	Cash
August 20, 2005	706,166	10	233.17	Conversion of FCCBs	1,877,724,176	Cash
September 15, 2005	3,693,360	10	233.17	Conversion of FCCBs	1,881,417,536	Cash
September 23, 2005	2,640,088	10	233.17	Conversion of FCCBs	1,884,057,624	Cash
October 19, 2005	3,462,828	10	233.17	Conversion of FCCBs	1,887,520,452	Cash
November 7, 2005	2,073,661	10	233.17	Conversion of FCCBs	1,889,594,113	Cash
December 12, 2005	467,041	10	233.17	Conversion of FCCBs	1,890,061,154	Cash
January 12, 2006	2,860,159	10	233.17	Conversion of FCCBs	1,892,921,313	Cash
February 9, 2006	453,588	10	233.17	Conversion of FCCBs	1,893,374,901	Cash
March 9, 2006	504,403	10	233.17	Conversion of	1,893,879,304	Cash

Date of issue	No. of equity shares issued	Face value (in ₹)	Issue price (in ₹)	Type of issuance	Cumulative number of equity shares (No. of equity shares)	Form of consideration
				FCCBs		
April 7, 2006	540,270	10	233.17	Conversion of FCCBs	1,894,419,574	Cash
May 8, 2006	392,314	10	233.17	Conversion of FCCBs	1,894,811,888	Cash
June 2, 2006	429,677	10	233.17	Conversion of FCCBs	1,895,241,565	Cash
August 2, 2006	95,089	10	233.17	Conversion of FCCBs	1,895,336,654	Cash
September 5, 2006	148,519	10	233.17	Conversion of FCCBs	1,895,485,173	Cash
October 16, 2006	800	10	313.00	ESOP	1,895,485,973	Cash
October 16, 2006	6,775	10	221.00	ESOP	1,895,492,748	Cash
October 28, 2006	206,991	10	233.17	Conversion of FCCBs	1,895,699,739	Cash
November 13, 2006	31,775	10	221.00	ESOP	1,895,731,514	Cash
November 13, 2006	875	10	313.00	ESOP	1,895,732,389	Cash
November 30, 2006	11,208	10	233.17	Conversion of FCCBs	1,895,743,597	Cash
January 3, 2007	22,000	10	221.00	ESOP	1,895,765,597	Cash
January 3, 2007	3,350	10	313.00	ESOP	1,895,768,947	Cash
January 23, 2007	11,050	10	221.00	ESOP	1,895,779,997	Cash
January 23, 2007	550	10	313.00	ESOP	1,895,780,547	Cash
February 7, 2007	65,385	10	233.17	Conversion of FCCBs	1,895,845,932	Cash
March 7, 2007	19,000	10	221.00	ESOP	1,895,864,932	Cash
March 7, 2007	1,175	10	313.00	ESOP	1,895,866,107	Cash
March 7, 2007	2,300	10	357.00	ESOP	1,895,868,407	Cash
March 31, 2007	51,100	10	221.00	ESOP	1,895,919,507	Cash
March 31, 2007	4,150	10	313.00	ESOP	1,895,923,657	Cash
March 31, 2007	7,800	10	357.00	ESOP	1,895,931,457	Cash
March 31, 2007	2,700	10	366.00	ESOP	1,895,934,157	Cash
May 15, 2007	1,214,307	10	233.17	Conversion of FCCBs	1,897,148,464	Cash
September 12, 2007	86,075	10	221.00	ESOP	1,897,234,539	Cash
September 12, 2007	100	10	313.00	ESOP	1,897,234,639	Cash
September 12, 2007	175	10	357.00	ESOP	1,897,234,814	Cash
September 12, 2007	2,175	10	366.00	ESOP	1,897,236,989	Cash
September 12, 2007	4,200	10	366.00	ESOP	1,897,241,189	Cash
September 12, 2007	467,040	10	233.17	Conversion of FCCBs	1,897,708,229	Cash
November 6, 2007	42,967	10	233.17	Conversion of FCCBs	1,897,751,196	Cash
November 6, 2007	67,050	10	221.00	ESOP	1,897,818,246	Cash
November 6, 2007	4,950	10	313.00	ESOP	1,897,823,196	Cash
November 6, 2007	525	10	357.00	ESOP	1,897,823,721	Cash
November 6, 2007	700	10	366.00	ESOP	1,897,824,421	Cash

Date of issue	No. of equity shares issued	Face value (in ₹)	Issue price (in ₹)	Type of issuance	Cumulative number of equity shares (No. of equity shares)	Form of consideration
November 6, 2007	11,650	10	390.00	ESOP	1,897,836,071	Cash
November 6, 2007	525	10	412.00	ESOP	1,897,836,596	Cash
January 7, 2008	32,450	10	221.00	ESOP	1,897,869,046	Cash
January 7, 2008	6,550	10	313.00	ESOP	1,897,875,596	Cash
January 7, 2008	4,175	10	390.00	ESOP	1,897,879,771	Cash
January 7, 2008	3,475	10	412.00	ESOP	1,897,883,246	Cash
February 4, 2008	8,650	10	221.00	ESOP	1,897,891,896	Cash
February 4, 2008	775	10	313.00	ESOP	1,897,892,671	Cash
February 4, 2008	800	10	357.00	ESOP	1,897,893,471	Cash
February 4, 2008	1,150	10	390.00	ESOP	1,897,894,621	Cash
February 4, 2008	300	10	412.00	ESOP	1,897,894,921	Cash
March 5, 2008	7,725	10	221.00	ESOP	1,897,902,646	Cash
March 5, 2008	1,000	10	313.00	ESOP	1,897,903,646	Cash
March 5, 2008	1,225	10	357.00	ESOP	1,897,904,871	Cash
March 5, 2008	1,150	10	390.00	ESOP	1,897,906,021	Cash
March 5, 2008	275	10	412.00	ESOP	1,897,906,296	Cash
March 5, 2008	1,150	10	597.00	ESOP	1,897,907,446	Cash
April 4, 2008	14,450	10	221.00	ESOP	1,897,921,896	Cash
April 4, 2008	1,075	10	313.00	ESOP	1,897,922,971	Cash
April 4, 2008	950	10	357.00	ESOP	1,897,923,921	Cash
April 4, 2008	1,100	10	390.00	ESOP	1,897,925,021	Cash
April 4, 2008	2,225	10	412.00	ESOP	1,897,927,246	Cash
April 4, 2008	150	10	597.00	ESOP	1,897,927,396	Cash
June 2, 2008	93,408	10	233.17	Conversion of FCCBs	1,898,020,804	Cash
July 23, 2008	27,875	10	221.00	ESOP	1,898,048,679	Cash
July 23, 2008	2,275	10	313.00	ESOP	1,898,050,954	Cash
July 23, 2008	5,100	10	357.00	ESOP	1,898,056,054	Cash
July 23, 2008	700	10	366.00	ESOP	1,898,056,754	Cash
July 23, 2008	1,475	10	390.00	ESOP	1,898,058,229	Cash
July 23, 2008	975	10	597.00	ESOP	1,898,059,204	Cash
August 26, 2008	37,275	10	221.00	ESOP	1,898,096,479	Cash
August 26, 2008	1,600	10	357.00	ESOP	1,898,098,079	Cash
August 26, 2008	900	10	366.00	ESOP	1,898,098,979	Cash
August 26, 2008	2,500	10	390.00	ESOP	1,898,101,479	Cash
August 26, 2008	125	10	412.00	ESOP	1,898,101,604	Cash
October 8, 2008	20,175	10	221.00	ESOP	1,898,121,779	Cash
October 8, 2008	375	10	357.00	ESOP	1,898,122,154	Cash
October 8, 2008	4,400	10	366.00	ESOP	1,898,126,554	Cash
October 8, 2008	11,690	10	390.00	ESOP	1,898,138,244	Cash
October 8, 2008	175	10	412.00	ESOP	1,898,138,419	Cash
November 18, 2008	36,950	10	221.00	ESOP	1,898,175,369	Cash
November 18, 2008	9,375	10	313.00	ESOP	1,898,184,744	Cash
November 18, 2008	700	10	357.00	ESOP	1,898,185,444	Cash
November 18, 2008	1,050	10	366.00	ESOP	1,898,186,494	Cash
November 18, 2008	9,300	10	390.00	ESOP	1,898,195,794	Cash
November 18, 2008	7,450	10	412.00	ESOP	1,898,203,244	Cash
November 18, 2008	1,000	10	597.00	ESOP	1,898,204,244	Cash

Date of issue	No. of equity shares issued	Face value (in ₹)	Issue price (in ₹)	Type of issuance	Cumulative number of equity shares (No. of equity shares)	Form of consideration
November 18, 2008	175	10	771.00	ESOP	1,898,204,419	Cash
December 19, 2008	9,925	10	221.00	ESOP	1,898,214,344	Cash
December 19, 2008	900	10	390.00	ESOP	1,898,215,244	Cash
December 19, 2008	950	10	412.00	ESOP	1,898,216,194	Cash
January 29, 2009	825	10	390.00	ESOP	1,898,217,019	Cash
January 29, 2009	14,075	10	221.00	ESOP	1,898,231,094	Cash
January 29, 2009	525	10	412.00	ESOP	1,898,231,619	Cash
February 24, 2009	3,225	10	221.00	ESOP	1,898,234,844	Cash
February 24, 2009	750	10	313.00	ESOP	1,898,235,594	Cash
February 24, 2009	100	10	390.00	ESOP	1,898,235,694	Cash
February 24, 2009	125	10	412.00	ESOP	1,898,235,819	Cash
March 17, 2009	3,977	10	221.00	ESOP	1,898,239,796	Cash
May 1, 2009	4,800	10	221.00	ESOP	1,898,244,596	Cash
May 1, 2009	525	10	357.00	ESOP	1,898,245,121	Cash
May 1, 2009	750	10	390.00	ESOP	1,898,245,871	Cash
May 1, 2009	65,385	10	233.17	Conversion of FCCBs	1,898,311,256	Cash
June 5, 2009	10,425	10	221.00	ESOP	1,898,321,681	Cash
June 5, 2009	525	10	313.00	ESOP	1,898,322,206	Cash
June 5, 2009	2,400	10	357.00	ESOP	1,898,324,606	Cash
June 5, 2009	525	10	412.00	ESOP	1,898,325,131	Cash
June 30, 2009	32,249	10	221.00	ESOP	1,898,357,380	Cash
June 30, 2009	10,750	10	357.00	ESOP	1,898,368,130	Cash
June 30, 2009	1,800	10	366.00	ESOP	1,898,369,930	Cash
June 30, 2009	3,100	10	390.00	ESOP	1,898,373,030	Cash
June 30, 2009	250	10	412.00	ESOP	1,898,373,280	Cash
July 15, 2009	32,650	10	221.00	ESOP	1,898,405,930	Cash
July 15, 2009	150	10	313.00	ESOP	1,898,406,080	Cash
July 15, 2009	10,000	10	357.00	ESOP	1,898,416,080	Cash
July 15, 2009	2,050	10	366.00	ESOP	1,898,418,130	Cash
July 15, 2009	2,660	10	390.00	ESOP	1,898,420,790	Cash
July 15, 2009	375	10	597.00	ESOP	1,898,421,165	Cash
December 18, 2009	87,000	5	110.50	ESOP	3,796,929,330	Cash
December 18, 2009	750	5	156.50	ESOP	3,796,930,080	Cash
December 18, 2009	13,750	5	178.50	ESOP	3,796,943,830	Cash
December 18, 2009	7,450	5	195.00	ESOP	3,796,951,280	Cash
December 18, 2009	700	5	206.00	ESOP	3,796,951,980	Cash
February 9, 2010	231,850	5	110.50	ESOP	3,797,183,830	Cash
February 9, 2010	9,550	5	156.50	ESOP	3,797,193,380	Cash
February 9, 2010	5,500	5	178.50	ESOP	3,797,198,880	Cash
February 9, 2010	22,900	5	183.00	ESOP	3,797,221,780	Cash
February 9, 2010	22,200	5	195.00	ESOP	3,797,243,980	Cash
February 9, 2010	10,550	5	206.00	ESOP	3,797,254,530	Cash
February 9, 2010	666	5	336.50	ESOP	3,797,255,196	Cash

Date of issue	No. of equity shares issued	Face value (in ₹)	Issue price (in ₹)	Type of issuance	Cumulative number of equity shares (No. of equity shares)	Form of consideration
March 17, 2010	144,100	5	110.50	ESOP	3,797,399,296	Cash
March 17, 2010	6,400	5	156.50	ESOP	3,797,405,696	Cash
March 17, 2010	24,200	5	178.50	ESOP	3,797,429,896	Cash
March 17, 2010	13,450	5	195.00	ESOP	3,797,443,346	Cash
March 17, 2010	1,500	5	206.00	ESOP	3,797,444,846	Cash
March 20, 2010	72,000	5	110.50	ESOP	3,797,516,846	Cash
March 20, 2010	1,000	5	156.50	ESOP	3,797,517,846	Cash
March 20, 2010	6,200	5	178.50	ESOP	3,797,524,046	Cash
March 20, 2010	2,000	5	183.00	ESOP	3,797,526,046	Cash
March 20, 2010	4,050	5	195.00	ESOP	3,797,530,096	Cash
June 17, 2013	199,870,006	5	340.00	Preferential Allotment	3,997,400,102	Cash
May 14, 2018	5	5	N.A.	Equity Shares issued pursuant to a scheme of amalgamation between Telenor with our Company	3,997,400,107	Other than cash
Equity share capital history of our Company in last one year preceding this Placement Document						
May 24, 2019	1,133,591,075	5	220	Rights Issue	5,130,991,182	Cash
July 26, 2019	970,668	5	N.A.	Equity Shares issued pursuant to a scheme of arrangement between TTML with our Company	5,131,961,850	Other than cash
Total					5,131,961,850	

(b) Equity Shares issued for consideration other than cash in one year immediately preceding this Placement Document

Date of issue	No. of equity shares issued	Face value (in ₹)	Issue price (in ₹)	Type of issuance	Cumulative number of equity shares (No. of equity shares)	Form of consideration
July 26, 2019	970,668	5	N.A.	Equity Shares issued pursuant to a scheme of arrangement between TTML with our Company	5,131,961,850	Other than cash

(c) The history of the preference share capital of our Company is provided in the following table.

Date of issue	No. of Preference Shares issued	Face value (in ₹)	Issue price (in ₹)	Type of issuance	Cumulative number of Preference Shares (No. of Preference Shares)	Form of consideration
July 26, 2019	487	100	N.A.	Preference Shares issued pursuant to a scheme of arrangement between TTSL	487	Other than cash

Date of issue	No. of Preference Shares issued	Face value (in ₹)	Issue price (in ₹)	Type of issuance	Cumulative number of Preference Shares (No. of Preference Shares)	Form of consideration
				with our Company[1]		
July 26, 2019	10	100	N.A.	Preference Shares issued pursuant to a scheme of arrangement between of TTML with our Company[2]	497	Other than cash

1. *Pursuant to the scheme of arrangement between our Company, TTSL and their respective shareholders, 487 fully paid up redeemable, non-participating, non-cumulative, unlisted preference shares (mandatorily redeemable at par at the end of 18 months from July 26, 2019) of our Company ("**BAL RPS**") were allotted, comprising (i) 457 BAL RPS to all (and not each) equity shareholders of TTSL; (ii) 10 BAL RPS in the nature of fractional entitlement to Bharti Airtel Fractional Share Entitlement Trust; (iii) 10 BAL RPS to holder of fully paid up compulsory convertible preference shares of TTSL; (iv) 10 BAL RPS to holder of fully paid up optionally convertible preference shares of TTSL.*

2. *Pursuant to the scheme of arrangement between our Company, TTML and their respective shareholders, 10 BAL RPS were allotted to shareholders of TTML, holding all fully paid up, redeemable preference shares of TTML*

Bharti Airtel Limited Employees Stock Option Scheme

Employee Stock Option Scheme 2005 ("ESOP 2005")

Our Company, pursuant to our Board resolution dated July 26, 2005 and our shareholders' resolution dated September 6, 2005, adopted ESOP 2005 that came into effect from September 6, 2005. Presently, ESOP 2005 is administered through the Bharti Airtel Employees' Welfare Trust (erstwhile Bharti Tele-Ventures Employees Welfare Trust), a trust created pursuant to a trust deed dated March 31, 2001 and implemented by a committee constituted by our Board (which shall deem to include any committee of our Board constituted for this purpose including the ESOP Compensation Committee ("**ESOP Compensation Committee**")) for supervising this scheme and approving plans through which options are granted under this scheme. ESOP 2005 has been subsequently amended on several occasions including, amongst others, its amendment pursuant to our Board resolution dated October 30, 2014 and shareholders' resolution dated April 14, 2015, for ensuring compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("**SEBI SBEB Regulations**") and to grant permission to the Bharti Airtel Employees' Welfare Trust to acquire up to 10,899,159 Equity Shares from the secondary market from time to time, in one or more tranches for the purposes of ESOP 2005.

ESOP 2005 authorizes the creation, issue, offer and allotment of equity shares not exceeding 9,367,276 in aggregate (of the face value of ₹ 10 each, as on July 26, 2005), each for cash or such adjusted numbers of such face value and on such terms and conditions as may be determined by our Board from time to time, due to any changes in the capital structure of our Company including as a result of splitting up of the face value of the equity shares. Under ESOP 2005, the minimum vesting period of options is one year from the grant date and the maximum period in which vested options may be exercised cannot exceed seven years from the vesting date. In terms of ESOP 2005, the ESOP Compensation Committee has approved the Special ESOP Plan – 2010 in its meeting held on April 27, 2010, the Restricted Stock Unit Plan – 2010 in its meeting held on August 10, 2010 and the Long Term Incentive Plan – 2011 in its meeting held on May 4, 2011 through which the options under ESOP 2005 have been granted, as disclosed below.

As on the date of the Preliminary Placement Document, the details of options pursuant to ESOP 2005 are as follows:

Particulars	Number of options
Total number of options	18,734,552
Options granted	7,886,627
Options vested	2,288,473

Particulars	Number of options
Options exercised	1,860,832
Options cancelled	2,544,985
Total options outstanding	3,480,810

Employee Stock Option Scheme 2001 ("ESOP 2001")

Our Company, pursuant to our Board resolution dated February 27, 2001 and our shareholders' resolution dated February 27, 2001, adopted ESOP 2001 that was deemed to be effective from September 21, 2001. Presently, ESOP 2001 is also administered through the Bharti Airtel Employees' Welfare Trust and implemented by the ESOP Compensation Committee, which supervises operation of this scheme and approves plans through which options are granted under this scheme. ESOP 2001 has been subsequently amended on several occasions including, amongst others, for extending the ESOP 2001 to certain key managerial personnel of our Company who were not initially covered under this scheme.

ESOP 2001 authorizes the grant of options to subscribe to such number of equity shares of our Company, initially of the face value of ₹ 10 each, and to issue, allocate and allot such number of equity shares of our Company at such price, in one or more tranches, to the eligible employees, and to be adjusted in case of any bonus issue, rights issue, shares split or any similar corporate action and on such terms and conditions as may be determined by our Board and the ESOP Compensation Committee from time to time. Further, the minimum vesting period in respect of options shall be one year from the grant date and the period in which options may be exercised on expiry of the vesting period cannot exceed seven years from the grant date. In terms of ESOP 2001, the ESOP Compensation Committee has approved the Long Term Incentive Plan – 2013 in its meeting held on May 1, 2013 through which the options under ESOP 2001 have been granted, as disclosed below.

As on the date of the Preliminary Placement Document, the details of options pursuant to ESOP 2001 are as follows:

Particulars	Number of options
Total number of options	31,680,000
Options granted	30,000
Options vested	–
Options exercised	–
Options cancelled	–
Total options outstanding	30,000

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotments of Equity Shares pursuant to this Issue shall be made by our Company, in consultation with the Managers, to Eligible QIBs only, on a discretionary basis. For details of the names of the proposed Allottees, and the percentage of post-Issue capital that may be held by them, please see "*Details of Proposed Allottees*" on page 680.

Pre-Issue and post-Issue shareholding pattern

The pre-Issue and post-Issue shareholding pattern of our Company is set forth below:

S. No.	Category	Pre-Issue (As of December 31, 2019)		Post-Issue (for institutional investors) (As of December 31, 2019 for all other categories)*	
		No. of Equity Shares held	% of share holding	No. of Equity Shares held	% of share holding
A.	**Promoter' holding**				
1.	Indian				
	- Individual	Nil	Nil	Nil	Nil
	- Bodies corporate[1]	2,116,236,438	41.24	2,116,236,438	38.79
	Sub-total	2,116,236,438	41.24	2,116,236,438	38.79
2.	Foreign promoters				

S. No.	Category	Pre-Issue (As of December 31, 2019)		Post-Issue (for institutional investors) (As of December 31, 2019 for all other categories)*	
		No. of Equity Shares held	% of share holding	No. of Equity Shares held	% of share holding
	- Indian Continent Investment Limited[2]	331,436,443	6.46	331,436,443	6.08
	- Viridian Limited[3]	10,901,462	0.21	10,901,462	0.20
	- Pastel Limited[4]	759,006,862	14.79	759,006,862	13.91
	Sub-total (A)	3,217,581,205	62.70	3,217,581,205	58.98
B.	**Non-promoter holding**				
1.	Institutional investors	1,567,537,969	30.54	1,891,133,474	34.66
2.	Non-Institutional investors	344,531,393	6.71	344,531,393	6.32
	- Private Corporate Bodies	16,763,542	0.33	16,763,542	0.31
	- Directors and relatives	842,559	0.02	842,559	0.02
	- Indian public	34,220,183	0.66	34,220,183	0.63
	- Others including Non resident Indians (NRIs)	292,705,109	5.70	292,705,109	5.37
3.	Non Promoter-Non Public	2,311,283	0.05	2,311,283	0.04
	Sub-total (B)	1,914,380,645	37.30	2,237,976,150	41.02
	Grand Total (A+B)	5,131,961,850	100.00	5,455,557,355	100

1. BTL is the Promoter of our Company.

2. Indian Continent Investment Limited is person acting in concert with our Promoter, BTL.

3. Viridian Limited is person acting in concert with Pastel, member of our Promoter Group.

4. Pastel is a member of our Promoter Group in accordance with Regulation 2(1) (t) of the SEBI Takeover Regulations read with Regulation 2(1)(pp) of the SEBI ICDR Regulations and is neither our Promoter nor a person acting in concert with our Promoter, BTL, under Regulation 2(1)(q) of the SEBI Takeover Regulations.

* *Note: The post-Issue shareholding pattern of our Company reflects the shareholding of the institutional investors category on basis of the Allocation made in the Issue, and reflects the shareholding of all other categories as of December 31, 2019. The post-Issue shareholding pattern does not account for Equity Shares to be issued upon conversion of FCCBs.*

Other confirmations

Except as disclosed in " – *Equity Share Capital History of our Company*" above, our Company has not allotted securities on preferential basis or private placement or by way of rights issue in the last one year preceding the date of this Placement Document.

Except as disclosed in " – *Equity Share Capital History of our Company*", our Company has not made any allotments for consideration other than cash, in the last one year preceding the date of this Placement Document.

Our Equity Shares have been listed for a period of at least one year prior to the date of issuance of notice to its Shareholders for the extra ordinary general meeting to be held on January 3, 2020.

Our Company shall not make any subsequent qualified institutions placement until the expiry of six months from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue shall not be sold by the allottee for a period of one year from the date of allotment, except on the Stock Exchanges.

MARKET PRICE INFORMATION

The Equity Shares of our Company are listed on the BSE and the NSE. As on the date of this Placement Document, our Company's issued, subscribed and paid-up Equity Share capital is ₹ 25,659,809,250.

On January 8, 2020, the closing price of the Equity Shares on the BSE and the NSE was ₹ 445.35 and ₹ 445.10. Since the Equity Shares are available for trading on the BSE and the NSE, the market price and other information for each of the BSE and the NSE has been given separately.

A. The following tables set out the reported high, low and average of the closing prices of our Equity Shares on the NSE and the BSE and number of Equity Shares traded on the days on which such high and low prices were recorded for, and the volume of Equity Shares traded in, for the calendar years 2019, 2018 and 2017:

BSE

Year	High (₹)	Date of high	Total volume on date of high (Number of equity shares traded on the date of high)	Total turnover of equity shares traded on the date of high (₹ in million)	Low (₹)	Date of low	Total volume on date of low (Number of equity shares traded on the date of low)	Total turnover of equity shares traded on the date of low (₹ in millions)	Total volume during the calendar year (Number of equity shares traded)	Total turnover of equity shares traded in value (₹ in million)	Average price for the year (₹)
2019	460.85	December 4, 2019	638,910	294.08	301.05	February 14, 2019	249,933	75.38	127,687,515	46,041.42	354.51
2018	540.00	January 5, 2018	464,949	248.65	285.90	October 23, 2018	120,313	34.44	165,042,067	65,272.01	376.52
2017	543.10	November 2, 2017	557,488	300.08	303.65	January 3, 2017	158,377	48.55	573,748,446	281,493.85	400.76

(Source: bseindia.com)

Notes:
1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

NSE

Year	High (₹)	Date of high	Total volume on date of high (Number of equity shares traded on the date of high)	Total turnover of equity shares traded on the date of high (₹ in million)	Low (₹)	Date of low	Total volume on date of low (Number of equity shares traded on the date of low)	Total turnover of equity shares traded on the date of low (₹ in millions)	Total volume during the calendar year (Number of equity shares traded)	Total turnover of equity shares traded in value (₹ in million)	Average price for the year (₹)
2019	461.4	December 4, 2019	16,541,195	7612.49	300.8	February 14 2019	7,726,834	2,327.05	2,420,224,041	849,586.17	354.48
2018	540	January 5, 2018	7,218,024	3,855.25	285.35	October 11, 2018	4,681,303	1347.91	1,555,272,597	589,834	376.92
2017	543.20	November 2, 2017	9,870,544	5,317.55	304.45	January 3, 2017	2,961,851	909.72	1,326,303,575	560,850	400.92

(Source: nseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year presented.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

B. The following tables set out the reported high, low and average of the closing prices of our Equity Shares recorded on the NSE and the BSE and number of Equity Shares traded on the days on which such high and low prices were recorded for, and the volume of Equity Shares traded in each of the last six months:

BSE

Month	High (₹)	Date of high	Total volume on date of high (Number of equity shares traded on the date of high)	Total turnover of equity shares traded on the date of high (₹ in million)	Low (₹)	Date of low	Total volume on date of low (Number of equity shares traded on the date of low)	Total turnover of equity shares traded on the date of low (₹ in millions)	Total volume during the calendar year (Number of equity shares traded)	Total turnover of equity shares traded in value (₹ in million)	Average price for the year (₹)
December 2019	460.85	December 4. 2019	638,910	294.08	421.80	December 16, 2019	262,316	111.55	11,376,097	5,121.64	447.81
November 2019	451.30	November 25, 2019	1,321,743	584.39	362.65	November 14, 2019	801,913	287.91	20,695,733	8,616.45	403.66
October 2019	393.50	October 14, 2019	340,844	132.99	339.70	October 4, 2019	115,141	39.22	11,139,453	4,050.91	369.29
September 2019	367.25	September 30, 2019	474,533	168.78	335.75	September 18, 2019	172,669	58.30	4,216,709	1,461.13	346.95
August 2019	372.20	August 8, 2019	697,095	261.10	323.95	August 1, 2019	2,217,587	722.46	18,964,864	6,596.16	355.22
July 2019	364.85	July 5, 2019	239,811	87.58	334.80	July 26, 2019	189,579	63.18	6,210,401	2,179.27	348.85

(Source: bseindia.com)

Notes:
1. *High, low and average prices are based on the daily closing prices.*
2. *In the case of a month, average represents the average of the closing prices of all trading days of each month presented.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

NSE

Month	High (₹)	Date of high	Total volume on date of high (Number of equity shares traded on the date of high)	Total turnover of equity shares traded on the date of high (₹ in million)	Low (₹)	Date of low	Total volume on date of low (Number of equity shares traded on the date of low)	Total turnover of equity shares traded on the date of low (₹ in millions)	Total volume during the calendar year (Number of equity shares traded)	Total turnover of equity shares traded in value (₹ in million)	Average price for the year (₹)
December 2019	461.40	December 4, 2019	16,541,195	7,612.49	421.85	December 16, 2019	6,962,613	2959.48	296,115,647	133,633.97	447.98
November 2019	451.40	November 25, 2019	33,483,563	14,805.56	362.50	November 14, 2019	21,091,587	7,557.48	444,674,465	184,893.94	403.60
October 2019	393.55	October 14, 2019	10,729,180	4,191.20	340.42	October 4, 2019	4,705,661	1,601.88	317,646,700	116,219.87	369.27
September 2019	367.05	September 30, 2019	19,616,421	6,986.64	335.60	September 18, 2019	7,490,889	2,522.31	128,836,961	44,717.04	347.03
August 2019	372.15	August 8, 2019	16,050,094	5,991.10	323.9	August 1, 2019	9,773,900	3,221.47	208,664,921	73,772.65	355.28
July 2019	364.8	July 5, 2019	6,751,716	2,465.13	334.55	July 29, 2019	4,979,396	1,662.92	121,560,904	42,400.42	348.86

(Source: nseindia.com)

Notes:
1. *High, low and average prices are based on the daily closing prices.*

2. In the case of a month, average represents the average of the closing prices of all trading days of each month presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

C. The following table sets forth the market price on the Stock Exchanges on December 5, 2019, the first Working Day following the approval of our Board for this Issue:

BSE

Date	Open (₹)	High (₹)	Low (₹)	Close (₹)	Traded volume (Number of equity shares)	Total value of Equity Shares traded (₹ million)
December 5, 2019	464.20	464.20	445.05	447.20	543,715	245.45

(Source: bseindia.com)

NSE

Date	Open (₹)	High (₹)	Low (₹)	Close (₹)	Traded volume (Number of equity shares)	Total value of Equity Shares traded (₹ million)
December 5, 2019	463.30	463.60	445.35	447.35	17,317,332	7,813.45

(Source: nseindia.com)

RELATED PARTY TRANSACTIONS

For details of the related party transactions during Fiscals 2019, 2018 and 2017 and six months ended September 30, 2019, as per the requirements under Ind AS 24 '*Related Party Disclosures*', see "*Financial Statements*" on page 265.

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act. Our Board may also, from time to time, declare interim dividends. All dividend payments are made in cash to our Shareholders.

Our Board has approved and adopted a formal dividend distribution policy in terms of Regulation 43A of the SEBI Listing Regulations, effective from October 25, 2016. For further information, see "*Description of the Equity Shares*" on page 213.

The details of the dividends declared by our Company in respect of Financial Years 2019, 2018, and 2017 are set out below:

Year	Rate of dividend	Dividend per Equity Share	Total Amount of Dividend#	Dividend Distribution Tax
	(% of face value)	(in ₹)	(in ₹ million)	(in ₹ million)
2019*	50%	2.50	9,993.50	Nil
2018	50%	2.50	9,993.50	Nil
2018*	56.8%	2.84	11,352.62	Nil
2017	20%	1	3,997.40	Nil

** Our Company has declared and paid an interim dividend for Fiscals 2019 and 2018. Our Company has not declared any interim dividend with respect to Fiscal 2020 till the date of this Placement Document.*

\# *Total amount of dividend excludes tax on dividend.*

The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, financial performance including profits earned (standalone), available distributable reserves, impact of dividend payout on Company's return on equity, acquisition or investment opportunities or capital expenditures and resources to fund such opportunities and expenditures, debt repayment schedules, fund requirement for contingencies, macroeconomic conditions, regulatory concerns, political and economic conditions in India, and such other factors that the Board may deem relevant in its discretion, subject to the approval of our Shareholders.

For a summary of certain Indian tax consequences of dividend distributions to shareholders, see "*Statement of Possible Tax Benefits*" on page 218.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis of our Company's financial condition and results of operations is intended to convey management's perspective on the operating performance and financial condition of our Company as at and for the fiscal years ended March 31, 2018 and 2019 and the six months ended September 30, 2018 and 2019 on a consolidated basis. Unless the context otherwise requires, all financial information provided as at or for the fiscal year ended March 31, 2017 contained in this Placement Document has been derived from the comparatives presented in the annual financial statements for the fiscal year ended March 31, 2018 of our Company. This disclosure is intended to assist in understanding and interpreting the financial statements of our Company included in this Placement Document. The discussion should be read in conjunction with "Presentation of Financial Information", "Selected Consolidated Financial and Other Information", "Capitalization", and the Annual Consolidated Financial Statements of our Company and the accompanying schedules and notes.

The MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 on March 30, 2019, notifying the leasing standard IND-AS 116 "Leases", which replaces the prior standard (IND-AS 17). IND-AS 116 is applicable to companies in India from the fiscal year beginning on or after April 1, 2019. We have adopted IND-AS 116 from April 1, 2019, which has an impact on our Company's reported consolidated assets, liabilities, income statement and cash flow statement. In implementing IND-AS 116, our Interim Condensed Financial Statements have been prepared under the modified retrospective approach pursuant to which comparative results are not restated. Accordingly, the Interim Condensed Financial Statements and the summary financial information in the tables below include, where applicable, a reconciliation of our results of operations for the six months ended September 30, 2019 (which were prepared in accordance with IND-AS 116) to our results of operations for the six months ended September 30, 2018 (for which IND-AS 116 was not applicable) in order to facilitate a comparison of our results of operations for the periods presented. We refer to our results of operations as at and for the six months ended September 30, 2019, as adjusted to exclude the impact of IND-AS 116, as the "Frozen GAAP Interim Financial Information" or as information "presented on a Frozen GAAP basis" and have included such financial information in certain financial tables in this Placement Document under the columns titled "Frozen GAAP." We refer to our results of operations as at and for the six months ended September 30, 2019, as calculated in accordance with IND-AS 116, as the "IND-AS Interim Financial Information" and have included such financial information in certain financial tables in this Placement Document under the columns titled "IND-AS." See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Our Company's Financial Statements—Changes to Accounting Standards—IND-AS 116."

The following discussion contains certain forward-looking statements. These statements are based on management's current projections and expectations about future events. Our actual results may differ materially from those anticipated in these forward- looking statements as a result of many important factors, including those set out under "Risk Factors" and elsewhere in this Placement Document. See "Forward-Looking Statements and Associated Risks." Further information regarding the presentation of financial information is set out under the heading "Presentation of Financial Information."

Overview

We are a leading provider of telecommunications services with operations in 18 countries across Asia and Africa. According to GSMA Intelligence, as of September 30, 2019, we have the second largest subscriber base globally. Based on TRAI reported revenue, for the quarter ended September 30, 2019, we have a revenue market share of approximately 31.4% calculated on the basis of gross revenue and we rank second in overall revenue market share in India. Further, as at September 30, 2019, we served an aggregate of over 411 million customers globally.

We provide telecommunication services under wireless and fixed line technology, national and international long-distance connectivity, broadband, VSAT and digital TV services, and complete integrated telecommunication solutions to its enterprise customers. All these services are rendered under a unified brand "*airtel.*" "Airtel Money" (known as "*Airtel Payments Bank*" in India) extends our product portfolio to further its financial inclusion agenda and offers convenience of payments and money transfers through mobile phones over secure and stable platforms in India and across all 14 countries in Africa. We also deploy and manage passive infrastructure pertaining to telecommunication operations through our subsidiary, Bharti Infratel Limited ("**Bharti Infratel**"). As of September 30, 2019, Bharti Infratel also owned 42% of Indus Towers Limited

(**"Indus Towers**"), a joint venture entity. Bharti Infratel and Indus Towers are passive infrastructure service providers in India. Globally, we operate with a fibre network covering over 250,000 route km ("**Rkm**") and in India, our national long distance infrastructure provides a pan-India reach with 294,867 Rkms of optical fiber as of September 30, 2019.

For the fiscal years ended March 31, 2017, 2018 and 2019, and the six months ended September 30, 2018 and 2019, our total consolidated revenue was ₹ 954,683 million, ₹ 826,388 million, ₹ 807,802 million, ₹ 399,470 million and ₹ 418,692 million, respectively. Our consolidated net income for the fiscal years ended March 31, 2017, 2018 and 2019, and the six months ended September 30, 2018 and 2019, was ₹ 42,414 million, ₹ 21,835 million, ₹ 16,875 million, ₹ 7,288 million and ₹ (252,223) million, respectively. Our consolidated EBITDA for the fiscal years ended March 31, 2017, 2018 and 2019, and the six months ended September 30, 2018 and 2019 was ₹ 354,504 million, ₹ 303,279 million, ₹ 261,101 million, ₹ 131,384 million and ₹ 172,914 million, respectively. Our EBITDA margin for the fiscal years ended March 31, 2017, 2018 and 2019, and the six months ended September 30, 2018 and 2019 was 37.13%, 36.70%, 32.32%, 32.89% and 41.30%, respectively. As at March 31, 2017, 2018 and 2019 and September 30, 2019, our total assets were ₹ 2,332,652 million, ₹ 2,505,816 million, ₹ 2,751,975 million and ₹ 3,356,226 million, respectively.

Factors Affecting Our Results of Operations and Financial Condition

Our results of operations and financial condition have been affected and will continue to be affected by a number of factors, including the following:

Mobile Subscriber Base and Usage Patterns and Increasing Capital Expenditure Requirements

Our Company's number of mobile subscribers and their usage of our cellular services directly affect our mobile services operating revenues as well as our operating expenses, including access charges, network operations costs, employee costs and selling, general and administrative expenses.

As we continue to grow our operations, we may be required to expand our mobile network coverage and capacity to accommodate subscriber base growth and increases in usage, which may require the purchase of additional spectrum and other capital expenditures. Increases in our capital expenditures affect our cash flows, interest expense (to the extent they are funded by debt) and depreciation and amortization expense.

Competition

The Indian wireless industry continues to remain competitive. Reliance Jio, the newest operator, commenced services in the sector in 2016. Following the entry of this operator, the industry has consolidated. Our primary competitors are operators such as Reliance Jio, Vodafone Idea, BSNL and MTNL. As of September 30, 2019, the Group, Reliance Jio and Vodafone Idea had revenue market share of 31.4 per cent., 35.4 per cent, and 29.6 per cent., respectively. Despite the turmoil in the sector post the entry of the new operator, we have continued to hold onto our market share.

We also face substantial competition in our operations outside India. Across Africa, we face various levels of competition, including intense competition in a number of larger markets, such as Nigeria. In Sri Lanka, we compete with several larger service providers that have been operating in Sri Lanka for much longer than us, and we expect to face intense competition from these providers in our attempt to expand further. With the merger of the telecom operators Vodafone Idea, the telecommunications industry in India is consolidated and has a limited number of wireless telecommunications service providers. This has led to a substantial percentage of tower companies revenues being attributable to a small number of customers.

Competition may affect our subscriber growth and profitability by causing our subscriber base to decline and cause both a decrease in tariff rates and ARPU as well as an increase in customer churn and selling and promotional expenses. Churn in mobile networks in India is high especially among pre-paid customers.

There are also an increasing number of players offering various forms of data products. We, along with our competitors, may also be subject to competition from providers of new telecommunication services as a result of technological developments and the convergence of various telecommunication services. For example, Internet-based services, such as Google Voice, Yahoo Voice, WhatsApp and Skype, allow users to make calls, send SMS and offer other advanced features such as the ability to route calls to multiple handsets and access to Internet services.

For more information on the competitive landscape of our various operations, see "*Risk Factors—Risks Relating to Our Business— We face intense competition that may reduce our market share and lower our profits", "Business—Competition" and "Risk Factors—Risks Relating to Our Business—The telecommunications market is highly regulated and changes in laws, regulations or governmental policy could potentially adversely affect our business, prospects, financial condition, cash flows and results of operations."*

Tariff and Pricing Levels

Over the past few years, there has been an explosion of data and voice usage with increased smartphone shipments and lower pricing due to competition. Telecom products are now bundled into voice and data and focus has shifted to total customer's ARPU. Now, an average Indian smartphone customer is spending approximately four hours on its smartphone, and devices are moving away from being pure connectivity to lifestyle. Recently, there has been an increasing interest in digital content including OTT apps, movies, music streaming.

Our ARPU in the Indian market for the years ended March 31, 2017, 2018 and 2019 was ₹ 178, ₹ 134 and ₹ 107, respectively. Our ARPU in the Indian market for the three months ended September 30, 2018 and September 30, 2019 was ₹ 100 and ₹ 128, respectively.

We focus on producing attractive product propositions through simple, user-friendly tariff plans with features such as pre-paid plans with electronic top-ups at different denominations across the value chain. Equally, we have been expanding our product suite to offer innovative bundling through third party tie ups for content and financial services such as insurance. We have also launched a loyalty program called Airtel Thanks with a view to retain and upgrade customers.

Each of our potential products or service offerings is vetted through a structured internal process which assesses the potential product's cost, performance and features, value and time-to-market of the potential product, with the ultimate aim of minimizing operating and capital expenditures and increasing market share. This business model has enabled us to expand our customer base in highly competitive markets, particularly in India, and thereby increase our sales volume.

Any change in our pricing structure, either as a result of governmental or regulatory tariff policies or in response to competition, could affect our business, results of operations, cash flows and financial condition.

Expansion of 3G and 4G networks and increasing margins from data usage

We have made significant investments in our network and spectrum for our data services through the increase of our 4G sites in the past few years, both in India and Africa.

In India, we launched our 3G network on January 24, 2011 and have 3G capabilities in all except one Circle, using a combination of 900 MHz and 2100 MHz band. We launched 4G network in India in Kolkata on April 10, 2012. Subsequent to the 2014 and 2015 auctions, Bharti had pan-India 3G (with the exception of one Circle) and 4G coverage based on a combination of 1800 MHz and 2300 MHz spectrum bands.

These strategic initiatives have in part been driven by the rapid growth of data usage by our customer base and our belief in the growing importance of data in the telecommunications industry. In India, mobile data customers represented 44.5% of our mobile subscriber base as at September 30, 2019, compared to 29.4% as at September 30, 2018.

In India, we have started re-farming our 3G spectrum to add capacity in 4G network and hence provide superior 4G experienceto the subscribers in all of the circles. Once 3G services are completely terminated, customers will continue to be serviced on 4G and 2G networks. We plan to continue expanding 4G services, which potentially offer higher operating margins than 2G with relatively low incremental capital expenditure required.

To further strengthen our 4G network, we have upgraded the 3G services in 8 circles i.e. Maharashtra (excluding Mumbai) & Goa, Kolkata, Punjab, Haryana, Karnataka, Madhya Pradesh & Chhattisgarh, Kerala, Gujarat and re-farmed the 2100 Mhz band for expanding our 4G capacity. We have deployed L2100 technology to complement our existing 4G services. The re-farming of 3G spectrum for 4G will boost the network's capacity, ensure wider availability of Airtel 4G and significantly improve coverage inside buildings and outdoors, especially during intracity and intercity transit for 4G smartphone customer. See "*Business—Strategy—Growth* *of 4G subscriber market share in the mobile telecommunication industry.*"

In Africa, we have launched 4G services in the Democratic Republic of Congo and Niger and are ready to activate the commercial launch in Tanzania, making 4G services available across all of the 14 countries. With the additional spectrum, we aim to launch high speed 4G networks in various Circles using Frequency-Division Long-Term Evolution ("**FD-LTE**") technology in the 1,800 MHz band in addition to its existing TD-LTE services, thereby gaining 4G capabilities. We also plan to augment our data service offerings through the use of 900 MHz band in select Circles.

Our ability to secure additional spectrum and 3G and 4G licenses, fund necessary capital expenditures for network expansion, increase the percentage of non-voice revenue as a percentage of our total revenue and increase our operating margins on 3G and 4G data services will continue to have a significant effect on our business, prospects, financial condition and results of operations going forward. With respect to its Africa operations, we had 21,936 network sites as at September 30, 2019, an increase of 9.35% as compared to 20,060 network sites as at September 30, 2018].

The AGR Judgment and any subsequent petitions before the Supreme Court in relation to the payment of license and spectrum usage claims could have significant financial implications on our Company.

Our Company and our subsidiary, Bharti Hexacom, have challenged the Government's introduction of a new package with effect from August 1, 1999, being the 'Migration Package' pursuant to the 'New Telecom Policy 1999' regime which required the licensees to migrate from fixed license fee to revenue sharing fee, under which the licensee would be required to pay one-time entry fee and license fee as a percentage share of gross revenue under the license. The dispute has arisen around the constituent of revenue – namely, gross revenue and adjusted gross revenue ("**AGR**").

The scope of Adjusted Gross Revenue ("**AGR**") as provided under the telecom license was under challenge since 2003 through several rounds of litigation, wherein vide judgment dated April 23, 2015, the TDSAT had ruled in favour of Telecom Service Providers ("**TSPs**") on majority of heads of revenue ("**TDSAT Judgment**"). The said TDSAT judgment was challenged by Union of India before the Supreme Court (so also by TSPs on limited grounds of heads of revenue that were decided against TSPs). The Supreme Court, by its judgment dated October 24, 2019 ("**AGR Judgment**"), allowed the appeal filed by Union of India and dismissed the appeal filed by the TSPs. The Supreme Court held inter-alia that the contractual definition of gross revenue is binding. The court further held that the license fee would be a percentage of gross revenue, which would be the total revenue of the licensee company. We recorded a net loss of ₹ 252,223 million for the six months ended September 30, 2019. The loss resulted primarily from exceptional losses due to incremental provision for license fee and SUC of ₹ 110,257 million (net of tax of ₹ 57,893 million) and ₹ 76,538 million (net of tax of ₹ 39,812 million) respectively as an estimate based on the AGR Judgment. We will require significant additional financing to discharge our obligations under the AGR Judgment. Our Interim Condensed Financial Statements for the six months ended September 30, 2019 were prepared assuming that we will continue as a going concern. However, the independent auditor's report dated November 14, 2019, observed a material uncertainty related to the AGR Ruling which may cast significant doubt about our ability to continue as a going concern. As such, the AGR Ruling could have significant financial implications on our Company. For further details, see "*Risk Factors—Risks Relating to Our Business—Our Company and Bharti Hexacom, our Subsidiary, are involved in material legal proceedings pertaining to Adjusted Gross Revenue, which may adversely affect our operations or the financial position*" and "*Legal Proceedings*". See also note 2 to our Company's Interim Condensed Financial Statements for the six months ended September 30, 2019, included elsewhere in this Placement Document.

Exchange Rates

We conduct most of our operations in India and the functional currency of our financial statements is Indian rupees. We also conduct business in South Asia and 14 countries in Africa, where transactions are generally denominated in the respective entity's functional currency. Our functional currency is Indian Rupees.

The financial condition, cash flows and results of operations of each of our subsidiaries operating in a jurisdiction outside of India is reported in the relevant functional currency and then translated to the rupee at the applicable currency exchange rates for inclusion in our financial statements. Exchange rates between some of these currencies and the rupee in recent years have fluctuated significantly and may do so in the future, thereby impacting our results of operations and cash flows in rupee terms. In the fiscal year ended March 31, 2019 and in the six months ended September 30, 2019, 27.17% and 27.89% respectively, of our consolidated revenue came from its entities located outside India, mainly in Africa and South Asia. Significant changes in the value of certain currencies relative to the U.S. dollar and other currencies could also have an adverse effect on our financial condition, cash flows and results of operations and its ability to meet interest and principal payments on foreign-currency denominated debt, including borrowings under its existing debt. In addition, our Company incurs currency transaction risk whenever we enter into either a purchase or a sales transaction using a different currency from the currency in which it receives revenues. Accordingly, volatility in currency exchange rates may have a significant effect on the financial condition, cash flows or results of operations of our Company. See "*Risk Factors—Risks Relating to Our Business— We have incurred significant indebtedness, and we must service this debt and comply with its covenants to avoid defaulting on its borrowings and refinancing risk. Further, we are subject to risks arising from interest rate fluctuations, currency fluctuation and regulatory changes, which could adversely affect our business, results of operations, cash flows and financial condition.*"

Fluctuations in exchange rates have also materially impacted our other comprehensive income over the past three years, with exchange differences on translation of foreign operations accounting for a loss of ₹ 41,424 million in the fiscal year ended March 31, 2017, a loss of ₹ 7,181 million in the fiscal year ended March 31, 2018, a loss of ₹ 15,739 million in the fiscal year ended March 31, 2019.

Factors Affecting Comparability of Our Company's Financial Statements

Changes to Accounting Standards – IND-AS 116

Our Financial Statements are prepared and presented in accordance with IND-AS. The MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 on March 30, 2019 notifying the leasing standard IND-AS 116 "Leases," which replaces the existing standard (IND-AS 17) and resulted in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is eliminated for lessees. Under the new standard, the lessee recognizes an asset (the right to use the leased asset) and a financial liability to pay lease payments. The only exceptions are short-term and low-value leases. IND-AS 116 is applicable to companies from fiscal year beginning on or after April 1, 2019.

We have adopted IND-AS 116 from April 1, 2019, which has a significant impact on its reported consolidated assets, liabilities, income statement and cash flow statement. IND-AS 116 has materially increased our recognized assets and liabilities in the consolidated balance sheet introducing right-of-use assets and lease liabilities, calculated based on discounted future committed lease payments. With the adoption of IND-AS 116, we recognized lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of IND-AS 17 Leases. These liabilities were measured at the present value of the remaining lease payments for each lease, discounted using notional incremental borrowing rates as of April 1, 2019. Discounted rates are an area of significant judgement and estimation, particularly given the term of our leases. The weighted average discount rate applied to the lease liabilities on April 1, 2019, was 8.3%.

IND-AS 116 has also materially changed the presentation and timing of recognition of charges in our consolidated income statement. The operating lease expense previously reported under IND-AS 17, typically on a straight-line basis, within EBITDA (as adjusted), has been replaced by depreciation of the right-of-use asset and notional financing costs on future lease liabilities. This results in increased "lease-related expenses" being charged to the consolidated income statement in the early years of a lease due to the front-loaded notional financing costs, significantly reducing profit / (loss) before tax. In addition, the presentation of the consolidated cash flow statement has been affected. Actual lease payments, which were previously part of operating profit / (loss) or movements in payables within net cash generated from operating activities, have now been split into a notional repayment of principal lease liability and a notional interest payment within financing activities. Cash flows from operating activities have been positively impacted and cash flows from financing activities have been negatively impacted. Though presented in different parts of the consolidated cash flow statement, actual total pre-tax cash payments will remain unchanged. In implementing IND-AS 116, the Interim Condensed Financial Statements have been prepared under the modified retrospective approach pursuant to which comparative results are not restated. Accordingly, the Interim Condensed Financial Statements and certain financial tables presented in this Placement Document include, where applicable, a reconciliation of our results of operations for the six months ended September 30, 2019 (which were prepared in accordance with IND-AS 116) to our results of operations for the six months ended September 30, 2018 (for which IND-AS 116 was not applicable) in order to facilitate a comparison of our results of operations for the periods presented.

Digital TV Services

The tariff order of Telecom Regulatory Authority of India was implemented from February 1 2019, as per the extended timelines. During the year ended March 31, 2019, owing to the practical difficulties, there was delay in implementation of the tariff order in its entirety. The distributors were in transition from previous to the new regime and were in the process of implementation of content cost contracts with the Broadcasters.

Subsequently, the Company entered into revised agreements with the broadcasters. With effect from April 1, 2019, basis such revised agreements and the provisions of the new tariff order, the Company re-assessed its performance obligations, extent of control over broadcasted content and various other responsibilities and liabilities. Consequently, it has considered network capacity fee and, commission and incentives from broadcasters as to subscription services, as part of its revenue from operations. Accordingly, the Gross revenue is only to the extent of net value retained i.e. customer payments received net of broadcaster's fee (erstwhile content charges) with effect from April 1, 2019.

Consolidated Statement of Profit and Loss

The table below sets forth our consolidated statements of profit and loss.

	Year Ended March 31,			Six months ended September 30,			
	2017	2018	2019	2018	2019		
					Frozen GAAP	IND-AS 116 Impact(1)	IND-AS 116
	(₹ in millions)						
Income							
Revenue	954,683	826,388	807,802	399,470	418,189	503	418,692
Other income	1,206	2,488	2,912	1,924	1,509	—	1,509
	955,889	**828,876**	**810,714**	**401,394**	**419,698**	**503**	**420,201**
Expenses							
Network operating expenses	209,154	197,520	223,900	107,443	126,471	(30,146)	96,325
Access charges.............	102,786	90,446	93,521	44,649	52,016	—	52,016
License fee / spectrum charges (revenue share)	92,760	75,558	69,426	34,669	34,694	—	34,694
Employee benefits expense	43,032	39,771	37,975	19,016	18,105	—	18,105
Sales and marketing expenses	66,732	45,275	41,277	20,556	15,969	(2)	15,967
Other expenses	86,921	77,027	83,514	43,677	31,130	(950)	30,180
	601,385	**525,597**	**549,613**	**270,010**	**278,385**	**(31,098)**	**247,287**
Profit from operating activities before depreciation, amortization and exceptional items	**354,504**	**303,279**	**261,101**	**131,384**	**141,313**	**31,601**	**172,914**
Depreciation and amortization.................	197,730	192,431	213,475	103,818	117,453	19,485	136,938
Finance costs................	95,466	93,255	110,134	58,524	55,610	10,190	65,800
Finance income............	(18,492)	(12,540)	(14,240)	(7,401)	(4,902)	—	(4,902)
Non-operating expenses (net)	1,319	141	1,894	1,114	692	—	692
Share of results of joint ventures and associates	(10,449)	(10,609)	(3,556)	(3,286)	(4,086)	—	(4,086)
(Loss) / Profit before exceptional items and tax	**88,930**	**40,601**	**(46,606)**	**(21,385)**	**(23,454)**	**1,926**	**(21,528)**
Exceptional items (net)	11,697	7,931	(29,288)	5,070	321,804	—	321,804
(Loss) / Profit before tax	**77,233**	**32,670**	**(17,318)**	**(26,455)**	**(345,258)**	**1,926**	**(343,332)**
Tax expense / (credit)							
Current tax	21,240	18,230	19,391	11,026	12,044	—	12,044
Deferred tax	13,579	(7,395)	(53,584)	(44,769)	(104,284)	1,131	(103,153)
Profit for the year.........	**42,414**	**21,835**	**16,875**	**7,288**	**(253,018)**	**795**	**(252,223)**
Other comprehensive income ('OCI')							
Items to be reclassified to profit or loss:							
Net losses due to foreign currency translation differences	(41,424)	(7,181)	(15,739)	(8,280)			2,033
Net losses on net investment	(10,330)	(8,024)	(1,754)	(5,824)			(1,309)

	Year Ended March 31,			Six months ended September 30,			
	2017	2018	2019	2018	2019		
					Frozen GAAP	IND-AS 116 Impact(1)	IND-AS 116
	(₹ in millions)						
hedge...........................							
Net (losses) / net gains on cash flow hedge	857	809	(833)	(655)			(193)
Net (losses) / net gains on fair value through OCI Investments.................	107	129	(45)	(44)			(107)
Tax (charge) / credit.....	(16)	(122)	5,428	527			364
	(50,806)	**(14,389)**	**(12,943)**	**(14,276)**			**788**
Items not to be reclassified to profit or loss:							
Re-measurement gains / (losses) on defined benefit plans............................	(73)	205	47	141			(250)
Share of OCI of joint ventures and associates	(9)	18	(12)	(1)			(3)
Tax (charge) / credit.....	20	(29)	(62)	(71)			67
	(62)	**194**	**(27)**	**69**			**(186)**
Other comprehensive loss for the year	**(50,868)**	**(14,195)**	**(12,970)**	**(14,207)**			**602**
Total comprehensive income/(loss) for the year.............................	**(8,454)**	**7,640**	**3,905**	**(6,919)**			**(251.621)**

Notes:

(1) In addition to the impact of IND-AS 116, this column also includes the reclassification of ₹ 1,096 million from depreciation and amortization to network operating expenses in relation to lit fiber.

Our Company's results of operations by segment

The following tables set forth our total revenue and EBITDA by product segment for the six months ended September 30, 2018 and 2019 and the fiscal years ended March 31, 2018 and 2019.

	Total Revenue				EBITDA(1)			
	Six months ended September 30,					Six months ended September 30,		
	2018	2019			2018	2019		
		Frozen GAAP	IND-AS 116 Impact(2)	IND-AS 116(2)		Frozen GAAP	IND-AS 116 Impact(2)	IND-AS 116(2)
	(₹ in millions)							
Mobile Services India .	207,325	218,481	—	218,481	48,923	49,904	28,240	78,180
Mobile Services Africa	103,761	114,590	—	114,590	40,010	44,840	5,246	50,086
South Asia..................	2,182	2,194	—	2,194	40	5	172	177
Airtel Business............	63,381	65,392	—	65,392	21,151	20,851	(3,884)	16,967
Tower Infrastructure Services.......................	34,155	33,237	698	33,935	15,698	16,308	2,429	18,737
Homes Services	11,352	11,180	—	11,180	5,783	5,908	942	4,965
Digital TV Services	20,166	15,282	—	15,282	7,970	10,263	607	10,870
Others	902	(81)	—	(81)	(2,687)	(1,014)	954	(60)
Total segment revenue/EBITDA	443,224	460,275	698	460,973	136,889	147,065	32,821	179,922
Less: Inter-segment eliminations(3)(4)	43,754	42,086	195	42,281	5,505	5,754	1,255	7,008
Total revenue/EBITDA	399,470	418,189	503	418,692	131,384	141,312	31,566	172,914

Notes:

(1) EBITDA unless otherwise specified, is defined as earnings / (loss) before interest, taxation, depreciation and amortization. It is not an IND-AS measure and is defined as profit from operating activities before depreciation,

amortization and exceptional items.

(2) Effective April 1, 2019, we adopted IND-AS 116 on *Leases* using the modified retrospective method. Under this method, we (lessee) recognize a lease liability at the present value of all of the remaining lease payments on April 1, 2019, and a right-of-use asset at its carrying amount as if IND-AS 116 had been applied since the commencement of the lease. Accordingly, this has resulted in a net decrease in retained earnings of ₹ 24,098 million (including the impact of deferred tax and other adjustments) as at April 1, 2019. Right-to-use assets are depreciated and the lease liabilities are reduced when paid, with the interest on the lease liabilities being recognized as finance costs. Further, as required under the modified retrospective method, the previous period information is not restated and hence, not comparable. The net impact of adopting this standard on the results and earnings per share for the quarter is not material.

(3) In addition to the impact of IND-AS 116, this column also includes the reclassification of ₹ 1,096 million from depreciation and amortization to network operating expenses in relation to lit fiber (₹ 84 million for mobile services India, ₹ 212 million for mobile services Africa and ₹ 795 million for Airtel business).

(4) Includes accounting policy alignment.

	Total Revenue		**EBITDA[(1)]**	
	Fiscal year ended March 31,		**Fiscal year ended March 31,**	
	2018	**2019**	**2018**	**2019**
	(₹ in millions)			
Mobile Services India	462,639	415,540	150,374	93,480
Africa	191,073	215,028	66,159	83,341
South Asia..	4,045	4,436	8	127
Airtel Business...	113,566	124,537	42,401	40,480
Tower Infrastructure Services....................	66,284	68,185	32,253	31,915
Homes Services	25,265	22,391	11,774	10,783
Digital TV Services	37,570	41,001	14,221	15,685
Others	4,009	1,163	(4,299)	(3,569)
Total segment revenue/EBITDA.............	**904,451**	**892,281**	**312,891**	**272,242**
Less: Inter-segment eliminations[(2)]	78,063	84,479	9,611	11,141
Total revenue/EBITDA	**826,388**	**807,802**	**303,279**	**261,101**

Notes:

(1) EBITDA unless otherwise specified, is defined as earnings / (loss) before interest, taxation, depreciation and amortization. It is not an IND-AS measure and is defined as profit from operating activities before depreciation, amortization and exceptional items.

(2) Includes accounting policy alignment.

See also "*Selected Consolidated Financial and Operating Data of Our Company—Our Company's results of operations by segment*" for a reconciliation of our Company's segment results to EBITDA.

Description of Principal Income Statement Items

Revenue comprises revenue from the rendering of various services and the sale of goods to its customers and is shown net of inter-segmental transactions, discounts, process waiver, and VAT, service tax or duty.

Other income comprises miscellaneous income and lease rentals.

Network operating expenses primarily comprises costs relating to access charges, including interconnection traffic for calls originating but not terminating on our network and roaming costs relating to services provided by other network operators to our customers in areas where we do not provide service; network operation costs, including site lease, rental, fuel and security costs; employee costs; and selling, general and administrative expenses, which include customer acquisition costs, advertising and promotional costs and IT and customer care costs.

Other expenses comprise regulatory levies applicable to finance income in some of the geographies.

Depreciation and amortization comprises depreciation of fixed and tangible assets and the amortization of intangible assets. Depreciation is charged to the consolidated income statement on a straight-line basis over the useful lives of items of property and equipment. Amortization of intangible assets mainly includes the amortization of intangible assets such as license fees (including spectrum) and software on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use.

Finance costs primarily comprises interest and other costs incurred in connection with the borrowing of funds, and losses on derivative financial instruments and hedges and foreign exchange losses on reinstatements of foreign currency denominated assets and liabilities.

Finance income primarily comprises interest income on fixed and time deposits; gains on derivative financial instruments; interest and gain on securities held for trading; foreign exchange gains on reinstatements of foreign currency denominated assets and liabilities; and interest on loans.

Share of results of joint ventures and associates comprises the results of the associates and joint ventures incorporated in our consolidated financials using the equity method of accounting.

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

Tax expense / (credit) includes tax payable on current period profit and income tax deferred on account of timing differences.

Net losses due to foreign currency translation differences comprises, adjustments resulting from the translation of the assets and liabilities of foreign operations into the reporting currency at the rate of exchange prevailing at the reporting date and translation of statement of comprehensive income at average exchange rates prevailing during the period.

Six months ended September 30, 2019 compared to six months ended September 30, 2018

In order to allow meaningful comparison to prior periods, the commentary and variances below for the six months ended September 30, 2019 are presented without the application of IND-AS 116. See "*—Factors Affecting Comparability of Our Company's Financial Statements—Changes to Accounting Standards – IND-AS 116.*"

Revenue

Our revenue increased by 4.69% to ₹ 418, 189 million in the six months ended September 30, 2019 from ₹ 399,470 million in the six months ended September 30, 2018. This increase was primarily due to an increase in network usage by 5.85% to 1,593 billion minutes in the six months ended September 30, 2019 from 1,505 billion minutes in the six months ended September 30, 2018 and an increase in mobile data traffic by 87.20% to 9,349 billion MBs in the six months ended September 30, 2019 from 4,994 billion MBs in the six months ended September 30, 2018.

B2C services:

- *Mobile Services – India*: Our mobile services operations in India contributed total revenue of ₹ 218,481 million in the six months ended September 30, 2019, an increase of 5.4% from ₹ 207,325 million for the six months ended September 30, 2018. This increase was primarily due to an increase in mobile data usage per customer by 46.4% to 12.2 GBs in the six months ended September 30, 2019 from 8.4 GBs in the six months ended September 30, 2018 and an increase in mobile data traffic by 87.5% to 9,020 billion MBs in the six months ended September 30, 2019 from 4,810 billion MBs in the six months ended September 30, 2018.

- *Mobile Services – Africa*: Our mobile services operations in Africa contributed total revenue of ₹ 114,590 million in the six months ended September 30, 2019, an increase of 10.4% from ₹ 103,761 million for the six months ended September 30, 2018. This increase was primarily due to an increase in customer base by 10.4% to 103.9 million in the six months ended September 30, 2019 from 94.1 million in the six months ended September 30, 2018, an increase in network usage by 13.8% to 116.1 billion minutes in the six months ended September 30, 2019 from 102.0 billion minutes in the six months ended September 30, 2018 and an increase in mobile data usage per customer by 56% to 1,651 MBs in the six months ended September 30, 2019 from 1,060 MBs in the six months ended September 30, 2018.

- *South Asia*: Our mobile services operations in South Asia contributed total revenue of ₹ 2,194 million in the six months ended September 30, 2019, an increase of 0.5% from ₹ 2,182 million for the six months ended September 30, 2018. This resulted primarily due to an increase in customer base of 17%.

- *Home Services*: Our home services segment contributed total revenue of ₹ 11,180 million in the six months ended September 30, 2019, a decrease of 1.5% from ₹ 11,352 million for the six months ended September 30, 2018.

- *Digital TV Services*: Our digital TV services segment contributed total revenue of Rs 15,282 million in the six months ended September 30, 2019, a decrease of 24.2% from ₹ 20,166 million for the six months ended September 30, 2018. This decrease resulted due to the alignment of accounting with the New Tariff Order.

B2B services:

- *Airtel Business*: Our Airtel Business segment contributed total revenue of ₹ 65,392 million in the six months ended September 30, 2019, an increase of 3.2% from ₹ 63,381 million for the six months ended September 30, 2018. The increase was primarily due to an increase in data revenue.

- *Tower Infrastructure Services*: Our Tower Infrastructure Services segment contributed total revenue of ₹ 33,237 million in the six months ended September 30, 2019, which was generally in line with the prior period, resulting in a small decrease of 2.7% from ₹ 34,155 million for the six months ended September 30, 2018.

Network operating expenses

Our network operating expenses increased 17.68% to ₹ 126,471 million in the six months ended September 30, 2019 from ₹ 107,443 million in the six months ended September 30, 2018. This increase was primarily due to deployment of new sites resulting from the increase in investments incurred to strengthen our network.

EBITDA

Our EBITDA for the six months ended September 30, 2019 was ₹ 141,313 million, an increase of 7.6% from ₹ 131,384 million recorded in the six months ended September 30, 2018, while our EBITDA Margin (i.e. EBITDA for the period divided by total revenue for that period) increased in the six months ended September 30, 2019 to 33.80% from 32.89% in the six months ended September 30, 2018. These increases were primarily the result of higher net revenue flow through.

B2C services:

- *Mobile Services – India*: EBITDA related to our mobile services operations in India increased by 2.08% to ₹ 49,940 million in the six months ended September 30, 2019 from ₹ 48,923 million in the six months ended September 30, 2018, while EBITDA Margin decreased to 22.86% in the six months ended September 30, 2019 from 23.6% in the six months ended September 30, 2018 primarily due to higher revenue flow through which is partially offset by higher operating expenses associated with the increase in investments incurred to strengthen our network.

- *Mobile Services – Africa*: EBITDA related to our mobile services operation in Africa increased 12.07% to ₹ 44,840 million in the six months ended September 30, 2019 from ₹ 40,011 million in the six months ended September 30, 2018. EBITDA Margin on a reported currency basis increased to 39.13 % in the six months ended September 30, 2019 from 38.6 % in the six months ended September 30, 2018, primarily due to operating efficiencies.

- *South Asia*: EBITDA related to our mobile services operations in Sri Lanka decreased 87.5% to ₹ 5 million in the six months ended September 30, 2019 compared to EBITDA of ₹ 40 million in the six months ended September 30, 2018, while EBITDA Margin was 0.23% in the six months ended September 30, 2019 compared to 1.8% in the six months ended September 30, 2018. These changes resulted primarily due to lower net revenue flow through.

- *Home Services*: EBITDA related to our home services segment increased by 2.2% to ₹ 5,908 million in the six months ended September 30, 2019 from ₹ 5,783 million in the six months ended September 30, 2018. In addition, EBITDA Margin increased to 52.8% in the six months ended September 30, 2019 from 50.9% in the six months ended September 30, 2018, primarily due to lower operating expenses.

- *Digital TV Services*: EBITDA related to our digital TV services segment increased 28.76% to ₹ 10,263 million in the six months ended September 30, 2019 from ₹ 7,970 million in the six months ended September 30, 2018, while EBITDA Margin increased to 66.16% in the six months ended September 30, 2019 from 39.5% in the six months ended September 30, 2018. These increases were primarily due to change in method of accounting and an increase in customer base of 9.7%.

B2B services:

- *Airtel Business*: EBITDA related to our Airtel Business segment decreased by 1.42% to ₹ 20,851 million in the six months ended September 30, 2019 from ₹ 21,151 million in the six months ended September 30, 2018 while, EBITDA Margin decreased to 31.89% in the six months ended September 30, 2019 from 33.37% in the six months ended September 30, 2018. These decreases were primarily due to increase in operating expenses.

- *Tower Infrastructure Services*: EBITDA related to our Tower Infrastructure Services segment increased by 3.88% to ₹ 16,308 million in the six months ended September 30, 2019 from ₹ 15,698 million in the six months ended September 30, 2018, while EBITDA Margin increased to 49.07% in the six months ended September 30, 2019 from 46.00% in the six months ended September 30, 2018. These increases were primarily due to decrease in operating expenses primarily due to a decrease in network expenses.

Depreciation and amortization

Our depreciation and amortization increased by 13.13% to ₹ 117,453 million in the six months ended September 30, 2019 from ₹ 103,818 million in the six months ended September 30, 2018. This increase was primarily due to the impact of sustained capital expenditure spending aimed at enhancing our 4G capacities.

Finance costs

Our finance cost decreased by 5.0% to ₹ 55,610 million in the six months ended September 30, 2019 from ₹ 58,524 million in the six months ended September 30, 2018.

Finance income

Our finance income decreased by 33.76% to ₹ 4,902 million in the six months ended September 30, 2019 from ₹ 7,401 million in the six months ended September 30, 2018. This decrease was primarily due to a decrease in investment by Bharti Infratel Limited.

Share of results of joint ventures and associates

Our profit from share of results of joint ventures and associates was ₹ 4,086 million in the six months ended September 30, 2019, an increase of 24.35% from a profit of ₹ 3,286 million in the six months ended September 30, 2018, primarily due to an increase in the share of JV of Indus in Infratel.

Exceptional items, net

We recorded net exceptional costs of ₹ 321,804 million in the six months ended September 30, 2019, relating primarily due to large license fee as a result of a judgement delivered by the Honorable Supreme Court of India in relation to a long outstanding industrywide case upholding the view considered by Department of Telecommunications in respect of the definition of Adjusted Gross Revenue and spectrum usage charges payable to the DoT (even though we believe that the SUC is to be paid only on AGR from wireless access subscribers); accelerated depreciation on 3G network equipment and operating costs on network re-farming and up-gradation program; an incremental provision pertaining to indemnities to certain investors of Airtel Africa plc which were determined on the basis of a prior settled methodology; and a credit relating to the re-assessment of levies based on a recent judgement. We recorded net exceptional income of ₹ 5,070 million in the six months ended September 30, 2018.

Tax expense / (credit)

We experienced a net income tax expense of ₹ 12,044 million (U.S.$170 million) in the six months ended September 30, 2019, an increase of 9.23% from a net income tax expense of ₹ 11,026 million in the six months ended September 30, 2018. The increase was mainly attributable to increase in tax liability of Africa entities by ₹ 2,384 million (U.S.$34 million) offset with decrease in tax liability of India by ₹ 1,366 million (U.S.$19 million).

Net gains/losses due to foreign currency translation differences

We recorded a gain from exchange differences on translation of foreign operations of ₹ 2,033 million in the six months ended September 30, 2019 compared to a loss of ₹ 8,280 million in the six months ended September 30, 2018. This gain was primarily due to strengthening of USD against INR on positive USD net assets. For more information on our accounting policies with respect to translation of foreign operations' financial statements, see note 2 of the Group Consolidated Financial Statements for the year ended March 31, 2019 included elsewhere in this Placement Document

Fiscal year ended March 31, 2019 compared to fiscal year ended March 31, 2018

Revenue

Our revenue decreased 2.25% to ₹ 807,802 million in the fiscal year ended March 31, 2019 from ₹ 826,388 million in the fiscal year ended March 31, 2018. This decrease was primarily due to a decline in the customer base to approximately 404 million for the fiscal year ended March 31, 2019, from 414 million for the fiscal year ended March 31, 2018.

B2C services:

- *Mobile Services – India*: Our mobile services operations in India contributed total revenue of ₹ 415,540 million in the fiscal year ended March 31, 2019, a decrease of 10.18% from ₹ 462,639 million for the fiscal year ended March 31, 2018. This resulted primarily from a decrease in ARPU.

- *Mobile Services – Africa*: Our mobile services operations in Africa contributed total revenue of ₹ 215,028 million in the fiscal year ended March 31, 2019, an increase of 12.54% from ₹ 191,073 million for the fiscal year ended March 31, 2018. This increase in revenues is primarily a result of total subscriber base growth of 10.7%, minutes of usage growth of 29.9%, data subscriber base growth of 20.4% with data usage growth of 65.3%. Trends in the underlying operations remained steady, primarily from the increase in voice and data usage due to the continued growth in our subscriber base in Africa.

- *South Asia*: Our mobile services operations in South Asia contributed total revenue of ₹ 4,436 million in the fiscal year ended March 31, 2019, an increase of 9.67% from ₹ 4,045 million for the fiscal year ended March 31, 2018. This resulted primarily from the increase in overall voice usage as well as due to increase in our subscriber base in South Asia, which increased by 14.1% to 2.6 million customers as at March 31, 2019.

- *Home Services*: Our home services segment contributed total revenue of ₹ 22,391 million in the fiscal year ended March 31, 2019, a decrease of 11.38% from ₹ 25,265 million for the fiscal year ended March 31, 2018. This decrease resulted primarily due to a decrease in ARPU.

- *Digital TV Services*: Our digital TV services segment contributed total revenue of ₹ 41,001 million in the fiscal year ended March 31, 2019, an increase of 9.13% from ₹ 37,570 million for the fiscal year ended March 31, 2018. This increase resulted primarily from growth in our digital TV subscriber base, which increased by 8.6% to 15.4 million customers as at March 31, 2019 compared to 14.2 million customers as at March 31, 2018.

B2B services:

- *Airtel Business*: Our Airtel Business segment contributed total revenue of ₹ 124,537 million in the fiscal year ended March 31, 2019, an increase of 9.66% from ₹ 113,566 million for the fiscal year ended March 31, 2018. The increase was primarily due to an increase in data revenue.

- *Tower Infrastructure Services*: Our Tower Infrastructure Services segment contributed total revenue of ₹ 68,185 million in the fiscal year ended March 31, 2019, an increase of 2.87% from ₹ 66,284 million for the fiscal year ended March 31, 2018. This resulted primarily from energy revenue, with an impact of sharing revenue declining due to co-location exits driven by operator consolidation. This drop was offset with 4G led additional demand, annual increments in our long term contracts with clients and exit charges received due to churn in co-locations.

Network operating expenses

Our network operating expenses increased 13.36% to ₹ 223,900 million in the fiscal year ended March 31, 2019 from ₹ 197,520 million in the fiscal year ended March 31, 2018. This increase was primarily due to the deployment of new sites resulting from an increase in investments to strengthen our network.

EBITDA

Our EBITDA for the fiscal year ended March 31, 2019 was ₹ 261,101 million, a decrease of 13.91% from ₹ 303,279 million recorded in the fiscal year ended March 31, 2018, while its EBITDA Margin (i.e. EBITDA for the period divided by total revenue for that period) decreased in the fiscal year ended March 31, 2019 to 32.32% from 36.70% in the fiscal year ended March 31, 2018. These decreases were primarily the result of a decrease in gross revenue and increase in operating expense.

B2C services:

- *Mobile Services – India*: EBITDA related to our mobile services operations in India decreased 37.83% to ₹ 93,480 million in the fiscal year ended March 31, 2019 from ₹ 150,374 million in the fiscal year ended March 31, 2018, while EBITDA Margin decreased to 22.50% in the fiscal year ended March 31, 2019 from 32.50% in the fiscal year ended March 31, 2018. These decreases resulted primarily due to a decrease in revenue**.**

- *Mobile Services – Africa*: EBITDA related to our mobile services operations in Africa increased 25.91% to ₹ 83,341 million in the fiscal year ended March 31, 2019 from ₹ 66,159 million in the fiscal year ended March 31, 2018, primarily due revenue increase by 12.5% and cost optimisation initiatives primarily focussed on redesign of processes and systems. EBITDA Margin on a reported currency basis increased to 38.76% in the fiscal year ended March 31, 2019 from 34.62% in the fiscal year ended March 31, 2018, primarily due to revenue growth coupled with operating efficiencies.

- *South Asia*: EBITDA related to our mobile services operations in South Asia increase 1487.5% to ₹ 127 million in the fiscal year ended March 31, 2019 compared to EBITDA of ₹ 8 million in the fiscal year ended March 31, 2018, while EBITDA Margin was 2.84% in the fiscal year ended March 31, 2019 compared to 0.20% in the fiscal year ended March 31, 2018. These changes resulted primarily due to an increase in revenue.

- *Home Services*: EBITDA related to our home services segment decreased 8.43% to ₹ 10,783 million in the fiscal year ended March 31, 2019 from ₹ 11,774 million in the fiscal year ended March 31, 2018. In addition, EBITDA Margin increased to 48.15% in the fiscal year ended March 31, 2019 from 46.60% in the fiscal year ended March 31, 2018, primarily due to a decrease in revenue resulting from low ARPU.

- *Digital TV Services*: EBITDA related to our digital TV services segment increased 10.29% to ₹ 15,685 million in the fiscal year ended March 31, 2019 from ₹ 14,221 million in the fiscal year ended March 31, 2018, while EBITDA Margin increased to 38.26% in the fiscal year ended March 31, 2019 from 37.85% in the fiscal year ended March 31, 2018.

B2B services:

- *Airtel Business*: EBITDA related to our Airtel Business segment decreased 4.53% to ₹ 40,480 million in the fiscal year ended March 31, 2019 from ₹ 42,401 million in the fiscal year ended March 31, 2018 while EBITDA Margin decreased to 32.51% in the fiscal year ended March 31, 2019 from 37.34% in the fiscal year ended March 31, 2018. This decrease was primarily due to an increase in operating expenses, resulting from an increase in network expenses.

- *Tower Infrastructure Services*: EBITDA related to our Tower Infrastructure Services segment decreased by 1.05% to ₹ 31,915 million in the fiscal year ended March 31, 2019 from ₹ 32,253 million in the fiscal year ended March 31, 2018, while EBITDA Margin decreased to 46.81% in the fiscal year ended March 31, 2019 from 48.66% in the fiscal year ended March 31, 2018. This decrease was primarily due to lower sharing revenue driven by operator consolidation led co-location churn.

Depreciation and amortization

Our depreciation and amortization increased 10.94% to ₹ 213,475 million in the fiscal year ended March 31, 2019 from ₹ 192,431 million in the fiscal year ended March 31, 2018. This slight increase was primarily due to the impact of sustained capital expenditures relating to enhancing our 4G capacities.

Depreciation and amortization expenses associated with our operations in Africa increased by 2.47% to ₹ 31,234 million for the fiscal year ended March 31, 2019 from ₹ 30,480 million for the fiscal year ended March 31, 2018, primarily due to capital expenditure additions during the period.

Depreciation and amortization expenses associated with our operations in South Asia decreased by 6.27% to ₹ 1,196 million for the fiscal year ended March 31, 2019 from ₹ 1,276 million for the fiscal year ended March 31, 2018.

Depreciation and amortization expenses primarily associated with the Company’s operations in India increased by 13% to ₹ 181,042 million for the fiscal year ended March 31, 2019.

Finance costs

Our finance costs increased 18.09% to ₹ 110,134 million in the fiscal year ended March 31, 2019 from ₹ 93,255 million in the fiscal year ended March 31, 2018. This increase was due to an increase in interest expense paid on borrowings associated with higher borrowings for fiscal year 2019.

Finance income

Our finance income increased 13.56% to ₹ 14,240 million in the fiscal year ended March 31, 2019 from ₹ 12,540 million in the fiscal year ended March 31, 2018. This increase was primarily due to an increase in income from Infratel.

Share of results of joint ventures and associates

Our gain from share of results of joint ventures and associates was ₹ 3,556 million in the fiscal year ended March 31, 2019, a decrease of 66.48% from a gain of ₹ 10,609 million in the fiscal year ended March 31, 2018, primarily due to a decrease in the Indus share of the joint venture, and an increase in Ghana and Bangladesh share of losses.

Exceptional items

We recorded exceptional gain of ₹ 29,288 million in the fiscal year ended March 31, 2019, mainly due to the creation of deferred tax asset in DTH and Nigeria, deconsolidation of Airtel Payment Bank Limited, credit pertaining to re-assessment of levies, based on a recent pronouncement related to the manner of determination of such levies, partially set off by charge on network re-farming and program upgrades and integration related costs pertaining to the business combinations consummated during the period.

We recorded exceptional cost of ₹ 7,931 million in the fiscal year ended March 31, 2018, relating primarily to charges towards costs on network re-farming and upgrade programs, translation impact in Nigeria due to the transition to market based exchange rates and some additional regulatory levies, partially offset by gains towards divestment of subsidiary assets and gains on account of actualization impact of divestment of entity.

Tax expense / (credit)

Our income tax expense changed 415.58% to credit of ₹ 34,193 million in the fiscal year ended March 31, 2019 from expense of ₹ 10,835 million in the fiscal year ended March 31, 2018. The change was mainly attributable to a decrease in PBT.

Net losses due to foreign currency translation differences

We recorded a loss from exchange differences on translation of foreign operations of ₹ 15,739 million in the fiscal year ended March 31, 2019 compared to a loss of ₹ 7,181 million in the fiscal year ended March 31, 2018. For more information on our accounting policies with respect to translation of foreign operations' financial statements, see Note 2.5 of the Group Consolidated Financial Statements for the year ended March 31, 2019.

Fiscal year ended March 31, 2018 compared to fiscal year ended March 31, 2017

Revenue

Our revenue decreased 13.44% to ₹ 826,388 million in the fiscal year ended March 31, 2018 from ₹ 954,683 million in the fiscal year ended March 31, 2017. This decrease was primarily due to a decline in mobile revenue in India owing to a decline in ARPU.

B2C services:

- *Mobile Services – India*: Our mobile services operations in India contributed total revenue of ₹ 462,639 million in the fiscal year ended March 31, 2018, a decrease of 18.19% from ₹ 565,511 million for the fiscal year ended March 31, 2017. This resulted primarily from decline in ARPU.

- *Mobile Services – Africa*: Our mobile services operations in Africa contributed total revenue of ₹ 191,073 million in the fiscal year ended March 31, 2018, a decrease of 12.98% from ₹ 219,568 million for the fiscal year ended March 31, 2017. The decrease in revenues was also attributable to divestment of Burkina Faso, Sierra Leone and Ghana, and change in accounting policy on account of adoption of IFRS 15 (revenues earned by the Company from distributors is measured at net consideration received from such distributors).

- *South Asia*: Our mobile services operations in Bangladesh and Sri Lanka contributed total revenue of ₹ 4,045 million in the fiscal year ended March 31, 2018, a decrease of 65.55% from ₹ 11,743 million for the fiscal year ended March 31, 2017. This resulted primarily from the demerger of the Bangladesh operations.

- *Home Services*: Our home services segment contributed total revenue of ₹ 25,265 million in the fiscal year ended March 31, 2018, a decrease of 8.19% from ₹ 27,518 million for the fiscal year ended March 31, 2017. This decrease resulted primarily from a decline in ARPU.

- *Digital TV Services*: Our digital TV services segment contributed total revenue of ₹ 37,570 million in the fiscal year ended March 31, 2018, an increase of 9.51% from ₹ 34,306 million for the fiscal year ended March 31, 2017.

B2B services:

- *Airtel Business*: Our Airtel Business segment contributed total revenue of ₹ 113,566 million in the fiscal year ended March 31, 2018, an increase of 3.78% from ₹ 109,429 million for the fiscal year ended March 31, 2017.

- *Tower Infrastructure Services*: Total revenue from our Tower Infrastructure Services segment was ₹ 66,284 million in the fiscal year ended March 31, 2018, an increase of 8.97% from ₹ 60,829 million for the fiscal year ended March 31, 2017.

Other income

Our other income for the fiscal year ended March 31, 2018 was ₹ 2,488 million, an increase of 106.30% from the ₹ 1,206 million recorded in the fiscal year ended March 31, 2017, primarily due to the reversal of liabilities in fiscal year ended March 31, 2018.

Network operating expenses

Our network operating expenses decreased 5.56% to ₹ 197,520 million in the fiscal year ended March 31, 2018 from ₹ 209,154 million in the fiscal year ended March 31, 2017. Network operating expenses for our Companyand our subsidiaries excluding Africa decreased 3% to ₹ 153,078 million in the fiscal year ended 2018 from ₹ 156,192 million in the fiscal year ended March 31, 2017.

EBITDA

Our EBITDA for the fiscal year ended March 31, 2018 was ₹ 303,279 million, a 14.45% decrease from ₹ 354,504 million recorded in the fiscal year ended March 31, 2017, while its EBITDA Margin (i.e. EBITDA for the period divided by total revenue for that period) decreased in the fiscal year ended March 31, 2018 to 36.70% from 37.13% in the fiscal year ended March 31, 2017. Decreases were primarily the result of a decline in revenues.

B2C services:

- *Mobile Services – India*: EBITDA related to our mobile services operations in India decreased 32.95% to ₹ 150,374 million in the fiscal year ended March 31, 2018 from ₹ 226,674 million in the fiscal year ended March 31, 2017, while EBITDA Margin decreased in the fiscal year ended March 31, 2018 to 32.50% from 40.08% in the fiscal year ended March 31, 2017.

- *Mobile Services – Africa*: EBITDA related to our mobile services operations in Africa increased 26.87% to ₹ 66,159 million in the fiscal year ended March 31, 2018 from ₹ 52,083 million in the fiscal year ended March 31, 2017, primarily due to an cost optimization initiatives primarily focused on redesign of processes and systems. EBITDA Margin increased to 34.62% in the fiscal year ended March 31, 2018 from 23.72% in the fiscal year ended March 31, 2017.

- *South Asia*: EBITDA related to our mobile services operations in Bangladesh and Sri Lanka decreased 96.63% to ₹ 8 million in the fiscal year ended March 31, 2018 from ₹ 238 million in the fiscal year ended March 31, 2017, while EBITDA Margin was 0.20% in the fiscal year ended March 31, 2018 compared to 2.03% in the fiscal year ended March 31, 2017. These changes resulted primarily due to a decline in revenues.

- *Homes Services*: EBITDA related to our homes services segment decreased by 9.06% to ₹ 11,774 million in the fiscal year ended March 31, 2018 compared to ₹ 12,948 million in the fiscal year ended March 31, 2017. EBITDA Margin decreased to 46.60% in the fiscal year ended March 31, 2018 from 47.05% in the fiscal year ended March 31, 2017, primarily due to a decline in revenues .

- *Digital TV Services*: EBITDA related to our digital TV services segment increased by 16.38% to ₹ 14,221 million in the fiscal year ended March 31, 2018 from ₹ 12,219 million in the fiscal year ended March 31, 2017, while EBITDA Margin increased to 37.85% in the fiscal year ended March 31, 2018 from 35.62% in the fiscal year ended March 31, 2017. These increases were due to an increase in revenues.

B2B services:

- *Airtel Business*: EBITDA related to our Airtel Business segment increased by 25.59% to ₹ 42,401 million in the fiscal year ended March 31, 2018 from ₹ 33,761 million in the fiscal year ended March 31, 2017, while EBITDA Margin increased to 37.34% in the fiscal year ended March 31, 2018 from 30.85% in the fiscal year ended March 31, 2017. These increases were primarily due to an increase in revenues.

- *Tower Infrastructure Services*: EBITDA related to our Tower Infrastructure Services segment increased by 11.59% to ₹ 32,253 million in the fiscal year ended March 31, 2018 from ₹ 28,904 million in the fiscal year ended March 31, 2017. However, EBITDA Margin increased to 48.66% in the fiscal year ended March 31, 2018 from 47.52% in the fiscal year ended March 31, 2017, primarily due to an increase in revenues.

Depreciation and amortization

Our depreciation and amortization decreased 2.68% to ₹ 192,431 million in the fiscal year ended March 31, 2018 from ₹ 197,730 million in the fiscal year ended March 31, 2017. This decrease was primarily due to divestment in South Asia and Africa. Depreciation and amortization expenses associated with our operations in India increased, while depreciation and amortization expenses associated with our operations in Africa decreased by 21.54% to ₹ 30,480 million for the fiscal year ended March 31, 2018 from ₹ 41,894 million for the fiscal year ended March 31, 2017, primarily due to divestment of Burkina Faso, Sierra Leone and Ghana. Depreciation and amortization expenses associated with our operations in South Asia decreased by 70% to ₹ 1,276 million for the fiscal year ended March 31, 2018 from ₹ 4,256 million for the fiscal year ended March 31, 2017, primarily due to the demerger of the Bangladesh operations.

Finance costs

Our finance costs decreased by 2.31% to ₹ 93,255 million in the fiscal year ended March 31, 2018 from ₹ 95,466 million in the fiscal year ended March 31, 2017. This decrease was primarily due lower average currency fluctuation during the fiscal year ended March 31, 2018 as compared to fiscal year ended March 31, 2017.

Finance income

Our finance income decreased by 32.19% to ₹ 12,540 million in the fiscal year ended March 31, 2018 from ₹ 18,492 million in the fiscal year ended March 31, 2017. This decrease was primarily due to a decrease in income from Infratel.

Share of results of joint ventures and associates

Our gain from share of results of joint ventures and associates was ₹ 10,609 million in the fiscal year ended March 31, 2018, an increase of 1.53% from a gain of ₹ 10,449 million in the fiscal year ended March 31, 2017, primarily due to an increase in the Indus share of the joint venture.

Exceptional items

We recorded exceptional income of ₹ 7,931 million in the fiscal year ended March 31, 2018, relating primarily to charges towards costs on network refarming and upgrades, translation impact in Nigeria due to the transition to market based exchange rates, and some additional regulatory levies, partially offset by gains towards divestment of subsidiary assets and gains on account of the actualization impact of divestment of entity.

Tax expense / (credit)

Our income tax expense decreased 68.88% to ₹ 10,835 million in the fiscal year ended March 31, 2018 from ₹ 34,819 million in the fiscal year ended March 31, 2017. The decrease was mainly attributable to a decline in the profit before tax.

Net losses due to foreign currency translation differences

We recorded a loss from exchange differences on translation of foreign operations of ₹ 7,181 million in the fiscal year ended March 31, 2018 compared to a loss of ₹ 41,424 million in the fiscal year ended March 31, 2017. This change was primarily due to appreciation in the value of INR. For more information on our accounting policies with respect to translation of foreign operations' financial statements, see Note 2.5(c) of the Group Consolidated Financial Statements for the year ended March 31, 2018.

Liquidity and Capital Resources

We believe that liquidity is its most important financial risk to manage, particularly in light of the capital intensive nature of our operations. Our principal source of funding has been, and is expected to continue to be, cash generated from operations, supported by funding from bank borrowings and the capital markets. In the fiscal years ended March 31, 2017, 2018 and 2019 and the six months ended September 30, 2019, we met our funding requirements, including capital expenditures, satisfaction of debt obligations, investments, taxes, other working capital requirements, dividends and other cash outlays, principally with funds generated from operations, equity issuances and proceeds from our U.S. dollar notes, Euro-denominated notes and Swiss Franc-denominated bonds, with the balance principally met using external borrowings, including both secured and unsecured short-term as well as long-term facilities (in both rupees and other currencies). In the six months ended September 30, 2019, we also recorded an incremental provision for license fee and SUC of ₹ 110,257 million (net of tax of ₹ 57,893 million) and ₹ 76,538 million (net of tax of ₹ 39,812 million), respectively, as an estimate based on the AGR Ruling. We plan to use the net proceeds of the QIP Issue to partially fund additional payments that may be due in connection with the AGR Ruling. For further details, see "*Risk Factors—Risks Relating to Our Business—Our Company and Bharti Hexacom, our Subsidiary, are involved in material legal proceedings pertaining to Adjusted Gross Revenue, which may adversely affect our operations or the financial position*". See also "*Legal Proceedings*" on page 227.

We focus on ensuring that we have sufficient committed loan facilities to meet short-term business requirements, after taking into account cash flows from operations and our holding of cash and cash equivalents, as well as any existing restrictions on distributions. Management believes that our committed loan facilities and cash generation will be sufficient to cover our likely short-term cash requirements.

We have an extensive capital expenditure program related to all aspects of our business, which we expect to fund through a combination of cash flow from operations and external borrowings. We may also consider further issuances of equity or debt instruments or convertible securities or other equity linked securities as a means to fund our capital expenditure program, although we currently have no definite plans to do so. See "— *Capital Expenditure.*"

Our principal sources of external financing include both secured and unsecured short-term and long-term facilities (in both rupees and other currencies), as well as proceeds from the issuance of our debt securities. See "*Description of Other Indebtedness.*" We are required to secure certain of our domestic borrowings, in line with established market practices in India. As at March 31, 2019, we had total debt of ₹ 1,254,283 million, ₹ 3,071 million of this was secured debt and ₹ 1,251,212 million was unsecured debt. In addition, concurrently with the Issue, we expect to issue U.S.$ 1,000 million 1.50 per cent. convertible bonds due 2025 which will be convertible into fully paid ordinary shares of our Company.

Due to the international nature of our operations and the multitude of currencies in which we earns revenues and cash flows, a significant portion of our debt is denominated in currencies other than the Indian rupee. These include debt denominated in the respective local currencies of various geographies in which we have operations (e.g., Nigerian Naira for its operations in Nigeria). As at March 31, 2019, 37.87% of our total debt was denominated in currencies other than Indian Rupee, principally in U.S. dollars, Euros and Nigerian Naira. As at March 31, 2019, we had total overdraft outstanding of ₹ 24,806 million. See "— *Debt and Debt Funding*" below.

In addition, we had a negative working capital position as at September 30, 2019, and as at each of March 31, 2017, 2018 and 2019. Working capital is defined as current assets minus current liabilities.

As at September 30, 2019, we had cash and cash equivalents of ₹ 106,957 million. We seek, in normal circumstances, to maintain a substantial cash and cash equivalents balances to provide us with financial and operational flexibility. Our cash is placed in bank fixed deposits, certificates of deposit, GoI securities, bonds issued by corporates with high credit ratings and debt mutual funds.

In our principal place of operations, India, exchange controls restrict the conversion of rupees into and from other currencies, primarily for capital account convertibility. The restrictions are not expected to have any material effect on our ability to meet its on-going obligations in respect of the Equity Shares.

Cash Flow Analysis

The following table sets forth our cash flow data for the periods indicated.

	Six Months ended September 30,		
	2018	2019	2019
		After Applying Ind-AS 116	Frozen GAAP
	(₹ in millions)		
Net cash inflow from operating activities	88,516	149,122	123,345
Net cash (outflow) from investing activities	(149,112)	(113,110)	(113,110)
Net cash inflow/(outflow) from financing activities	43,051	8,469	34,246
Net increase/(decrease) in cash and cash equivalents during the period	**(17,545)**	**44,481**	**44,481**
Balance as at the beginning of the period	**28,468**	**37,316**	**37,316**
Effect of exchange rate changes on cash and cash equivalents ...	3,091	2,459	2,459
Balance as at the end of the period	**14,014**	**84,256**	**84,256**

	Fiscal year ended March 31,		
	2017	2018	2019
	(₹ in millions)		
Net cash generated from operating activities	282,799	298,538	197,880
Net cash used in investing activities	(306,044)	(279,676)	(285,009)
Net cash generated from / (used) in financing activities	(3,514)	19,205	94,638
Net increase/(decrease) in cash and cash equivalents during the period	**(26,759)**	**38,067**	**7,509**
Cash and cash equivalents as at beginning of the year	**17,635**	**(9,880)**	**28,468**
Effect of exchange rate changes on cash and cash equivalents ...	(756)	281	1,338
Cash and cash equivalents as at end of the year	**(9,880)**	**28,468**	37,315

In order to allow meaningful comparison to prior periods, the commentary and variances below for the six months ended September 30, 2019 are presented without the application of Ind-AS 116.

Operating Activities

Net cash inflow from operating activities was ₹ 149,122 million for the six months ended September 30, 2019 compared to ₹ 88,516 million for the six months ended September 30, 2018. Net cash inflow in the six months ended September 30, 2019 was higher.

Net cash inflow from operating activities was ₹ 197,880 million for the fiscal year ended March 31, 2019 compared to ₹ 298,538 million for the fiscal year ended March 31, 2018. Net cash inflow in the fiscal year ended March 31, 2019 was lower.

Net cash inflow from operating activities was ₹ 298,538 million for the fiscal year ended March 31, 2018 compared to ₹ 282,799 million for the fiscal year ended March 31, 2017. Net cash inflow in the fiscal year ended March 31, 2018 was higher.

Investing Activities

Net cash outflow from investing activities was ₹ 113,110 million for the six months ended September 30, 2019 compared to ₹ 149,112 million for the six months ended September 30, 2018. Net cash outflow in the six months ended September 30, 2019 was lower.

Net cash outflow from investing activities was ₹ 285,009 million in the fiscal year ended March 31, 2019 compared to ₹ 279,676 million in the fiscal year ended March 31, 2018. Net cash outflow from investing activities during the fiscal year ended March 31, 2019 was higher.

Net cash outflow from investing activities was ₹ 279,676 million in the fiscal year ended March 31, 2018 compared to ₹ 306,044 million in the fiscal year ended March 31, 2017. Net cash outflow from investing activities during the fiscal year ended March 31, 2018 was lower.

Financing Activities

Net cash inflow from financing activities was ₹ 8,469 million for the six months ended September 30, 2019 compared to net cash inflow of ₹ 43,051 million for the six months ended September 30, 2018. Net cash inflow in the six months ended September 30, 2019 was lower.

Net cash inflow from financing activities was ₹ 94,638 million in the fiscal year ended March 31, 2019 compared to net cash inflow from financing activities of ₹ 19,205 million in the fiscal year ended March 31, 2018.

Net cash inflow from financing activities was ₹ 19,205 million in the fiscal year ended March 31, 2018 compared to net cash outflow from financing activities of ₹ 3,514 million in the fiscal year ended March 31, 2017. The cash provided by financing activities in the fiscal year ended March 31, 2018 consisted primarily of ₹ 197,644 million in borrowings (including short-term borrowings), as well as ₹ 57,189 million raised from the sale of our interest in Bharti Infratel. Proceeds from borrowings includes ₹ 30,000 million from the issuance of bonds, ₹ 15,000 million each from the issuance of 8.25% NCD Series I and 8.35% NCD Series II bonds during the fiscal year ended March 31, 2018. This was partially offset by, among other things, repayments of borrowings in the amount of ₹ 130,717 million during the fiscal year ended March 31, 2018. In the fiscal year ended March 31, 2017, net cash outflow from in financing activities was principally as a result of net repayment of borrowings and payment of interest and other finance charges, partially offset by proceeds of ₹ 258,584 million.

Capital Expenditure

Our operations are capital intensive and we require significant maintenance capital expenditure as well as additional capital spending to support its growth and development strategy.

The table below sets forth our capital expenditures, including for intangible assets such as licenses, spectrum bandwidth and software, for the periods stated.

	Capital Expenditures
	(₹ in millions)
Year ended March 31, 2017	442,687
Year ended March 31, 2018	274,714
Year ended March 31, 2019	327,931
Six months ended September 30, 2019	94,839

The following tables summarize our capital expenditures, including for intangible assets, by segment for the fiscal years ended March 31, 2017, 2018 and 2019 and the six months ended September 30, 2019.

	For the year ended March 31,			**For the six months ended September 30,**
	2017	**2018**	**2019**	**2019**
	(₹ in millions)			
Mobile Services – India	380,011	198,280	235,770	60,205
Mobile Services – South Asia	1,801	2,066	1,228	425
Mobile Services – Africa	25,235	28,366	50,846	20,617
Homes Services	19,649	11,129	8,931	2,192
Airtel Business	17,142	14,263	18,986	2,740
Digital TV Services	8,608	10,277	8,791	4,488
Tower Infrastructure Services	9,829	11,307	9,107	4,172
Others	19	267	41	—
Unallocated	1,597	6,257	—	—
Eliminations/ adjustments	(21,204)	(7,498)	(5,769)	—
Total	442,687	274,714	327,931	94,839

We expect to fund our budgeted capital expenditures principally through a combination of cash from operations and external borrowings. The figures in our capital expenditure plans are based on management's estimates and have not been appraised by an independent organization. Since capital commitments that have been approved but not committed to contract may be subject to change, and because we may from time to time determine to undertake additional capital projects, actual capital expenditures in future years may be more or less than the amounts shown above. There can be no assurance that we will execute its capital expenditure plans as contemplated at or below estimated costs.

Contractual Obligation for Spectrum

Our Company is an active participant in the periodic spectrum auctions held in India.

The following table shows our contractual payment obligations by maturity for the spectrum licenses it won in the October 2016 and April 2015 auctions.

October 2016 auction

	As of September 30, 2019				
	Less than 1 Year	**1 to 2 Years**	**2 to 5 Years**	**More than 5 years**	**Total**
	(₹ in millions)				
Annual payment..	9,774	9,774	29,321	107,509	156,378
Interest	7,418	7,199	20,068	41,926	76,611
Principal..	2,356	2,575	9,253	65,583	79,767

April 2015 auction

	As of September 30, 2019				
	Less than 1 Year	**1 to 2 Years**	**2 to 5 Years**	**More than 5 years**	**Total**
	(₹ in millions)				
Annual payment..	27,458	27,458	82,375	247,126	384,419
Interest	20,228	19,505	53,416	88,994	182,143
Principal..	7,231	7,954	28,959	158,133	202,276

As of September 30, 2019, we had total spectrum deferred payment liability of ₹ 442,164 million.

Via a press release dated November 20, 2019, the Union Cabinet approved the proposal for Mitigating financial stress being faced by the Telecom Services Sector whereby Department of Telecommunication will give an option to the Telecom Service Providers (TSPs) to defer payment of the spectrum auction instalments due for 2020-21 & 2021-22, either for one or both years. These deferred amounts will be spread equally in the remaining instalments to be paid by TSPs. Interest as stipulated while auctioning of the concerned spectrum will however be charged so that Net Present Value is protected.

As of September 30, 2019, considering such deferral, the total payout of interest liability on deferred spectrum payment may increase. This is based on understanding of the press release dated November 20, 2019 while a formal demand from DoT has not been received.

Debt and Debt Funding

Our Company runs a centralized treasury function. We have stable relationships with a large variety of debt providers, principally commercial banks. In addition, we raise money in the capital markets through the issue of debt securities. For more details of our outstanding debt, see "*Description of Other Indebtedness.*"

As at March 31, 2019, after taking into account the effect of interest rate swaps, 71.35% of our total debt carried a fixed interest rate. As at March 31, 2019, the proportion of our total debt that was short-term debt was 30.77% and the ratio of secured debt to unsecured debt was 0.13%.

Our debt obligations as at March 31, 2017, 2018 and 2019 are set forth below:

Non-Current Borrowings

	As at March 31,		
	2017	**2018**	**2019**
	(₹ in millions)		
Secured			
Term loans	11,474	16,836	1,403
Vehicle loans	31	29	10
Total..	11,505	16,865	1,413

	As at March 31,		
	2017	2018	2019
	(₹ in millions)		
Less: current portion	(4,322)	(14,498)	(1,386)
Less: Interest accrued but not due	(130)	(111)	(24)
Total secured loans, net of current portion debt	7,053	2,256	3
Unsecured			
Term loans	69,067	71,011	175,551
Non-convertible bonds(1)	373,765	389,558	253,741
Non-convertible debenture	—	30,068	32,322
Deferred payment liability	439,204	455,602	466,191
Finance Lease obligation	57,089	48,831	47,721
Total	939,125	995,070	975,526
Less: current portion	(42,740)	(119,848)	(70,346)
Less: interest accrued but not due	(7,065)	(28,058)	(32,729)
Total unsecured loans, net of current portion debt	889,320	847,164	872,451
Total	896,373	849,420	872,454

Current borrowings and current maturities of long term borrowings

	As at March 31,		
	2017	2018	2019
	(₹ in millions)		
Secured			
Term loans	—	—	—
Bank overdraft	663	5,060	1,682
Total	663	5,060	1,682
Add: current portion of long term debt	4,322	14,498	1,386
Total secured loans, including current portion debt	4,985	19,558	3,068
Unsecured			
Term loans	92,084	76,816	193,988
Bank overdraft	22,034	14,358	23,124
Commercial paper	14,280	33,507	91,826
Total	128,948	124,681	308,938
Add: current portion of long term debt	42,740	119,848	70,346
Less: interest accrued but not due	(169)	(172)	(523)
Total unsecured loans, including current portion debt	171,519	244,357	378,761
Total	176,504	263,915	381,829

Our secured loans are secured by charges over various fixed assets and other assets in certain overseas subsidiaries.

We had total overdraft outstanding of ₹ 22,701 million as at September 30, 2019.

The following table sets forth information with regard to our total debt by currency, in terms of fixed or floating rate as at March 31, 2019. The details below are gross of debt origination costs and fair value adjustments with respect to the hedged risk:

	Currency of borrowings as at March 31, 2019		
	Total Borrowings	Floating rate borrowings	Fixed rate borrowings
	(₹ in millions)		
Indian rupee	780,990	202,123	578,867
U.S. Dollar	347,607	122,425	225,182
Euro	71,763	13,779	57,984
Swiss Franc	24,282	—	24,282
Japanese Yen	14,027	14,027	—
Central African CFA Franc	4,333	—	4,333
West African CFA Franc	6,251	—	6,251
Others	7,896	7,830	66
Total	1,257,149	360,184	896,965

Our Company's loan agreements and other debt arrangements contain a number of covenants that could potentially affect our ability to draw down funds, grant security interests and effect other transactions. These covenants are generally similar to covenants contained in loan agreements and debt arrangements of similarly situated issuers, and include cross-default provisions, negative pledge provisions and limitations on certain sale-and-leaseback transactions. In addition, our term loan facilities contain a number of financial covenants. See "*Description of Other Indebtedness.*"

Maturity of Borrowings

The table below summarizes the maturity profile of our Company's borrowings based on contractual undiscounted payments. The details given below are gross of debt origination cost and fair value adjustments with respect to the hedged risk.

Maturity	As at March 31,	
	2018	2019
	(₹ in millions)	
Within one year	264,253	382,037
Between one and two years	59,169	139,628
Between two and five years	298,655	302,569
Over five years	499,576	432,915
Total	1,121,653	1,257,149

Hedge of net investment in foreign operation

During the fiscal year ended March 31, 2019, we formally designated, for accounting purposes, certain Euro borrowings as a hedge against net investments in subsidiaries in four African countries where the local currency is pegged to the Euro. Any foreign exchange gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income, net of income taxes, to offset the change in the value of the net investment being hedged. A foreign exchange loss of ₹ 1,754 million was recognized against other comprehensive income in the fiscal year ended March 31, 2019, compared to a loss of ₹ 8,024 million in the fiscal year ended March 31, 2018.

Hedge of cash flows

Some of the Group's entities use derivative financial instruments (e.g. foreign currency forwards, options, swaps) to manage their exposure to foreign exchange and price risk. Further, the Group designates certain derivative financial instruments (or its components) as hedging instruments for hedging the exchange rate fluctuation risk attributable to a recognised item ('Cash flow hedge'). The effective portion of changes in the fair value of derivative financial instruments (or its components) that are designated and qualify as cash flow hedges, are recognised in other comprehensive income and held as cash flow hedge reserve ('CFHR') – within other components of equity. Any gains / (losses) relating to the ineffective portion, are recognised immediately in profit or loss within finance income / finance costs. The amounts accumulated in equity are re-classified to the profit and loss in the periods when the hedged item affects profit / (loss). A foreign exchange loss of ₹ 193 million (U.S.3 million) was recognized against other comprehensive income during the six months ended September 30, 2019, compared to ₹ 655 million in the six months ended September 30, 2018 pertaining to such hedges.

Off Balance Sheet Arrangements and Contingent Liabilities

As of September 30, 2019, except as disclosed in Note 9 to our Company's Interim Condensed Financial Statements for the six months ended September 30, 2019, we had no other contingent liabilities or off-balance sheet arrangements.

Quantitative and Qualitative Disclosure about 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 comprises three types of risks: currency rate risk, interest rate risk and other price risks, such as equity risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The sensitivity analyses in the following sections relate to our position as of September 30, 2019.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The analyses exclude the impact of movements in market variables on the carrying value of post-employment benefit obligations, provisions and on the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of comprehensive income item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at September 30, 2019.

- Our activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. We use derivative financial instruments such as foreign exchange contracts and interest rate swaps to manage its exposures to foreign exchange fluctuations and interest rate.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. We transact our business both (i) in local currency and (ii) in currencies other than Indian Rupee, which is primarily in U.S. dollars. Our Company has obtained foreign currency loans and has imported equipment and is therefore exposed to foreign exchange risk arising from various currency exposures, primarily with respect to U.S. dollars. We may use foreign exchange option contracts, swap contracts or forward contracts towards hedging operational exposures resulting from changes in foreign currency exchange rates exposure. These foreign exchange contracts, carried at fair value, have varying maturities depending upon the primary host contract requirement and our risk management strategy.

Foreign currency sensitivity

The following table demonstrates the sensitivity to reasonably possible changes in the exchange rates for U.S. dollars, Euros, Swiss Francs and other currencies, with all other variables held constant, of our profit before tax (due to changes in the fair value of monetary assets and liabilities, including foreign currency derivatives). The impact on our equity is due to change in the fair value of intra-group monetary items that form part of net investment in foreign operation and other foreign currency monetary items designated as a hedge of net investment in foreign operations or cash flow hedge of a highly probable forecast transactions.

	Currency of borrowings as at March 31, 2019		
	Change in currency exchange rate	**Effect on profit before tax**	**Effect on Equity (OCI)**
	(₹ in millions)		
U.S. Dollar..	+5%	(10,269)	(9,109)
	-5%	10,269	9,109
Euro	+5%	(2,368)	(1,590)
	-5%	2,368	1,590
Others	+5%	(905)	—
	-5%	905	—

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. Our exposure to the risk of changes in market interest rates relates primarily to our debt obligations with floating interest rates. Our Company enters into interest rate swaps and options, where we agree with other parties to exchange, at specified intervals, the difference between the fixed contract rate interest amounts and the floating rate interest amounts calculated by reference to the agreed notional principal amounts. These swaps are undertaken to hedge underlying debt obligations. As at March 31, 2019, after taking into account the effect of interest rate swaps, 71.35% of our borrowings were at a fixed rate of interest, compared to 84.92% as of March 31, 2018.

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on the floating rate portion of our loans and borrowings, after considering the impact of interest rate swaps.

	Currency of borrowings as at March 31, 2019	
	Increase/ decrease in basis points	**Effect on profit before tax**
	(₹ in millions)	
Indian Rupee	+100	(2,021)
	-100	2,021
U.S. Dollar	+25	(306)
	-25	306
Euro	+25	(34)
	-25	34
Others	+100	(219)
	-100	219

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Most of our in-country floating interest rate loans use "bank rate/Marginal Cost of Lending Rate" benchmarks, and the interest on these loans does not change except at "re-set" intervals, typically three to six months apart. A bank rate benchmark is a rate that is specific to the lending bank, rather than the London Interbank Offered Rate ("**LIBOR**") or other commonly used benchmarks, and is dependent on the lending bank's own asset and liability portfolio, internal cost of funds, which generally moves with India's larger interest rate environment.

Our Company maximizes use of customer payments received and excess cash by investing in relatively liquid assets such as various debt instruments and debt mutual funds. These are also susceptible to market price risk, mainly arising from changes in interest rates, which may impact the return and value of such investments.

Price Risk

Our Company's investments, mainly in debt mutual funds and bonds, are susceptible to market price risk arising from uncertainties about future values of the investment securities. We not believe we are exposed to any significant price risk. For more details, please see "*Risks Relating to the Equity Shares and the Issue–After this Issue, the price of the Equity Shares may be volatile.*"

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities (primarily trade receivables) and from our financing activities, including deposits or investments with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade Receivables

Customer credit risk is managed by each business unit subject to our established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 14-day to 30-day terms except in the case of balances due from trade receivables in the Airtel Business segment, which are generally on 7-day to 90-day credit terms. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. We believe we have limited concentration of credit risk as our customer base is widely distributed both economically and geographically. As at March 31, 2019, the aging analysis of trade receivables is as follows:

	Past due but not impaired					
	Neither past due nor impaired (including unbilled)	Less than 30 days	30 to 60 days	60 to 90 days	Above 90 days	Total
	(Rs in millions)					
Trade Receivables as at March 31, 2019	12,548	12,109	6,765	5,183	6,401	43,006

The requirement for impairment is analyzed at each reporting date.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by our treasury function in accordance with Board-approved policy. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. We monitor ratings, credit spreads and financial strength on at least a quarterly basis. Based on our on-going assessment of counterparty risk, we adjust our exposure to various counterparties.

Liquidity Risk

Liquidity risk is the risk that we may not be able to meet our present and future financial obligations without incurring unacceptable losses.

Our objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and debentures. We also focus on diversifying our financing with sources such as bilateral loans with various banks, commercial papers and bond issuances in the domestic and international capital markets.

The table below summarizes the maturity profile of our financial liabilities based on contractual undiscounted payments as at March 31, 2019:

As of March 31, 2019	Carrying amount	On demand	Less than 6 months	6 to12 months	1 to 2 years	More than 2 years	Total
							(₹ in millions)
Interest bearing borrowings[(1)(2)]............	1,287,702	24,802	309,374	158,297	207,658	1,104,386	1,804,517
Financial derivatives...	(10,037)	—	(10,601)	(2,073)	(145)	2,782	(10,037)
Other liabilities[(1)]	188,518	2,622	114,247	10,649	9,804	51,196	188,518
Trade and other payables[(2)]	280,031	—	280,031	—	—	—	280,031
Total..........................	1,746,214	27,424	693,051	166,873	217,317	1,158,364	2,263,029

Notes:

(1) Includes contractual interest payment based on the interest rate prevailing at the end of the reporting period and adjustment for the impact of interest rate swaps over the tenor of the borrowings.

(2) Interest accrued but not due of ₹ 33,419 million as of March 31, 2019 has been included in interest bearing borrowings and excluded from trade and other payables.

The disclosed derivative financial instruments in the above table represent fair values of the instrument. However, those amounts may be settled gross or net.

Seasonality

Our Company’s revenues from operations in India and South Asia are typically lower during the monsoon season, which usually falls in the second quarter of the fiscal year. Our revenues from operations in Africa are typically lower during the fourth quarter of the fiscal year, during which there are fewer festivals and holidays as well as fewer reporting days overall compared to the third quarter.

Summary of Significant Accounting Policies, Estimates and Forthcoming Changes

Our Company's summary of significant accounting policies, estimates and forthcoming changes is set out in notes 2, 3 and 4 of the Group Consolidated Financial Statements for the year ended March 31, 2019 included elsewhere in this Placement Document.

Material Developments after September 30, 2019

Supreme Court of India ruling

The Supreme Court of India (the "**Supreme Court**") delivered a judgement on October 24, 2019, in relation to a long outstanding industrywide case, which upheld the view considered by the Department of Telecommunications ("**DoT**") in respect of the definition of Adjusted Gross Revenue. The Supreme Court has provided a period of three months to the affected parties to pay amounts due to the DoT and submit compliance thereof. Due to the October 24, 2019 AGR Ruling, telecom services companies are now liable to pay the DoT's complete demands, which also includes interest, penalty and interest on penalty. The telecom service companies have been asked to self-assess and pay the amount due.

Additionally, several of the affected parties, including us, have filed review petitions against the Supreme Court's order dated October 24, 2019. The outcome on the review petition is pending.

Spectrum Deferred Payment

The telecom service providers have been engaged in talks with the Government of India and the DoT to request relief in the form of staggered payment or interest and/or penalty waivers as a result of financial stress in the telecom industry. On November 20, 2019, the Government approved the telecom service providers' request for relief regarding deferred payment of the spectrum dues. As per the Cabinet Decision, the DoT will provide an option to the telecom service provides to either defer the payment of the spectrum auction instalments due for either or both calendar year 2020–21 and 2021–22. These deferred amounts will be spread equally in the remaining instalments to be paid by the telecom service providers. However, interest as stipulated while auctioning of the concerned spectrum will nonetheless be charged so that NPV is protected.

Credit Ratings Revisions

Our Company has seen revisions to our credit rating after September 30, 2019. On October 30, 2019, Fitch placed our long-term foreign currency issuer default rating of BBB- on Rating Watch Negative. Furthermore, S&P placed our long-term issuer credit rating on CreditWatch with negative implications on October 31, 2019.

On December 5, 2019, S&P reaffirmed our previously issued long-term issuer credit rating of BBB- and kept our issue ratings on debt issued or guaranteed on CreditWatch with negative implications. S&P aims to resolve its CreditWatch around January 22, 2020. In addition, on November 25, 2019, ICRA downgraded our long-term rating to [ICRA]AA- and reaffirmed our short-term rating at [ICRA]A1+ with the rating remaining under watch with negative implications.

Key Performance Indicators

The following table sets forth our Company's key performance indicators as at and for the quarter ended December 31, 2019:

	As at and for quarter ended December 31, 2019
Mobile Services India	
Voice	
Minutes on the network *(in millions)*	758,897
Data	
Data Customer Base *(in thousands)*	138,443

	As at and for quarter ended December 31, 2019
Of which 4G data customers *(in thousands)*	123,793
Total MBs on the network *(million MBs)*	5,547,223
Data usage per customer *(MBs)*	13,928
Homes Services	
Homes Customers *(in thousands)*	2,352
Net additions *(in thousands)*	2
Digital TV Services	
Digital TV Customers *(in thousands)*	16,308
Net additions *(in thousands)*	101
Monthly Churn *(%)*	1.8
Optic Fibre Network *(R KMs)*	299,592
Homes Services- Cities covered *(numbers)*	103
Airtel Business - Submarine cable systems *(numbers)*	9
Digital TV Services	
Districts Covered *(numbers)*	639
Coverage *(%)*	99.8

INDUSTRY OVERVIEW

THE TELECOMMUNICATIONS INDUSTRY

The following information relating to the telecom industry has been provided for background purposes only. While the Directors believe the third-party information included herein to be reliable, we have not independently verified such third-party information. We confirm that all third-party data contained in this Pre-placement Document has been accurately reproduced and, so far as we are aware and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Unless otherwise indicated, information contained in this Placement Document has been obtained or derived from publicly available information as well as various industry publications and sources. The industry and market data used in this Placement Document have not been independently verified by us, the Managers or any of their affiliates or advisors and therefore their accuracy and completeness are not guaranteed and their reliability cannot be assured. Data from these sources may also not be comparable. Accordingly, investment decisions should not be based solely on such information. Investors should read this Industry section in conjunction with the more detailed information contained in this Placement Document, including the 'Risk Factors' and Management's Discussion and Analysis of Financial Condition and Results of Operations.

This Placement Document includes industry related information from a report published by CRISIL Research, a division of CRISIL Limited. CRISIL Research has consented to the use of such information in the Offering Circular subject to the following disclaimer by CRISIL Research:

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This Placement Document also includes certain industry related information from the report "Africa telecommunications wireless, data and mobile money trends" dated May 2019 published by Delta Partners. Delta Partners has consented to the use of such information in this Placement Document subject to the following disclaimer by Delta Partners:

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OVERVIEW OF INDIA TELECOMMUNICATIONS INDUSTRY

India Macroeconomic Overview

According to the Crisil report titled 'Overview on Indian Telecom Industry' dated December 30, 2019 (the "**CRISIL Report**"), India's economy is the 3rd largest globally in terms of GDP rankings and purchasing power parity estimates and is one of the fastest growing in the world. India's GDP has increased from Rs 87.4 trillion for the fiscal year ended March 31, 2012 to Rs 140.8 trillion for the fiscal year ended March 31, 2019, which represents a CAGR of 7.1%. India's per capita income, a broad indicator of living standards, has recorded a CAGR of 5.5% between fiscal year ended March 31, 2012 and fiscal year ended March 31, 2019.

According to the CRISIL Report, India has a population of approximately 1.3 billion people and its population growth has remained fairly stable, recording a CAGR of approximately 1% between fiscal year ended March 31, 2011 and fiscal year ended March 31, 2017. According to the United Nations report '*World Urbanization Prospects: The 2018 Revision*' dated May 16, 2018 (the "**United Nations Report**"), India's population is expected to continue to grow at a CAGR of 1% over the next decade. The United Nations Report estimates that India will surpass China to become the world's most populous country by 2030 with a population of 1.5 billion. The share of India's population that lives in urban areas, in relation to its total population, is expected to increase from 31% in 2010 to approximately 40% by 2030.

Indian Telecom Industry

According to the CRISIL Report, India is currently the world's second-largest telecommunications market with 1,195.24 million wireless and wireline subscribers. The Telecom Regulatory Authority of India ("**TRAI**") estimates that the India's overall tele-density as of September 30, 2019 was 90.52%, while the rural and urban tele-density stood at 57.59% and 160.63%, respectively. As per TRAI, telecommunications operators in India earned gross revenues of Rs. 2,336.3 billion during the fiscal year ended March 31, 2019.

The telecommunications sector in India has witnessed exponential growth over the last few years due to factors such as affordable tariffs, wider service availability, the roll out of new facilities and services such as Mobile Number Portability (MNP), 3G and 4G and evolving consumption patterns of subscribers.

Internet and broadband penetration in the country has increased steadily. Smartphones have become the predominant gateway to internet for customers across age groups and geographies, and rapidly proliferating 4G networks will help accelerate market transformation. According to the GSMA Intelligence, as of September 30, 2019, India is the second largest telecommunication market in the world in terms of connections with the second largest smartphone markets and the largest based on minutes of use per connection. The number of internet subscribers in India (both broadband and narrowband) stood at 665.31 million as of June 30, 2019 as per TRAI.

Indian Telecommunications Services industry can be broadly divided into Wireless, Wireline and Enterprise services.

- **Wireless services**: include mobile calling, SMS, wireless broadband, video conferencing service and OTT
- **Wireline services:** traditional landline calling services and wired broadband service.
- **Enterprise services:** services that offer network connectivity across various locations and users in an organization and include fibre leasing, tower colocation, Virtual Private Network (VPN), VSAT, National Long Distance (NLD), International Long Distance (ILD), Domestic Leased Circuits (DLC), International Private Leased Circuit (IPLC), data centers and DTH.

Evolution of telecommunications industry in India

In the 1990s the entire telecommunications sector in India was directly owned, controlled and operated by the government of India (the "**Government**"). This was gradually liberalized by allowing private sector participation, beginning with the telecommunications manufacturing sector, which was deregulated first, and followed by the provision of value added services ("**VAS**") such as paging services, by private sector participants.

The Government gradually recognized the importance of the telecommunications sector in the country's economic growth and the lack of existing resources to support the industry. This led to the implementation of the National Telecom policy in 1994 ("**NTP-1994**"), which was designed to gradually bring in Private investment to achieve the growth. In 1999, the Government recognized the necessity to separate the policy wing of the Department of Telecommunications ("**DoT**") from its operations wing to create a level playing field for private operators and implemented the National Telecom policy, 1999 ("**NTP-1999**") . NTP-1999 also directed the separation of the policy and licensing functions of the DoT from the service provision functions. In line with this, the Government created Bharat Sanchar Nigam Limited ("**BSNL**") in 2000 to operate as the operations wing in the public sector.

The Government then issued unified licenses to select operators to provide basic and cellular services in India through a unified access regime. Prior to this, basic and cellular operators were issued separate licenses to operate and provide respective services.

As part of the unified licensing, the Government no longer controlled telecommunications technology, which was left to the market forces thus benefitting consumers through price competition and the rapid adoption of telecommunications services. Further, unified licensing also simplified the procedure of obtaining licenses, thereby maximizing flexibility and the efficient utilization of resources for technological development.

NTP-1999 facilitated the migration of the licensees from a fixed licence fee regime to a revenue arrangement scheme from as of August 1, 1999. Under the new scheme a licence fees was collected as a proportional tax on the service provider's revenue.

In 2001, a licence for basic telephone services using wireless in local loop ("**WLL**") technology was issued. This laid the foundation for wireless mobile adoption in India and was the first time that the first-come-first-serve scheme was implemented for issuing licences.

In 2003, the DoT enacted a universal access service licensing scheme on the recommendation of TRAI, under which an access provider could offer fixed or mobile services under the same license using any technology. This was a key step due to the rapid evolution of telecommunications technologies and any sort of restriction on the technologies used could have delayed the affordability of telecommunications services.

The introduction of an auction process for spectrum allocation in 2010 represents an important milestone in spectrum management policies in India. For the first time, spectrum in the 2100 MHz and 2300 MHz bands was assigned through an online auction designed to discover a market price for 3G/ BWA spectrum. The auction was implemented to enable efficient use of spectrum, avoid hoarding, stimulate competition and promote the roll out of 3G and broadband services.

Finally, the National Telecom Policy, 2012 ("**NTP-2012**") introduced a unified licensing regime, under which an operator having a license could provide any service (Fixed/Wireless/NLD/ILD/VSAT etc.). However, the license also delinked allocation of spectrum and had to be obtained by separate procedure.

Wireless technologies require the use of frequencies that are scarce and have to be well managed for optimal use. Improper use of frequencies can degrade the quality of service or require large guard bands. In India, allocating and managing spectrum has often been at the core of disputes between the operators and the state. India has, over time, moved away from the subjective administrative assignment to a market based auction mechanism to assign spectrum under NTP-2012. By 2016, the spectrum management regime in India had become much more flexible compared to the past and to a large extent these measures helped address issues of transparency and scarcity in the market for spectrum in telecom.

The reforms and liberalization after NTP-1999 have attracted a large inflow of foreign investments to India. The Government also increased the Foreign Direct Investment ("**FDI**") limit from 74% to 100% in 2013.

Summary of important recent regulatory actions

Deferring of zero Interconnect Usage Charges ("IUC") till December 2020

TRAI on September 19, 2017 had reduced the IUC for wireless to wireless voice calls to 6 paisa per minute effective October 01, 2017 from 14 paisa per minute. It also announced that, effective January 1, 2020, IUC will be scrapped and the industry will move to a bill and keep (BAK) regime. However, on December 18, 2019, TRAI decided to postpone implementation of Zero-IUC regime by one more year till December 2020 considering the persistence of asymmetric traffic. The move is a positive for incumbent telecommunications companies like Bharti Airtel and Vodafone Idea who have Net IUC inflows making a significant contribution to their operating margins.

Honorable Supreme Court order on AGR definition

Telecommunications services companies pay revenue share in the form of licence fees at 8% of Adjusted Gross Revenue ("**AGR**") and also spectrum usage charges at rates ranging from 3-5% of AGR from wireless access subscribers. AGR, as defined by the DoT, includes telecommunications service revenue as well as non-core revenue. The Cellular Operators Association of India ("**COAI**") challenged this definition in 2003, arguing that AGR was to include only revenue from core licensed telecommunications services.

A ruling by the Telecom Disputes Settlement and Appellate Tribunal ("**TDSAT**") in 2015 passed on an order which held that AGR should include revenue from non-core sources such as rent, profit on sale of fixed assets, dividend, and interest. However, it exempted a large number of streams from the definition, such as capital receipts, bad debt, forex fluctuations, sale of scrap, and waiver of late fee. The telecom service providers and the Union filed appeals before the Supreme Court challenging the decision of the TDSAT. In 2016, the Honorable Supreme Court passed an interim order stating that while the DoT can continue to raise demands as per its understanding, however, the DoT cannot enforce any demand until the final determination in the matter. Based on the said interim orders, and given the favourable orders of the TDSAT, the telecom service providers did not make provisions against the complete DoT demands.

The Honorable Supreme Court vide its judgment dated October 24, 2019 has now upheld the stand of the DoT and overturned the 2015 ruling of the TDSAT. With this, the telecom players are liable to pay the demands of the DoT which includes Interest, penalty and Interest on penalty. The telecom service providers have been asked to self-assess the total dues and pay the same within 3 months of the order (i.e 23rd January, 2020) and report compliance. According to the Crisil Report, the total license fee outstanding for all current and former operators is estimated at over Rs. 926,420 million.

Several of the affected parties, including Bharti Airtel and Vodafone Idea have filed review petitions against the Honorable Supreme Court's order dated October 24, 2019. While the outcome on the review petition is awaited, companies in the Indian telecommunication industry are engaged in talks with the Government and the DoT to seek relief in the form of staggered payments or interest and/or penalty waivers.

Estimated licence fee outstanding

Company	Pending Dues (Rs mm)
Vodafone Idea	283,090
Bharti Airtel	216,820
Reliance Communication	164,560
BSNL	20,990
MTNL	25,370
Reliance Jio	130
Others	215,460
Total	**926,420**

Source: Industry estimates, CRISIL Research

Deferred payment relief and relaxation of spectrum cap

On March 19, 2018, the DoT issued the License Amendment for all the UAS Licensees, and allowed the extension of spectrum auction payment period from 10 years to 16 years. The move helped the telecommunications companies increase cash flow and provided relief in terms of lowering of regulatory capital expenditure incurred by them during their fiscal years. In the same License Amendment, DoT also increased the overall spectrum holding cap from 25% to 35% in a circle. It also removed the intra-band cap of 50% holding in a circle and imposed a 50% cap on the combined spectrum holdings in the sub-1 GHz band (700, 800, and 900 MHz bands) per circle compared with the earlier individual band cap. This move resulted in accelerated consolidation in the industry as it provided better exit opportunities to smaller players who found it unsustainable to run the operations after the price war initiated by one of the players, being the latest entrant.

Moratorium on spectrum payments

On November 22, 2019, the Government as a form of relief package announced a moratorium of 2 years i.e. fiscal year ending March 2021 and 2022 on the deferred spectrum payments. There was no change in the overall tenure of payments but reduction in the number of instalments.

International Termination Charges

In January 2018, the TRAI reduced the international termination charges ("**ITC**") payable by international long-distance operators to the access provider, on whose network the call terminates, from Rs 0.53 per minute to Rs 0.30 per minute effective from February 01, 2018. As per the Regulator's view, the ITC is believed to have resulted in higher grey market utilization and also to make video/voice calls through relatively cheaper over-the-top ("**OTT**") apps such as WhatsApp, Facebook, Viber and Skype. This negatively impacted the national telecommunications company's topline. The DoT's decision to slash ITC was aimed at creating a level playing field for telecommunications companies. This has been challenged by some of the operators before the High Court of Mumbai.

Penalty on call drop

In August 2017, the TRAI issued stringent guidelines to lessen call drops and devised a graded penalty scheme with a fine of up to Rs 1 million in case operators fail to meet the benchmark. The financial disincentive imposed by the regulator ranges of Rs 100,000 to Rs 500,000. If an operator fails to meet the benchmark in consecutive quarters, the penalty amount is increased 1.5 times, and doubled in the third consecutive month. This increased the penalty on dropped calls, which was previously Rs 50,000 per violation.

The methodology for assessment of call drop rate also changed to a percentile basis instead of the earlier methodology of average of call drop from all towers. In addition, the measurement was made more granular, from the circle level to mobile towers in a circle. The new guidelines required the rate of dropped calls handled by a network to be 2% or less. Similarly, during busy hours of the day, not more than 3% of call drops should be on 90% of mobile towers in a telecommunications circle.

Key performance indicators trends

Subscriber base

The wireless subscriber base in India saw a significant jump in the fiscal years ended March 31, 2017 and 2018 as a result of a drop in tariffs after the entry of a new telecommunications company in September 2016. According to the CRISIL Report, however, the number of wireless subscribers dropped by over 22 million during fiscal year ended March 31, 2019 after the existing operators such as Vodafone Idea and Bharti Airtel introduced minimum recharge plans in a bid to improve ARPU. This resulted in subscribers deactivating their non-primary sims and switching to primary sims. According to Crisil report, consolidation of subscribers due to merger of Vodafone India and Idea Cellular led to further fall in overall subscriber base.

According to the CRISIL Report, the number of wireline subscribers has been on a slow decline over the last 5 years. The downtrend in the wireline subscriber base can largely be attributed to dwindling subscriptions in rural areas, where rising affordability is enabling greater adoption of mobile services.

Pan-India subscriber trend (wireless and wireline):

(in mm)	FY2015	FY2016	FY2017	FY2018	FY2019	Q1FY2020	Q2FY2020
Wireline	26.6	25.2	24.4	22.8	21.9	21.2	21.5
Wireless	969.9	1,033.6	1,170.2	1,183.4	1,161.8	1,165.5	1,173.7
Total	996.5	1,058.8	1,194.6	1,206.2	1,183.7	1,186.7	1,195.2

Source: CRISIL Research, TRAI

Wireless tele-density

Wireless tele-density witnessed a healthy rise during the fiscal ended March 31, 2017 with an addition of over 130 million subscribers. The end of the free services offered by new entrant during the fiscal year ended march 31, 2018, followed by the introduction of minimum recharge plans, led subscribers to drop their second sim and resulted to a decrease in tele-density, especially in urban areas. Rural tele-density, however, has largely remained stagnant as rural areas have had higher subscriber churn through new subscriber additions.

Wireless tele-density trend (Urban and Rural):

	FY2015	FY2016	FY2017	FY2018	FY2019	Q1FY2020	Q2FY2020
Urban	143.1%	148.7%	166.7%	161.2%	155.5%	156.4%	156.2%
Rural	47.8%	50.9%	56.5%	58.7%	57.1%	56.7%	57.3%

	FY2015	FY2016	FY2017	FY2018	FY2019	Q1FY2020	Q2FY2020
Total	77.3%	81.4%	91.1%	91.1%	88.5%	88.5%	88.9%

Source: CRISIL Research, TRAI

Voice usage

Voice usage largely remained stagnant between fiscal years ended March 31, 2014 and 2017. Offer for free voice calls by telecommunications companies led to a surge in voice usage in the industry post fiscal years ended 2017.

Voice usage trend (minutes per user per month):

	FY2015	FY2016	FY2017	FY2018	FY2019	Q1FY2020
Minutes p.m.[(1)]	381	380	377	486	649	701

Source: CRISIL Research, TRAI

Note:
Includes GSM, CDMA and LTW.

Internet subscribers

According to the CRISIL Report, internet subscribers have more than doubled between fiscal years ended March 31, 2015 and 2019. This can be attributed to wireless broadband penetration due to lower mobile data tariffs, proliferation of low-cost data handsets, a rise in network coverage of high-speed data services, growing preference among users for on-the-move internet access, availability of customized content on various OTT apps and government initiatives under Digital India.

The wired broadband space has remained stagnant as most of the internet consumption has been met through mobile phones. According to the CRISIL report, India's wired broadband market is highly underpenetrated with only seven connections per hundred households in comparison to the United States, the United Kingdom, France, and Japan which each have 30-50% penetration levels. According to the CRISIL report, the wired broadband space is likely to see greater adoption going ahead driven by increasing competitive intensity following the entry of newer players, data offloading requirements of major telecommunications companies and television content bundling.

Pan-India internet subscriber trend (wired and wireless):

(in mm)	FY2015	FY2016	FY2017	FY2018	FY2019	Q1FY2020	Q2FY2020
Wired							
- **Wired narrowband**	3.6	3.5	3.3	3.3	3.3	3.2	NA
- **Wired broadband**	15.5	17.0	18.2	18.0	18.4	18.5	19.01
Wireless							
- **Wireless narrowband**	198.5	176.6	137.6	80.0	66.1	45.0	NA
- **Wireless broadband**	84.8	145.4	263.0	393.2	547.7	598.6	606.4
Total internet subscribers	302	342	422	494	635	665	NA
Internet subs. per 100 population	24.1	27.0	32.9	38.0	48.5	50.5	NA

Source: CRISIL Research, TRAI

Data usage

As a result of low mobile tariffs and an increase in digital literacy, data usage has seen a tremendous jump in the last five years. The increasing popularity of OTT apps such as YouTube, Amazon Prime, Netflix, etc. has caused widespread video based consumption resulting in much higher data consumption.

Data consumption trend (MB per subscriber p.m.)

	FY2015	FY2016	FY2017	FY2018	FY2019	Q1FY2020
MB per subscriber p.m.	100	147	1,000	4,993	8,292	10,004

Source: CRISIL Research, TRAI

ARPU

The Indian telecommunications industry is one of the lowest cost service providers globally. Despite significant consolidation in recent past, efforts by telecommunications companies to ensure access to services to lower income population segments has kept Indian telecommunications industry's ARPU as one of the lowest in the world. Increased competitive intensity and free services offered by the new telecommunications company since September 2016 led to further decline in ARPU. According to the CRISIL Report, the Indian telecommunications industry has moved up in the global telecommunications affordability index over the last few years and mobile data pricing in India is currently the lowest globally with an average price of 1GB data for approximately Rs. 4 (U.S.$ 0.06) in 2018-19 (based on average annual pricing of 1.5 GB per day packs).

Telecommunications operators in India announced increase in tariffs in December 2019, subsequent to the recent order on AGR, which is expected to drive ARPU recovery. The quantum of hikes on various popular packs is anywhere between 30-40%. Further, the increase of smartphones and 4G subscribers is expected to result in improvement in ARPU going forward.

Industry ARPU trend (INR per subscriber p.m.):

	FY2015	FY2016	FY2017	FY2018	FY2019	Q1FY2020	Q2FY2020
INR per subscriber p.m.[(1)]	156	154	140	114	108	109	109

Source: CRISIL Research

Note:
(3) Industry ARPU is calculated as volume weighted average ARPU of individual players.

Gross revenue

The Indian telecommunications industry's revenue trajectory has been impacted over the past two years but is expected to recover with the assistance of tariff hikes. According to the CRISIL Report, Revenues are expected to grow due to the recent announcement of price hikes by all the telecommunications companies, subsequent to the recent order on AGR. The quantum of hikes on various popular packs is anywhere between 30-40%. However, the increase may be partially offset by the increased subscriber churn as consumers are expected to start switching to primary SIM.

Industry gross revenue trend:

(in Rs. bn)	FY2015	FY2016	FY2017	FY2018	FY2019	Q1FY2020	Q2FY2020
Industry gross revenue	2,545	2,587	2,744	2,553	2,336	616	620

Source: CRISIL Research, TRAI

Profitability

Operating margins of the industry also fell in the last 3 fiscal years due to aggressive price wars and efforts by the players to retain their market shares. According to the CRISIL Report, the consolidation in the Industry is expected to drive an increase in pricing power. The improvement in realisations and increased number of high ARPU 4G customers will support margins in the future. Moreover, heavy capital expenditure incurred by the telecommunication companies especially on network over the last few years will lead to higher EBITDA margins on incremental revenues.

Industry operating margin trend:

	FY2015	FY2016	FY2017	FY2018	FY2019	Q1FY2020	Q2FY2020
EBITDA margins[(1)]	33.0%	33.7%	32.5%	27.1%	24.0%	28.7%	29.9%

Source: CRISIL Research

Note:
(4) Industry operating margin is the volume weighted average margins of individual players.

Competitive landscape

The Indian telecommunications industry has witnessed significant consolidation over the last 6 years leading to significant fall in overall competitive intensity. The industry has witnessed the entry of only one new player over this period against the exit or merger of 10 entities. Currently, there are only 4 telecommunications companies operating in the Indian market including the government owned BSNL/ MTNL. This is largely similar to most developed markets globally and is more than technologically superior countries such as China, Germany and South Korea, who only have 3 operators.

Indian telecommunications operator landscape:

Indian telecommunication operators (Dec 2013)		Indian telecommunication operators (Dec 2019)
Bharti Airtel	Vodafone India	Bharti Airtel
Idea Cellular	BSNL/MTNL	Vodafone Idea
Loop Mobile	Virgin Mobile	Reliance Jio
Videocon Cellular	MTS India	BSNL/MTNL
Aircel Cellular	Telenor India	
Tata Teleservices	Reliance Communication	

Source: CRISIL Research

According to the TRAI, the 3 largest telecommunications operators in the country (Vodafone Idea, Reliance Jio and Bharti Airtel) accounted for approximately 90% of the subscriber market share and approximately 9 1% of revenue market share for the three months ended September 30, 2019.

Subscriber market share

	FY2015	FY2016	FY2017	FY2018	FY2019	Q1FY2020	Q2FY2020
Bharti Airtel	22.3%	24.3%	23.4%	25.7%	28.0%	27.4%	27.9%
Reliance Jio	NA	NA	9.3%	15.8%	26.4%	28.4%	30.3%
Vodafone Idea(1)	33.4%	36.1%	34.6%	36.7%	34.0%	32.8%	31.7%
Others	44.3%	39.6%	32.8%	21.9%	11.6%	11.4%	10.1%

Source: TRAI, CRISIL Research

Note:
(5) Subscriber market share based on wireless subscriber data as reported by TRAI
(6) Subscriber market share for Vodafone Idea for the period FY15-FY18 is cumulative subscribers for Vodafone and Idea
(7) Data may vary with company reports as the methodology of calculating active/ inactive subscribers differs across companies
(8) Subscriber market share for Bharti Airtel includes subscribers of Telenor fiscal 2019 onwards
(9) Subscriber market share for Bharti Airtel includes subscribers of TATA Teleservices Q2 FY2020 onwards

Revenue market share

	FY2015	FY2016	FY2017	FY2018	FY2019	Q1FY2020	Q2FY2020
Bharti Airtel	27.5%	28.0%	28.4%	27.5%	27.5%	29.0%	29.3%
Reliance Jio	NA	NA	NA	12.5%	25.7%	31.2%	32.9%
Vodafone Idea(1)	42.0%	43.3%	42.1%	38.7%	31.1%	30.0%	28.8%
Others	30.4%	28.6%	29.5%	21.3%	15.8%	11.0%	9.0%

Source: CRISIL Research

Note:
(1) Revenue market share for Vodafone Idea for the period FY15-FY18 is cumulative subscribers for Vodafone and Idea
(2) Revenue market share for Bharti Airtel includes revenue of Telenor FY2019 onwards
(3) Revenue market share for Bharti Airtel includes revenue of TATA Teleservices Q2 FY2020 onwards
(4) Data may vary with company reports as the methodology of calculating revenue market share differs across companies

Circle wise revenue market share

Telecom circle	Total(1)		Bharti Airtel(2)			Reliance Jio			Vodafone Idea			BSNL/ MTNL		
	Subs (mm)(3)	Revenues (Rs. mm)	Subs (mm)	RMS (%)(4)	Rank (5)	Subs (mm)	RMS (%)(4)	Rank (5)	Subs (mm)	RMS (%)(4)	Rank (5)	Subs (mm)	RMS (%)(4)	Rank (5)
Andhra Pradesh	87.6	23,946	28.6	34%	1	28.2	39%	2	20.8	19%	3	10.0	8%	4
Assam	24.0	5,731	8.3	31%	1	7.5	51%	2	5.6	13%	3	2.7	5%	4
Bihar	85.2	15,375	35.8	31%	1	26.4	60%	2	18.0	7%	3	5.0	2%	4

Telecom circle	Total(1)		Bharti Airtel(2)			Reliance Jio			Vodafone Idea			BSNL/ MTNL		
	Subs (mm)(3)	Revenues (Rs. mm)	Subs (mm)	RMS (%)(4)	Rank (5)	Subs (mm)	RMS (%)(4)	Rank (5)	Subs (mm)	RMS (%)(4)	Rank (5)	Subs (mm)	RMS (%)(4)	Rank (5)
Delhi	53.7	17,181	15.2	29%	3	17.3	48%	2	19.0	13%	1	2.2	8%	4
Gujarat	68.7	14,122	10.9	12%	3	22.2	34%	2	29.6	44%	1	6.1	9%	4
Haryana	28.3	9,067	4.3	8%	4	8.8	76%	2	10.1	11%	1	5.0	6%	3
Himachal Pradesh	10.8	3,863	3.4	18%	1	3.3	73%	2	1.2	3%	3	2.9	7%	4
J & K	11.3	2,424	5.4	41%	1	3.6	49%	2	1.1	2%	4	1.2	7%	3
Karnataka	69.1	15,126	28.3	61%	1	19.4	8%	2	14.0	20%	3	7.3	10%	4
Kerala	44.9	11,376	5.5	14%	4	8.4	12%	3	20.1	52%	1	10.9	22%	2
Kolkata	26.4	9,064	6.4	16%	3	9.7	62%	1	8.5	19%	2	1.7	2%	4
Madhya Pradesh	75.4	9,834	14.9	26%	3	26.8	29%	2	27.4	36%	1	6.4	9%	4
Maharashtra	93.7	16,260	15.5	26%	3	27.9	9%	2	43.3	57%	1	7.1	8%	4
Mumbai	38.8	18,300	9.6	16%	3	13.3	49%	2	14.7	21%	1	1.2	14%	4
North East	12.3	10,279	5.2	10%	1	3.3	84%	2	2.3	3%	3	1.5	2%	4
Orissa	32.9	7,060	12.0	28%	1	11.1	57%	2	4.1	6%	4	5.8	9%	3
Punjab	40.1	9,673	10.2	26%	3	13.0	41%	1	11.3	21%	2	5.6	12%	4
Rajasthan	65.7	11,058	21.2	39%	2	22.8	39%	1	15.5	18%	3	6.1	4%	4
Tamil Nadu	82.7	23,138	25.3	36%	1	21.9	33%	3	23.2	25%	2	12.2	6%	4
U.P.(E)	100.3	13,812	30.4	32%	2	25.6	43%	3	32.7	23%	1	11.6	2%	4
U.P.(W)	65.1	14,354	13.2	15%	3	18.3	58%	2	27.7	20%	1	5.9	7%	4
West Bengal	56.7	11,639	16.0	22%	3	16.4	49%	2	22.3	23%	1	2.1	6%	4

Source: TRAI reports as of September 2019, CRISIL Research

Note:
(1) Includes Subscribers and Revenue for Reliance Communication
(2) Bharti Airtel numbers includes subscribers as well as revenues for TATA Teleservices and Telenor
(3) Subscriber data may vary with company reports as the methodology of calculating active/ inactive subscribers differs across companies
(4) Revenue Market Share (RMS) is based on AGR numbers as reported by TRAI. RMS may vary with company reports as the methodology of calculating revenue market share differs across companies.
(5) Rank is calculated on the basis of numbers of subscribers

Existing operators such as the Bharti Airtel have managed to retain their market leadership in several telecommunications circles.

Growth drivers

Increasing smartphone penetration

According to International Data Corporation, India has seen a substantial rise in smartphone adoption over past decade, and has registered a CAGR of over 50% between the fiscal years ended March 31, 2011 and 2019. Despite the rapid growth rate, 50% of the telecommunications subscribers in India are yet to switch to smartphones. As the smartphone adoption rate rises, people on legacy technologies upgrade to 4G or higher versions, leading to an increase in customer-pay-outs and resulting in higher revenues for telecommunications operators.

Low rural Tele-density

Indian telecommunications subscriber distribution is quite skewed and is characterised by high urban tele-density and low rural tele-density. Rising rural income provides a significant opportunity for the telecommunications industry. According to the CRISIL Report, a 10% rise in rural tele-density could add approximately 100 million telecommunications subscribers.

Demographic advantage

According to the CRISIL Report, India is set to become the world's youngest country by 2020, with 64% of its population in the working age group. This demographic potential offers India an unprecedented edge with increase in mobile data penetration.

Rise of OTT video applications

OTT apps such as YouTube, Amazon prime video, Netflix, etc. have seen a widespread proliferation among the Indian audience creating a huge incremental demand for data. According to the Nokia MBIT report of 2018, video based consumption accounts for over 68% of total internet consumption in India. Video, instant messaging, video calls, online gaming, music streaming, e-commerce and online news will support higher data usage.

Overview of telecommunications towers industry in India

Tower companies provide the entire range of tower infrastructure that is required by wireless telecommunications service providers to offer mobile telephony services to their subscribers. Tower infrastructure refers to equipment such as towers, shelters, power regulation equipment, battery banks, diesel generator sets ("**DG Sets**"), air conditioners, fire extinguishers and a security cabin, which are required at a site where such towers are installed. There are generally two types of towers; Ground Based Towers ("**GBTs**") and Roof Top Towers ("**RTTs**"). Telecommunications tower infrastructure is primarily divided into active infrastructure, passive infrastructure and backhaul.

- **Active infrastructure:** consists of electronics that power wireless networks such as radio antennas, base transceiver stations ("**BTS**"), cell sites and cables.
- **Passive infrastructure:** telecommunications tower companies set up an entire range of passive infrastructure to be used by telecommunications operators to offer services to their subscribers. Companies either build the towers themselves or outsource its construction. Additionally, they also procure equipment such as power regulation systems; battery back-ups; diesel generator (DG) sets; and air-conditioners from different suppliers. Passive infrastructure does not play any role in carrying wireless signals, but it is a vital part of the network as it ensures operationality of active components.
- **Backhaul:** Backhaul is a process of transferring data, using a viable medium (optic cables or air-waves), from one point to another. While wireless operators have traditionally used microwaves as backhaul in India, they are increasingly moving to optic fibre-based links.

Competitive landscape

Currently, Indus Towers, American Tower Corp ("**ATC**"), Bharti Infratel, Reliance Jio Infratel and GTL Infrastructure are the key players in the Indian telecommunications towers space. Together they command over 70% share of India's approximately 5.6 lakh towers as of June 30, 2019.

According to the CRISIL Report, the merger of Indus Towers and Bharti Infratel is expected to create the world's second-largest mobile tower operator, with over 163,000 towers and approximately 30% tower market share in India. India's other telecommunications companies (Tower Vision and Ascend Telecom Infrastructure) have a comparatively small portfolio totaling approximately 15,000.

Company wise installed tower base:

Company name	Total installed towers
Reliance Jio Infratel	~130,000
Indus Towers	123,799
ATC	75,073
Bharti Infratel	40,636
GTL Infra	~27,500
BSNL + MTNL	~75,000
Reliance Infratel	~43,600
Tower Vision	~8,400
Ascend Telecom Infra	6,459
Others	~27,000
Total	**557,543**

Source: Industry reports, CRISIL Research
Notes: Number of installed towers for GTL Infra, Reliance Infratel and Tower Vision as of March 31, 2019 and as of June 30, 2019 for remaining companies

Over the past two years, the tower industry has witnessed a series of acquisitions as telecommunications operators divest their tower assets and raise funds to meet investment needs or pare debt. Investments in the tower business have come from independent operators as well as asset management companies.

Key deals in the telecommunications towers space

YEAR	PLAYER	TARGET COMPANY	NUMBER OF TOWERS
2007	Quippo Telecom	Spice Communications	875
2009	ATC	Transcend Infrastructure	330
2010	GTL Infra	Aircel Tower	17,500
2010	ATC	Essar Group	4,630
2015	ATC	KEC International	381
2015	ATC	Viom	42,500
2017	KKR, CPPIB	Airtel (stake in Bharti Infratel)	9,337
2018	ATC	Vodafone	10,100
2018	ATC	Idea	9,900

Source: TRAI, Industry reports, CRISIL Research

The tower industry is expected to undergo a structural change over the medium term led by consolidation and exits in the telecommunications space. Telecommunications companies may look to monetise their tower assets to strengthen their capital structure and the tower industry may consolidate further. Post consolidation, the market is expected to have three to four large telecommunications tower companies, apart from telecommunications operators with captive towers.

Revenue

According to the CRISIL Report, rent revenue in the telecommunications towers industry recorded a stable CAGR of 7-8% between fiscal years ended March 31, 2013 and 2018 due to strong BTS additions across technologies (2G, 3G and 4G) and major network roll-outs over the last few years. Rent revenue grew by approximately 3% during the fiscal year ended March 31, 2019 due to losses from overlapping exiting tenancies.

Annual industry revenue:

	FY2015	FY2016	FY2017	FY2018	FY2019
Revenue (in Rs. bn)	260	272	299	329	339

Source: CRISIL Research

Capacity

According to the CRISIL Report, the overall BTS number grew at a CAGR of approximately 20% between the fiscal years ended March 31, 2015 and 2019. This was a result of massive expansion across technologies (2G, 3G and 4G), as operators were primarily focusing on gaining incremental subscriber market share. With 4G being introduced, the spike in data usage and traffic due to significant reduction in data tariffs also led to incremental BTSs being added by tower companies.

According to the CRISIL Report, the installed BTS ecosystem in the towers industry is expected to undergo another change in the mix of 2G, 3G, and 4G BTS. In fiscal year ended March 31, 2019, the number of 2G and 3G BTSs decreased by approximately 23% and 37%, respectively, as telecommunications companies pushed subscribers to switch to 4G. This trend is expected to continue, as telecommunications service providers encourage subscribers to migrate from 2G and 3G to 4G.

Annual BTS installed base:

	FY2015	FY2016	FY2017	FY2018	FY2019
BTS (in '000s)	865	1,139	1,458	1,688	1,944

Source: CRISIL Research

Investments

According to the CRISIL Report, the telecommunications towers industry witnessed exponential growth in construction and upgradation capital expenditure between fiscal years ended March 31, 2016 and 2019 owing to massive network expansion and 4G rollout. During this period, over 806,000 BTSs were cumulatively added to roll out 3G and 4G services.

The tower industry is likely to see a shift in capital expenditure composition going forward. Capital expenditures would be dominated by maintenance and upgradation capital expenditures. The share of green capital expenditures will grow as a result of a shift towards grid and solar power in the long term. Construction capital expenditure is expected to decrease as operators use existing vacancies on towers to expand and improve the quality of service. Moreover, telecommunications companies will likely use alternate technologies such as small cells and multiple-input and multiple-output to augment capacity.

Annual investments in the telecom towers industry:

	FY2015	FY2016	FY2017	FY2018	FY2019
Investments (in Rs. bn)	59	105	110	107	117

Source: CRISIL Research

Operating margins

According to the CRISIL Report, consolidation in the telecommunications sector has resulted in overlapping of tenancies across telecommunications towers in several circles. While telecommunications service providers such as Aircel, Telenor and Reliance Communications, exited in the fiscal year ended March 31 2018, approximately 38,000 co-locations exits from Vodafone-Idea have occurred in fiscal year ending March 31, 2019 and quarter ending June 30, 2020.

According to the CRISIL Report, the sector's overall operating margin ranged from 40% to 43% between fiscal years ended March 31, 2015 and 2019. In fiscal year ended March 31, 2019, operating margin contracted by 260 bps due to the exit of tenancies by various telecommunications companies. Higher co-location exits during fiscal year ended March 31, 2019 resulted in a drop of approximately 8% in rent revenue per tower. Exit penalties are expected to only partially offset the decline in revenue.

Industry operating margin trend:

	FY2015	FY2016	FY2017	FY2018	FY2019
EBITDA margin (%)	44.4%	43.9%	43.3%	43.0%	40.4%

Source: CRISIL Research

Overview of Enterprise Data Services industry in India

Snapshot

According to the CRISIL Report, revenue of enterprise data services ("**EDS**") are expected to grow at a CAGR of 4% to 5% over the next five years, to approximately Rs 175 billion by fiscal year ended March 31, 2024. Among the segments, VPN is forecast to grow faster, followed by VSAT and DLC segments. Growth will be prominently volume driven, as the prices of the services have been on a downward trend owing to availability of substitutes and the intensifying competition.

Industry revenue trend:

(INR bn)	FY2015	FY2016	FY2017	FY2018	FY2019
VSAT	13	14	14	14	13
IPLC	11	11	11	11	11
DLC	46	42	60	69	81
VPN	29	33	36	38	42

Source: CRISIL research

Most telecommunications companies provide an entire range of EDS offerings. End-users prefer service providers with wide network coverage across cities and countries and those who provide complete end-to-end solutions. Price, quality of service and timelines are key differentiators. Users typically opt for a provider offering connectivity and bandwidth at competitive prices. Timely customer support and overall customer relationship management also influence choices.

Apart from integrated telecommunications companies with a nationwide fibre network (such as Reliance Jio, Bharti Airtel, Tata Communications) that also cater to high-bandwidth corporate users, there are numerous non-integrated telecommunications companies that serve small and medium enterprises. These telecommunications companies lease the backbone infrastructure from integrated telecommunications companies, and provide last-mile connectivity through a wireless medium or leased fibre.

Key growth drivers

According to the CRISIL Report, the increase in out-of-office communication requirements is boosting demand for EDS. With technology being used to connect extended enterprise segments such as vendors, clients, and clearing and forwarding agents, bandwidth requirements are expected to keep rising. The need for data on-the-go is emerging as a key requirement for companies. End-user sectors such as IT and IT-enabled services, banking and financial services, manufacturing, retail and logistics take up a bulk of available bandwidth. Opening of in-flight cellular and internet connectivity and increasing e-governance push by the government through various initiatives (such as Digital India) will also boost demand for EDS. Among service lines, demand for VPN and VSAT will grow faster than other connectivity solutions, given that enterprises are looking for on-the-go wireless services. Higher discounts are also being offered by telecommunications companies in high-data speed offerings in order to retain existing clients.

VPN

New and existing companies have rapidly adopted the VPN over the past few years. Given its easy installation, fast scalability and ease of customisation, VPN has found ready acceptance. According to the CRISIL Report, VPN holds significant market share in the EDS segment, accounting for 30-35% of the segment's revenue in fiscal year ended March 31, 2018.

The retail sector is another important end user of VPN. With rapid expansion in the number of retail outlets across categories such as hypermarkets, department stores, and specialty stores, high enterprise bandwidth is expected in this sector. Supermarkets and department stores are usually connected via VPN and synchronize every transaction directly with their head office. Healthcare, airlines, and travel are other sectors rapidly deploying VPN connectivity.

As existing users are likely to see consolidation and shift to higher bandwidth services, SMEs are expected to provide opportunities in terms of volume. Most of this is expected to be in the low bandwidth space of speed less than or equal to 2 Mbps.

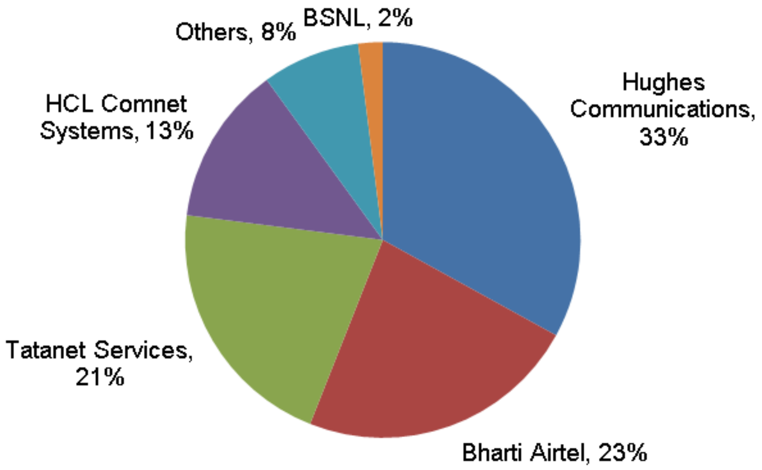
VSAT

VSAT is expected to marginally increase its share over the next five years, due to the need to connect rural areas where availability of other network services is low. Growth of automated teller machines in rural areas and an increase in e-governance projects will help the segment survive. Further, newer opportunities such as in-flight connectivity solutions will drive demand for VSAT services. Additionally the Government has launched a proposal to connect retail outlets of oil marketing companies for real time monitoring which would predominantly use VSAT.

Indian VSAT telecommunications companies are classified as commercial and government/defence users. Currently, the companies that are active in the VSAT space are: Bharti Airtel, BSNL, HCL Comnet, Tatanet, Hughes, Infotel Satcom, and Planetcast Media. According to the CRISIL Report, the industry is consolidated, with Hughes, Airtel and Tatanet account for approximately 85% of total subscribers and 82% of the total VSAT revenue as of March 31, 2019.

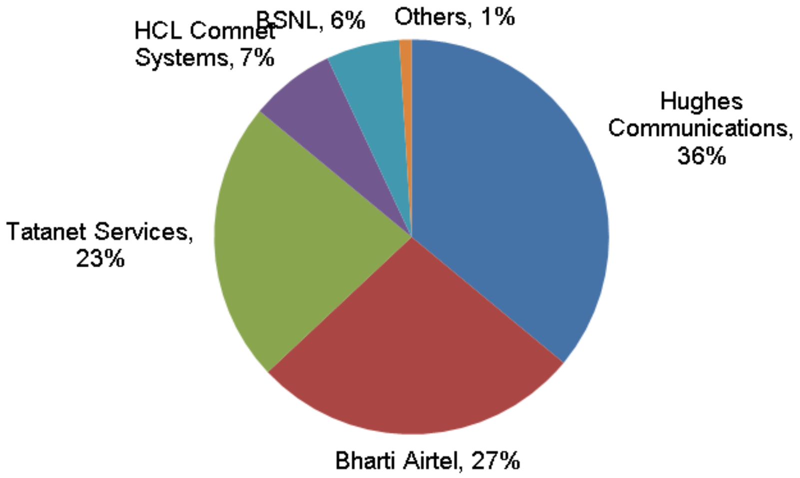
In May 2019, Bharti Airtel and Hughes Communications India Limited, a subsidiary of Hughes Network Systems, LLC entered into an agreement to combine their VSAT operations in India. According to Crisil Report, the combined entity is expected to benefit from enhanced scale, improved operational efficiencies and wider market reach. The combined entity will be well positioned to leverage the demand for secure connectivity in a rapidly growing digital economy especially ahead of launch of in-flight connectivity (IFC) services in India. According to Crisil Report, the combined entity is expected to be a market leader with a subscriber market share of ~64%.

Top three players account for bulk of revenue market share (fiscal 2019)



Source: TRAI, CRISIL Research

Top three players account for ~85% of subscriber market share (fiscal 2019)



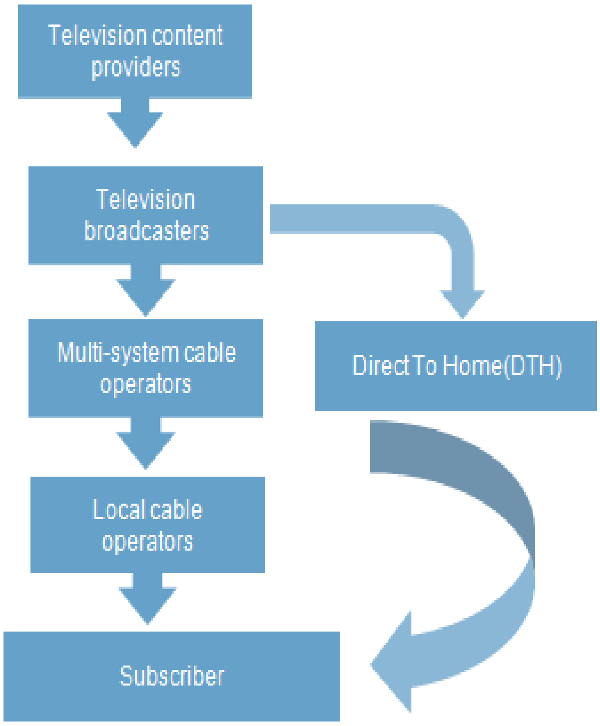
Source: TRAI, CRISIL Research

Overview of DTH industry in India

Snapshot

The television value chain is comprised of content providers, broadcasters, distributors and subscribers. The content providers supply content either on a commissioned or sponsored basis. Broadcasters uplink content supplied by providers to a satellite for broadcasting into TV homes. There is intense competition amongst them as entry barriers are low and viewers have plenty of options. The distributor links broadcasters with end consumers. According to the CRISIL Report, there are around 5,000 multi-system cable operators ("**MSOs**") and 60,000 local cable operators ("**LCOs**") in the Indian market. This is a highly fragmented and unorganised chain. LCOs tend to under-report subscribers particularly in smaller towns, given the lack of addressable systems. MSOs, in turn, control a number of LCOs and act as a link between the LCOs and broadcasters.

Television value chain



DTH operators also fall in this category of Distributors. Key DTH operators in the Indian television industry include TATA Sky, Dish TV India and Airtel Digital TV. The DTH industry in India is highly concentrated. According to the CRISIL Report, Dish TV, Tata Sky and Airtel accounting for 40%, 25% and 22% subscriber share, respectively, for the fiscal year ended March 31, 2019.

Subscribers

Rising penetration in rural markets and saturation in urban markets where MSOs and LCOs are more prevalent has helped DTH gain market share over the past five years. According to the CRISIL Report, market share of DTH increased to an all-time high of 44% during the fiscal year ended March 31, 2019.

During the first two phases of digitisation covering large cities, the majority of former analogue subscribers opted for digital cable as against DTH. This could be primarily attributed to their earlier subscription with cable operators and the operators' aggressive pricing (subsidised box and discounted channel pack rate).

This trend reversed during the third phase of digitisation when DTH telecommunications companies gained higher subscribers than cable operators despite the latter having a substantial subscriber base in some regions. Subscribers also moved to DD Free Dish, the free-to-air satellite television service owned and operated by Prasar Bharati, leading to a spike in its subscriber base. Considering the limited presence of cable operators and relatively high costs involved in setting up infrastructure in Phase IV areas (e.g., Andhra Pradesh and Tamil Nadu), DTH operators would benefit more in these regions.

Subscriber market share:

	FY2015	**FY2016**	**FY2017**	**FY2018**	**FY2019**
DTH	29%	40%	42%	39%	44%
Cable	71%	60%	58%	61%	56%

Source: CRISIL Research

ARPU

According to the CRISIL Report, subscriber payouts for MSO have been traditionally much lower than the DTH. This ensured customer stickiness to MSOs even as DTH players slowly gained traction. To increase market share during the digitisation of set-top box phase in fiscal year ended March 31, 2016, DTH telecommunications companies tariffs which led to a surge in subscriber base as LCOs struggled with the implementation of new technologies. The ARPU of DTP has grown at a steady pace after the digitisation phase.

According to the CRISIL Report, the implementation of new tariff order ("**NTO**") by TRAI during the three months ended December 31, 2018 caused pay-outs to almost reach an inflection point, which will favour DTH telecommunications companies moving forward. The immediate consequence was the significant churn of 5 million subscribers from MSOs. This along with increased pay-outs resulted in a rise in ARPU of MSOs during the fiscal year ended March 31, 2019. DTH players saw their ARPU stay almost flat during the same period. The CRISIL Report estimates that increased payouts under the NTO regime will increase ARPU of both cable operators and DTH players. Growth in the ARPU of MSOs will be higher as a result of improved realisations from LCOs under the NTO.

ARPU for DTH businesses

	FY2015	FY2016	FY2017	FY2018	FY2019
INR per subscriber per month	251	209	214	236	230

Source: CRISIL Research, TRAI

Revenue

According to the CRISIL Report, revenue for the DTH grew at healthy pace of 12.2% CAGR over the past 5 years, led by increase in subscriber base as ARPU remained stagnant. ARPU and subscribers are expected to drive revenues in the future. Further, a significant part of the MSO subscriber churn will move to DTH as the amount paid by subscribers to DTH and MSOs has reached an inflection point under the NTO.

Revenue for DTH businesses:

	FY2015	FY2016	FY2017	FY2018	FY2019
Revnues (in Rs. bn)	124	147	163	174	183

Source: CRISIL Research, TRAI

OVERVIEW OF AFRICA TELECOMMUNICATIONS INDUSTRY

Africa macroeconomic overview

According to the report published by Delta Partners named 'Africa telecommunications wireless, data and mobile money trends' dated May 2019 (the "**Delta Partners Report**"), Africa is one of the world's fastest growing regions, whether measured by GDP growth, population and urbanisation growth, or in terms of rising income levels and an increasing middle class. The IMF World Economic Outlook Database forecasts African nominal GDP to grow at a CAGR of 6.9% from 2018 to 2023. According to the Delta Partners Report, nominal GDP of the countries in which the Group operates in Africa (namely Nigeria, Chad, Congo B, Democratic Republic of Congo, Gabon, Madagascar, Niger, Kenya, Malawi, Seychelles, Tanzania, Uganda, Zambia and Rwanda) is estimated to grow at a CAGR of 10.5% from 2018 to 2023, making these markets the fastest growing region globally compared to 7.1% in Asia Pacific, 4.2% in the Middle East and North Africa, 4.4% in Latin America, 3.9% in North America and 3.3% in Europe. The GDP in the countries in which the Group operates totaled US$671 billion in 2017. Africa is the continent with the world's fastest growing population. According to the report by the United Nations, Department of Economic and Social Affairs, Population Division (2019) *'World Population Prospects 2019'* (the "**United Nations Report**"), 19.3% of the population in Africa is between the ages of 15 and 24 years as of 2019, compared to 15.5% in Asia, 16.7% in Latin America and the Caribbean, 13.1% in North America and 10.4% in Europe, and the median age as of 2020 in Africa is 19.7 compared to 32.0 in Asia, 31.0 in Latin America and the Caribbean, 38.6 in North America and 42.5 in Europe, respectively. The total population in Africa was over 1.0 billion mark in 2010, reached ~1.2 billion in 2015 and is estimated by the United Nations to reach ~2.5 billion by 2050. In the longer term, beyond 2050, Africa is expected to be the only major region globally where population growth still remains substantial, as forecast by the United Nations.

According to the Delta Partners Report, the 14 countries in which Airtel Africa operates had a total population of 563 million as of 2018, representing around 53% of the population of Sub-Saharan Africa. The population in these countries is forecasted to grow at a CAGR of 2.9% between 2018 and 2023, GDP is expected to grow at a

CAGR of 10.5% and the average rate of urbanisation (non-weighted percentage annual rate of change between 2015 and 2020 est.) between 2015 and 2020 is estimated to be 3.9% according to the Delta Partners Report.

Similar to the expected increase in population and urbanisation, the middle class in Africa is expected to experience growth. According to the report "*The Deloitte Consumer Review – Africa: a 21st century view*" published by Deloitte LLP in 2014 (the "**Deloitte Report**"), the African middle class is defined as people with earnings between US$2 to US$20 per day. Africa's middle class was approximately 376 million individuals in 2013 and the growth of Africa's middle class is forecast to continue, with the African middle class expected to reach 582 million by 2030, representing 34% of the total African population according to the Deloitte Report. Projections over the longer term see the middle class accounting for 1.1 billion people, or 42% of the African population by 2060.

Urbanisation and an expanding middle class are drivers of increased household consumption in Africa. According to the McKinsey Global Institute report '*Lions on the move II: realizing the potential of Africa's economies – 2016*' (the "**McKinsey Report**"), household consumption across Africa has grown 56% from US$910 billion in 2005 to US$1,420 billion in 2015 and is forecast to increase 45% to US$2,065 billion in 2025. These statistics position Africa as the second fastest region behind Asia in terms of household consumption growth. Population growth and rapid urbanisation coupled with a growing middle class are expected to continue to drive the need for infrastructure projects across Africa. According to the McKinsey Report, infrastructure spending in Africa is expected to almost double from US$80 billion per year in 2015 to US$150 billion per year in 2025, with 68% to be spent on power and transportation and the remainder to be spent on the water and telecommunications sectors.

Mobile market overview

The African mobile market, specifically Sub-Saharan Africa, is characterised by low but increasing mobile connectivity. According to the Delta Partners, mobile penetration (calculated as total connections over population) in Sub Saharan Africa was 76% as of 2018, compared to 103% global average, 116% in Western Europe, 104% in Asia Pacific and 103% in Latin America. According to the Delta Partners Report, mobile connectivity in the countries where the Group operates in Africa is forecast to increase at a CAGR of 10.1% between 2018 and 2023, reaching 574 million connections by 2023, compared to 354 million in 2018. Mobile revenues in the countries where the Group operates in Africa have grown at a steady CAGR of 8.6% between 2016 and 2018, estimated at US$12.8 billion in 2018. Between 2018 and 2023, mobile revenues are forecast to continue growing at a similar rate to reach US$20.8 billion by 2023.

According to the Delta Partners Report, the opportunity in mobile services in Africa is further supported by the relative affordability of smartphones and access to the expanding 3G/LTE connectivity in Africa which is expected to drive consumption of smartphones in Africa, with smartphone penetration expected to increase from 23% in 2018 to 56% in 2023 across the countries where we operate (excluding Chad). This in turn provides a sizable data opportunity in the Group's markets, with data subscribers expected to triple between 2018 and 2023 growing from 101 million in 2018 to 325 million in 2023, with Nigeria in particular expected to deliver significant data subscriber growth as operators race to become the leading 4G network. According to the Delta Partners Report, the market in Africa is expected to more than double revenue between 2018 and 2023, reaching US$6.0 billion at the end of 2023 from US$2.6 billion in 2018, increasing its share in overall mobile revenues from 20% in 2018 to 29% in 2023.

The Sub-Saharan African mobile landscape is dominated by a few large multinational operators competing against smaller regional telecommunications companies across different markets. Key telecommunications companies include Airtel, MTN (competing with Airtel in Congo B, Nigeria, Rwanda, Uganda and Zambia), Vodacom (competing with Airtel in DRC, Kenya, and Tanzania), Orange (competing with Airtel in DRC, Madagascar and Niger), Tigo (competing with Airtel in Chad and Tanzania) and Maroc Telecom (competing with Airtel in Gabon and Niger).

Mobile money market overview

The Sub-Saharan African market is characterised by limited access to formal financial institutions with limited banking infrastructure. According to the Delta Partners Report, there were only 7.4 bank branches for every 100,000 adults in Sub-Saharan Africa as of 2017. In Sub-Saharan African countries, less than half of the population has a bank account, which places the region significantly below other emerging market regions including Latin America and emerging Asian markets. The average banked population in the countries where the Group operates in Africa (excluding Seychelles) has stagnated at 30% between 2014 and 2017, while other emerging economies have seen an increase in coverage. For example, coverage in Indonesia increased from 36% in 2014 to 48% in 2017, while in India coverage has increased from 53% to 80% in the same period, according to Delta Partners.

This resulted in growth opportunities in MFS. Sub-Saharan Africa has among the lowest rates of financial banking penetration, and mobile-money is expected to remain at the forefront of financial inclusion in the region. The penetration rate for MFS (total registered mobile money users / total population) varies across the countries where the Group operates in Africa, with markets like Kenya having over 60% penetration, while other markets such as Nigeria, are newly embracing the mobile money opportunity, which adopted a new regulating framework for mobile money users in October 2018. Further growth in mobile money adoption is likely to come from new use cases including inter-operability, payments, cross-border transactions, bill payments and other financial services.

According to the Delta Partners Report, mobile money is forecast to deliver CAGR of 31.2% in terms of registered accounts and 25.5% in terms of revenue between 2018 and 2023. Registered accounts are estimated to grow from 91 million in 2018 to 353 million in 2023 and mobile money revenue is estimated to grow from US$1.2 billion in 2018 to US$3.6 billion in 2023. Nigeria is poised to evolve from a negligible market to the largest single market in the region in terms of subscriptions driven by the government passing a new regulatory framework on mobile money in October 2018.

OUR BUSINESS

Overview

We are a leading provider of telecommunications services with operations in 18 countries across Asia and Africa. According to GSMA Intelligence, as of September 30, 2019, we have the second largest subscriber base globally. Based on TRAI reported revenue, for the quarter ended September 30, 2019, we have a revenue market share of approximately 31.4% calculated on the basis of gross revenue and we rank second in overall revenue market share in India. Further, as at September 30, 2019, we served an aggregate of over 411 million customers globally.

We provide telecommunication services under wireless and fixed line technology, national and international long-distance connectivity, broadband, VSAT and digital TV services, and complete integrated telecommunication solutions to our enterprise customers. All these services are rendered under a unified brand "*airtel.*" "Airtel Money" (known as "*Airtel Payments Bank*" in India) extends our product portfolio to further our financial inclusion agenda and offers convenience of payments and money transfers through mobile phones over secure and stable platforms in India and across all 14 countries in Africa. We also deploy and manage passive infrastructure pertaining to telecommunication operations through our subsidiary, Bharti Infratel. As of September 30, 2019, Bharti Infratel also owned 42% of Indus Towers, a joint venture entity. Bharti Infratel and Indus Towers are passive infrastructure service providers in India. Globally, we operate with a fibre network covering over 250,000 Rkm (excluding India) and in India, our national long distance infrastructure provides a pan-India reach with 294,867 Rkms of optical fiber as of September 30, 2019.

For the fiscal years ended March 31, 2017, 2018 and 2019, and the six months ended September 30, 2018 and 2019, our total consolidated revenue was ₹ 954,683 million, ₹ 826,388 million, ₹ 807,802 million, ₹ 399,470 million and ₹ 418,692 million, respectively. Our consolidated net income for the fiscal years ended March 31, 2017, 2018 and 2019, and the six months ended September 30, 2018 and 2019, was ₹ 42,414 million, ₹ 21,835 million, ₹ 16,875 million, ₹ 7,288 million and ₹ (252,223) million, respectively. Our consolidated EBITDA for the fiscal years ended March 31, 2017, 2018 and 2019, and the six months ended September 30, 2018 and 2019 was ₹ 354,504 million, ₹ 303,279 million, ₹ 261,101 million, ₹ 131,384 million and ₹ 172,914 million, respectively. Our EBITDA margin for the fiscal years ended March 31, 2017, 2018 and 2019, and the six months ended September 30, 2018 and 2019 was 37.13%, 36.70%, 32.32%, 32.89% and 41.30%, respectively. As at March 31, 2017, 2018 and 2019 and September 30, 2019, our total assets were ₹ 2,332,652 million, ₹ 2,505,816 million, ₹ 2,751,975 million and ₹ 3,356,226 million, respectively.

History

Our Company was founded and promoted by Bharti Telecom Limited, a company incorporated under the laws of India. Our Company was incorporated on July 7, 1995 in Delhi in India for the purpose of promoting telecommunications services.

Our Company obtained its certificate of commencement of business on January 18, 1996. Our Company first issued its equity shares publicly in February 2002 and was listed on the NSE and the BSE on February 18, 2002. Our Company had a market capitalization of ₹ 1,885 billion as at September 30, 2019.

Competitive Strengths

We believe that the following factors contribute to our strong competitive position:

Presence in large and attractive markets

We are present in the Indian, South Asian and African markets, where demand for telecommunication services is expected to rise as these economies expand and penetration of telecommunication services increase.

According to the GSMA Intelligence, as of September 30, 2019, India is the second largest telecommunication market in the world in terms of connections with the second largest smartphone market and the largest based on minutes of use per connection. The number of internet users in India is expected to grow significantly. India is expected to have approximately 840 million internet users by 2022 (approximately 60% of the population) up from 357 million in 2017 according to Cisco Visual Networking Index; Forecast in Trends 2017-2022 ("**Cisco VNI**"). Smartphones have become the predominant gateway to the internet for customers across age groups and geographies, and rapidly proliferating 4G networks will help accelerate market transformation. According to Cisco VNI, smartphones are expected to account for 38% of all networked devices by 2022 as compared to 26% in 2017. Data usage of smartphones in 2022 is expected to average 17.5 GB/month, which represents an increase from 3.5 GB/month in 2017 according to Cisco VNI, and the average fixed broadband speed is forecast grow from 9.5 mbps in 2017 to 31.2 mbps in 2022. According to the GSMA Intelligence, in India there were approximately 770 million unique wireless customers and approximately 550 million 4G phone users in September 2019 and unique mobile internet penetration was approximately 37%. For the six months ended September 30, 2019, we ranked second in the telecommunications market in India, with a revenue market share of approximately 31.4%, compared to 31.3% for the six months ended September 30, 2016 according to TRAI.

Given India's population size of approximately 1.3 billion people, the telecommunication industry in India has experienced varying levels of growth in voice and data traffic respectively. According to TRAI and the CRISIL Report, the total number of wireless and wireline subscribers in India region increased from 996.5 million for the year ended March 31, 2015 to 1,183.7 million for the year ended March 31, 2019. Voice usage in India grew from 381 minutes per subscriber per month for the year ended March 31, 2015 to 649 minutes per subscriber per month for the year ended March 31, 2019 according to the CRISIL Report. The increasing popularity of video streaming applications such as YouTube, Amazon Prime Video and Netflix combined with subscribers' ability to make cheap video and voice calls through applications such as WhatsApp, Facebook, Viber and Skype have caused a significant increase in data consumption over the last five years. According to the CRISIL Report, the average monthly data usage per subscriber in India has increased from 100 MB for the year ended March 31, 2015 to over 9.2 GB for the year ended March 31, 2019.

According to TRAI, the subscriber distribution is quite skewed in India and is characterised by high urban tele-density and low rural tele-density. Rising rural income provides a significant opportunity for the telecommunications industry and we believe that we benefit from strong growth potential in rural and semi-urban markets. According to the TRAI, the overall telecommunications penetration in India, represented by the number of telephones per 100 people, was 90.5%, of which urban penetration was 160.6% and rural penetration was 57.6% as of September 30, 2019. A 10% rise in rural tele-density could add approximately 100 million telecommunications subscribers according to the CRISIL Report.

Mobile services have also become a platform of choice for creating, distributing and consuming innovative digital solutions in Africa.

According to the Delta Partners Report, the 14 countries in which Airtel Africa operates had a total population of 563 million as of 2018, representing around 53% of the population of Sub-Saharan Africa. The population in these countries is forecasted to grow at a CAGR of 2.9% between 2018 and 2023, GDP is expected to grow at a CAGR of 10.5% between 2018 and 2023 and the average rate of urbanisation (non-weighted percentage annual rate of change between 2015 and 2020 est.) between 2015 and 2020 is estimated to be 3.9% according to the Delta Partners Report. For the six months ended September 30, 2019, 38.9%, 35.2% and 25.9% of our revenue in Africa originated from Nigeria, East Africa and the rest of Africa, respectively.

Mobile devices are now the primary means through which large number of internet users in sub-Saharan Africa accesses the internet. The opportunity in mobile services is further supported by the lack of legacy fixed broadband infrastructure in Sub-Saharan Africa and the increasing affordability of smartphones in emerging markets, particularly in Africa. The African mobile market, specifically Sub-Saharan Africa, is characterised by low but increasing mobile connectivity. According to the Delta Partners Report, mobile penetration in Africa is forecast to increase at a CAGR of 10.1% between 2018 and 2023, reaching 574 million connections by 2023 in the countries in Africa where we operate. Mobile revenues in the countries in Africa where we operate have grown at a steady CAGR of 8.6% between 2016 and 2018 according to the Delta Partners Report, and are expected to reach US$20.8 billion by 2023.

According to the Delta Partners Report, the opportunity in mobile services in Africa is further supported by the relative affordability of smartphones and access to the expanding 3G/LTE connectivity in Africa which is expected to drive consumption of smartphones in Africa, with smartphone penetration expected to increase from 23% in 2018 to 56% in 2023 across the countries where we operate (excluding Chad). According to the Delta Partners Report, the Sub-Saharan African market is characterised by limited access to formal financial institutions with limited banking infrastructure. According to the Delta Partners Report, there were only 7.4 bank branches for every 100,000 adults in Sub-Saharan Africa as of 2017. In Sub-Saharan African countries, less than half of the population has a bank account resulting in growth opportunities for mobile money accounts according to the Delta Partners Report. According to the Delta Partners Report, mobile money is forecasted to deliver CAGR of 31.2% in terms of registered accounts and 25.5% in terms of revenue between 2018 and 2023.

Established leadership position and large subscriber base

We are a leading provider of telecommunications services with operations in 18 countries across Asia and Africa. According to GSMA Intelligence, as of September 30, 2019, we have the second largest subscriber base globally. Based on TRAI reported revenue, for the quarter ended September 30, 2019, we have a revenue market share of approximately 31.4% calculated on the basis of gross revenue and rank second in overall revenue market share in India. As of September 30, 2019, we had 326 million customers with a subscriber market share of 27.7% according to TRAI. Additionally, according to GSMA Intelligence, we were Africa's second largest mobile operator based on subscriber base and the world's second largest mobile operator by subscriber base as of September 30, 2019.

According to TRAI, we were the largest operator in nine telecommunication circles in terms of the number of mobile telecommunication subscribers as of September 30, 2019 – namely, Andhra Pradesh, Assam, Bihar, Himachal Pradesh, Jammu and Kashmir, Karnataka, North East, Orissa and Tamil Nadu – the second largest operator in two telecommunication circles – namely, Rajasthan and Uttar Pradesh East – and the third largest operator in nine telecommunication circles – namely, Delhi, Gujarat, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, Punjab, West Bengal and Uttar Pradesh West. According to TRAI, as of June 30, 2019, we were the third largest operator in the digital TV service business and as of September 30, 2019, we are the largest private wired broadband service provider.

We believe that our established leadership position allows us to capitalize on any growth opportunities in the future.

Extensive telecommunication infrastructure built out to support future growth

As of September 30, 2019, our Company's mobile telecommunication operations covered 95.3% of the population in India according to GSMA Intelligence. During the six months ended September 30, 2018 and September 30, 2019, customers spent 1,377.25 billion minutes and 1,453.75 billion minutes, respectively, on our network in India, and consumed 4,810,942 million megabytes and 9,020,291 million megabytes, respectively, from our network in India. We continue to invest in building data capabilities to provide an excellent network to our customers, and had approximately 190,860, 298,000 and 417,600 mobile broadband base stations at the end of fiscal year 2017, 2018 and 2019, adding approximately 220,000 mobile broadband base stations in the last two years. The consolidated capital expenditure investment for the year ended March 31, 2019 was ₹ 327,931 million, which represented 40.6% of revenue for the year ended March 31, 2019. As of September 30, 2019, we had an aggregate of 1,731.40 MHz of unpaired spectrum (including the 142.50 MHz of unpaired spectrum acquired from Tata with effect from July 1, 2019) across the 22 telecommunication circles.

We are addressing capacity at hotspots by deploying a combination of Massive Multiple-Input Multiple-Output ("**MIMO**") technology and sector splitting. We deploy small cells in high traffic areas. We have also largely reallocated our 900 MHz band spectrum in selected circles for use in 4G services, which we believe will provide deeper in-building 4G coverage for better VoLTE and data experience. We have further initiated a reallocation of our 2,100 MHz band spectrum for use in 4G services.

In order to cater for the exponential growth in data demand, we have been investing in fiber, backhaul and transmission. Our optical fiber cable transmission network, both owned and through indefeasible rights of use arrangements with other telecommunication operators, extends to approximately 294,867 Rkms in India as of September 30, 2019. Given the significant growth in data consumption, the need for more extensive fiber network is becoming critical. We have established a dedicated fiber company, Telesonic Networks Limited, which we expect to provide the requisite India based fiber network. These investments resulted in our Company being named as the "*fastest mobile network in India*" by Ookla consecutively for the last three speed test awards. Also, as per the Opensignal Awards India: Mobile Network Experience Report October 2019 ("**Opensignal October 2019 Report**"), Airtel has been rated as the network with the India's best video experience and fastest download speed.

As of September 30, 2019, our Company's global fiber network runs across 250,000 Rkms, covering 50 countries and five continents, which, while serving our enterprise solutions business, also enables our Company to bring data closer to India and reduce latency for our customers. At the Indian Mobile Congress 2019, we demonstrated live 5G network. The ultra-low latency of the 5G network provides new opportunities for various industries, as it enables time and cost efficiency

We are one of the largest providers of tower and related infrastructure in India, based on the number of towers.. Bharti Infratel owns and operates and the number of towers owned or operated by Indus that are represented by Bharti Infratel's 42% equity interest in Indus. As of September 30, 2019, we had 185,582 network towers in India, of which 181,825 towers are mobile broadband towers. In Africa, as of September 30, 2019, we had 21,936 network towers, of which 18,274 towers are mobile broadband towers.

Extensive distribution and service network

We maintain an extensive sales and distribution network covering both rural and urban geographies across India, with over 1 million retail outlets taking our range of product offerings to end consumers. These outlets are serviced by approximately 11,000 distribution partners. Retail outlets are digitally empowered to sell Airtel services to the customers using "*Mitra Application.*"

We believe our exclusive retail footprint is a key differentiator, including for supporting high value subscribers and products such as mobile internet. Our exclusive retail footprint is an integral part of our customer acquisition and engagement strategy, designed to bring the Airtel brand closer to our customers.

We also have a growing digital distribution presence through the *Airtel Thanks* app which comprises of three different aspirational tiers, namely the silver, gold and platinum tiers. The digital distribution channel is cost-efficient compared to traditional channels and enhances customer experiences. Our distribution reach is further expanded by approximately 12,000 dedicated promoters who promote Airtel products in device selling outlets**.** As at September 30, 2019, *My Airtel* application had over 30.02 million subscribers.

Experienced management team with strong execution track record and backed by global investors

We believe that we benefit significantly from having an experienced management team, including Mr. Sunil Bharti Mittal, our Chairman, Mr. Gopal Vittal, our Managing Director and Chief Executive Officer (India and South Asia) and Mr. Badal Bagri, our Chief Financial Officer (India and South Asia) and other management personnel.

Our management team has been involved in the telecommunication industry in India for a significant period. During this time, our management team has developed sector-specific knowledge and operational expertise and an in-depth understanding of the key opportunities and risks associated with our business. Their expertise in the industry is reflected in our ability to maintain our position as a leading telecommunication operator in India, despite significant competition and new entrant in the market. We have capitalized on the emerging opportunities and completed the acquisitions of Bharti Digital Networks Limited and Telenor India. On July 1, 2019, our Company also successfully completed the merger of the consumer mobile businesses of Tata Teleservices Limited and Tata Teleservices (Maharashtra) Limited with our business. Further, we have entered into a scheme of amalgamation and arrangement for the merger of Bharti Infratel with Indus Towers. See "—*Business Operations—Passive Infrastructure Services—The Indus Merger*" for further information. The combined company is proposed to be named Indus Towers Limited and shall remain listed on the Indian stock exchanges. We believe that the experience of our management provides us with an advantage in commercial negotiations with suppliers and customers, identifying cost and operational efficiencies, anticipating and avoiding potential execution roadblocks, completing expansion and roll out plans on time and within budget.

In the third quarter of fiscal year 2019, six leading global investors, including Warburg Pincus, Temasek, SingTel and SoftBank Group International, invested US$1.25 billion in Airtel Africa Plc, our subsidiary and our holding entity of the Africa operations, through a primary equity issuance. Further, Qatar Investment Authority, the sovereign wealth fund of the State of Qatar, has invested US$200 million through a primary equity issuance in Airtel Africa Plc. In June 2019, we also concluded the initial public offering of Airtel Africa Plc on the London Stock Exchange and the Nigerian Stock Exchange and raised net proceeds of U.S.$674 million.

We believe that the knowledge and expertise generated by the experience of our management team will prove to be a crucial advantage as we look to expand and develop our business. We also maintain strong corporate governance practices.

Strong brand presence

We offer our services under our flagship brand "*airtel*" which is widely recognized in India, Sri Lanka and Africa, where we operate. We support the "*airtel*" brand with extensive market research and a focused marketing strategy in India, Sri Lanka and Africa, including national and regional television advertisement campaigns as well as campaigns in mixed-media and over-the-top media platforms, including print, outdoor and digital. We believe that the strength of our brand "*airtel*" and our advertising campaigns have contributed significantly to our strong market position, subscriber growth and loyalty and have helped us to further fortify the "*airtel*" brand.

We believe that we have been able to strengthen our brand equity through our segmented marketing strategies that we create with the help of external marketing and advertising agencies across geographies and demographic variables. In 2018, we launched the campaign "*Sab Kuch Try Karo, Fir Sahi Chuno*" and in 2019, we launched "*Sahi Chuno, Quality Chuno*" campaign, both of which demonstrate our confidence in our product offerings. We further strengthened our customer rewards program though the Airtel Thanks program that offers a range of rewards to approximately 150 million customers based on ARPU and loyalty. Further, our marketing strategy in India focusses on customers at a district level, which allows us to prioritize, track and develop performance on a micro level. We do so by dividing the Indian market into 244 priority districts based on their economic potential (4G market size of district), capital efficiency (revenue per tower of district) and brand affinity (Airtel 4G share in district).

The focus of our Company's communication is to highlight the benefits of our products and services to our customers. Further, our strong brand presence is backed by an extensive distribution footprint in India and Africa across rural and urban areas. We also have a growing digital distribution presence through the *Airtel Thanks* application.

Our brand excellence has been widely recognized. It was honored in the categories of "*Best Brand Loyalty Marketing Campaign*" and "*Excellence in CSR – Best Organization Transformation*" at the "Asian Customer Engagement Forum and Awards" in 2017. We were ranked second in the "*Brand Finance India 100 (2018)*", an annual report on the most valuable Indian brands. We were also ranked fourth in the "*BrandZ Top 75 Most Valuable Indian Brands 2018 and 2019*" reports. Airtel was rated as the "*fastest mobile network*" in India by "Ookla" consecutively for the last three speed test awards. We have also been recognised as the network providing India's Best Video Experience and India's Fastest Download Speeds, as per the Opensignal October 2019 Report. Through this, we have extended our network positioning from being the fastest network to providing best video experience, to differentiate ourselves from our competition.

Strategy

The key elements of our strategy are:

Growth of 4G subscriber market share in the mobile telecommunication industry

We operate in the highly competitive mobile telecommunication industry in India, which has grown significantly in recent years. According to the CRISIL Report, the growth in the number of data subscribers of mobile telecommunication services is expected to increase due to a significant increase in mobile data usage and interest in digital content and smartphone penetration. According to TRAI, we were one of the leading mobile telecommunication operators in India in terms of number of mobile telecommunication subscribers as of September 30, 2019. We intend to leverage such position to increase our market share of the primary 4G SIM slot through attractive bundled pricing plans, partnerships with content companies for bundling their services with our services and an increase in upgrades through device partnerships and offers. For example, in fiscal year 2018, we launched "*Mera Pehla Smartphone*" initiative to introduce affordable 4G smartphones bundled with Airtel mobile network in the Indian market. We intend to consider more such opportunities to grow our share of high ARPU customers.

We also launched a loyalty program "*Airtel Thanks*" to ensure customers have an incentive to upgrade to higher value plans by providing various offers and benefits. The "*Airtel Thanks*" program is a structured rewards program launched in fiscal year 2019 that is designed to deliver exclusive benefits and rewards to Airtel Mobile customers. The loyalty platform feeds on real-time events in a customer's lifecycle. The analytics of the platform runs real time mapped to each customer profile backed with an open API that is tied to partnership with

3rd party service provider for any provisional billing. The platform is integrated with a scalable model of own subscription engine and provisional billing engine for prompt activation of any service.

Further, we have also adopted various measures to lock-in post-paid customers through initiatives such as handset security, free music and TV, free Amazon prime membership, data roll-over, affordable financial services, among others, beyond the traditional services.

In Africa, we aim to increase our mobile revenue market share through increasing our smartphone network, data penetration, introduction of new products and addition of quality customers.

Invest in our telecommunication network to enhance user experience and deliver a differentiated value proposition to our customers

We are focused on delivering premium, high-speed and reliable telecommunication services to our customers. We have successfully grown our aggregate telecommunication customer base from approximately 357 million as of March 31, 2016 to over 411 million as of September 30, 2019 and intend to continue to retain our existing customer base and grow our market share by offering high speed and reliable mobile telecommunication services at competitive prices and providing high-quality customer support services.

During this period, our data customer base grew from approximately 58 million as of March 31, 2016 to over 124 million as of September 30, 2019 in India. Our consolidated capital expenditures amounted to ₹ 185,310 million and ₹ 94,839 million for the six months ended September 30, 2018 and 2019, respectively.

Airtel was rated as the "*fastest mobile network*" in India by Ookla consecutively for the last three speed test awards. We intend to enhance our telecommunication network user experience by improving our network quality through digitization and using more self-healing and self-evolving networks using newer generation technologies. For example, to further strengthen our 4G network, we have upgraded the 3G services in eight circles i.e. Maharashtra (excluding Mumbai) and Goa, Kolkata, Punjab, Haryana, Karnataka, Madhya Pradesh and Chhattisgarh, Kerala, Gujarat and re-farmed the 2100 Mhz band for expanding our 4G capacity. We have deployed L2100 technology to complement our existing 4G services. The re-farming of 3G spectrum for 4G will boost the network's capacity, ensure wider availability of Airtel 4G and significantly improve coverage inside buildings and outdoors, especially during intracity and intercity transit for 4G smartphone customers. In addition, we have launched *Airtel Wi-Fi Calling*, a Voice-Over Wi-fi service, which is designed to enhance voice calling experience for Airtel smartphone customers while indoors. The technology will be initially available in six circles and will be subsequently rolled out across India. There will be no extra charge for Airtel Wi-Fi Calling. We believe that these investments would enable us to maintain our continued excellence in customer experience and network quality. As per the Opensignal October 2019 Report, Airtel has been rated as the network with the fastest download speed experience and also winner in terms of video experience on the network.

Further, in fiscal year 2018, we announced the deployment of "Massive Multiple-Input Multiple-Output" ("**MIMO**") in partnership with Huawei, Ericcson and Nokia as a part of Airtel's ongoing network transformation program.

While we utilize various advanced technologies to deliver our services and operate our network, we intend to continue to invest in our network and technology infrastructure in order to improve our existing technology systems and implement advanced technology systems that may be developed. This will enable us to continue to deliver high quality, market leading and competitive service offerings, which will drive our growth.

Focus on developing high growth revenue streams such as apps with digital media content, enterprise, broadband, digital TV and mobile payment bank ("MPS") businesses, among others

We intend to rapidly grow the Homes Services business and to expand digital TV services business. Accordingly, it has been investing in increasing our subscribers to accelerate the broadband business.

Pursuant to the Ministry of Information and Broadcasting's digitization plans, DTH operators are likely to benefit from a rising subscriber base and higher market penetration. Innovations in paid TV services and migration from standard definition to high definition boxes have increased consumption of smart TVs and high definition services, offering more opportunities to service operators like our Company.

Strong economic growth, aided by shift to digital and on-demand business models with a growing need for any time anywhere connectivity for enterprises and the GoI’s push for digitization, are fueling demand for telecommunication services from enterprises. Our Company’s enterprise strategy is to increase our share of wallet of existing customers and gain new customers by launching new enterprise platforms, thereby increasing our revenue market share. Small and medium-sized enterprises (“**SMEs**”) are increasing with digital India and start up India initiatives. We enable emerging enterprises and start-ups through understanding their business needs and offering specific vertical value propositions. We intend to continue to adopt the ready business solution approach entitling SMEs to scale faster and enhance their operational efficiencies, making their business responsive to customers. We also have a robust portfolio and roadmap of cloud applications targeting SMEs, small or home office and start-ups, providing them scalable and upgradable solutions with reduced upfront investments and unique payment platforms. We also enter into partnerships to grow our business. For example, Bharti Airtel Services Limited entered into a strategic alliance with Symantec Asia Pacific Pte. Ltd. (“**Symantec**”) to serve the growing cyber security requirements of businesses in India, providing protection and for prevention of online threats.

We also launched Airtel Home - a digital quad-play platform that simplifies the customer experience for homes that use multiple Airtel services. “Airtel Home‟ allows customers to bundle multiple Airtel services – broadband, postpaid and DTH - as a single account with a unified interface. Customers also get one bill and premium customer support as a part of the package.

We intend to ensure the “*Wynk Music*”, “*Airtel Xstream*” and “*Airtel Books*” applications hold market leading positions by focusing on user preferences. With respect to “*Wynk Music*”, we intend to launch industry-first features packaged into a highly intelligent product that understands user music preferences and customizes the user’s experience using machine-learning and artificial intelligence. According to App Annie, Wynk Music is the number one music streaming application in India with high daily active users on all smartphones within the month of October 2019. To enhance user experience in the India market and globally, we are planning for “*Wynk Music*’ to include technology integrations and alliances to create a seamless, multi-platform music streaming experience that caters to the latest music trends, build social communities around users and artists, invest in original and exclusive content, and introduce vernacular interfaces and expansion of regional content library. With respect to “*Airtel Xstream*”, we intend to establish stronger partnerships with premium video content providers to unlock further value for our customers, provide live sports streaming, expand the regional content library, integrate rich and exclusive content across genres and languages and introduce technological innovations for a more immersive user experience. *“Airtel TV”* has over 90 million user downloads in India. We believe that such measures in our applications will be significant drivers for revenues.

We are also one of India’s leading providers of data center services, including co-location, managed services and cloud solutions, through our Subsidiary, Nxtra Data which comprises of 10 large data centers, 119 edge data centers and four upcoming data centers. We are investing in Internet of Things (“**IoT**”) platforms, and telco-grade networks to drive IoT in the country.

In Africa, our Company’s aim for Airtel Money is to run the business as an independent monetizable unit. Once incorporated, we seek to make Nigerian Payments Bank a catalyst for our growth in Africa. We are also adding adjacent revenue streams to capture new business opportunities like fixed wireless business, enterprises and data centers.

Focus on digitization and cost optimization

We are focused on disciplined investment and prudent cost controls. Cost optimization is an integral part of our growth strategy to deliver shareholder value. We aim to deliver savings in operating expenses through targeted cost saving programs with a range of initiatives across different functions. These include zero based budgeting with fresh look at all cost items to avoid redundant costs, focused initiatives on reducing low utilization sites, simplifications to reduce waste and drive efficiency in administrative costs. We also periodically negotiate appropriate contracts including outsourcing arrangements and annual maintenance contracts with our technology and equipment vendors. Among other elements of our optimized cost structure, we outsource various non-core supplies, service and support functions in discrete parcels to multiple specialized providers, while retaining a high-level of centralized reporting and control. We also engage in new requests for proposal processes at the end of such contract terms, to allow us to re-evaluate the cost and performance of each active network partner or vendor, and to form new partnerships or vendor relationships, as necessary. We also seek to minimize our dependence on any single network provider by working with multiple vendors.

In addition, we extensively focus on network cost optimization programs, such as indoor to outdoor conversions of sites leading to reduction in energy cost, and off-net to on-net link conversion for enterprise customers leading to lower bandwidth charges.

We use technology to drive down costs, including through infrastructure sharing, adopting disruptive technologies, use of increased automation, including customer service automation and the use of digital tools and interfaces such as chatbots and webchats with our customers (as well as executive dashboards for account summaries and individual products, including through our *Airtel Thanks* application), and digitization, such as through our "*Green Bill*" initiative, which has resulted in lowering our billing costs, product and communication simplification, improved predictive analytics and reduced travel and outbound tele-calling. In addition, we continue to expand "Project Leap" with sustained investments targeted towards building data capacities and the 4G network across the country. We expanded our 4G services and other technological investments aimed to enhance consumer experience to Andaman and Nicobar Islands as well as to Lakshadweep Islands.

In Africa, we aim to ensure cost optimization through ensuring greater utilization of assets that are already deployed and expenses that are already incurred. In addition, we also focus on controlling and saving costs through measures, such as moving away from offline channels to online distribution, and churn reduction. With high fixed costs, operating leverage will play out on new revenue streams and we aim to ensure that incremental EBITDA earned on incremental revenue generated is greater than the existing EBITDA margin.

Focus on deleveraging and maintaining financial flexibility

Our Company's aggregate net debt (defined as the long-term debt, net of current portion plus short-term borrowings (exclusive of the debt origination and bond fair value hedge), current portion of long-term debt and lease liabilities minus cash and cash equivalents) amounted to ₹ 998,950 million, ₹ 1,001,060 million, ₹ 1,129,899 million and ₹ 1,181,065 million as of March 31, 2017, 2018 and 2019 and September 30, 2019, respectively. As of September 30, 2019, our net debt to EBITDA ratio was 3.42, including lease obligations. Our debt profile is spread across local and overseas sources of funds to mitigate interest rate risks and to create natural hedges. We have a healthy currency mix of debt having issued US$, EUR and CHF denominated bonds in the international debt capital markets as well as debt in local currencies including INR, XAF, UGX, RWF, NGN, LKR and XOF. Under our Company's risk management policy that has been approved by the Board, we may continue to enter into hedging and derivative transactions to reduce the interest rate and current fluctuation risk. We remain focused on maintaining a healthy leverage ratio and deleveraging through a mix of strategic and organic initiatives.

As part of our strategic initiatives, we concluded a rights issue of approximately 1,134 million fully paid up equity shares that raised ₹ 249,390 million in May 2019 and utilized the proceeds materially towards deleveraging our balance sheet. In June 2019, we also concluded the initial public offering of Airtel Africa Plc on the London Stock Exchange and the Nigerian Stock Exchange and raised net proceed of U.S.$674 million. Prior to the initial public offering ("**IPO**") of Airtel Africa plc, it raised U.S.$1.45 billion through a pre-IPO placement to certain investors between October 2018 and January 2019. Between 2015 and 2018, we have sold shares in Bharti Infratel for an aggregate amount of over U.S.$2.1 billion. In addition, we raised ₹ 16,238 million through a stake sale in our DTH business to Warburg Pincus. We realized approximately US$3 billion in Airtel Africa Plc through tower sale in eight countries and divestment of operations in two countries. We have raised over U.S.$11 billion of equity capital since September 2014. Additionally, one of our subsidiaries, Network i2i raised a total of U.S.$ 750 million through an issuance of perpetual securities in October 2019. The proceeds of these transactions were used to reduce debt and fund growth of operations.

We aim to maintain an efficient capital structure with high balance sheet flexibility. We seek to continue to manage our borrowing costs with a focus on cost effective financing and refinancing structures, including our repayment tenors and the balance between our fixed and floating rate instruments. We will continue to maintain a measured and careful balance between fixed and floating rate debt.

Airtel Africa Plc maintains a reasonably conservative policy in respect of liquidity and leverage. In line with this principle, and as pursuant to its dividend policy in Africa, "surplus" cash is to be distributed to its respective shareholders, subject to leverage thresholds.

Business Operations

We are a leading integrated provider of telecommunication services with presence in 18 countries, including India and Sri Lanka, 14 countries in Africa and associates and joint ventures in Bangladesh and Ghana. We served over 411 million customers globally as of September 30, 2019. We retain a diversified service portfolio which includes mobile, voice and data solutions, using 2G, 3G and 4G technologies, fixed line services, broadband services, digital TV services and an integrated suite of telecommunication solutions for our enterprise customers.

We also provide long-distance connectivity in India, Africa and the rest of the world. All these services are rendered under a unified brand "airtel." "Airtel Money" (known as "Airtel Payments Bank" in India) extends our product portfolio to our financial inclusion agenda and offers convenience of payments and money transfers on mobile phones over secure and stable platforms in India, and across all 14 countries in Africa. We are also a leading provider of passive infrastructure and offer services through our subsidiary, Bharti Infratel and Bharti Infratel's 42.0% ownership interest in Indus Towers.

India

B2C Services

- *Mobile Services (India):* These services include pre- and post-paid wireless voice services, international roaming and interconnect revenue paid to us by other telecommunications providers. We also include data communications services, including 2G, 3G and 4G data services, and other VAS for mobile subscribers.

- *Homes* Services: We provide fixed-line telephone and broadband services for homes in 100 cities across India. These services include Digital Subscriber Line ("**DSL**") based broadband internet and local, national and international long distance telephone services provided through wire-line connectivity to the subscriber. The end-user equipment is connected through cables from main network equipment (i.e., switch) to the subscriber's premises. Fixed telephone lines, broadband (via DSL) and Internet Protocol TV ("**IPTV**") services are provided to homes while fixed telephone line, internet leased line and MPLS services are provided to offices.

- *Digital TV Services*: These services comprise television programming provided via a digital signal and received on a digital set top box and related services, which are provided under our DTH platform. Features include high-definition HD digital TV services with 3D capabilities and Dolby surround sound, choice of packages comprising different channels, interactive features such as on-demand viewing, and a choice of set top boxes, including an HD recorder box, which may be instructed to record programs via a mobile handset or the internet.

Airtel B2B Services

- *Airtel Business*: These services include domestic and international long distance communication, information communication technology ("**ICT**") services, provided to the service providers of cellular or fixed line services, internet services and broadband services, as well as transmission bandwidth, VSAT-based communications, voice, data, network integration, data centers, managed services, enterprise mobility applications, digital media services and other network solutions to the GoI and corporate customers

- *Passive Infrastructure Services*: These services include setting up, operating and maintaining wireless communication towers. They are provided by our subsidiary, Bharti Infratel, and through the independent telecommunication passive infrastructure company Indus Towers, of which Bharti Infratel owns a 42.00% interest. Upon completion of the Indus Merger, we would no longer own majority stake in passive infrastructure services (that it previously had access to via our subsidiary). See "*—Passive Infrastructure Services—The Indus Merger*" for further information.

South Asia (except India)

In Sri Lanka, we operate across 25 administrative districts with distribution network of over 48,000 retailers. We offer 3.5G services across major towns in Sri Lanka.

Africa

We operate in 14 countries across Africa, namely Nigeria, Chad, Congo B, Democratic Republic of Congo, Gabon, Madagascar, Niger, Kenya, Malawi, Seychelles, Tanzania, Uganda, Zambia and Rwanda.

In Africa, we offer a comprehensive offering targeting the full spectrum of subscribers, from high value to mass market. Our voice services include local, national and international calls made within our footprint and internationally. The mobile voice business line also includes interconnect revenue, which is paid to us by other telecommunications operators when their customers utilize our network for interconnection purposes. Mobile data services comprise 2G, 3G and 4G data services, messaging (SMS) and other VAS for mobile subscribers, which may be bundled with our voice service offerings. Airtel Money offers mobile banking opportunities to customers in all of our 14 African countries of operation. Given the low penetration of traditional banking services in our countries of operation, Airtel Money provides an opportunity for us to extend financial services and products to underserved populations.

The following sets out certain metrics about our offerings in Africa:

	Six months ended September 30,					
	2018			**2019**		
	Voice	**Data**	**Mobile Money**	**Voice**	**Data**	**Mobile Money**
Airtel Africa						
Subscriber base *(millions)*	94.1	27.1	12.9	103.9	31.9	15.5
ARPU *(U.S.$)*	1.7	2.1	1.4	1.6	2.4	1.6
Revenue *(U.S.$ millions)*	953	323	103*	956	434	146*

** Pre inter-segment elimination*

Further details relating to our business segments are provided below.

Mobile Services

Our mobile operations are at the core of our business. While voice communication services will remain a significant revenue generator for the medium-term, we expect our mobile data and mobile money business lines to be increasingly significant drivers of revenue growth in the longer term. Our customer bases as of March 31, 2017, March 31, 2018 and March 31, 2019, September 30, 2018 and September 30, 2019 were 372 million, 414 million, 404 million and 448 million and 411 million, respectively. Total minutes on network for the year ended March 31, 2017, March 31, 2018 and March 31, 2019 were 1,549 billion, 2,159 billion and 3,070 billion, respectively, and for the six months ended September 30, 2018 and September 30, 2019 were 1,505 billion and 1,593 billion. Further, the data consumed (in MB) by our customers for the year ended March 31, 2017, March 31, 2018 and March 31, 2019 was 900 billion, 4,174 billion and 12,162 billion, respectively and for the six months ended September 30, 2018 and September 30, 2019 was 4,810 billion and 9,020 billion approximately.

As at September 30, 2019, Airtel Payments Bank has a total user base of 47 million and active users in payments bank of 9.9 million.

India

We offer 2G, 3G and 4G wireless services in India. As at September 30, 2019, we had 326 million mobile subscribers, which represents a customer market share of 27.7%, according to TRAI. We had an active mobile customer base of 279.4 million as of September 30, 2019, as compared to 332.8 million customers as of September 30, 2018. We have experienced sustained growth in our 4G subscriber base, representing 65.7 million, 86.8 million and 103.1 subscribers as of September 30, 2018, March 31, 2019 and September 30, 2019, respectively. Our mobile services offerings include post-paid, pre-paid, roaming, internet and other value added services through our extensive sales and distribution network covering more than 1 million retail outlets.

As at September 30, 2019, our network covered 7,906 census towns and 786,268 non-census towns and villages in India, covering a geographic area in which approximately 95.3% of the country's population is located. As of September 30, 2019, we hold spectrums across various spectrum bands (800MHz, 900MHz, 1800MHz, 2100MHz and 2300MHz) aggregating to the total of 1,731.40 MHz of unpaired spectrum (including the 142.50 MHz of unpaired spectrum acquired from Tata with effect from July 1, 2019) across the 22 licensed service areas, and hold approximately 28% share of spectrum at pan India level.

Our spectrum acquisition strategy aims at enhancing our position in India's fast growing data segment. In 2018, the Department of Telecommunications ("**DoT**") granted an in-principle approval for our Company's acquisition of Telenor India and transferred all assets and liabilities belonging to the Indian unit of Norway's Telenor to our Company. The acquisition will boost our 4G spectrum holdings, fortify our network capacity and augment our revenue.

In 2019, we also completed the amalgamation of Bharti Digital Networks Private Limited. On April 10, 2019, the DoT granted an in-principle approval for the merger of the consumer mobile business of Tata Teleservices Limited ("**TTSL**") and Tata Teleservices (Maharashtra) Limited ("**TTML**"). Subsequently, following the order by the Telecom Disputes Settlement and Appellate Tribunal directing the DoT to take the merger on record and the approval of the schemes of arrangement by NCLT, Delhi and NCLT, Mumbai, we announced that the schemes of arrangement under which all customers, assets, spectrum and agreed liabilities of the consumer mobile businesses of TTSL and TTML have now merged with our Company with effect from July 1, 2019. These acquisitions have strengthened our Company's spectrum portfolio and are in line with our commitment to expanding our network.

South Asia

We began our mobile services offering in Bangladesh in November 2010. In 2017, we merged our business operations in Bangladesh with Robi Axiata Limited, where we acquired a 25% equity interest in the entity. Robi Axiata Limited is the second largest mobile phone operator of Bangladesh. Our mobile services offering in Sri Lanka, "Airtel Lanka", operates across 25 administrative districts with distribution network of over approximately 48,000 retailers.

Africa

As at September 30, 2019, we were active in 14 countries in Africa with a total subscriber base in Africa of approximately 103.9 million customers. According to the Delta Partners Report, as of December 2018 we either ranked first or second in terms of the number of subscribers in 12 out of the 14 countries where we operate, which include Nigeria, Malawi, the DRC, Kenya, Zambia, Chad, Tanzania, Gabon, Uganda, Congo (Brazzaville), Madagascar, Niger, Seychelles, and Rwanda. In July 2019, we concluded the initial public offering of Airtel Africa Plc on the London Stock Exchange and the Nigerian Stock Exchange and raised net proceeds of U.S.$674 million. We have established our Africa headquarters in the United Kingdom.

The following table sets out certain operational metrics about our service offerings:

		Quarter Ended		
Parameters	**Unit**	**September 30, 2019**	**March 31, 2019**	**September 30, 2018**
Total Customers Base (Consol)................	000's	411,424	403,645	448,062
INDIA				
Mobile Services				
Customer Base..	000's	279,430	282,640	332,764
Net Additions..	000's	2,613	(1,585	(11,800
Monthly Churn	%	2.1	2.8	4.1
Average Revenue Per User (ARPU)............	₹	128	123	100
Revenues				
Mobile Services..	₹ Mn	108,118	104,870	100,704
Voice				
Minutes on the network	Mn	716,642	731,187	693,061
Voice Usage per customer...........................	min	848	858	686
Data				
Data Customer Base	000's	124,242	115,147	97,666

Parameters	Unit	September 30, 2019	March 31, 2019	September 30, 2018
Of which 4G data customers........................	000's	103,111	86,808	65,731
As % of Customer Base..............................	%	44.5	40.7	29.4
Total MBs on the network	Mn MBs	4,828,577	3,705,034	2,660,297
Data Usage per customer	MBs	13,116	11,048	9,221
Homes Services				
Homes Customers.......................................	000's	2,350	2,270	2,213
Net Additions...	000's	8	25	24
Average Revenue Per User (ARPU)...........	₹	777	815	847
Digital TV Services				
Digital TV Customers.................................	000's	16,207	15,392	14,779
Net additions..	000's	181	391	133
Average Revenue Per User (ARPU)...........	₹	162	233	232
Monthly Churn	%	1.6	0.8	1.3

Parameters	Unit	September 30, 2019	March 31, 2019	September 30, 2018
Mobile Services				
Census Towns...	Nos	7,906	7,906	7,904
Non-Census Towns & Villages	Nos	786,268	786,192	786,129
Population Coverage..................................	%	95.3	95.3	95.3
Optic Fibre Network...................................	Rkms	294,867	280,534	263,507
Network towers...	Nos	185,582	181,079	171,031
Of which Mobile Broadband towers...........	Nos	181,825	172,627	154,531
Total Mobile Broadband Base stations........	Nos	461,891	417,613	347,642
Digital TV Services				
Districts Covered..	Nos	639	639	639
Coverage...	%	99.8	99.8	99.8

Parameters	Unit	September 30, 2019	March 31, 2019	September 30, 2018
Bharti Infratel Standalone				
Total Towers...	Nos	41,050	40,388	39,946
Total Co-locations	Nos	76,176	76,341	78,275
Key Indicators				
Sharing Revenue per sharing operator per month	₹	46,095	42,143	38,687
Average Sharing Factor	Times	1.86	1.91	2.06
Indus Towers				
Total Towers...	Nos	124,692	123,546	124,230
Total Co-locations	Nos	231,500	229,483	229,136
Key Indicators				
Average Sharing Factor	Times	1.86	1.86	2.02
Bharti Infratel Consolidated				
Total Towers...	Nos	93,421	92,277	92,123
Total Co-locations	Nos	173,406	172,724	174,512
Key Indicators				
Average Sharing Factor	Times	1.86	1.88	2.04

Parameters	Unit	September 30, 2019	March 31, 2019	September 30, 2018
Africa				
Customer Base..	000's	103,881	98,851	94,096
Net Additions...	000’s	4,211	929	2,903
Monthly Churn	%	4.5	5.4	4.8
Average Revenue Per User (ARPU)	US$	2.8	2.7	2.7
Voice				
Minutes on the network	Mn	60,795	52,866	52,357
Voice Average Revenue Per User (ARPU)	US$	1.6	1.7	1.7
Voice Usage per customer	min	199	179	189
Data				
Data Customer Base	000’s	31,910	30,024	27,113
As % of Customer Base..............................	%	30.7	30.4	28.8
Total MBs on the network	Mn MBs	1,62,394	120,674	88,808

Parameters	Unit	September 30, 2019	March 31, 2019	September 30, 2018
Data Average Revenue Per User (ARPU) ...	US$	2.5	2.2	2.1
Data Usage per customer	MBs	1,748	1,375	1,113
Network towers	Nos	21,936	21,059	20,060
Of which Mobile Broadband towers	Nos	18,274	16,426	15,280
Total Mobile Broadband Base stations	Nos	40,187	32,501	26,338

We are focused on the strategic divestment of our tower operations across our footprint in order to focus on our core subscriber-facing operations. We have divested more than 9,200 tower sites across Nigeria, Uganda, Zambia, Kenya, DRC, Niger, Congo and Rwanda since 2014. As at September 30, 2019, we had a tower portfolio of over 4,400 towers. though identifying suitable divestment opportunities continues to be a strategic priority. In February 2019, Telkom Kenya Limited ("**Telkom Kenya**"), announced its intention to merge its mobile operations, enterprise, and carrier business with Airtel Kenya, our operating subsidiary in Kenya. In consideration thereof, Telkom Kenya will acquire a shareholding in Airtel Kenya. Airtel Kenya will be renamed "*Airtel-Telkom*" upon completion of the transaction.

As at September 30, 2019, the mobile services offering through Airtel Africa Plc included approximately 103.9 million customers across the 14 African countries in which we have operations. We have also launched mobile commerce services in 14 African countries.

As part of our strategy to leverage the opportunity to extend banking services to underserved populations and increase non-voice revenue, we have rolled out Airtel Money across 14 countries in Africa. We believe Airtel Money offers mobile banking opportunities to many customers in Africa who may not utilize traditional banking services and those in rural areas who may not have access to such services. We have undertaken marketing and educational campaigns in Africa to ensure customers are aware of and understand our Airtel Money service. Our mobile money service, Airtel Money, is growing its customer base across Africa. The total customer base using the Airtel Money platform increased by 20.2% to 15.5 million as at September 30, 2019 as compared to 12.9 million as at September 30, 2018.

We also facilitate access to microloans from third-party loan providers in certain countries and intend to roll this service out across our footprint. Where available, Airtel Money subscribers can dial the Airtel Money USSD code for instant access to loans from our third-party partners. We provide our loan partners with certain permitted customer data, for use in assessing an applicant's creditworthiness and in ultimately making a lending decision. Airtel Kenya launched mobile money interoperability on April 10, 2018. Customers of the operator are now able to seamlessly transfer or receive money across networks for no extra charge.

We are in the process of implementing Airtel Money Virtual Card Number ("**VCN**") services. VCN refers to soft (non-plastic) equivalents of debit or pre-paid scheme cards for online merchant payments. The VCN will be linked with a customer's Airtel Money wallet as a source of funds, providing customers an additional channel to access their funds from their Airtel Money wallet. The card will supplement the existing pay bill and merchant payment solutions and enhance customers' e-commerce experience. We expect VCN services will provide a global platform for Airtel Money and further enhance the market perception that MFS are a viable alternative or supplement to traditional banking facilities.

On October 9, 2019, we announced a partnership with Master-card, which will give Mobile Money customers the ability to make online payments globally with their Mobile Money Master-card virtual card.

Homes Services

Our homes services business segment offers a range of services including fixed-line telephone services providing local, national and international long distance voice connectivity, as well as broadband internet access through DSL and IPTV services. These various services are provided through wire-line connectivity to the subscriber. The end-user equipment is connected through cables from main network equipment to the subscriber's premises.

As at September 30, 2019, we provided homes services in 100 cities in India. Our homes services business segment had 2.35 million customers as at September 30, 2019, representing a growth of 0.3% as compared to 2.21 million customers as at September 30, 2018.

Our homes services business segment focuses on developing our services in cities with high revenue potential, such as New Delhi, Mumbai, Kolkata and Chennai. In October 2016, we expanded ‘V-Fiber’ technology for our customers after we became the first operator to deploy Vectorization in India. This technology enables the customers to experience internet speeds of up to 100 Mbps. In the fiscal year 2020, we launched our ultra-fast broadband offering - Airtel Xstream Fibre, which offers speed upto 1Gbps. It also offers landline calling along with exclusive Airtel Thanks benefits. We have also launched “Airtel Wi-Fi Calling”, a Voice-Over Wi-fi service, designed to enhance voice calling experience for Airtel smartphone customers indoors. This technology was initiated for customers in six circles followed by its roll out in the rest of the country subsequently.

The revenue from homes services business segment was ₹ 11,180 million for the six months ended September 30, 2019, ₹ 22,391 million for the fiscal year ended March 31, 2019 and ₹ 25,265 million for the fiscal year ended March 31, 2018.

Digital TV Services

Through our “Airtel Digital TV” service launched in October 2008, we are one of five operators to provide DTH services in India. We currently offer both standard and high definition digital TV services with 3D capabilities and Dolby surround sound. We currently offer a total of 640 channels, including 84 HD channels, 7 international channels and 4 interactive services.

As at September 30, 2019, Airtel Digital TV reached 16.2 million customers, an increase of 5% as compared to March 31, 2019. We are focused on increasing our DTH distribution presence across India, and had coverage in 639 districts in India as at September 30, 2019. We distribute the majority of our DTH service offerings through our mobile services retail outlets.

We have also invested in technologies to improve signal quality and consistency. In addition, we have launched “*Airtel Pocket TV*”, a mobile application which enables customers to watch TV programs while on the move. We are also the first to release feature films on a digital TV platform. In 2017, “*Airtel Internet TV*” won the “*Tech Peripheral of the Year*” award at the NEXA NDTV Gadget Guru Awards. In September 2019, we launched “*Airtel Xstream Fibre*” in 15 cities. “Airtel Xstream Fibre” is an ultra-fast broadband connection that will benefit both home and business establishments. We also launched our converged digital entertainment play: Airtel Xstream, which offers a range of connected devices, applications and services. As part of the Airtel Xstream device portfolio, we launched an android based OTT smart stick and an Android based 4k Hybrid Smart Box that offers satellite TV and OTT content. Airtel also launched Airtel Xstream app, which is a revamped version of Airtel TV app (earlier Airtel Pocket TV). The revenue from digital TV services business segment was ₹ 15,282 million for the six months ended September 30, 2019, as compared to ₹ 41,001 million for the fiscal year ended March 31, 2019 and ₹ 37,570 million for the fiscal year ended March 31, 2018.

Airtel Business

Our Airtel Business segment changed its name from “Enterprise Services” in 2012.We deliver end-to-end telecommunication solutions to the GoI, large companies and carrier customers in India by serving as the single point of contact for all telecommunication needs. We provide a full suite of communication services, including data, voice, network integration, data center and managed services, enterprise mobile applications and digital media. Data center and managed services include managed hosting, storage, business continuity, data security and cloud services. Digital media services provide a centralized online media management and distribution platform that links all content owners and production facilities with other users and enables them to store, forward, share and trade multiple versions of produced content to multiple platforms across the globe. We also provide wholesale voice and data services to Indian and international telecommunication carriers. We are a trusted communications partner to some of India’s leading organizations, helping them to meet the challenges of growth.

We own a developed national and international long distance network infrastructure, including submarine cable and satellite connectivity, enabling us to provide connectivity services both within India and internationally. We also operate 10 large data centers and 119 edge data centers, and have four upcoming data centers. We own 30 international cables and 7 cable landing stations. Our Company’s international infrastructure includes ownership of the i2i submarine cable system connecting Chennai to Singapore, consortium ownership of the SMW4 submarine cable system connecting Chennai and Mumbai to Singapore and Europe, and investments in new cable systems such as the Asia-America Gateway, India Middle East and Western Europe, Unity North, Europe India Gateway and East Africa Submarine System, or EASS. These investments have expanded our Company’s global network to over 250,000 Rkms, covering 50 countries across five continents. We also provide terrestrial express connectivity to neighboring countries including Nepal, Bhutan and Bangladesh.

In May 2019, we announced an agreement to combine our Very Small Aperture Terminal ("**VSAT**") satellite communications operations in India with Hughes Communications India Ltd, a company that is in the business of broadband satellite networks and services. The combined entity will benefit from enhanced scale, improved operational efficiencies and wider market reach and will be able to introduce new VSAT and related technologies to deliver a wider range of quality products and services. The scheme of arrangement is pending sanction from the appropriate authorities.

In addition, we acquired the Indian leg of Gulf Bridge International India – Middle East – Europe submarine cable with an aim to consolidate our global network leadership and serve the increase in data demand in emerging markets such as India, Gulf and Africa.

Bharti Airtel Services Limited has entered into a strategic alliance with Symantec Asia Pacific Pte. Ltd. to serve the cyber security requirements of businesses in India. Pursuant to the terms of the agreement, Bharti Airtel Services Limited is the exclusive managed security services partner for Symantec in India and distributes Symantec's enterprise security software.

The revenue from Airtel business segment was ₹ 65,392 million for the six months ended September 30, 2019, as compared to ₹ 124,537 million for the fiscal year ended March 31, 2019 as compared to ₹ 113,566 million for the fiscal year ended March 31, 2018.

Passive Infrastructure Services

Passive infrastructure services include setting up, operating and maintaining towers. Towers comprise the non-active components of a wireless telecommunications infrastructure network, including the tower structure, shelters, industrial air conditioners, diesel generators, batteries, switch mode power supplies and voltage stabilizers.

We deploy, own and manage passive infrastructure pertaining to telecommunication operations through our subsidiary Bharti Infratel, and through the independent telecommunication passive infrastructure company Indus Towers, of which Bharti Infratel owns a 42.00% interest in. Indus Towers is a joint venture, owned by Bharti Infratel, Vodafone Group, Vodafone-Idea and Providence (together with Vodafone Group and Vodafone-Idea, the "**Other Indus Shareholders**"), at 42.00%, 42.00%, 11.15% and 4.85%, respectively, as of September 30, 2019.

Bharti Infratel and Indus Towers provide services on a non-discriminatory basis to all telecommunication service providers in India. Taking into consideration its proportionate interest in Indus Towers, Bharti Infratel is among the largest providers of passive infrastructure services in India, as measured by the number of towers.

As at September 30, 2019, Bharti Infratel operated 41,050 towers in 11 telecommunication circles and Indus Towers operated 124,692 towers in 15 telecommunication circles. As at September 30, 2019, Bharti Infratel had 76,176 co-locations for a sharing ratio of 1.86, while Indus Towers had 231,500 co-locations for a sharing ratio of 1.86. Taking into consideration Bharti Infratel's proportionate ownership of Indus Towers, Bharti Infratel owned and maintained 93,421 towers with 173,406 co-locations for a sharing ratio of 1.86 as at September 30, 2019.

The revenue from the tower infrastructure services segment was ₹ 33,935 million for the six months ended September 30, 2019, as compared to ₹ 68,185 million for the fiscal year ended March 31, 2019 and as compared to ₹ 66,284 million for the fiscal year ended March 31, 2018.

The Indus Merger

In April 2018, Bharti Infratel and Indus Towers announced their intention to merge and create a pan-India tower company with an estimated combined revenue of ₹ 254 billion, with over 163,000 towers post completion. This was followed by a scheme of amalgamation and arrangement submitted before the NCLT, Chandigarh on August 31, 2018. The merged entity will (i) fully own the combined businesses of Bharti Infratel and Indus Towers, (ii) change its name to Indus Towers and (iii) continue to be listed on the Indian Stock Exchanges.

The merger structure provides Vodafone-Idea the option to elect to receive cash, via an all-cash transaction, or shares, via an all-stock transaction at a merger ratio in exchange its respective shareholding. Providence has the option to receive cash for 3.35% of its 4.85% shareholding in Indus (in the event of a cash election by Vodafone-Idea) and in case of a share election by Vodafone-Idea, it has the option to receive cash for its entire 4.85% shareholding in Indus. The cash election and merger ratio will be subject to pre-closing adjustments.

The Competition Commission of India, Securities and Exchange Board of India and the National Company Law Tribunal have all approved the Indus Merger. The Department of Telecommunications' approval for enhancement of foreign direct investment limit is outstanding as of the date of this Placement Document.

Upon the Indus Merger becomes effective, our Company's shareholding is expected to reduce from our current 53.5% ownership in Bharti Infratel to a range between 37.2% and 33.8% depending on whether there is an all cash election or all share election or a combination of the two. However, as intimated by Bharti Infratel Limited to the Stock Exchanges on October 24, 2019, it is expected that the dilution of equity stake held by the current shareholders of Bharti Infratel shall be lower vis-à-vis the illustrative shareholdings set out above. Accordingly, Bharti Infratel would be accounted for as an equity method investee by our Company, rather than a Subsidiary, and therefore, would no longer be consolidated on a line-by-line basis in our Company's financial statements. This change in accounting method will have an impact on the presentation of our Company's financial statements and results of operations and consequently, our Company's future financial statements will not be comparable with our Company's historical financial statements, including the Audited Consolidated Financial Statements included in this Placement Document.

Given the delay in procuring the approval of the Department of Telecommunications, the long stop date for effectuating the scheme has been extended until February 24, 2020, on the basis of agreements on closing adjustments and other conditions precedent for closing, with each party retaining the right to terminate and withdraw the scheme.

Subject to the completion of the Indus Merger, we propose to divest our entire investment in (post-merger) Indus Towers. However, there is no assurance that our investment will be sold. Although we would no longer own (post-merger) Indus Towers, we plan to still continue our master service agreement with Indus Towers as a customer. See "*—Network Partners and Joint Ventures—Network Partners—Passive Infrastructure Partners*" for further information.

Engineering / IT Platforms

Airtel is a highly digital organization with deep emphasis on using technology to provide a brilliant customer experience and deep insights for our businesses. We have over the years adopted a diversified approach towards developing and maintaining our business and enterprise IT and engineering systems. A large part of Digital Airtel is based on deep technology platforms that are developed in-house by our diverse engineering talent in Airtel XLabs. Most of these are based on the latest open source technologies and built for our large scale and volumes. Airtel XLabs also leverages a lot of deep machine learning and AI technologies in order to build deep business and consumer insights and allow for a personalized experience for our customers.

Our digital platforms have extensive reach and are focused on both serving customers and building new technology-led revenue streams.

Network Partners and Joint Ventures

Strategic Equity Partners

We have a strategic alliance with SingTel which has enabled us to further enhance and expand our telecommunications networks in India to provide quality service to our customers. As at September 30, 2019, SingTel held approximately 35.17% of our Company's shares through direct and indirect ownership.

In addition, we continue to retain a strategic relationship with our subsidiary, Airtel Africa Plc, which was admitted to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the main market for listed securities of the London Stock Exchange and the Nigeria Stock Exchange and on the Official Trading List of the Nigerian Stock Exchange in July 2019. See "*—Strategy—Focus on deleveraging and maintaining financial flexibility*."

Equipment and Technology Partners

We have strategic partnerships in all areas including equipment and technology, building upon the unique outsourcing business models that we have pioneered. We believe our business models have enabled us to partner with global leaders who share our objective of co-creating innovative and tailor made solutions for the markets in which we operate.

Engineering/ IT Partners

Airtel also uses key partners to provide some telecom and technology products and services. We have deep partnerships with technology companies like Amdocs, Oracle, Ab Initio, IBM, VMWare, Avaya, HP etc. We engage with these partners on a need basis and on shorter term contracts. This is in contrast to the earlier engagement model where there was a very high dependence on a select few system integrators and OEMs and avoids any lock-ins for a longer duration, giving the flexibility to change if needed. We also use a lot open source software so this approach has allowed us to deploy and run, with agility and efficiency, our various engineering and IT systems including but not limited to, operations support systems ("**OSS**"), business support systems ("**BSS**"), financial systems, reporting and analytics across India and Sri Lanka.

Customer Care Partners

Our Company's call center partners are HGS, Karvy DigiKonnect, Wipro, Accenture, BPO convergence and Cogent, amongst others, providing a strong customer experience through dedicated contact center operations. Our Company's existing call center technology partners are Avaya, Wipro and Cisco, providing interactive voice response and call routing and handling technology.

Content and Value Added Partners

We work with globally recognized organizations such as Comviva, OnMobile, Google and Spice Digital, among others, providing each of our customers with a unique experience in value added services. We have revenue sharing agreements in place with most of these content partners.

One of our key technological investments was the creation of a content provisioning platform that could provide our customers access to premium content from providers such as Amazon Prime, Netflix and Zee5. In 2018, Netflix announced an expansion of their partnership with our Company in India through which subscribers of select Airtel Postpaid and V-Fiber Home Broadband plans would receive a complimentary Netflix subscription for three months. Subsequent to the three months subscription, the subscribers would be able to pay for their Netflix subscription seamlessly, using their Airtel postpaid or home broadband bill. The expanded partnership strengthens our differentiated and digital content portfolio while giving Netflix access to a wider pool of customers. In November 2018, we announced a content partnership with an on-demand video streaming platform, Hoichoi, to offer Bengali digital content to Airtel Xstream users.

Network Partners

Our network partners include active network partners, Passive Infrastructure Services partners and IT partners. The active network partners supply, implement, integrate, deploy and maintain our mobile network. The Passive Infrastructure Services partners provide and maintain passive infrastructure at sites such as towers, shelters and other equipment needed to provide energy to our mobile equipment. IT partners provide services related to our customer-facing and internal IT requirements.

We continue to expand network capacity and take actions for enhancing user experience. We have started converting 3G spectrum to 4G spectrum, and have split the sector technology for 4G to increase network capacity and improve the user experience. We are using four spectrum bands for 4G network. In September 2017, we announced the deployment of massive MIMO (pre-5G technology) in partnership with Huawei Telecommunication India and subsequently with three other partners and the first round of deployment was started in Bangalore and Delhi and is now being expanded to all circles.

Active Network Partners

The key agreements with the active network partners include equipment supply contracts and service contracts. The equipment supply contracts cover the supply of hardware, software and other electronic equipment required to set up and expand our mobile network. The service contracts provide for the planning, designing, implementation, integration, deployment and maintenance of the equipment deployed under the equipment supply contracts.

We have minimized our dependence on any single network partner to provide critical network services by obtaining ownership of equipment deployed by our network partners under the equipment supply contracts and utilizing GSM, 3G or 4G technology that can be set up and maintained with standardized components, allowing equipment installed by one partner to be integrated, expanded and maintained by another competing partner. This enables our Company to enter into short-term, non-exclusive contracts with network partners and separate service contracts from equipment supply contracts. We engage in a new request-for-proposal process at the end of each contract term, which allows our Company to continually re-evaluate the cost and performance of each active network partner and form new partnerships as necessary.

We worked with our network partners to purchase network equipment and capacity on an actual need basis, rather than at a box rate basis for installed equipment which set capacity amounts that may or may not reflect actual requirements. To ensure quality of service, payments to the network partners are adjusted based on quality of service metrics. We provide usage projections and quality of service objectives to be met by each network partner and we pay based on usage and quality of service parameters once we begin to use the capacity, thereby matching equipment and capacity purchases with capacity needs and quality of service.

Fiber Network Partners

In Africa, we engage reputed vendors to lease shared fiber capacity or to build fiber capacity that is exclusive to us to cater to both mobile data as well as fixed enterprise data customers. These vendors provide expertise in building and maintaining fiber networks and generally have an existing, multinational presence in Africa. For ongoing maintenance of our enterprise equipment, such as routers, we engage either the OEM or local market maintenance vendors with expertise in the relevant equipment. We believe that these partnerships allow us to efficiently access sufficient fiber capacity while leveraging the expertise of third-party vendors to maintain the relevant equipment and fiber, thereby allowing us to focus on customer facing activities in relation to our products and services.

Passive Infrastructure Partners

The passive infrastructure for our mobile network amongst others are provided by Bharti Infratel and Indus Towers. Passive infrastructure includes the telecommunication site to install the active network equipment, the passive infrastructure located at each such site, including but not limited to the tower, shelter, diesel generator sets, air conditioners and electrical power and civil works. Indus Towers is a joint venture with other mobile network operators in India. For more information on Indus Towers, see "*—Business Operations—Passive Infrastructure Services.*"

We have entered into master service agreements with Indus Towers and Bharti Infratel. These master service agreements are long term and are reviewed periodically. Infrastructure services at individual site are typically for a minimum period of five years and can be voluntarily terminated prior to expiration of its term for a pre-determined mutually agreed exit fee. If the master service agreement is to be terminated, all service orders / agreements made under it should be pre-terminated. In relation to infrastructure services at the site, we pay monthly charges along with energy charges. If additional mobile network operator(s) share the same Passive Infrastructure Services, our Company's charges gets reduced according to the terms of the master service agreement, based on the number of operators sharing the Passive Infrastructure Services. As of September 30, 2019, we provided passive infrastructure services in Bihar, Madhya Pradesh and Chhattisgarh, Odisha, Jammu and Kashmir, Himachal Pradesh, Assam and North East states with Bharti Infratel and in Andhra Pradesh, Delhi, Gujarat, Karnataka, Kerala, Kolkata, Maharashtra and Goa, Mumbai, Punjab, Tamil Nadu (including Chennai) and West Bengal telecommunication circles of India with Indus Towers and in Haryana, Rajasthan, Uttar Pradesh (East) and Uttar Pradesh (West) telecommunication circles of India with both Bharti Infratel and Indus Towers. In Africa, we entered into master service agreements with Ericsson and NSN for the maintenance of our passive infrastructure. After completion of the Indus Merger, we are planning to divest our entire investment in (post-merger) Indus Towers. Although our Company would no longer own Indus Towers, we plan to still continue our master service agreement with Indus Towers as a customer. See "*—Business Operations—Passive Infrastructure Services—The Indus Merger*" for further information.

Licenses and Regulations

The operation of telecommunications networks and the provision of related services are regulated to varying degrees by national, state, regional or local governmental and/or regulatory authorities. Operating licenses of our Company and our subsidiaries specify the services we can offer and the frequency spectrum they can utilize for wireless operations. These licenses are subject to review, interpretation, modification or termination by the relevant authorities. The operating licenses are generally renewable upon expiration. However, there is no assurance that they will be renewed or that any renewal on new terms will be commercially acceptable to our Company and our subsidiaries. See "*Risk Factors—Risks Relating to Our Business—The telecommunications market is highly regulated and changes in laws, regulations or governmental policy could potentially adversely affect our business, prospects, financial condition, cash flows and results of operations*" and "*Risk Factors—Risks Relating to Our Business—Our telecommunications licenses, permits and frequency allocations are subject to finite terms and any failure or delay in renewal of licenses could adversely affect our business, prospects, financial condition, cash flows and results of operations".*

We hold mobile network licenses and access spectrum in all 22 mobile telecommunication circles. The band wise spectrum holding (in unpaired terms) as of September 30, 2019 is as follows:

1. 800 & 900 MHz Band - 255.3 MHz

2. 1800 MHz Band - 566.1 MHz

3. 2100 MHz Band - 340.0 MHz

4. 2300 MHz Band - 570.0 MHz

The total quantum of spectrum as of September 30, 2019 was 1,731.40 MHz (including the 142.50 MHz of unpaired spectrum acquired from Tata with effect from July 1, 2019 in 800 MHz, 1800 MHz and 2100 MHz bands).

We inherited a number of licenses across our various African operations when we acquired Zain Africa B.V., primarily relating to authorization by local authorities to use frequency spectrum, operate public telecommunications networks and offer public telecom services. We currently hold multiple licenses in Africa, permitting our Company to offer telecom, broadband and mobile money services across our footprint in Africa.

Customers and Distribution Network

We serve customers across numerous constituencies through our Indian and international networks, including individuals, small and medium enterprises, large companies, other carriers and governments. As at September 30, 2019, we served an aggregate of over 411 million customers globally. In India, we have the third largest wireless services customer base, with approximately 326 million mobile subscribers as at September 30, 2019, which represents a customer market share of 27.7%, according to TRAI. In Africa, our subscriber base comprised 103.88 million customers as at September 30, 2019. According to the CRISIL Report, the telecommunications market in India is characterized by high phone penetration and high usage. Conversely, the telecommunications market in Africa is characterized by relatively low mobile penetration, low usage and high ARPU according to the Delta Partners Report and GSMA Intelligence.

We believe our strong distribution network is a critical part of our business and a key reason for our large customer base. As at September 30, 2019, we had over 1 million retail outlets in India and over 48,000 retail outlets in Sri Lanka offering our products, many of which have established relationships with us. As we have done in India, Airtel Africa is developing a wide distribution presence in Africa, introducing convenient services such as electronic recharge options as well as augmenting its distribution base to increase customer access to its services. As at September 30, 2019, our network in India covered 7,906 census towns and 786,268 non-census towns and villages in India, covering a geographic area in which approximately 95.3% of the country's population is located.

Employees

While we strive to provide our customers with a variety of services, we believe our employees across all segments and markets contribute to one Airtel. Our total number of employees in India was 15,854 as at

September 30, 2019 and 16,194 as at March 31, 2019. In Africa (excluding joint venture in Ghana) and South Asia (excluding India), our total number of employees as at September 30, 2019 was 3,184 and 169 respectively; and as at March 31, 2019, was 3,075 and 175, respectively.

We seek to attract the highest quality engineering and management graduates. We enable our employees to participate in development training programs throughout their employment, with a strong mix of self-initiated learning and nominations for developmental work.

We continue to invest in our employees to upgrade their skills and competencies through our integrated digital learning solution which provides our employees with access to over 9000 courses across platforms.

Trademarks

The Company owns numerous trademarks that are used in respect of various goods and services across various territories. The general policy adopted by the Company is to seek protection for all the trademarks being used in order to ensure that exclusivity is maintained over these trademarks. Furthermore, in order to ensure the competitive advantage granted by these exclusive rights, we also regularly monitor and take action against any third parties that may seek to adopt similar trademarks.

Our principal brand name AIRTEL and the Airtel logo are registered marks in India. In addition to India, the mark AIRTEL has also been granted registration across various jurisdictions including the United State of America, The European Union, Singapore, Malawi, Rwanda, Uganda, Kenya, Mozambique, and Madagascar. The trademark AIRTEL has also been recognized as a well-known trademark by several authorities across India, ensuring that the mark is granted a higher level of protection across all classes of goods and services including those which are considered dissimilar.

Competition

India

The Indian wireless industry is hyper competitive. Before consolidation, the sector consisted of eight value players (Aircel, Airtel, BSNL/MTNL, Tata, Idea, Reliance Communications, Telenor and Vodafone). After the consolidation in the sector, our primary competitors are operators such as RJIO, Vodafone Idea and BSNL/MTNL. We compete with all these operators in the wireless market space. In addition, to facilitate greater competition, the regulator launched nationwide Mobile Number Portability ("**MNP**") in January 2011.

We operate in the international and national long-distance segments, where barriers to entry are low and licenses are available at relatively low prices. While a number of operators have been awarded licenses, our primary competitors in this segment include Tata Communications, BSNL and Reliance Jio, as well as specialized operators such as SIFY, with the other licensees using their long-distance licenses primarily to carry their own traffic. Smaller operators, however, do not own their have fibers to carry their traffic and continue to lease traffic capacity from the larger operators such as our Company.

In the traditional fixed line services, our primary competitors are existing government-owned entities such as BSNL and MTNL and Reliance Jio. Our strategy is to offer features such as rich fixed wireless services as a substitute for narrow band telephony services offered by BSNL and MTNL.

Our main competitors in the Passive Infrastructure Services business include Reliance Jio, ATC, BSNL and also smaller operators which include GTL Infrastructure and ASCEND. The barrier to entry in this business is low. However, our Subsidiary, Bharti Infratel (including our joint venture, Indus Towers) is one of the largest Passive Infrastructure Services providers in India in terms of towers, with a pan-India footprint and high pedigree of multi telecommunication operators on its towers. Upon completion of the Indus Merger, we would directly own a stake in passive infrastructure services provided by the combined company, which is proposed to be named Indus Towers Limited. See "*—Business Operations—Passive Infrastructure Services—The Indus Merger*" for further information.

In the DTH segment, our current competitors include Dish TV Videocon Limited, Tata Sky and Sun Direct. While the entry barriers to this segment are relatively low, the constraining factor remains the availability of appropriate band transponder capacity in satellites with footprint over India.

We, along with our competitors, may also be subject to competition from providers of new telecommunication services as a result of technological developments and the convergence of various telecommunication services. For example, Internet-based services, such as Google Voice, WhatsApp, Yahoo Voice and Skype, allow users to make calls, send Short Messaging Service ("**SMS**") and offer other advanced features such as the ability to route calls to multiple handsets and access to Internet services.

International

Africa

The Sub-Saharan African mobile landscape is dominated by a few large multinational operators competing against smaller regional players across different markets. Key players include Airtel, MTN (competing with Airtel in Congo B, Nigeria, Rwanda, Uganda and Zambia), Vodacom (competing with Airtel in DRC, Kenya, and Tanzania), Orange (competing with Airtel in DRC, Madagascar and Niger), Tigo (competing with Airtel in Chad and Tanzania) and Maroc Telecom (competing with Airtel in Gabon and Niger)

South Asia

We compete with three key operators in Sri Lanka. Our total number of market subscribers in Sri Lanka was 2.8 million as at September 30, 2019 as compared to 2.6 million as at March 31, 2019, 2.3 million as at March 31, 2018, and 2 million subscribers as at March 31, 2017. We provide 3G services across major towns in Sri Lanka.

Our primary competitors in Sri Lanka are Dialog, Mobitel and Etisalat.

African Regulations

We operate in 14 countries in Africa and are subject to various regulators in each of these jurisdictions, including country specific telecommunications, environmental, tax and corporate governance regulators. While there is some public discussion of harmonizing the telecommunications regulations of some neighboring jurisdictions, the regulatory environment is highly fragmented and requires our subsidiaries to coordinate locally.

We believe that African regulators are becoming increasingly stringent in setting norms and requirements for coverage and quality of service. The telecommunications sector continues to face pressure for additional taxes and levies from regulators as the telecommunication sector is now increasingly being perceived as a source of revenue for these economies.

Real Property

While we own or lease various properties for our corporate operations, we also obtain passive infrastructure services that allow us to install active equipment on the towers of IPs under commercial agreements.

Insurance

We have insurance coverage through third-party insurers, which we consider adequate to cover all normal risks (including business interruption) associated with the operation of our respective businesses.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

Our Articles of Association provide that the minimum number of Directors shall be 10 and the maximum number of Directors shall be 18 unless otherwise determined by our Company in a general meeting. As on the date of this Placement Document, our Company has 11 Directors, of which two Directors are executive Directors and nine Directors are non-executive Directors, including six Independent Directors (including one woman Independent Director). Our Board is compliant with the corporate governance requirements of the SEBI Listing Regulations.

The following table sets forth details regarding our Board as of the date of this Placement Document:

S. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
1.	Mr. Sunil Bharti Mittal **Designation**: Chairman and Whole-time Director **Date of Birth**: October 23, 1957 **Term**: Fixed term for a period of five years with effect from October 1, 2016 until September 30, 2021. **Period of Directorship**: Director since July 7, 1995 **DIN**: 00042491 **Occupation**: Businessman **Address:** 19, Amrita Shergil Marg, New Delhi – 110 003, India	62	*Indian Companies*: 1. Bharti Telecom Limited; 2. Airtel Payments Bank Limited; 3. Bharti (SBM) Holdings Private Limited; 4. Bharti Overseas Private Limited; 5. Bharti (SBM) Resources Private Limited; 6. Bharti Enterprises (Holding) Private Limited; 7. Bharti (Satya) Trustees Private Limited; 8. Bharti SBM Trustees II Private Limited; 9. Bharti (SBM) Services Private Limited; 10. Bharti (SBM) Trustees Private Limited; 11. Satya Bharti Foundation; 12. Bharti SBM Trustees S2 Private Limited; 13. Bharti SBM Trustees D1 Private Limited; and 14. Bharti SBM Trustees S1 Private Limited. *Foreign Companies*: 1. Qatar Endowment; and 2. Airtel Africa Limited.
2.	Mr. Gopal Vittal **Designation**: Managing Director & CEO (India & South Asia) **Date of Birth:** June 18, 1966 **Term:** Liable to retire by rotation in addition to a fixed term of five years with effect from February 1, 2018 until January 31, 2023 **Period of Directorship**: Director since February 1, 2013 **DIN:** 02291778 **Occupation**: Professional **Address:** A2/1202, World SPA East, Sector – 30, Gurgaon – 122 001, Haryana, India	53	*Indian Companies*: 1. Satya Bharti Foundation; 2. Airtel Payments Bank Limited; 3. St. Jude India Childcare Centres; 4. Indus Towers Limited; and 5. Bharti Telemedia Limited. *Foreign Companies*: None.
3.	Ms. Chua Sock Koong* **Designation**: Non-Executive Director **Date of Birth:** September 14, 1957 **Term**: Liable to retire by rotation **Period of Directorship**: Director since May 7, 2001 **DIN**: 00047851 **Occupation**: Professional **Address:** 15A, Oei Tiong Ham Park, Singapore 268302	62	*Indian Companies*: 1. Bharti Telecom Limited; *Foreign Companies*: 1. Singapore Telecom International Pte. Ltd; 2. Singapore Telecom Mobile Pte. Ltd; 3. Singapore Telecommunications Limited; 4. Singtel Group Treasury Pte. Ltd; 5. Singtel Innov8 Holdings Pte. Ltd; 6. Singtel Innov8 Pte. Ltd;

S. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
			7. Singtel Optus Pty Limited; 8. Defence Science and Technology Agency; 9. Cap Vista Pte Ltd; and 10. GSMA.
4.	Mr. Rakesh Bharti Mittal **Designation**: Non-Executive Director **Date of Birth**: September 18, 1955 **Term**: Liable to retire by rotation **Period of Directorship**: Director since July 7, 1995 until September 26, 2012 and re-appointed as Director since January 7, 2016 **DIN**: 00042494 **Occupation**: Businessman **Address:** 4, Pearl Lane, DLF Chhattarpur Farms, New Delhi – 110 074, India	64	*Indian Companies*: 1. Fieldfresh Foods Private Limited; 2. DM Buildwell Private Limited; 3. Bharti Realty Holdings Limited; 4. Bharti (RM) Holdings Private Limited; 5. Bharti AXA Life Insurance Company Limited; 6. Bharti AXA General Insurance Company Limited; 7. Bharti Overseas Private Limited; 8. Bharti (RM) Resources Private Limited; 9. Bharti (RM) Services Private Limited; 10. Bharti Enterprises (Holding) Private Limited; 11. Bharti (RM) Trustees Private Limited; 12. Bharti (Satya) Trustees Private Limited; 13. Indian School of Business; 14. Satya Bharti Foundation; 15. Bharti RM Trustees S2 Private Limited; 16. Bharti RM Trustees S1 Private Limited; and 17. Bharti RM Trustees II Private Limited. *Foreign Companies*: None.
5.	Ms. Tan Yong Choo **Designation**: Non-Executive Director **Date of Birth:** September 14, 1964 **Term:** Liable to retire by rotation **Period of Directorship**: Director since January 21, 2010 **DIN:** 02910529 **Occupation**: Professional **Address:** 22, Park Villas Green, Singapore 545430	55	*Indian Companies*: 1. Aspira Digital India Private Limited; *Foreign Companies*: 1. Optus Insurance Services Pty Limited; 2. Singtel EInvestments Pte. Ltd; 3. Yes Lab Group Pty Limited; 4. Singtel Asia Pacific Investments Pte. Ltd.; 5. Singtel Interactive Pte. Ltd.; 6. STI Solutions Pte. Ltd.; 7. TE International (S) Pte. Ltd; 8. Viridian Limited; 9. Singtel Global Investment Pte. Ltd.; 10. Singtel International Investments Private Limited; 11. Singtel Australia Investment Ltd; 12. Singtel Australia Investment Ltd (Singapore branch); 13. HOOQ Digital (Philippines) Inc.; and 14. InfoCom Holding Company Pte. Ltd.

S. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
6.	Mr. Craig Edward Ehrlich **Designation**: Independent Director **Date of Birth:** May 14, 1955 **Term**: Fixed term of five years with effect from April 29, 2018 until April 28, 2023 **Period of Directorship**: Director since April 29, 2009 **DIN**: 02612082 **Occupation**: Professional **Address:** Block B, 6/F, Best View Court, 66, MacDonnell Road, Hong Kong	64	*Indian Companies*: None. *Foreign Companies*: 1. Novare Technologies Limited.
7.	Mr. Dinesh Kumar Mittal **Designation**: Independent Director **Date of Birth:** January 25, 1953 **Term**: Fixed term of five years with effect from March 13, 2019 until March 12, 2024 **Period of Directorship**: Director since March 13, 2014 **DIN**: 00040000 **Occupation**: Professional **Address:** B – 71, Sector – 44, Noida – 201 301, Uttar Pradesh, India	66	*Indian Companies*: 1. Max Financial Services Limited; 2. Balrampur Chini Mills Limited; 3. Max India Limited; 4. Max Ventures and Industries Limited; 5. Trident Limited; 6. Max Bupa Health Insurance Company Limited; 7. Atyati Technologies Private Limited; 8. Business Strategy Advisory Services Private Limited; 9. HSBC Asset Management (India) Private Limited; 10. Arohan Financial Services Limited; 11. Max Life Insurance Company Limited; 12. Max Healthcare Institute Limited; and 13. Ergos Business Solutions Private Limited. *Foreign Companies*: None.
8.	Mr. Manish Santosh Kumar Kejriwal **Designation**: Independent Director **Date of Birth:** November 8, 1968 **Term:** Fixed term of five years with effect from September 26, 2017 until September 25, 2022 **Period of Directorship**: Director since September 26, 2012 **DIN:** 00040055 **Occupation**: Professional **Address:** 3703 B, 37th and 38th Floor, Vivarea Building B Wing, Sane Guruji Marg, Jacob Circle, Mumbai – 400 011, Maharashtra, India	51	*Indian Companies*: 1. Bajaj Holdings & Investment Limited; 2. Parksons Packaging Limited; 3. Bajaj Finserv Limited; and 4. International Foundation for Research and Education. *Foreign Companies*: None.
9.	Mr. Shishir Priyadarshi **Designation**: Independent Director **Date of Birth:** October 23, 1957 **Term**: Fixed term of five years with effect from February 4, 2015 until February 3, 2020 **Period of Directorship**: Director since February 4, 2015 **DIN**: 03459204 **Occupation**: Professional **Address:** A-1/6, Panchsheel Enclave, New Delhi – 110 017, India	62	*Indian Companies*: None. *Foreign Companies*: None.
10.	Mr. Vegulaparanan Kasi Viswanathan **Designation**: Independent Director **Date of Birth:** November 20, 1950 **Term**: Fixed term of five years with effect from January 14, 2019 until January 13, 2024	69	*Indian Companies*: 1. KSB Limited; 2. United Spirits Limited; 3. ABB India Limited;

S. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
	Period of Directorship: Director since January 14, 2014 **DIN**: 01782934 **Occupation**: Professional **Address:** F-01, 1st Floor, Legacy Caldera, 56 SRT Road, Cunningham Road, Bengaluru – 560 052, Karnataka, India		4. Magma Fincorp Limited; 5. HDFC Life Insurance Company Limited; 6. Magma HDI General Insurance Company Limited; 7. TransUnion CIBIL Limited; and 8. Century Metal Recycling Limited. *Foreign Companies*: None.
11.	Ms. Kimsuka Narasimhan **Designation**: Independent Director **Date of Birth:** May 3, 1964 **Term**: Fixed term of five years with effect from March 30, 2019 until March 29, 2024 **Period of Directorship**: Director since March 30, 2019 **DIN**: 02102783 **Occupation**: Professional **Address:** No. 12, Marina Boulevard No.31-03, Marina Bay Financial Centre Tower 3, Singapore 018982	55	*Indian Companies*: 1. Astrazeneca Pharma India Limited; and 2. Kimberly-Clark India Private Limited. *Foreign Companies*: None.

** Whose name appears as Ms. Sock Koong Chua in the records maintained by the Ministry of Corporate Affairs, GoI, and as Ms. Chua Sock Koong as per her passport.*

Relationship between Directors

Except Mr. Sunil Bharti Mittal and Mr. Rakesh Bharti Mittal, who are brothers, none of the Directors are related to each other.

Interest of Directors of Company

Except as stated in "*Related Party Transactions*" on page 98, and to the extent of respective shareholding, remuneration including commission received on net profit, reimbursement of expenses and other benefits to which they are entitled as per their respective terms of appointment, our Directors do not have any other interest in our Company or its business. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares, held by them, any other benefit arising out of such holding and transactions with the companies with which they are associated as directors or members. Our non-executive Directors and Independent Directors may also be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other reimbursement of expenses payable to them.

The Directors may also be regarded as interested in the Equity Shares held by, or that may be subscribed by, and allotted to, the companies, firms and trust, in which they are interested as directors, members, partners or trustees. For details of the Equity Shares and options held by our Directors, see "*– Shareholding of the Directors" and "Capital Structure – Employees Stock Option Scheme*" on pages 174 and 92, respectively.

Our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners and there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which our Directors are interested. Further, our Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding.

Terms of Employment and Remuneration

Terms of appointment and remuneration of our Executive Directors

Mr. Gopal Vittal

Mr. Gopal Vittal, Managing Director & CEO (India and South Asia) was re-appointed for a period of five years with effect from February 1, 2018 till January 31, 2023, by means of ordinary resolution passed by the Shareholders at the AGM of our Company held on July 24, 2017 on the terms and conditions including payment of remuneration as mentioned therein. Further, in accordance with the special resolution passed in the AGM of our Company held on August 14, 2019, our Company has approved the payment of minimum remuneration to Mr. Gopal Vittal in accordance with the abovementioned resolution, which may exceed the limit prescribed under the Companies Act, 2013, in the event our Company has no profits or the profits of our Company are inadequate during period commencing from April 1, 2019 to March 31, 2022.

In terms of the aforesaid resolutions, our Company has approved the following remuneration for Mr. Gopal Vittal:

Fixed Pay (inclusive of salary, allowances and retirement benefits) payable on monthly basis: ₹85 million per annum or such other amount as may be determined by the Board of our Company, provided that increment, if any, during the subsequent years, shall not exceed 15% per annum of the fixed pay of preceding financial year.

Variable Pay (Performance Linked Incentive) to be paid annually after the end of the financial year: ₹ 55 million (at 100% performance) per annum or such sum as may be determined by the Board from time to time, provided however that the total Variable Pay shall not exceed 90% of the annual fixed pay for any financial year.

Employee Stock Options: In addition to the above, Mr. Gopal Vittal shall be entitled for such number of stock options as may be granted to him under any ESOP scheme of our Company.

Perquisites: As per Company's policy(s) or as approved by the Board from time to time, provided however that the aggregate value of the perquisites shall not exceed 15% of the fixed pay in any financial year.

Other Benefits: Other benefits including leave encashment as per Company's Policy(s).

Reimbursement of all legitimate expenses incurred by him while performing his duties and such reimbursement will not form part of his remuneration.

Mr. Sunil Bharti Mittal

Mr. Sunil Bharti Mittal, Chairman was reappointed as a Chairman of our Company for a period of five years with effect from October 1, 2016 till September 30, 2021, by means of ordinary resolution passed by the Shareholders at the AGM of our Company held on August 19, 2016 on the terms and conditions including payment of remuneration as mentioned therein. Further, in accordance with the special resolution passed in the AGM of our Company held on August 14, 2019, our Company has approved the payment of minimum remuneration to Mr. Sunil Bharti Mittal in accordance with the abovementioned resolution, which may exceed the limit prescribed under the Companies Act, 2013, in case our Company has no profits or the profits of our Company are inadequate during period commencing from April 1, 2019 to September 30, 2021 or for such shorter period as may be prescribed under applicable laws.

In terms of the aforesaid resolutions, our Company has approved the following remuneration for Mr. Sunil Bharti Mittal:

Fixed Pay (inclusive of salary, allowances and retirement benefits) payable on monthly basis: ₹ 210 million per annum or such other amount as may be determined by the Board of our Company, provided that increment if any during the subsequent years, shall not exceed 10% per annum of the fixed pay of preceding financial year.

Variable Pay (Performance Linked Incentive) to be paid annually after the end of financial year: ₹ 90 million (at 100% performance) or such sum as may be determined by the Board from time to time, provided however that the total Variable Pay shall not exceed 50% of the annual fixed pay in any financial year.

Perquisites: As per Company's policy(s) or as approved by the Board from time to time, provided however that the aggregate value of the perquisites shall not exceed 50% of the fixed pay in any financial year.

Other Benefits: Other benefits including leave encashment as per Company's Policy(s).

Reimbursement of all legitimate expenses incurred by him in performance of his duties and such reimbursement will not form part of his remuneration.

Remuneration of our Executive Directors

Remuneration to Mr. Sunil Bharti Mittal and Mr. Gopal Vittal for Fiscals 2019, 2018, 2017 and in the current Fiscal, until December 31, 2019:

(in ₹)

Name of Director	Remuneration*			
	Until December 31, 2019	Fiscal 2019	Fiscal 2018	Fiscal 2017
Mr. Sunil Bharti Mittal(1)	232,159,565	310,054,665	301,968,769	301,442,108
Mr. Gopal Vittal(1)(2)	127,997,788	135,575,038	126,446,716	92,884,551

* *The remuneration includes salary and allowances, performance linked incentive and perquisites*

(1) *Remuneration includes value of performance linked incentive accrued at 100% performance levels for each of the period/year and will get paid basis actual performance parameters in the following year.*

(2) *The remuneration of Mr. Gopal Vittal for the period ended December 31, 2019 excludes perquisite value of ₹ 51,292,580 (Fiscal 2019 –₹ 73,475,697; Fiscal 2018 – 43,286,800 Fiscal 2017–₹ 31,131,500) on exercise of stock options.*

For further details of compensation paid to our executive Directors during Fiscals 2019, 2018 and 2017, see "*Related Party Transactions*" on page 98.

Remuneration of our Non-executive Directors including Independent Directors

Pursuant to the resolution dated August 1, 2019, as passed by our Board, our Independent Directors are entitled to a sitting fee of ₹ 100,000 for attending each meeting of our Board or any of the committees of Directors of our Company. Further our non-executive Directors (including Independent Directors) are entitled to commission, in accordance with the remuneration policy of our Company, within an overall ceiling of 1% of the net profits for all non-executive directors in the aggregate.

Sitting fees and commission to our Non-executive Directors (including Independent Directors) for Fiscals 2019, 2018, and 2017 and in the current Fiscal, until December 31, 2019:

Name of Director	Total sitting fees and commission (in ₹)			
	Until December 31, 2019	Fiscal 2019	Fiscal 2018	Fiscal 2017
Ms. Chua Sock Koong	3,211,200	-	3,910,500	3,890,316
Mr. Craig Edward Ehrlich	7,792,800	300,000	8,672,750	10,225,790
Mr. Dinesh Kumar Mittal	7,900,000	1,000,000	8,380,822	8,400,000
Ms. Kimsuka Narasimhan	4,925,000	-	-	-
Mr. Manish Santosh Kumar Kejriwal	4,825,000	200,000	6,738,356	6,900,000
Mr. Rakesh Bharti Mittal.	2,250,000	-	3,000,000	3,000,000
Mr. Shishir Priyadarshi	8,628,000	600,000	10,276,250	10,325,790
Ms. Tan Yong Choo	3,211,200	-	3,910,500	3,890,316
Mr. Vegulaparanan Kasi Viswanathan	8,400,000	900,000	8,800,000	8,800,000
Mr. Ben Verwaayen*	-	300,000	14,763,506	15,961,264
Sheikh Faisal Thani Al-Thani**	-	-	1,232,075	3,890,316
Mr. Rashed Fahad Al-Noaimi***	-	-	1,285,644	-

**Mr. Ben Verwaayen retired from our Board w.e.f. December 26, 2018.*

***Sheikh Faisal Thani Al-Thani resigned w.e.f. July 25, 2017.*

****Mr. Rashed Fahad Al-Noaimi resigned w.e.f. November 22, 2017.*

Corporate Governance

Our Board is in compliance with the corporate governance requirements under SEBI Listing Regulations and under the Companies Act. In accordance with the SEBI Listing Regulations, Bharti Airtel International (Netherlands) B.V. has become a material subsidiary of our Company, based on the consolidated financial statements of our Company for the Fiscal ended March 31, 2019. Our company will ensure due compliance to the requirements stipulated under Regulation 24 of the SEBI Listing Regulations.

Committees of our Board of Directors

Our Board has constituted following committees in accordance with the relevant provisions of the Companies Act, SEBI ICDR Regulations, and other applicable laws:

1. Audit Committee;
2. HR and Nomination Committee;
3. Stakeholders' Relationship Committee;
4. Corporate Social Responsibility Committee; and
5. Risk Management Committee.

Name of the Committee	Name of Director	Position in the committee
Audit Committee	Mr. Vegulaparanan Kasi Viswanathan	Chairman
	Ms. Kimsuka Narasimhan	Member
	Mr. Manish Santosh Kumar Kejriwal	Member
	Ms. Tan Yong Choo	Member
HR and Nomination Committee	Mr. Dinesh Kumar Mittal	Chairperson
	Mr. Craig Edward Ehrlich	Member
	Mr. Rakesh Bharti Mittal	Member
	Ms. Chua Sock Koong	Member
	Mr. Shishir Priyadarshi	Member
Stakeholders' Relationship Committee	Mr. Rakesh Bharti Mittal	Chairperson
	Mr. Dinesh Kumar Mittal	Member
	Mr. Manish Santosh Kumar Kejriwal	Member
	Mr. Gopal Vittal	Member
Corporate Social Responsibility Committee	Mr. Rakesh Bharti Mittal,	Chairman
	Mr. Dinesh Kumar Mittal	Member
	Mr. Gopal Vittal	Member
Risk Management Committee	Mr. Dinesh Kumar Mittal	Chairman
	Mr. Rakesh Bharti Mittal,	Member
	Mr. Vegulaparanan Kasi Viswanathan	Member
	Mr. Gopal Vittal	Member
	Mr. Badal Bagri	Member
	Mr. Pankaj Tewari	Member

Senior Management of our Company

The following table sets forth the details of our senior management, *i.e.*, our Key Managerial Personnel ("**Senior Management**"), other than our Chairman and Whole-time Directors:

Name of the Senior Management	Designation
Mr. Badal Bagri	Chief Financial Officer
Mr. Pankaj Tewari	Company Secretary

All Senior Management are permanent employees of our Company.

Shareholding of the Directors, Key Managerial Personnel and Senior Management

Other than as stated below, none of our Directors and Senior Management holds any Equity Shares in our Company as on December 31, 2019:

Name	Designation	No. of Equity Shares
Mr. Gopal Vittal	Managing Director & CEO (India & South Asia)	842,559
Mr. Badal Bagri	Chief Financial Officer	3,000
Mr. Pankaj Tewari	Company Secretary	1,491

Interests of Senior Management

Except as disclosed in the " – *Interest of Directors of Company*" and "*Related Party Transactions*" on pages 170 and 98, respectively and other than (a) their shareholding in our Company; (b) the options under the ESOP Schemes held by them; (c) their remuneration and benefits to which they are entitled to as per their terms of appointment; and (d) reimbursement of expenses incurred by them during the ordinary course of business, the Senior Management do not have any interest in our Company.

Other confirmations

Except as otherwise stated in this Placement Document, none of our Directors, Promoter or any Key Managerial Personnel have any financial or other material interest in this Issue.

None of our Company, our Directors or Promoter has been identified as wilful defaulters as defined under the SEBI ICDR Regulations. None of our Directors has been declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018. None of our Company, our Directors or Promoter is debarred from accessing capital markets under any order or direction made by SEBI.

Policy on disclosures and internal procedure for prevention of insider trading

The SEBI Insider Trading Regulations are applicable to our Company and our employees and require our Company to implement a code of internal procedures and conduct for the prevention of insider trading. Our Company has implemented a code of conduct for prevention of insider trading and procedure for fair disclosure of unpublished price sensitive information in accordance with the SEBI Insider Trading Regulations.

Related Party Transactions

For details in relation to the related party transactions entered into by our Company during the last three Fiscals immediately preceding the date of this Placement Document and for six months period ended September 30, 2019, see "*Related Party Transactions*" on page 98.

ORGANISATIONAL STRUCTURE AND PRINCIPAL SHAREHOLDERS

Shareholding pattern of our Company as at December 31, 2019

The following table sets forth the details regarding the equity shareholding pattern of our Company as on December 31, 2019.

Category of shareholder	No. of share holders	No. of fully paid up equity shares held	Total no. of equity shares held	Share-holding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting Right	No. of Locked in shares		Number of Shares pledged or otherwise encumbered*		Number of equity shares held in dematerialized form
							No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(A) Promoter and Promoter Group	4	3,217,581,205	3,217,581,205	62.70	3,217,581,205	62.70	Nil	Nil	Nil	Nil	3,217,581,205
(B) Public	214,773	1,912,069,362	1,912,069,362	37.26	1,912,069,362	37.26	Nil	Nil	Nil	Nil	1,912,065,674
(C1) Shares underlying DRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C2) Shares held by Employee Trusts	2	2,311,283	2,311,283	0.05	2,311,283	0.05	Nil	Nil	Nil	Nil	2,311,283
(C) Non Promoter-Non Public	2	2,311,283	2,311,283	0.05	2,311,283	0.05	Nil	Nil	Nil	Nil	2,311,283
Total	214,779	5,131,961,850	5,131,961,850	100	5,131,961,850	100	Nil	Nil	Nil	Nil	5,131,958,162

The following table sets forth the details regarding the equity shareholding pattern of our Promoter and Promoter Group as on December 31, 2019:

Category and name of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. of equity shares held	Share-holding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Locked in shares		Number of Shares pledged or otherwise encumbered*		Number of equity shares held in dematerialized form
					No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
A1) Indian									
Any Other (specify)	1	2,116,236,438	2,116,236,438	41.24	Nil	Nil	Nil	Nil	2,116,236,438
Bharti Telecom Limited	1	2,116,236,438	2,116,236,438	41.24	Nil	Nil	Nil	Nil	2,116,236,438
Sub Total A1	1	2,116,236,438	2,116,236,438	41.24	Nil	Nil	Nil	Nil	2,116,236,438
A2) Foreign									
Any Other (specify)	3	1,101,344,767	1,101,344,767	21.46	Nil	Nil	Nil	Nil	1,101,344,767
Indian Continent Investment Limited	1	331,436,443	331,436,443	6.46	Nil	Nil	Nil	Nil	331,436,443
Viridian Limited	1	1,0,901,462	1,0,901,462	0.21	Nil	Nil	Nil	Nil	1,0,901,462
Pastel Limited	1	759,006,862	759,006,862	14.79	Nil	Nil	Nil	Nil	759,006,862
Sub Total A2	3	1,101,344,767	1,101,344,767	21.46	Nil	Nil	Nil	Nil	1,101,344,767
A=A1+A2	4	3,217,581,205	3,217,581,205	62.70	Nil	Nil	Nil	Nil	3,217,581,205

* The term encumbrance has the same meaning as assigned to it in Regulation 28(3) of the SEBI Takeover Regulations.

(1) BTL is the Promoter of our Company.

(2) Indian Continent Investment Limited is person acting in concert with our Promoter, BTL.

(3) Viridian Limited is person acting in concert with Pastel, member of our Promoter Group.

(4) Pastel is a member of our Promoter Group in accordance with Regulation 2(1)(t) of the SEBI Takeover Regulations read with Regulation 2(1)(pp) of the SEBI ICDR Regulations and is neither our Promoter nor a person acting in concert with our Promoter, BTL, under Regulation 2(1)(q) of the SEBI Takeover Regulations.

The following table sets forth the details regarding the equity shareholding pattern of the members of the public as on December 31, 2019:

Category and name of the shareholders	No. of share holders	No. of fully paid up equity shares held	Total no. of equity shares held	Share-holding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting Right	No. of Locked in shares		Number of equity shares held in dematerialized form
							No. (a)	As a % of total Shares held (b)	

Category and name of the shareholders	No. of share holders	No. of fully paid up equity shares held	Total no. of equity shares held	Share-holding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting Right	No. of Locked in shares		Number of equity shares held in dematerialized form
							No. (a)	As a % of total Shares held (b)	
B1) Institutions									
Mutual Funds/	37	476,720,727	476,720,727	9.29	476,720,727	9.29	Nil	Nil	476,720,727
ICICI PRUDENTIAL VALUE FUND – SERIES 14	1	150,290,175	150,290,175	2.93	150,290,175	2.93	Nil	Nil	150,290,175
SBI DUAL ADVANTAGE FUND - SERIES XXIX	1	93,215,930	93,215,930	1.82	93,215,930	1.82	Nil	Nil	93,215,930
Alternate Investment Funds	20	6,408,677	6,408,677	0.12	6,408,677	0.12	Nil	Nil	6,408,677
Foreign Portfolio Investors	744	841,515,651	841,515,651	16.40	841,515,651	16.40	Nil	Nil	841,515,651
Financial Institutions/ Banks	9	5,179,824	5,179,824	0.10	5,179,824	0.10	Nil	Nil	5,179,824
Insurance Companies	20	237,713,090	237,713,090	4.63	237,713,090	4.63	Nil	Nil	237,713,090
LIFE INSURANCE CORPORATION OF INDIA MARKET PLUS NON UNIT FUND	1	148,709,720	148,709,720	2.90	148,709,720	2.90	Nil	Nil	148,709,720
Sub Total B1	830	1,567,537,969	1,567,537,969	30.54	1,567,537,969	30.54	Nil	Nil	1,567,537,969
B2) Central Government/ State Government(s)/ President of India	0	0	0	0.00	0	0.00	Nil	Nil	0
B3) Non-Institutions							Nil	Nil	
Individual share capital upto ₹ 2 Lacs	204,728	25,389,614	25,389,614	0.49	25,389,614	0.49	Nil	Nil	25,385,941
Individual share capital in excess of ₹ 2 Lacs	40	9,673,128	9,673,128	0.19	9,673,128	0.19	Nil	Nil	9,673,128
NBFCs registered with RBI	8	42,420	42,420	0.00	42,420	0.00	Nil	Nil	42,420
Any Other (specify)	9,167	309,426,231	309,426,231	6.03	309,426,231	6.03	Nil	Nil	309,426,216
Trusts	15	19,539,489	19,539,489	0.38	19,539,489	0.38	Nil	Nil	19,539,489

Category and name of the shareholders	No. of share holders	No. of fully paid up equity shares held	Total no. of equity shares held	Share-holding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting Right	No. of Locked in shares		Number of equity shares held in dematerialized form
							No. (a)	As a % of total Shares held (b)	
Clearing Members	226	3,544,746	3,544,746	0.07	3,544,746	0.07	Nil	Nil	3,544,746
Qualified Institutional Buyers	13	20,252,355	20,252,355	0.39	20,252,355	0.39	Nil	Nil	20,252,355
Bodies Corporate	1,728	16,763,542	16,763,542	0.33	16,763,542	0.33	Nil	Nil	16,763,534
Non-Resident Indian (NRI)	7,179	2,558,356	2,558,356	0.05	2,558,356	0.05	Nil	Nil	2,558,354
IEPF	1	120,209	120,209	0.00	120,209	0.00	Nil	Nil	120,209
Foreign Nationals	1	1,063	1,063	0.00	1,063	0.00			1,063
Foreign Corporate Bodies	4	246,646,471	246,646,471	4.81	246,646,471	4.81	Nil	Nil	246,646,466
Sub Total B3	213,943	344,531,393	344,531,393	6.71	344,531,393	6.71	Nil	Nil	344,527,705
B=B1+B2+B3	214,773	1,912,069,362	1,912,069,362	37.26	1,912,069,362	37.26	Nil	Nil	1,912,065,674

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):
Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.
Note:
(1) PAN would not be displayed on website of Stock Exchange(s).
(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares.
(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

The following table sets forth the details of our non-promoter, non-public shareholders as on December 31, 2019:

Category and name of the shareholders (I)	No. of share holders	No. of fully paid up equity shares	Total no. of equity shares held	Share-holding as a % of total no. of shares (calculated as per SCRR, 1957)	No. of Locked in shares (XII)	Number of equity shares held In dematerialized form (XIV)

	(III)	held (IV)	(VII = IV + V + VI)	As a % of (A+B+C2) (VIII)	No. (a)	As a % of total Shares held (b)	
C1) Custodian/DR Holder	0	0	Nil	0.00	Nil	Nil	0
C2) Employee Benefit Trust	2	2,311,283	2,311,283	0.05	Nil	Nil	2,311,283
Total Non Promoter – Non Public Shareholding C = C1+C2	2	2,311,283	2,311,283	0.05	Nil	Nil	2,311,283

Note:

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares.

(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

Corporate Structure

As on the date of this Placement Document, our Company has following Subsidiaries, Associates and Joint Ventures:

Subsidiaries
1. Bharti Airtel Services Limited
2. Bharti Hexacom Limited
3. Bharti Infratel Limited
4. SmarTx Services Limited
5. Indo Teleports Limited
6. Bharti Telemedia Limited
7. Airtel Payments Bank Limited
8. Telesonic Networks Limited
9. Nxtra Data Limited
10. Wynk Limited
11. Nettle Infrastructure Investments Limited
12. Bharti Airtel (France) SAS
13. Bharti Airtel (Hong Kong) Limited
14. Bharti Airtel (Japan) Private Limited
15. Bharti Airtel (UK) Limited
16. Bharti Airtel (USA) Limited
17. Bharti Airtel International (Mauritius) Limited
18. Bharti Airtel International (Netherlands) B.V
19. Bharti Airtel Lanka (Private) Limited
20. Bharti International (Singapore) Pte. Ltd.
21. Bharti Airtel International (Mauritius) Investments Limited
22. Network i2i Limited
23. Africa Towers N.V.
24. Airtel (Seychelles) Limited
25. Airtel Congo S.A.
26. Airtel Gabon S.A
27. Airtel Madagascar S.A.
28. Airtel Malawi plc
29. Airtel Mobile Commerce B.V
30. Airtel Mobile Commerce Holdings B.V.
31. Airtel Mobile Commerce (Kenya) Limited
32. Airtel Mobile Commerce Limited
33. Airtel Mobile Commerce Madagascar S.A.
34. Airtel Mobile Commerce Rwanda Limited
35. Airtel Mobile Commerce (Seychelles) Limited
36. Airtel Mobile Commerce (Tanzania) Limited
37. Airtel Mobile Commerce Tchad S.a.r.l.
38. Airtel Mobile Commerce Uganda Limited
39. Airtel Mobile Commerce Zambia Limited
40. Airtel Money (RDC) S.A
41. Airtel Money Niger S.A.
42. Airtel Money S.A
43. Airtel Networks Kenya Limited
44. Airtel Networks Limited
45. Airtel Networks Zambia plc
46. Airtel Rwanda Limited
47. Airtel Tanzania plc
48. Airtel Tchad S.A.
49. Airtel Uganda Limited
50. Bharti Airtel Africa B.V.
51. Bharti Airtel Chad Holdings B.V.
52. Bharti Airtel Congo Holdings B.V.
53. Bharti Airtel Developers Forum Limited

54. Bharti Airtel Gabon Holdings B.V.
55. Bharti Airtel Kenya B.V.
56. Bharti Airtel Kenya Holdings B.V.
57. Bharti Airtel Madagascar Holdings B.V.
58. Bharti Airtel Malawi Holdings B.V.
59. Bharti Airtel Mali Holdings B.V.
60. Bharti Airtel Niger Holdings B.V
61. Bharti Airtel Nigeria B.V.
62. Bharti Airtel Nigeria Holdings II B.V.
63. Bharti Airtel RDC Holdings B.V.
64. Bharti Airtel Services B.V.
65. Bharti Airtel Tanzania B.V.
66. Bharti Airtel Uganda Holdings B.V.
67. Bharti Airtel Zambia Holdings B.V.
68. Celtel (Mauritius) Holdings Limited
69. Airtel Congo (RDC) S.A.
70. Celtel Niger S.A.
71. Channel Sea Management Company (Mauritius) Limited
72. Congo RDC Towers S.A
73. Gabon Towers S.A. (under liquidation)
74. Indian Ocean Telecom Limited
75. Madagascar Towers S.A.
76. Malawi Towers Limited
77. Mobile Commerce Congo S.A.
78. Tanzania Towers Limited
79. Montana International
80. Partnership Investments S.a.r.l
81. Societe Malgache de Telephone Cellulaire S.A.
82. Bharti Airtel Rwanda Holdings Limited
83. Airtel Money Transfer Limited
84. Airtel Money Tanzania Limited
85. Airtel Mobile Commerce Nigeria Limited
86. Airtel International LLP
87. Airtel Africa Mauritius Limited
88. Bharti Airtel Overseas (Mauritius) Limited
89. Bharti Airtel Holding (Mauritius) Limited
90. Airtel Africa plc.
91. Airtel Mobile Commerce Nigeria B.V.
92. Airtel Mobile Commerce Congo B.V.
93. Airtel Mobile Commerce (Seychelles) B.V.
94. Airtel Mobile Commerce Madagascar B.V.
95. Airtel Mobile Commerce Kenya B.V.
96. Airtel Mobile Commerce Rwanda B.V.
97. Airtel Mobile Commerce Malawi B.V.
98. Airtel Mobile Commerce Uganda B.V.
99. Airtel Mobile Commerce Tchad B.V.
100. Airtel Mobile Commerce Zambia B.V.
101. Network i2i (Kenya) Ltd.

Associates

1. Seychelles Cable Systems Company Limited
2. Robi Axiata Limited
3. Seynse Technologies Private Limited
4. Juggernaut Books Private Limited
5. Greenergy Wind Corporation Private Limited
6. Editorji Technologies Private Limited
7. Aban Green Power Private Limited

Joint Ventures

1. Indus Towers Limited

2. Bridge Mobile Pte Limited
3. Firefly Networks Limited
4. Airtel Ghana Limited
5. Bharti Airtel Ghana Holdings B.V.
6. Airtel Mobile Commerce (Ghana) Limited
7. Millicom Ghana Company Limited (under liquidation)
8. Mobile Financial Services Limited

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the applications, payment of Bid Amount, Allocation and Allotment of the Equity Shares. The procedure followed in this Issue may differ from the one mentioned below and investors are assumed to have apprised themselves of the same from our Company or the Managers. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. Also see "Selling Restrictions" and "Transfer Restrictions" on pages 198 and 207, respectively.

Our Company, the Managers and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations.

Qualified Institutions Placement

THIS ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

The Preliminary Placement Document and this Placement Document have not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, our Company, being a listed company in India may issue Equity Shares to Eligible QIBs, provided that:

- the Shareholders have adopted a special resolution approving this Issue. Such special resolution must specify (a) that the Allotment is proposed to be made pursuant to the QIP, and (b) the Relevant Date;

- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose, among other things, the particulars of this Issue including the date of passing the resolution of the Board, the kind of securities being offered, amount which our Company intends to raise by way of such securities and the material terms of raising such securities, proposed Issue schedule, the purpose or objects of this Issue, the contribution made by the Promoter or Directors either as part of this Issue or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be Allotted through this Issue, are listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to adopt the above-mentioned special resolution;

- invitation to apply in this Issue must be made through a private placement offer-cum-application (*i.e.*, the Preliminary Placement Document, and this Placement Document) and Application Form serially numbered and addressed specifically to the Eligible QIBs to whom this Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

- our Company shall not make any subsequent qualified institutions placement until the expiry of six months from the date of this Issue;

- our Company shall have completed allotments with respect to any offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer. However, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be permitted under applicable law;

- our Directors are not fugitive economic offenders;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (*i.e.*, the Preliminary Placement Document and this Placement Document), our Company must prepare and record a list of Eligible QIBs to whom the Issue will be made. The Issue must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe; and

- our Company acknowledges that issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about this Issue is prohibited.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees.

At least 10% of the Equity Shares issued to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be Allotted to Mutual Funds remains unsubscribed, it may be Allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the Stock Exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Further, our Company has offered a discount of 1.57% amounting to ₹ 7.09, on the Floor Price in accordance with the SEBI ICDR Regulations.

The "Relevant Date" referred to above means the date of the meeting in which the Board or the Special Committee of Directors for Fund Raising decides to open this Issue. Further, "stock exchange" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

The RBI has granted a banking license dated April 11, 2016 to Airtel Payments, one of our Subsidiaries in accordance with the Companies Act, for establishing payments bank and by way of letter dated March 11, 2016 to Airtel Payments stipulated that our Articles of Association shall be amended to incorporate the clause for seeking prior approval of the RBI in case of any change in shareholding of 5% or more of the total issued capital of our Company. Accordingly, our Company has amended its Articles of Association by insertion of article number 42A, to state that "No person / group of persons shall acquire any shares of the Company which would take his / her / its holding to a level of 5% or more (or any such percentage imposed by Reserve Bank of India from time to time) of the total issued capital of the Company unless prior approval of the Reserve Bank of India has been obtained by such person / group of persons".

Accordingly, any person or group of persons who holds less than 5% of the total issued share capital of our Company, can subscribe to such number of Equity Shares which would not take their total equity shareholding in our Company to a level of 5% or more of the post-Issue issued and paid-up share capital of our Company. In the event any application made by any QIB exceeds such limits, such QIB would be required to submit a copy of the approval obtained from the RBI with such application. Such approval from the RBI should clearly mention the name(s) of the persons who propose to apply in this Issue and the aggregate shareholding of such QIB (individually or together with a group) in the pre-Issue paid-up share capital of our Company, if any. In case of failure by such QIB to submit the RBI approval, our Company may at its sole discretion keep on hold the Allotment to such QIB applicant until necessary approvals are received from such applicant or it may decide to Allot such number of Equity Shares, that will limit the resultant aggregate shareholding of the applicant to less than 5% of the post-Issue paid-up equity share capital of our Company. However, such limit shall not be applicable to any person or group of persons who holds 5% or more of the total issued share capital of our

Company. For details, see "*Risk Factors – An investor will not, without prior RBI approval, be able to acquire or convert Equity Shares if such acquisition or conversion would result in an individual or group holding 5.00% or more of our post-Issue issued and paid-up share capital.*" on page 81.

The Equity Shares will be Allotted within 365 days from the date of the Shareholders' resolution approving this Issue and within 60 days from the date of receipt of Bid Amount from the Successful Bidders. For details of refund of Bid Amount, see "*– Pricing and Allocation – Designated Date and Allotment of Equity Shares*" on page 194.

Subscription to the Equity Shares issued pursuant to this Issue must be made by Eligible QIBs on the basis of the Preliminary Placement Document and this Placement Document which shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under Form PAS-4, as applicable. The Preliminary Placement Document and this Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of the Preliminary Placement Document and this Placement Document addressed to you, you may not rely on the Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to this Issue.

This Issue was authorized and approved by the Board on December 4, 2019 and approved by the Shareholders of our Company through their resolution dated January 3, 2020. The minimum number of Allottees with respect to the QIP of Equity Shares shall not be less than:

- two, where the issue size is less than or equal to ₹ 2,500 million; and
- five, where the issue size is greater than ₹ 2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of this Issue. For details of what constitutes "same group" or "common control", see "—*Bid Process – Application Form*" on 189.

Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on a recognised stock exchange. Allotments made to VCFs and AIFs in this Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements.

The Equity Shares have not been and will not be registered under the Securities Act, or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A and referred to in this Placement Document as a "U.S. QIB") in transactions exempt from the registration requirements of the Securities Act, and (b) outside the United States only to investors who are not "U.S. persons" as defined in Regulation S in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 198 and 207, respectively.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Our Company has filed a draft of the Preliminary Placement Document and this Placement Document with each of the Stock Exchanges. Our Company has received in-principle approvals from each of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares on the BSE and NSE, both dated January 8, 2020.

Issue Procedure

1. Our Company and the Managers has circulated serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Form has been specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, our Company shall maintain records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom the Preliminary Placement Document, the serially numbered Application Form have been dispatched and this Placement Document shall be dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act and the PAS Rules. The list of Eligible QIBs to whom the Preliminary Placement Document, and Application Form was delivered, were determined by our Company in consultation with the Managers, at their sole discretion.

2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, was addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs were required to submit the Application Form, including any revisions thereof along with the Bid Amount and a copy of the PAN card or PAN allotment letter, during the Bidding Period to the Managers.

4. Bidders were required to indicate the following in the Application Form:

   - full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN and bank account details;
   - number of Equity Shares Bid for;
   - price at which they are agreeable to subscribe for the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;
   - details of the depository account to which the Equity Shares should be credited;
   - a representation that it is (i) either (a) a U.S. QIB and is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the Securities Act, or (b) is not a "U.S. person" as defined in Regulation S and is outside the United States acquiring the Equity Shares in an "offshore transaction" under Regulation S and the applicable laws of the jurisdiction where those offers and sales are made, and (ii) it has agreed to certain other representations set forth in the "*Representation by Investors*" and "*Transfer Restrictions*" on pages 4 and 207, respectively, and certain other representations made in the Application Form; and is not our affiliate or a person acting on behalf of such an affiliate;
   - Bidders holding less than 5% of the pre-Issue issued and paid up Equity Share capital of our Company were required to indicate and submit any approval obtained from the RBI where the Allotment against the Bid will result in the shareholding of the Bidder being in excess of 5% of the post-Issue paid-up Equity Share capital of our Company; and
   - Eligible FPIs were required to indicate their SEBI FPI registration number in the Application Form.

5. Eligible QIBs were required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account with the Escrow Bank, within the Bidding Period as specified in the Application Form sent to the respective Bidders. No payment was to be made by Bidders in cash. Please note that any payment of Bid Amount for the Equity Shares was required to be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Bid Amount payable on Equity Shares to be held by joint holders were to be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment of the Equity Shares, the filing of return of Allotment by our Company with the RoC and the receipt of the final listing and trading approval from the Stock Exchanges, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled commercial bank and shall be utilised only for the purposes permitted under the Companies Act. Notwithstanding the above, in the event, among others (a) any Bidder is not Allocated Equity Shares in this Issue, (b) the number of

Equity Shares Allotted to a Successful Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Successful Bidder and the Issue Price, (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Bid Closing Date, or (e) if this Issue is cancelled or is withdrawn for any reason after Allocation, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "– *Refunds*" on page 194.

6. Once a duly completed Application Form has been submitted by a Bidder and the Bid Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount was required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date was notified to the Stock Exchanges and the Eligible QIBs were deemed to have been given notice of such date after receipt of the Application Form. The Bids made by asset management companies or custodians of Mutual Funds were required to specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid was allowed to be made in respect of each scheme of the Mutual Fund registered with SEBI.

7. The Bidder acknowledges that in terms of the requirements of the Companies Act, and pursuant to Allocation, our Company has disclosed the names of Allottees and the percentage of their post-Issue shareholding in this Placement Document and has consented to such disclosure, with respect to Equity Shares Allocated to it.

8. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, after the Issue Closing Date, our Company has, in consultation with Managers determined the final terms, including (i) the Issue Price, (ii) the number of Equity Shares to be Allocated to each Successful Bidder; and (iii) the Successful Bidders to whom such Equity Shares has been Allocated. Upon such determination, the Managers will send the serially numbered CAN to the Successful Bidders who have been Allocated the Equity Shares and, subsequently will also send, a serially numbered Placement Document either in electronic form or through physical delivery. The dispatch of a CAN, and this Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN contains details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation has been conducted at the absolute discretion of our Company and will be in consultation with the Managers.**

9. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the Managers, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

10. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.

11. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, as indicated in their Application Forms, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to this Issue.

12. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

13. Our Company will then apply for the final trading approvals from the Stock Exchanges.

14. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

15. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Successful Bidders to whom the Equity Shares have been Allotted. Our Company and the Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Qualified Institutional Buyers

Only Eligible QIBs were eligible to invest in the Equity Shares pursuant to this Issue. Accordingly, Eligible QIBs for the purpose of this Issue comprised QIBs, who were eligible to Bid for Equity Shares in this Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;
- Mutual Funds;
- pension funds with minimum corpus of ₹ 250 million;
- provident funds with minimum corpus of ₹ 250 million;
- public financial institutions;
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- systemically important non-banking financial companies,

subject to such QIB not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations.

ELIGIBLE FPIs WERE PERMITTED TO PARTICIPATE IN THIS ISSUE IN TERMS OF SCHEDULE 2 OF THE FEMA NON-DEBT RULES. ELIGIBLE FPIS WERE PERMITTED TO BID FOR EQUITY SHARES IN THIS ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIS DOES NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Rules, the total holding by each FPI, including its investor group, shall be below 10% of the total paid-up equity share capital of a company and the total holdings of all FPIs put together, including any other direct and indirect foreign investments in a company, not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis. In case the total holding of an FPI, including its investor group, increases beyond 10% of the total paid-up equity capital of a company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by the company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by the SEBI and the RBI in this regard and the company and the investor will be required to comply with applicable reporting requirements. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the board of directors followed by a special resolution passed by the shareholders of the company. In terms of the FEMA Non-Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The existing individual and aggregate investment limits for an FPI in our Company are not exceeding 10% and 74% of the total paid-up Equity Share capital of our Company, respectively. However, the existing foreign investment limit in our Company is 49% of the total paid-up Equity Share capital of our Company under the automatic route. Our Company has filed an application dated June 7, 2019 before the DoT and DPIIT seeking approval for increase in foreign investment sectoral cap from 49% to 100%. For details, see "*Risk Factors – Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.*" on page 35.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL as the designated depository to monitor the level of FPI/NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Restrictions on Allotment

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to this Issue, either directly or indirectly, to any QIB being, or any person related to, our Promoter. QIBs which have all or any of the following rights shall be deemed to be persons related to our Promoter:

- rights under a shareholders' agreement or voting agreement entered into with our Promoter or members of our Promoter Group;
- veto rights; or
- a right to appoint any nominee director on our Board,

Provided, however, that a QIB which does not hold any shares in our Company and which has acquired any of the aforementioned rights in the capacity of a lender shall not be deemed to be related to our Promoter.

Our Company and the Managers and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs were advised to make their independent investigations and satisfy themselves that they were eligible to apply. Eligible QIBs were advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Preliminary Placement Document and this Placement Document. Further, Eligible QIBs were required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations.

Note: Affiliates or associates of the Managers, who are Eligible QIBs, may participate in this Issue in compliance with applicable laws.

Bid Process

Application Form

Eligible QIBs could only use the serially numbered Application Form (specifically addressed to them) supplied by our Company and/ or the Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of Bid) in terms of the Preliminary Placement Document and this Placement Document.

By making a Bid (including any revision thereof) for Equity Shares through the Application Form and pursuant to the terms of the Preliminary Placement Document and this Placement Document, each Bidder was deemed to have made the representations, warranties, acknowledgements and undertakings under the sections titled "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 1, 4, 198 and 207, respectively, including:

1. the Bidder confirms that it is an Eligible QIB, has a valid and existing registration under the applicable laws in India and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations and is eligible to participate in this Issue;

2. the Bidder confirms that it has no rights under a shareholders' agreement or voting agreement with our Promoter or members of our Promoter Group, no veto rights or right to appoint any nominee director on our Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to our Promoter;

3. the Bidder confirms that, and consents to, its name and percentage of post-Issue shareholding (assuming full subscription in this Issue) being included as a "proposed Allottee" in this Issue in this Placement Document. However, the Bidder further acknowledges and agrees, disclosure of such details in relation to the proposed Allottees in this Placement Document will not guarantee Allotment to them, as Allotment shall continue to be at the sole discretion of our Company, in consultation with the Managers;

4. the Bidder has no right to withdraw or revise its Bid downwards after the Bid Closing Date;

5. the Bidder confirms that if Equity Shares are Allotted to it through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the floor of the Stock Exchanges;

6. the Bidder confirms that it is eligible to Bid for and hold Equity Shares so Allotted and together with any securities (including Equity Shares) held by the Bidder prior to this Issue. The Bidder further confirms that its holding, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Bidder;

7. the Bidder agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Bidding Period in terms of the provisions of the Companies Act, our Company reserves the right to Allocate and Allot Equity Shares on a discretionary basis, in consultation with the Managers. The Bidder further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

8. the Bidder confirms that its application would not eventually result in triggering an open offer under the SEBI Takeover Regulations;

9. the Bidder confirms that it is not a promoter of our Company and is not a person related to our Promoter, either directly or indirectly, and its Bid does not directly or indirectly represent our Promoter or members of our Promoter Group or a person related to our Promoter;

10. the Bidder confirms that, to the best of its knowledge and belief, together with other Eligible QIBs participating in this Issue that belong to the same group or are under common control, the Allotment to the Bidder shall not exceed 50% of the Issue Size. For the purposes of this statement:

    a. Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary or holding company and any other Eligible QIB; and

    b. "Control" shall have the same meaning as is assigned to it by clause 1(e) of Regulation 2 of the SEBI Takeover Regulations.

11. Bidder holding less than 5% of the pre-Issue issued and paid up Equity Share capital of our Company confirms that it has obtained approval from the RBI and must submit a copy of such approval, where the Allotment against the Bid will result in the shareholding of the Bidder being in excess of 5% of the post-Issue paid-up Equity Share capital of our Company;

12. The Bidder confirms that:

a. It will make payment of its Bid Amount along with submission of the Application Form within the Bidding Period;

b. a representation that it is (i) either (a) a U.S. QIB and is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the Securities Act, or (b) is not a "U.S. person" as defined in Regulation S and is outside the United States acquiring the Equity Shares in an "offshore transaction" under Regulation S and the applicable laws of the jurisdiction where those offers and sales are made, and (ii) it has agreed to certain other representations set forth in the "*Representation by Investors*" and "*Transfer Restrictions*" on pages 4 and 207, respectively, and certain other representations made in the Application Form; and is not our affiliate or a person acting on behalf of such an affiliate;

13. the Bidder acknowledges that no Allotment shall be made to them if the price at which they have Bid for in this Issue is lower than the Issue Price.

14. the Bidder shall not undertake any trade in the Equity Shares credited to its beneficiary account with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

BIDDERS WERE REQUIRED TO PROVIDE THEIR NAME, COMPLETE ADDRESS, E-MAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN / PAN ALLOTMENT LETTER, THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. BIDDERS WERE REQUIRED TO ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE MANAGERS, THE ELIGIBLE QIBS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO THE MANAGERS TO EVIDENCE THEIR STATUS AS AN "ELIGIBLE QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE MANAGERS, THE ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER THE BID CLOSING DATE, THE ELIGIBLE QIB SUBMITTING A BID AND/ OR BEING ALLOTTED EQUITY SHARES IN THIS ISSUE, WERE REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CLIENT (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount has been remitted for the Equity Shares applied for in this Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and this Placement Document (when dispatched) by our Company in favour of the Successful Bidder.

Submission of the Application Form

All Application Forms were required to be duly completed with information including the number of Equity Shares applied for along with payment and a copy of the PAN card or PAN allotment letter. The Bid Amount was required to be deposited in the Escrow Account as was specified in the Application Form and the Application Form was required to be submitted to the Managers either through electronic form or through physical delivery at either of the following addresses:

Axis Capital Limited	**BNP Paribas**	**Citigroup Global Markets India Private Limited**
Axis House, Level 1, C-2 Wadia	BNP Paribas House	1202, 12th Floor

International Centre, P.B. Marg, Worli, Mumbai 400 025
Maharashtra, India
Contact Person: Mr. Sanjay Kathale
Email: Sanjay.Kathale@axiscap.in
Tel.: +91 22 4325 5585

1 North Avenue,
Maker Maxity
Bandra-Kurla Complex,
Bandra (East)
Mumbai 400 051
Maharashtra, India
Contact Person: Mr. Mehul Golwala
Email: mehul.golwala@asia.bnpparibas.com
Tel.: +91 22 3370 4000

First International Financial Center
G-Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 098
Maharashtra, India
Contact Person: Mr. Siddharth Garg
Email: siddharth.garg@citi.com
Tel.: +91 22 6175 9999

DSP Merrill Lynch Limited

Ground Floor, A Wing
One BKC, G Block
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Maharashtra, India
Contact Person: Mr. Pulkit Bansal
Email: bansal.pulkit@bofa.com
Tel.: +91 22 6632 8000

Goldman Sachs (India) Securities Private Limited
Rational House, 951/A
Appasaheb Marathe Marg,
Prabhadevi,
Mumbai 400 025, Maharashtra, India
Contact Person: Mr. Varun Lohia
Email: gs-gsairtel@gs.com
Tel.: +91 22 6616 9000

HDFC Bank Limited

Investment Banking Group, Unit No. 401 & 402,
4th Floor, Tower B, Peninsula Business Park,
Lower Parel,
Mumbai 400 013
Maharashtra, India
Contact Person: Mr. Ashwani Tandon
Email: ecm@hdfcbank.com
Tel.: +91 22 3395 8211

HSBC Securities and Capital Markets (India) Private Limited
52/60, Mahatma Gandhi Road, Fort, Mumbai 400 001
Maharashtra, India
Contact Person: Ms. Sanjana Maniar
Email: bhartiqip@hsbc.co.in
Tel.: +91 22 2268 5555

J.P. Morgan India Private Limited
J.P. Morgan Tower
Off CST Road, Kalina, Santacruz East
Mumbai 400 098
Maharashtra, India
Contact Person: Mr. Shagun Gupta
Email: shagun.gupta@jpmorgan.com
Tel.: +91 22 6157 5083

The Managers were not required to provide any written acknowledgement of submission of the Applications Form(s) and Bid Amount.

All Bidders submitting a Bid in this Issue, were required to pay the entire Bid Amount within the Bidding Period.

Bank Account for payment of Bid Amount

In terms of the arrangement among our Company, the Managers and the Escrow Bank, our Company has opened the Escrow Account with the Escrow Bank, in the name of "**BHARTI AIRTEL LIMITED – QIP SHARE ESCROW ACCOUNT**" into which the application monies payable by Eligible QIBs in connection with subscription to the Equity Shares pursuant to this Issue were required to be deposited.

Each Bidder was required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period in the Escrow Account. Bidders were allowed to make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments were required to be made only through electronic fund transfer. Payments made through cash or cheques were liable to be rejected. Further, if the payment was not made favouring the Escrow Account for the Equity Shares, the Application Form was liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in the Escrow Account only for the purposes of (i) adjustment against Allotment of Equity Shares in this Issue; or (ii) refund of Bid Amount if our Company is not able to Allot Equity Shares in this Issue.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the Stock Exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Further, our Company has offered a discount of 1.57 % amounting to ₹ 7.09, on the Floor Price in accordance with the SEBI ICDR Regulations.

The "Relevant Date" referred to above means the date of the meeting in which the Board or the Special Committee of Directors for Fund Raising opened this Issue. Further, "stock exchange" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

Build-up of the book

Bidders were required to submit their Bids (including any revision thereof) through the Application Forms, within the Bidding Period to the Managers. Such Bids were not allowed to be withdrawn or revised downwards after the Bid Closing Date. The book was maintained by the Managers.

Price discovery and Allocation

Our Company, in consultation with the Managers, has determined the Issue Price, which is at the Floor Price. Our Company has offered a discount of 1.57 % amounting to ₹ 7.09, on the Floor Price in accordance with the SEBI ICDR Regulations.

After finalisation of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and has filed such updated document with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company has determined the Allocation in consultation with the Managers on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations. All the Application Forms received from the Bidders at or above the Issue Price have been grouped together to determine the total demand. The Allocation to all such Bidders has been made at the Issue Price.

THE DECISION OF OUR COMPANY, IN CONSULTATION WITH THE MANAGERS, IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBS. ELIGIBLE QIBS MAY NOTE THAT ALLOCATION OF THE EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE MANAGERS AND THE ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORM AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE MANAGERS ARE OBLIGED TO ASSIGN ANY REASONS FOR SUCH NON-ALLOCATION.

CAN

Based on Application Forms and Bid Amount received, our Company in consultation with the Managers, in its sole and absolute discretion, has decided the list of Successful Bidders to whom the serially numbered CANs shall be sent, pursuant to which the details of the Equity Shares Allocated to the Successful Bidders, Issue Price and the total amount received towards Equity Shares Allocated to them has been notified to such Successful

Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidder's account, as applicable to the respective Bidders.

Successful Bidders who have been Allocated Equity Shares pursuant to this Issue will be sent a serially numbered Placement Document (which includes the names of the proposed Allottees along with the percentage of their post-Issue shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the CAN and this serially numbered Placement Document (whenever dispatched) to a Bidder shall be deemed to be a valid, binding and irrevocable contract in respect of Equity Shares allocated to it. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees.

BIDDERS ARE ADVISED TO INSTRUCT THEIR DEPOSITORY PARTICIPANT TO ACCEPT THE EQUITY SHARES THAT MAY BE ALLOCATED / ALLOTTED TO THEM PURSUANT TO THIS ISSUE.

By submitting the Application Form, the Bidder would have deemed to have made the representations and warranties as specified "*Notice to Investors*" on page 1 and further that such Bidder shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to this Issue until such time as the final listing and trading approval is issued by the Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. The Equity Shares will not be Allotted unless the Bidders pay the Issue Price into the relevant Escrow Account as stated above.

2. Subject to the satisfaction of the terms and conditions of this Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

3. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

4. Our Company, at its sole discretion, reserves the right to cancel this Issue at any time up to Allotment without assigning any reasons whatsoever.

5. Following the Allotment of the Equity Shares pursuant to this Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Successful Bidders.

6. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts, our Company will apply for the final listing and trading approvals from the Stock Exchanges.

7. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and our Company files the return of Allotment in connection with this Issue with the RoC.

8. After finalization of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and has filed it with the Stock Exchanges as this Placement Document. Pursuant to a circular dated March 5, 2010 issued by SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been Allotted more than 5% of the Equity Shares offered in this Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with this Placement Document.

Refunds

In the event that the Equity Shares are not Allocated to a Bidder for any reason, or number of Equity Shares Allocated to a Successful Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or a Bidder lowers or withdraws the Bid prior to the Issue Closing Date, or Bid Amount paid by the Bidder is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Bidder and the Issue Price applicable with respect to such Equity Shares, or if this Issue is cancelled or is withdrawn for any reason after Allocation, the excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted (as set out in the Application Form), in the form and manner set out in the Refund Intimation Letter. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in this Issue or on cancellation of this Issue, within 60 days or any other time period, as prescribed under the applicable law, from the date of receipt of the Bid Amount, our Company shall repay the Bid Amount within 15 days from expiry of 60 days or any other time period, as prescribed under the applicable law, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act.

Other Instructions

Permanent Account Number or PAN

Each Bidder was required to mention its PAN allotted under the IT Act. A copy of the PAN card or PAN allotment letter was required to be submitted with the Application Form. Further, the Application Forms without this information have been considered incomplete and were liable to be rejected. It is to be specifically noted that applicants were not allowed to submit the GIR number instead of the PAN as the Application Forms were liable to be rejected on this ground.

Bank Account Details

Each Bidder was required to mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the Managers, could reject Bids, in part or in full, without assigning any reasons whatsoever. The decision of our Company and the Managers in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder. For details see "- *Bid Process – Refunds*" on page 194.

Equity Shares in dematerialized form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialized form (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

1. An Eligible QIB applying for Equity Shares in this Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid.

2. The Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) such Successful Bidders.

3. Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The BSE and the NSE have electronic connectivity with CDSL and NSDL.

4. The trading of the Equity Shares issued pursuant to this Issue would be in dematerialized form only for all Eligible QIBs in the demat segment of the respective Stock Exchanges.

5. Our Company and the Managers will not be responsible or liable for the delay in the credit of Equity Shares due to errors in the Application Form or otherwise on the part of the Eligible QIBs.

PLACEMENT

The Managers have entered into a placement agreement dated January 8, 2020, with our Company (the "**Placement Agreement**"), pursuant to which the Managers have agreed, subject to certain conditions, to manage this Issue and to act as placement agents in connection with the proposed Issue and procure subscription to Equity Shares on a reasonable efforts basis. The Equity Shares will be placed to QIBs pursuant to this Issue under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 and the rules made thereunder. The Placement Agreement contains customary representations and warranties, as well as indemnities from our Company and is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Preliminary Placement Document and this Placement Document have not been, and will not be, registered as a prospectus with the Registrar of Companies, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than QIBs.

In connection with this Issue, the Managers (or their respective affiliates) may, for their own accounts, subscribe to the Equity Shares, enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Managers may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of this Issue, and no specific disclosure will be made of such positions. Affiliates of the Managers which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in this Issue, and may issue P-Notes in respect thereof. See "*Offshore Derivative Instruments*" and "*Representations to Investors*" on pages 10 and 4, respectively.

Lock-up

The Company will not, for a period of 60 days after the Closing Date, without the prior written consent of the Managers (a) directly or indirectly, issue, offer, sell, pledge, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing, (b) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention to enter into any such transaction, whether any such swap or transaction described in Clause (a) or (b) hereof is to be settled by delivery of Equity Shares or such other securities, in cash or otherwise, or (c) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe for or purchase Equity Shares in depositary receipt facilities or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or a deposit of Equity Shares in any depositary receipt facility, or publicly announce any intention to enter into any transaction, other than (i) the issue and offering of the foreign currency convertible bonds in the FCCB Issue and the Equity Shares issuable upon the conversion of the FCCBs as contemplated in the offering materials relating to the FCCB Issue and the issue and offering of any further FCCBs pursuant to conditions of the "Terms and Conditions of the Bonds", provided that the total aggregate principal amount of FCCBs does not exceed USD 1 billion and the Equity Shares issuable upon conversion of such further FCCBs; (ii) the issue of Equity Shares pursuant to this Issue; and (iii) the issue of Equity Shares pursuant to exercise of any options granted under, or the grant of further options in terms of, any employee stock option scheme of the Company outstanding on the Closing Date.

BTL Lock-up

Bharti Telecom Limited ("**BTL**"), without the prior written consent of the Managers, shall not during the period commencing on the date hereof and ending 60 days after the Closing Date (both dates inclusive) ("**Lock-up Period**"), directly or indirectly:

(1) pledge, sell, encumber, contract to sell or announce the intention to sell, lend, purchase any option or contract to sell, grant or sell any option, right, contract or warrant to purchase, lend, make any short sale or otherwise transfer or dispose of its shareholding in the Company ("**Lock-up Shares**" which shall include all Equity Shares that the BTL may acquire during the Lock-up Period or any other securities of the Company, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Equity Shares or any such substantially similar securities, whether now owned or hereinafter acquired,

(2) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of the Lock-up Shares and any securities that are convertible into, exercisable or exchangeable for Equity Shares or any such substantially similar securities, whether now owned or hereinafter acquired;

whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Equity Shares or such other securities, in cash or otherwise,

(3) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Lock-up Shares in any depository receipt facility, or

(4) publicly announce its intention to enter into the transactions referred to in (1) to (3) above.

Nothing would restrict the inter-se transfer of any Equity Shares between Promoter and members of our Promoter Group. In addition, the BTL, without the prior written consent of the Managers, shall not during the Lock-up Period, make any demand for or exercise any right with respect to, the registration of any Equity Shares or any other securities of the Company substantially similar to the Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Equity Shares or any such substantially similar securities, whether now owned or hereinafter acquired.

SELLING RESTRICTIONS

The distribution of this Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

This Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and rules thereunder.

General

No action has been taken or will be taken by our Company or the Managers that would permit a public offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of this Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required (including filing of prospectus in India with SEBI or any other authority in connection with this Issue). Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and none of the Preliminary Placement Document, this Placement Document, any offering materials and any advertisements in connection with the offering of the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

The Preliminary Placement Document and/or this Placement Document has not been and will not be registered as a prospectus with any registrar of companies in India and the Equity Shares will not be offered or sold directly or indirectly, to the public or any members of the public in India or any other class of investors other than Eligible QIBs.

The Equity Shares have not been and will not be registered under the Securities Act, or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, (a) the Equity Shares are being offered and sold in the United States only to persons reasonably believed to be U.S. QIBs in transactions exempt from the registration requirements of the Securities Act, and (b) the Equity Shares are being offered and sold outside the United States only to investors who are not "U.S. persons" as defined in Regulation S in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described in the section "*Transfer Restrictions*" on page 207. Until 40 days after the commencement of the offering of the Equity Shares, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in transactions exempt from the registration requirements of the Securities Act. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 198 and 207, respectively.

Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under "*Notice to Investors*", "*Representations by Investors*" and "*Transfer Restrictions*" on pages 1, 4 and 207, respectively.

Australia

This Placement Document:

- does not constitute a product disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the "**Corporations Act**");
- has not been, and will not be, lodged with the Australian Securities and Investments Commission ("**ASIC**"), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act;

- does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of interests to a "retail client" (as defined in section 761G of the Corporations Act and applicable regulations) in Australia; and

- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors ("**Exempt Investors**"), available under section 708 of the Corporations Act.

The Equity Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the Equity Shares may be issued, and no draft or definitive Placement Document, advertisement or other offering material relating to any Equity Shares may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Equity Shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of Equity Shares under this Placement Document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the Equity Shares you undertake to us that you will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those securities to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Bahrain

All applications for investment should be received, and any allotments should be made, in each case from outside Bahrain. This Placement Document has been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. The Company has not made and will not make any invitation to the public in the Kingdom of Bahrain and this Placement Document will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency ("**BMA**") has not reviewed, nor has it approved, this Placement Document or the marketing of Equity Shares in the Kingdom of Bahrain. Accordingly, Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

Canada

The Equity Shares will not be qualified for sale under the securities laws of any province or territory of Canada. The Equity Shares may only be offered, sold or distributed, directly or indirectly, in or to or for the benefit of a resident of, the Provinces of British Columbia, Alberta, Ontario or Québec, which is purchasing, or deemed to be purchasing, as a principal that is: (i) an accredited investor, as defined in National Instrument 45-106 Prospectus Exemptions ("**NI 45-106**") or subsection 73.3(1) of the Securities Act (Ontario), and (ii) a permitted client, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations and only through a dealer duly registered under the applicable securities laws of such provinces in circumstances where no exemption from the applicable registered dealer requirement is available. Any resale of the Equity Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

This Placement Document or any other offering material in connection with the offer of the Equity Shares has not been and will not be distributed or delivered in Canada other than to a resident of the Provinces of British Columbia, Alberta, Ontario or Québec in compliance with applicable securities laws. Prospective Canadian investors are advised that the information contained within this Placement Document in relation to the Equity Shares has not been prepared with regard to matters that may be of particular concern to Canadian investors. Accordingly, prospective Canadian investors should consult with their own legal, financial and tax advisers concerning the information contained within this Placement Document and any other offering material relating to the Equity Shares and as to the suitability of an investment in the Equity Shares in their particular circumstances.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Placement Document or any other offering material constituting an "offering memorandum" under applicable Canadian securities laws (including any amendment to any such documents) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("**NI 33-105**"), the parties to this offering, including the Company and the Managers, as the case may be, are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with an offering of the Equity Shares.

Upon receipt of this Placement Document, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Equity Shares described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de la document d'offre, chaque acheteur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands.

People's Republic of China

This Placement Document does not constitute a public offer of the Equity Shares, whether by way of sale or subscription, in the People's Republic of China (the "**PRC**"). The Equity Shares are not being offered and may not be offered or sold, directly or indirectly, in the PRC to or for the benefit of, legal or natural persons of the PRC. According to legal and regulatory requirements of the PRC, the Equity Shares may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any country other than the PRC.

European Economic Area

In relation to each Member State of the EEA (each a "**Member State**"), an offer to the public of any Equity Shares may not be made in that Member State, except if the Equity Shares are offered to the public in that Member State at any time under the following exemptions under the Prospectus Regulation (EU) 2017/1129 (and any amendment thereto) (the "**Prospectus Regulation**"):

- to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the Managers for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or any of the Managers of a prospectus pursuant to Article 3 of the Prospectus Regulation and each person who initially acquires Equity Shares or to whom any offer is made will be deemed to have represented that they are a "qualified investor" as defined in the Prospectus Regulation.

For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Member State to qualified investors (as so defined) or in circumstances in which the prior consent of the Managers has been obtained to each such proposed offer or resale. The Company, its directors, the Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Managers of such fact in writing may, with the consent of the Managers, be permitted to subscribe for or purchase Equity Shares in the Issue.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the Equity Shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the "**Qualified Institutional Investor**"), the Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe the Equity Shares (the "QII Equity Shares") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Jordan

The Equity Shares have not been and will not be offered, sold or delivered at any time, directly or indirectly, in the Hashemite Kingdom of Jordan in a manner that would constitute a public offering. This Placement Document has not been and will not be reviewed or approved by, or registered with, the Jordan Securities Commission in accordance with its regulations and any other regulations in the Hashemite Kingdom of Jordan. The Equity Shares are not and will not be traded on the Amman Stock Exchange.

Each Manager has represented and agreed that the Equity Shares have not been and will not be offered, sold or promoted or advertised by it in Jordan other than in compliance with the Securities Law No. (76) of 2002, as amended, the Law Regulating Dealings in Foreign Exchange No. (50) of 2008, and regulations issued pursuant to them governing the issue of offering and sale of securities. Without limiting the foregoing, each Manager has represented and agreed that the Equity Shares have not been and will not, in any manner, be offered, sold, promoted or advertised to more than thirty (30) persons in Jordan, without complying with the required approval and notification requirements set-out under the above-referenced laws and the regulations issued pursuant to them.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "**FSCMA**"), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**FETL**"). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Kuwait

The Equity Shares have not been authorised or licensed for offering, marketing or sale in the State of Kuwait. The distribution of this Placement Document and the offering and sale of the Equity Shares in the State of Kuwait is restricted by law unless a license is obtained from the Kuwaiti Ministry of Commerce and Industry in accordance with Law 31 of 1990.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia ("**Commission**") for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this Placement Document is subject to Malaysian laws. This Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Placement Document nor any offering material or information contained herein relating to the offer of Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. This Placement Document does not constitute an offer to sell Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

New Zealand

This Placement Document is not a prospectus. It has not been prepared or registered in accordance with the Securities Act 1978 of New Zealand (the "**New Zealand Securities Act**"). This Placement Document is being distributed in New Zealand only to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money, within the meaning of section 3(2)(a)(ii) of the New Zealand Securities Act ("**Habitual Investors**"). By accepting this Placement Document, each investor represents and warrants that if they receive this Placement Document in New Zealand they are a Habitual Investor and they will not disclose this Placement Document to any person who is not also a Habitual Investor.

Sultanate of Oman

This Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority ("**CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the CMA. The offering and sale of Equity Shares described in this Placement Document will not take place inside Oman. This Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof.

Qatar (excluding the Qatar Financial Centre)

The Equity Shares have not been offered, sold or delivered, and will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar in a manner that would constitute a public offering. This Placement Document has not been reviewed or registered with Qatari Government Authorities, whether under Law No. 25 (2002) concerning investment funds, Central Bank resolution No. 15 (1997), as amended, or any associated regulations. Therefore, this Placement Document is strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may not be reproduced or used for any other purposes, nor provided to any person other than the recipient thereof.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this Placement Document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Placement Document, you should consult an authorized financial adviser.

Qatar Financial Centre

This Placement Document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Center ("**QFC**"), and accordingly should not be construed as such. This Placement Document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This Placement Document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. The Company has not been approved or licensed by or registered with any licensing authorities within the QFC.

Saudi Arabia

This Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority ("**CMA**") pursuant to resolution number 2-11-2004 dated October 4, 2004 as amended by resolution number 1-28-2008, as amended (the "**CMA Regulations**"). The CMA does not make any representation as to the accuracy or completeness of this Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Placement Document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this Placement Document, you should consult an authorized financial adviser.

Singapore

This Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAAN16: Notice on Recommendations on Investment Products).

South Africa

Due to restrictions under the securities laws of South Africa, the Equity Shares are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions applies:

i. the offer, transfer, sale, renunciation or delivery is to:

    (a) persons whose ordinary business is to deal in securities, as principal or agent;

    (b) the South African Public Investment Corporation;

    (c) persons or entities regulated by the Reserve Bank of South Africa;

    (d) authorised financial service providers under South African law;

    (e) financial institutions recognised as such under South African law;

    (f) a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorised portfolio manager for a pension fund or collective investment scheme (in each case duly registered as such under South African law); or

(g) any combination of the person in (a) to (f); or

ii. the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000.

No "offer to the public" (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the "**South African Companies Act**")) in South Africa is being made in connection with the issue of the Equity Shares. Accordingly, this Placement Document does not, nor is it intended to, constitute a "registered prospectus" (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. Any issue or offering of the Equity Shares in South Africa constitutes an offer of the Equity Shares in South Africa for subscription or sale in South Africa only to persons who fall within the exemption from "offers to the public" set out in section 96(1)(a) of the South African Companies Act. Accordingly, this Placement Document must not be acted on or relied on by persons in South Africa who do not fall within section 96(1)(a) of the South African Companies Act (such persons being referred to as "**SA Relevant Persons**"). Any investment or investment activity to which this Placement Document relates is available in South Africa only to SA Relevant Persons and will be engaged in South Africa only with SA relevant persons.

Switzerland

The Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Placement Document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Equity Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Placement Document nor any other offering or marketing material relating to the offering, the Company, the Equity Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Equity Shares will not be supervised by, the Swiss Financial Market Supervisory Authority and the offer of Equity Shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Equity Shares.

United Arab Emirates (excluding the Dubai International Financial Centre)

This document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, "Promotion") of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to "Qualified Investors" (excluding "**High Net Worth Individuals**") (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

Dubai International Financial Centre

This Placement Document relates to an Exempt Offer in accordance with the Markets Rules 2012 of the

Dubai Financial Services Authority ("**DFSA**"). This Placement Document is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this Placement Document. The securities to which this Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Placement Document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

United Kingdom

This Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This Placement Document is directed only at relevant persons. Other persons should not act on this Placement Document or any of its contents. This Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

United States of America

The Equity Shares have not been and will not be registered under the Securities Act, or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, (a) the Equity Shares are being offered and sold in the United States only to persons reasonably believed to be U.S. QIBs in transactions exempt from the registration requirements of the Securities Act, and (b) the Equity Shares are being offered and sold outside the United States only to investors who are not "U.S. persons" as defined in Regulation S in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described in the section "*Transfer Restrictions*" on page 207. Until 40 days after the commencement of the offering of the Equity Shares, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in transactions exempt from the registration requirements of the Securities Act.

Please see the section entitled "*Transfer Restrictions*" on page 207.

TRANSFER RESTRICTIONS

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of the Equity Shares, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of the Equity Shares. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in this Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For details, see "*Selling Restrictions*" on page 197.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to the Issue within the United States, by its acceptance of this Placement Document and of the Equity Shares, will be deemed to have acknowledged, represented and warranted to and agreed with our Company and the Managers that it has received a copy of this Placement Document and such other information as it deems necessary to make an informed investment decision and that:

- the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to the Issue in compliance with all applicable laws and regulations;

- the purchaser acknowledges that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United

- States and accordingly, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

- the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of one or more U.S. QIBs with respect to which it exercises sole investment discretion;

- the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

- the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 under the U.S. Securities Act for resales of any such Equity Shares;

- the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt

- facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt

- facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3)

- under the U.S. Securities Act;

- the purchaser is not acquiring the Equity Shares as a result of any form of "general solicitation" or "general advertising" (within the meaning of Rule 502(c) under the U.S. Securities Act) or any "directed selling efforts" (as that term is defined in Regulation S);

the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

"**THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER**

OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT PURSUANT TO SECTION 4(A)(2) UNDER THE U.S. SECURITIES ACT, (2) TO A PERSON WHO IS NOT A "U.S. PERSON" AS DEFINED IN REGULATION S IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), OR (4) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE U.S. SECURITIES ACT FOR RESALES OF THE ELIGIBLE SECURITIES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE EQUITY SHARES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE ELIGIBLE SECURITIES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK."

- the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

- the purchaser acknowledges that our Company, the Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company and the Managers, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has

- full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in the Issue

Each purchaser that is acquiring the Equity Shares offered pursuant to the Issue outside the United States, by its acceptance of this Placement Document and of the Equity Shares, will be deemed to have acknowledged, represented and warranted to and agreed with our Company and the Managers that it has received a copy of this Placement Document and such other information as it deems necessary to make an informed investment decision and that:

- the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to the Issue in compliance with all applicable laws and regulations;

- the purchaser acknowledges that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

- the purchaser is purchasing the Equity Shares offered pursuant to the Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S;

- the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares, was located outside the United States at the time (i) the offer was made to it and (ii) when the buy order for such Equity Shares was originated, and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United Sates or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

- the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares, is not a "U.S. person" as defined in Regulation S;

- the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

- if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, it will only do so pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, and in each case in accordance with any applicable securities laws of any state of the United States or other applicable jurisdiction;

- the purchaser is not acquiring the Equity Shares as a result of any "directed selling efforts" (within the meaning of Rule 902(c) under the Securities Act);

- the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

- the purchaser acknowledges that our Company, the Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company and the Managers, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Managers or any of their respective affiliates or advisors.

Stock exchanges regulation

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalization and trading activity.

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2018 ("**SECC Regulations**"), which regulate, amongst other things, the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalization requirements for stock exchanges. The SCRA, the SCRR and the SECC Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

SEBI is empowered to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy- backs of securities, employees stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and delisting of securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by the SEBI including the SEBI Listing Regulations. The governing body of each recognised stock exchange is empowered to suspend trading of or withdraw admission to dealings in a listed security for breach of or non compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend such regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognised stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges.

Disclosures under the SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

Minimum level of public shareholding

Pursuant to an amendment to the SCRR in June 2010 and Regulation 38 of the SEBI Listing Regulations, all listed companies are required to maintain a minimum public shareholding of 25.00%. Further, where the public shareholding in a listed company falls below 25% at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. Our Company is in compliance with this minimum public shareholding requirement.

Index-based market-wide circuit breaker system

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index- based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10.00%, 15.00% and 20.00%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20.00% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

BSE is one of the stock exchanges in India on which our Equity Shares are listed. Established in 1875, it is the first stock exchange in India to have obtained permanent recognition in 1956 from the Government of India under the SCRA and has evolved over the years into its present status as one of the largest stock exchange in India. BSE is a listed stock exchange since 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide on-line satellite-linked, screen-based trading facilities to market makers, to provide electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. Deliveries for trades executed "on-market" are exchanged through the National Securities Clearing Corporation Limited. After recognition as a stock exchange under the SCRA in April 1993, the NSE commenced operations in the wholesale debt market segment in June 1994 and operations in the derivatives segment in June 2000.

Internet-based securities trading and services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading hours

Trading on both, NSE and BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). BSE and NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE On-line Trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies are governed by the Takeover Regulations which provide specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provide for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

SEBI Insider Trading Regulations

The SEBI Insider Trading Regulations were notified on January 15, 2015, and came into effect on May 15, 2015, which repealed the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. The Insider Trading Regulations, amongst other things, impose certain restrictions on the communication of information by listed companies. Under the Insider Trading Regulations, subject to certain exceptions (i) no insider shall communicate, provide or allow access to any unpublished price sensitive information relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

Set forth below is certain information relating to the Equity Share capital of our Company, including a brief summary of some of the provisions of the Memorandum and Articles of Association of our Company and the Companies Act relating to the Equity Shares.

General

The authorized share capital of our Company is ₹ 147,780,000,000 comprising 29,555,980,000 Equity Shares of face value of ₹ 5 each and 1,000 Preference Shares of face value of ₹ 100 each.

Articles of Association

Our Company is governed by its Articles of Association.

Description of the Equity Shares

Dividends

Under Indian law, an Indian company pays dividend upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held in each Fiscal Year. The Board may declare and pay interim dividends, which require confirmation of a majority of shareholders at the next AGM. The shareholders have no right to declare dividend at a rate higher than such rate recommended by the Board. Subject to certain conditions laid down by Section 123 of the Companies Act, no dividend can be declared or paid by a company for any Fiscal Year except: (a) out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act; or (b) out of the profits of the company for any previous Fiscal Year arrived at as required to be computed in terms of the Companies Act and remaining undistributed; or (c) out of both; or (d) out of money provided by the Government of India or a State Government for payment of dividend by our Company in pursuance of a guarantee given by that Government.

The Equity Shares issued under this Issue shall rank *pari passu* with the existing Equity Shares in all respects including entitlements to any dividends that may be declared by our Company.

The Companies Act read with the Companies (Declaration and Payment of Dividend) Rules, 2014 provides that if the profit for a year is inadequate or nil, the dividend for that year may be declared out of the accumulated profits earned in previous years and transferred to free reserves, subject to the following conditions: (i) the rate of dividend to be declared shall not exceed the average of the rates at which dividend was declared by the company in the three years immediately preceding that year; (ii) the total amount to be drawn from such accumulated profits from previous years shall not exceed one-tenth of the sum of the paid-up share capital and free reserves as appearing in the latest audited financial statement; (iii) the amount so drawn shall first be utilized to set off the losses incurred in the financial year in which dividend is declared before any dividend in respect of equity shares is declared; (iv) the balance of reserves after withdrawal must not be below 15% of paid-up share capital as appearing in the latest audited financial statement. In accordance with the SEBI Listing Regulations, dividend declared by a company has to be on a per share basis only.

Subject to the provisions of the Companies Act, no shareholder shall be entitled to receive payment of any interest or dividends in respect of his Equity Share(s), whilst any money may be due or owing from him to our Company in respect of such Equity Share(s) either above or jointly with any other person and our Board may deduct from the dividend payable to any such shareholder all sums of money, if any, payable by such shareholder to our Company on account of calls or otherwise in relation to the Equity Shares. Any dividend, interest or other monies in respect of the Equity Shares may be paid in electronic mode or by cheque or warrant to the shareholder or person entitled or in case of joint-holders to the joint-holder first named in the register of members or to such person and to such address as the holder or the joint holders direct in writing to our Company.

The Articles of Association of our Company provide that the profits of our Company, subject to any special rights relating thereto created or authorised to be created by the Articles of Association and subject to the provisions of the Articles of Association, shall be divisible among the Shareholders in proportion to the amount of capital paid up on the share held by them respectively. Provided always that subject as aforesaid any capital paid up on a share during the period in respect of which a dividend is declared shall unless our Board otherwise determine, only entitle the holder of such share to a proportionate amount of such dividend as from the date of payment. Our Company in general meeting may declare a dividend to be paid to our Shareholders according to their respective rights and interests in the profits and may, subject to the provisions of Section 127 of the Act, fix the time for payment. Further, our Board may from time to time declare and pay to the Shareholders such interim dividends as appear to our Board to be justified by the financial position of our Company.

The Articles of Association of our Company provide that where our Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration to any Shareholder entitled to the payment of the dividend, our Company will within 7 days from the date of expiry of the said period of 30 days, open a special account in any scheduled bank called "Unpaid Dividend of Bharti Airtel" and transfer to the said account, the total amount of dividend which remains unpaid.

Our Board has approved and adopted a formal dividend distribution policy in terms of Regulation 43A of the SEBI Listing Regulations, effective from October 25, 2016. For details, see "*Dividend Policy*" on page 99.

Capitalisation

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits our Board, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the securities premium account or the capital redemption reserve account to its shareholders, in the form of fully paid up bonus shares. However, bonus ordinary shares must be distributed to shareholders in proportion to the number of ordinary shares owned by them as recommended by our Board. No issue of bonus shares may be made by capitalizing reserves created by revaluation of assets. Further, any issue of bonus shares would be subject to the SEBI ICDR Regulations and the Companies Act.

The Articles of Association of our Company provide that our Company may, in any general meeting, upon the recommendation of our Board, resolve that any part of the amount standing to the credit of share premium account or capital redemption reserve account or any money, investments or other assets forming part of the undivided profits of our Company (including profits or surplus moneys realised on sale of capital assets of the company) standing to the credit fund or reserve of our Company or in the hands of our Company and available for dividend be capitalised and distributed: (a) by the issue and distribution, among the Shareholders or any of them on the footing that they become entitled thereto as capital in accordance with their respective rights and interests and in proportion to the amount paid or credited as paid thereon of paid up shares, bonds or other obligations of our Company; or (b) by crediting shares of our Company which may have been issued and are not fully paid up, in proportion to the amounts paid or credited as paid thereon respectively, with the whole or any part of the same remaining unpaid thereon.

Pre-Emptive Rights and Alteration of Share Capital

The Companies Act, 2013 and the Articles of Association give the Shareholders the pre-emptive right to subscribe for new shares in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. The offer shall be deemed to include: a right exercisable by the person concerned to renounce the shares offered to him in favour of any person, and the notice shall contain a statement of this right. The board of directors is authorized to distribute any new shares not purchased by the pre-emptive rights holders in a manner which is not disadvantageous to the shareholders and the company.

Under Section 62(1)(c) of the Companies Act, 2013, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our Shareholders in a general meeting.

Our Articles of Association provide that our Company may from time to time, by ordinary resolution:

(a) Increase its share capital by such sum, to be divided into shares of such amount, as the resolution shall specify.

(b) Consolidate and divide all or any of its capital into shares of larger amount than its existing shares.

(c) Sub-divide its shares or any of them, into shares of smaller amount than is fixed by the memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced shares shall be the same as it was in the case of the share from which the reduced share is derived.

(d) Cancel any share, which, at the date of passing of the resolution in that behalf have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of shares so cancelled.

General Meetings

There are two types of general meetings of the shareholders, AGM and EGM.

Our Company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of our Company's issued paid up capital (carrying a right to vote in respect of the relevant matter on the date of receipt of the requisition).

Notices, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to members at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice subject to the Companies Act and the Articles of Association. Unless the Articles of Association provide for a larger number, such number of shareholders shall constitute a quorum for a general meeting of our Company, whether AGM or EGM as specified under the Companies Act. The quorum requirements applicable to shareholder meetings under the Companies Act have to be physically complied with.

In accordance with Section 110 of the Companies Act and the rules made thereunder, a company intending to pass a resolution relating to matters such as, but not limited to, amendment in the objects clause of the Memorandum of Association, the issuing of shares with different voting or dividend rights, a variation of the rights attached to a class of shares or debentures or other securities, buy-back of shares, giving loans or extending guarantees in excess of limits prescribed in Section 186(3) of the Companies Act, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in the company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons therefore and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of dispatch of the notice. The shareholders may exercise their right to vote at general meetings or through postal ballot by voting through electronic voting mechanism.

Voting Rights

Section 108 of the Companies Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended deal with the exercise of right to vote by members by electronic means. In terms of Rule 20 and Regulation 44 of the SEBI Listing Regulations, every listed company (other than a Nidhi company or an enterprise or an institutional investor referred to in the SEBI ICDR Regulations) is required to provide to its members facility to exercise their right to vote at general meetings by electronic means. The Ministry of Corporate Affairs, has clarified that voting by show of hands would not be allowable in cases where Rule 20 is applicable. Subject to any rights or restrictions for the time being attached to any Equity Shares, the Articles of Association of our Company provide that every member present in person shall have one vote on a show of hands, and on poll, the voting rights of the member shall be in proportion to the share held in the paid-up equity share capital of our Company.

Further, our Articles of Association provide that a member may exercise the vote at a meeting by electronic means in accordance with the Companies Act and shall only vote once.

Section 47 of the Companies Act provides that any preference shareholder present at any meeting of our Company, shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares. However, where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.

Transfer of shares

Equity Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to STT (levied on and collected by the stock exchanges on which such equity shares are sold). Our Company has entered into an agreement for such depository services with the NSDL and the CDSL. The SEBI requires that our Company's shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered.

Pursuant to the SEBI Listing Regulations, in the event our Company has not effected the transfer of shares within 15 days from the date of receipt of request for transfer or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares shall be freely transferable subject to applicable laws. The notice of such refusal must be sent to the transferee within one month of the date on which the transfer was lodged with our Company.

Except in case of transmission or transposition of Equity Shares, requests for effecting transfer of Equity Shares shall not be processed unless the Equity Shares are held in dematerialized form with a depository.

According to the Articles of Association of our Company, save as provided in Section 56 of the Companies Act, transfer of an Equity Share shall not be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to our Company together with the certificate or, if no such certificate is in existence, with the letter of allotment of the share and such other evidence as our Board may require to prove the title of transferor and transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register of members of our Company in respect thereof. Further, the provisions of Section 58 of the Companies Act, regarding powers to refuse registration of transfer and appeal against such refusal should be adhered to. Provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to our Company on any account whatsoever except when our Company has a lien on the shares. Transfer of shares / debentures in whatever lot shall not be refused.

According to the Articles of Association of our Company, any committee or guardian of a person of unsound mind or minor or any person becoming entitled to the transfer of a share in consequence of the death or bankruptcy or insolvency of any Shareholder or by any other lawful means, upon producing such evidence that he sustains the character in respect of which he purposes to act or of his title as our Board thinks sufficient, may subject to the right of our Board to decline registration under Articles of Association, elect either: (a) to be registered himself as a holder of the share, or (b) to make such transfer of shares as the deceased or the insolvent Shareholder could have made.

Further, the Articles of Association of our Company provide that:

(a) Nothing contained in Section 56 of the Companies Act or the Articles of Association shall apply to a transfer of securities effected by transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

(b) No person / group of persons shall acquire any shares of our Company which would take his / her / its holding to a level of 5% or more (or any such percentage imposed by the RBI India from time to time) of the total issued capital of our Company unless prior approval of the RBI has been obtained by such person / group of persons.

Liquidation Rights

Subject to the provisions of the Insolvency and Bankruptcy Code, 2016, as amended, Companies Act and rules made thereunder, if the company shall be wound up, the liquidator may, with the sanction of a special resolution of our Company, and any other sanction required by the Companies Act, divide amongst the shareholders in specie or kind, the whole or any part of the assets of our Company, whether they shall consist of property of the same kind or not.

In accordance with the provisions of the Articles of Association of our Company, for the purpose aforesaid, the liquidator may set such values as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the like sanction, vest the whole or any part of such assets trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit but so that no shareholder shall be compelled to accept any shares or other securities whereon there is any liability.

STATEMENT OF POSSIBLE TAX BENEFITS

The Board of Directors
Bharti Airtel Limited
Bharti Crescent, 1, Nelson Mandela Road,
Vasant Kunj, Phase II,
New Delhi 110 070,
India

Dear Sirs,
Sub: Statement of possible Tax Benefits ("the Statement"), as required under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the Regulations"), available in connection with proposed Issue of equity shares of ₹ 5 each (the "Issue" and the "Equity Shares") of Bharti Airtel Limited (the "Company")

We refer to the proposed Issue by the Company. We enclose herewith the Statement showing the current positions of tax benefits available to the Company and the shareholders as per the provisions of Income-tax Act, 1961 as applicable to financial year 2019-20. Several of these benefits are dependent on the Company or the respective shareholders fulfilling the conditions prescribed under the relevant provisions of the applicable statute. Hence, the ability of the Company or the respective shareholders to derive these tax benefits is dependent upon their fulfilling such conditions.

The possible tax benefits discussed in the enclosed annexure are not exhaustive. This Statement is only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor are we advising the investor to invest money based on this Statement.

The benefits discussed in the Statement are only intended to provide the possible tax benefits available to the Company and the respective shareholders in a general and summarised manner and does not purport to be a complete analysis or listing of all the provisions or possible tax consequences of the subscription, purchase, ownership or disposal etc. of shares.

The tax benefits listed herein are only the possible benefits which may be available under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or the respective shareholders fulfilling the conditions prescribed under the relevant tax laws, which based on business imperative it faces in the future, it may or may not choose to fulfil.

We do not express any opinion or provide any assurance as to whether:

(i) The Company or the respective shareholders will continue to obtain these benefits in future;
(ii) The conditions prescribed for availing the benefits have been/would be met with;
(iii) The revenue authorities/courts will concur with the views expressed herein.

The contents of the enclosed statement are based on the representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We hereby give our consent to include enclosed Statement regarding the tax benefits available to the Company and the respective shareholders in the Preliminary Placement Document and Placement Document for the Issue which the Company intends to file with the BSE Limited, the National Stock Exchange of India Limited and any other authorities in connection with the Issue provided that the below statement of limitation is included in the Preliminary Placement Document and Placement Document.

LIMITATIONS

Our views expressed in the Statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the Statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the Issue relying on the Statement.

This Statement has been prepared solely in connection with the Issue under the Regulations as amended and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Nilesh Lahoti
Partner
(Membership No. 130054)

Place: Gurugram
Date: January 8, 2020
UDIN: 20130054AAAABZ9762

Statement of possible Tax Benefits, as required under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the Regulations"), available in connection with proposed Issue of equity shares of ₹ 5 each (the "Issue" and the "Equity Shares") of Bharti Airtel Limited (the "Company")

➢ **STATEMENT OF POSSIBLE DIRECT TAX BENEFITS UNDER THE INCOME TAX ACT, 1961 ('the Act") FOR THE PROPOSED ISSUE OF EQUITY SHARES**

A. Tax benefits available to the Company

I. Special tax benefits available

Deduction in respect of section 35ABA and 35ABB

1. The Company is eligible to claim depreciation under section 35ABA (capital expenditure on spectrum) and 35ABB (capital expenditure of telecom license). These sections allow a deduction in computing the profits and gains of business over the period of spectrum/ license fees.

II. General tax benefits available to the Company

Dividend

2. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. on which Dividend Distribution Tax ("DDT") is paid by the Indian company paying the dividends) received on the shares of an Indian company is exempt from tax. Such dividend is also to be excluded while computing Minimum Alternate Tax ("MAT") liability. The Company may claim such exemption on the dividends received.

3. As per section 115BBD of the Act, the dividend received from a company outside India (i.e. where Indian company holds 26% or more of the equity share capital) is taxable at the rate of 15% plus applicable surcharge and Health and Education Cess ("**cess**") under the Act.

4. As per section 115-O of the Act, tax on distributed profits of an Indian company is chargeable to tax at 15% (plus applicable surcharge and cess). Further, the net distributed profits shall be increased to such amounts as would, after reduction of the tax on such increased amounts at the specified rate, be equal to the net distributed profits.

   As per sub-section (1A) to section 115-O, Indian company paying the dividends will be allowed to set-off the dividend received from its subsidiary company during the financial year against the dividend distributed by it, while computing its DDT liability if:

   a. the dividend is received from its subsidiary in India and such subsidiary has paid the DDT payable on such dividend; or
   b. the dividend is received from a subsidiary outside India and the Company has paid tax payable under section 115BBD.

MAT credit

5. As per section 115JAA(1A) of the Act, credit is allowed in respect of any MAT paid under section 115JB of the Act for any assessment year commencing on or after 1st day of April 2006. Tax credit to be allowed shall be the difference between MAT paid and the tax computed as per the normal provisions of the Act for that assessment year. MAT credit is allowed to be set-off in the subsequent years to the extent of difference between MAT payable and the tax payable as per the normal provisions of the Act for that assessment year. MAT credit shall not be allowed to be carried forward beyond fifteenth assessment year immediately succeeding the assessment year in which tax credit become allowable.

   The benefit of MAT credit shall not be available to the Company, if it opts for the new regime of taxation at concessional rate of tax provided under The Taxation Laws (Amendment) Act, 2019 enacted on 12 December 2019.

B. Tax Benefits available to Shareholders

1. ***Exemption on Dividend Income received from Indian Company***

a. In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) is exempt from tax in the hands of shareholder.

b. As per Section 115BBDA of the Act, if the aggregate of dividend income during the year is in excess of Rs. 1 million, then such excess dividend shall be chargeable to tax at the rate of 10% (plus applicable surcharge and education cess). Provision of section 115BBDA is applicable to all residents except the following category:

- A domestic company, or
- A fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub clause (vi) or sub-clause (via) of section 10(23C) or
- A trust/institution registered under section 12A or section 12AA of the Act.

No deduction in respect of any expenditure or allowance shall be allowed under any provisions of the Act in computing its income by way of dividends referred to in section 115BBDA(1).

c. Section 94(7) of the Act provides that losses arising from the sale/ transfer of shares purchased within a period of three months prior to the record date and sold/ transferred within three months after such date, is disallowed to the extent of dividend income on such shares, claimed as exempt from tax.

d. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to exempt income. Thus, any expense incurred to earn the dividend income may not be allowable as expenditure.

2. ***For shareholders who are Foreign Institutional Investors/ Portfolio Investors (FII/FPIs)***

Tax on Long Term Capital Gains ("LTCG") and Short Term Capital Gains ("STCG")

a. Section 2(14) of Act defining capital asset, specifically includes any securities held by an FII which has invested in such securities in accordance with the SEBI Regulations.

b. In accordance with and subject to the provisions of section 115AD of the Act, LTCG on transfer of shares by FIIs/FPIs are taxable at 10% (plus applicable surcharge and cess). In case of LTCG arising on long term capital assets referred to in section 112A i.e. transfer of listed shares subject to securities transaction tax, the gains are chargeable to tax at 10% (plus applicable surcharge and cess) on income exceeding one lakh rupees. The benefit of cost indexation and foreign currency fluctuations is not available to FIIs/FPIs.

c. In accordance with and subject to the provisions of section 115AD of the Act, STCG on transfer of shares by FIIs/FPIs are taxable at 30% (plus applicable surcharge and cess). However, STCG arising on transfer of listed shares are chargeable to tax at the rate of 15% (plus applicable surcharge and cess) if such transaction is chargeable to securities transaction tax under section 111A.

d. Under section 196D (2) of the Act, no deduction of tax at source will be made in respect of income by way of capital gains arising to FIIs/FPIs from the transfer of securities referred in section 115AD.

e. The provision of the Agreement for Avoidance of Double Taxation entered by the Government of India with the country of residence of the non-resident shareholder will be applicable to the extent more beneficial to the non-resident investor.

   Accordingly, taxability of capital gains in India in the hands of FIIs/FPIs shall be governed by the provisions of the relevant tax treaty subject to fulfilment of the conditions provided under the Act or the applicable tax treaty. Under the Act, tax treaty benefit is available subject to conditions which interalia include furnishing of the Tax Residency Certificate issued by the government of that country of which the non-resident shareholder may be a resident and a self-declaration in form 10F, if required to be furnished.

f. The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPIs) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of section 115AD of the Act.

g. The rate of surcharge on income tax applicable for FIIs/FPIs is as under:

S. No	Taxable Income (in Rs.)	Surcharge %
1	<Rs. 5 million	0
2	> Rs. 5 million upto Rs. 10 million (including capital gains on all securities)	10%
3	>Rs. 10 million upto Rs. 20 million (including capital gains on all securities)	15%
4	>Rs. 20 million upto Rs. 50 million (excluding capital gains on all securities)	25%
5	>Rs. 50 million (excluding capital gains on all securities)	37%
6	> 20 million (including capital gains on all securities) but is not covered under 4 and 5 above. Provided surcharge not to exceed 15% on such capital gains included in such total income	15%

3. For shareholders who are Mutual Funds

Under section 10(23D) of the Act, exemption is available in respect of income (including capital gains arising on transfer of shares of the company) of a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992 or such other Mutual fund set up by a public sector bank or a public financial institution or authorized by the Reserve Bank of India and subject to the conditions as the Central Government may specify by notification.

Further, as per the provisions of section 196 of the Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under section 10(23D) of the Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

Mutual Funds are required to pay tax on distributed income to unit holders as per the provisions of Section 115R of the Act.

4. For shareholders who are Venture Capital Companies/Funds

In terms of section 10(23FB) of the Act, income of:

- Venture Capital company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992; and
- Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992, from investment in a Venture Capital Undertaking, is exempt from income tax,

As per section 115U of the Act, any income accruing or arising to or received by a person from his investment in venture capital funds is taxable in his hands in the same manner as if it were the income accruing/ arising/ received by such person had he directly made the investments.

5. For shareholders who are Investment Funds

a. Under section 10(23FBA) of the Act, any income except for income under the head "Profits and Gains of Business/ Profession" of Investment Funds, registered as category-I or category-II Alternative Investment Fund under the Securities and Exchange Board of India (Alternate Investment Fund) regulations, 2012 is exempt from income tax, subject to conditions specified therein.

b. As per Section 115UB(1) of the Act, any income accruing/arising/received by a person from his investment in the Investment Fund is taxable in the hands of such person in the same manner as if it were the income accruing/arising/received by such person had the investments been made directly by him.

c. Under section 115UB (4), the total income of an Investment Fund is charged at the rate or rates as specified in the Finance Act of the relevant year where the Investment Fund is a company or a firm and at maximum marginal rate in any other case.

d. Further, as per Section 115UB (6) of the Act, the income accruing or arising to or received by the Investment Fund if not paid or credited to a person (who has made investments in an Investment Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

e. Taxation of income of AIF Category III and its investors are governed by the other / normal provisions of the Act.

f. Investment Funds have withholding tax obligation under section 194LBB while making distribution to unit holders at the rate of 10% where the payee is resident and at the rates in force where payee is non-resident.

Notes

1. The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
2. The above statement covers only certain relevant benefits under the Act and does not cover benefits under any other law.
3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2020-21 (considering the amendments made by Finance (No. 2) Act, 2019 and Taxation Law (Amendment) Act, 2019).
4. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty and applicable domestic law.

   Several of the above tax benefits are dependent on the security holders fulfilling the conditions prescribed under the relevant tax laws and subject to General Anti Avoidance Rules covered under Chapter X-A of the Act.

TAXATION

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of the Equity Shares by a U.S. Holder (as defined below). This summary deals only with initial purchasers of Equity Shares that are U.S. Holders and that will hold the Equity Shares as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Equity Shares by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address state, local, non-U.S. or other tax laws. This summary also does not address tax considerations applicable to investors that own (directly, indirectly or by attribution) 5% or more of the shares of the Company by vote or value, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Equity Shares as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, U.S. Holders that are required to take certain amounts into income no later than the time such amounts are reflected on an applicable financial statement, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Equity Shares in connection with a trade or business conducted outside of the United States, U.S. citizens or lawful permanent residents living abroad or investors whose functional currency is not the U.S. dollar).

As used herein, the term "**U.S. Holder**" means a beneficial owner of Equity Shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Equity Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax advisers concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Equity Shares by the partnership.

Except as otherwise notes, the summary assumes that the Company is not a passive foreign investment company (a "**PFIC**") for U.S. federal income tax purposes. However, the Company's possible status as a PFIC must be determined annually and therefore may be subject to change. If the Company is a PFIC in any taxable year during which a U.S. Holder holds the Equity Shares, materially adverse consequences could result for such U.S. Holder.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, as well as on the income tax treaty between the United States and India (the "**Treaty**"), all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING EQUITY SHARES, INCLUDING THEIR ELIGIBILITY FOR THE BENEFITS OF THE TREATY, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Dividends

Subject to the PFIC rules discussed below, distributions paid by the Issuer out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes), before reduction for any Indian withholding tax paid with respect thereto, will generally be taxable to a U.S. Holder as dividend income and will not be eligible for the dividends received deduction allowed to corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Shares and thereafter as capital gain. However, the Issuer does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution by the Issuer with respect to Shares will be reported as ordinary dividend income. U.S. Holders should consult their own tax advisers with respect to the appropriate U.S. federal income tax treatment of any distribution received from the Issuer.

Dividends paid by the Issuer generally will be taxable to a non-corporate U.S. Holder at the reduced rate normally applicable to long-term capital gains, provided the Issuer qualifies for the benefits of the Treaty and certain other requirements are met. A U.S. Holder will not be able to claim the reduced rate on dividends received from the Issuer if the Issuer is treated as a PFIC in the taxable year in which the dividends are received or in the preceding taxable year. See "—Passive Foreign Investment Company Considerations" below.

Dividends paid in Rupees will be included in income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the dividends are received, regardless of whether the Rupees are converted into U.S. dollars at that time. If dividends received in Rupees are converted into U.S. dollars on the day they are received, the U.S. Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

Subject to generally applicable limitations, a U.S. Holder may claim a deduction or a foreign tax credit only for Indian tax withheld at the appropriate rate. Dividends paid by the Issuer will generally constitute foreign source income in the "passive category income" basket for foreign tax credit purposes. The rules regarding foreign tax credits are complex. Prospective purchasers should consult their tax advisers as to the availability of, and limitations on, any foreign tax credit attributable to the payment of any Indian tax.

Sale or Other Taxable Disposition

Subject to the PFIC rules discussed below, upon a sale or other taxable disposition of Shares, a U.S. Holder generally will recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount realised on the sale or other disposition and the U.S. Holder's adjusted tax basis in the Shares, in each case as determined in U.S. dollars. This capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the Shares exceeds one year. Non-corporate U.S. Holders are subject to tax on long-term capital gain at reduced rates. The deductibility of capital losses is subject to limitations. U.S. Holders should consult their own tax advisers about how to account for proceeds received on the sale or other taxable disposition of the Shares that are not paid in U.S. dollars, including potential recognition of foreign currency gain or loss.

Because gains on a sale or other taxable disposition of the Shares generally will be treated as U.S. source, the use of U.S. foreign tax credits relating to any Indian income tax imposed upon gains in respect of the Shares may be limited. Prospective purchasers should consult their tax advisers as to the foreign tax credit implications of the sale or other taxable disposition of the Shares.

Passive Foreign Investment Company Considerations

A non-U.S. corporation will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules," either (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. The Company does not believe that it was a PFIC in its most recent taxable year and does not expect to become a PFIC in the current taxable year or in the foreseeable future, but the Company's possible status as a PFIC must be determined annually and therefore may be subject to change.

If the Company were a PFIC in any taxable year during which a U.S. Holder holds Equity Shares, such U.S. Holder would be required to (i) pay a special U.S. addition to tax on certain distributions and gains on the sale or other disposition of the Equity Shares, (ii) pay tax on any gain from the sale or other disposition of the Equity Shares at ordinary income (rather than capital gains) rates in addition to paying the special addition to tax on this gain and (iii) comply with additional reporting obligations. Additionally, dividends paid by the Company would not be eligible for the special reduced rate of tax described above under "Dividends".

If the Company were a PFIC for any taxable year during which a U.S. Holder holds Equity Shares, such U.S. Holder may be eligible to make elections that may mitigate the adverse tax treatment discussed above. Prospective purchasers should consult their tax advisers regarding the potential application of the PFIC regime.

Backup Withholding and Information Reporting

Payments of dividends on the Equity Shares and proceeds of a sale or other taxable disposition of Equity Shares by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers about these rules and any other reporting obligations that may apply to the ownership or disposition of the Equity Shares, including requirements related to the holding of certain foreign financial assets.

LEGAL PROCEEDINGS

Our Company and our Subsidiaries are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are initiated by us and also by customers, distributors and other parties.

In this regard, please note the following:

1. *This section discloses outstanding legal proceedings considered material in accordance with our Company's "Policy for Determination of Materiality of any Event/Information" framed in accordance with Regulation 30 of the SEBI LODR Regulations. Additionally, our Company has, in accordance with the resolution passed by our Special Committee of Directors for Fund Raising, solely for the purpose of this Issue on January 8, 2020, also disclosed in this section: (i) outstanding matters which involve issues of moral turpitude or criminal liability on the part of our Company and/or our Subsidiaries; (ii) outstanding matters alleging material statutory and regulatory violations by our Company and/or our Subsidiaries; (iii) outstanding matters in the nature of economic offences where proceedings have been initiated against our Company and/or our Subsidiaries; (iv) any other outstanding litigation including civil cases, consumer cases and taxation matters, involving our Company and/or our Subsidiaries, which involve an amount equivalent to or above ₹ 7,500 million; and (v) any other outstanding matters, which if result in an adverse outcome would materially and adversely affect our operations or financial position.*

2. *Further, except as disclosed in this section: (i) there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoter during the last three years preceding the year of issue of this Placement Document and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there have been no inquiries, inspections or investigations initiated or conducted against our Company and/ or our Subsidiaries under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of issue of this Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company or our Subsidiaries; (iii) as on the date of this Placement Document, our Company has no outstanding defaults in repayment of statutory dues, dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution, (except where there is dispute under litigation); (iv) as on the date of this Placement Document, our Company has not made any default in annual filings of our Company under the Companies Act, 2013; (v) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; (vi) there have been no acts of material frauds committed against our Company in the last three years preceding the year of the issue of this Placement Document; and (vii) there are no reservations, qualifications, matters of emphasis or adverse remarks of our auditors in their respective reports on our audited consolidated and standalone financial statements for the last five Fiscals preceding the date of this Placement Document.*

In addition to the cases set out below, our Company and/or our Subsidiaries, from time to time, have been and continue to be involved in legal proceedings, arising in the ordinary course of their respective businesses.

All terms defined herein in a particular litigation disclosure pertain to that litigation only.

Litigation involving our Company

Proceedings involving material statutory and regulatory violations by our Company

1. The Government published its approval of TRAI's recommendation on "Spectrum Management and Licensing Framework" in relation to spectrum pricing on November 8, 2012. Subsequently, the DoT passed an order dated December 28, 2012 levying a one-time spectrum charge on incumbent telecom operators, in accordance with the rates provided for in the schedule of the decision dated December 28, 2012 on entities holding GSM spectrum beyond 6.2 MHz for the period from July 1, 2008 to December 31, 2012. Additionally, a one-time charge for holding spectrum beyond 4.4 MHz prospectively from January 1, 2013 until expiry of license was levied upon existing operators in accordance with the rates

provided in the schedule of the decision dated December 28, 2012. Thereafter, on January 8, 2013, the DoT issued a demand notice raising a demand of ₹ 52,012 million against our Company and Bharti Hexacom as one-time spectrum charges, out of which, ₹ 17,580.70 million was required to be paid within 21 days from the date of issue of such demand notice. Our Company and Bharti Hexacom challenged the demand notice by filing a writ petition before the Bombay High Court, which by its order dated January 28, 2013 has stayed the enforcement of the impugned demand and directed the DoT not to adopt any coercive action for recovery until the final outcome of the matter. The matter is currently pending for final hearing.

The DoT revised its demand of one-time spectrum charge to ₹ 84,140 million through its letter dated June 27, 2018. Our Company and Bharti Hexacom submitted a response against the said demand on August 29, 2018 requesting the DoT to withdraw the revised demand order and await the final outcome of the matter pending before the Bombay High Court.

On August 19, 2019, our Company filed an affidavit before the Bombay High Court seeking clarification that the revised demand, being a mere re-calculation of the earlier demand and issued in furtherance to the impugned decisions, is covered by scope of the interim order passed by Bombay High Court on January 28, 2013, wherein the Bombay High Court through order dated October 4, 2019 has: (i) recorded that the DoT has placed on record a copy of the letter dated September 30, 2019 stating that revised demand is subject to the decision of the Bombay High Court; and (ii) accepted the statement from the Union of India that no coercive steps are contemplated pursuant to aforesaid revised demand.

Transfer petitions by DoT: The DoT had filed transfer petitions twice (one each in 2015 and 2019) before the Supreme Court praying for transfer of one-time spectrum charge matters pending before the Bombay High Court to the Supreme Court, which were dismissed by the Supreme Court through orders dated February 2, 2015 and September 27, 2019, respectively.

2. The DoT, through its order dated February 25, 2010, revised the 2G spectrum charges applicable on telecom service providers with effect from April 1, 2010. Our Company and Bharti Hexacom challenged the DoT order dated February 25, 2010 before the TDSAT. In its order dated September 1, 2010, the TDSAT ruled in favor of the DoT upholding its aforesaid order. Our Company and Bharti Hexacom challenged the decision of the TDSAT before the Supreme Court. The Supreme Court, in its order dated October 22, 2010, stayed the operation of the aforesaid order of the DoT, imposing the following conditions: (i) our Company and Bharti Hexacom to deposit 50% of the disputed outstanding principal amount of the spectrum charges payable net of interest in its registry within a period of two weeks; (ii) the balance 50% of the disputed outstanding amount net of interest be secured by way of bank guarantee of a nationalized bank to be provided within a period of two weeks; and (iii) the managing director of our Company and Bharti Hexacom to give an affidavit to the effect that, in the event the appeal before the Supreme Court is dismissed; our Company and Bharti Hexacom would pay the balance amount with interest at the rate which may be fixed by the Supreme Court at the appropriate stage. The Supreme Court also stated that in case of a breach of the aforementioned conditions, the impugned DoT order will come into force with immediate effect. All the conditions as stated herein above have been fulfilled and the stay has been maintained. The matter is currently pending before the Supreme Court and will be listed in due course for hearing.

3. Our Company's license to maintain and operate cellular services in the telecom circle of Punjab was terminated on July 15, 1999 by the DoT on account of alleged non-payment of license fee and dues, for the period April 18, 1996 to March 10, 1998 ("**Black-out Period**"), including interest and penalty accrued due to such alleged delay. Our Company deposited the entire license fee, interest and penalty amount of approximately ₹ 4,855.80 million on account of an understanding between the parties that in case the outcome of the dispute was in favour of our Company, the entire amount shall be refunded back with interest. On accepting such condition, the DoT offered the migration package to our Company for restoration of license on September 27, 2001, and along with our Company referred this case to arbitration in 2001. The arbitrator passed an order dated December 20, 2002 rejecting the claim of our Company for refund of license fee and interest for the Black-Out Period aggregating to ₹ 3,992.90 million (after adjusting the balance amount in a separate matter). Our Company challenged the award of the arbitrator before the Delhi High Court which set aside the award on merit through its judgment dated September 14, 2012. However, the Delhi High Court did not grant consequential relief of refund of such amount and observed that our Company was entitled to take appropriate legal

recourse under law for the recovery of such amounts. A letter for recovery of the claim (including interest until September 14, 2012) has been filed with the DoT on November 6, 2012 and in case of failure to refund for adjustment with the future license fee payments made by our Company to the DoT. The DoT had replied through a letter dated December 26, 2012, to not adjust any dues arising out of any court order from the license fee.

The DoT filed an appeal against the order dated September 14, 2012 on February 8, 2013 before the Division Bench of the Delhi High Court. Our Company filed a writ petition before the Delhi High Court seeking refund of the amount with interest up to the date of payment made. The Delhi High Court through its judgment dated May 11, 2016 dismissed the writ petition filed by our Company for the refund of the license fee paid for the 'Black-Out Period'. Our Company filed an appeal against the judgment dated May 11, 2016 before the Division Bench of the Delhi High Court praying to set-aside the judgment dated May 11, 2016 of the Single Bench of the Delhi High Court to the limited extent and to allow the said writ petition filed in the Delhi High Court in 2013. Both the appeals, filed by our Company and the DoT, respectively have been tagged together and are pending for final hearing.

4. The DoT issued various demand notices to our Company and Bharti Hexacom for alleged violation of electromagnetic fields ("**EMF**") radiation norms which, *inter alia*, included non-compliance or delay in submission of self-certificates, missing signage, self-certificate not provided in the format prescribed by telecommunication engineering centre and measurement of EMF radiation in base transmission stations. These demand notices have been challenged by our Company and Bharti Hexacom before the TDSAT which has granted interim stay in these matters. In one of the matters, the TDSAT through judgment dated July 30, 2019 has set aside the demand raised by the DoT and imposed costs of ₹ 0.1 million on the DoT. The other matters are currently pending.

5. The port charges payable by private operators, including by our Company to BSNL were modified by Telecommunication Interconnect (Port Charges) Amendment Regulations, 2007 ("**Port Charges Regulations**"). The Port Charges Regulations were challenged by BSNL before the TDSAT. The TDSAT through order dated May 28, 2010 set aside the Port Charges Regulations and directed the TRAI to look into port charges as afresh. Thereafter, the TRAI filed an appeal before the Supreme Court, which passed an interim order dated December 15, 2010, wherein it held that in respect of each additional port, the private operators have to provide a bank guarantee on the difference between the rate applicable between the 2001 and 2007 per port. The matter is pending before the Supreme Court on the point of jurisdiction.

The TRAI issued Telecommunication Interconnection (Port Charges) (Second Amendment) Regulations, 2012 to be effective from October 1, 2012. The said regulations were challenged before the Delhi High Court by way of a writ petition. The Delhi High Court passed an interim order dated February 28, 2014 directing that BSNL shall raise bills as per the Telecommunications Interconnection (Port Charges) (Second Amendment) Regulation, 2012. For the existing ports, our Company, Bharti Hexacom and Telenor gave an undertaking that in case the Delhi High Court decides in favour of BSNL, our Company, Bharti Hexacom and Telenor shall pay the differential amount to BSNL along with the stipulated interest of 9% per annum. The matter is to be listed for final hearing.

6. Our Company has challenged the demand penalties imposed by local Telecom Enforcement Resource Monitoring cells, through 20 petitions against the Union of India for the alleged violations of subscriber verification guidelines which, *inter alia*, included alleged (i) discrepancies in entries pertaining to points of sale; (ii) sale of pre-activated SIM cards; (iii) forgery of documents; and (iv) bulk connections under same name. These matters are currently pending before various fora including the TDSAT, various High Courts and the Supreme Court, where interim stays have been granted in favour of our Company. The total amount of demand of penalties across various circles is approximately ₹ 1,565.75 million.

Further, Bharti Hexacom has challenged the demand penalties imposed by local Telecom Enforcement Resource Monitoring cells, through 13 petitions against the Union of India for the alleged violations of subscriber verification guidelines which, *inter alia*, included alleged (i) discrepancies in entries pertaining to points of sale or subscriber database; (ii) forgery of supporting proof of identity and address on customer acquisition forms ("**CAF**"); (iii) violation of terms and conditions of license agreement and instructions issued by licensor; (iv) issuance of SIM cards on the basis of certificates issued by non-existing entities; and (v) sale of pre-activated SIM cards. These matters are currently pending before the TDSAT where interim stays have been granted in favour of Bharti Hexacom. The total amount of demand of penalties across various circles is approximately ₹ 541.04 million.

7. The DoT through its order dated August 12, 2016 ("**SUC Office Order**"), *inter alia*, prescribed Spectrum Usage Charges ("**SUC**") to be calculated at a rate based on weighted average for the spectrum held by telecom service providers across all access spectrum bands, including the Broadband Wireless Access ("**BWA**") spectrum in 2300 MHz/2500 MHz band acquired during the 2010 auction, subject to minimum of 3% of AGR excluding revenue from wireline services. In terms of clause (iii) of the SUC Office Order, the SUC payable by the telecom service providers during Fiscal 2016 at the weighted average rate derived after taking into consideration the spectrum acquired through auctions in pursuance of Notice Inviting Application No. 1000/06/2016-WF and excluding the spectrum in 2300 MHz / 2500 MHz band acquired/allocated prior to Fiscal 2016, would be treated as the floor amount of SUC to be paid by the telecom service providers. Further, as per the SUC Office Order, in case there is reduction in AGR of the service provider, the floor amount of SUC will be reduced proportionately.

The amount of SUC payable by the operator to the DoT excluded the spectrum in 2300 MHz/2500 MHz acquired or allocated prior to Fiscal 2016 while calculating the floor amount of SUC to be paid by the operators. Our Company challenged the clause (iii) of the SUC Office Order where BWA spectrum is excluded, before the TDSAT through telecommunications petition dated February 13, 2017 and sought (i) setting aside and quashing of the aforesaid clause; and (ii) passing an ad-interim order staying the operation of the aforesaid clause. The TDSAT through interim order dated March 21, 2017, *inter alia*, stayed the operation of the aforesaid clause. This matter is currently pending.

8. The DoT issued a ₹ 500 million penalty notice on November 11, 2011 in relation to violation of terms and conditions of International Long Distance ("**ILD**") service license by providing ILD services to a non-licensed entity SingTel by entering into agreement dated December 20, 2017. Our Company challenged the penalty notice before the TDSAT and the TDSAT quashed the penalty notice. The DoT, however, was granted liberty to proceed afresh. The DoT constituted a committee to grant hearing to our Company albeit without issuing any fresh show cause notice. This committee granted the hearing to our Company. Our Company filed a written submission dated December 29, 2014 requesting the DoT to withdraw all the proceedings since the earlier show cause notice served was quashed by the TDSAT (and as such there was no existing show cause notice that survived).

In February, 2013, the DoT also filed a criminal complaint with the CBI alleging that an estimated loss of ₹ 482.29 million had been caused to the exchequer on account of raising of bills on Indian customers without obtaining the requisite ILD license from the DoT. The CBI, after investigations, filed a closure report stating that no offence under the IPC has taken place. The closure report is under consideration by the jurisdictional court and is currently pending.

With reference to the TDSAT judgment dated September 28, 2012 the DoT issued a fresh show cause notice dated July 21, 2015 alleging violation of the terms and conditions of ILD license. Our Company submitted its response to the DoT on August 28, 2015 submitting, *inter alia*, that the fresh notice was also based on the similar ground, falls foul of the judgment of the TDSAT dated September 28, 2012 and should be withdrawn. The DoT, however, did not withdraw the notice and issued a notice for oral hearing. Our Company challenged the show cause notice before the TDSAT. The TDSAT through its order dated August 8, 2017 permitted the DoT to proceed with oral hearing subject to the condition that no order will be passed. Accordingly, our Company appeared before the DoT's committee and was heard on the show cause notice on August 10, 2017. Pursuant to said hearing, a written representation was also made to the DoT on August 31, 2017. In the meanwhile, the TDSAT dismissed the petition on August 22, 2017 without going into the merits and granted liberty to our Company to challenge the final order of the DoT. The DoT, through order dated November 14, 2018, imposed penalty of ₹ 500 million on our Company and issued a demand for the alleged violation of the license. Our Company challenged the order of the DoT before the TDSAT by filing a petition under Sections 14 and 14A of the TRAI Act on November 27, 2018 with letter of urgency for urgent listing on November 29, 2018. The TDSAT, through its interim order dated November 29, 2018 stayed the demand notice. The DoT issued a fresh demand notice dated March 8, 2019 alleging that it is in continuation of the earlier demand dated November 14, 2018. The notice has been challenged by our Company before the TDSAT. The TDSAT through order dated March 15, 2019 stayed the fresh demand dated March 8, 2019 issued by the DoT. The matter is pending before the TDSAT.

9. The DoT through circular dated June 29, 2012 imposed annual license fee on internet service providers and amended the definition of AGR in the ISP-IT license agreements to provisionally include all types of revenue from internet services for payment of license fee. The said circular of the DoT was challenged before the TDSAT in the matter titled Internet Service Providers Association of India and others vs. Union of India and another (Petition No. 429 of 2012) ("**ISPAI Matter**") and paragraph 2 of the said circular was set aside by the TDSAT through its judgment dated October 12, 2012 thereby disallowing the Government from levying license fee on pure internet service revenues. Thereafter, the DoT issued the 'Guidelines for Grant of Unified License' dated August 19, 2013 and an amendment dated December 8, 2013 by which it permitted the existing ISP license holders to continue with their existing licenses without migration to new UL regime, but mandated migration of the licenses which are due for renewal to the UL regime. As our Company's ISP license was nearing its expiry, our Company applied for the UL, which was duly granted by the DoT. The TDSAT through its interim order dated March 25, 2014 ordered that if the petitioner files an undertaking by March 27, 2014 that in case the petition fails, it would pay the full amount demanded by the DoT along with the interest as may be directed by the TDSAT, the petitioner's license will be provisionally extended until the disposal of the petition and therefore, such petitioners were protected against the arbitrary and unlawful demand of the DoT of adding revenue earned from pure internet services in the AGR. However, our Company was not a party to this petition. The license agreement for UL was signed by our Company on October 16, 2014 with ISP Category 'A' Authorization which was effective from March 3, 2014. However, the UL regime also mandated the payment of license fee on pure internet services. This was challenged, *inter alia*, by CJ Online Private Limited, along with our Company ("**Petitioners**"), before the TDSAT, alleging that the Government created a distinction between the existing ISP licensees and the licenses that came up for renewal forcing upon the latter category to pay license fee on pure internet services thereby discriminating amongst them, and that it is leading to non-level playing field between two set of ISP operators providing same services.

The TDSAT through its order dated October 13, 2015 stayed the demand for license fees on pure internet services, subject to submission of undertaking within fifteen days that in case the petition fails, the Petitioners would pay the full amount demanded by the DoT along with interest as may be directed by the TDSAT. Our Company submitted such undertaking dated October 16, 2015. The matter is currently pending.

10. The terms of the licenses granted to telecom operators for maintaining and operating the cellular mobile services in 1994 required the operators to pay license fees and spectrum charges. However, such licenses did not contain any clause whereby the licensor was entitled to enhance the royalty/license fee *inter alia* for microwave spectrum. The DoT through letter dated July 20, 1995 fixed royalty rates both for GSM cellular mobile telephone service and for microwave links. By another letter of the same date the rates of license fee were also levied. Cellular Operators Association of India ("**COAI**"), an industry association of telecommunications service providers of which our Company is also a member, filed a petition before the TDSAT on February 24, 2001 questioning the legality thereof. The DoT through its order dated September 22, 2001 made an offer to the licensees to accept royalty charges and withdraw the aforesaid petition pending before the TDSAT which the COAI agreed to and withdrew the said petition. In continuation of the order dated September 22, 2001, the DOT through their order dated April 18, 2002 introduced the frequency based micro wave access and backbone rates.

Further, the DoT had enhanced the micro wave charges by introducing the slab-wise rates based on the number of carriers in circulars dated November 3, 2006 and November 10, 2008 (earlier it was based on the allocated frequency). The COAI challenged the aforesaid DoT circulars in the TDSAT by filing the petition dated May 28, 2007. The TDSAT through its order dated July 12, 2007 refused to pass any interim order and listed the matter for final hearing while allowing COAI to adjust the excess payments made in case the matter was decided in their favour. The TDSAT through its order dated April 22, 2010 set aside the DoT circulars dated November 3, 2006 and November 10, 2008 and the petition was allowed. Thereafter the DoT challenged the order of the TDSAT through a special leave petition filed before the Supreme Court, which is currently pending.

11. *AGR matters*: The Government introduced a new package with effect from August 1, 1999, being the 'Migration Package' pursuant to the 'New Telecom Policy 1999' regime which required the licensees to migrate from fixed license fee to revenue sharing fee, under which the licensee would be required to pay one-time entry fee and license fee as a percentage share of gross revenue under the license.

However, disputes arose in relation to the constituent of the revenue (*i.e.* Gross Revenue and AGR) and, *inter alia*, pertaining to:

- Inclusion of non-telecom revenue (such as interest, dividend, profit on sale of assets, IP1, etc.);
- Inclusion of items which are either not revenue primarily (such as insurance claim, forex gain, etc.) or are not revenue for our Company (such as principal to principal issue);
- Exclusion of items which reduces the revenue (such as bad debts, goodwill waiver, etc.); and
- Allowable deduction of pass through on paid basis (even though revenue is to be considered on accrual).

The definition of AGR was challenged by our Company along with certain other telecommunication service providers and the COAI before the TDSAT. The TDSAT through orders dated July 7, 2006 and August 30, 2007 ("**Orders**") held that the license fee would be payable only on the revenues arising out of 'licensed activities' and not revenue arising out of activities outside the license. Thereafter, the DoT filed an appeal before the Supreme Court which by an order dated October 11, 2011 ("**AUSPI judgment**"), set aside the Orders and held that the TDSAT had no power to get into the validity of the definition and remitted the matter back to the TDSAT to decide by interpreting the terms and conditions of the license agreement and disputes relating to demands raised by the DoT. Subsequently, our Company filed a writ petition before the Kerala High Court and Bharti Hexacom before the Tripura High Court, challenging the validity of the inclusion of the non telecom heads for the purposes of calculating the AGR and was granted favorable stays by the respective High Courts.

Simultaneously, in the matter remanded to the TDSAT by the Supreme Court for interpreting the terms and conditions of the license agreement, the TDSAT through judgment dated April 23, 2015, adjudicated the matters by interpreting the terms and conditions of license. Per the order the definition of 'Revenue' as provided in Accounting Standard AS-9 issued by the Institute of Chartered Accountant of India, is not in conflict with Clauses 19.1 and 19.2 of the license agreement defining gross revenue and adjusted gross revenue. The TDSAT also enunciated certain principles which need to be applied for inclusion and exclusion of any items to revenue for the purpose of license fees. Accordingly, the TDSAT set aside all demands for fresh computation in light of the findings, observations and directions made in the judgment of the TDSAT. While the DoT challenged the TDSAT's judgment before the Supreme Court, our Company filed an appeal dated July 21, 2015 on limited grounds (challenging specific heads of revenue on the grounds that principles of AS 9 have not been applied uniformly). Telenor filed an application in March, 2016 to be impleaded as a necessary party in this appeal before the Supreme Court. The Supreme Court granted liberty to the DoT to file its response to the application filed by Telenor. The Supreme Court through its interim order dated February 29, 2016 allowed the DoT to raise the demand as per their understanding with the condition that the demands raised will not be enforced until the final decision of the matters pending before the Supreme Court. Subsequently, the DoT continued to raise demands.

The Supreme Court heard the matter and through its judgment and order dated October 24, 2019, (i) allowed the appeal filed by the DoT and dismissed the appeals filed by the telecom service providers; and (ii) directed the payments of the amounts due within three months' time to pay the applicable dues and report compliance. Our Company and Bharti Hexacom have filed review petitions before the Supreme Court, *inter alia*, seeking recall and review of the judgment dated October 24, 2019 and the levy of interest, penalty and interest on penalty on us.

High Court of Tripura

Pursuant to the AUSPI judgment, Bharti Hexacom through a writ petition challenged the validity of the definition of the AGR in license agreement before the Single Judge of the Tripura High Court. The Single Judge through judgment dated May 16, 2017 held that the Clauses 19.1 (Gross Revenue) and 19.2 (Adjusted Gross Revenue) of the license agreement are *ultra vires* Section 4 of the Telegraph Act and set aside the demands imposed on Bharti Hexacom by the DoT. Further, the DoT has been directed to levy license fee from Fiscal 2006 as per the recommendations of the TRAI made in September 2006. Aggrieved by the judgment passed by the Single Judge of the Tripura High Court, the DoT filed an appeal before the Division Bench of the Tripura High Court, which was admitted through order dated November 27, 2018. The Division Bench stayed the operation of judgment dated May 16, 2017, subject to the condition that no coercive action will be taken by the DoT including for the recovery of the amount on the basis of demand notice. The matter is currently pending.

High Court of Kerala

The Single Judge of Kerala High Court, on March 28, 2018, dismissed the writ petition filed by our Company. The Single Judge held that the license was not a statutory contract and the terms and conditions of an agreement could not be questioned on the basis that the same are arbitrary in violation of Article 14 of the Constitution of India as doctrine of fairness cannot be used for judging the contractual terms. The Single Judge further held that there was no law that prevented the state from making a bargain in a commercial contract. Accordingly, the Single Judge dismissed the batch writ petition. While dismissing the writ petition, the Single Judge directed the Government not to take any coercive steps for a period of one month or until the filing of appeal, whichever is earlier. Aggrieved by the judgment passed by the Single Judge of the Kerala High Court, our Company filed an appeal before the Division Bench of the Kerala High Court. The Division Bench of the Kerala High Court through its order dated May 29, 2018 granted interim stay of the judgment appealed against and further allowed our Company to continue making payment as was being done throughout the period of license with respect to the telecom activities. The matter is currently pending.

Telenor along with another party filed petitions before the TDSAT on July 5, 2017 challenging the validity of the demand of license fee raised by the DoT for Fiscals 2007-08 to 2013-14, claiming that the demand was levied, computed and raised wrongfully and prayed that such demand be quashed. The TDSAT through order dated July 10, 2017 stayed the demand raised by the DoT. Subsequently, the DoT filed its reply before the TDSAT in August, 2017. Telenor filed a rejoinder to the reply of the DoT on December 7, 2017. Further, Telenor along with another party filed another petition before the TDSAT in December, 2017 challenging the validity of the demand of SUC raised by the DoT, claiming that the demand was levied, computed and raised wrongfully and prayed that such demand be quashed. The TDSAT through order dated December 14, 2017 stayed the demand. The matters are currently pending.

An amount of ₹ 342,600 million has been provisioned in our audited accounts for quarter ending September 30, 2019 with respect to AGR matters involving our Company and Bharti Hexacom. We have not made provisions for AGR dues arising from acquisitions of spectrum from other companies or acquisition of other companies in the past because we have a contractual indemnity under the respective merger/ transaction documents to cover such liabilities.

12. *SMS Termination matters*:

TATA SMS Termination matter: Our Company and Bharti Hexacom filed a petition before the TDSAT against TTML and TTSL (collectively "**Tata Teleservices**") for recovery of SMS termination charges which was allowed by the TDSAT through a judgment dated August 30, 2012. Tata Teleservices have challenged the TDSAT judgment before the Supreme Court. The Supreme Court admitted the appeal of Tata Teleservices and further through order dated October 17, 2012 ordered that if the appeal is allowed then our Company and Bharti Hexacom will have to refund the amount paid by Tata Teleservices along with interest at the rate of 12% per annum. Tata Teleservices have made a payment of approximately ₹ 4,012 million post deduction of tax at source to our Company. The matter is currently pending.

Aircel SMS Termination matter: Our Company raised a demand on Aircel Limited ("**Aircel**") towards SMS termination charge of approximately ₹ 245.89 million at ₹ 0.10 per SMS. This demand was challenged by Aircel before the TDSAT. The said petition was disposed of by the TDSAT through its order dated September 24, 2012 with a direction to Aircel to restitute to our Company an amount that was suffered as loss by way of damages, *i.e.*, SMS termination charges at ₹ 0.10 per SMS on net inflow of traffic for the restitution period. Aircel challenged the TDSAT judgment before the Supreme Court which admitted the appeal, however rejected the interim prayer. Aircel filed another application before the Supreme Court seeking stay of recovery. The said application was dismissed by the Supreme Court through order dated December 5, 2012. Aircel complied with the orders of the TDSAT and paid the SMS termination charges amounting to approximately ₹ 113 million. The matter is currently pending.

Reliance Communications SMS Termination matter: Our Company's demand of approximately ₹ 118 million at ₹ 0.10 per SMS towards SMS termination charges was challenged by Reliance Communications Limited ("**Reliance Communications**") before the TDSAT. The TDSAT through interim order dated December 3, 2012 restrained us from disconnection of SMS services of Reliance Communications and directed Reliance Communications to pay 50% of the demanded amount at ₹ 0.10 per SMS from the date of filing of the petition. The interim order was challenged by Reliance Communications before the Delhi High Court. The Delhi High Court dismissed the writ petition filed by Reliance through order dated January 21, 2013. The TDSAT through judgment dated March 31, 2016 disposed of the petition by directing the parties to reconcile the accounts within four weeks of the receipt of necessary details including bifurcation of SMS data. Reliance Communications challenged the TDSAT judgment before the Supreme Court which is tagged with other matters.

BSNL SMS Termination matter: Our Company raised a demand of approximately ₹ 434.6 million towards SMS termination charges on BSNL. Our Company filed a recovery petition before the TDSAT. The TDSAT through judgment dated March 31, 2016 disposed of the petition by directing the parties to reconcile the accounts within four weeks of the receipt of necessary details including bifurcation of SMS data. BSNL challenged the TDSAT judgment before the Supreme Court and the same was tagged with other matters. Our Company filed a petition against the judgment dated March 31, 2016 before the TDSAT for the recovery of the SMS dues, which was admitted by the TDSAT on April 4, 2019.

13. The DoT on December 23, 2011 directed the service providers, including our Company and Bharti Hexacom, to immediately stop providing 3G ICR services. Our Company, Bharti Hexacom and other service providers challenged the directions of the DoT before the TDSAT, which stayed the directions of the DoT through orders dated December 24, 2011 and July 3, 2012 gave a split verdict and set aside the DoT's directions. The DoT issued notices on September 28, 2012, threatening cancellation of licenses and imposition of a penalty of ₹ 3,500 million and also directed that the 3G intra-circle roaming services were to be stopped in the seven circles. Our Company challenged the notice before the Delhi High Court. The Delhi High Court disposed of the matter through order dated October 3, 2012 directing the DoT to decide the matter after hearing our Company. The DoT in March, 2013 issued further order to immediately stop intra-circle roaming services and imposed a penalty of ₹ 3,500 million. As the TDSAT was not functional, our Company challenged the DoT order before the Delhi High Court. The Single Judge Bench of Delhi High Court stayed the DoT order through order dated March 18, 2013. The stay order was challenged by the DoT before the Appellate Bench of Delhi High Court which allowed the appeal and vacated the stay granted to our Company through order dated April 4, 2013. Our Company challenged the decision of the Appellate Bench of the Delhi High Court before the Supreme Court. The Supreme Court restored the protection against the order of penalty but at the same time restrained our Company from taking in any new subscribers on our intra-circle 3G roaming arrangement through interim order dated April 11, 2013. The Supreme Court, on September 23, 2013 disposed the matter granting our Company the liberty to approach the TDSAT, while extending interim protection until December, 2013 and also requested the TDSAT to dispose of the matter as soon as possible, preferably, by the end of 2013. Subsequently, our Company filed a petition before the TDSAT. The TDSAT on April 29, 2014 allowed our Company's petitions and quashed the DoT's directions to our Company to stop service and the imposition of the penalty. The DoT filed an appeal against the order of the TDSAT before the Supreme Court seeking an interim order to restrain our Company from adding new subscribers. The Supreme Court admitted the appeal but declined the interim order prayed for by the DoT. The matter is pending before Supreme Court.

14. The DoT through letters dated June 22, 2018 and June 26, 2018 levied a demand of ₹ 12,879.7 million on our Company towards one-time spectrum charge for GSM Spectrum in respect of Chennai service area for the extended period of the license from November 30, 2014 to September 27, 2021 pursuant to a WPC wing order dated December 28, 2012 Our Company through letters to the DoT dated July 12, 2018 and December 24, 2018, respectively, provided a detailed response, stating its grounds for refuting the demand raised by the DoT and its rationale for withdrawal of such demand. Our Company has not received any response from the DoT on the aforesaid and the matter is currently pending. However, the DoT while granting its in-principle approval for the merger of TTSL with our Company and Bharti Hexacom through its letter dated April 10, 2019 included, among others, a condition to securitize the one-time spectrum charge for GSM Spectrum in respect of Chennai service area. Our Company has challenged the conditions set forth under the DoT's letter dated April 10, 2019 granting in-principle approval. The TDSAT, through orders dated May 2, 2019 and May 6, 2019, had *inter alia*, stayed the demand of ₹ 12,879.70 million, subject to our Company submitting 50% of the ₹ 12,879.70 million demand by way of bank guarantee with the registry of the TDSAT. In compliance with the directions issued by the TDSAT, our Company has submitted bank guarantees amounting to ₹ 6,439.85

million. Further, the DoT filed special leave petitions before the Supreme Court, challenging the TDSAT orders dated May 2, 2019 and May 6, 2019, wherein the Supreme Court did not interfere with the TDSAT orders and disposed off the said special leave petitions through its order dated November 18, 2019. Therefore, the TDSAT orders remain in force and are binding on the parties. The matter is currently pending.

15. The TRAI issued a show cause notice on September 27, 2016 to our Company alleging violations of the Standards of Quality of Service of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service Regulations, 2009 and the provisions of the License Agreement in terms of Allocation of POIs to RJIL. Further, the TRAI on October 21, 2016 recommended a penalty of ₹ 10,500 million on our Company for the alleged violations mentioned above. A committee of the DoT, formed for the purpose of examining such the recommendation of the TRAI dated October 21, 2016 rejected the recommendations on April 5, 2017. Subsequently, the TRAI vide response dated May 24, 2017 reiterated its recommendation of the imposition of penalty on our Company. Our Company made its submissions before the DoT on December 21, 2017 and January 24, 2018.

On February 4, 2019, our Company wrote to DoT seeking attention to a judgment passed by the Supreme Court in an appeal filed by the Competition Commission of India in a parallel matter and represented that in view of this judgment, the Government was estopped from operating on the recommendations dated October 21, 2016. Our Company, subsequently, also wrote to the Minister of State for Communications seeking intervention to advise DoT to refrain from operating on the recommendations and reject the same. The matter is currently pending with the DoT.

16. On September 6, 2019, and September 7, 2019, the Andhra Pradesh Telecom Enforcement Resources Management Cell ("**TERM Cell**") issued demand notices to our Company, in respect of the Special Audit for Paper CAF for the months of October, 2016 to May, 2017 for ₹ 19.41 million against our Company and for ₹ 2.09 million against Telenor respectively. Our Company has filed two appeals on September 12, 2019 before Deputy Director General, TERM ("**DDG**"), against the demand raised by the Andhra Pradesh TERM Cell on September 6, 2019, and September 7, 2019. In these appeals, amongst other grounds, our Company mentioned that the Andhra Pradesh High Court, pursuant to a writ petition filed by our Company, stayed the circulars on the basis of which the TERM Cell had levied the penalty on our Company. The appeals are pending with the DDG.

On September 17, 2019 and September 18, 2019, the Andhra Pradesh TERM cell issued demand notices to our Company, pertaining to the audits (Paper + EKYC) conducted for the months of August, 2017 to December, 2017 for approximately ₹ 2,247.83 million for our Company and approximately ₹ 222.58 million for Telenor. Our Company filed two appeals on September 23, 2019 before the DDG TERM against the demand raised by the Andhra Pradesh TERM Cell on September 17, 2019 and September 18, 2019. In these appeals, amongst other grounds, our Company mentioned that the Punjab and Haryana High Court and the Andhra Pradesh High Court, pursuant to a writ petition filed by our Company, stayed the circulars on the basis of which the TERM Cell had levied the penalty on our Company. The appeals are pending with the DDG.

On December 3, 2019, the Andhra Pradesh TERM cell issued demand notices to our Company, pertaining to the (Paper + EKYC) audits conducted for the months of January, 2018 to March, 2018 for ₹ 2,013.91 million. Our Company filed an appeal before the DDG on December 9, 2019 against the demand raised by the Andhra Pradesh TERM Cell on December 3, 2019, which is pending before the DDG. In the appeal, amongst other grounds, our Company mentioned that the Andhra Pradesh High Court and the Punjab and Haryana High Court, pursuant to writ petitions filed by our Company, stayed the circulars on the basis of which the TERM Cell had levied the penalty on our Company. The appeal is pending with the DDG

On December 17, 2019, the Andhra Pradesh TERM Cell issued demand notices pertaining to the audits (Paper+ EKYC) conducted for the months of April, 2018 and May, 2018 for approximately ₹ 1,541.15 million against our Company and for the months of January, 2018 to May, 2018 for approximately ₹ 442.86 million against Telenor. Our Company has filed two appeals on December 23, 2019 before Deputy Director General, TERM ("**DDG**"), against the demand raised by the Andhra Pradesh TERM Cell on September 17, 2019. In these appeals, amongst other grounds, our Company mentioned that the Andhra Pradesh High Court and the Punjab and Haryana High Court, pursuant to writ petitions filed by our Company, stayed the circulars on the basis of which the TERM Cell had levied the penalty on our Company. The appeals are pending with the DDG.

Other Regulatory Matters involving our Company

1. Pursuant to the provisions of the "Guidelines for Transfer/Merger of various categories of Telecommunication service licenses/authorisation under Unified License ("**UL**") on compromises, arrangements and amalgamation of the companies" dated February 20, 2014 ("**Transfer-Merger Guidelines**"), Airtel Broadband Services Private Limited ("**ABSPL**") notified the DoT on February 28, 2014 of its proposed scheme of amalgamation with our Company and its intention to merge its ISP license along with its access spectrum with the UASL of our Company for four service areas, namely, Delhi, Mumbai, Haryana and Kerala. The Bombay High Court through its order dated April 11, 2014 approved the aforesaid merger and our Company approached the DoT for taking the merger on record. After multiple correspondences between the DoT and our Company, the DoT through its communication dated February 2, 2015 granted in-principle approval for merger of licenses between our Company and ABSPL, subject to fulfillment of conditions stated therein. Out of the conditions imposed by the DoT, our Company and ABSPL were aggrieved of the following three conditions and have challenged the same before the TDSAT: (i) demand for ₹ 4,360.9 million as additional entry fee; (ii) furnishing unconditional and unequivocal undertaking from our Company for payment of all demands which would be issued in future with respect to All India ISP License No. 820-1106/ 010-LR dated March 15, 2012 issued to ABSPL; and (iii) demand for bank guarantee equivalent to one-time spectrum charge demanded by the DoT.

   The TDSAT passed an interim order dated February 9, 2015, staying the imposition of the impugned conditions and permitted our Company to operationalize the spectrum subject to an undertaking without prejudice that in the event of the matter being decided against our Company, the demand of ₹ 4,360.9 million would be paid with interest as may be determined, within eight weeks of the date of such judgment. Further, the TDSAT, through order dated May 19, 2015 directed the concerned authority of the DoT to record the merger subject to the outcome of the matter. The matter was heard before the TDSAT, which through its order dated March 19, 2019 quashed the demand raised by DoT towards entry fee. Aggrieved with the TDSAT order for not addressing other prayers in the petition, our Company filed a review application for, *inter alia*, setting aside the aforesaid conditions imposed by the DoT and a direction to the DoT to extend the effective date of allocation of spectrum to offset the delay caused by the Dot. The TDSAT through its order dated April 4, 2019 has admitted the review petition and granted six weeks' time to the DoT to file a detailed reply, extended the interim stay order on the demands raised by the DoT and directed the DoT to take the merger on record.

   The Union of India has filed an appeal before the Supreme Court of India against the judgment dated March 19, 2019, wherein TDSAT had set aside the demand raised by the DoT towards entry fee. The appeal is currently pending.

   On July 31, 2019, the TDSAT passed its order in the matters and held, *inter alia,* that (i) the condition relating to demand of bank guarantee was not sustainable, and that the DoT is not entitled to seek a bank guarantee in respect of the specific demands which have been stayed by the Bombay High Court; (ii) any condition in the undertaking required to be given by our Company shall be without prejudice to the rights and contentions of the parties before a court of law and the validity of such conditions shall be subject to the outcome of the judicial process; and (iii) the DoT shall consider our Company's request for finally taking on record the merger within six weeks. The matter is currently pending.

2. Pursuant to the provisions of the Transfer-Merger Guidelines, our Company notified the DoT on August 27, 2015 of its intention to merge with Augere Wireless Broadband India Private Limited ("**AWBIPL**") entailing the merger of AWBIPL's ISP and UASL with those of our Company. The Delhi High Court through its order dated December 19, 2016 approved the aforesaid scheme. The DoT through its communication dated January 17, 2017 granted in-principle approval of merger of license of AWBIPL with our Company but imposed conditions which were challenged by our Company before the TDSAT. The conditions imposed *inter alia* included: (i) payment of ₹ 172.25 million (difference between the entry fee for UASL of Madhya Pradesh service areas and entry fee for ISP License); (ii) in case of judicial intervention in relation to demand raised for one-time spectrum charges, submission of bank guarantee equivalent to such one-time spectrum charges for the merging license; and (iii) submission of an unconditional and unequivocal undertaking by our Company as required by DoT to

pay all future demands that may be raised in connection with the merging ISP license held by AWBIPL. The TDSAT through its order dated January 25, 2017 stayed the impugned conditions and allowed our Company to operationalize the spectrum subject to our Company providing an undertaking without prejudice that in case the petition fails our Company shall pay ₹ 172.25 million along with interest as may be determined by the TDSAT within eight weeks from the date of judgment. The matter was heard before the TDSAT which through its order dated March 19, 2019 quashed the demand raised by DoT towards entry fee. Aggrieved with the TDSAT order for not addressing other prayers in the petition, our Company filed a review application for, *inter alia*, setting aside the aforesaid conditions imposed by the DoT and directing the DoT to take the merger on record. The TDSAT through its order dated April 4, 2019 has admitted the review petition and granted six weeks' time to file a detailed reply to DoT, extended the interim stay order against the DoT and directed the DoT to take the merger on record.

The Union of India has filed an appeal before the Supreme Court of India against the judgment dated March 19, 2019, wherein TDSAT had set aside the demand raised by the DoT towards entry fee. The appeal is currently pending.

On July 31, 2019, the TDSAT passed its order in the matters and held, *inter alia*, that (i) the condition relating to demand of bank guarantee was not sustainable, and that the DoT is not entitled to seek a bank guarantee in respect of those specific demands which have been stayed by the Bombay High Court; (ii) any condition in the undertaking required to be given by our Company shall be without prejudice to the rights and contentions of the parties before a court of law and the validity of such conditions shall be subject to the outcome of the judicial process; and (iii) the DoT shall consider our Company's request for finally taking on record the merger within six weeks. The matter is currently pending.

3. Pursuant to the provisions of the Transfer-Merger Guidelines, our Company notified the DoT on March 2, 2017 of its intention to merge with Telenor, entailing the merger of Telenor's business and UL along with the service authorizations of Telenor pertaining to NLD, ILD and internet services with those of our Company. Subsequently, our Company filed a petition before the NCLT, Delhi for sanction of the aforesaid merger. The NCLT, Delhi through its order dated March 8, 2018 granted sanction to the aforesaid scheme. The DoT through its letter dated April 3, 2018 granted in-principle approval for the aforesaid merger, but imposed conditions for taking the merger on record. The imposed conditions *inter alia* included (i) that our Company submits a bank guarantee towards the demand for one-time spectrum charges of ₹ 14,990.9 million; (ii) submission of an unconditional and unequivocal undertaking by our Company to pay all past dues in relation to the merging entities. The conditions so imposed by the DoT were challenged by our Company before the TDSAT. The TDSAT through order dated April 10, 2018 stayed the demand for bank guarantee to secure the amount of ₹ 14,990.9 million made by the DoT and directed DoT to take the merger on record subject to our Company providing an undertaking without prejudice as demanded by the DoT in the impugned letter. The DoT preferred an appeal against the order passed by the TDSAT which was dismissed by the Supreme Court. Subsequently, on May 14, 2018, the DoT gave its approval for the merger of Telenor with our Company. The matter was heard before the TDSAT and while the TDSAT by an order dated March 19, 2019 did not address the prayers in its petition. Our Company filed a review application for, *inter alia*, setting aside the aforesaid conditions imposed by the DoT and directing the DoT to issue the confirmation letter to our Company for taking the merger on record. The TDSAT through its order dated April 4, 2019 admitted the review petition.

   On July 31, 2019, the TDSAT passed its order in the matters and held, *inter alia*, that (i) the condition relating to demand of bank guarantee was not sustainable, and that the DoT is not entitled to seek a bank guarantee in respect of those specific demands which have been stayed by the Bombay High Court; (ii) any condition in the undertaking required to be given by our Company shall be without prejudice to the rights and contentions of the parties before a court of law and the validity of such conditions shall be subject to the outcome of the judicial process; and (iii) the DoT shall consider our Company's request for finally taking on record the merger within six weeks. The matter is currently pending.

4. Pursuant to the provisions of the Transfer-Merger Guidelines, our Company notified the DoT on August 31, 2017, of its intention to merge with Bharti Digital and to merge ISP license of Bharti Digital (in Gujarat, Himachal Pradesh, Uttar Pradesh (East) and Uttar Pradesh (West) with our

Company's UASL. NCLT, Delhi through its order dated July 4, 2018 sanctioned the aforesaid scheme of amalgamation and the DoT was approached for taking the merger on record. The DoT through communication dated August 17, 2018 granted in-principle approval for the merger of our Company and Bharti Digital, but imposed conditions for taking the merger on record. The imposed conditions *inter alia* included: (i) payment of ₹ 1,856.25 million towards the difference between the entry fee; (ii) securing the demand of one-time spectrum charge for ₹ 14,412.7 million dues by way of bank guarantee; and (iii) submitting an unconditional and unequivocal undertaking to DoT for payment of past demands inclusive of anything remaining unpaid of the past period and subject to outcome of the judicial process. Our Company and Bharti Digital challenged the impugned conditions before the TDSAT and the TDSAT through its order dated August 30, 2018 directed the DoT to take the merger on record and allowed our Company to operationalize the spectrum subject to our Company submitting an undertaking without prejudice before the TDSAT that in case the petition fails, it shall pay ₹ 1,856.25 million along with interest as may be determined by the TDSAT, within eight weeks of final judgment. The DoT had preferred an appeal against the TDSAT order dated August 30, 2018 before the Delhi High Court, which has been dismissed by the Delhi High Court through its judgment dated November 30, 2018. The matter was heard before the TDSAT which through its order dated March 19, 2019 quashed the demand raised by DoT towards entry fee. Aggrieved with the TDSAT order for not addressing other prayers in the petition, our Company filed a review application for, *inter alia*, setting aside the aforesaid conditions imposed by the DoT and directing the DoT to take the merger on record. The TDSAT through its order dated April 4, 2019 has admitted the review petition and granted six weeks' time to file a detailed reply to DoT, extended the interim stay order against the DoT and directed the DoT to take the merger on record.

The Union of India has filed an appeal before the Supreme Court of India against the judgment dated March 19, 2019, wherein TDSAT had set aside the demand raised by DoT towards entry fee. The appeal is currently pending.

On July 31, 2019, the TDSAT passed its order in the matters and held, *inter alia*, that (i) the condition relating to demand of bank guarantee was not sustainable, and that the DoT is not entitled to seek a bank guarantee in respect of those specific demands which have been stayed by the Bombay High Court; (ii) any condition in the undertaking required to be given by our Company shall be without prejudice to the rights and contentions of the parties before a court of law and the validity of such conditions shall be subject to the outcome of the judicial process; (iii) the DoT shall consider our Company's request for finally taking on record the merger within six weeks; and (iv) the time period to comply with the cross-holding conditions was extended by 12 weeks from the date of the order. The matter is currently pending.

5. Pursuant to the provisions of the Transfer-Merger Guidelines, our Company and Bharti Hexacom notified the DoT on May 22, 2018, of its intention to merge the consumer mobile business of TTSL with our Company and Bharti Hexacom (in Andhra Pradesh, Bihar, Delhi, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Kolkata, Madhya Pradesh, Orissa, Punjab, Tamil Nadu (including erstwhile Chennai), Uttar Pradesh (E), Uttar Pradesh (W), West Bengal and Rajasthan). NCLT, Delhi through its order dated January 30, 2019 sanctioned this composite scheme of arrangement and the DoT was approached for taking the transfer/merger on record. The DoT through its communication dated April 10, 2019 granted in-principle approval for the aforesaid scheme of arrangement, but imposed certain conditions for taking the transfer/merger on record. The imposed conditions *inter alia* included: (i) securing the demand of one-time spectrum charge of ₹ 71,559.30 million due, by way of bank guarantee; (ii) payment of an amount of ₹ 12,879.70 million to the DoT purportedly towards the alleged one-time spectrum charges for the erstwhile Chennai licensed service area; and (iii) submission of an unconditional and unequivocal undertaking to DoT for payment of past demands inclusive of anything remaining unpaid for the past periods and subject to outcome of the judicial process.

Our Company and Bharti Hexacom challenged the aforesaid conditions before the TDSAT, which, through orders dated May 2, 2019 and May 6, 2019 has, among other things, stayed the demand of bank guarantee of ₹ 71,559.30 million, and held that any condition in the undertaking required to be given by our Company shall be without prejudice to the rights and contentions of the parties before a court of law and the validity of such conditions shall be subject to the outcome of the judicial process. The TDSAT has further stayed the demand of ₹ 12,879.70 million. Our Company has also been directed to submit 50% of ₹ 12,879.70 million demand by way of bank guarantee with the registry of the TDSAT and the DoT has been directed to take the merger on record. In compliance with the directions issued by the TDSAT, our Company has submitted bank guarantees amounting to ₹ 6,439.85 million. Further, the DoT had filed special leave petitions before the Supreme Court, challenging the TDSAT orders dated May 2, 2019 and May 6, 2019, wherein the Supreme Court did not interfere with the TDSAT orders and disposed off the said special leave petitions through its order dated November 18, 2019. Therefore, the TDSAT orders remain in force and are binding on the parties. The matter is currently pending.

6. Pursuant to the provisions of the Transfer-Merger Guidelines, our Company notified the DoT on April 18, 2018, of its intention to merge the consumer mobile business of TTML with our Company (in Mumbai and Maharashtra). NCLT Delhi through its order dated January 30, 2019 sanctioned the scheme of arrangement and the DoT was approached for taking the transfer/merger on record. The DoT through its communication dated April 10, 2019 granted in-principle approval for the aforesaid scheme of arrangement, but imposed certain conditions for taking the transfer/merger on record. The imposed conditions *inter alia* included: (i) securing the demand of one-time spectrum charge for ₹ 10,425.10 million dues by way of bank guarantee; and (ii) submission of an unconditional and unequivocal undertaking to DoT for payment of past demands inclusive of anything remaining unpaid of the past period and subject to outcome of the judicial process.

   Our Company has challenged the aforesaid conditions before the TDSAT, which through orders dated May 2, 2019 and May 6, 2019 has, among other things, stayed the demand of bank guarantee of ₹ 10,425.10 million, and held that any condition in the undertaking required to be given by our Company shall be without prejudice to the rights and contentions of the parties before a court of law and the validity of such conditions shall be subject to the outcome of the judicial process. Further, the DoT has been directed to take the merger on record. Further, the DoT had filed special leave petitions before Supreme Court, challenging the TDSAT orders dated May 2, 2019 and May 6, 2019, wherein the Supreme Court did not interfere with the TDSAT orders and disposed off the said special leave petitions through its order dated November 18, 2019. Therefore, the TDSAT orders remain in force and are binding on the parties. The matter is currently pending.

7. *Cable landing station ("**CLS**") matter:*

   The TRAI by way of Principal Regulation dated June 7, 2007, Regulation dated October 19, 2012 and Regulation dated December 21, 2012 ("**Regulations**") had specified the charges for Access Facilitation and Co-location to be charged by the owner of CLS. Our Company and Tata had challenged the Regulations and were granted a stay from the Madras High Court. Thereafter, the Madras High Court through judgment dated November 11, 2016 dismissed both the petitions. Our Company had filed an appeal before division bench of the Madras High court. The Madras High Court through its judgment dated February 2, 2018 set aside Schedules I, II and III of the Regulation dated December 21, 2012 and further directed the TRAI to re-enact the quashed Schedules. The TRAI and Reliance Communications Limited preferred an appeal before the Supreme Court against the said division bench judgment dated February, 2018. The Supreme Court through its order dated October 8, 2018 disposed off the special leave petitions and requested the TRAI to re-determine the fixation of rates within six weeks from the date of the order, after following the procedure of transparency and principles of natural justice. The Association of Competitive Telecom Operators ("**ACTO**") and Reliance Jio Infocomm Limited ("**RJio**") filed an application before the Supreme Court seeking direction that the 2018 Regulations dated November 28, 2018, should be made applicable retrospectively with effect from January 1, 2013 along with a direction to refund of excess CLS amount. The Supreme Court passed an order dated December 14, 2018 restraining the notices sent for disconnection. The Supreme Court through its order dated January 28, 2019 disposed the application with a direction to ACTO to file a fresh petition before the TDSAT.

   Tata Communication has filed the special leave petition against the impugned common judgment dated February 2, 2018 passed by the High Court of Judicature at Madras. Our Company has filed the impleadment application in this Special Leave Petition. The matter is on board for hearing.

   RJIO and AT&T have not paid the CLS charges amounting to approximately ₹ 1,227.16 million and approximately ₹ 82.77 million respectively including interest citing retrospective applicability of charges of 2018 Regulations notified by the TRAI and also seeking refund of excess amount. Our Company has issued demand/disconnection notices to RJio, AT&T. Pursuant to demand/disconnection notice RJio and AT&T have approached the TDSAT seeking stay on the disconnection notice and further seeking clarification about the retrospective applicability of 2018 charges from January 1, 2013. The TDSAT through a common order dated November 7, 2019 has declined to grant any interim relief as had been sought by RJio and AT&T and disposed off both the applications. The TDSAT has further stated that the payments if any made by RJio and AT&T pursuant to the demands which had been impugned by RJio and AT&T shall be subject to the final outcome of the present petition. RJio challenged the order dated November 7, 2019 before the Madras High Court, wherein the Madras High Court has directed RJio to furnish the bank guarantees to the said amount and further directed the TDSAT to decide the matter. The ordered bank guarantee has been furnished by RJio in the TDSAT. The matter is pending.

8. *TRAI* matters*:*

I. *IUC–2015 matter:* Our Company and Bharti Hexacom ("**Petitioners**") have filed a writ petition challenging the Telecommunication Interconnection Usage Charges (Eleventh Amendment) Regulations, 2015 dated February 23, 2015 ("**IUC–2015 Regulations**") before the Delhi High Court, inter alia, on the ground that which, inter alia, fixed MTC at ₹ 0.14 and FTC as 'nil' for local and NLD calls. The Petitioners have challenged the IUC–2015 Regulations, inter alia, on the following alleged grounds:

- The ITC–2015 are *ultra vires* the TRAI Act and contrary to the object and purpose of Section 11 of the TRAI Act;
- The consultation paper lacked transparency as the TRAI did not share the model used by it to determine the cost model for calculating Interconnection Usage Charges ("**IUC**");
- The IUC–2015 are in violation of Articles 14 and 19(1)(g) of the Constitution of India to the extent it arbitrarily and in a non-transparent manner, fixes mobile termination charges ("**MTC**") for local and National long distance call at ₹ 0.14 per minute and fixed termination charges ("FTC") as 'nil'; and
- The TRAI allegedly departed from its policy of work done and cost based principle in the IUC–2015. It fixed the FTC at 'nil' thereby allegedly completely ignoring its settled policy.

The matter is currently pending.

II. *IUC–2017 matter:* Our Company and Bharti Hexacom ("**Petitioner**") filed a writ petition challenging the Telecommunication Interconnection Usage Charges (Thirteenth Amendment) Regulations, 2017 dated September 19, 2017 ("**IUC–2017 Regulations**") before the Bombay High Court on September 28, 2017, *inter alia*, on the ground that the IUC–2017 Regulations were arbitrary, unreasonable, illegal, void, and in violation of Articles 14 and 19(1)(g) of the Constitution of India and were issued in an non-transparent manner, reducing the termination charge from ₹ 0.14 per minute to ₹ 0.06 per minute with effect from October 1, 2017 and thereafter to bill and keep, that is "nil" with effect from January 1, 2020. The Petitioner further alleged that the IUC–2017 Regulations were contrary to the provisions of the TRAI Act and TRAI's International Calling Card Services (Access Charges) Regulations, 2014 and that IUC–2017 Regulations discouraged the competition, and were contrary to and there was a failure on the part of the TRAI to maintain transparency during the consultation process as the TRAI has to follow a cost based approach. The Petitioner prayed for the issue of a writ, direction or order in the nature of Writ of Certiorari declaring the regulations dated September 19, 2017 ultra vires and quashing and setting aside the regulations and pass ad-interim/interim/ex-parte order in respect of the prayer. The Bombay High Court through order dated September 29, 2017 refused to grant interim stay. This matter is currently pending

III. *ITC–2018 matter:* Our Company has filed a writ petition challenging the Telecommunication Interconnection Usage Charges (Fourteenth Amendment) Regulations, 2018 dated January 12, 2018 ("**ITC–2018 Regulations**") which, *inter alia*, reduced the International Termination Charge ("**ITC**") from ₹ 0.53 per minute to ₹ 0.30 per minute, before the Bombay High Court. Our Company challenged the ITC–2018 Regulations, *inter alia*, on the following alleged grounds that the ITC 2018 Regulations are:

- *Ultra vires* and contrary to the provisions of the TRAI Act;
- In violation of Section 11(4) of the TRAI Act;
- In violation of Articles 14 and 19(1)(g) of the Constitution of India; and

- Inimical to the orderly growth of telecom industry, fair competition as well as consumer interest and thus were *ultra vires* the TRAI Act.

The matter is currently pending.

Proceedings involving moral turpitude or criminal liability on our Company

1. Mr. Jyoti Prasad Chandra ("**Complainant**") filed a criminal complaint ("**Complaint**") in September, 2011 under Sections 406, 418, and 420 read with Section 120(B) of the IPC before Additional Chief Judicial Magistrate, Barrackpore against our Company, the managing director of our Company, Indus Towers and other persons (collectively, the "**Accused Persons**") in the Complaint. He alleged that pursuant to a leave and license agreement entered into with our Company dated June 9, 2007 ("**Leave and License Agreement**"), his land was acquired by the Accused Persons for the purpose of installation and maintenance of telegraph equipment, but said equipment was never installed by the Accused Persons. Further, he alleged that the Accused Persons defaulted on making monthly payments to the Complainant as provided under the Leave and License Agreement. On November 28, 2011 the Court of Judicial Magistrate-III, Barrackpore issued summons to the Accused Persons under Section 63 of the Cr. PC. Subsequently, our Company filed a petition under Section 482 of the Cr. PC before the Calcutta High Court challenging the criminal proceedings in the Trial Court. The Calcutta High Court issued an order on July 25, 2012 staying the proceedings before the Trial Court until further order. The matter is currently pending.

2. Mr. Md. Fazlur Rehman ("**Complainant**") filed a complaint ("**Complaint**") before the Court of Chief Judicial Magistrate, Dibrugarh on February 22, 2015 under Sections 406 and 34 of the IPC against the chief executive officer of our Company, alleging that our Company had advertised a scheme wherein, upon an online recharge of ₹ 449, through the website of our Company, internet data of 2.5 GB with a validity period of 30 days was provided. However, the Complainant claims that after doing the aforementioned recharge he received only 2 GB data with a validity period of 28 days. The Complaint was subsequently transferred to the Court of Sub Divisional Judicial Magistrate (Sadar), Dibrugarh, which took cognizance of the offences, alleged in the Complaint, through order dated October 16, 2015. Pursuant to this, our Company filed a criminal petition under Section 482 of the Cr. PC before the Gauhati High Court on April 4, 2016 for quashing of the Complaint. The Gauhati High Court through orders dated April 4, 2016 and May 6, 2016 stayed the proceedings in the Court of Sub Divisional Judicial Magistrate (Sadar), Dibrugarh with respect to the Complaint. The matter is currently pending.

3. Mr. Shailesh Navalshankar Pandya ("**Applicant**") filed application under Section 319 of the Cr. PC ("**Application**") before the Judicial Magistrate, First Class, Vasai praying that our Company be added as accused in the regular case filed by the Applicant and that cognizance of offenses under Sections 420, 465, 467, 468, 471, and 474 read with Section 34 of the IPC be taken against our Company. The Applicant alleged that our Company, in collusion with its agents and hirelings, forged signature of the Complainant and prepared a rubber stamp of Bhakti Infotech Private Limited, a private company of which the Applicant is a director. Further, he alleged that our Company along with the other respondents mentioned in the Application also forged the Pan Card, electricity bill, memorandum of association and articles of association of Bhakti Infotech Private Limited, and by using these documents got 77 SIM cards issued in the name of Bhakti Infotech Private Limited without the consent, knowledge and permission of the Applicant, owing to which the Applicant suffered a loss of ₹ 1,250 million. Our Company filed a reply before the Judicial Magistrate, First Class, Vasai on September 29, 2016 denying the averments and seeking dismissal of the Application. Subsequently, our Company filed written arguments on record of the Court on March 16, 2017 and the matter is pending for orders on the Application.

4. Ms. Akansha Srivastava ("**Applicant**") filed an application under Section 156(3) of the Cr. PC before the Chief Judicial Magistrate, Ghaziabad against our Company and certain officers of our Company (collectively the "**Accused Persons**") alleging the commission of offences under Sections 323, 504, 506, and 406 of the IPC and Section 72 of the IT Act on August 24, 2006 claiming that owing to certain loopholes in the security network of our Company, personal and confidential information of her son such as billing address, call details, call duration, etc. were disclosed to other persons. Further, she alleged that when her son raised his grievances with the Accused Persons, they did not believe him and

assaulted and threatened him. The Court ordered investigation basis the Police Report and took cognizance of the matter. The matter is currently pending.

5. Mr. Bishnu Prasad Mishra ("**Complainant**"), an ex-employee of our Company and Bharti Infratel, filed a complaint ("**Complaint**") under Section 200 of the Cr. PC against our Company and its managing director, and Bharti Infratel, amongst others with the Sub-Divisional Judicial Magistrate, Bhubhaneshwar on December 2, 2014 for offences under Sections 477, 420, 415, 427, 426, 418, and 406 read with Section 34 of the IPC alleging *mala-fide* appropriation of EPF payments and variable pay due to him and seeking recovery of such arrears. The Sub-Divisional Judicial Magistrate, Bhubhaneshwar took cognizance of the offences through order dated December 19, 2016. An application under Articles 226 and 227 of the Constitution of India read with Section 482 of the Cr. PC was filed before the Orissa High Court seeking to quash the Complaint and the order dated December 19, 2016, and the Orissa High Court stayed the proceedings before the Trial Court. The matter is currently pending.

6. Mr. K. Lakshmana Kailash ("**Complainant**") filed criminal complaint before the Court of Additional Chief Metropolitan Magistrate-VI, Bangalore on August 28, 2008 under Section 190(A) read with Section 200 of the Cr. PC and Sections 197 and 203 of the IPC against our Company amongst others, alleging that our Company intentionally fabricated false evidence against the Complainant and misdirected the police investigation with respect to the offense of posting of derogatory remarks about Shivaji Maharaj on Orkut, a social media website in order to protect the person who actually posted such remarks. The Court of Additional Chief Metropolitan Magistrate-VI, Bangalore through order dated September 5, 2009 took cognizance of the aforementioned offences and issued summons against our Company. Our Company filed a petition under Section 482 of the Cr. PC before the Karnataka High Court on September 15, 2009 seeking to quash the proceedings initiated by the order dated September 5, 2009. By way of order dated August 30, 2013, the Karnataka High Court partially allowed the petition filed by our Company, quashing the proceedings against the other accused persons and allowing the proceedings against our Company to continue. The matter is currently pending.

7. Mr. V.S. Suresh ("**Complainant**") filed a private complaint ("**Complaint**") before the Metropolitan Magistrate-VII, Chennai against our Company and the erstwhile CEO of our Company, Mr. Rajiv Rajagopal (collectively "**Accused Persons**"). The Complainant also filed an FIR under Sections 292, 292A and 294 of the IPC, Sections 3, 4 and 6 of the Indecent Representation of Women Act, 1956 and Sections 2, 3 and 6 of Young Person (Harmful Publication) Act, 1956 alleging that our Company through their mobile services sent obscene messages soliciting the Complainant to purchase such obscene pictures through his mobile handset. The Accused Persons filed criminal original petitions under Section 482 of the Cr. PC before the Madras High Court seeking to stay the proceedings in the Complaint. The Madras High Court stayed the proceedings through order dated July 29, 2013. The matter is currently pending.

8. The Delhi Development Authority ("**DDA**") filed two criminal complaints before the Trial Court against our Company and others for misuse of property under Section 14 read with Section 29(2) of the Delhi Development Authority Act, 1957 ("**Act**") with respect to sites situated at K-6, ground floor, NDSE II and C-657 New Friends Colony, New Delhi on September 27, 2002 and February 27, 2003 respectively. The DDA alleged that our Company installed a Remote Switching Unit in residential areas without taking advance permission at such sites, thereby violating the provisions of the Act. Our Company filed petitions under Section 482 of the Cr. PC on November 1, 2004 pursuant to which the Delhi High Court stayed the Trial Court proceedings in both criminal complaints through orders dated November 4, 2004. The matters are currently pending.

9. Mr. Malik Mushtaq Ahmed ("**Complainant**") filed a criminal complaint under Sections 406, 418, 420, 109, 120-B of Ranbir Penal Code ("**RPC**") (applicable for the State of Jammu and Kashmir) in the Court of Judicial Magistrate of First Class, Pulwama against our Company, its managing director and other officials alleging non-activation of his mobile connection. Our Company filed a petition under Section 561-A of the Code of Criminal Procedure, 1989 (Jammu & Kashmir) before the Jammu and Kashmir High Court at Srinagar for dismissing the Complaint by the Complainant, and the Court stayed the proceedings before the Trial Court. The matter is currently pending.

10. Mr. Jawahar Lal Saini ("**Complainant**") filed complaint ("**Complaint**") before the Court of Judicial Magistrate, First Class, Jabalpur under Section 138 of Negotiable Instrument Act, 1881 read with

Section 200 of the Cr. PC against an unnamed director of Bharti Cellular Limited along with Mr. Amit Agrawal, proprietor of Delta Telecom (collectively "**Accused Persons**"), alleging that Mr. Amit Agrawal represented to the Complainant that he was the authorized signatory/representative of Bharti Cellular Limited and entered into a Lease & License agreement with the Complainant on December 8, 2017 ("**Agreement**") on behalf of Bharti Cellular Limited for establishment of transmission tower and took ₹ 0.2 million as security deposit from the Complainant. He further alleged that pursuant to no transmission site being established on the property of the Complainant, Mr. Amit Aggarwal issued two cheques for an amount of ₹ 0.27 million to the Complainant, which on presentation were dishonoured by the bank. The Judicial Magistrate, First Class, Jabalpur through order dated April 25, 2008 issued summons to the Accused Persons. Our Company filed petition before the Madhya Pradesh High Court at Jabalpur under Section 482 of the Cr. PC for quashing the Complaint and setting aside the order of the Judicial Magistrate, First Class, Jabalpur dated April 25, 2008. The matter is pending.

11. Mr. Nitin Jayantibhai Patel filed a criminal complaint before the Judicial Magistrate, First Class, Anand, at Gujarat under Sections 211 and 503 of the IPC on March 14, 2006 against our Company and an employee thereby alleging that our Company and its employee harassed him in order to collect outstanding dues owed by the Complainant to our Company. The Chief Judicial Magistrate, Anand through order dated January 18, 2008, issued summons against our Company. The matter is currently pending.

12. Mr. Iqbal Ahmed filed an original suit on April 23, 2007 seeking the declaratory injunction and the ownership of an impugned property and on September 23, 2008 an impugned complaint under Section 156(3) of the Cr. PC ("**Complaint**") before the Chief Judicial Magistrate, Saharanpur (Uttar Pradesh) alleging that our Company through its managing director along with some other persons, have illegally taken possession of his land for installation of telecom tower. The magistrate through order dated March 8, 2010 dismissed the Complaint under Section 203 of the Cr. PC holding the dispute to be civil in nature. Against the said order, a criminal revision was filed on August 11, 2010 and was allowed ex parte and the Court took cognizance under Section 447 of the IPC and issued summons on September 21, 2010. Against the order dated September 21, 2010 another revision complaint was filed on March 16, 2012 which was dismissed by the learned District Judge. The managing director of our Company filed a petition before the Allahabad High Court for quashing of the proceedings. The Allahabad High Court has stayed proceedings before the Trial Court. The matter is currently pending.

13. The Municipal Corporation of Delhi filed a complaint ("**Complaint**") before the Metropolitan Magistrate, Patiala House Court, New Delhi against our Company under Sections 461, 416, 417 and 430 of the Delhi Municipal Corporation Act, 1957 ("**Act**") alleging misuse and violation of the aforesaid provisions of the Act with respect to premises situated at K-6, Ground Floor, NDSE-II, New Delhi. On November 27, 2007 the Metropolitan Magistrate, Patiala House Court, New Delhi passed ex-parte orders and a non-bailable warrant was issued. Consequently, our Company filed a petition under Section 482 of the Cr. PC before the Delhi High Court, which through order dated January 11, 2019 stayed the matter. The matter is currently pending.

14. Three criminal complaints were filed by the Municipal Corporation, Cochin in the Police Stations at Ernakulum (Kerala) against our Company, alleging violation of provisions of Prevention of Damage to Public Property Act, 1984 and that it had laid underground cables without prior permission. The Police sought certain information from our Company, which our Company provided. The matter is currently pending.

Direct Tax Proceedings

1. Tax Deducted at Source ("**TDS**") on income of Distributer: The Calcutta High Court through order dated May 19, 2011 had upheld the order passed by the Income Tax Appellate Tribunal dated April 4, 2006, holding that the trade margin offered by our Company to its distributors in respect of pre-paid products such as SIM card and recharge vouchers, attracted the provisions relating to tax deductible at source under the Income-Tax Act. The Calcutta High Court further held that the relationship between our Company and its distributors was that of principal to agent and not of principal to principal. Our Company had filed an appeal against the Calcutta High Court judgment before the Supreme Court. The matter is currently pending before the Supreme Court.

   The Karnataka High Court in a similar writ petition involving the same issue regarding assessment years 2005-2006 to 2008-2009, held through judgment dated August 14, 2014 that “trade margins” do not attract provisions related to deduction of tax at source and that the relationship between our Company and its distributors is that of principal to principal and no commission is paid when our Company sells SIM cards to the distributors. The Karnataka High Court has allowed our Company’s appeal and set aside the orders of the Assessing Authority dated August 23, 2013. The Karnataka High Court remitted the matter back to the Assessing Authority in order to investigate how our Company has maintained its accounting books and how it treats the sale price and the sale discount and noting that if the accounts do not reflect payment of commission, then provisions for deduction of tax at source should not be attracted. The Income Tax Department filed an appeal against the Karnataka High Court’s judgment before the Supreme Court. The matter is currently pending before the Supreme Court and clubbed with the appeal filed by our Company against the judgment of the Calcutta High Court.

The Rajasthan High Court through its judgment and order dated July 11, 2017 allowed the income tax appeals filed by the assessee and dismissed the appeals filed by the Commissioner of Income Tax, including the matters pertaining to Bharti Hexacom, which were filed by the Department. The High Court further held that there is no occasion to invoke provisions of Section 194H of Income-Tax Act as no amount has been paid by the assessee, Bharti Hexacom to its distributors.

Similar issue is pending at different stages in various other jurisdictions across the country before the Commissioners of Income Tax (Appeals), Income Tax Appellate Tribunals, High Courts and the Supreme Court for our Company and Bharti Hexacom. The amounts involved in these matters were approximately ₹ 7,239 million for our Company and ₹ 591 million for Bharti Hexacom. Accordingly, our Company and Bharti Hexacom have paid various amounts under protest in this regard.

2. The Commissioner of Income Tax, Delhi – II (“**CIT**”) initiated proceedings under Section 263 of the Income-Tax Act directing the assessing officer to reopen the assessment proceeding against our Company for the Fiscal 2007-08 on grounds that the assessment order dated October 30, 2012 of Assessing Officer (“**AO**”) was erroneous and prejudicial to the interest of revenue through order dated March 30, 2014. Our Company filed an income tax appeal before the Income Tax Appellate Tribunal, Delhi Bench ‘A’, New Delhi (“**ITAT**”) challenging the order of the CIT dated March 30, 2014. While the challenge order of the CIT dated March 30, 2014 was pending before the ITAT, in accordance with directions of the CIT, the AO passed an order under Sections 263, l44C, and 143(3) of the Income-Tax Act on March 31, 2015 in respect of the assessment for the year 2007-08, alleging that our Company did not pay tax under Section 28(iv) of the Income-Tax Act, on the purported notional profit derived from our Company's transfer of passive infrastructure to Bharti Infratel. The AO taxed our Company's notional credit lying in the revaluation reserve being the difference between fair value of the investment in Bharti Infratel recorded in Company's books and the net worth of the undertaking transferred to Bharti Infratel as benefit arising in the course of business under Section 28(iv) of the Income-Tax Act. Accordingly the AO by its order dated March 31, 2015 raised a demand of ₹ 12,185 million. Subsequently through order dated May 6, 2015 the ITAT allowed the appeal filed by our Company, setting aside the order of the CIT and holding that the issue had already been examined by the AO and dispute resolution panel at the time of passing the assessment order on October 30, 2012. Further, the ITAT held that in the absence of receipt of consideration for transfer, no notional sum can be attributed as consideration and hence issue of capital gain does not arise. The ITAT further held that, in the absence of any benefit or perquisite accruing to the assessee during the course of business and the impugned transfer being purely a capital transaction, the notional gain cannot be taxed under Section 28(iv) of the Income-Tax Act. The CIT has filed an appeal before the Delhi High Court against the order of the ITAT being ITA No. 864 of 2015. The Delhi High Court has admitted the appeal and the matter is pending. In the meanwhile, as a result of the order of the ITAT setting aside the order of the CIT passed under Section 263, the order of the AO passed in accordance with the orders of CIT, became futile. Therefore, our Company had also filed an appeal against the order of the AO dated March 31, 2015 before the CIT (Appeal). The CIT (Appeal) allowed the appeal of our Company and deleted the demand raised by the AO. The AO filed an appeal against the order of CIT (Appeal) before the ITAT, which was dismissed by the ITAT by way of order dated July 30, 2019. The matter is thus pending before the Delhi High Court.

Indirect Tax Proceedings

1. Entry Tax: Several states had enacted laws which provided for levy of tax on the entry of goods into the state for sale, use or consumption therein. The constitutional validity of these legislations was

challenged in different High Courts on various grounds, *inter alia*, including that the same were in violation of the constitutional right to freedom of trade and commerce enshrined under Article 301 of the Constitution of India and that the levy did not pass the judicially evolved tests of being 'compensatory' in nature. It was also contended that the levies were in violation of Article 304(a) of the Constitution of India for being discriminatory in nature. Some of the High Courts had struck down the Legislations enacted by the respective States being *ultra vires*.

Certain constitutional aspects of Entry Tax were subsequently referred to the Nine Judge Constitutional Bench of the Supreme Court which through judgment dated November 11, 2016 held, *inter alia*, that only such taxes which are discriminatory in nature are prohibited by Article 304(a) of the Constitution of India. It also held that the compensatory tax theory evolved in earlier rulings of the Court (basis which various High Courts ruled the levy to be unconstitutional) had no juristic basis and that there was no constitutional or juristic basis of 'compensatory' tax and that tax simpliciter is not covered under Article 301 of the Constitution of India as an impediment to free flow of trade and commerce between the States, etc. Certain questions of law, including the question whether Entry Tax can be imposed by the States on the goods imported from outside the country, etc., were left open by the Constitutional bench. Thereafter, the regular Division Bench of the Supreme Court disposed of the matters arising from several States through order dated March 22, 2017, granting liberty to the assessees to file fresh petitions before the respective High Courts, raising additional grounds in the light of the judgment of the Constitutional Bench.

Subsequently, in the matters arising from the state of Kerala and other connected matters from Orissa, Bihar and Jharkhand, the regular bench of the Supreme Court held that Entry tax could be and was legitimately imposed by the State on the goods imported from outside the country (settling one of the issues left open by the Constitutional Bench). In terms of the liberty granted by the Supreme Court, fresh writ petitions were filed by our Company, Bharti Hexacom, and Bharti Telemedia Limited in Uttar Pradesh, Kerala, Madhya Pradesh, Assam, Orissa, Chhattisgarh, Jharkhand, and Rajasthan (as may be applicable). The High Courts of Rajasthan, Uttar Pradesh and Kerala granted interim relief to our Company, Bharti Hexacom, and Bharti Telemedia Limited (as may be applicable). Our Company, Bharti Hexacom, and Bharti Telemedia Limited challenged the vires of the local legislations, *inter alia*, on grounds of being discriminatory.

The Allahabad High Court through its common Judgment dated May 4, 2018, dismissed a bunch of petitions filed by companies belonging to several industries, upholding the constitutionality of the Uttar Pradesh Entry of Goods Tax in to Local Area Act, 2017 ("**Act**").

In Uttar Pradesh, a separate challenge against the demands issued by the tax department, was also raised by our Company on the issue of classification, involving a question as to whether the Main Switching Centers (MSC) and Base Transreceiver Stations (BTS) (or Cell Sites) could be treated as a composite unit and classified as a 'machinery' under the said Act. On our Company's appeal, the State Appellate Tribunal remanded the matter to the Assessing Authority for a fresh assessment taking into account the factor that MSC and BTS were capable of working as independent units. The Tribunal however held that Cell Site, MSC and BTS qualified as 'machinery', and to that extent our Company is aggrieved of the Tribunal's order. A revision petition was filed by our Company, before the Allahabad High Court challenging the Tribunal's order, which is pending. In the state of Bihar there is exposure for the period of Fiscal 2006 to June 2017 and our Company's and Bharti Telemedia Limited's challenge is pending before the Patna High Court. In various circles, certain amounts have been deposited under protest with the department. The aforementioned matters, wherein Entry Tax legislations have been challenged by various industries across different High Courts are pending to be decided by respective High Courts, except for the Allahabad High Court.

Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

1. Our Company received a notice from the National Company Law Tribunal, Principal Bench at New Delhi ("**NCLT**") through application ("**Application**") filed by M/s CPM India Sales & Marketing Private Limited ("**Applicant**") under Section 9 of the Insolvency and Bankruptcy Code, 2016 ("**the Code**") dated January 10, 2018, alleging that an outstanding operational debt of approximately ₹ 8.6 million is payable by our Company through purchase orders to the Applicant, which remained unpaid despite serving demand notice under Section 8 of the Code. Our Company through its reply dated

March 15, 2018, contested the Application, on the grounds, *inter alia*, that that the debt arising out of certain of the contested purchase orders was already paid and that the Applicant has forged and fabricated documents. The matter is pending before the NCLT.

2. Mr. Anand Arya ("**Complainant**"), a subscriber of mobile services offered by our Company, filed a consumer complaint before the National Consumer Complaints Redressal Commission, New Delhi ("**Commission**") on October 23, 2015, against our Company, alleging that the quality of services offered by our Company had been deteriorating since 2010 and more particularly from March, 2015 and owing to that the Complainant claimed that he had suffered extremely serious mental trauma and mental torture at least three times when there were medical emergencies. The Complainant sought damages to the tune of ₹ 448.2 million and demanded that our Company pay penalty to the rate of one thousand times the amount of mobile bills paid in 2015 by the Complainant which amounts to ₹ 11.73 million. Further, the Complainant also prayed that our Company be directed to deposit amount to the tune of ₹ 44,373.78 million in the Prime Minister's relief fund. The Commission through order dated November 24, 2015 issued show cause notice to our Company. Our Company filed its reply before the Commission on September 26, 2016. The matter is currently pending.

Proceedings involving material statutory and regulatory violations by Telenor

1. The Supreme Court through its judgment dated February 2, 2012, in *Centre for Public Interest Litigation v. Union of India & Ors.*, quashed the grant of licenses and allocation of spectrum of various licensees including Unitech Wireless. The judgment further directed TRAI to make fresh recommendations for grant of license and to allocate spectrum in all telecom circles in India by way of an auction. Subsequently, after the completion of such auction in November 2012 ("**November Auctions**"), Supreme Court through another judgment dated February 15, 2013, directed all telecom operators, whose licenses were cancelled pursuant to the previous Supreme Court judgment dated February 2, 2012, to close down their services immediately, however the licensees who continued their operations post February 2, 2012, whether or not participated in the November Auctions, were ordered to pay the reserve price fixed by the Government. Telenor participated in the November Auctions and through the bid terms it was entitled to acquire and continue to operate the business of Unitech Wireless in the six circles of Andhra Pradesh, Bihar, Gujarat, Maharashtra, Uttar Pradesh (east) and Uttar Pradesh (west), where Telenor was awarded the spectrum. The DoT also issued a letter of intent dated December 19, 2012 pursuant to which Telenor paid the auction price for the aforesaid six circles amounting to ₹ 13,260.32 million. Thereafter, the DoT issued a show cause notice dated November 17, 2014 for payment of reserve price amounting to ₹ 6,526.90 million in addition to interest payable on the said amount, for continuation of services until November 27, 2013 in the aforesaid six circles and until February 16, 2013 in the remaining circles. Later, the DoT reconsidered the demand amount specified in the aforesaid show cause notice and issued a demand notice dated September 22, 2016 for payment of ₹ 8,408.67 million that included interest amounting to ₹ 1,881.77 million, calculated for the period from the date of the aforesaid show cause notice until the date of this demand notice. Telenor and another party challenged this demand notice before the TDSAT which granted interim stay on the matter. While the matter was pending, the DoT issued a revised demand notice dated February 14, 2017 for payment of ₹ 7,701.58 million for the continued service wherein the principle amount was reduced from ₹ 6,526.90 million to ₹ 4,862.30 million, however the interest levied was increased, calculated from February 15, 2013 instead of November 17, 2014 (specified in the earlier demand notice). Telenor and another party challenged this revised demand notice before the TDSAT and obtained stay orders extending the interim protection. The matter is currently pending before the TDSAT for hearing.

2. For details of proceedings involving material statutory and regulatory violations with regards to AGR matters of our Company with Telenor, see "- *Litigation involving our Company – Proceedings involving material statutory and regulatory violations by our Company*" on page 227.

3. For details of proceedings involving material statutory and regulatory violations with regards to port charges matters by our Company along with Telenor, see "- *Litigation involving our Company – Proceedings involving material statutory and regulatory violations by our Company*" on page 227.

4. For details of proceedings involving the merger of our Company with Telenor, see "- *Litigation involving our Company – Other Regulatory Matters involving our Company*" on page 236.

Litigation involving our Subsidiaries

Bharti Infratel

Proceedings involving moral turpitude or criminal liability on Bharti Infratel

1. For details of proceedings involving moral turpitude or criminal liability on our Company along with Bharti Infratel, see "- *Litigation involving our Company – Proceedings involving moral turpitude or criminal liability on our Company*" on page 241.

Indirect Tax Proceedings

1. Pursuant to its audit for Bharti Infratel, Commissioner, Service Tax, Delhi noted that while discharging its service tax liability, Bharti Infratel had allegedly wrongly availed and utilised the cenvat credit in respect of various goods and input services which were used in the construction, erection and maintenance of pre-fabricated shelters and towers and not for providing output services, by allegedly erroneously treating them as inputs or capital goods. Accordingly, a show cause notice dated February 26, 2010 was issued by Commissioner, Service Tax, Delhi to Bharti Infratel demanding irregularly availed cenvat credit for the period from August 2007 to September 2009 which was adjudicated by the commissioner through order-in-original dated June 25, 2015 confirming recovery of irregularly availed cenvat credit on inputs and capital goods of approximately ₹ 3,333.97 million and imposed penalties in Bharti Infratel.

   Separately, five other show cause notices, namely, (i) dated February 23, 2010 (for the period from October 2009 to March 2010); (ii) dated September 20, 2011 (for the period from April 2010 to September 2010); (iii) dated July 10, 2012 (for the period from October 2010 to September 2011); (iv) dated April 17, 2013 (for the period from October 2011 to June 2012); and (v) dated May 19, 2014 (for the period from July 2012 to March 2013) were issued by Commissioner, Service Tax, Delhi to Bharti Infratel which were adjudicated by another order-in-original dated March 27, 2015 confirming demand for irregularly availed cenvat credit on inputs and capital goods of approximately ₹ 431.80 million.

   Bharti Infratel, being aggrieved, filed two separate appeals challenging the order passed by the Commissioner, Service Tax, Delhi before the Customs, Excise and Service Tax Appellate Tribunal, New Delhi, which was referred to the larger bench of the Tribunal. The larger bench passed an interim order dated March 3, 2016 and decided the issue in favour of the revenue. Subsequently, Bharti Infratel, filed SERTA before the High Court of Delhi, which through judgement dated October 31, 2018, *inter alia*, held that towers and prefabricated buildings are accessories of base transmission systems and cannot be considered as immoveable goods, and consequently, the petitioners therein, including Bharti Infratel, are eligible to take cenvat credit of duty or service tax paid on such goods or while rendering services relating to such goods.

   The Commissioner of Service Tax, Delhi has filed a special leave petition on April 24, 2019 before the Supreme Court against Bharti Infratel seeking, *inter alia*, (i) ad-interim ex-parte stay on operation of the judgement dated October 31, 2018 passed by the High Court of Delhi; and (ii) grant special leave to appeal against such judgement.

Bharti Telemedia Limited

Proceedings involving material statutory and regulatory violations by Bharti Telemedia Limited

1. Bharti Telemedia Limited filed a petition dated April 28, 2009 before the TDSAT for declaration that it is required to pay license fee on AGR basis and for direction to the Union of India ("**UOI**") to calculate the license fee only from the licensed activities as per AGR. The TDSAT through judgment dated May 28, 2010 *inter alia*, allowed the said petition and provided for license fee on AGR basis. Further, the TDSAT excluded certain items from purview of AGR such as taxes, installation charges, commission, sale of set top boxes and accessories, subscription fees payable to broadcaster in respect of pay channel. The TDSAT in its order dated May 28, 2010 relied on the TDSAT order dated August 26, 2008 passed in the Tata Sky Limited vs. Union of India ("**Tata Sky matter**"). Thereafter, the UOI challenged the TDSAT's order dated May 28, 2010 which was admitted by the Supreme Court and tagged with the UOI's appeal in the Tata Sky matter (Civil Appeal No. 3549 of 2009). The Supreme Court through

judgment dated October 11, 2011 ("**AUSPI judgment**"), *inter alia,* held that the TDSAT had no jurisdiction to decide on the legality and validity of the license conditions including the definition of AGR in the telecom matter and set aside the TDSAT orders dated July 7, 2006 and August 30, 2007. With the aforesaid findings, the Supreme Court remanded the matter back to the TDSAT for adjudication.

The TDSAT on December 15, 2011 passed the order in the remanded matter that no demand (original or revised) would be enforced without leave of the TDSAT. Subsequently, nearly two years later the UOI on March 19, 2014 raised a demand of approximately ₹ 2,985 million (including interest until March 2014) on account of short payment of license fee from Fiscal 2008-09 until Fiscal 2012-13 and the same had to be paid within 15 days on the alleged basis that Bharti Telemedia Limited was required to pay a license fee at 10% of the gross revenue. Bharti Telemedia Limited challenged the said demand before the TDSAT on April 2, 2014 and the TDSAT through order dated April 4, 2014 granted the interim protection and directed that the UOI shall not take any coercive measure for realization of the said demand. Bharti Telemedia Limited was paying the license fee on AGR as per the TDSAT order dated May 28, 2010 whilst the UOI was seeking to levy license fee on the gross revenue of the DTH financials.

Tata Sky's appeal along with the appeal filed by UOI pending before the Supreme Court and the interim applications filed by Bharti Telemedia Limited were listed on August 27, 2015. A statement was made on behalf of TATA Sky that the AUSPI judgment of 2011 (Telecom AGR) would apply for the DTH matter also and as such they wanted to withdraw their appeal. The Supreme Court, through its order dated August 27, 2015, dismissed Tata Sky's appeal and allowed the appeal filed by the UOI and further directed that such dismissal is not to adversely affect the matters pending before the TDSAT. Bharti Telemedia took a stand different from Tata's stand, but the Supreme Court dismissed Tata's appeal and the I.A.s filed by Bharti Telemedia and Sun TV. The TDSAT on January 11, 2018 adjourned the matter *sine die*.

Further, Bharti Telemedia Limited filed a writ petition before the Kerala High Court against the UOI and the TRAI in December 16, 2015, *inter alia,* seeking issuance of order or direction (i) issuing a writ, order or direction holding Clause 3.1.1 of the license agreement is in violation of Articles 14 and 19(1)(g) of the Constitution of India as it discriminates between similarly placed competing distribution platforms; (ii) holding and declaring that the powers of the DoT to charge license fee under Section 4 of the Telegraph Act is confined only to revenue earned from licensed activities; and (iii) setting aside/quashing Clause 3.1.1 to the license agreement being *ultra vires* of Section 4 of the Telegraph Act to the extent that it includes revenue earned from non-licensed activities and expenses which are of a pass through nature. The Kerala High Court through its order dated December 17, 2015 granted an interim relief as prayed in the petition, which was extended until further orders through the Kerala High Court's order dated February 18, 2016.

The DoT filed transfer petitions before the Supreme Court on July 4, 2019, praying for the clubbing of all the matters pertaining to AGR and DTH pending before the Kerala High Court. The Supreme Court has, through its order dated September 23, 2019, allowed the said transfer petitions. The matter is currently pending.

Proceedings involving moral turpitude or criminal liability on Bharti Telemedia Limited

1. Onkar Entertainment Private Limited ("**Complainant**") filed a criminal complaint ("**Complaint**") before the Court of Additional Chief Metropolitan Magistrate - VIII, Calcutta, alleging commission of offences under Sections 406 and 420, read with Section 120(B) of the IPC against Bharti Telemedia Limited and certain of its directors and officers, amongst others ("**Accused Persons**") on December 6, 2017, claiming that the Accused Persons violated the agreement dated November 26, 2015 signed between our Company and the Complainant, by not providing the agreed upon DTH platform for the channel of the Complainant. The Court of Additional Chief Metropolitan Magistrate, VIII Calcutta took cognizance of the matter through order dated December 16, 2017 and issued summons to the Accused Persons under Section 200 of the Cr. PC. Bharti Telemedia Limited filed a petition under Section 482 of the Cr. PC before the Calcutta High Court on May 4, 2018 to quash the proceedings and obtain stay of proceedings before the Trial Court, which was subsequently granted to it. The matter is pending.

Indirect Tax Proceedings

1. For details of Indirect Tax Proceedings with respect to Entry Tax matters against our Company along with Bharti Telemedia, see *"- Litigation involving our Company – Indirect Tax Proceedings*" on page 244.

Bharti Hexacom

Proceedings involving material statutory and regulatory violations by Bharti Hexacom

1. For details of proceedings involving material statutory and regulatory violations with regards to spectrum charges matters by our Company along with Bharti Hexacom, see *"- Litigation involving our Company – Proceedings involving material statutory and regulatory violations by our Company*" on page 227.

2. For details of proceedings involving material statutory and regulatory violations with regards to EMF matters by our Company along with Bharti Hexacom, see *"- Litigation involving our Company – Proceedings involving material statutory and regulatory violations by our Company*" on page 227.

3. For details of proceedings involving material statutory and regulatory violations with regards to port charges matters by our Company along with Bharti Hexacom, see *"- Litigation involving our Company – Proceedings involving material statutory and regulatory violations our Company*" on page 227.

4. For details of proceedings involving material statutory and regulatory violations with regards to CAF matters by our Company along with Bharti Hexacom, see *"- Litigation involving our Company – Proceedings involving material statutory and regulatory violations by our Company*" on page 227.

5. For details of proceedings involving the transfer/merger of TTSL with our Company and Bharti Hexacom, see *"- Litigation involving our Company – Other Regulatory Matters involving our Company"* on page 236.

6. For details of proceedings involving material statutory and regulatory violations with regards to the TRAI matters by our Company along with Bharti Hexacom, see *"- Litigation involving our Company – Other Regulatory Matters involving our Company*" on page 236.

7. For details of proceedings involving material statutory and regulatory violations with regards to AGR matters by our Company along with Bharti Hexacom, see *"- Litigation involving our Company – Proceedings involving material statutory and regulatory violations by our Company*" on page 227.

8. For details of proceedings involving material statutory and regulatory violations with regards to SMS termination matters by our Company along with Bharti Hexacom, see *"- Litigation involving our Company – Proceedings involving material statutory and regulatory violations by our Company*" on page 227.

9. For details of proceedings involving material statutory and regulatory violations with regards to 3G ICR matter by our Company along with Bharti Hexacom, see *"- Litigation involving our Company – Proceedings involving material violations of statutory regulations by our Company*" on page 227.

Direct Tax Proceedings

1. For details of Direct Tax Proceedings with respect to TDS on income of distributer proceedings against our Company along with Bharti Hexacom, see *"- Litigation involving our Company – Direct Tax Proceedings*" on page 243.

Indirect Tax Proceedings

1. For details of Indirect Tax Proceedings with respect to Entry Tax matters against our Company along with Bharti Hexacom, see *"- Litigation involving our Company – Indirect Tax Proceedings*" on page 244.

Bharti Digital

Proceedings involving material statutory and regulatory violations by Bharti Digital

1. For details of proceedings involving the merger of our Company with Bharti Digital, see *"- Litigation involving our Company – Other Regulatory Matters involving our Company*" on page 236.

Bharti Airtel Lanka (Private) Limited

Other regulatory matters involving Bharti Airtel Lanka (Private) Limited

1. On April 1, 2019, Dialog Axiata PLC and Dialog Broadband Networks (Private) Limited (the "**Petitioners**") filed an application under Article 126 of the Constitution in the Supreme Court of Sri Lanka. The respondents in this matter are the Telecommunications Regulatory Authority of Sri Lanka ("**1st Respondent**") and the Attorney General of Sri Lanka.

   The Petitioner has sought to challenge the decision of the 1st Respondent to allocate 70 MHz of spectrum in the 2600 band. It is the Petitioners' case that the "conduct of the 1st Respondent in deciding to allocate the 70 MHz of spectrum in the 2600 MHz frequency band in secret and without recourse to a transparent and competitive bidding process based on an independent commercial valuation of the said spectrum is in total breach of the 1st Respondent's statutory duties and is wholly arbitrary, capricious, unreasonable" and is seeking, *inter alia*, a declaration from the court that the said decisions are in violation of the Petitioners' fundamental rights guaranteed under Article 12(1) and Article 14(1)(g) of the Constitution and a direction to the 1st Respondent to, *inter alia*, "conduct an open, transparent and competitive bidding process based on an independent commercial valuation for any allocation of spectrum". Further, the Petitioner has also sought an interim order, *inter alia*, "restraining the 1st Respondent from taking any steps whatsoever or howsoever in furtherance of its purported decisions to allocate 70 MHz of spectrum in the 2600 MHz frequency band."

   If the Petitioner succeeds in this application there could be a possibility that all future spectrum allocations will be based on a competitive bidding process which will impact the entire industry as a whole including Bharti Airtel Lanka (Private) Limited.

   On April 18, 2019, Bharti Airtel Lanka (Private) Limited filed intervention papers seeking to intervene in the aforesaid application. Sri Lanka Telecom PLC ("**SLT**") and Mobitel (Private) Limited ("**Mobitel**") have also sought to intervene.

   The Supreme Court of Sri Lanka granted interim order "restraining the 1st Respondent from "permitting any person/entity whomsoever to utilise the said spectrum in any manner whatsoever pending the hearing and determination of this Application" and granted leave to proceed and allowed interventions by Bharti Airtel Lanka (Private) Limited, SLT and Mobitel.

   Bharti Airtel Lanka (Private) Limited has pleaded, *inter alia*, that

   a. "The court make an order that in the 2600 spectrum a minimum frequency as determined by court be allocated to each operator;
   b. That the said allocation be made on a formula approved by court;
   c. That a direction be given to the 1st Respondent that a similar scheme be adopted for the allocation of spectrum in other spectrums."

   The parties have now completed their pleadings in this case. The matter is now fixed for arguments on January 24, 2020.

2. On October 31, 2019, Dialog Axiata PLC (the "**Petitioner**") filed an application under Article 126 of the Constitution in the Supreme Court of Sri Lanka. The Respondents in this matter are the Telecommunications Regulatory Authority of Sri Lanka ("**1st Respondent**") and the Attorney General.

   In this application the Petitioner has sought to challenge a notice published by the 1st Respondent on October 1, 2019 under the heading "ASSIGNMENT CRITERIA FOR THE ASSIGNMENT OF 5

MHZ OF FDD SLOT RELEASED UNDER MERGER OF HUTCHISON AND ETISALAT" and is seeking, *inter alia*, a declaration that the said notice is in violation of the Petitioner's fundamental rights guaranteed under Article 12(1) and Article 14(1)(g) of the Constitution. Further, the Petitioner is also seeking an interim order "restraining the 1st Respondent from taking any steps whatsoever or howsoever pursuant to the Notice".

If the Petitioner succeeds in this application there could be a possibility that the 5 MHz of spectrum in the 900 band allocated to Bharti Airtel Lanka (Private) Limited might get adversely impacted.

On November 11, 2019, Bharti Airtel Lanka (Private) Limited filed intervention papers seeking to intervene in this application. Sri Lanka Telecom PLC ("**SLT**") and Mobitel (Private) Limited ("**Mobitel**") also sought intervention in this case.

The matter is coming up before the Supreme Court of Sri Lanka on May 15, 2020 to consider the granting of leave to proceed and interim order.

Airtel Congo S.A.

Indirect Tax Proceedings

1. Airtel Congo S.A. underwent a general accounting audit for the Fiscals 2012, 2013 and 2014. On November 7, 2016 as a result of this verification, the tax authorities made a notification of adjustments amounting to XAF 57,230,455,658 for IRVM and VAT. On December 22, 2016 Airtel Congo S.A. made a protest against the notification. On September 24, 2018 the services tax authorities maintained the charges against Airtel Congo S.A. On October 3, 2018 the DGE of Brazzaville issued a notice of assessment (AMR) demanding from Airtel Congo S.A. the payment of an amount of XAF 85,296,464,550. On November 5, 2018 Airtel Congo S.A. applied for a waiver of the guarantee deposit of administrative fees before the Minister of Finance. On November 22, 2018 the Minister of Finance granted Airtel Congo S.A. a waiver of the guarantee deposit and processing fees. On November 27, 2018 Airtel Congo S.A. filed an application to the Tax Managing Director to seek arbitration over disagreements between his internal services and Airtel Congo S.A.

Airtel Congo RDC S.A.

Proceedings involving material statutory and regulatory violations by Airtel Congo RDC S.A.

1. Airtel Congo RDC S.A. ("**Claimant**") was initially subject to three tax assessments seeking the payment of 1,459,523.53 USD for the alleged implementation of new versions of 3G technology without the requisite license. The Claimant on March 20, 2018 brought an application against the government of D.R. Congo, the DGRAD Tax authority and the Principal Collector ("**Respondents**") to the Court in order to obtain a rebate of the aforementioned amount sought from the Claimant along with a counterclaim of USD 1,000,000 in damages. The Claimant argued that the tax assessments were illegal since they were not based on a piece of legislation enacted by the Congolese national parliament that was in force at the time of the taxation. The Claimant further argued that based on the applicable legislation on the matter, there was no tax base for the taxation made by the administration in light of the terms and conditions of the license granted to the Claimant by the government. All the pleadings were entered. The matter was heard by the Court on June 26, 2018 and sent to the Public Prosecutor's Office for its legal opinion on the case before the Court's final ruling. The matter will be taken by the Court for its ruling on the case once the Public Prosecutor issues his legal opinion on the case.

2. The Nederland British Company (NBC Sprl) ("**Claimant**") sought a court injunction against Airtel Congo RDC S.A., Africell DRC, Vodacom Congo and Oasis ("**Respondents**") on the ground that the Respondents were using spectrum which was allocated to the Claimant by provision of its license. The Claimant and the Respondents thereafter failed to settle the matter under the mediation of the Telecom regulator. The Claimant subsequently moved to seek a court order compelling the Respondents to pay USD 20,000,000 in damages. The Court delivered an injunction against the Respondents to cease the usage of the aforesaid spectrum on October 25, 2012 which was overruled by the Court of Appeal on June 7, 2013. The Claimant has not initiated any further proceedings as of date.

Proceedings involving moral turpitude or criminal liability on Airtel Congo RDC S.A.

1. Mr. Nengbangba and another person ("**Claimants**"), two DRC local ex-officials filed a claim on August 19, 2018 against Airtel Congo RDC S.A., seeking a court order compelling Airtel Congo RDC S.A. to reimburse a sum of USD 2,950 and to pay USD 1,000,000 in damages for the alleged fraudulent swaps of the Claimant's SIM cards. The Court subsequently issued an investigation order to search Airtel Congo RDC S.A.'s premises and interview witnesses which have been appealed against by Airtel Congo RDC S.A. for violation of the constitutional right to a fair trial. The trial is pending for the appeal before the Supreme Court.

2. Mr. Lulanga Zihundula ("**Plaintiff**") is the former landlord of Mr. Thomas Mayuma De Souza ("**Defendant**"), a former Airtel Congo RDC S.A. employee. The Plaintiff brought an action to Court in order to recover USD 900 of rent arrears which the defendant owed to the Plaintiff, who undertook garnishment procedures over the Defendant's monies held by Airtel Congo RDC S.A. in order to recover these rent arrears and costs. The claim was granted by the Trial Judge along with legal cost of about USD 230. The Defendant challenged the garnishment procedure before the Tribunal de Grande Instance de Kinshasa/Gombe. On May 15, 2018 the Plaintiff brought an action against Airtel Congo RDC S.A. before the Trial Court in Kinshasa/Gombe for concealment and handling of the stolen goods arguing that Airtel Congo RDC S.A. should be held liable under civil law and responsible under criminal law. The Plaintiff sought damages for USD 150,000. At this stage pleadings were entered. The case was pleaded on October 11, 2019 and the decision of the court is awaited.

3. Ms. Ndudi Bakambu ("**Claimant**"), a local DRC national filed an application on July 30, 2007 against Airtel Congo RDC S.A., seeking a court order compelling Airtel Congo RDC S.A. to make a payment of USD 200,000 in general damages following a traffic accident allegedly caused by Airtel Congo RDC S.A.'s vehicle. Airtel Congo RDC S.A. moved to bring its insurer into the lawsuit as a third party defendant. Subsequently, the third party defendant initiated negotiations to reach an out of court settlement agreement with the Claimant. There is an on-going search at the registrar's to verify whether a settlement agreement is recorded.

4. Mr. Alain Bassie ("**Claimant**"), an ex-employee served a notice on February 25, 2016 to Airtel Congo RDC S.A. and the then managing director and human resources manager ("**Respondents**") purporting that the assignment letter received by the Claimant on March 11, 2013 was wrongfully backdated by the Respondents to December 26, 2012. The Claimant subsequently filed an application seeking USD 3,500,000 in damages. The matter is pending before the High Court of Kinshasa/Gombe.

5. Mr. Babel Mbaya ("**Claimant**"), an ex-employee of Airtel Congo RDC S.A. filed a complaint against Airtel Congo RDC S.A. and a local labour inspector ("**Respondents**"), alleging that the settlement agreement entered into on June 20, 2015 before the labour office is forged. The amount claimed in damages under the notice dated January 12, 2017 to the Respondents is USD 500,000. The High Court of Kinshasa/Matete rejected the claim, pointing the validity of the settlement agreement between the Claimant and Airtel Congo RDC S.A.. The ruling is yet to be notified to all the parties by the registrar. Another complaint lodged by the Claimant seeking the annulment of the minutes of non-conciliation pertaining to the proceeding before the labor inspectorate was also denied by the High Court of Kinshasa/Matete.

6. Mr. Otiom Apiker ("**Claimant**"), an ex-employee of Airtel Congo RDC S.A. filed a complaint through notice on June 26, 2013 to Airtel Congo RDC S.A. (civilly liable) and the then line manager of the Claimant ("**Respondents**"), seeking a court order compelling the Respondents to make a payment of USD 45,000 in damages. The Claimant accused the line manager of fraudulently adding 1,200 customer acquisitions to the Claimant's KPI in an attempt to reduce the Claimant's chances to meet his monthly sales targets and obtain the related bonus. The Tribunal of Gombe dismissed the case on July 10, 2013 for lack of jurisdiction and the Claimant moved to file the complaint before the Tribunal of Ngaliema which ruling has been appealed by the line manager. The matter is pending before the Supreme Court.

7. Socoda ("**Claimant**"), a local copyright agency initiated a complaint through notice dated September 18, 2018 to Airtel Congo RDC S.A., seeking to compel Airtel Congo RDC S.A. to pay an outstanding fee of USD 25,975 and USD 500,000 in damages for the alleged infringement of copyright, counterfeit, rebellion and forgery. The Claimant had filed the complaint to block the then impending dismissal of the civil lawsuit the Claimant brought against Airtel Congo RDC S.A., which sought to recover the

aforesaid outstanding amount and obtain an attachment order in that respect. The Claimant's civil lawsuit was nevertheless dismissed and the Claimant has not moved to continue the complaint before the High Court of Matadi as of date.

8. Following investigations led by the Prosecutor Office in 2016, the management of Airtel Congo RDC S.A. was summoned to explain gaps between the amounts declared in certain of its importation licenses and the value of goods eventually imported. The Prosecutor Office alleged that the said gaps amounted into illegal transfers of foreign currency made by Airtel Congo RDC S.A. to the range of USD 72,000,000. Airtel Congo RDC S.A. clarified to the Prosecutor Office that importation licenses are issued by banks based on the estimated value of proposed imports indicated by the importer prior to the importation of the said goods. Airtel Congo RDC S.A. further clarified that upon the effective importation of the goods, the banks are to issue updated importation licenses reflecting the value of the imported goods, subject to the Central Bank approval, and in accordance with the foreign exchange regulations in the Democratic Republic of Congo. Airtel Congo RDC S.A. proceeded to share the updated licenses issued by the banks in full to the Prosecutor Office. As of date the Prosecutor Office has not made any new demand with regard to its initial query and Airtel Congo RDC S.A. awaits the conclusion of investigation.

Airtel Money RDC S.A.

Proceedings involving moral turpitude or criminal liability on Airtel Money RDC S.A.

1. Mr. Christian Mupanda along with another person ("**Claimants**"), two local nationals of DRC filed a claim against the former director and manager of Airtel Money RDC S.A. and Airtel Money RDC S.A. ("**Respondents**"), alleging forgery by the Respondents of the Claimants' concept of electronic money wallet, seeking a court order compelling the Respondents to make a payment of USD 1,000,000 in damages and the cessation of any activity affecting the Claimant's rights. Through judgement dated April 20, 2015, the High Court rejected the claim ruling that the alleged *"forgery was not proven in fact nor in law".* The appeal lodged by the Claimants against the above ruling was found admissible in part. The matter is pending the determination of the Supreme Court.

*Airtel Networks Kenya Limited ("**ANKL**")*

Proceedings involving material statutory and regulatory violations by ANKL

1. On August 7, 2017 ANKL filed a suit against the Communications Authority of Kenya ("**Communications Authority**") seeking the following:

- An order of Certiorari to quash the unlawful demand of USD 20,025,000 made by the Communications Authority. The Communications Authority stated that payment of the aforesaid amount was a condition precedent to the renewal of ANKL's radio frequency spectrum and operating licenses.
- An order of Prohibition to prohibit Communications Authority from in any manner seeking to enforce the unlawful demand of USD 20,025,000.
- An order of Mandamus to compel Communications Authority to renew ANKL's Network Facility Provider License and issue ANKL the signed license terms and conditions.

The parties presented their respective legal arguments before the High Court on various dates. The High Court through judgment dated December 18, 2017 held that the renewal of ANKL's license was not conditional on the payment of USD 20,025,000 as demanded by the Communications Authority. The High Court issued an order of Mandamus directing the Communications Authority to conclude the terms of the reserved Network Facility Provider License or such other documents confirming the renewal of the ANKL's Network Facility Provider License as well as the signed license terms and conditions. The Communications Authority filed a notice of appeal on January 24, 2018 and through letter dated January 24, 2018 addressed to the Deputy Registrar of the High Court requested for typed copies of the court proceedings for the purpose of compiling the record of appeal. Although no purposeful steps have been taken to obtain the proceedings, the Communications Authority may be content to await the High Court to provide the typed proceedings. During this waiting period and notwithstanding inertia by the Authority, the proposed appeal is still within time. Rule 82 of the Court of Appeal Rules excludes from computation of time, the period taken by the High Court to type the proceedings. As a consequence of the failure by the Communications Authority to comply with the order issued by the High Court on December 18, 2017, ANKL filed an application seeking that the Director General of the Communications Authority be cited for contempt of court. On June 6, 2018 ANKL filed the aforesaid application and served the application upon the Communications Authority. The Communications Authority filed an affidavit in response to the application. The suit was mentioned on December 16, 2019. The purpose of such mention was to inform the court whether the board of directors of the Communications Authority had been appointed and if so, to take a date for hearing of the contempt application. As the board of directors of the Communications Authority had not been appointed, the court directed the suit to be listed for mention on March 17, 2020.

Airtel Madagascar S.A.

Proceedings involving moral turpitude or criminal liability on Airtel Madagascar S.A.

1. Ms. Rakotondrabe Lalatiana Maryse Yvonne ("**Claimant**"), a distributer, alleged that her SIM card was swapped by a dealer on the March 14, 2018 on the basis of a false identity card and without adequate verification. The dealer and Airtel Madagascar S.A. are the Respondents in this matter. The Claimant alleged that a sum of Ariary 4,165,917 (approx. USD 1,175) was stolen as a result from her Airtel money account. Airtel Madagascar S.A. reimbursed the above sum of Ariary 4,165,917 (approx. USD 1,175) to the Claimant following the court hearing held on the July 23, 2018. No charges were retained against the dealer by the court and the public prosecutor has appealed that decision. The matter is being transferred from the court of Maevatanana venue to the correctional court of Mahajanga. The legal proceedings are ongoing and the first date of the hearing is yet to be fixed.

2. Mr. Wang Jing Xue, a local customer filed a complaint against Airtel Madagascar S.A., alleging that his mobile number was being used by a third party. Airtel Madagascar S.A. confirmed in writing on June 21, 2018 that the aforesaid mobile phone number was not used by another customer. There are no damages sought against Airtel Madagascar S.A.. The Economic Police investigation is ongoing.

Airtel Malawi Limited

Proceedings involving material statutory and regulatory violations by Airtel Malawi Limited

1. In 2003, Mobile Telecommunications Company (MTC) bought Celtel International B.V. in Sub-Saharan Africa inclusive of Airtel Malawi Limited through a share purchase. For the sake of uniformity the trade name for all operations acquired by Mobile Telecommunications Company were changed to Zain in all operating countries except the Sudan. The 2010 takeover of the Zain Group by our Company is also is same format as the earlier. The Competition and Fair Trading Commission ("**CFTC**") was of the opinion that it ought to have been notified about both transactions by virtue of Section 35 of the Competition and Fair Trading Act cap 48:09 of the Laws of Malawi. Thus, it issued an order to force notification on January 21, 2013. The above order was filed in the High Court of Malawi, Lilongwe District Registry and was made a judgment of the Court on January 23, 2013. On January 30, 2013 Airtel Malawi Limited obtained an order staying the said judgment in order to proceed to a Judicial Review of the Competition and Fair Trading Commission decision. On December 5, 2013, the Lilongwe Commercial Court ruled in favour of our Company and Airtel Malawi Limited. On February 4, 2014 a notice of appeal was issued by the Respondents. On March 5, 2014, the Registrar gave its statement. On November 26, 2018 the Supreme Court set aside the order made by the High Court Judge on review on the basis that the Lilongwe Commercial Court did not have the jurisdiction in this matter. While our Company and Airtel Malawi Limited are pursuing judicial review before the General Division of the High Court of Malawi, it had on February 26, 2019 filed on a without prejudice basis an application to the CFTC for its approval of the 2010 takeover by our Company. The total notification fee was computed and paid under the CFTA Regulations was K 13,887,000 (USD 19,200). This was calculated at the rate of 0.05% of the total assets being higher than turnover and was only paid when Airtel Malawi Limited had submitted the without prejudice application to the CFTC. In response, the CFTC informed Airtel Malawi Limited that there was a balance of K 729,489 (USD 1,006) to be paid based on Celtel's audited accounts for 2009. On March 19, 2019, Airtel Malawi Limited informed the CFTC that payment of the sum of K 13,887,000 was made based on the 2009 restated audited accounts of Airtel Malawi Limited. On April 4, 2019, the CFTC insisted that the merger fees are calculated based on audited financial accounts of the year preceding the transaction of which in this case is 2009 (as the transaction took place in 2010), hence Airtel Malawi Limited was still liable to pay the balance

of K 729,489 (USD 1,006) for the Commission to start considering our Company's submitted Application. On April 11, 2019, Airtel Malawi Limited informed the Commission that payment of the sum of K 13,887,000 was made based on the restated audited accounts of Celtel Malawi Limited of 2009, which had replaced the initial audited accounts of Celtel Malawi Limited of 2009 on the ground that when Auditors restate the accounts of previous period(s), the old accounts cannot be used anymore as they do not represent a true and fair state of affairs of our Company and accordingly, the CFTC was convinced. On July 2, 2019, the CFTC wrote a letter of comfort to Airtel Malawi Limited stating that it had concluded its investigations and the results showed that the transaction did not change the parameters that influence competition in the relevant market which means that the acquisition of Zain by our Company did not create conditions which are adverse to competition to the relevant market. However, the CFTC advised that final determination rests with the Board of Commissioners to which it submitted its findings. The members of the Board of the Commissioners have been appointed just recently and are yet to communicate final decision.

*Airtel Networks Zambia PLC ("**ANZ**")*

Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of ANZ

1. On June 16, 2015, Thomas Allan Zgambo and Clayson Hamasaka ("**Petitioners**") commenced an action against ANZ, claiming that ANZ had breached various security and privacy laws under the Constitution and the Electronic Communications and Transactions Act ("**ECT**") by allegedly intercepting their communications and providing them to Government investigatory and security agencies in or around April, 2014. The Petitioners claimed the following reliefs:

    i. A declaration that ANZ had breached its obligations under the Constitution and the ECT by diverting the Petitioners' communications;
    ii. Damages for breach of privacy;
    iii. An injunction, restraining ANZ from further invading the privacy of the petitioners; and
    iv. Costs for the action.

    In order to prove their case, the Petitioners had applied to court for the submission by ANZ of their Call Data Records ("**CDRs**") and those of five other numbers which they claimed to have been the numbers to which the alleged interceptions had been diverted. ANZ opposed the application on the basis that the Petitioners could not request CDRs in respect of phone numbers that were not registered to them and the court, agreeing with ANZ, restricted the production only to the Petitioners' CDRs which were to be produced at the Petitioners' expense.

    The matter was scheduled to commence for trial on December 6, 2019 but was struck off the active cause list due to non-attendance by the Petitioners in addition to their failure to comply with the cost of producing the CDRs. The Petitioners have since had the matter restored to the active cause list and receipt of a revised date of trial is awaited.

Tax liabilities of our Company and our Subsidiaries

The direct tax proceedings have contributed ₹ 14,061 million to our contingent liabilities, on a consolidated basis, as of September 30, 2019. The indirect tax proceedings pertaining to customs duty, sales tax / service tax / VAT and entry tax have contributed ₹ 48,391 million to our contingent liabilities, on a consolidated basis, as of September 30, 2019.

Litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoter during the last three years

There is no litigation or legal action pending or taken by any Ministry or Department of the Government or any statutory authority and there are no directions issued by such Ministry or Department of the Government or statutory authority upon conclusion of such litigation or legal action against our Promoter during the last three years immediately preceding the year of the issue of this Placement Document.

Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years

There have been no inquiries, inspections or investigations initiated or conducted against our Company or our Subsidiaries under the Companies Act or the Companies Act, 1956 in the last three years immediately preceding the year of issue of this Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company or our Subsidiaries.

Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company

There have been no material frauds committed against our Company in the last three years preceding the date of this Placement Document.

Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon

As of December 31, 2019, our Company has no outstanding defaults in repayment of statutory dues, dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution, except where there is dispute under litigation.

Details of defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder

As on the date of this Placement Document, our Company has not made any default in annual filings of our Company under the Companies Act, 2013 and the rules made thereunder.

Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations

Except the "*AGR matters*" stated in this section at *"- Litigation involving our Company – Proceedings involving material statutory and regulatory violations by our Company*" on page 227, there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations. For details, please see "*Financial Statements*" on page 265.

Reservations, qualifications, matters of emphasis or adverse remarks of auditors in the last five Fiscals immediately preceding the year of issue of this Placement Document and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks

Except as stated below, here are no reservations, qualifications, matters of emphasis or adverse remarks of our auditors in their respective reports on our audited consolidated and standalone financial statements for the last five Fiscals preceding the date of this Placement Document.

Audited Standalone Financial Statements

Year/ Period ended	Reservations, qualifications, matters of emphasis or adverse remarks in Audited Standalone Financial Statements	Details of impact on financial statements and corrective steps taken and proposed to be taken by our Company
September 30, 2019	**Material uncertainty related to Going Concern** "The accompanying Interim Condensed Standalone Financial Statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the Interim Condensed Standalone Financial Statements, the Company has referred to a judgement delivered by the Honourable Supreme Court of India on October 24, 2019 in relation to a long outstanding industry-wide case upholding the view considered by Department of Telecommunications in respect of definition of Adjusted Gross Revenue, which,	Impact on financial statements: The best estimate of the provision has been recorded in the financial statements. Corrective steps by our Company: Our Company has recognised the provision for outstanding adjusted gross revenue. Our Company has also filed a review petition before the Supreme

Year/ Period ended	Reservations, qualifications, matters of emphasis or adverse remarks in Audited Standalone Financial Statements	Details of impact on financial statements and corrective steps taken and proposed to be taken by our Company
	along with other matters as stated in the said Note, indicate that a material uncertainty exists that may cast significant doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 2. Our opinion is not modified in respect of this matter."	Court and is seeking other reliefs, with others affected in the industry, from the Government. Further, the management's actions include, inter-alia, accessing diversified sources of finance to discharge its obligation under the Court judgement.
	Emphasis of matter "We draw attention to Note 9(i)(i) to the Interim Condensed Standalone Financial Statement, which describes the uncertainties related to the legal outcome of Department of Telecommunications demand with respect to one time spectrum charges. Our opinion on the Statement is not modified in respect of this matter."	Impact on financial statements: Demands on this matter have been disclosed as contingent liabilities in the financial statements. Corrective steps by our Company: The matter with respect to one-time spectrum charges is currently pending in appeal before the Bombay High Court, and our Company continues to contest this demand of Department of Telecommunications. The same is disclosed as a contingent liability.
March 31, 2019	**Emphasis of matter** "We draw attention to Note 23(I)(f)(vi) of the Standalone Financial Statements, which describes the uncertainties related to the legal outcome of Department of Telecommunications demand with respect to one-time spectrum charges. Our opinion is not modified in respect of this matter."	Impact on financial statements: No impact on the financial statements of our Company except already disclosed. Corrective steps by our Company: The matter with respect to one-time spectrum charges is currently pending on appeal before the Bombay High Court, and our Company continues to contest this demand of Department of Telecommunications. The same is disclosed as a contingent liability.
	Companies (Auditor's Report) Order, 2016 "(i)(a) The Company has maintained proper records showing full particulars with respect to most of its fixed assets, and is in the process of updating quantitative and situation details with respect to certain fixed assets in the records maintained by the Company."	Impact on financial statements: No impact on the financial statements of our Company. Corrective steps by our Company: Our company has a continuous process of updating the fixed assets register for quantitative and situation details basis physical verification of sites.
	Companies (Auditor's Report) Order, 2016 "(xi) In our opinion and to the best of our information and according to explanation given to us, the remuneration paid/ accrued by the Company to its Chairman and Managing Director & CEO (India and South Asia) for the year ended March 31, 2019 is in excess by ₹ 300.66 Million vis-à-vis the limits specified in section 197 of Companies Act, 2013 ('the Act') read with Schedule V thereto as the Company does not have profits. The Company has represented to us that it is in the process of complying with the prescribed statutory requirements to regularize such excess payments, including seeking approval of shareholders, as necessary."	Impact on financial statements: No impact on the financial statements of Company Corrective steps by our Company: Our Company has complied with the prescribed statutory requirements and has also taken shareholders' approval for payment of remuneration to CMD and CEO (India & South Asia) in its annual general meeting held in August, 2019.

Year/ Period ended	Reservations, qualifications, matters of emphasis or adverse remarks in Audited Standalone Financial Statements	Details of impact on financial statements and corrective steps taken and proposed to be taken by our Company
March 31, 2018	**Emphasis of matter** "We draw attention to Note 23(i)(f)(v) to the Standalone Financial Statements which describes the uncertainties related to the legal outcome of Department of Telecommunications demand with respect to one time spectrum charges. Our opinion is not modified in respect of this matter."	<u>Impact on financial statements</u>: Demands on this matter have been disclosed as contingent liabilities in the financial statements. <u>Corrective steps by our Company</u>: The matter with respect to one-time spectrum charges is currently pending in appeal before the Bombay High Court, and our Company continues to contest this demand of Department of Telecommunications. The same is disclosed as a contingent liability.
	Companies (Auditor's Report) Order, 2016 "(i)(a) The Company has maintained proper records showing full particulars with respect to most of its fixed assets, and is in the process of updating quantitative and situation details with respect to certain fixed assets in the records maintained by the Company."	<u>Impact on financial statements</u>: No impact on the financial statements of our Company <u>Corrective steps by our Company</u>: Our Company has a continuous process of updating the fixed assets register for quantitative and situation details basis physical verification of sites.
	Companies (Auditor's Report) Order, 2016 "(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013, except that the commission of ₹ 67.64 million to non-executive directors is in excess by ₹ 33.12 million, basis the lower limits approved by the Shareholders of the Company. As informed, the Company would be seeking Shareholders' approval for the said excess amount at the ensuing Annual General Meeting."	<u>Impact on financial statements</u>: No impact on the financial statements of our Company. <u>Corrective steps by our Company</u>: Our Company has complied with the prescribed statutory requirements and has also taken shareholders' approval for payment of commission to non-executive directors in its annual general meeting held in August, 2018.
March 31, 2017	**Emphasis of matter** "We draw attention to Note 22(i)(f)(v) to the standalone Ind AS financial statements which describes the uncertainties related to the legal outcome of the Department of Telecommunications' demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter."	<u>Impact on financial statements</u>: Demands on this matter have been disclosed as contingent liabilities in the financial statements. <u>Corrective steps by our Company</u>: The matter with respect to one-time spectrum charges is currently pending in appeal before the Bombay High Court, and our Company continues to contest this demand of Department of Telecommunications. The same is disclosed as a contingent liability.
	Companies (Auditor's report) Order, 2016 "(i)(a) The Company has maintained proper records showing full particulars with respect to most of its fixed assets, and is in the process of updating quantitative and situation details with respect to certain fixed assets in the records maintained by the Company."	<u>Impact on financial statements</u>: No impact on the financial statements of our Company <u>Corrective steps by our Company</u>: Our Company has a continuous process

Year/ Period ended	Reservations, qualifications, matters of emphasis or adverse remarks in Audited Standalone Financial Statements	Details of impact on financial statements and corrective steps taken and proposed to be taken by our Company
		of updating the fixed assets register for quantitative and situation details basis physical verification of sites.
March 31, 2016	**Emphasis of matter** "We draw attention to Note 26(ii)(g)(vi) to the standalone financial statements which, describes the uncertainties related to the legal outcome of Department of Telecommunications' demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter."	Impact on financial statements: Demands on this matter have been disclosed as contingent liabilities in the financial statements. Corrective steps by our Company: The matter with respect to one-time spectrum charges is currently pending in appeal before the Bombay High Court, and our Company continues to contest this demand of Department of Telecommunications. The same is disclosed as a contingent liability.
	Companies (Auditor's Report) Order, 2016 "(i)(a) The Company has maintained proper records showing full particulars with respect to most of its fixed assets, and is in the process of updating quantitative and situation details with respect to certain fixed assets in the records maintained by the Company."	Impact on financial statements: No impact on the financial statements of our Company Corrective steps by our Company: Our Company has a continuous process of updating the fixed assets register for quantitative and situation details basis physical verification of sites.
March 31, 2015	**Emphasis of matter** "We draw attention to Note 26(ii)(g)(vii) to the standalone financial statements which, describes the uncertainties related to the legal outcome of Department of Telecommunications' demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter."	Impact on financial statements: Demands on this matter have been disclosed as contingent liabilities in the financial statements. Corrective steps by our Company: The matter with respect to one-time spectrum charges is currently pending in appeal before the Bombay High Court, and our Company continues to contest this demand of Department of Telecommunications. The same is disclosed as a contingent liability.
	Companies (Auditor's report) Order, 2015 "(i)(a) The Company has maintained proper records showing full particulars with respect to most of its fixed assets, however, is in the process of updating quantitative and situation details with respect to certain fixed assets in the records maintained by the Company. (b) The capitalised fixed assets are physically verified by the management according to a regular programme designed to cover all the items over a period of three years. Pursuant to the programme, a portion of fixed assets and capital work in progress has been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. The Company is in the process of reconciling the quantitative and situation details of the physical verification results with the records maintained by the Company and as informed to us, the impact is not expected to be material."	Impact on financial statements: No impact on the financial statements of our Company Corrective steps by our Company: Our Company has a continuous process of updating the fixed assets register for quantitative and situation details basis physical verification of sites.

Audited Consolidated Financial Statements

Year/ Period ended	Reservations, qualifications, matters of emphasis or adverse remarks in Audited Consolidated Financial Statements	Details of impact on financial statements and corrective steps taken and proposed to be taken by our Company
September 30, 2019	**Material uncertainty related to Going Concern** "The accompanying Interim Condensed Consolidated Financial Statements have been prepared assuming that the Group will continue as a going concern. As discussed in Note 2 to the Interim Condensed Consolidated Financial Statements, the Company has referred to a judgement delivered by the Honourable Supreme Court of India on October 24, 2019 in relation to a long outstanding industry-wide case upholding the view considered by Department of Telecommunications in respect of definition of Adjusted Gross Revenue, which, along with other matters as stated in the said Note, indicate that a material uncertainty exists that may cast significant doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 2. Our opinion is not modified in respect of this matter."	<u>Impact on financial statements</u>: The best estimate of the provision has been recorded in the financial statements. <u>Corrective steps by our Company</u>: Our Company has recognised the provision for outstanding adjusted gross revenue. Our Company has also filed a review petition before the Supreme Court and is seeking other reliefs, with others affected in the industry, from the Government. Further, the management's actions include, inter-alia, accessing diversified sources of finance to discharge its obligation under the Court judgement.
	Emphasis of matter "(a) We draw attention to Note 9(i)(a) of the Statement, which describes the uncertainties related to legal outcome of Department of Telecommunications demand with respect to one time spectrum charges. Our opinion on the Statement is not modified in respect of these matters."	<u>Impact on financial statements</u>: Demands on this matter have been disclosed as contingent liabilities in the financial statements. <u>Corrective steps by our Company</u>: The matter with respect to one-time spectrum charges is currently pending in appeal before the Bombay High Court, and our Company continues to contest this demand of Department of Telecommunications. The same is disclosed as a contingent liability.
	Emphasis of matter "(b) We draw attention to Note 4(c) of the Statement, which describes the auditors of Indus Towers Limited ("Indus"), a joint venture Company, have included an 'Emphasis of matter' paragraph in their audit report on the financial statements of that Company for the six month period ended September 30, 2019 with respect to accounting treatment of adjustments of ₹ 2,039 million in carrying value of deferred tax assets, by setting off the same against the reserves created out of scheme of merger pursuant to the scheme of merger as approved by the appropriate judicature. However, this is not in compliance with Ind AS 12, Income taxes. The Group's share out of the above adjustment is ₹ 856 million. Our opinion on the Statement is not modified in respect of these matters."	<u>Impact on financial statements</u>: No impact on the financial statements of our Company except already recognised <u>Corrective steps by our Company</u>: The adjustment of deferred tax asset against reserve created out of scheme of merger is pursuant to the approved Scheme of Merger and, hence, does not require any corrective action.
March 31, 2019	**Emphasis of matter** "We draw attention to Note 24(i)(f)(vi) of the Consolidated Financial Statements, which describes the uncertainties related to the outcome of Department of Telecommunications demand with respect to one-time spectrum charges. Our opinion is not modified in respect	<u>Impact on financial statements</u>: No impact on the financial statements of our Company except already disclosed <u>Corrective steps by our Company</u>:

Year/ Period ended	Reservations, qualifications, matters of emphasis or adverse remarks in Audited Consolidated Financial Statements	Details of impact on financial statements and corrective steps taken and proposed to be taken by our Company
	of this matter.”	The matter with respect to one-time spectrum charges is currently pending on appeal before the Bombay High Court, and our Company continues to contest this demand of Department of Telecommunications. The same is disclosed as a contingent liability.
March 31, 2018	**Emphasis of matter** “We draw attention to Note 24(i)(f)(v) to the Consolidated Financial Statements which describes the uncertainties related to the legal outcome of Department of Telecommunications demand with respect to one time spectrum charges. Our opinion is not modified in respect of this matter.”	<u>Impact on financial statements</u>: Demands on this matter have been disclosed as contingent liabilities in the financial statements. <u>Corrective steps by our Company</u>: The matter with respect to one-time spectrum charges is currently pending in appeal before the Bombay High Court, and our Company continues to contest this demand of Department of Telecommunications. The same is disclosed as a contingent liability.
March 31, 2017	**Emphasis of matter** “We draw attention to Note 26(i)(f)(v) to these consolidated Ind AS financial statements which, describes the uncertainties related to the legal outcome of the Department of Telecommunications’ demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter.”	<u>Impact on financial statements</u>: Demands on this matter have been disclosed as contingent liabilities in the financial statements. <u>Corrective steps by our Company</u>: The matter with respect to one-time spectrum charges is currently pending in appeal before the Bombay High Court, and our Company continues to contest this demand of Department of Telecommunications. The same is disclosed as a contingent liability.
March 31, 2016	**Emphasis of matter** “We draw attention to Note 27(ii)(f)(vi) to the consolidated IGAAP financial statements which, describes the uncertainties related to the legal outcome of Department of Telecommunications’ demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter.”	<u>Impact on financial statements</u>: Demands on this matter have been disclosed as contingent liabilities in the financial statements. <u>Corrective steps by our Company</u>: The matter with respect to one-time spectrum charges is currently pending in appeal before the Bombay High Court, and our Company continues to contest this demand of Department of Telecommunications. The same is disclosed as a contingent liability.
March 31, 2015	**Emphasis of matter** “We draw attention to Note 36(ii)(f)(vii) to the consolidated financial statements which describe the uncertainties related to the legal outcome of Department of Telecommunications’ demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter.”	<u>Impact on financial statements</u>: Demands on this matter have been disclosed as contingent liabilities in the financial statements. <u>Corrective steps by our Company</u>: The matter with respect to one-time spectrum charges is currently pending in appeal before the Bombay High Court,

Year/ Period ended	Reservations, qualifications, matters of emphasis or adverse remarks in Audited Consolidated Financial Statements	Details of impact on financial statements and corrective steps taken and proposed to be taken by our Company
		and our Company continues to contest this demand of Department of Telecommunications. The same is disclosed as a contingent liability.

OUR STATUTORY AUDITORS

In terms of the provisions of Section 139 of the Companies Act, 2013, Deloitte Haskins & Sells LLP, Chartered Accountants, were appointed as our Company's Statutory Auditors by the shareholders in the AGM held on July 24, 2017, for a period of five years i.e. till the conclusion of 27th AGM.

For details of reservations, qualifications, matters of emphasis or adverse remarks by our statutory auditors for the Fiscals 2019, 2018, 2017, 2016 and 2015, see "*Legal Proceedings – Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of issue of this Placement Document and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks*" on page 256.

Our Company's audited consolidated financial results for the quarter and six months period ended September 30, 2019 and audited consolidated financial statements for Fiscals 2019 and 2018, as included in the Preliminary Placement Document and this Placement Document have been audited by Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors and our Company's audited consolidated financial statements for the Fiscal 2017, as included in the Preliminary Placement Document and this Placement Document have been audited by S. R. Batliboi & Associates LLP, Chartered Accountants ("**SRBA**"), the erstwhile statutory auditors of our Company. Our Company's audited standalone financial results for six months period ended September 30, 2019 and for Fiscals 2019 and 2018 and have been audited by Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors and our Company's audited standalone financial statements for the Fiscal 2017 have been audited by SRBA, the erstwhile statutory auditors of our Company.

Deloitte Haskins & Sells LLP ("**DHS LLP**"), the current statutory auditors of our Company, is a firm registered with the Institute of Chartered Accountants of India. It has been reported that in connection with certain alleged lapses identified by the Serious Fraud Investigation Office in one of its audit assignments, the Ministry of Corporate Affairs in India ("**MCA**") has filed, among others, a petition with the National Company Law Tribunal ("**NCLT**") seeking an order under Section 140(5) of the Companies Act to impose a restriction on DHS LLP (and another large audit firm which was the joint auditor with DHS LLP of our Company in a recent past fiscal year) from being appointed as an auditor of any company for a five-year period, (the "**Proposed Restriction**"). The MCA has also made other applications before other judicial/quasi-judicial forums seeking certain other orders against DHS LLP and the other audit firm. Both the auditors have raised objections to the proceedings on technical and legal grounds. DHS LLP has challenged against the orders issued by the NCLT including, in particular, the applicability of Section 140(5) to it and appeals are pending before the National Company Law Appellate Tribunal ("**NCLAT**"). Separately, the other audit firm has also challenged the proceedings before the Bombay High Court and the matter is under appeals. The matters are currently subjudice. As of date, there are no orders that prevent DHS LLP from continuing as auditors of our Company. These alleged lapses are completely unrelated to our Company's financial statements and procedures.

S.R. Batliboi & Co. LLP was informed by the RBI via a press release dated June 3, 2019 that the RBI will not approve S.R. Batliboi & Co. LLP for carrying out statutory audit assignments for commercial banks for one year commencing from April 1, 2019. This does not impact SRBA's role as the statutory auditor of our Company for the year ended March 31, 2017.

GENERAL INFORMATION

1. Our Company was originally incorporated as 'Bharti Tele-Ventures Limited' on July 7, 1995 at New Delhi, as a public limited company under the Companies Act, 1956 and a certificate of incorporation was granted to our Company by the RoC. Subsequently, the name of our Company was changed to 'Bharti Airtel Limited' pursuant to which a fresh certificate of incorporation was granted on April 24, 2006 by the RoC.

2. Our Company obtained a certificate of commencement of business on January 18, 1996.

3. The Registered and Corporate Office of our Company is located at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi 110 070, India.

4. Our Company filed a prospectus dated February 7, 2002, in respect of an IPO of its equity shares of face value of ₹10 each. Such equity shares were listed on BSE, NSE and the Delhi Stock Exchange pursuant to the IPO, and were subsequently delisted from the Delhi Stock Exchange with effect from October 13, 2004.

5. This Issue has been approved by our Board and our Shareholders pursuant to resolutions dated December 4, 2019 and January 3, 2020, respectively.

6. Our Company has received in-principle approvals from NSE and BSE, both dated January 8, 2020, to list the Equity Shares to be issued pursuant to this Issue under Regulation 28(1) of the SEBI Listing Regulations. We shall apply to the Stock Exchanges for the final listing and trading approvals.

7. Our Company has obtained necessary consents, approvals and authorization required for this Issue.

8. Copies of the Memorandum and Articles of Association will be available for inspection between 10:00 am to 1:00 pm on any weekday (except Saturdays and public holidays) at the Registered and the Corporate Office.

9. Except as disclosed in this Placement Document, there has been no material change in our Company's financial position since September 30, 2019, the latest audited consolidated financial statements, filed with the Stock Exchanges, in accordance with the requirements of the SEBI Listing Regulations.

10. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and as per Rule 19A of the SCRR.

11. The Floor Price, as calculated in accordance with Chapter VI of the SEBI ICDR Regulations, is ₹ 452.09 per Equity Share.

12. Deputy Company Secretary and compliance officer of our Company and for this Issue is Mr. Rohit Krishan Puri. His contact details are as follows:

    Mr. Rohit Krishan Puri
    Bharti Crescent, 1, Nelson Mandela Road,
    Vasant Kunj, Phase – II, New Delhi – 110 070, India
    E-mail: compliance.officer@bharti.in

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF
BHARTI AIRTEL LIMITED

Report on the Audit of the Interim Condensed Consolidated Financial Statements

Opinion

We have audited the accompanying Interim Condensed Consolidated Financial Statements of **BHARTI AIRTEL LIMITED** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit / loss in its associates and joint ventures, which comprise the Interim Condensed Consolidated Balance Sheet as at September 30, 2019, and the Interim Condensed Consolidated Statement of Profit and Loss (including Other Comprehensive Income) for the quarter and six months then ended, the Interim Condensed Consolidated Changes in Equity and the Interim Condensed Consolidated Statement of Cash Flows for the six months then ended, and a summary of other explanatory notes ("hereinafter referred to as "the Interim Condensed Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial information of the joint ventures referred to in the Other Matter section below, the aforesaid Interim Condensed Consolidated Financial Statements give a true and fair view in conformity with Indian Accounting Standards 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at September 30, 2019 and their consolidated loss, their consolidated total comprehensive loss for the quarter and six months then ended, their consolidated changes in equity and their consolidated cash flows for the six months then ended.

Basis for Opinion

We conducted our audit of the Interim Condensed Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Interim Condensed Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Interim Condensed Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matter section below, is sufficient and appropriate to provide a basis for our audit opinion on the Interim Condensed Consolidated Financial Statements.

Material uncertainty related to Going Concern

The accompanying Interim Condensed Consolidated Financial Statements have been prepared assuming that the Group will continue as a going concern. As discussed in Note 2 to the Interim Condensed Consolidated Financial Statements, the Company has referred to a judgement delivered by the Honourable Supreme Court of India on October 24, 2019 in relation to a long outstanding industry-wide case upholding the view considered by Department of Telecommunications in respect of definition of Adjusted Gross Revenue, which, along with other matters as stated in the said Note, indicate that a material uncertainty exists that may cast significant doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 2.

Our opinion is not modified in respect of this matter.

Emphasis of Matters

(i) We draw attention to Note 9(i) (a) of the Statement, which describes the uncertainties related to legal outcome of Department of Telecommunications demand with respect to one time spectrum charges.

(ii) We draw attention to Note 4(c) of the Statement, which describes the auditors of Indus Towers Limited ("Indus"), a Joint Venture Company, have included an 'Emphasis of Matter' paragraph in their audit report on the financial statements of that company for the six month period ended September 30, 2019 with respect to accounting treatment of adjustments of Rs. 2,039 million in carrying value of deferred tax assets, by setting *off* the same against the reserves created out of scheme of merger pursuant to the scheme of merger as approved by the appropriate judicature. However, this is not in compliance with Ind AS 12, Income taxes. The Group's share out of above adjustment is Rs.856 million.

Our opinion is not modified in respect of these matters.

Management's Responsibility for the Interim Condensed Consolidated Financial Statements

The Parent's Board of Directors is responsible for the preparation and presentation of these Interim Condensed Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group, its associates and joint ventures in accordance with the Ind AS 34 and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and Its joint ventures 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 Interim Condensed Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to Fraud or error, which have been used for the purpose of preparation of the Interim

Condensed Consolidated Financial Statements by the Board of Directors of the Parent, as aforesaid.

In preparing the Interim Condensed Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability *of* the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of. Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process *of* the Group and *of* its associates and joint ventures.

Auditor's Responsibility for the Audit of the Interim Condensed Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Interim Condensed Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions *of* users taken on the basis of these Interim Condensed Consolidated Financial Statements.

As part *of* an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Interim Condensed Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk *of* not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding *of* internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the internal financial controls of Group, its associates and joint ventures.

- Evaluate the appropriateness *of* accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness *of* management's use *of* the going concern basis *of* accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability *of* the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Interim Condensed Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Interim Condensed Consolidated Financial Statements, including the disclosures, and whether the Interim Condensed Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the companies within the Group and its associates and joint ventures to express an opinion on the Interim Condensed Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the interim financial information of such entities included in the Interim Condensed Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Interim Condensed Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the Interim Condensed Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Interim Condensed Consolidated Financial Statements also includes the Group's share of profit/(loss) after tax of Rs. 4,147 Million and Rs. 5,871 Million for the quarter and six months ended September 30, 2019 respectively and total comprehensive income/ loss of Rs. 4,138 Million and Rs. 5,861 Million for the quarter and six months ended September 30, 2019 respectively, as considered in the Interim Condensed Consolidated Financial Statements, in respect of two joint ventures whose interim financial information have not been audited by us. These financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Interim Condensed Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, is based solely on the reports of the other auditors.

Our opinion on the Interim Condensed Consolidated Financial Statements is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Shyamak R Tata
(Membership No.38320)
UDIN: 19038320AAAAAH9179

Place: New Delhi
Date: November 14, 2019

(All amounts are in millions of Indian Rupee)

	As of	
	September 30, 2019	**March 31, 2019**
Assets		
Non-current assets		
Property, plant and equipment (note 5)	802,506	815,228
Capital work-in-progress (note 5)	89,626	88,433
Right-of-use assets (note 3)	250,977	-
Goodwill (note 6)	336,606	332,562
Other intangible assets (note 6)	830,494	860,525
Intangible assets under development (note 6)	2,182	7,909
Investment in joint ventures and associates	91,553	88,937
Financial assets		
- Investments	20,215	21,941
- Derivative instruments	95	3,105
- Security deposits	9,411	16,452
- Others	3,347	3,227
Income tax assets (net)	20,836	17,694
Deferred tax assets (net)	218,124	89,379
Other non-current assets	83,653	77,526
	2,759,625	**2,422,918**
Current assets		
Inventories	1,218	884
Financial assets		
- Investments	60,383	46,232
- Derivative instruments	457	426
- Trade receivables	53,290	43,006
- Cash and cash equivalents	106,957	62,121
- Other bank balances	20,780	18,934
- Others	200,076	20,343
Other current assets	153,440	137,111
	596,601	**329,057**
Total assets	**3,356,226**	**2,751,975**

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(All amounts are in millions of Indian Rupee)

	As of September 30, 2019	As of March 31, 2019
Equity and liabilities		
Equity		
Share capital	25,660	19,987
Other equity	674,173	694,235
Equity attributable to owners of the Parent	**699,833**	**714,222**
Non-controlling interests ('NCI')	170,316	135,258
	870,149	**849,480**
Non-current liabilities		
Financial liabilities		
- Borrowings	882,892	824,901
- Lease liabilities	229,548	47,553
- Derivative instruments	340	826
- Others	59,693	62,131
Deferred revenue	16,906	17,986
Provisions	7,282	6,823
Deferred tax liabilities (net)	6,816	11,297
Other non-current liabilities	11,568	429
	1,215,045	**971,946**
Current liabilities		
Financial liabilities		
- Borrowings	102,612	310,097
- Current maturities of long-term borrowings	83,859	71,732
- Lease liabilities	70,259	-
- Derivative instruments	47,480	12,742
- Trade payables	267,212	280,031
- Others	143,339	159,806
Deferred revenue	49,123	43,993
Provisions	465,506	2,197
Current tax liabilities (net)	10,189	8,228
Other current liabilities	31,453	41,723
	1,271,032	**930,549**
Total liabilities	**2,486,077**	**1,902,495**
Total equity and liabilities	**3,356,226**	**2,751,975**

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

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

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

Rakesh Bharti Mittal
Director
DIN: 00042494

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Shyamak R Tata
Partner
Membership No: 38320

Badal Bagri
Chief Financial Officer

Pankaj Tewari
Company Secretary

Place: **New Delhi**

Date**: November 14, 2019**

(All amounts are in millions of Indian Rupee; except per share data)

	For the three months ended		For the six months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Income				
Revenue (note 11)	211,313	201,478	418,692	399,470
Other income	677	812	1,509	1,924
	211,990	**202,290**	**420,201**	**401,394**
Expenses				
Network operating expenses	49,689	56,290	96,325	107,443
Access charges	26,389	23,294	52,016	44,649
License fee / spectrum charges	16,764	17,697	34,694	34,669
Employee benefits expense	9,464	9,360	18,105	19,016
Sales and marketing expenses	7,581	10,206	15,967	20,556
Other expenses	12,823	22,314	30,180	43,677
	122,710	**139,161**	**247,287**	**270,010**
Profit from operating activities before depreciation, amortisation and exceptional items	**89,280**	**63,129**	**172,914**	**131,384**
Depreciation and amortisation expense	69,351	52,366	136,938	103,818
Finance costs	31,872	33,034	65,800	58,524
Finance income	(2,789)	(3,177)	(4,902)	(7,401)
Non-operating expenses (net)	231	1,074	692	1,114
Share of results of associates and joint ventures (net)	(3,155)	(1,633)	(4,086)	(3,286)
Loss before exceptional items and tax	**(6,230)**	**(18,535)**	**(21,528)**	**(21,385)**
Exceptional items (net) (note 10)	307,110	1,449	321,804	5,070
Loss before tax	**(313,340)**	**(19,984)**	**(343,332)**	**(26,455)**
Tax (credit) / expense				
Current tax	4,281	3,850	12,044	11,026
Deferred tax	(89,320)	(26,326)	(103,153)	(44,769)
(Loss) / Profit for the period	**(228,301)**	**2,492**	**(252,223)**	**7,288**

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Interim Condensed Consolidated Statement of Profit and Loss

(All amounts are in millions of Indian Rupee; except per share data)

	For the three months ended		For the six months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
(Loss) / Profit for the period (continued from previous page)	**(228,301)**	**2,492**	**(252,223)**	**7,288**
Other comprehensive income ('OCI')				
Items to be reclassified subsequently to profit or loss :				
Net gains / (losses) due to foreign currency translation differences	4,503	(2,271)	2,033	(8,280)
Net losses on net investment hedge	(1,156)	(4,328)	(1,309)	(5,824)
Net losses on cash flow hedge	(114)	(148)	(193)	(655)
Net losses on fair value through OCI investments	(126)	(20)	(107)	(44)
Tax credit on above	296	364	364	527
	3,403	**(6,403)**	**788**	**(14,276)**
Items not to be reclassified to profit or loss :				
Re-measurement losses / (gains) on defined benefit plans	41	55	(250)	141
Tax (charge) / credit on above	(13)	(16)	67	(71)
Share of OCI of associates and joint ventures	3	(0)	(3)	(1)
	31	**39**	**(186)**	**69**
Other comprehensive profit / (loss) for the period	**3,434**	**(6,364)**	**602**	**(14,207)**
Total comprehensive loss for the period	**(224,867)**	**(3,872)**	**(251,621)**	**(6,919)**
(Loss) / profit for the period attributable to :	**(228,301)**	**2,492**	**(252,223)**	**7,288**
Owners of the Parent	(230,449)	1,188	(259,109)	2,161
Non-controlling interests	2,148	1,304	6,886	5,127
Other comprehensive profit / (loss) for the period attributable to :	**3,434**	**(6,364)**	**602**	**(14,207)**
Owners of the Parent	1,119	(7,356)	(831)	(14,399)
Non-controlling interests	2,315	992	1,433	192
Total comprehensive loss for the period attributable to :	**(224,867)**	**(3,872)**	**(251,621)**	**(6,919)**
Owners of the Parent	(229,330)	(6,168)	(259,940)	(12,238)
Non-controlling interests	4,463	2,296	8,319	5,319
Earnings per share (Face value: Rs. 5/- each)*				
Basic	(44.92)	0.28	(53.04)	0.50
Diluted	(44.92)	0.28	(53.04)	0.50

* *Basic and diluted earnings per share for the previous periods have been adjusted retrospectively for the bonus element in respect of rights issue made during the six months ended September 30, 2019.*

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

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Shyamak R Tata
Partner
Membership No: 38320

Place: **New Delhi**

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

Rakesh Bharti Mittal
Director
DIN: 00042494

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Badal Bagri
Chief Financial Officer

Pankaj Tewari
Company Secretary

Date: **November 14, 2019**

Bharti Airtel Limited
Interim Condensed Consolidated Statement of Changes in Equity
(All amounts are in millions of Indian Rupee; unless stated otherwise)

airtel

	Equity attributable to owners of the Parent												
	Share capital		Other equity										
			Reserves and surplus										
	No of shares (in '000)	Amount	Securities premium	Retained earnings	General reserves	Debenture redemption reserve	Capital reserve	Share-based payment reserve	NCI reserve	Other components of equity (Note 08)	Total	Non-controlling interests ('NCI')	Total equity
As of April 1, 2018	3,997,400	19,987	123,456	475,481	23,040	7,500	-	782	119,841	(74,743)	675,357	88,139	783,483
Profit for the period	-	-	-	2,161	-	-	-	-	-	-	2,161	5,127	7,288
Other comprehensive income / (loss)	-	-	-	67	-	-	-	-	-	(14,466)	(14,399)	192	(14,207)
Total comprehensive income / (loss)	-	-	-	2,228	-	-	-	-	-	(14,466)	(12,238)	5,319	(6,919)
Transaction with owners of equity													
Issue of equity shares (refer note 4 (h))	0	0	0	-	-	-	-	-	-	-	0	-	0
Employee share-based payment expense	-	-	-	-	-	-	-	184	-	-	184	3	187
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(203)	(203)	-	(203)
Exercise of share options	-	-	-	-	-	-	-	(171)	-	194	23	(12)	11
Transaction with NCI	-	-	-	-	-	-	-	-	13,306	-	13,306	(3,194)	10,112
Business combination (refer note 4 (h))	-	-	-	-	-	-	4,765	-	-	-	4,765	-	4,765
Dividend (including tax) to Company's shareholders	-	-	-	(12,028)	-	-	-	-	-	-	(12,028)	-	(12,028)
Dividend (including tax) to NCI	-	-	-	-	-	-	-	-	-	-	-	(14,769)	(14,769)
Movement on account of court approved schemes	-	-	-	(349)	-	-	-	-	-	-	(349)	(294)	(643)
As of September 30, 2018	3,997,400	19,987	123,456	465,332	23,040	7,500	4,765	795	133,147	(89,218)	668,818	75,192	763,996
Profit for the period	-	-	-	1,934	-	-	-	-	-	-	1,934	7,653	9,587
Other comprehensive income / (loss)	-	-	-	(96)	-	-	-	-	-	4,279	4,183	(2,946)	1,237
Total comprehensive income / (loss)	-	-	-	1,838	-	-	-	-	-	4,279	6,117	4,707	10,824
Transaction with owners of equity													
Issue of equity shares	-	-	-	-	-	-	-	-	-	-	0	-	0
Employee share-based payment expense	-	-	-	-	-	-	-	149	-	-	149	9	157
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(45)	(45)	-	(45)
Exercise of share options	-	-	-	-	12	-	-	(200)	-	142	(46)	(8)	(54)
Transaction with NCI	-	-	-	-	-	-	-	-	31,133	-	31,133	63,559	94,692
Business combination (refer note 4 (h))	-	-	-	-	-	-	550	-	-	-	550	-	550
Dividend (including tax) to Company's shareholders	-	-	-	(12,068)	-	-	-	-	-	-	(12,068)	-	(12,068)
Dividend (including tax) to NCI	-	-	-	-	-	-	-	-	-	-	-	(7,868)	(7,868)
Movement on account of court approved schemes	-	-	-	(372)	-	-	-	-	-	-	(372)	(332)	(705)
As of March 31, 2019	3,997,400	19,987	123,456	454,730	23,052	7,500	5,315	744	164,280	(84,842)	694,235	135,258	849,480
Transition impact on adoption of Ind AS 116 (note 3 (a))	-	-	-	(18,686)	-	-	-	-	-	(129)	(18,815)	(5,283)	(24,098)
Balance as at April 1,2019	3,997,400	19,987	123,456	436,044	23,052	7,500	5,315	744	164,280	(84,971)	675,420	129,975	825,382
Loss for the period	-	-	-	(259,109)	-	-	-	-	-	-	(259,109)	6,886	(252,223)
Other comprehensive (loss)/ income	-	-	-	(158)	-	-	-	-	-	(673)	(831)	1,433	602
Total comprehensive (loss) / income	-	-	-	(259,267)	-	-	-	-	-	(673)	(259,940)	8,319	(251,621)
Transaction with owners of equity													
Issue of equity shares, net of expenses (note 4 (a) & (d))	1,134,562	5,673	243,803	-	-	-	-	-	-	-	243,803	-	249,476
Employee share-based payment expense	-	-	-	-	-	-	-	105	-	-	105	6	111
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(84)	(84)	-	(84)
Exercise of share options	-	-	-	-	130	-	-	(296)	-	157	(9)	(17)	(26)
Transaction with NCI (net of expenses)	-	-	-	-	-	-	-	-	3,020	-	3,020	44,150	47,170
Business combination (note 4 (a))	-	-	-	-	-	-	12,670	-	-	-	12,670	260	12,930
Dividend (including tax) to NCI	-	-	-	-	-	-	-	-	-	-	-	(11,676)	(11,676)
New tax regime charge on Ind AS 116 transition impact / others	-	-	-	(371)	-	-	-	-	-	-	(371)	(322)	(693)
Movement on account of court approved schemes	-	-	-	(441)	-	-	-	-	-	-	(441)	(379)	(820)
As of September 30, 2019	5,131,962	25,660	367,259	175,965	23,182	7,500	17,985	553	167,300	(85,571)	674,173	170,316	870,149

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

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

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

Rakesh Bharti Mittal
Director
DIN: 00042494

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Shyamak R Tata
Partner
Membership No: 38320

Badal Bagri
Chief Financial Officer

Pankaj Tewari
Company Secretary

Place: **New Delhi**

Date: **November 14, 2019**

Bharti Airtel Limited
Interim Condensed Consolidated Statement of Cash Flows
(All amounts are in millions of Indian Rupee)

	For the Six months ended	
	September 30, 2019	September 30, 2018
Cash flows from operating activities		
Loss before tax	**(343,332)**	**(26,455)**
Adjustments for :		
Depreciation and amortisation expense	136,938	103,818
Finance costs	65,393	58,524
Finance income	(4,902)	(7,401)
Share of results of joint ventures and associates (net)	(4,086)	(3,286)
Employee share-based payment expense	112	187
Loss on sale of property, plant and equipment	1	98
Other non-cash / non-operating items	325,433	11,877
Operating cash flow before changes in working capital	**175,557**	**137,362**
Changes in working capital		
Trade receivables	(15,906)	4,744
Trade payables	(10,173)	5,866
Inventories	(162)	(30)
Provisions	135,142	(405)
Other financial and non-financial liabilities	(5,683)	(10,876)
Other financial and non-financial assets	(116,276)	(35,660)
Net cash generated from operations before tax	**162,499**	**101,001**
Income tax paid (net)	(13,377)	(12,485)
Net cash generated from operating activities (a)	**149,122**	**88,516**
Cash flows from investing activities		
Purchase of property, plant and equipment and capital work-in-progress	(80,567)	(150,127)
Proceeds from sale of property, plant and equipment	674	366
Purchase of intangible assets	(6,876)	(14,813)
Payment towards spectrum - Deferred payment liability*	(6,753)	(5,978)
Net movement in current investments	(12,839)	13,609
Sale of non-current investments	2,352	343
Purchase of non-current investments	-	(182)
Consideration / advance for acquisitions, net of cash acquired	-	528
Sale of tower assets	-	2,973
Investment in Associates / Subsidiaries	(2,603)	(60)
Dividend received	-	11,386
Interest received	2,502	1,843
Net cash used in investing activities (b)	**(113,110)**	**(149,112)**
Cash flows from financing activities		
Net proceeds from issue of shares	249,136	-
Proceeds from borrowings	168,212	114,129
Repayment of borrowings	(221,489)	(39,618)
Repayment of lease liabilities	(18,231)	(1,638)
Net (repayment of) / proceeds from short-term borrowings	(138,852)	20,847
Proceeds from sale and finance leaseback of towers	-	1,607
Purchase of treasury shares	(84)	(203)
Interest and other finance charges paid	(57,914)	(36,750)
Proceeds from exercise of share options	3	5
Dividend paid (including tax)	(11,558)	(26,797)
Net proceeds from issuance of equity shares to Non-controlling interest	55,030	597
Purchase of shares from Non-controlling interest	-	(5,366)
Net payment towards derivatives	(15,784)	-
Sale of interest in a subsidiary	-	16,238
Net cash generated from financing activities (c)	**8,409**	**43,051**
Net increase / (decrease) in cash and cash equivalents during the period(a+b+c)	**44,481**	**(17,545)**
Effect of exchange rate on cash and cash equivalents	2,459	3,091
Cash and cash equivalents as at beginning of the period	37,316	28,468
Cash and cash equivalents as at end of the period (Note 7)	**84,256**	**14,014**

*CaPsh flows towards spectrum acquisition are based on the timing of payouts to DoT (viz. upfront / deferred).

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

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Shyamak R Tata
Partner
Membership No: 38320

Place: **New Delhi**

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

Rakesh Bharti Mittal
Director
DIN: 00042494

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Badal Bagri
Chief Financial Officer

Pankaj Tewari
Company Secretary

Date: **November 14, 2019**

1. Corporate information

Bharti Airtel Limited ('the Company' or 'the Parent') is domiciled and incorporated in India as a limited liability company with its shares being listed on the National Stock Exchange and the Bombay Stock Exchange. The registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company together with its subsidiaries (hereinafter referred to as 'the Group') has presence in India, Africa and South Asia. The principal activities of the Group, its joint ventures and associates consist of provision of telecommunication services, tower infrastructure services and direct-to-home digital television services. The details as to the services provided by the Group are further provided in note 11.

2. Basis of preparation

These interim condensed consolidated financial statements ('financial statements') have been prepared in accordance with Ind AS 34, 'Interim Financial Reporting' as notified by the Ministry of Corporate Affairs under section 133 of the Companies Act, 2013 ('Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act. Accordingly, the said financial statements do not include all the information required for a complete set of Ind AS financial statements, and should be read in conjunction with the Group's latest annual consolidated financial statements for the year ended March 31, 2019. Further, selected explanatory notes have been included to explain events and transactions that are significant for the understanding of the changes in the Group's financial position and performance since the latest annual consolidated financial statements.

These financial statements have been prepared on the basis of the accounting principles applicable to a going concern. Attention is drawn to a specific event post quarter end as delineated below.

Details of the Specific event and implications on these financial statements

On October 24, 2019, the Honourable Supreme Court of India delivered a judgement in relation to a long outstanding industry-wide case upholding the view considered by Department of Telecommunications ('DoT') in respect of the definition of Adjusted Gross Revenue ('AGR') ('Court Judgement'). The Hon'ble Supreme Court has allowed a period of three months to the affected parties to pay amounts due to DoT. This Court Judgement has significant financial implications on the Group.

The Management is reviewing its options and remedies available, including but not limited to filing petitions before the Supreme Court and also seeking other reliefs, with others affected in the industry, from the Government. As on the date, the management understands that the government has formed a high level Committee of Secretaries across ministries, to assess the stress in the industry and recommend suitable measures.

In the absence of available reliefs, the Group has in these financial statements, provided for an additional amount of Rs. 168,150 (comprising of principal of Rs. 32,070, interest of Rs. 70,000, penalty of Rs. 24,920, and interest on penalty of Rs. 41,160) as a charge to the Statement of Profit and Loss, with respect to the license fee payable as estimated based on the Court Judgement. In addition, an amount of Rs. 116,350 (comprising of principal of Rs. 29,570, interest of Rs. 52,190, penalty of Rs. 12,680, and interest on penalty of Rs. 21,910) with respect to spectrum usage charges ('SUC'), based on the definition of AGR, has further been provided as a charge to the Statement of Profit and Loss as estimated, albeit the Group believes SUC is a charge related to use of spectrum and should be levied only on the AGR earned from wireless access subscribers / services. These provisions have been made without prejudice to the Group's right to contest DoT's demands on facts as well as on rights available in law.

Accordingly, in the absence of available reliefs, with respect to the operations of the Group, the liabilities / provisions as at September 30, 2019 aggregate Rs. 342,600 (comprising of principal of Rs. 87,470, interest of Rs. 154,460, penalty of Rs. 37,600 and interest on penalty of Rs. 63,070).

Management plan to deal with this event and the material uncertainty related to the event

The Group will require significant additional financing to discharge its obligations under the Court Judgement; the management's actions include, inter alia, accessing diversified sources of finance. The Group has an established track record of accessing diversified sources of finance across markets and currencies. However, there can be no assurance of the success of management's plans to access additional sources of finance to the extent required, on terms acceptable to Group, and to raise these amounts in a timely manner. This represents a material uncertainty whereby, it may be unable to realize its assets and discharge its liabilities in the normal course of business, and, accordingly, may cast significant doubt on the Group's ability to continue as a going concern.

The financial statements are approved for issue by the Company's Board of Directors on November 14, 2019.

All the amounts included in the financial statements are reported in millions of Indian Rupee ('Rupee' or 'Rs.') and are rounded to the nearest million, except per share data and unless stated otherwise. Further, amounts which are less than a million are appearing as '0'.

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3. Summary of significant accounting policies / critical accounting estimates, assumptions and judgements

a. Significant accounting policies

The accounting policies adopted in preparation of these interim financial statements are consistent with those followed in preparation of the Group's latest annual consolidated financial statements except for changes below:

Leases

The Group has applied Ind AS 116, 'Leases' using the modified retrospective approach with effect from April 1, 2019. The Group elected to apply the practical expedient included in Ind AS 116 and therefore retained its existent assessment under Ind AS 17 as to whether a contract entered or modified before April 1, 2019 contains a lease.

The Group, at the inception of a contract, assesses the contract as, or containing, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether the contract involves the use of an identified asset, the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the Group has the right to direct the use of the asset.

Group as a lessee

On initial application of Ind AS 116, the Group recognised a lease liability measured at the present value of all the remaining lease payments, discounted using the lessee's incremental borrowing rate at April 1, 2019 whereas the Group has elected to measure right-of-use asset at its carrying amount as if Ind AS 116 had been applied since the lease commencement date, but discounted using the lessee's incremental borrowing rate at April 1, 2019.

For new lease contracts, the Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee in the Balance Sheet. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate (as the rate implicit in the lease cannot be readily determined). Lease liabilities include the net present value of fixed payments (including any in-substance fixed payments), any variable lease payments that are based on consumer price index ('CPI'), the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Subsequently, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments including due to changes in CPI or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or when the lease contract is modified and the lease modification is not accounted for as a separate lease. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the related right-of-use asset has been reduced to zero.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date, any initial direct costs less any lease incentives received.

Subsequent to initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any impairment losses and adjusted for certain re-measurements of the lease liability. Depreciation is computed using the straight-line method from the commencement date to the end of the useful life of the underlying asset or the end of the lease term, whichever is shorter. The estimated useful lives of right-of-use assets are determined on the same basis as those of the underlying property and equipment.

In the Balance Sheet, the right-of-use assets and lease liabilities are presented separately.

When a contract includes lease and non-lease components, the Group allocates the consideration in the contract on the basis of the relative stand-alone prices of each lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of twelve months or less and leases of low value assets. The Group recognises lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Group as a lessor

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under a finance lease are recognised as receivables at an amount equal to the net investment in the leased assets. Finance lease income is allocated to the periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.
When a contract includes lease and non-lease components, the Group applies Ind AS 115 to allocate the consideration under the contract to each component.

The Group enters into 'Indefeasible right to use' ('IRU') arrangements wherein the right to use the assets is given over the substantial part of the asset life. However, as the title to the assets and the significant risks associated with the operation and maintenance of these assets remains with the Group, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the Balance Sheet.

Impact of adoption of Ind AS 116 where the Group is a lessee

The adoption of the said change in accounting policy affected the following items in the balance sheet on April 1, 2019:

	As of April,1 2019
Property, plant and equipment	(16,582)
Right-of-use assets	222,836
Other intangible assets	(39,229)
Intangible assets under development	(3,094)
Deferred tax assets (net)	14,480
Other non-current assets	22,603
Other current assets	399
Lease liabilities	(239,721)
Other non-current liabilities	14,210
Decrease in Equity	**(24,098)**

Right-of-use assets ('ROU')

The following table presents the reconciliation of changes in the carrying value of ROU assets for the six months ended September 30, 2019:

	Bandwidth	P&M	Building	Lease hold land	Transponder	Vehicle	Total
As of April 1, 2019	16,258	177,624	14,227	12,855	1,754	117	**222,835**
Additions	3,012	23,591	30	5,558	-	-	**32,191**
Acquisition through Business Combinations@	20,180	689	-	250	-	-	**21,119**
Depreciation/Amortisation	(1,164)	(16,540)	(1,318)	(1,075)	(629)	(53)	**(20,779)**
Disposals / adjustments	-	(3,184)	(192)	(322)	-	-	**(3,698)**
Foreign currency translation reserve	4	(732)	38	-	-	(1)	**(691)**
As of September 30, 2019	**38,290**	**181,448**	**12,785**	**17,266**	**1,125**	**63**	**250,977**

@ Refer note 4(a)

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The reconciliation of operating lease commitments disclosed as at March 31, 2019 to lease liabilities recognised as at April 1, 2019 is given below.

Operating lease commitment at March 31, 2019	**448,063**
Discounted using the incremental borrowing rate at April 1, 2019	**354,738**
Non - lease component	(126,868)
Short term lease	(356)
Lease component in service contract	12,207
Lease liabilities recognised at April 1, 2019	**239,721**

The Group has made use of the following practical expedients available on transition to Ind AS 116: (a) used a single discount rate to a portfolio of leases of similar assets in similar economic environment, (b) not recognised ROU assets and lease liabilities for leases with less than twelve months of remaining lease term and low-value assets on the date of initial application, (c) relied on previous assessments that none of the leases were onerous and concluded that there is no need for impairment review and (d) used hindsight in determining the lease term where the contracts contained options to extend or terminate the lease.

Impact of adoption of Ind AS 116 where the Group is a lessor

The Group did not have any material impact due to transition to Ind AS 116.

b. Critical accounting estimates, assumptions and judgements

The preparation of the said financial statements requires use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Group's accounting policies. The areas where judgements and estimates are significant to the financial statements or areas involving a higher degree of judgement or complexity were the same as those applied to the Group's latest annual consolidated financial statements, except for changes / updates listed below:

i. Separating lease and non-lease components

The consideration paid by the Group in telecommunication towers lease contracts include the use of land and passive infrastructure as well as maintenance, security, provision of energy etc. services. Therefore in determining the allocation of consideration between lease and non-lease components, for the additional services that are not separately priced, the Group performs analysis of cost split to arrive at relative stand-alone prices of each of the components. The bifurcation of the consideration paid (excluding energy) between lease versus non-lease component across the Group has been accordingly considered at 55-70% as lease component on an overall basis.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

i. Determining the lease term

Under Ind AS 116 if it is reasonably certain that a lease will be extended / will not be early terminated, the Group is required to estimate the expected lease period which may be different from the contractual tenure. The Group has various tower lease agreements with a right to extend / renew / terminate wherein it considers the nature of the contractual terms and economic factors to determine the lease term. After assessing such factors, the lease liability has been calculated using the remaining - contractual lease period / lease period until which significant exit penalties are payable.

ii. Determining the incremental borrowing rate for lease contracts

The initial recognition of lease liabilities at present value requires the identification of an appropriate discount rate. The Group has determined the incremental borrowing rate based on considerations specific to the leases by taking consideration of the risk free borrowing rates as adjusted for country / company specific risk premiums (basis the readily available data points).

iii. Property, plant and equipment

During the six months ended September 30, 2019, the Group has reassessed useful life of customer premise equipment based on internal assessment and technical evaluation, and accordingly has revised the estimate of its useful life from 5 years to 7 years in respect of those assets. The impact of above change on the depreciation charge for the three and six months ended September 30, 2019 and future periods is as follows:

	For the three months ended	For the six months ended	For the six months ending	For the year Ending			Future period till end of life
	September 30,2019	September 30,2019	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	
Impact on depreciation charge	(596)	(1,275)	(913)	(1,436)	(258)	753	3,129

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4. Significant transactions / new developments

a) During the quarter ended September 30, 2019, the Group gave effect to the merger of consumer mobile businesses of Tata Teleservices Limited ('TTSL') and Tata Teleservices (Maharashtra) Limited ('TTML') with the Company and one of its subsidiaries, on July 1, 2019 (being the effective and appointed date of the Scheme of Arrangement under section 230 to section 232 of the Companies Act, 2013). As part of the said transaction, the Group is indemnified, for the ramifications of past liabilities (viz. for the period prior to the completion of the transaction). Considering that the said merger has been completed and as a consequence of the Court Judgement, the incremental liabilities of TTSL / TTML pertaining to AGR as per the estimates available have been recorded in the books of the Group with a corresponding indemnity asset for the same. As the said incremental liabilities pertains to the period before the acquisition, TTSL / TTML reserve their rights as available to them under law to take appropriate action vis-a-vis the authorities.

The Group, on the basis of the TDSAT orders directing the operationalisation of the spectrum and taking all consequent actions, and based on the final approval by Tribunal and Registrar of Companies believes that the required approvals were in place for the Scheme to be effective. Accordingly, the said merger is accounted on a provisional basis in accordance with Ind AS 103, 'Business Combinations'. Consequently, the excess of net assets over purchase consideration, amounting to Rs. 12,930 has been recognized as Capital reserve, a component of equity. While the merger is completed in the books of the Group, the same has not yet been taken on record by the DoT as the DoT is in the process of preferring an appeal in the Supreme Court against the order of the TDSAT in favour of the Group directing the DoT to take the merger on record.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

The summarised aggregated financial information of TTSL and TTML is as follows:

A. Consideration paid*	338
B. Net assets acquired	
Non-current assets	
Property, plant and equipment	3,358
Right-of-use assets	20,430
Other intangible assets	33,902
Deferred tax assets (net)	15,500
Others	6,811
Current assets	
Indemnification assets	48,092
Others#	9,206
Total Assets (a)	**137,299**
Non-current liabilities	
Borrowings	3,859
Current liabilities	
Borrowings	45,680
Indemnification liabilities	53,452
Others$	21,040
Total Liabilities (b)	**124,031**
Net assets acquired (a-b)	**13,268**

** 970,668 equity shares of Rs. 5/- each and 957 redeemable preference shares of Rs. 100 each*
 # mainly includes goods and service tax input credit
$ mainly includes trade payable and advances

b) Subsequent to the balance sheet date, Network i2i Limited (a wholly owned subsidiary of the Company) has issued subordinated perpetual securities of USD 750 Mn (classified as equity instruments) which have been guaranteed by the Company. The interest payments on these securities may be deferred in a cumulative, non-compounding manner, subject to certain restrictions including on distributions and payment of dividend till such cumulative interest remains unpaid.

c) Certain group entities have elected to exercise the option permitted under section 115BAA of the Income - tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, during the three months ended September 30,2019, these group entities have recognised provision for income tax and remeasured its deferred tax assets basis the rate prescribed thereby and the related impact is recognised in the statement of profit and loss; except for Group's share as to the rate change impact on account of deferred tax created on transition to Ind AS 116, 'Leases' relating to one of its joint venture (which has been utilised from general reserves created out of scheme of merger as approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 effective from June 11, 2013, as permitted thereunder). This has resulted in a charge of Rs. 4,195 within exceptional items and a charge of Rs. 856 in the equity.

d) During the six months ended September 30, 2019, pursuant to the closure of rights issue on May 17, 2019, the Company alloted approximately 1,134 mn fully paid up equity shares of face value Rs.5 each at the price of Rs. 220/- per equity share (including a premium of Rs. 215 per share) to the eligible shareholders.

e) During the year ended March 31, 2019 the Government of Tanzania ('GoT'), Bharti Airtel Tanzania B.V. ('BATBV') and Airtel Tanzania ('AT') agreed to resolve all disputes and set out the guiding principles for this settlement. The Agreement contemplated detailed agreements executed. Accordingly, the necessary agreements have been executed. These mainly cover the following: (i) New shares to be issued by AT to the GoT at no cost such that the GoT will own 49 per cent of the entire share capital of AT and BATBV will own 51 per cent; (ii) Tanzania Revenue Authority's (TRA) tax claim of approximately USD 874 Mn on Bharti Airtel International (Netherlands) B.V. ('BAIN') will be treated as settled without any liability; (iii) Tanzania Communications Regulatory Authority's Compliance Decision of April 20, 2018 imposing on AT a fine of approximately USD 183 Mn too will be treated as settled without any liability; (iv) TRA's various tax claims against AT of approximately USD 47 Mn will; subject to verification and consideration of the records, be treated as settled without any liability; (v) AT will be issued a one-time tax clearance certificate in regard to tax disputes in respect of all historical tax claims up to December 31, 2018; (vi) In all cases this shall not be construed as an admission of fact or law or as a concession or admission of any wrongdoing, obligation, liability by any party; (vii) AT, subject to verification and consideration of the records by the TRA will be allowed the carry-forward tax loss balance as recorded in AT's corporate tax return for the tax year ended December 31, 2017; (viii) Parties will co-operate to effect the sale of towers and the proceeds thereof will be distributed in a pre-defined manner towards repayment of AT's shareholder loan, to be retained in AT and balance as a special one-time payout to the GoT. On receipt of its share of the proceeds from sale of towers, BATBV will waive the balance shareholder loan; (ix) A valid Listing Waiver will be provided to AT and the Group entities in AT in accordance with the laws of Tanzania. Furthermore, in case of listing, the BATBV shares in AT are not subject to listing; (x) Group entities will not be subject to any tax in connection with any of the transactions described above; and (xi) AT will pay to GOT, approximately USD 0.4 Mn every month for a period of 60 months, effective April 1, 2019 for the a support services provided. As at September 30, 2019 TRA's claim of approx. USD 874 Mn has been vacated without any liability.

f) During the three months ended September 30, 2019, Airtel Africa plc. ('AAP', a subsidiary of the Group), listed on London Stock Exchange and Nigeria Stock Exchange by issuing approximately 676 Mn equity shares at 80 pence and 363 NGN per share respectively. Due to the transaction, the shareholding of the Group in Airtel Africa plc. has reduced to approximately 56%.

g) During the year ended March 31, 2019 Airtel Kenya, the Group's operating subsidiary in Kenya, entered into an agreement with Telkom Kenya Limited, the third largest mobile network operator in Kenya, to merge their respective mobile, enterprise and carrier services businesses to operate as 'Airtel-Telkom'. As at the date of these financial statements, the transaction remains subject to approval by the relevant authorities.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

h) During the year ended March 31, 2017, the Group had entered into a scheme of amalgamation for the merger of Telenor (India) Communications Private Limited ('Telenor') with the Company. Further, during the year ended March 31, 2019, as the closing conditions for the said merger were fulfilled, the said transaction was consummated. The difference of Rs. 5,315 between the purchase consideration (issuance of five equity shares and working capital adjustments) and fair value of net assets was recognised as Capital reserve, a component of equity. As part of the said transaction, the Company is indemnified, for the ramification of past liabilities (viz. for the period prior to the completion of the transaction).

Considering that the said merger has been completed and as a consequence of the Court Judgement, during the three months ended September 30, 2019, the incremental liabilities of Telenor pertaining to AGR as per the estimates available have been recorded in the books of the Company with a corresponding indemnity asset for the same. As the said incremental liabilities pertains to the period before the acquisition, Telenor reserve its rights as available to them under law to take appropriate action vis-à-vis the authorities.

The fair values of the assets and liabilities recognised at the date of merger are as follows:

Non-current assets	
Property, plant and equipment (including capital-work-in-progress of Rs.94)	4,264
Other intangible assets (including intangible assets under development of Rs. 655)	17,684
Indemnification assets	8,835
Others	6,309
Current assets	
Cash and cash equivalents	6,931
Others	7,661
Non-current liabilities	
Borrowings	14,842
Others	955
Current liabilities	
Borrowings	1,229
Trade payables	17,301
Others	12,592
Net assets acquired	**4,765**

i) During the year ended March 31, 2019, Bharti Airtel International (Netherlands) B.V., a subsidiary of the Group, early redeemed an amount of USD 995 from its USD 1,500 5.125% Guaranteed Senior Notes due in March 2023 at a consideration equivalent to 98.5% of the par amount of each bond plus interest accrued.

j) During the year ended March 31, 2019, Bharti Airtel International (Netherlands) B.V., a subsidiary of the Company, has redeemed Euro 1,000 Mn 4% senior notes due in December 2018 ('Notes').

k) During the year ended March 31, 2019, consequent to the change in shareholder rights in Airtel Payment Bank Limited ('APBL'), APBL ceased to be a subsidiary (*under Ind AS, '110 Consolidated Financial Statements*'). APBL has since been considered as an associate (under *Ind AS 28, 'Investments in Associates and Joint Ventures*'). Hence, in accordance with *Ind AS 110*, the difference between the fair value of retained interest and the previous carrying amount of the Group's share in the net assets of APBL, of Rs. 8,735 has been recognized as gain within exceptional items.

l) During the year ended March 31, 2019, the Group acquired 7.95% equity stake in Airtel Gabon S.A. thereby, increasing its shareholding to 97.95%. The excess of consideration paid to NCI over the carrying value of the interest acquired Rs. 1,112 was recognised in the transaction with NCI reserve, a component of equity.

m) During the year ended March 31, 2019, the Group has acquired 8.52% equity stake in Airtel Networks Limited thereby, increasing its shareholding to 91.77%. The excess of consideration paid to NCI over the carrying value of the interest acquired Rs. 4,684 has been recognised in the transaction with NCI reserve, a component of equity.

n) During the year ended March 31, 2018, the Group had entered into an agreement to sell 15% equity stake in Bharti Telemedia Limited, a subsidiary of the Company. Further, during the year ended March 31, 2019, as the closing conditions for the said transaction were fulfilled, the said transaction was consummated. Accordingly, the excess of proceeds over the NCI amounting to Rs. 19,064 was recognised directly in NCI reserve, a component of equity.

o) Pursuant to the share purchase agreement with Millicom International Cellular S.A. entered during the year ended March 31, 2018, the Group acquired 100% equity interest in Tigo Rwanda Limited . The acquisition will make the Group the second largest mobile operator in Rwanda. The difference of Rs. 873 between the fair value of the purchase consideration (including contingent consideration) aggregating to Rs. 3,377 and fair value of net assets of Rs. 2,504 was recognised as final goodwill on completion of measurement period during the year ended March 31, 2019. The said goodwill is mainly attributable to the acquired customer base, assembled workforce and economies of scale expected from combining the operations of the Group. Further, with effect from July 1, 2018, Tigo Rwanda Limited had merged with Airtel Rwanda Limited. Accordingly Tigo Rwanda Limited has ceased to exist.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

5. Property, plant and equipment ('PPE')

The following table presents the reconciliation of changes in the carrying value of PPE for the six months ended September 30, 2019 and 2018:

	PPE			
	Land and building	Plant and equipment	Other PPE	Total
Gross carrying value				
As of April 1, 2018	**23,379**	**1,458,452**	**91,126**	**1,572,957**
Additions	495	137,822	4,223	142,540
Acquisition through business combinations@	-	4,451	114	4,565
Disposals / adjustments	(34)	(4,068)	(1,612)	(5,714)
Exchange differences	481	6,456	3,283	10,220
As of September 30, 2018	**24,321**	**1,603,113**	**97,134**	**1,724,568**
Balance as of April 1, 2019	**24,384**	**1,702,441**	**96,245**	**1,823,070**
Transition impact on adoption of Ind AS 116$	(1,151)	(37,563)	-	(38,714)
Adjusted balance as of April 1, 2019	**23,233**	**1,664,878**	**96,245**	**1,784,356**
Additions	401	87,731	3,028	91,160
Acquisition through business combinations@	2,864	473	-	3,337
Disposals / adjustments	(52)	(6,158)	(571)	(6,781)
Exchange differences	(8)	(1,457)	83	(1,382)
As of September 30, 2019	**26,438**	**1,745,467**	**98,785**	**1,870,690**
Accumulated depreciation				
As of April 1, 2018	**11,212**	**777,406**	**78,260**	**866,878**
Charge#	528	71,026	3,797	75,351
Disposals / adjustments	(6)	(2,968)	(22)	(2,996)
Exchange differences	186	(1,636)	3,201	1,751
As of September 30, 2018	**11,920**	**843,828**	**85,236**	**940,984**
Balance as of April 1, 2019	**12,277**	**912,449**	**83,116**	**1,007,842**
Transition impact on adoption of Ind AS 116$	(189)	(22,130)	-	(22,319)
Adjusted balance as of April 1, 2019	**12,088**	**890,319**	**83,116**	**985,523**
Charge#	497	86,268	3,850	90,615
Disposals / adjustments	(47)	(5,466)	(399)	(5,912)
Exchange differences	(14)	(2,051)	23	(2,042)
As of September 30, 2019	**12,524**	**969,070**	**86,590**	**1,068,184**
Net carrying value				
As of April 1, 2018	12,167	681,046	12,866	706,079
As of September 30, 2018	12,401	759,285	11,898	783,584
As of April 1, 2019	12,107	789,992	13,129	815,228
As of September 30, 2019	13,914	776,397	12,195	802,506

@Refer note 4 (a) and 4 (h)

$ Refer note 3(a)

#It includes Rs. 8,835 (September 30, 2018 Rs. 3,587) on account of exceptional item with respect to plant and equipment (refer note 10 (ii) (a) and (ii) (a) & (c)) and Rs. 207 (September 30, 2018 Rs. 204) on account of court approved scheme / arrangements.

The carrying value of capital work-in-progress as of September 30, 2019 and March 31, 2019 is Rs. 89,626 and Rs. 88,433 respectively, which mainly pertains to plant and equipment.

During the six months ended September 30, 2019 and 2018 the Group has capitalised borrowing cost of Rs. 1,736 and Rs.190 respectively.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

6. Intangible assets

The following table presents the reconciliation of changes in the carrying value of goodwill and other intangible assets for the six months ended September 30, 2019 and 2018:

		Other intangible assets				
	Goodwill #	Software	Bandwidth	Licenses (including spectrum)	Other acquired intangibles	Total
Gross carrying value						
As of April 1, 2018	**330,710**	**21,481**	**29,675**	**968,581**	**10,128**	**1,029,865**
Additions	-	2,105	2,809	29,100	-	**34,014**
Acquisition through business combinations@	435	-	-	15,691	832	**16,523**
Disposals	-	(41)	87	(45)	(29)	**(28)**
Exchange differences	16,917	36	2,793	3,296	164	**6,289**
As of September 30, 2018	**348,062**	**23,581**	**35,364**	**1,016,623**	**11,095**	**1,086,663**
Balance as of April 1, 2019	**335,199**	**24,047**	**50,477**	**1,043,266**	**10,989**	**1,128,779**
Transition impact on adoption of Ind AS 116$	-	-	(50,477)	-	-	(50,477)
Adjusted balance as of April 1, 2019	**335,199**	**24,047**	-	**1,043,266**	**10,989**	**1,078,302**
Additions	-	1,728	-	5,348	81	7,157
Acquisition through business combinations@	-	-	-	32,890	1,011	33,901
Disposals	-	4	-	517	-	521
Exchange differences	4,044	7	-	(30)	(12)	(35)
As of September 30, 2019	**339,243**	**25,786**	-	**1,081,991**	**12,069**	**1,119,846**
Accumulated amortisation						
As of April 1, 2018	-	**16,657**	**7,397**	**161,389**	**6,567**	**192,010**
Charge	-	1,571	1,076	28,495	1,123	32,265
Disposals	-	(9)	87	(33)	(10)	35
Exchange differences	-	27	495	1,114	143	1,779
As of September 30, 2018	-	**18,246**	**9,055**	**190,965**	**7,823**	**226,089**
Balance as of April 1, 2019	-	**19,126**	**11,440**	**229,094**	**8,594**	**268,254**
Transition impact on adoption of Ind AS 116$	-	-	(11,440)	-	-	(11,440)
Adjusted balance as of April 1, 2019	-	**19,126**	-	**229,094**	**8,594**	**256,814**
Charge	-	1,457	-	30,363	671	32,491
Disposals	-	-	-	217	-	217
Exchange differences	-	6	-	(165)	(11)	(170)
As of September 30, 2019	-	**20,589**	-	**259,509**	**9,254**	**289,352**
Net carrying value						
As of April 1, 2018	328,070	4,824	22,278	807,192	3,561	837,855
As of September 30, 2018	345,422	5,335	26,309	825,658	3,272	860,574
As of April 1, 2019	332,562	4,921	39,037	814,172	2,395	860,525
As of September 30, 2019	336,606	5,197	-	822,482	2,815	830,494

#Net carrying value of goodwill includes accumulated impairment of Rs. 2,637 as on September 30, 2019, April 1, 2019 and of Rs. 2,640 as on September 30, 2018 and April 1, 2018.

@Refer note 4 (a) and 4 (h)

$ Refer note 3(a)

The carrying value of intangible assets under development as of september 30, 2019 and March 31, 2019 is Rs. 2,182 and Rs. 7,909 respectively, which mainly pertains to spectrum.

During the six months ended September 30, 2019 and 2018 the Group has capitalised borrowing cost of Nil and Rs. 168 respectively.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

7. Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents are as follows:

	As of	
	September 30, 2019	September 30, 2018
Cash and cash equivalents as per Balance Sheet	106,957	41,671
Bank overdraft	(22,701)	(27,657)
	84,256	**14,014**

8. Other reserves

	Foreign currency translation reserve	Cash flow hedge reserve	Fair value through OCI reserve	Treasury shares	Total
As of April 1, 2018	**(75,249)**	**943**	**205**	**(642)**	**(74,743)**
Net losses due to foreign currency translation differences	(8,559)	-	-	-	(8,559)
Net losses on net investment hedge	(5,220)	-	-	-	(5,220)
Net losses on cash flow hedge	-	(655)	-	-	(655)
Net losses on fair value through OCI investments	-	-	(32)	-	(32)
Purchase of treasury shares	-	-	-	(203)	(203)
Exercise of share options	-	-	-	194	194
As of September 30, 2018	**(89,028)**	**288**	**173**	**(651)**	**(89,218)**
Net losses due to foreign currency translation differences	(2,985)	-	-	-	(2,985)
Net gains on net investment hedge	7,484	-	-	-	7,484
Net losses on cash flow hedge	-	(226)	-	-	(226)
Net gains on fair value through OCI investments	-	-	6	-	6
Purchase of treasury shares	-	-	-	(45)	(45)
Exercise of share options	-	-	-	142	142
As of March 31, 2019	**(84,529)**	**62**	**179**	**(554)**	**(84,842)**
Transition impact on adoption of Ind AS 116 (note 3 (a))	(129)	-	-	-	(129)
Balance as at April 1,2019	**(84,658)**	**62**	**179**	**(554)**	**(84,971)**
Net gains due to foreign currency translation differences	442	-	-	-	442
Net losses on net investment hedge	(955)	-	-	-	(955)
Net losses on cash flow hedge	-	(107)	-	-	(107)
Net losses on fair value through OCI investments	-	-	(52)	-	(52)
Purchase of treasury shares	-	-	-	(84)	(84)
Exercise of share options	-	-	-	157	157
As of September 30, 2019	**(85,171)**	**(45)**	**127**	**(481)**	**(85,570)**

The income tax credit relating to above components of OCI is as follows:

	For the three months ended		For the six months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Net gains on net investments hedge	282	362	355	523
Net gains on fair value through OCI investments	15	2	9	4
	297	**364**	**364**	**527**

(All amounts are in millions of Indian Rupee; unless stated otherwise)

9. Contingent liabilities and commitments

(i) Contingent liabilities

Claims against the Company not acknowledged as debt:

	As of	
	September 30, 2019	**March 31, 2019**
(i) Taxes, duties and other demands		
(under adjudication / appeal / dispute)		
- Sales Tax and Service Tax	29,915	13,810
- Income Tax	14,061	14,088
- Customs Duty	6,053	6,684
- Entry Tax	10,011	9,951
- Stamp Duty	596	596
- Municipal Taxes	1,816	1,663
- Department of Telecom ('DoT') demands	43,102	97,794
- Other miscellaneous demands	8,705	5,545
(ii) Claims under legal cases including arbitration matters		
- Access charges / Port charges	13,522	12,640
- Others	2,385	2,816
	130,166	**165,587**

In addition to the above, the Group's share of joint ventures' and associates' contingent liabilities is Rs. 36,149 and Rs. 28,089 as of September 30, 2019 and March 31, 2019 respectively.

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

a) On January 8, 2013, DoT issued a demand on the Company and one of its subsidiaries for Rs. 52,013 towards levy of one time spectrum charge ('OTSC') which was further revised on June 27, 2018 to Rs. 84,140. The revised demand includes a retrospective charge of Rs. 9,090 for holding GSM spectrum beyond 6.2 MHz for the period from July 1, 2008 to December 31, 2012 and also a prospective charge of Rs. 75,050 for GSM spectrum held beyond 4.4 MHz for the period from January 1, 2013, till the expiry of the initial terms of the respective licenses.

   In the opinion of the Company and one of its subsidiaries, inter-alia, the above demand amounts to alteration of financial terms of the licenses issued in the past.

   Based on a petition filed by the Company and one of its subsidiaries, the Hon'ble High Court of Bombay, vide its order dated January 28, 2013, has directed the DoT to respond and not to take any coercive action until the next date of hearing. The DoT has filed its reply and the matter is currently pending with Hon'ble High Court of Bombay. Further, in August 2019, the Company has filed an affidavit before the Bombay High Court seeking clarification that the revised demand, being a mere recalculation of the earlier demand and issued in furtherance to Impugned Decisions, is covered by scope of interim order passed by Bombay High Court on January 28, 2013, wherein the Bombay High Court vide order dated October 4, 2019 has recorded that DOT has placed on record copy of DOT's letter dated September 30, 2019 stating that revised demand is subject to the decision of the Bombay High Court and no coercive steps are contemplated pursuant to the revised demand.

Further, in similar matter on a petition filed by another telecom service provider, the Hon'ble TDSAT, vide its order dated July 4, 2019, has set aside para 1 (v) of the DoT order for levy of OTSC with retrospective effect for it being arbitrary and illegal. Accordingly, demand for OTSC on spectrum allotted beyond start-up and up-to the limit of 6.2 MHz has been set aside. Further, as per the said order of the Hon'ble TDSAT; on the Spectrum beyond 6.2 MHz allotted after July 1, 2008, DoT can levy OTSC only from the date of allotment of such spectrum and in case of Spectrum beyond 6.2 MHz allocated before July 1, 2008, the OTC can be levied only prospectively i.e. w.e.f. January 1, 2013. The Hon'ble TDSAT has asked DoT to issue revise demands, if any, in terms of the above directions. The Group, based on independent legal opinions, till date has not given any effect to the above demand.

b) DoT had issued notices to the Company (as well as other telecom service providers) to stop provision of services (under 3G Intra Circle Roaming ('ICR') arrangements) in the service areas where such service providers had not been allocated 3G spectrum and levied a financial penalty of Rs. 3,500 on the Company. The Company contested the notices, in response to which TDSAT in 2014 held 3G ICR arrangements to be competent and compliant with the licensing conditions and quashed the notice imposing penalty. The DoT has challenged the order of TDSAT before the Hon'ble Supreme Court which is yet to be listed for hearing.

(ii) Capital commitments

The Group has contractual commitments towards capital expenditure (net of related advance) of Rs. 89,279 and Rs. 93,336 as of September 30 2019 and March 31, 2019 respectively.

In addition to the above, the Group's share of capital commitments of joint ventures and associates is Rs. 3,888 and Rs. 2,904 as of September 30, 2019 and March 31, 2019 respectively.

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10. Exceptional items

Exceptional items comprise of the following:

(i) For the three and six months ended September 30, 2019:

a. charge on account of license fee and SUC aggregrating Rs. 284,500 as detailed in note 2
b. charge of Rs. 7,515 and Rs. 8,941 towards accelerated depreciation on 3G network equipments / operating costs on network re-farming and up-gradation program
c. credit of Rs. 15,540 pertaining to re-assessment of levies based on a recent judgement
d. incremental provision mainly Rs. 30,635 and Rs. 46,499 pertaining to customary indemnities to a clutch of investors of Airtel Africa Plc determined on the basis of methodology settled prior to listing
e. net charge of Rs. Nil and Rs. 216 due to adjustments towards certain indemnity assets / liabilities pertaining to past transactions
f. net credit of Rs. Nil and Rs. 2,812 due to re-assessment of levies based on ex-parte judgement

(ii) For the three and six months ended September 30, 2018:

a. charge of Rs. 1,556 and Rs. 3,201 mainly towards operating costs on network re-farming and up-gradation program
b. charge of Nil and Rs. 501 due to levies and taxes pertaining to internal restructuring and litigation related assessment
c. credit of Rs. 107 and charge of Rs. 1,368 towards net integration related cost / reversal pertaining to the business combination

Tax credit includes net benefit of Rs. 83,166 and Rs. 83,407 (including credit resulting from internal restructuring, charge due to adoption of new tax regime in certain group entities and reversal of tax credit and deferred tax asset pertaining to one of the subsidiaries recognised) during the three and six months ended September 30, 2019 respectively, benefit of Rs. 11,587 and Rs. 20,364 (including deferred tax asset pertaining to the subsidiary recognised) during the three and six months ended September 30, 2018 respectively relating to above exceptional items.

The net impact to non-controlling interests is charge of Rs. 4,724 and Rs. 4,518 during the three and six months ended September 30, 2019 respectively, charge of Rs. 700 and benefit of Rs. 480 during the three and six months ended September 30, 2018 respectively, relating to above exceptional items.

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11. Segment reporting

The Group's operating segments are organised and managed separately through the respective business managers, according to the nature of products and services provided and geographies in which services are provided, with each segment representing a strategic business unit. These business units are reviewed by the Chairman of the Group (Chief Operating Decision Maker - 'CODM').

The amounts reported to CODM are based on the accounting principles used in the preparation of financial statements as per Ind AS. Segment's performance is evaluated based on segment revenue and segment result viz. profit or loss from operating activities before exceptional items and tax and adjusted for corporate social responsibility cost but including share of result of joint ventures and associates. Accordingly, finance costs / income, non-operating (income) / expenses and exceptional items are not allocated to individual segment.

Inter-segment pricing and terms are reviewed and changed by the management to reflect changes in market conditions and changes to such terms are reflected in the period in which the changes occur. Inter-segment revenues are eliminated upon consolidation of segments / Group accounting policy alignments are reflected in the 'Eliminations / Adjustments' column.

Segment assets / liabilities comprise assets / liabilities directly managed by each segment. Segment assets primarily includes receivables, right-of-use asset ('ROU'), property, plant and equipment, capital work-in-progress, intangibles assets, intangible assets under development, non-current investments, inventories and cash and cash equivalents. Segment liabilities primarily include operating and lease liabilities. Segment capital expenditure comprises of additions to PPE, CWIP, intangible assets, intangible assets under development, ROU and capital advances.

The reporting segments of the Group are as below:

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

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

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

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

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

Homes Services: These services cover voice and data communications through fixed-line network and broadband technology for homes.

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

Others: It includes certain other strategic investment in joint venture / associates, and administrative / support services provided to other segments.

Unallocated: It includes expenses / results, assets and liabilities primarily of corporate headquarters of the Group, non-current investment, current taxes, deferred taxes, borrowings and certain financial assets and liabilities, not allocated to the operating segments.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

Summary of the segmental information for the three months ended as of September 30, 2019 is as follows:

	Mobile Services India	Mobile Services Africa	Mobile Services South Asia	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others	Unallocated	Eliminations / Adjustments	Total
Revenue from external customers	104,063	57,819	1,043	28,369	8,376	5,433	7,877	-	-	(1,667)	211,313
Inter-segment revenue	5,750	1,338	62	4,943	8,297	42	16	(1)	-	(20,447)	-
Total revenue	**109,813**	**59,157**	**1,105**	**33,312**	**16,673**	**5,475**	**7,893**	**(1)**	**-**	**(22,114)**	**211,313**
Share of results of joint ventures and associates	2	12	-	-	4,866	1	-	(1,663)	-	(63)	3,155
Segment results	(11,448)	15,357	(277)	7,706	10,991	1,235	3,243	(1,651)	(340)	(1,732)	23,084
Less:											
Finance costs											31,872
Finance income											(2,789)
Non-operating income, (net)											231
Exceptional items (net) (refer Note 10)											307,110
Loss before tax											(313,340)
Other segment items											
Capital expenditure	20,183	10,784	107	1,608	2,136	1,038	2,052	-	-	(65)	37,843
Addition to ROU	19,126	2,460	4	-	1,704	13	-	-	-	-	23,307
Depreciation and amortisation expense	51,340	10,673	362	1,710	3,130	1,235	2,364	-	318	(1,781)	69,351
As of September 30, 2019											
Segment assets	2,070,984	654,020	7,537	155,335	189,180	45,087	37,621	36,782	278,976	(119,296)	3,356,226
Segment liabilities	1,078,616	181,081	3,560	99,272	41,624	14,192	38,062	505	1,166,031	(136,867)	2,486,076
Investment in joint ventures and associates (included in segment assets above)	70	259	-	-	55,372	22	-	35,830	-	-	91,553

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Summary of the segmental information for the three months ended September 30, 2018 and as of March 31, 2019 is as follows:

	Mobile Services India	Mobile Services Africa	Mobile Services South Asia	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others	Unallocated	Eliminations / Adjustments	Total
Revenue from external customers	97,222	52,558	1,065	27,635	7,468	5,541	10,225	380	-	(616)	201,478
Inter-segment revenue	5,300	1,167	57	5,823	9,738	66	17	149	-	(22,317)	-
Total revenue	**102,522**	**53,725**	**1,122**	**33,458**	**17,206**	**5,607**	**10,242**	**529**	**-**	**(22,933)**	**201,478**
Share of results of joint ventures and associates	-	-	-	-	2,391	(1)	-	(27)	-	(730)	1,633
Segment results	(15,917)	13,548	(271)	7,741	7,587	1,082	1,905	(836)	(674)	(1,769)	12,396
Less:											
Finance costs											33,034
Finance income											(3,177)
Non-operating income, (net)											1,074
Exceptional items (net) (refer Note 10)											1,449
Loss before tax											(19,984)
Other segment items											
Capital expenditure	35,386	8,958	423	3,512	2,586	2,010	1,797	-	(193)	(2,097)	52,382
Depreciation and amortisation expense	37,272	7,308	301	2,991	2,696	1,843	2,055	22	3	(2,125)	52,366
As of March 31, 2019											
Segment assets	1,700,637	570,021	6,774	149,445	169,693	45,889	31,234	37,927	133,120	(92,765)	2,751,975
Segment liabilities	408,088	110,986	2,515	87,225	22,303	21,729	35,423	2,181	1,313,444	(101,399)	1,902,495
Investment in joint ventures and associates (included in segment assets above)	66	230	-	-	52,479	3	-	36,159	-	-	88,937

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Summary of the segmental information for the six months ended September 30, 2019 is as follows:

	Mobile Services India	Mobile Services Africa	Mobile Services South Asia	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others	Unallocated	Eliminations / Adjustments	Total
Revenue from external customers	207,277	111,827	2,078	55,615	17,441	11,095	15,250	-	-	(1,891)	418,692
Inter-segment revenue	11,204	2,763	116	9,777	16,494	85	32	(81)	-	(40,390)	-
Total revenue	**218,481**	**114,590**	**2,194**	**65,392**	**33,935**	**11,180**	**15,282**	**(81)**	**-**	**(42,281)**	**418,692**
Share of results of joint ventures and associates	3	25	-	-	7,508	22	-	(3,419)	-	(53)	4,086
Segment results	(23,866)	29,132	(537)	13,855	19,990	2,290	6,855	(3,378)	(743)	(3,536)	40,062
Less:											
Finance costs											65,800
Finance income											(4,902)
Non-operating expenses (net)											692
Exceptional items (net) (refer note 10)											321,804
Loss before tax											**(343,332)**
Other segment items											
Capital expenditure	60,205	20,617	425	2,740	4,172	2,192	4,488	-	-	-	94,839
Addition to ROU	25,574	4,128	19	-	2,458	13	-	-	-	-	32,192
Depreciation and amortisation expense	102,049	20,981	714	3,112	6,255	2,697	4,015	-	639	(3,524)	136,938

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Summary of the segmental information for the six months ended September 30, 2018 is as follows:

	Mobile Services India	Mobile Services Africa	Mobile Services South Asia	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others	Unallocated	Eliminations / Adjustments	Total
Revenue from external customers	196,818	101,438	2,072	52,764	14,829	11,288	20,133	714	-	(586)	399,470
Inter-segment revenue	10,507	2,323	110	10,617	19,326	64	33	188	-	(43,168)	-
Total revenue	**207,325**	**103,761**	**2,182**	**63,381**	**34,155**	**11,352**	**20,166**	**902**	**-**	**(43,754)**	**399,470**
Share of results of joint ventures and associates	2	-	-	-	5,357	3	-	(1,019)	-	(1,057)	3,286
Segment results	(24,697)	25,387	(602)	15,176	15,591	2,112	3,989	(2,693)	(1,061)	(2,350)	30,852
Less:											
Finance costs											58,524
Finance income											(7,401)
Non-operating expense, (net)											1,114
Exceptional items (net) (refer note 10)											5,070
Loss before tax											(26,455)
Other segment items											
Capital expenditure	154,146	13,410	674	4,883	5,520	4,084	3,606	20	1,040	(2,073)	185,310
Depreciation and amortisation expense	73,622	14,624	642	5,975	5,464	3,674	3,981	42	6	(4,212)	103,818

(All amounts are in millions of Indian Rupee; unless stated otherwise)

12. Related party disclosures

The details of significant transactions with the related parties for the three and six months ended September 30, 2019 and 2018 respectively, are provided below:

	For the three months ended		For the six months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Receiving of services				
Joint Venture				
Indus Towers Limited#	4,291	8,949	7,736	19,680
Reimbursement of energy expenses				
Joint Venture				
Indus Towers Limited	8,336	6,351	15,548	12,937
Dividend received				
Joint Venture				
Indus Towers Limited	-	-	-	11,261
Purchase of right-of-use assets*#				
Joint Venture	2720		4572	
Indus Towers Limited				

Amount does not includes GST
* Amount disclosed is net of termination

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

13. Fair value of financial assets and liabilities

The category wise details as to the carrying value, fair value and the level of fair value measurement hierarchy of the Group's financial instruments are as follows:

	Level	Carrying value as of		Fair value as of	
		September 30, 2019	March 31, 2019	September 30, 2019	March 31, 2019
Financial assets					
Fair value through profit and loss					
Derivatives					
- Currency swaps, forward and option contracts	Level 2	422	346	422	346
- Interest swaps	Level 2	130	3,185	130	3,185
Investments-quoted	Level 1	76,920	62,546	76,920	62,546
Investments-unquoted	Level 2	3,678	3,515	3,678	3,515
Fair value through other comprehensive income					
Investments-quoted	Level 1	0	2,112	0	2,112
Amortised cost					
Security deposits		9,411	16,452	9,411	16,452
Trade receivables		53,290	43,006	53,290	43,006
Cash and cash equivalents		106,957	62,121	106,957	62,121
Other bank balances		20,780	18,934	20,780	18,934
Other financial assets		203,423	23,570	203,423	23,570
		475,011	**235,787**	**475,011**	**235,787**
Financial liabilities					
Fair value through profit and loss					
Derivatives					
- Currency swaps, forward and option contracts	Level 2	3,123	3,691	3,123	3,691
- Interest rate swaps	Level 2	44,383	9,579	44,383	9,579
- Embedded derivatives	Level 2	314	298	314	298
Amortised cost					
Borrowings - fixed rate	Level 1	262,308	254,194	268,991	256,985
Borrowings - fixed rate	Level 2	489,268	577,449	527,726	615,970
Borrowings - floating rate		317,787	375,087	317,787	375,087
Trade payables		267,211	280,031	267,211	280,031
Other financial liabilities		203,032	221,937	203,032	221,937
		1,587,426	**1,722,266**	**1,632,567**	**1,763,578**

The following methods / assumptions were used to estimate the fair values:

i. The carrying value of other bank balances, trade receivables, trade payables, short-term borrowings, floating-rate long-term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments / being subject to floating-rates.

ii. Fair value of quoted financial instruments is based on quoted market price at the reporting date.

iii. The fair value of non-current financial assets, other long-term borrowings and other financial liabilities is estimated by discounting future cash flows using current rates applicable to instruments with similar terms, currency, credit risk and remaining maturities.

iv. The fair values of derivatives are estimated by using pricing models, wherein the inputs to those models are based on readily observable market parameters. The valuation models used by the Group reflect the contractual terms of the derivatives (including the period to maturity), and market-based parameters such as interest rates, foreign exchange rates, volatility etc. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable.

The following table describes the key inputs used in the valuation (basis discounted cash flow technique) of level 2 financial assets / liabilities as of September 30, 2019 and March 31, 2019:

Financial assets / liabilities	**Inputs used**
Derivatives	
- Currency swaps, forward and option contract:	Forward currency exchange rates, interest rates
- Interest rate swaps	Prevailing / forward interest rates in market, interest rates
- Embedded derivatives	Forward currency exchange rates, interest rates, inflation rate
Investments	Prevailing interest rates in market, interest rates
Other financial assets / fixed rate borrowings / Other financial liabilities	Prevailing interest rates in market, future payouts, interest rates

During the six months ended September 30, 2019 and year ended March 31, 2019, there were no transfers between Level 1 and Level 2 fair value measurements.

Independent **Auditor's Report**

TO
THE MEMBERS OF **BHARTI AIRTEL LIMITED**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Bharti Airtel Limited** ("the Company") and its subsidiaries, (the Company and its subsidiaries together referred to as "the Group") which includes the Group's share of profit / loss in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the joint ventures referred to in Other Matters section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Emphasis of Matter

We draw attention to Note 24(i)(f)(vi) of the Consolidated Financial Statements, which describes the uncertainties related to the outcome of Department of Telecommunications demand with respect to one-time spectrum charges.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter (CFS)	Audit Procedures to address Key Audit Matter
Revenue recognition There is an inherent risk around accuracy of revenue recorded in respect of Mobile Services, Airtel Business, Digital TV Services and Tower Infrastructure Services segments because of the complexity of the IT systems and other support systems, significance of volumes of data processed by the systems and the impact of changing pricing models (tariff structures, incentive arrangements and discounts, etc.). In addition, for Airtel Business, we considered occurrence of revenue as a risk due to the possibility that revenue may be recorded without active service links being provided to customers or for contracts that are cancelled/not renewed.	We involved our IT specialists to evaluate the design and test the operating effectiveness of the general IT controls and application specific controls within the IT system, including testing of system generated reports used in our audit of revenues. We also tested the controls within the billing systems, prepaid charging systems, capturing and recording of revenue, authorisation and input of changes to the IT systems and over reconciliations performed between the active customers base with billing system.

Key Audit Matter (CFS)	Audit Procedures to address Key Audit Matter
In addition, the Group has applied Ind AS 115 'Revenue from contracts with customers' which was effective from April 1, 2018. An adjustment on presentation of revenue for the year ended March 31, 2019 is required on transition to Ind-AS 115 from Ind-AS 18. The Group has applied full retrospective method. Refer note 2.19 "Revenue recognition" for accounting policies and notes related to implementation of Ind AS-115 and note 25 on disclosures related to Revenue in the consolidated financial statements.	We performed substantive procedures, which included verifying the accuracy of customer invoices and tracing receipts to customer invoices, comparing the number of links/connection as per the active customer base to the billing system, testing reconciliations between billing system and the general ledger (including validation of relevant journal entries), making test calls and testing whether they are rated correctly and analytical procedures for relevant segment revenue. With regard to the estimated impact of the initial adoption of Ind AS 115, we assessed the impact analysis and the accounting estimates and judgements made in respect of the revenue transactions of the Group and the appropriateness of the methods used in such analysis. We also evaluated and verified the retrospective application of Ind AS 115. We verified the appropriateness of the accounting policies, notes related to implementation of Ind AS-115 and the disclosure related to Revenue in notes 2.19 and 25 respectively in the consolidated financial statements and the consistency of the recorded revenue with the Group's accounting policies.
Evaluation of Impairment Assessment of Goodwill At least once a year, Management ensures that the net carrying amount of goodwill recognised as an asset, amounting to ₹ 332,562 million at March 31, 2019, does not exceed its recoverable amount. The impairment assessment is performed at the level of each cash generating unit ('CGU') or group of CGUs, which generally corresponds to the operating segment. The recoverable amount is determined based on value in use, which represents the present value of the estimated future cash flows expected to arise from the use of the asset group comprising each CGU or group of CGUs. The determination of recoverable amount of goodwill based on value-in-use is complex and subjective as estimates of future cash flows and determination of value in use involves management's estimates and judgement in determining the variables such as the revenue growth rates, EBITDA margins, amount of future capital expenditure, discount rates applied to estimated cash flows and long-term growth rate. The carrying amount of goodwill reported in the consolidated financial statements is significant and is sensitive to the assumptions made by the Management. In March 2019, for internal management purposes, the Group has reorganised its reporting structure basis which goodwill in respect of 'Mobile Services Africa' is monitored at three group of CGUs, which is lower than the Mobile Services Africa segment level, and which requires further allocation of goodwill to the three group of CGUs.	We evaluated the design and tested the operating effectiveness of internal controls related to evaluation of impairment assessment of goodwill. We involved our internal valuation specialists to test the reasonableness of key valuation assumptions like long-term growth rates and discount rates used in determining value in use. We benchmarked and challenged the key business assumptions like revenue growth rates, amount of future capital expenditure and EBIDTA margins against historical data and trends and with market data and external sources, where available, to assess their reasonableness. We tested the sensitivity assessment of value in use to a change in the valuation assumptions and tested the mathematical accuracy of the cash flow models. We verified management's assessment of alternatives approaches to allocate Mobile services Africa goodwill based on relative fair value, the rationale for the selected option to allocate goodwill to the three group of CGUs and the appropriateness thereof, the related workings for allocation of goodwill to three group of CGUs and the impairment assessment at the revised three group of CGUs post allocation of goodwill. We verified the appropriateness of the accounting policies, critical accounting estimates and assumptions and disclosures related to impairment review of goodwill in notes 2.9(a), 3.1(a) and 7 respectively in the consolidated financial statements.

Key Audit Matter (CFS)	Audit Procedures to address Key Audit Matter
Allocation of goodwill to three group of CGUs necessitated fresh assessment of whether goodwill at the three CGUs level is impaired. This involves judgement with respect to identifying the most appropriate relative fair value approach or any other appropriate method for allocation of goodwill and the valuation assumptions like discount rates and long term growth rates that need to be applied to the future cash flows to determine the fair value of three group of CGUs. Refer note 2.9(a) for policy on "Impairment of non-financial assets"- Goodwill, note 3.1(a) on "Critical accounting estimates and assumptions" related to impairment reviews and note 7 "Intangible assets" for disclosures related to Impairment review of goodwill in the consolidated financial statements.	
Recoverability of deferred tax assets (DTA) recognized on tax loss carry-forwards and Minimum Alternate Tax (MAT) credit DTA on tax loss carry forwards and MAT credit recognised as at March 31, 2019 amounts to ₹ 152,447 million. Significant judgement is required in assessing the recoverability of DTA and MAT credit, particularly in respect of tax losses and MAT credit in India and tax losses in Nigeria amounting to ₹ 126,085 million and ₹ 20,148 million respectively. Recoverability of DTA on tax losses and MAT credit is sensitive to the assumptions used by management in projecting the ten year business plan and to expiry of losses and restriction on utilization of MAT credit after the period specified in tax statute of respective countries. Refer notes 2.12" Taxes" for accounting policies, 3.1.b on "Critical accounting estimates and assumptions" related to taxes and note 14" Income tax" for disclosures related to taxes in the consolidated financial statements.	We evaluated the design and tested the operating effectiveness of internal controls related to the assessment of recoverability of DTA on carry forward tax losses and MAT credit. We benchmarked and challenged the key business assumptions like revenue growth rates, amount of future capital expenditure and EBIDTA margins in the ten year business plans against historical data and trends and with market data and external sources, where available, to assess their reasonableness. We verified the tax computation for the ten year forecast period and considered whether the tax losses and MAT credit would expire in accordance with the tax statute of respective countries. We also performed sensitivity assessment to evaluate whether it is probable that the tax losses and MAT credit would expire within the period specified in the tax statute of respective countries and tested the mathematical accuracy of the business plans and tax computation for the forecast period. We verified that recognition of DTA is consistent with Group's accounting guidelines for recognition of deferred tax on loss carry forward and MAT credit. We verified the appropriateness of disclosures in accounting policies, critical accounting estimates and assumptions and disclosures related to Income tax in notes 2.12, 3.1.b and 14 respectively in the consolidated financial statements.
Evaluation of uncertain positions related to tax and regulatory matters The Group has material uncertain positions related to regulatory matters and direct and indirect tax matters under dispute that involves significant judgment to determine the possible outcome of these disputes, provisions required, if any, and/or write back of provision in respect of such matters. Refer notes 2.18 "Contingencies" for accounting policies, note 22 "Provisions" for disclosure related to provisions for subjudice matters and notes 24(i) in respect of details of Contingent liabilities in the consolidated financial statements.	We evaluated the design and tested the operating effectiveness of internal controls related to the assessment of the likely outcome of uncertain positions related to the regulatory and tax matters, the provision made, if any, and/or write back of provision. We discussed significant open matters and developments with the Group's regulatory and tax team. We involved our internal tax experts to understand and evaluate the status of tax matters, review legal precedence and external expert opinions, if any, obtained by the management to evaluate whether the tax position is appropriate and has taken into account recent developments, if any. We challenged management's underlying assumptions in estimating tax and regulatory provisions and/or write back of provisions and assessed management evaluations and conclusions by understanding precedence, if any, set in similar matters and performed substantive procedures on the underlying calculation supporting the provisions required and/or write back of provisions. We verified the appropriateness of the accounting policies, disclosures related to provisions for subjudice matters and details of contingent liabilities in notes 2.18, 22 and 24(i) respectively in the consolidated financial statements.

Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Management Discussion and Analysis, Board's Report including Annexures to the Board's Report, Business Responsibility Report, Corporate Governance and Integrated Report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the financial statements of joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the joint ventures, is traced from their financial statements audited by the other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the consolidated financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its Associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's responsibility for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associates and joint ventures to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Conmsolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

The Consolidated Financial Statements include the Group's share of net profit of ₹ 3625 Million and total comprehensive income of ₹ 3623 Million for the year ended March 31, 2019, as considered in the Consolidated Financial Statements, in respect of two joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint ventures is based solely on the reports of the other auditors.

Our opinion on the Consolidated 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 reports of the other auditors.

Report on other legal and regulatory requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on the separate financial statements of the joint ventures referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified 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, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"** which is based on the auditors' reports of the Company, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

   In our opinion and to the best of our information and according to explanation given to us, the remuneration paid / accrued by the Company to its Chairman and Managing Director & CEO (India and South Asia) for the year ended March 31, 2019 is in excess by ₹ 300.66 Million vis-à-vis the limits specified in section 197 of Companies Act, 2013 ('the Act') read with Schedule V thereto as the Company does not have profits. The Company has represented to us that it is in the process of complying with the prescribed statutory requirements to regularize such excess payments, including seeking approval of shareholders, as necessary.

h) 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 Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.

   ii) Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies, associate companies and joint venture companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Shyamak R Tata
Partner
(Membership No. 38320)

Place: New Delhi
Date: May 06, 2019

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 to the Members of Bharti Airtel Limited of even date)

Report on the internal financial controls over financial reporting under clause (i) of sub-section 3 of section 143 of the companies act, 2013 ("the act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Bharti Airtel Limited ("the Company") and its subsidiary companies, its associate companies and joint venture companies, which are companies incorporated in India, as of that date.

Management's responsibility for internal financial controls

The respective Board of Directors of the Company, its subsidiary companies, its associate companies and joint venture Companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, its subsidiary companies, its associate companies and joint venture companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the auditor of the joint venture company which is incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of Company, its subsidiary companies, its associate companies and its joint venture companies, which are companies incorporated in India.

Meaning of internal financial controls over financial reporting

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

Inherent limitations of internal financial controls over financial reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor referred to in the Other Matters paragraph below, the Company, its subsidiary companies, its associate companies and joint venture companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to a 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)

Shyamak R Tata
Partner
(Membership No. 38320)

Place: New Delhi
Date: May 06, 2019

(All amounts are in millions of Indian Rupee)

	Notes	As of March 31, 2019	As of March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	6	815,228	706,079
Capital work-in-progress	6	88,433	52,089
Goodwill	7	332,562	328,070
Other intangible assets	7	860,525	837,855
Intangible assets under development	7	7,909	45,423
Investment in joint ventures and associates	8	88,937	86,839
Financial assets			
- Investments	10	21,941	5,769
- Derivative instruments	11	3,105	2,031
- Security deposits	12	16,452	9,703
- Others	13	3,227	5,814
Income tax assets (net)		17,694	25,505
Deferred tax assets (net)	14	89,379	29,330
Other non-current assets	15	77,526	36,319
		2,422,918	**2,170,826**
Current assets			
Inventories		884	693
Financial assets			
- Investments	10	46,232	68,978
- Derivative instruments	11	426	8,941
- Trade receivables	16	43,006	58,830
- Cash and cash equivalents	17	62,121	49,552
- Other bank balances	17	18,934	17,154
- Others	13	20,343	27,462
Other current assets	15	137,111	103,380
		329,057	**334,990**
Total assets		**2,751,975**	**2,505,816**

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Bharti Airtel Limited
Consolidated Balance Sheet
(All amounts are in millions of Indian Rupee)

	Notes	As of March 31, 2019	As of March 31, 2018
Equity and Liabilities			
Equity			
Share capital	**18**	19,987	19,987
Other equity		694,235	675,357
Equity attributable to owners of the Parent		**714,222**	**695,344**
Non-controlling interests		135,258	88,139
		849,480	**783,483**
Non-current liabilities			
Financial liabilities			
- Borrowings	**20**	872,454	849,420
- Derivative instruments	**11**	826	5,409
- Others	**21**	62,131	44,547
Deferred revenue		17,986	22,117
Provisions	**22**	6,823	7,212
Deferred tax liabilities (net)	**14**	11,297	10,606
Other non-current liabilities	**23**	429	623
		971,946	**939,934**
Current liabilities			
Financial liabilities			
- Borrowings	**20**	310,097	129,569
- Current maturities of long-term borrowings	**20**	71,732	134,346
- Derivative instruments	**11**	12,742	283
- Trade payables		280,031	268,536
- Others	**21**	159,806	140,605
Deferred revenue		43,993	48,666
Provisions	**22**	2,197	2,384
Current tax liabilities (net)		8,228	11,058
Other current liabilities	**23**	41,723	46,952
		930,549	**782,399**
Total liabilities		**1,902,495**	**1,722,333**
Total equity and liabilities		**2,751,975**	**2,505,816**

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

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Shyamak R Tata
Partner
Membership No: 38320

Place: **New Delhi**

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

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Badal Bagri
Chief Financial Officer

Pankaj Tewari
Company Secretary

Date: **May 6, 2019**

(All amounts are in millions of Indian Rupee; except per share data)

	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Revenue	25	807,802	826,388
Other income		2,912	2,488
		810,714	**828,876**
Expenses			
Network operating expenses	26	223,900	197,520
Access charges		93,521	90,446
License fee / spectrum charges		69,426	75,558
Employee benefits expense	27	37,975	39,771
Sales and marketing expenses	28	41,277	45,275
Other expenses	30	83,514	77,027
		549,613	**525,597**
Profit from operating activities before depreciation, amortisation and exceptional items		**261,101**	**303,279**
Depreciation and amortisation	29	213,475	192,431
Finance costs	31	110,134	93,255
Finance income	31	(14,240)	(12,540)
Non-operating expenses (net)		1,894	141
Share of profit of associates and joint ventures (net)	8	(3,556)	(10,609)
(Loss) / profit before exceptional items and tax		**(46,606)**	**40,601**
Exceptional items (net)	32	(29,288)	7,931
(Loss)/ profit before tax		**(17,318)**	**32,670**
Tax expense / (credit)			
Current tax	14	19,391	18,230
Deferred tax	14	(53,584)	(7,395)
Profit for the year		**16,875**	**21,835**

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Bharti Airtel Limited
Consolidated Statement of Profit and Loss
(All amounts are in millions of Indian Rupee; except per share data)

airtel

	Notes	For the year ended March 31, 2019	March 31, 2018
Profit for the year (continued from previous page)		**16,875**	**21,835**
Other comprehensive income ('OCI')			
Items to be reclassified subsequently to profit or loss :			
Net losses due to foreign currency translation differences		(15,739)	(7,181)
Net losses on net investment hedge		(1,754)	(8,024)
Net (losses) / gains on cash flow hedge		(833)	809
Net (losses) / gains on fair value through OCI investments		(45)	129
Tax credit / (charge)	14	5,428	(122)
		(12,943)	**(14,389)**
Items not to be reclassified to profit or loss :			
Re-measurement gains on defined benefit plans		47	205
Tax charge		(62)	(29)
Share of OCI of associates and joint ventures	8	(12)	18
		(27)	**194**
Other comprehensive loss for the year		**(12,970)**	**(14,195)**
Total comprehensive income for the year		**3,905**	**7,640**
Profit for the year attributable to :		**16,875**	**21,835**
Owners of the Parent		4,095	10,990
Non-controlling interests		12,780	10,845
Other comprehensive loss for the year attributable to :		**(12,970)**	**(14,195)**
Owners of the Parent		(10,216)	(13,445)
Non-controlling interests		(2,754)	(750)
Total comprehensive income for the year attributable to :		**3,905**	**7,640**
Owners of the Parent		(6,121)	(2,455)
Non-controlling interests		10,026	10,095
Earnings per share (Face value: Rs. 5/- each)			
Basic	33	1.02	2.75
Diluted	33	1.02	2.75

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

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Shyamak R Tata
Partner
Membership No: 38320

Place: **New Delhi**

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

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Badal Bagri
Chief Financial Officer

Pankaj Tewari
Company Secretary

Date: **May 6, 2019**

(All amounts are in millions of Indian Rupee; unless stated otherwise)

	Equity attributable to owners of the Parent												
	Share capital		Other equity										
			Reserves and surplus										
	No of shares (in '000)	Amount	Securities premium	Retained earnings	General reserves	Debenture redemption reserve	Capital reserve	Share-based payment reserve	NCI reserve	Other components of equity (Note 19)	Total	Non-controlling interests ('NCI')	Total equity
As of April 01, 2017	**3,997,400**	**19,987**	**123,456**	**483,638**	**27,030**	**-**	**-**	**4,065**	**77,216**	**(60,829)**	**654,576**	**68,750**	**743,313**
Profit for the period	-	-	-	10,990	-	-	-	-	-	-	10,990	10,845	21,835
Other comprehensive income / (loss)	-	-	-	194	-	-	-	-	-	(13,639)	(13,445)	(750)	(14,195)
Total comprehensive income / (loss)	-	-	-	**11,184**	-	-	-	-	-	**(13,639)**	**(2,455)**	**10,095**	**7,640**
Transaction with owners of equity													
Employee share-based payment expense	-	-	-	-	-	-	-	392	-	-	392	21	413
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(424)	(424)	-	(424)
Exercise of share options	-	-	-	-	3,510	-	-	(3,675)	-	149	(16)	(13)	(29)
Transaction with NCI	-	-	-	-	-	-	-	-	42,625	-	42,625	13,812	56,437
Creation of debenture redemption reserve	-	-	-	-	(7,500)	7,500	-	-	-	-	-	-	-
Dividend (including tax) to Company's shareholders	-	-	-	(18,475)	-	-	-	-	-	-	(18,475)	-	(18,475)
Dividend (including tax) to NCI	-	-	-	-	-	-	-	-	-	-	-	(3,933)	(3,933)
Movement on account of court approved schemes	-	-	-	(866)	-	-	-	-	-	-	(866)	(593)	(1,459)
As of March 31, 2018	**3,997,400**	**19,987**	**123,456**	**475,481**	**23,040**	**7,500**	**-**	**782**	**119,841**	**(74,743)**	**675,357**	**88,139**	**783,483**
Profit for the year	-	-	-	4,095	-	-	-	-	-	-	4,095	12,780	16,875
Other comprehensive income / (loss)	-	-	-	(29)	-	-	-	-	-	(10,187)	(10,216)	(2,754)	(12,970)
Total comprehensive income / (loss)	-	-	-	**4,066**	-	-	-	-	-	**(10,187)**	**(6,121)**	**10,026**	**3,905**
Transaction with owners of equity													
Issue of equity shares (refer note 5 (c))	0	0	0	-	-	-	-	-	-	-	0	-	0
Employee share-based payment expense	-	-	-	-	-	-	-	333	-	-	333	12	345
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(248)	(248)	-	(248)
Exercise of share options	-	-	-	-	12	-	-	(371)	-	336	(23)	(20)	(43)
Transaction with NCI	-	-	-	-	-	-	-	-	44,439	-	44,439	60,365	104,804
Business combination (refer note 5 (c))	-	-	-	-			5,315	-	-	-	5,315	-	5,315
Dividend (including tax) to Company's shareholders	-	-	-	(24,096)	-	-	-	-	-	-	(24,096)	-	(24,096)
Dividend (including tax) to NCI	-	-	-	-	-	-	-	-	-	-	-	(22,638)	(22,638)
Movement on account of court approved schemes	-	-	-	(721)	-	-	-	-	-	-	(721)	(626)	(1,347)
As of March 31, 2019	**3,997,400**	**19,987**	**123,456**	**454,730**	**23,052**	**7,500**	**5,315**	**744**	**164,280**	**(84,842)**	**694,235**	**135,258**	**849,480**

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

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

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

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Shyamak R Tata
Partner
Membership No: 38320

Badal Bagri
Chief Financial Officer

Pankaj Tewari
Company Secretary

Place: **New Delhi**

Date: **May 6, 2019**

Bharti Airtel Limited
Consolidated Cash Flow Statements
(All amounts are in millions of Indian Rupee)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flows from operating activities		
(Loss) / profit before tax	**(17,318)**	**32,670**
Adjustments for :		
Depreciation and amortisation	213,475	192,431
Finance costs	110,134	93,255
Finance income	(14,240)	(12,540)
Share of results of joint ventures and associates (net)	(3,556)	(10,609)
Exceptional items	(32,792)	325
Employee share-based payment expense	345	413
(Profit) / loss on sale of property, plant and equipment	(175)	293
Other non-cash items	11,909	10,117
Operating cash flow before changes in working capital	**267,782**	**306,355**
Changes in working capital		
Trade receivables	8,427	(24,474)
Trade payables	21,580	15,122
Inventories	(191)	(202)
Provisions	(107)	154
Other financial and non-financial liabilities	(20,955)	51,205
Other financial and non-financial assets	(66,950)	(35,899)
Net cash generated from operations before tax	**209,586**	**312,261**
Income tax paid	(11,706)	(13,723)
Net cash generated from operating activities (a)	**197,880**	**298,538**
Cash flows from investing activities		
Purchase of property, plant and equipment	(260,971)	(245,259)
Proceeds from sale of property, plant and equipment	1,225	5,655
Purchase of intangible assets	(33,804)	(17,749)
Payment towards spectrum - Deferred payment liability*	(11,720)	(9,909)
Net movement in current investments	18,158	(50,259)
Purchase of non-current investments	(57,067)	-
Sale of non-current investments	44,976	36,495
Consideration / advance for acquisitions, net of cash acquired	(5,083)	(19,498)
Sale of tower assets	3,051	4,869
Investment in associate	(60)	(60)
Dividend received	11,493	10,377
Interest received	4,793	5,662
Net cash used in investing activities (b)	**(285,009)**	**(279,676)**
Cash flows from financing activities		
Proceeds from borrowings	353,141	197,664
Repayment of borrowings	(345,359)	(130,717)
Net proceeds / (repayments) from short-term borrowings	98,101	(26,874)
Proceeds from sale and finance leaseback of towers	1,688	2,958
Repayment of finance lease liabilities	(5,077)	(3,932)
Purchase of treasury shares	(248)	(424)
Interest and other finance charges paid	(76,171)	(44,041)
Proceeds from exercise of share options	10	13
Dividend paid (including tax)	(46,617)	(32,652)
Proceeds from issuance of equity shares to NCI	104,341	21
Sale of interest in a subsidiary (refer Note 5 (l) & (q))	16,238	57,189
Purchase of shares from NCI (refer note 5 (j) & (k))	(5,409)	-
Net cash generated from financing activities (c)	**94,638**	**19,205**
Net increase in cash and cash equivalents during the year (a+b+c)	**7,509**	**38,067**
Effect of exchange rate on cash and cash equivalents	1,338	281
Cash and cash equivalents as at beginning of the year	28,468	(9,880)
Cash and cash equivalents as at end of the year (Note 17)	**37,315**	**28,468**

*Cash flows towards spectrum acquisition are based on the timing of payouts to DoT (viz. upfront / deferred).

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

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Shyamak R Tata
Partner
Membership No: 38320

Place: **New Delhi**

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

Sunil Bharti Mittal
Chairman
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Managing Director & CEO
(India and South Asia)
DIN: 02291778

Badal Bagri
Chief Financial Officer

Pankaj Tewari
Company Secretary

Date: **May 6, 2019**

1. Corporate information

Bharti Airtel Limited ('the Company' or 'the Parent') is domiciled and incorporated in India as a limited liability company with its shares being listed on the National Stock Exchange and the Bombay Stock Exchange. The registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company together with its subsidiaries (hereinafter referred to as 'the Group') has presence in India, Africa and South Asia. The principal activities of the Group, its joint ventures and associates consist of provision of telecommunication services, tower infrastructure services and direct-to-home digital television services. The details as to the services provided by the Group are further provided in note 34. For details as to the Group structure, refer note 39.

2. Summary of significant accounting policies

2.1 Basis of preparation

These consolidated financial statements ('financial statements') have been prepared to comply in all material respects with the Indian Accounting Standard ('Ind AS') as notified by the Ministry of Corporate Affairs('MCA') under section 133 of the Companies Act, 2013 ('Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act.

The financial statements are approved for issue by the Company's Board of Directors on May 06, 2019.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013. Further, for the purpose of clarity, various items are aggregated in the statement of profit and loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the financial statements, where applicable or required.

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupee' or 'Rs.') and are rounded to the nearest million, except per share data and unless stated otherwise. Further, amounts which are less than a million are appearing as '0'.

The preparation of the said financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Group's accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in note 3.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by all the group entities, to all the periods presented in the said financial statements.

2.2 Basis of measurement

The financial statements have been prepared on the accrual and going concern basis, and the historical cost convention except where the Ind AS requires a different accounting treatment. The principal variations from the historical cost convention relate to financial instruments classified as fair value through profit or loss or through other comprehensive income (refer note 2.10 (b)), liability for cash-settled awards (refer note 2.16), the component of carrying values of recognised liabilities that are designated in fair value hedges (refer note 2.10 (d)) - which are measured at fair value.

Fair value measurement

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants. The Group's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

The Group is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The three levels of the fair-value-hierarchy are described below:
Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets
Level 2: Significant inputs to the fair value measurement are directly or indirectly observable
Level 3: Significant inputs to the fair value measurement are unobservable

2.3 Basis of consolidation

a. Subsidiaries

Subsidiaries include all the entities over which the Group has control. The Group controls an entity when it is exposed or has right to variable return from its involvement with the entity, and has the ability to affect those returns through its power (that is, existing rights that give it the current ability to direct the relevant activities) over the entity. The Group re-assesses whether or not it controls the entity, in case the under-lying facts and circumstances indicate that there are changes to above mentioned parameters that determine the existence of control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group, and they are de-consolidated from the date that control ceases. Non-controlling interests is the equity in a subsidiary not attributable to a parent and presented separately from the Group's equity. Non-controlling interests consist of the amount at the date of the business combination and its share of changes in equity since that date. Profit or loss and other comprehensive income are attributed to the controlling and non-controlling interests in proportion to their ownership interests, even if this results in the non-controlling interests having a deficit balance. However, in case where there are binding contractual arrangements that determine the attribution of the earnings, the attribution specified by such arrangement is considered.

The profit or loss on disposal (associated with loss of control) is recognised in the statement of profit and loss being the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest, and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. In addition, any amounts previously recognised in the other comprehensive income in respect of that de-consolidated entity, are accounted for as if the Group had directly disposed off the related assets or liabilities. This may mean that amounts previously recognised in the other comprehensive income are re-classified to the statement of profit and loss. Any retained interest in the entity is remeasured to its fair value with the resultant change in carrying value being recognised in statement of profit and loss.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as a transaction with equity holders. Any difference between the amount of the adjustment to non-controlling interests and any consideration exchanged is recognised in 'NCI reserve', a component of equity.

b. Joint ventures and associates

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.
Investment in joint ventures and associates are accounted for using equity method; from the date on which Group obtains joint control over the joint venture / starts exercising significant influence over the associate. The said investments are tested at-least annually and whenever circumstances indicate that their carrying values may exceed the recoverable amount (viz. higher of the fair value less costs to sell and the value-in-use).

c. Method of consolidation

Accounting policies of the respective individual subsidiary, joint venture and associate are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

The standalone financial statements of subsidiaries are fully consolidated on a line-by-line basis, after adjusting for business combination adjustments (refer note 2.4). Intra-group balances and transactions, and income and expenses arising from intra-group transactions, are eliminated while preparing the said financial statements. The un-realised gains resulting from intra-group transactions are also eliminated. Similarly, the un-realised losses are eliminated, unless the transaction provides evidence as to impairment of the asset transferred.

The Group's investments in its joint ventures and associates are accounted for using the equity method. Accordingly, the investments are carried at cost less any impairment losses, as adjusted for post-acquisition changes in the Group's share of the net assets of investees. Any excess of the cost over the Group's share of net assets in its joint ventures / associates at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment. The un-realised gains / losses resulting from transactions with joint ventures and associates are eliminated against the investment to the extent of the Group's interest in the investee. However, un-realised losses are eliminated only to the extent that there is no evidence of impairment.

At each reporting date, the Group determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of investment and its carrying value.

2.4 Business combinations

The Group accounts for business combinations using the acquisition method of accounting, and accordingly, the identifiable assets acquired and the liabilities assumed in the acquiree are recorded at their acquisition date fair values (except certain assets and liabilities which are required to be measured as per the applicable standard) and the non-controlling interest is initially recognised at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. The consideration transferred for the acquisition of a subsidiary is aggregation of the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group in exchange for control of the acquiree.

The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is subsequently measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, along with the amount of any non-controlling interests in the acquiree and the acquisition-date fair value (with the resulting difference being recognised in statement of profit and loss) of any previous equity interest in the acquiree, over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Acquisition-related costs are expensed in the period in which the costs are incurred.

If the initial accounting for a business combination is incomplete as at the reporting date in which the combination occurs, the identifiable assets and liabilities acquired in a business combination are measured at their provisional fair values at the date of acquisition. Subsequently adjustments to the provisional values are made within the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date; otherwise the adjustments are recorded in the period in which they occur.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with Ind AS 115 "Revenue from Contracts with Customers".

2.5 Foreign currency transactions

a. Functional and presentation currency

The items included in financial statements of each of the Group's entities are measured using the currency of primary economic environment in which the entity operates (i.e. 'functional currency').

The financial statements are presented in Indian Rupees which is the functional and presentation currency of the Company.

b. Transactions and balances

Transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in the statement of profit and loss within finance costs / finance income. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – the resulting foreign exchange difference, on subsequent re-statement / settlement, recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.

The equity items denominated in foreign currencies are translated at historical cost.

c. Foreign operations

The assets and liabilities of foreign operations (including the goodwill and fair value adjustments arising on the acquisition of foreign entities) are translated into Rupees at the exchange rates prevailing at the reporting date whereas their statements of profit and loss are translated into Rupees at monthly average exchange rates and the equity is recorded at the historical rate. The resulting exchange differences arising on the translation are recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR'), a component of equity. On disposal of a foreign operation (that is, disposal involving loss of control), the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

2.6 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

Deferred tax assets and liabilities, and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The derivatives designated in hedging relationship and separated embedded derivatives are classified basis the hedged item and host contract respectively.

2.7 Property, plant and equipment ('PPE')

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), assets retirement obligations (refer note 2.17 (b)) and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Further, it includes assets installed on the premises of customers as the associated risks, rewards and control remain with the Group.

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of PPE are required to be replaced at regular intervals, the Group recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. Further, in case the replaced part was not being depreciated separately, the cost of the replacement is used as an indication to determine the cost of the replaced part at the time it was acquired.

The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Group, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straight-line method over the estimated useful lives. Freehold land is not depreciated as it has an unlimited useful life. The Group has established the estimated range of useful lives for different categories of PPE as follows:

Categories	**Years**
Leasehold improvement	Period of lease or 10 -20 years, as applicable, whichever is less
Leasehold land	Period of lease
Buildings	20
Building on leased land	20
Plant and equipment	
- Network equipment (including passive infrastructure)	3 - 25
- Customer premise equipment	3 - 5
- Assets taken on finance lease	Period of lease or 10 years, as applicable, whichever is less
Other equipment, operating and office equipment	
Computes / Servers	3 - 5
Furniture & fixture and Office equipment	2 - 5
Vehicles	3 - 5

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at-least as at each financial year end so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted prospectively, and accordingly, the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed off are de-recognised from the balance sheet and the resulting gains / (losses) are included in the statement of profit and loss within other expenses / other income.

The management basis its past experience and technical assessment has estimated the useful life, which is at variance with the life prescribed in Part C of Schedule II of the Companies Act, 2013 and has accordingly, depreciated the assets over such useful life.

The cost of capital work-in-progress ('CWIP') is presented separately in the balance sheet.

2.8 Intangible assets

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be measured reliably.

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable net assets purchased (refer note 2.4). Goodwill is not amortised; however it is tested annually for impairment (refer note 2.9) and carried at cost less any accumulated impairment losses. The gains / (losses) on the disposal of a cash-generating-unit ('CGU') include the carrying amount of goodwill relating to the CGU sold (in case goodwill has been allocated to group of CGUs; it is determined on the basis of the relative fair value of the operations sold).
The intangible assets that are acquired in a business combination are recognised at its fair value there at. Other intangible assets are initially recognised at cost. These assets having finite useful life are carried at cost less accumulated amortisation and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life of intangible assets.

The Group has established the estimated useful lives of different categories of intangible assets as follows:

a. Software

Software are amortised over the period of license, generally not exceeding five years.

b. Bandwidth

Bandwidth is amortised over the period of the agreement.

c. Licenses (including spectrum)

Acquired licenses and spectrum are amortised commencing from the date when the related network is available for intended use in the relevant jurisdiction. The useful lives range from two to twenty five years.
The revenue-share based fee on licenses / spectrum is charged to the statement of profit and loss in the period such cost is incurred.

d. Other acquired intangible assets

Other acquired intangible assets include the following:

Rights acquired for unlimited license access: Over the period of the agreement which ranges upto five years

Distribution network: One year to two years

Customer base: Over the estimated life of such relationships.

Non-compete fee: Over the period of the agreement which ranges upto five years

The useful lives and amortisation method are reviewed, and adjusted appropriately, at least at each financial year end so as to ensure that the method and period of amortisation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives and / or amortisation method is accounted prospectively, and accordingly, the amortisation is calculated over the remaining revised useful life.
Further, the cost of intangible assets under development includes the amount of spectrum allotted to the Group and related costs (including borrowing costs that are directly attributable to the acquisition or construction of qualifying assets) (refer note 2.20), if any, for which services are yet to be rolled out and are presented separately in the balance sheet.

2.9 Impairment of non-financial assets

a. Goodwill

Goodwill is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired. For the purpose of impairment testing, the goodwill is allocated to a cash-generating-unit ('CGU') or group of CGUs ('CGUs'), which are expected to benefit from the acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment occurs when the carrying value of a CGU / CGUs including the goodwill, exceeds the estimated recoverable amount of the CGU / CGUs. The recoverable amount of a CGU / CGUs is the higher of its fair value less costs to sell and its value in use. Value-in-use is the present value of future cash flows expected to be derived from the CGU / CGUs.

The total impairment loss of a CGU / CGUs is allocated first to reduce the carrying value of Goodwill allocated to that CGU / CGUs and then to the other assets of that CGU / CGUs - on pro-rata basis of the carrying value of each asset.

b. PPE, intangible assets and intangible assets under development

PPE (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Intangible assets under development is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired.

For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the CGU level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro-rata basis.

Reversal of impairment losses

Impairment loss in respect of goodwill is not reversed. Other impairment losses are reversed in the statement of profit and loss and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset / CGU in previous years.

2.10 Financial instruments

a. Recognition, classification and presentation

The financial instruments are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the financial instrument.

The Group determines the classification of its financial instruments at initial recognition.

The Group classifies its financial assets in the following categories: a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and b) those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group has classified all the non-derivative financial liabilities as measured at amortised cost.

The entire hybrid contract, financial assets with embedded derivatives, are considered in their entirety for determining the contractual terms of the cash flow and accordingly, the embedded derivatives are not separated. However, derivatives embedded in non-financial instrument / financial liabilities (measured at amortised cost) host contracts are classified as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts.

Financial assets and liabilities arising from different transactions are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, the Group currently has a legally enforceable right to set-off the related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

b. Measurement - Non-derivative financial instruments

I. Initial measurement

At initial recognition, the Group measures the non-derivative financial instruments at its fair value plus, in the case of a financial instruments not at fair value through profit or loss, transaction costs. Otherwise transaction costs are expensed in the statement of profit and loss.

II. Subsequent measurement - financial assets

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

i. Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate ('EIR') method (if the impact of discounting / any transaction costs is significant). Interest income from these financial assets is included in finance income.

ii. Financial assets at fair value through other comprehensive income ('FVTOCI')

Equity investments which are not held for trading and for which the Group has elected to present the change in the fair value in other comprehensive income and debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flow represent solely payment of principal and interest, are measured at FVTOCI.

The changes in fair value are taken through OCI, except for the impairment (on debt instruments), interest (basis EIR method), dividend and foreign exchange differences which are recognised in the statement of profit and loss.

When the financial asset is derecognised, the related accumulated fair value adjustments in OCI as at the date of derecognition are reclassified from equity and recognised in the statement of profit and loss. However, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss in case of equity instruments.

iii. Financial assets at fair value through profit or loss ('FVTPL')

All equity instruments and financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. Interest (basis EIR method) and dividend income from financial assets at FVTPL is recognised in the statement of profit and loss within finance income / finance costs separately from the other gains/losses arising from changes in the fair value.

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and debt instrument carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month expected credit loss ('ECL') is used to provide for impairment loss, otherwise lifetime ECL is used.

However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

III. Subsequent measurement - financial liabilities

Financial liabilities are subsequently measured at amortised cost using the EIR method (if the impact of discounting / any transaction costs is significant).

c. Measurement - derivative financial instruments

Derivative financial instruments, including separated embedded derivatives, that are not designated as hedging instruments in a hedging relationship are classified as financial instruments at fair value through profit or loss - Held for trading. Such derivative financial instruments are initially recognised at fair value. They are subsequently measured at their fair value, with changes in fair value being recognised in the statement of profit and loss within finance income / finance costs.

d. Hedging activities

I. Fair value hedge

Some of the Group's entities use derivative financial instruments (e.g. interest rate / currency swaps) to manage / mitigate their exposure to the risk of change in fair value of the borrowings. The Group designates certain interest swaps to hedge the risk of changes in fair value of recognised borrowings attributable to the hedged interest rate risk. The effective and ineffective portion of changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss within finance income / finance costs, together with any changes in the fair value of the hedged liability that is attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised to the statement of profit and loss over the period to remaining maturity of the hedged item.

II. Cash flow hedge

Some of the Group's entities use derivative financial instruments (e.g. foreign currency forwards, options, swaps) to manage their exposure to foreign exchange and price risk. Further, the Group designates certain derivative financial instruments (or its components) as hedging instruments for hedging the exchange rate fluctuation risk attributable to either a recognised item or a highly probable forecast transaction ('Cash flow hedge'). The effective portion of changes in the fair value of derivative financial instruments (or its components) that are designated and qualify as cash flow hedges, are recognised in other comprehensive income and held as cash flow hedge reserve ('CFHR') – within other components of equity. Any gains / (losses) relating to the ineffective portion, are recognised immediately in the statement of profit and loss within finance income / finance costs. The amounts accumulated in equity are re-classified to the statement of profit and loss in the periods when the hedged item affects profit / (loss).

When a hedging instrument expires or is sold, or when a cash flow hedge no longer meets the criteria for hedge accounting, any cumulative gains / (losses) existing in equity at that time remains in equity and is recognised (on the basis as discussed in the above paragraph) when the forecast transaction is ultimately recognised in the statement of profit and loss. However, at any point of time, when a forecast transaction is no longer expected to occur, the cumulative gains / (losses) that were reported in equity is immediately transferred to the statement of profit and loss within finance income / finance costs.

III. Net investment hedge

The Group hedges its net investment in certain foreign subsidiaries. Accordingly, any foreign exchange differences on the hedging instrument (e.g. borrowings) relating to the effective portion of the hedge is recognised in other comprehensive income as foreign currency translation reserve ('FCTR') – within other components of equity, so as to offset the change in the value of the net investment being hedged. The ineffective portion of the gain or loss on these hedges is immediately recognised in the statement of profit and loss. The amounts accumulated in equity are included in the statement of profit and loss when the foreign operation is disposed or partially disposed.

e. Derecognition

The financial liabilities are de-recognised from the balance sheet when the under-lying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The financial assets are de-recognised from the balance sheet when the rights to receive cash flows from the financial assets have expired, or have been transferred and the Group has transferred substantially all risks and rewards of ownership. The difference in the carrying amount is recognised in the statement of profit and loss.

2.11 Leases

The determination of whether an arrangement is a lease is based on whether fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases where the lessor transfers substantially all the risks and rewards of ownership of the leased asset are classified as finance lease and other leases are classified as operating lease.

Operating lease receipts / payments are recognised as an income / expense on a straight-line basis over the lease term unless the lease payments increase in line with expected general inflation.

Contingent rents are recognised as income / expense in the period in which they are earned / incurred.

a. Group as a lessee

Assets acquired under finance leases are capitalised at the lease inception at lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are apportioned between finance charges (recognised in the statement of profit and loss) and reduction of the lease liability so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period.

Sale and leaseback transaction involves the sale and the leasing back of the same asset. In case it results in a finance lease, any profit or loss is not immediately recognised, instead the asset leased back is retained at its carrying value and the amount received towards the leased back portion is recorded as a finance lease obligation. However, in case it results in an operating lease, any profit or loss is recognised immediately provided the transaction occurs at fair value.

b. Group as a lessor

Assets leased to others under finance lease are recognised as receivables at an amount equal to the net investment in the leased assets. Finance lease income is allocated to periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised in statement of profit and loss on a stratght-line basis over the lease term.

The Group enters into 'Indefeasible right to use' ('IRU') arrangement wherein the assets are given on lease over the substantial part of the asset life. However, the title to the assets and significant risk associated with the operation and maintenance of these assets remains with the Group. Hence, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the balance sheet.

2.12 Taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.

a. Current tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date in the respective countries where the group entities operate and generate taxable income. The payment made in excess / (shortfall) of the respective group entities' income tax obligation for the period are recognised in the balance sheet under non-current income tax assets / liabilities.
Any interest, related to accrued liabilities for potential tax assessments are not included in Income tax charge or (credit), but are rather recognised within finance costs.

The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

b. Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax are not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Further, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Moreover, deferred tax is recognised on temporary differences arising on investments in subsidiaries, joint ventures and associates - unless the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Group currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation authority and where there is an intention to settle the current income tax balances on net basis.

2.13 Inventories

Inventories are stated at the lower of cost (determined using the first-in-first-out method) and net realisable value. The costs comprise its purchase price and any directly attributable cost of bringing to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated variable costs necessary to make the sale.

2.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of changes in value). However, for the purpose of the statement of cash flows, in addition to above items, any bank overdrafts / cash credits that are integral part of the Group's cash management, are also included as a component of cash and cash equivalents.

2.15 Share capital / Securities premium / Treasury shares

Ordinary shares are classified as Equity when the Company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect.

When the Company purchases its ordinary shares through Bharti Airtel Employees' Welfare Trust, they are treated as treasury shares, and the consideration paid is deducted from the Equity. When the treasury shares are subsequently re-issued, any difference between its carrying amount and consideration received is recognised in share-based-payment reserve.

2.16 Employee benefits

The Group's employee benefits mainly include wages, salaries, bonuses, defined contribution to plans, defined benefit plans, compensated absences, deferred compensation and share-based payments. The employee benefits are recognised in the year in which the associated services are rendered by the group employees.

a. Defined contribution plans

The contributions to defined contribution plans are recognised in profit or loss as and when the services are rendered by employees. The Group has no further obligations under these plans beyond its periodic contributions.

b. Defined benefit plans

In accordance with the local laws and regulations, all the employees in India are entitled for the Gratuity plan. The said plan requires a lump-sum payment to eligible employees (meeting the required vesting service condition) at retirement or termination of employment, based on a pre-defined formula.

The Group provides for the liability towards the said plans on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method.

The obligation towards the said benefits is recognised in the balance sheet, at the present value of the defined benefit obligations less the fair value of plan assets (being the funded portion). The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

The interest income / (expense) are calculated by applying the above mentioned discount rate to the plan assets and defined benefit obligations. The net interest income / (expense) on the net defined benefit obligation is recognised in the statement of profit and loss. However, the related re-measurements of the net defined benefit obligation are recognised directly in the other comprehensive income in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions), the return on plan assets (excluding interest). Re-measurements are not re-classified to the statement of profit and loss in any of the subsequent periods.

c. Other long-term employee benefits

The employees of the Group are entitled to compensated absences as well as other long-term benefits. Compensated absences benefit comprises of encashment and availment of leave balances that were earned by the employees over the period of past employment.

The Group provides for the liability towards the said benefits on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related re-measurements are recognised in the statement of profit and loss in the period in which they arise.

d. Share-based payments

The Group operates equity-settled and cash-settled, employee share-based compensation plans, under which the Group receives services from employees as consideration for stock options either towards shares of the Company / cash settled units.

In case of equity-settled awards, the fair value is recognised as an expense in the statement of profit and loss within employee benefits as employee share-based payment expenses, with a corresponding increase in share-based payment reserve (a component of equity).

However, in case of cash-settled awards, the credit is recognised as a liability within other non-financial liabilities. Subsequently, at each reporting period, until the liability is settled, and at the date of settlement, liability is re-measured at fair value through statement of profit and loss.

The total amount so expensed is determined by reference to the grant date fair value of the stock options granted, which includes the impact of any market performance conditions and non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions. However, the non-market performance vesting and service conditions are considered in the assumption as to the number of options that are expected to vest. The forfeitures are estimated at the time of grant and reduce the said expense rateably over the vesting period.
The expense so determined is recognised over the requisite vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. As at each reporting date, the Group revises its estimates of the number of options that are expected to vest, if required.

It recognises the impact of any revision to original estimates in the period of change. Accordingly, no expense is recognised for awards that do not ultimately vest, except for which vesting is conditional upon a market performance / non-vesting condition. These are treated as vesting irrespective of whether or not the market /

non-vesting condition is satisfied, provided that service conditions and all other non-market performance are satisfied.

Where the terms of an award are modified, in addition to the expense pertaining to the original award, an incremental expense is recognised for any modification that results in additional fair value, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled (including due to non-vesting conditions not being met), it is treated as if it is vested thereon, and any un-recognised expense for the award is recognised immediately.

2.17 Provisions

a. General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the said obligation, and the amounts of the said obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation, using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to un-winding of discount over passage of time is recognised within finance costs.

b. Asset retirement obligations ('ARO')

ARO are recognised for those operating lease arrangements where the Group has an obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation and are recognised as part of the cost of that particular asset. The estimated future costs of decommissioning are reviewed annually and any changes in the estimated future costs or in the discount rate applied are adjusted from the cost of the asset.

2.18 Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised and disclosed only where an inflow of economic benefits is probable.

2.19 Revenue recognition

Effective April 1, 2018, the Group has adopted Ind AS 115, 'Revenue from Contracts with Customers'. Further during the quarter ended March 31, 2019, the Company has finalised the transition method as the fully retrospective method applied retrospectively and hence, the comparative information have been restated. Accordingly, certain commission charges hitherto included in Sales and marketing expenses in respect of Africa mobile operations have been netted from Revenue.

Revenue is recognised upon transfer of control of promised products or services to the customer at the consideration which the Group has received or expects to receive in exchange of those products or services, net of any taxes / duties, discounts and process waivers. When determining the consideration to which the Group is entitled for providing promised products or services via intermediaries, the Group assesses whether it is primarily responsible for fulfilling the performance obligation and whether it controls the promised service before transfer to customers. To the extent that the intermediary is considered a principal, the consideration to which the Group is entitled is determined to be that received from the intermediary.

Revenue is recognised when, or as, each distinct performance obligation is satisfied. The main categories of revenue and the basis of recognition are as follows:

a. Service revenues

Service revenues mainly pertain to usage, subscription and customer onboarding charges for voice, data, messaging, value added services and Direct to Home (DTH) services. It also includes revenue from interconnection / roaming charges for usage of the Group's network by other operators for voice, data, messaging and signaling services. Service revenues also includes rental revenue for use of sites and energy revenue for the provision of energy for operation of sites.

Telecommunication services (comprising voice, data and SMS) are considered to represent a single performance obligation as all are provided over the Group's network and transmitted as data representing a digital signal on the network. The transmission consumes network bandwidth and therefore, irrespective of the nature of the communication, the customer ultimately receives access to the network and the right to consume network bandwidth.

The Group recognises revenue from these services as they are provided. Revenue is recognised based on actual units of telecommunication services provided during the reporting period as a proportion of the total units of telecommunication services to be provided. Subscription charges are recognised over the subscription pack validity period. Customer onboarding revenue and associated cost is recognised upon successful onboarding of customer i.e. upfront. Revenues in excess of invoicing are classified as unbilled revenue while invoicing / collection in excess of revenue are classified as deferred revenue / advance from customers. The Group 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.

Service revenues also includes revenue from interconnection / roaming charges for usage of the Group's network by other operators for voice, data, messaging and signaling services. These are recognised upon transfer of control of services being transferred over time.

Certain business services revenues include revenue from registration and installation, which are amortised over the period of agreement since the date of activation of service.

Revenues from long distance operations comprise of voice services and bandwidth services (including installation), which are recognised on provision of services and over the period of respective arrangements.

Rental revenue is recognized as and when services are rendered on a monthly basis as per the contractual terms prescribed under master service agreement entered with customer. The Group 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. Exit Charges are recognised when uncertainty relating to the amounts receivable on exit is resolved and it is probable that a significant reversal relating to the amounts receivable on exit will not occur. Energy revenue is recognized over the period on a monthly basis upon satisfaction of performance obligation as per contracts with the customers. The transaction price is the consideration received from customers based on prices agreed as per the contract with the customers. The determination of standalone selling prices is not required as the transaction prices are stated in the contract based on the identified performance obligation.

b. Multiple element arrangements

The Company has entered into certain multiple-element revenue arrangements which involve the delivery or performance of multiple products, services or rights to use assets. At the inception of the arrangement, all the deliverables therein are evaluated to determine whether they represent distinct performance obligations, and if so, they are accounted for separately. Total consideration related to the multiple element arrangements is allocated to each performance obligation based on their standalone selling prices. The stand-alone selling prices are determined based on the list prices at which the Company sells equipment and network services separately.

c. Equipment sales

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories for which revenue is recognised when the control of equipment is transferred to the customer, i.e. transferred at a point in time. However, in case of equipment sale forming part of multiple-element revenue arrangements which is not a distinct performance obligation, revenue is recognised over the customer relationship period.

d. Interest income

The interest income is recognised using the EIR method. For further details, refer note 2.10.

e. Dividend income

Dividend income is recognised when the Company's right to receive the payment is established. For further details, refer note 2.10

2.20 Borrowing costs

Borrowing costs consist of interest and other ancillary costs that the Group incurs in connection with the borrowing of funds. The borrowing costs directly attributable to the acquisition or construction of any asset that takes a substantial period of time to get ready for its intended use or sale are capitalised. All the other borrowing costs are recognised in the statement of profit and loss within finance costs of the period in which they are incurred.

2.21 Exceptional items

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

2.22 Non-operating expense / income

Non-operating expense comprises regulatory levies applicable to finance income in some of the geographies whereas non-operating income pertains to certain fee income in one of the group entities.

2.23 Dividends paid

Dividend to shareholders is recognised as a liability and deducted from equity, in the year in which the dividends are approved by the shareholders. However, interim dividends declared by the Board of directors, which does not need shareholders' approval, are recognised as a liability and deducted from retained earnings, in the year in which the dividends are so declared.

2.24 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS data.

Basic EPS is computed by dividing the profit for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period excluding the treasury shares.

Diluted EPS is computed by adjusting, the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving Basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the period, unless issued at a later date during the period.

3. Critical accounting estimates, assumptions and judgements

The estimates and judgements used in the preparation of the said financial statements are continuously evaluated by the Group, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Group believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.
Although the Group regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions under-lying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the financial statements in the year in which they become known.

3.1 Critical accounting estimates and assumptions

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

a. Impairment reviews

PPE (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Similarly, goodwill and intangible assets under development is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired. For details as to the impairment policy, refer note 2.9. Accordingly the Group has performed impairment reviews for the above assets. However, the said reviews did not result in any impairment charge.

In calculating the value in use, the Group is required to make significant judgements, estimates and assumptions inter-alia concerning the growth in earnings before interest, taxes, depreciation and amortization ('EBITDA') margins, capital expenditure, long-term growth rates and discount rates to reflect the risks involved. Also, judgement is involved in determining the CGU /grouping of CGUs for allocation of the goodwill.

The Group mainly operates in developing markets and in such markets, the plan for shorter duration is not indicative of the long-term future performance. Considering this and the consistent use of such robust ten year information for management reporting purpose, the Group uses ten year plans for the purpose of impairment testing.

b. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Deferred tax assets are recognised for the unused tax losses and minimum alternate tax credits for which there is probability of utilisation against the future taxable profit. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments.

c. Property, plant and equipment

Refer note 2.7 and 6 for the estimated useful life and carrying value of property, plant and equipment respectively.

During the year ended March 31, 2019, the Group has reassessed useful life of certain categories of network assets based on internal assessment and technical evaluation, and accordingly has revised the estimate of its useful life from 18 years to 25 years in respect of those assets. The impact of above change on the depreciation charge for the current and future years are as follows:

	For the Year Ending				Future
	March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022	
Impact on depreciation charge	(2,774)	(2,712)	(2,355)	(1,922)	9,763

d. Allowance for impairment of trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances

e. Contingent liabilities and provisions

The Group is involved in various legal, tax and regulatory matters, the outcome of which may not be favourable to the Group. Management in consultation with the legal, tax and other advisers assess the likelihood that a pending claim will succeed. The Group has applied its judgement and has recognised liabilities based on whether additional amounts will be payable and has included contingent liabilities where economic outflows are considered possible but not probable.

3.2 Critical judgement's in applying the Group's accounting policies

The critical judgement's, which the management has made in the process of applying the Group's accounting policies and has the most significant impact on the amounts recognised in the said financial statements, is discussed below:

f. Revenue recognition and presentation

The Group assesses its revenue arrangements in order to determine if it is acting as a principal or as an agent by determining whether it has primary obligation basis pricing latitude and exposure to credit / inventory risks associated with the sale of goods / rendering of services.

In the said assessment, both the legal form and substance of the agreement are reviewed to determine each party's role in the transaction.

g. Determination of functional currency

The Group has determined the functional currency of the group entities by identifying the primary economic environment in which the entity operates - based on under-lying facts / circumstances. However, in respect of certain intermediary foreign operations of the Group, the determination of functional currency is not very obvious due to mixed indicators and the extent of autonomy enjoyed by the foreign operation. In such cases management uses its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

h. Taxes

The identification of temporary differences pertaining to the investment in subsidiaries that are expected to reverse in the foreseeable future and the determination of the related deferred income tax liabilities after considering the requisite tax credits require the Group to make significant judgements.

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4. Standards issued but not effective until the date of authorisation for issuance of the said financial statements :

The new significant standards, amendments to Standards that are issued but not yet effective until the date of authorisation for issuance of the said financial statements are discussed below. The Group has not early adopted these amendments and intends to adopt when they become effective.

Ind AS 116 'Leases'

In March 2019, MCA has notified the Ind AS 116, Leases. It will replace the existing leases Standard, Ind AS 17 'Leases', and related interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. It introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lease is required to recognise a right-of-use asset representing its right to use and the underlying leased assets and a lease liability representing its obligation to make lease payments.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The Group is in the process of evaluating its impact on the financial statements.

The following pronouncements, which are potentially relevant to the Group, have been issued and are effective for annual periods beginning on or after April 1, 2019.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : According to the appendix, Group need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the group have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Group does not expect that the adoption of the said amendment will have any significant impact on the financial Statements.

- Amendment to Ind AS 12 – Income taxes: The amendment clarifies that an Group shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity accordingly to where the Group originally recognised those past transactions or events whereas hitherto it was being recognised in equity.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

5. Significant transactions / new developments

a) Subsequent to the balance sheet date, on May 03, 2019, the Company has launched a rights issue of approximately 1,134 Mn fully paid up equity shares (face value Rs. 5 each) at a price of Rs. 220/- per share aggregating to Rs. 249,390. The right issue will close on May 17, 2019. The rights entitlement is determined as 19 equity shares for every 67 equity shares held.

b) In February 2019, Airtel Kenya, the Group's operating subsidiary in Kenya, entered into an agreement with Telkom Kenya Limited, the third largest mobile network operator in Kenya, to merge their respective mobile, enterprise and carrier services businesses to operate as 'Airtel-Telkom'. As at the date of this financial statements, the transaction remains subject to approval by the relevant authorities.

c) During the year ended March 31, 2017, the Group had entered into a scheme of amalgamation for the merger of Telenor (India) Communications Private Limited with the Company. Further, during the year ended March 31, 2019, as the closing conditions for the said merger have been fulfilled, the said transaction is consummated. The difference of Rs. 5,315 between the purchase consideration (issuance of five equity shares and working capital adjustments) and fair value of net assets has been recognised as Capital reserve, a component of equity.

The fair values of the assets and liabilities recognised at the date of acquisition are as follows:

Non-current assets	
Property, plant and equipment	
(including capital-work-in-progress of Rs.94)	4,264
Other intangible assets	
(including intangible assets under development of Rs. 655)	17,684
Indemnification assets	8,835
Others	6,309
Current assets	6,931
Cash and cash equivalents	7,661
Others	
Non-current liabilities	
Borrowings	14,842
Others	955
Current liabilities	
Borrowings	1,229
Trade payables	17,301
Others	12,592
Net assets acquired	**4,765**

d) During the year ended March 31, 2019, Airtel Africa Limited issued to global investors 976,635,762 equity shares for an aggregate investment of USD 1,450 together with certain indemnities. These indemnities represent an obligation for adjustment of subscription amounts triggered on payouts for the indemnified contingencies. These have been recorded as derivatives measured at fair value through profit and loss and other financial liabilities initially measured at fair value and subsequently re-measured at amortised cost. The key assumptions taken into measurement of these liabilities are around the probability of the outcome on which the indemnities are based and expected settlement amount.

e) During the year ended March 31, 2019, Bharti Airtel International (Netherlands) B.V., a subsidiary of the Group, early redeemed an amount of USD 995 from its USD 1,500 5.125% Guaranteed Senior Notes due in March 2023 at a consideration equivalent to 98.5% of the par amount of each bond plus interest accrued.

f) During the year ended March 31, 2019, consequent to the change in shareholder rights in Airtel Payment Bank Limited ('APBL'), APBL ceased to be a subsidiary (*under Ind AS, '110 Consolidated Financial Statements'*). APBL has since been considered as an associate (under *Ind AS 28, 'Investments in Associates and Joint Ventures'*). Hence, in accordance with *Ind AS 110*, the difference between the fair value of retained interest and the previous carrying amount of the Group's share in the net assets of APBL, of Rs. 8,735 has been recognized as gain within exceptional items.

g) In January 2019, the Government of Tanzania ('GoT') and the Group, on a composite basis, agreed (i) to the GoT's withdrawal of certain tax claims and regulatory fines (ii) the entry into an agreement between the GoT and Airtel Tanzania ('AT') for the provision of support services to AT on a 'best efforts' basis in order to support its development; (iii) to approve the sale of towers owned by AT; (iv) to allow a defined portion of the net sale proceeds of the tower sale towards repayment of the outstanding shareholder loan granted to AT by Bharti Airtel Tanzania B.V. ('BATBV') which shall be treated as full repayment of said loan; (iv) to either exempt AT from the listing obligations or to ensure that the Group's beneficial ownership of AT will not decrease below 51% at any time; and (v) to an increase in the GOT's shareholding in AT, to 49% at zero effective cost. The said document also provided for execution of detailed agreements between GoT, AT and the Group, wherever required, to give effect to the above.

Pursuant to the above arrangement, the Group believes that the above-mentioned settlement amongst the shareholders of AT should be accounted for as an equity transaction on the consummation of the said agreements.

h) During the year ended March 31, 2019, the Company's board of directors at its meeting held on October 25, 2018, has paid interim dividend for the financial year 2018-19 of Rs. 2.50/- per equity share (face value : Rs. 5/- each).

i) During the year ended March 31, 2019, Bharti Airtel International (Netherlands) B.V., a subsidiary of the Company, has redeemed Euro 1,000 Mn 4% senior notes due in December 2018 ('Notes').

j) During the year ended March 31, 2019, the Group has acquired 7.95% equity stake in Airtel Gabon S.A. thereby, increasing its shareholding to 97.95%. The excess of consideration paid to NCI over the carrying value of the interest acquired Rs. 1,112 has been recognised in the transaction with NCI reserve, a component of equity.

k) During the year ended March 31, 2019, the Group has acquired 8.52% equity stake in Airtel Networks Limited thereby, increasing its shareholding to 91.77%. The excess of consideration paid to NCI over the carrying value of the interest acquired Rs. 4,684 has been recognised in the transaction with NCI reserve, a component of equity.

l) During the year ended March 31, 2018, the Group had entered into an agreement to sell 15% equity stake in Bharti Telemedia Limited, a subsidiary of the Company. Further, during the year ended March 31, 2019, as the closing conditions for the said transaction have been fulfilled, the said transaction is consummated. Accordingly, the excess of proceeds over the NCI amounting to Rs. 19,064 has been recognised directly in NCI reserve, a component of equity.

m) During the year ended March 31, 2018, the Group had entered into a share purchase agreement with Millicom International Cellular S.A. to acquire 100% equity interest in Tigo Rwanda Limited. The acquisition will make the Group the second largest mobile operator in Rwanda. The difference of Rs. 362 between the fair value of purchase consideration (including contingent consideration) aggregating to Rs. 3,200 and provisional fair value of net assets of Rs. 2,838 had been recognised as goodwill. The said goodwill is mainly attributable to the acquired customer base, assembled workforce and economies of scale expected from combining the operations of the Group. The initial accounting for the acquisition had only provisionally determined at the year ended March 31, 2018.

Further during the year ended March 31, 2019, the provisional accounting has been finalized and accordingly, the revised difference of Rs. 873 between the fair value of the purchase consideration aggregating to Rs. 3,377 and fair value of net assets of Rs. 2,504 has been recognised as goodwill. Further, with effect from July 1, 2018, Tigo Rwanda Limited had merged with Airtel Rwanda Limited. Accordingly Tigo Rwanda Limited has ceased to exist.

n) During the year ended March 31, 2018, the Group had entered into a share purchase agreement with seller of Tikona Digital Networks Private Limited ('TDNPL') to acquire 100% equity interest in TDNPL. The difference of Rs. 739 Mn between the purchase consideration and fair value of net assets has been recognised as goodwill. The said goodwill is mainly attributable to synergies expected from the combined operation of the Group and TDNPL.

o) During the year ended March 31, 2017, the Group signed a definitive agreement to enter into 50-50 joint venture between Bharti Airtel Ghana Holdings B.V. and MIC Africa B.V. against consideration of their respective ownership interest of operations in Ghana. Further during the year ended March 31, 2018, as the closing conditions for consummation of the transaction have been fulfilled, the Group and Millicom International Cellular had formed a joint venture to combine their telecommunication operations in Ghana.

p) During the year ended March 31, 2018, an understanding for demerger of consumer mobile businesses of Tata Teleservices Limited and Tata Teleservices Maharashtra Limited into the Company / Bharti Hexacom Limited (subsidiary of the Company) was entered into. Further, the boards of directors have approved the scheme(s) of arrangement under section 230 to section 232 of the Companies Act, 2013 for the said demerger. The said transaction is subject to requisite regulatory approvals.

q) During the year ended March 31, 2018, the Group has sold approx. 150.5 Mn equity shares of Bharti Infratel Limited. The excess of proceeds (net of associated transaction costs, taxes and regulatory levies) over the change in NCI amounting to Rs. 42,598 has been recognized directly in NCI reserve, a component of equity.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

6. Property, plant and equipment ('PPE')

The following table presents the reconciliation of changes in the carrying value of PPE for the year ended March 31, 2019 and 2018:

	Leasehold improvement	Building	Land	Plant and equipment	Furniture & fixture	Vehicles	Office equipment	Computer & Servers	Total
Gross carrying value									
As of April 1, 2017	**8,403**	**10,408**	**3,438**	**1,286,468**	**2,723**	**2,174**	**7,427**	**71,506**	**1,392,547**
Additions / capitalisation	318	147	123	220,354	389	57	798	7,688	229,874
Acquisition through business combinations*	15	157	-	3,996	-	19	-	510	4,697
Disposals / adjustments	229	(498)	520	(38,517)	(29)	(52)	(547)	119	(38,775)
Sale of subsidiaries^	(82)	(66)	-	(9,184)	(145)	(4)	(114)	(1,345)	(10,940)
Exchange differences	127	9	131	(4,665)	59	88	(54)	(141)	(4,446)
As of March 31, 2018	**9,010**	**10,157**	**4,212**	**1,458,452**	**2,997**	**2,282**	**7,510**	**78,337**	**1,572,957**
Additions / capitalisation	849	2	211	251,349	571	24	1,111	5,988	260,105
Acquisition through business combinations*	-	-	-	4,450	27	-	5	82	4,564
Disposals / adjustments	(24)	(53)	87	(6,091)	(130)	(146)	(585)	(1,933)	(8,875)
Sale of subsidiaries^	(4)	-	-	-	(1)	-	(17)	(153)	(175)
Exchange differences	8	(74)	3	(5,719)	(316)	51	50	491	(5,506)
As of March 31, 2019	**9,839**	**10,032**	**4,513**	**1,702,441**	**3,148**	**2,211**	**8,074**	**82,812**	**1,823,070**
Accumulated depreciation									
As of April 1, 2017	**6,485**	**3,691**	**128**	**690,103**	**2,351**	**1,813**	**4,664**	**63,224**	**772,459**
Charge#	533	495	18	128,189	429	176	1,028	6,154	137,022
Disposals / adjustments	228	(384)	(33)	(32,400)	(3)	(28)	(170)	119	(32,671)
Sale of subsidiaries^	(60)	(27)	-	(4,168)	(134)	(3)	(90)	(1,222)	(5,704)
Exchange differences	122	5	11	(4,318)	13	72	(42)	(91)	(4,228)
As of March 31, 2018	**7,308**	**3,780**	**124**	**777,406**	**2,656**	**2,030**	**5,390**	**68,184**	**866,878**
Charge#	490	548	19	146,611	410	112	923	5,799	154,912
Disposals / adjustments	(13)	(19)	84	(4,357)	(118)	(134)	(577)	(1,669)	(6,803)
Sale of subsidiaries^	(4)	-	-	-	-	-	(10)	(61)	(75)
Exchange differences	5	(47)	2	(7,211)	(288)	46	49	374	(7,070)
As of March 31, 2019	**7,786**	**4,262**	**229**	**912,449**	**2,660**	**2,054**	**5,775**	**72,627**	**1,007,842**
Net carrying value									
As of March 31, 2018	1,702	6,377	4,088	681,046	341	252	2,120	10,153	706,079
As of March 31, 2019	2,053	5,770	4,284	789,992	488	157	2,299	10,185	815,228

(All amounts are in millions of Indian Rupee; unless stated otherwise)

*Refer note 5 (c), (m) & (n)

^Refer note 5 (f) & (o)

#It includes Rs. 5,861 (March 31, 2018 Rs. 3,672) on account of exceptional item with respect to plant and equipment (refer note 32 (i) a & (ii) a) and Rs. 419 (March 31, 2018 Rs. 387) on account of court approved scheme / arrangements.

The Company has capitalised borrowing cost of Rs. 930 and Nil during the year ended March 31, 2019 and 2018 respectively.

The carrying value of CWIP as at March 31, 2019 and 2018 is Rs. 88,433 and Rs. 52,089 respectively, which mainly pertains to plant and equipment.

The following table summarises the detail of the significant assets taken on finance lease:

Plant and equipment	**As of**	
	March 31, 2019	**March 31, 2018**
Gross carrying value	37,077	36,453
Accumulated depreciation	22,001	19,898
Net carrying value	15,076	16,555

For details towards pledge of the above assets refer note 20.2.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

7. Intangible assets

The following table presents the reconciliation of changes in the carrying value of goodwill and other intangible assets for the year ended March 31, 2019 and 2018:

		Other intangible assets				
	Goodwill #	**Software**	**Bandwidth**	**Licenses (including spectrum)**	**Other acquired intangibles**	**Total**
Gross carrying value						
As of April 1, 2017	**340,719**	**17,982**	**23,582**	**933,212**	**9,777**	**984,553**
Additions / capitalisation	-	3,637	7,451	64,352	6	**75,446**
Acquisition through business combinations*	1,084	-	-	321	632	**953**
Disposals / adjustment@	-	(140)	138	460	(389)	**69**
Sale of subsidiaries^	(6,310)	-	(463)	(16,112)	-	**(16,575)**
Exchange differences	(4,783)	2	(71)	(2,830)	102	**(2,797)**
As of March 31, 2018	**330,710**	**21,481**	**30,637**	**979,403**	**10,128**	**1,041,649**
Additions / capitalisation	-	2,740	18,269	47,713	-	68,722
Acquisition through business combinations*	436	1	-	15,691	831	16,523
Disposals / adjustment@	-	(1)	319	326	(23)	621
Sale of subsidiaries^	(3)	(194)	-	-	-	(194)
Exchange differences	4,056	20	1,252	133	53	1,458
As of March 31, 2019	**335,199**	**24,047**	**50,477**	**1,043,266**	**10,989**	**1,128,779**
Accumulated amortisation						
As of April 1, 2017	-	**14,064**	**6,620**	**135,302**	**4,386**	**160,372**
Charge	-	2,731	1,663	52,612	2,462	59,468
Disposals / adjustments@	-	(140)	138	460	(389)	69
Sale of subsidiaries^	-	-	(53)	(14,868)	-	(14,921)
Exchange differences	-	2	(9)	(1,295)	108	(1,194)
As of March 31, 2018	-	**16,657**	**8,359**	**172,211**	**6,567**	**203,794**
Charge	-	2,525	2,799	57,515	2,004	64,843
Disposals / adjustments@		(1)	104	12	(22)	93
Sale of subsidiaries^	-	(75)		-	-	(75)
Exchange differences	-	20	178	(644)	45	(401)
As of March 31, 2019	-	**19,126**	**11,440**	**229,094**	**8,594**	**268,254**
Net carrying value						
As of March 31, 2018	328,070	4,824	22,278	807,192	3,561	837,855
As of March 31, 2019	332,562	4,921	39,037	814,172	2,395	860,525

#Net carrying value of goodwill includes accumulated impairment of Rs. 2,637.

*Refer note 5 (c), (m) & (n)

^Refer note 5 (f) & (o)

@Mainly pertains to gross block and accumulated amortisation of license (including spectrum), bandwidth and software whose useful life has expired.

The carrying value of Intangible assets under development as at March 31, 2019 and March 31, 2018 is Rs. 7,909 and Rs. 45,423 respectively, which pertains to spectrum.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

During the year ended March 31, 2019 and 2018 the Group has capitalised borrowing cost of Rs. 178 and Rs. 3,037 respectively.

Weighted average remaining amortization period of licenses as of March 31, 2019 and March 31, 2018 is 15.01 years and 15.88 years respectively.

For details towards pledge of the above assets refer note 20.2.

Impairment review

The Group tests goodwill for impairment annually on December 31. During the year ended March 31, 2019, the testing did not result in any impairment in the carrying amount of goodwill.

The carrying amount of goodwill is attributable to the following CGU / group of CGUs:

	As of	
	March 31, 2019	**March 31, 2018**
Mobile Services - Africa	285,327	281,182
Mobile Services - India	40,413	40,413
Airtel business	6,478	6,131
Homes Services	344	344
	332,562	**328,070**

The recoverable amount of the above CGUs are based on value-in-use, which is determined based on ten year business plans that have been approved by management for internal purposes. The said planning horizon reflects the assumptions for short-to-mid term market developments. The cash flows beyond the planning period are extrapolated using appropriate terminal growth rates. The terminal growth rates used do not exceed the long term average growth rates of the respective industry and country in which the entity operates and are consistent with the internal / external sources of information.

The key assumptions used in value-in-use calculations are as follows:

- EBITDA margins
- Discount rate
- Growth rates
- Capital expenditures

EBITDA margins: The margins have been estimated based on past experience after considering incremental revenue arising out of adoption of valued added and data services from the existing and new customers, though these benefits are partially offset by decline in tariffs in competitive scenario. Margins will be positively impacted from the efficiencies and cost rationalisation / others initiatives driven by the Group; whereas, factors like higher churn, increased cost of operations may impact the margins negatively.

Discount rate: Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs and estimated based on the weighted average cost of capital for respective CGU / group of CGUs. Pre-tax discount rates used are 21.61% / 13.39% for Mobile Services – Africa / other CGUs respectively, for the year ended March 31, 2019 and 24.15% / 12.75% for Mobile Services – Africa / other CGUs respectively, for the year ended March 31, 2018.

Growth rates: The growth rates used are in line with the long-term average growth rates of the respective industry and country in which the entity operates and are consistent with the internal / external sources of information. The average growth rates used in extrapolating cash flows beyond the planning period ranged from 3.5% to 4.0% for March 31, 2019 and ranged from 3.5% to 4.0% for March 31, 2018.

Capital expenditures: The cash flow forecasts of capital expenditure are based on past experience after considering the additional capital expenditure required for roll out of incremental coverage and capacity requirements and to provide enhanced voice and data services.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use for Homes Services and Airtel Business, no reasonably possible change in any of the above key assumptions would have caused the carrying amount of these units to exceed their recoverable amount.

In case of Mobile Services - India CGU group, the recoverable amount exceeds the carrying amount by Rs. 3,38,681 (22.99%) as of December 31, 2018 and Rs.3,49,671 (25.53%) as of December 31, 2017 . An increase of 1.76% (December 31, 2017: 1.78%) in pre-tax discount rate shall equate the recoverable amount with the carrying amount of the Mobile Services – India CGU group as of December 31, 2018. Further, no reasonably possible change in the terminal growth rate beyond the planning horizon would cause the carrying amount to exceed the recoverable amount.

In case of Mobile Services - Africa CGU group, the recoverable amount exceeds the carrying amount by Rs. 1,53,714 (39.39%) as of December 31, 2018 and Rs. 54,087 (15.20%) as of December 31, 2017. An increase of 5.67% (December 31, 2017: 2.37%) in pre-tax discount rate shall equate the recoverable amount with the carrying amount of the Mobile Services – Africa CGU group as of December 31, 2018. Further, no reasonably possible change in the terminal growth rate beyond the planning horizon would cause the carrying amount to exceed the recoverable amount.

Mobile Services Africa Segment

During March 2019, due to revision in organisational structure of Mobile Services Africa segment, goodwill has been re-allocated to the following clusters based on implicit goodwill approach as an alternative to the relative fair value method. Implicit goodwill has been determined as the difference between value in use and carrying value of each segment relative to the total implicit goodwill. This is similar to the approach used for deriving goodwill using a purchase price allocation method in the case of a business combination. At the date of implementation of the new organisational structure; goodwill allocated to the three clusters is given in the table below:

Nigeria	104,063
East Africa	135,536
Rest of Africa	50,414
	290,013

On reallocation of goodwill, impairment tests by Mobile Services Africa Segment for the above clusters did not result in any impairment.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

8. Investment in joint ventures and associates

Details of joint ventures:

S.no.	Name of joint ventures	Principal place of business	Principal activities	Ownership interest % As of March 31, 2019	Ownership interest % As of March 31, 2018
1	Indus Towers Limited*	India	Passive infrastructure services	22.49	22.49
2	Bharti Airtel Ghana Holdings B.V.$	Netherlands	Investment company	50.00	50.00
3	Bridge Mobile Pte Limited	Singapore	Provision of regional mobile services	10.00	10.00
4	FireFly Networks Limited	India	Telecommunication services	50.00	50.00

* Bharti Infratel Limited, in which the Group has 53.51% equity interest (53.54% as of March 31, 2018), owns 42% of Indus Towers Limited .

$ w.e.f. October 12, 2017, refer note 5(o).

Details of associates:

S.no.	Name of associates	Principal place of business	Principal activities	Ownership interest % As of March 31, 2019	Ownership interest % As of March 31, 2018
1	Seychelles Cable Systems Company Limited	Seychelles	Submarine cable system	26.00	26.00
2	Robi Axiata Limited	Bangladesh	Telecommunication services	25.00	25.00
3	Seynse Technologies Private Limited	India	Financial services	22.54	22.54
4	Juggernaut Books Private Limited (w.e.f. November 29, 2017)	India	Digital books publishing services	19.35	10.71
5	Airtel Payments Bank Limited (w.e.f. October 25, 2018)	India	Mobile commerce services	80.10	-

The amounts recognised in the balance sheet are as follows:

	As of March 31, 2019	As of March 31, 2018
Joint ventures	54,227	64,714
Associates	34,710	22,125
	88,937	**86,839**

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The amounts recognised in the statement of profit and loss are as follows:

	For the year ended	
	March 31, 2019	March 31, 2018
Recognised in profit and loss		
Joint ventures	3,630	10,715
Associates	(74)	(106)
	3,556	**10,609**
Recognised in other comprehensive income		
Joint ventures	(2)	1
Associates	(11)	17
	(13)	**18**

The summarised financial information of joint venture and associate that are material to the Group are as follows:

Summarized balance sheet

	As of						
	Joint ventures				Associate		
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019
	Indus Towers Limited		Bharti Airtel Ghana Holdings B.V.*		Robi Axiata Limited		Airtel Payment Bank Limited
Assets							
Non current assets	**193,138**	**201,576**	**24,056**	**12,102**	**105,957**	**104,308**	**1,062**
Current assets							
Cash and cash equivalents ('C&CE')	3,224	1,063	886	1,759	1,920	1,111	4,290
Other current assets (excluding 'C&CE')	47,774	33,534	3,605	2,120	8,456	8,899	7,207
Total current assets	**50,998**	**34,597**	**4,491**	**3,879**	**10,376**	**10,010**	**11,497**
Liabilities							
Non current liabilities							
Borrowings	11,223	9,556	9,705	4,122	11,509	6,078	-
Other liabilities	32,429	31,751	5,489	716	3,805	2,836	47
Total non current liabilities	**43,652**	**41,307**	**15,194**	**4,838**	**15,314**	**8,914**	47
Current liabilities							
Borrowings	44,574	30,683	1,654	869	11,071	22,177	-
Other liabilities	34,279	32,233	8,347	12,283	39,990	37,396	10,579
Total current liabilities	**78,853**	**62,916**	**10,001**	**13,152**	**51,061**	**59,573**	**10,579**
Equity	**121,631**	**131,950**	**3,352**	**(2,009)**	**49,958**	**45,831**	**1,933**
Percentage of Group's ownership interest	42.00%	42.00%	50.00%	50.00%	25.00%	25.00%	80.10%
Interest in joint venture / associate	51,085	55,419	1,676	(1,005)	12,490	11,458	1,548
Consolidation adjustment (inlcuding goodwill / accounting policy alignment)	1,397	2,691	-	7,548	11,396	10,162	8,735
Carrying amount of investment	**52,482**	**58,110**	**1,676**	**6,543**	**23,886**	**21,620**	**10,283**

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Summarised information on statement of profit and loss

	For the year / period ended						
	Joint ventures				Associate		
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019
	Indus Towers Limited		Bharti Airtel Ghana Holdings B.V.*		Robi Axiata Limited		Airtel Payment Bank Limited
Revenue	184,775	187,424	11,683	5,612	60,491	52,635	1,434
Depreciation and amortisation	27,572	27,766	3,689	1,388	15,016	11,574	45
Finance income	534	995	-	-	85	66	-
Finance cost	6,028	5,053	5,180	789	2,697	1,343	98
Income tax expense	13,078	16,593	2	3	889	1,385	-
Profit / (loss) for the year / period	**24,220**	**31,013**	**(9,059)**	**(1,092)**	**2,887**	**(1,668)**	(1,541)
OCI / loss for the year / period	(6)	3	-	-	(46)	76	1
Percentage of Group's ownership interest	42.00%	42.00%	50.00%	50.00%	25.00%	25.00%	80.10%
Group's share in profit / (loss) for the year	10,172	13,025	(4,529)	(546)	722	(417)	(1,235)
Group's share in OCI / (loss) for the year / period	(2)	1	-	-	(11)	19	1
Consolidation adjustments / accounting policy alignment	(1,294)	(1,209)	(724)	(564)	471	135	-
Group's share in profit / (loss) recognised	**8,879**	**11,816**	**(5,253)**	**(1,110)**	**1,193**	**(282)**	**(1,235)**
Dividend received from joint venture / associate	11,261	10,010	-	-	-	-	-

*Based on consolidated financial statements of the entity

The aggregate information of joint ventures that are individually immaterial is as follows:

	As of	
	March 31, 2019	**March 31, 2018**
Carrying amount of investments	69	61

	For the year ended	
Group's share in joint ventures	**March 31, 2019**	**March 31, 2018**
Net profit	4	9
Total comprehensive income	4	9

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The aggregate information of associates that are individually immaterial is as follows:

	As of	
	March 31, 2019	March 31, 2018
Carrying amount of investments	543	505

	For the year ended	
Group's share in associates	**March 31, 2019**	**March 31, 2018**
Net profit	(33)	176
Total comprehensive income	(33)	176

Refer note 24 for Group's share of joint venture's and associate's commitments and contingencies.

9. Investments in subsidiaries

Information as to the subsidiaries which are part of the Group is as follows:

S. no.	Principal activity	Principal place of business	Number of wholly-owned subsidiaries	
			As of	
			March 31, 2019	March 31, 2018
1	Telecommunication services	India	4	4
2	Telecommunication services	Africa	7	8
3	Telecommunication services	South Asia	1	1
4	Telecommunication services	Others	6	6
5	Mobile commerce services	Africa	13	13
6	Infrastructure services	Africa	3	4
7	Submarine cable	Mauritius	1	1
8	Investment company	Netherlands	31	22
9	Investment company	Mauritius	10	7
10	Investment company	Others	3	3
11	Others	India	3	2
			82	**71**

S. no.	Principal activity	Principal place of business	Number of non-wholly-owned subsidiaries	
			As of	
			March 31, 2019	March 31, 2018
1	Telecommunication services	India	2	2
2	Telecommunication services	Africa	7	7
3	Mobile commerce services	India	0	1
4	Mobile commerce services	Africa	3	3
5	Infrastructure services	India	1	1
6	Infrastructure services	Africa	2	2
7	Direct to home services	India	1	1
8	Investment company	Africa	2	1
			18	**18**

Additionally, the Group also controls the employee stock option plan trusts as mentioned here below:

S. no.	Name of trust	Principal place of business
1	Bharti Airtel Employees' Welfare Trust	India
2	Bharti Infratel Employees' Welfare Trust	India

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

The summarised financial information of subsidiaries (including acquisition date fair valuation and adjustments thereto, and accounting policies alignment) having material non-controlling interests is as follows:-

Summarised balance sheet

	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Africa Limited*#
	As of		As of		As of
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019
Assets					
Non current assets	139,923	135,827	103,402	94,539	501,388
Current assets	42,800	76,121	10,005	8,931	98,248
Liabilities					
Non current liabilities	13,033	14,613	3,237	2,628	203,033
Current liabilities	17,752	18,159	52,494	35,949	198,818
Equity	**151,939**	**179,176**	**57,676**	**64,893**	**197,785**
% of ownership interest held by NCI	46.49%	46.46%	30.00%	30.00%	31.69%
Accumulated NCI	70,632	83,245	17,303	19,468	62,680

Summarised statement of profit and loss

	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Africa Limited*#
	For the year ended		For the year ended		For the year ended
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019
Revenue	65,889	64,751	36,199	44,181	226,079
Net profit / (loss)	22,085	22,651	(7,220)	(1,119)	29,847
Other comprehensive income / (loss)	(24)	24	3	2	(17,195)
Total comprehensive income / (loss)	22,061	22,675	(7,217)	(1,117)	12,652
Profit / (loss) allocated to NCI	10,271	9,530	(2,160)	(335)	3,486

Summarised statement of cash flows

	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Africa Limited*#
	For the year ended		For the year ended		For the year ended
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019
Net cash (outflow) / inflow from operating activities	31,586	34,694	4,926	9,882	64,827
Net cash (outflow) / inflow from investing activities	15,999	(18,551)	(11,657)	(14,884)	17,557
Net cash (outflow) / inflow from financing activities	(47,947)	(35,548)	5,595	2,883	(41,939)
Net cash (outflow) / inflow	**(362)**	**(19,405)**	**(1,136)**	**(2,119)**	**40,445**
Dividend paid to NCI (including tax)	22,286	3,411	-	246	

*Based on consolidated financial statements of the entity.

#ReferNote5(d)

(All amounts are in millions of Indian Rupee; unless stated otherwise)

10 Investments

Non-current

	As of	
	March 31, 2019	**March 31, 2018**
Investment at FVTPL		
Government securities	293	292
Equity instruments	3,175	2,672
Mutual funds	16,007	334
Preference shares	342	318
	19,817	**3,616**
Investment at FVTOCI		
Bonds	2,124	2,153
	2,124	**2,153**
	21,941	**5,769**

Current

Investment at FVTPL		
Mutual funds	33,506	51,038
Government securities	11,925	11,798
Bonds	801	1,001
Non-convertible debenture	-	997
	46,232	**64,834**
Investment at FVTOCI		
Government securities	-	3,904
Commercial paper	-	240
	-	**4,144**
	46,232	**68,978**
Aggregate book / market value of quoted investments		
Non-current	18,424	2,777
Current	46,232	65,074
Aggregate book value of unquoted investments		
Non-current	3,517	2,992
Current	-	3,904

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

11 Derivative financial instruments

	As of	
	March 31, 2019	**March 31, 2018**
Assets		
Currency swaps, forward and option contracts	346	8,541
Interest swaps	3,185	2,101
Embedded derivatives	-	330
	3,531	**10,972**
Liabilities		
Currency swaps, forward and option contracts	3,691	474
Interest swaps / others	9,579	5,210
Embedded derivatives	298	8
	13,568	**5,692**
Non-current derivative financial assets	3,105	2,031
Current derivative financial assets	426	8,941
Non-current derivative financial liabilities	(826)	(5,409)
Current derivative financial liabilities	(12,742)	(283)
	(10,037)	**5,280**

During the year ended March 31, 2019 the Company issued shares to several global investors. The shares subscription agreements included certain indemnities that are embedded derivatives not clearly and closely related to the shares and therefore have been bifurcated and presented separately as a derivative financial liability. The fair value of those embedded derivatives was Rs. 9095 as of March 31,2019. These derivative liabilities will expire on or prior to occurrence of the date that is 12 months after the date of closing of subscription agreement and IPO Publication Date.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

12 Security deposits

	As of	
	March 31, 2019	**March 31, 2018**
Considered good*	16,452	9,703
Considered doubtful	1,448	1,357
Less: provision for doubtful deposits	(1,448)	(1,357)
	16,452	**9,703**

Security deposits primarily include deposits given towards rented premises, cell sites and interconnect ports.

*It includes amount due from related party refer note 35.

For details towards pledge of the above assets refer note 20.

13 Financial assets – others

Non-current

	As of	
	March 31, 2019	**March 31, 2018**
Rent equalisation	3,067	4,164
Bank deposits	13	950
Margin money deposits	147	419
Claims recoverable	-	74
Others	-	207
	3,227	**5,814**

The details of interest accrued on above items (which is included within 'interest accrued on deposits' under current other financial assets) is provided in the table given below:

	As of	
	March 31, 2019	**March 31, 2018**
Bank deposits	-	38
	-	**38**

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Current

	As of	
	March 31, 2019	**March 31, 2018**
Unbilled revenue	17,072	16,136
Claims recoverable	1,327	1,180
Receivable on sale of business / tower assets*	-	8,736
Interest accrued on investments / deposits	602	870
Others#	1,342	540
	20,343	**27,462**

*Interest accrued on tower sale receivable is Rs. Nil and Rs. 150 as of March 31,2019 and March 31,2018 respectively is included within 'interest accrued on deposits' above.

#It includes finance lease receivables and amounts due from related party (refer note 35).

For details towards pledge of the above assets refer note 20.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

14 Income tax

The major components of the income tax expense are:

	For the year ended	
	March 31, 2019	**March 31, 2018**
Current income tax		
- For the year	19,527	21,082
- Adjustments for prior periods	(136)	(2,852)
	19,391	18,230
Deferred tax		
- Origination and reversal of temporary differences	(27,924)	(4,536)
- Effect of change in tax rate	-	411
- Adjustments for prior periods	(25,660)	(3,270)
	(53,584)	(7,395)
Income tax (credit) / expense	**(34,193)**	**10,835**

Consolidated statement of other comprehensive income	For the year ended	
	March 31, 2019	**March 31, 2018**
Net Gains / (losses) on net investments hedge	5,428	(122)
Re-measurement losses on defined benefit plans	(62)	(29)
Deferred Tax charged/(credited) recorded in Other Comprehensive Income	**5,366**	**(151)**

The reconciliation between the amount computed by applying the statutory income tax rate to the profit before tax and the income tax charge is summarised below:

	For the year ended	
	March 31, 2019	**March 31, 2018**
Loss / Profit before tax	(17,318)	32,672
Tax expense @ company's domestic tax rate 34.944% / 34.608%	(6,052)	11,307
Effect of:		
Share of profits in associates and joint ventures	(1,245)	(3,985)
Tax holiday	264	303
Adjustments in respect of previous years	(25,795)	(6,125)
Effect of changes in tax rate	-	411
Additional taxes / taxes for which no credit is allowed	3,139	2,339
Difference in overseas tax rates	(1,589)	(77)
Items subject to different tax rate	(30)	452
(Income) / expense (net) not taxable / deductible	(3,028)	(551)
Tax on undistributed retained earnings	2,286	2,434
Item for which no deferred tax asset was recognised	(24)	4,662
Settlement of various disputes	(2,229)	(395)
Others	110	60
Income tax (credit) / expense	**(34,193)**	**10,835**

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The analysis of deferred tax assets and liabilities is as follows:

	As of	
	March 31, 2019	**March 31, 2018**
Deferred tax assets (net)		
a) Deferred tax liability due to		
Depreciation / amortisation on PPE / intangible assets	(89,029)	(86,565)
b) Deferred tax asset arising out of		
Provision for impairment of debtors / advances	13,023	16,291
Carry forward losses	90,952	23,424
Unearned income	559	576
Employee benefits	1,311	1,285
Minimum alternate tax ('MAT') credit	60,463	57,484
Lease rent equilisation	6,893	7,093
Fair valuation of financial instruments and exchange differences	3,068	8,210
Rates and taxes	476	1,431
Others	1,663	101
	89,379	**29,330**

	As of	
Deferred tax liabilities (net)	**March 31, 2019**	**March 31, 2018**
a) Deferred tax liability due to		
Lease rent equilisation (net)	2,804	3,639
Fair valuation of financial instruments and exchange differences	136	(569)
Depreciation / amortisation on PPE / intangible assets	5,940	6,242
Undistributed retained earnings	3,367	3,541
Others	345	115
b) Deferred tax asset arising out of		
Provision for impairment of debtors / advances	(828)	(1,652)
Carry forward losses	(250)	(498)
Unearned income	8	7
Employee benefits	(225)	(219)
	11,297	**10,606**

(All amounts are in millions of Indian Rupee; unless stated otherwise)

	For the year ended	
	March 31, 2019	**March 31, 2018**
Deferred tax expense		
Provision for impairment of debtors / advances	(4,437)	2,604
Carry forward losses	61,811	19,575
Unearned income	(43)	(497)
Employee benefits	47	162
MAT credit	3,150	(47)
Lease rent equilisation (net)	653	658
Fair valuation of financial instruments and exchange differences	(14,270)	864
Rates and taxes	(955)	(96)
Depreciation / amortisation on property, plant and equipment / intangible assets	6,039	(16,178)
Undistributed retained earnings	201	(549)
Others	1,388	899
Net deferred tax income	**53,584**	**7,395**

The movement in deferred tax assets and liabilities during the year is as follows:

	For the year ended	
	March 31, 2019	**March 31, 2018**
Opening balance	**18,724**	**16,766**
Tax expense / (credit) recognised in statement of profit or loss	53,584	7,395
Tax expense on Business combination	3,717	(1,709)
Tax expense recognised in OCI:		
- on net investments hedge	5,428	(122)
- on fair value through OCI investments	(62)	(29)
Exchange differences and others	(3,309)	(3,577)
Closing balance	**78,082**	**18,724**

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and carry forward tax losses / credits (including capital losses) can be utilised. Accordingly, the Group has not recognised deferred tax assets in respect of deductible temporary differences and carry forward tax losses (including capital losses) of Rs 438,813 and Rs 509,731 as of March 31, 2019 and March 31, 2018 respectively, as it is not probable that relevant taxable profits will be available in future. The applicable tax rates for the same vary from 3% to 45%, depending on the tax jurisdiction in which the respective group entity operates. Of the above balance as of March 31, 2019 and March 31, 2018, Rs. (3,013) and Rs. 70,508 respectively have an indefinite carry forward period and the balance amount expires, if unutilised, as follows:

	As of	
Expiry date	**March 31, 2019**	**March 31, 2018**
Within one - three years	54,870	52,694
Within three - five years	31,994	31,265
Above five years	354,963	355,264
	441,827	**439,223**

Moreover, deferred tax liability has not been recognised in respect of temporary differences pertaining to the investment in its certain subsidiaries, as where Group is in a position to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The temporary differences associated with respect to such investment in subsidiaries are represented by their retained earnings and other reserves (on the basis of their standalone financial statements), aggregating to Rs. 111,421 and Rs. 130,715 as of March 31, 2019 and March 31, 2018 respectively. In case of distribution of the same as dividend, it is expected to attract tax in the range of 10% to 21% depending on the tax rates applicable as of March 31, 2019 in the relevant jurisdiction.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

15 Other non-financial assets

Non-current

	As of	
	March 31, 2019	**March 31, 2018**
Advances (net)#	34,202	32,267
Capital advances	939	1,147
Prepaid expenses	1,787	1,600
Taxes recoverable	21,738	-
Others*	18,860	1,305
	77,526	**36,319**

#Advances (net) represent payments made to various government authorities under protest and are disclosed net of provision (refer note 22).

* It mainly includes advances and indemnity assets pertain to the acquisitions.

Current

	As of	
	March 31, 2019	**March 31, 2018**
Taxes recoverable	105,603	74,004
Advances to suppliers (net)	20,436	17,642
Prepaid expenses	8,201	9,275
Others*	2,871	2,459
	137,111	**103,380**

*It mainly includes security deposits given towards rented premises, cell sites, interconnect ports and other miscellaneous deposits.

Taxes recoverable primarily include Goods and service tax ('GST') and customs duty.

Advance to suppliers are disclosed net of provision of Rs. 2,866 and Rs. 2,680 as of March 31, 2019 and March 31, 2018 respectively.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

16 Trade receivables

	As of	
	March 31, 2019	**March 31, 2018**
(a) Trade Receivables – Unsecured*	80,856	110,409
Less: Allowances for doubtful receivables	(37,850)	(51,579)
	43,006	**58,830**

*It includes amount due from related party refer note 35.

Refer note 36 (iv) for credit risk

The movement in allowances for doubtful debts is as follows:

	For the year ended	
	March 31, 2019	**March 31, 2018**
Opening balance	51,579	42,258
Additions*	10,256	11,257
Write off (net of recovery)	(24,353)	(1,156)
Exchange differences	368	(780)
Closing balance	**37,850**	**51,579**

*Includes exceptional item of Rs. 1,094 (refer note 32 (ii) (c)) for the year ended March 31, 2018.

For details towards pledge of the above assets refer note 20.

17 Cash and bank balances

Cash and cash equivalents ('C&CE')

	As of	
	March 31, 2019	**March 31, 2018**
Balances with banks		
- On current accounts	7,064	9,884
- Bank deposits with original maturity of 3 months or less	53,848	37,862
Cheques on hand	125	986
Cash on hand	1,084	820
	62,121	**49,552**

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Other bank balances

Restricted cash*	16,893	13,623
Earmarked bank balances - unpaid dividend	110	70
Term deposits with bank	273	2,119
Margin money deposits#	1,658	1,342
	18,934	**17,154**

*It represents cash received from subscriber of mobile commerce services.

#Margin money deposits represents amount given as collateral for legal cases and / or bank guarantees for disputed matters.

The details of interest accrued on above items (which is included within 'interest accrued on deposits' under current other financial assets) is as below:

	As of	
	March 31, 2019	**March 31, 2018**
Cash and cash equivalents		
- Bank deposits with original maturity 3 months or less	106	1
	106	**1**
Other bank balance		
- Term deposits with bank	47	157
	47	**157**
	153	**158**

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

18 Share capital

	As of	
	March 31, 2019	March 31, 2018
Issued, subscribed and fully paid-up shares		
3,997,400,107 (March 31,2018 - 3,997,400,102) equity shares of Rs. 5 each	19,987	19,987
	19,987	**19,987**

a. Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 5 per share. Each holder of equity shares is entitled to cast one vote per share.

b. Treasury shares

	For the year ended			
	March 31, 2019		March 31, 2018	
	No. of shares ('000')	Amount	No. of shares ('000')	Amount
Opening balance	1,719	642	1,345	367
Purchased during the year	700	248	906	424
Excercised during the year	(927)	(336)	(532)	(149)
Closing balance	**1,492**	**554**	**1,719**	**642**

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

c. Dividend

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The proposed dividend being subject to approval at respective annual general meetings, no related corresponding liability has been recognised in the respective financial years.

	Dividend	**For the year ended**	
		March 31, 2019	**March 31, 2018**
A	**Declared and paid during the year:**		
	Interim dividend for 2018-19 : Rs. 2.50 per share (2017-18 : Rs 2.84 per share)*	12,044	13,658
	Dividend on treasury shares*	4	6
	*((including dividend distribution tax 2018-19 @ 20.56% of Rs. 2,054) (2017-18 @ 20.36% of Rs. 2,311))		
	Final dividend for 2017-18 : Rs. 2.50 per share (2016-17 : Rs 1.00 per share)#	12,044	4,810
	Dividend on treasury shares#	4	1
	#((including dividend distribution tax @ 20.56% of Rs. 2,054 (2016-17 @20.36% of Rs.814))		
		24,096	**18,475**
B	**Proposed dividend**		
	Final dividend 2017-18 : Rs 2.50 per share	-	9,993
	Dividend distribution tax for 2018-19 @ 20.56% (2017-18 @ 20.56%)	-	2,055
		-	**12,047**

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19 Other equity

a. **Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Group, re-measurement differences on defined benefit plans, any transfer from general reserve and the reserves arising due to court scheme accounting and adjustments thereto (as explained below for significant Scheme of Arrangements).

The Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities at their respective fair values from Bharti Infratel Ventures Limited (erstwhile subsidiary company), Vodafone Infrastructure Limited, Idea Cellular Tower Infrastructure Limited to its joint venture Indus Towers Limited, was approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 and filed with the Registrar of Companies on June 11, 2013 with appointed date April 1, 2009 and hence was accounted retrospectively with effect from April 01, 2009. Similarly, pursuant to the Scheme of Arrangement of the Company under sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of the Company was transferred to one of its subsidiary Bharti Infratel Limited during the year ended March 31, 2008.

Further, pursuant to the said schemes, mainly the excess of the fair values over the original book values of the assets transferred to them and the periodic depreciation thereto is adjusted in retained earnings.

In absence of any specific provision under Ind AS with respect to court schemes, and the fact that the court schemes are part of the law, accounting prescribed therein (as explained above) will continue to prevail even in the Ind AS financial statements of the Group after being adjusted for intra-group eliminations / equity accounting, as required.

b. **General reserve:** The Company has transferred a portion of its profit before declaring dividend in respective prior years to general reserve, as stipulated under the erstwhile Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013 ('Act').

Further, on exercise of the stock options, the difference between the consideration (i.e. the exercise price and the related amount of share-based payment reserve) and the cost of the related treasury shares, is transferred to general reserve.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

c. **Debenture redemption reserve:** Pursuant to the provisions of the Act, the Company is required to create debenture redemption reserve out of the profits and is to be utilised for the purpose of redemption of debentures. On redemption of the debentures, the related amount of this reserve gets transferred to retained earnings.

d. **Capital reserve:** It pertains to capital reserve acquired pursuant to the scheme of arrangement under the Companies Act accounted under pooling of interest method and excess of purchase consideration over fair value of net assets (for certain business combinations).

Other components of equity

	Foreign currency translation reserve	Cash flow hedge reserve	Fair value through OCI reserve	Treasury shares	Total
As of April 1, 2017	**(60,685)**	**133**	**90**	**(367)**	**(60,829)**
Net losses due to foreign currency translation differences	(7,056)	-	-	-	(7,056)
Net losses on net investment hedge	(7,508)	-	-	-	(7,508)
Net losses on cash flow hedge	-	810	-	-	810
Net gains on fair value through OCI investments	-	-	115	-	115
Purchase of treasury shares	-	-	-	(424)	(424)
Exercise of share options	-	-	-	149	149
As of March 31, 2018	**(75,249)**	**943**	**205**	**(642)**	**(74,743)**
Net losses due to foreign currency translation differences	(11,544)	-	-	-	(11,544)
Net gains on net investment hedge	2,264	-	-	-	2,264
Net losses on cash flow hedge	-	(881)	-	-	(881)
Net losses on fair value through OCI investments	-	-	(26)	-	(26)
Purchase of treasury shares	-	-	-	(248)	(248)
Exercise of share options	-	-	-	336	336
As of March 31, 2019	**(84,529)**	**62**	**179**	**(554)**	**(84,842)**

*During the year ended March 31, 2019 and 2018, the Group has reclassified gain of Rs. Nil and gain Rs. 60 respectively, from FCTR to statement of profit and loss on sale of foreign subsidiaries (refer note 5).

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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20 Borrowings

Non-current

	As of	
	March 31, 2019	**March 31, 2018**
Secured		
Term loans	1,403	16,836
Vehicle loans*	10	29
	1,413	**16,865**
Less: Current portion (A)	(1,386)	(14,498)
Less: Interest accrued but not due (refer note 21)	(24)	(111)
	3	**2,256**
Unsecured		
Term loans#	175,551	71,011
Non-convertible bonds@	253,741	389,558
Non-convertible debentures^	32,322	30,068
Deferred payment liabilities**	466,191	455,602
Finance lease obligations	47,721	48,831
	975,526	**995,070**
Less: Current portion (B)	(70,346)	(119,848)
Less: Interest accrued but not due (refer note 21)	(32,729)	(28,058)
	872,451	**847,164**
	872,454	**849,420**
Current maturities of long-term borrowings (A + B)	71,732	134,346

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Current

	As of	
	March 31, 2019	**March 31, 2018**
Secured		
Bank overdraft	1,682	5,060
	1,682	**5,060**
Unsecured		
Term loans	193,988	76,816
Commercial papers	91,826	33,507
Bank overdraft	23,124	14,358
	308,938	**124,681**
Less: Interest accrued but not due (refer note 21)	(523)	(172)
	310,097	**129,569**

*These loans are secured by hypothecation of the vehicles.

#It includes re-borrowable term loans of Rs. 3,847 and Rs. 3,331 as of March 31, 2019 and March 31, 2018 respectively which have daily prepayment flexibility.

@It includes impact of fair value hedge refers note 36 (ii).

^During the year ended March 31, 2018, the Group had issued 30,000 listed, unsecured, rated, redeemable, Non - Convertible Debentures ('NCDs'), Series I and series II of face value of Rs. 10 Lakhs each, at par aggregating to Rs. 30,000 on private placement basis, carrying interest rates 8.25% p.a. and 8.35% p.a. (payable annually) and principal repayable in year 2020 and 2021 respectively.

**During the year ended March 31, 2018, the Government of India has provided one time option to elect higher number of annual instalments prospectively (upto a maximum of 16 instalments) towards the repayment of spectrum liability vis-a-vis earlier allowed 10 instalments. Accordingly, the Company had then exercised the option to increase the remaining number of instalments by 6 annual instalments, for all its existing deferred payment liabilities.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

20.1 Analysis of borrowings

The details given below are gross of debt origination cost and fair valuation adjustments with respect to the hedged risk.

20.1.2 Repayment terms of borrowings

The table below summarises the maturity profile of the Group's borrowings:

	As of March 31, 2019						
	Interest rate (range)	**Frequency of installments**	**Number of installments outstanding per facility (range)***	**Within one year**	**Between one and two years**	**Between two and five years**	**Over five years**
Vehicle loans	7.95% - 9.50%	Monthly	3 - 22	8	3	-	-
Term loans	15%	Monthly	60	66	77	316	-
	6.13% - 8.40%	Quarterly	1 - 13	8,556	6,289	9,335	-
	0.75% - 4.00%	Half yearly	3 - 9	1,426	1,426	8,265	2,350
	0.45% - 5.41%	One time	1	40,527	77,120	14,765	-
	10.62% - 14.51%	Quarterly	6 - 12	1,465	44	1,139	-
	5.37% - 8.80%	Half yearly	1 - 9	4,661	16,913	4,975	-
	8.55% - 8.65%	Annual	1	880	-	3,847	-
	7.95% - 9.70%	One time	1	162,458	-	-	-
Commercial papers	7.70% - 8.50%	One time	1	91,858	-	-	-
Non-convertible bonds	3.00% - 5.35%	One time	1	24,282	-	162,059	68,832
Non-convertible debentures	8.25% - 8.35%	One time	1	-	15,000	15,000	-
Deferred payment liabilities	9.30% - 10.00%	Annual	12 - 16	15,244	16,750	60,851	348,007
Finance lease obligations	8.05% - 12.00%	Monthly / Annual	1 - 119 / 2	5,804	6,006	22,017	13,726
Bank overdraft	4.22% - 12.30%	Payable on demand	NA	23,159	-	-	-
	15.75% - 21.00%	Payable on demand	NA	1,643	-	-	-
				382,037	**139,628**	**302,569**	**432,915**

*The instalments amount due are equal / equated per se.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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	As of March 31, 2018						
	Interest rate (range)	Frequency of installments	Number of installments outstanding per facility (range)*	Within one year	Between one and two years	Between two and five years	Over five years
Vehicle loans	7.95% - 9.50%	Monthly	6 - 33	15	11	3	-
Term loans	3.38%	Monthly	10	2,716	-	-	-
	4.95% - 5.00%	Quaterly	10 - 11	472	472	264	-
	2.56% - 5.02%	Half yearly	1 - 14	8,181	6,465	13,078	4,424
	2.72% - 4.32%	Annual	1	19,625	-	-	-
	6.00% - 8.98%	Quaterly	3 - 15	5,263	7,363	15,763	-
	7.85% - 8.40%	Half yearly	3 - 9	863	2,725	11,743	-
	7.90%	Annual	2	880	880	-	-
	7.70% - 8.35%	One time	1	63,800	-	-	-
Commercial papers	7.05% - 8.05%	One time	1	33,507	-	-	-
Non-convertible bonds	3.00% - 5.35%	One time	1	80,144	23,842	157,688	129,978
Non-convertible debentures	8.25% - 8.35%	One time	1	-	-	30,000	-
Deferred payment liabilities	9.30% - 10.00%	Annual	13 - 16	24,511	12,217	51,543	345,023
Finance lease obligations	8.05% - 10.30%	Monthly / Annual	8 - 119 / 2	4,858	5,194	18,573	20,151
Bank overdraft	3.88% - 10.65%	Payable on demand	N/A	16,684	-	-	-
	14.00% - 19.00%	Payable on demand	N/A	2,734	-	-	-
				264,253	**59,169**	**298,655**	**499,576**

*The installments amount due are equal / equated per se.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

20.1.3 Interest rate and currency of borrowings

Currency	Weighted average rate of Interest	Total borrowings	Floating rate borrowings	Fixed rate borrowings
INR	9.23%	780,990	202,123	578,867
USD	4.66%	347,607	122,425	225,182
Euro	3.03%	71,763	13,779	57,984
CHF	3.00%	24,282	-	24,282
JPY	0.60%	14,027	14,027	-
XAF	7.40%	4,333	-	4,333
XOF	6.69%	6,251	-	6,251
Others	9.64% to 20.64%	7,896	7,830	66
March 31, 2019		**1,257,149**	**360,184**	**896,965**
INR	9.33%	603,521	106,298	497,223
USD	5.47%	337,319	58,572	278,747
Euro	3.73%	139,954	-	139,954
CHF	3.00%	23,843	-	23,843
XAF	6.61%	4,691	-	4,691
XOF	6.80%	7,047	1,421	5,626
Others	8.48% to 19.00%	5,278	2,799	2,479
March 31, 2018		**1,121,653**	**169,090**	**952,563**

20.2 Security details

The Group has taken borrowings in various countries mainly for working capital, capital expenditure and refinancing of existing borrowings. The details of security provided by the Group in various countries are as follows:

Entity	Outstanding loan amount		Security detail
	March 31, 2019	March 31, 2018	
Bharti Airtel Ltd.	10	29	Hypothecation of vehicles
Bharti Airtel Africa BV and its subsidiaries	3,061	21,838	Pledge of all fixed and floating assets - Kenya, Nigeria, Tanzania, Uganda and DRC.
	3,071	**21,867**	

Africa operations acquisition related borrowing:

Borrowings include certain loans which have been taken to refinance the Africa acquisition related borrowing.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

These loan agreements prevents the Group (excluding Bharti Airtel Africa B.V, Bharti Infratel Limited, and their respective subsidiaries) to pledge any of its assets without prior written consent of the majority lenders except in certain agreed circumstances.

The USD bonds due in 2023 contains certain covenants relating to limitation on indebtedness. All bonds carry restriction on incurrence of any lien on its assets other than as permitted under the agreement, unless the bonds and guarantee are ranked pari- pasu with such indebtedness. The limitation on indebtedness covenant on the USD bonds due in 2023 is suspended as the agreed criteria for such covenants to be in force, has not been met. The debt covenants remained suspended as of the date of the authorisation of the financial statements.

These bonds along with the CHF bonds due in 2020, the Euro bonds due in 2021 and the USD bonds due in 2024 are guaranteed by Bharti Airtel Limited (intermediate parent entity). Such guarantee is considered an integral part of the bonds and therefore accounted for as part of the same unit of account.

20.3 Unused lines of credit*

The below table provides the details of un-drawn credit facilities that are available to the Group.

	As of	
	March 31, 2019	**March 31, 2018**
Secured	8,409	1,542
Unsecured	138,219	171,531
	146,628	**173,073**

*Excludes non-fund based facilities

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

21 Financial liabilities - others

Non-current

	As of	
	March 31, 2019	**March 31, 2018**
Equipment suppply payable	16,921	-
Lease rent equalisation	14,859	14,496
Payable towards acquisition@	153	1,440
Security deposits	1,052	1,294
Others*	29,146	27,317
	62,131	**44,547**

*It includes advance amounting to Rs. 29,051 and Rs. 26,077 as on March 31, 2019 and March 31,2018 respectively received against an agreement to sell certain investment, at a future date and is subject to certain customary closing conditions.

@Refer note 5 (m)

Current

	As of	
	March 31, 2019	**March 31, 2018**
Payables against capital expenditure	103,722	80,940
Interest accrued but not due	33,419	28,341
Payable against business / asset acquisition@	5,575	13,523
Employees payables	5,385	5,879
Security deposit^	3,917	4,372
Others#	7,788	7,550
	159,806	**140,605**

@It includes payable to Qualcomm Asia Pacific Pte. Limited for Rs. 4,104 (towards purchase of balance equity shares upon satisfaction of certain conditions as per the share purchase agreement for acquisition of erstwhile Airtel Broadband Services Private Limited) and other acquisitions.

^It pertains to deposits received from subscriber / channel partners which are repayable on demand after adjusting the outstanding amount, if any.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

During the year ended March 31, 2019 the Company issued shares to several global investors. The shares subscription agreements included certain indemnities for claim under certain stipulated indemnities or for breach of agreed warranties. The liability estimated against the claims was Rs. 4979 as of March 31,2019. It also includes non-interest bearing advance received from customers / international operators and liability towards cash settled employee share based payment plans.

22 Provisions

Non-current

	As of	
	March 31, 2019	**March 31, 2018**
Asset retirement obligations	3,858	4,523
Gratuity	2,611	2,474
Other employee benefit plans	354	215
	6,823	**7,212**

Current

	As of	
	March 31, 2019	**March 31, 2018**
Gratuity	696	782
Other employee benefit plans	1,501	1,602
	2,197	**2,384**

The movement of provision towards asset retirement obligations is as below:

	For the year ended	
	March 31, 2019	**March 31, 2018**
Opening balance	4,523	5,359
Net reversal	(590)	(868)
Interest cost	(75)	37
Disposal of subsidiries / tower operations (refer note 5)	-	(5)
Closing balance	**3,858**	**4,523**

Refer note 27 for movement of provision towards various employee benefits.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The movement of provision towards subjudice matters is as below:

	For the year ended	
	March 31, 2019	**March 31, 2018**
Opening balance	151,799	131,061
Net (reversal) / additions	(17,667)	20,738
Closing balance	**134,132**	**151,799**

The said provision has been disclosed under:

	As of	
	March 31, 2019	**March 31, 2018**
Other non-financial assets (refer note 15)	59,330	53,910
Other non-financial liabilities (refer note 23)	4,801	4,685
Trade payables	70,001	93,204
	134,132	**151,799**

The said provisions pertain to payable / paid under protest spectrum usage charges / licenses fees (trade payable / other non-financial assets) and payable for certain levies (other non-financial liabilities).

23 Other non - financial liabilities

Non-current

	As of	
	March 31, 2019	**March 31, 2018**
Deferred rent	429	623
	429	**623**

Current

	As of	
	March 31, 2019	**March 31, 2018**
Taxes payable	41,683	46,515
Others	40	437
	41,723	**46,952**

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Taxes payable mainly pertains to GST and provision towards subjudice matters (refer note 22).

24 Contingent liabilities and commitments

(i) Contingent liabilities

Claims against the Company not acknowledged as debt:

	As of	
	March 31, 2019	**March 31, 2018**
(i) Taxes, duties and other demands		
(under adjudication / appeal / dispute)		
- Sales Tax and Service Tax	13,810	31,560
- Income Tax	14,088	15,712
- Customs Duty	6,684	7,646
- Entry Tax	9,951	9,878
- Stamp Duty	596	596
- Municipal Taxes	1,663	1,488
- Department of Telecom ('DoT') demands	97,794	40,778
- Other miscellaneous demands	5,545	5,164
(ii) Claims under legal cases including arbitration matters		
- Access charges / Port charges	12,640	10,733
- Others	2,816	2,708
	165,587	**126,263**

Further, refer note f (v), (vi) and (vii) other DoT matter.

In addition to the above, the Group's share of joint ventures and associates contingent liabilities is Rs. 28,089 and Rs. 21,816 as of March 31, 2019 and March 31, 2018 respectively.

The category wise detail of the contingent liability has been given below:-

a) Sales and Service Tax and GST

The claims for sales tax comprised of cases relating to the appropriateness of declarations made by the Group under relevant sales tax legislations which were primarily procedural in nature and the applicable sales tax on disposals of certain property and equipment items. Pending final decisions, the Group has deposited amounts under protest with statutory authorities for certain cases.

The service tax demands relate to cenvat claimed on tower and related material, levy of service tax on SIM cards and employee talk time, cenvat credit disallowed for procedural lapses and usage in excess of 20% limit.

The Goods and Services Tax (GST) demand relates to procedural compliance in regard to ewaybills.

b) Income Tax demand

Income tax demands mainly include the appeals filed by the Group before various appellate authorities against the disallowance by income tax authorities of certain expenses being claimed and non-deduction of tax at source with respect to pre-paid dealers / distributor's margin.

c) Access charges / Port charges

(i) Despite the interconnect usage charges ('IUC') rates being governed by the Regulations issued by Telecom Regulatory Authority of India ('TRAI'); BSNL had raised a demand for IUC at the rates contrary to the regulations issued by TRAI in 2009. Accordingly, the Company and one of its subsidiaries filed a petition against the demand with the TDSAT which allowed payments to be on the existing regulations. The matter was then challenged by BSNL and is currently pending with the Hon'ble Supreme Court.

(ii) The Hon'ble TDSAT allowed BSNL to recover distance based carriage charges. The private telecom operators have jointly filed an appeal against the said order and the matter is currently pending before the Hon'ble Supreme Court.

(iii) BSNL challenged before TDSAT the port charges reduction contemplated by the regulations issued by TRAI in 2007 which passed its judgment in favour of BSNL. The said judgment has been challenged by the private operators in Hon'ble Supreme Court. Pending disposal of the said appeal, in the interim, private operators were allowed to continue paying BSNL as per the revised rates i.e. TRAI regulation issued in 2007, subject to the bank guarantee being provided for the disputed amount. The rates were further reduced by TRAI in 2012 which was challenged by BSNL before the Hon'ble Delhi High Court. The Hon'ble Delhi High Court, in the interim, without staying the rate revision, directed the private operators to secure the difference between TRAI regulation of 2007 and 2012 rates by way of bank guarantee pending final disposal of appeal.

d) Customs Duty

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

e) Entry Tax

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

During the year ended March 31, 2017, the Hon'ble Supreme Court of India upheld the constitutional validity of entry tax levied by few States. However, Supreme Court did not conclude certain aspects such as present levies in each State is discriminatory in nature or not, leaving them open to be decided by regular benches of the Courts. Pending disposition by the regular benches, the Group has decided to maintain status-quo on its position and hence continues to disclose it as contingent liability.

f) DoT demands

(i) Demand for license fees pertaining to computation of Adjusted Gross Revenue ('AGR') and the interest thereon, due to difference in its interpretation. The definition of AGR is sub-judice and under dispute since 2005 before the TDSAT. TDSAT had pronounced its judgment in 2015, quashed all demands raised by DoT and directed DoT to rework the demands basis the principles enunciated in its judgment. Subsequently, the Union of India ('UOI') and the Company and of its subsidiaries along with various other operators have filed appeals / cross appeals before the Hon'ble Supreme Court of India against the TDSAT judgment. In 2016, all the appeals were tagged together and Hon'ble Supreme Court has permitted DOT to raise demands with a direction not to enforce any demand till the final adjudication of the matter by Hon'ble Supreme Court. Accordingly, DoT has raised the demand basis special audit done by DoT and Comptroller and Auditor General of India. The contingent liability includes such demand and interest thereto (excluding certain contentious matters, penalty and interest thereto) for the financial years for which demand have been received.

(ii) DoT had enhanced the microwave rates by introducing slab-wise rates based on the number of carriers vide circulars issued in 2006 and 2008 from erstwhile basis being allocated frequency. The Company had challenged the matter in TDSAT wherein TDSAT set aside the circular. In 2010, DOT had challenged the order of TDSAT before the Hon'ble Supreme Court which is yet to be listed for hearing. Further, TDSAT pronounced its judgment in March 2019 in relation to Unified Licenses which provides for manner of determination of such levies and dates from which such levies can be made applicable.

The Company and one of its subsidiaries had made a provision of Rs. 21,676 until December 2018 for the period from FY 2007-08 to FY 2018-19. Subsequently, basis the recent judgment and external legal opinion the matter has been assessed to be a contingent liability and accordingly, the said provision has been reversed.

(iii) Demands for the contentious matters in respect of subscriber verification norms and regulations including validity of certain documents allowed as proof of address / identity.

(iv) Penalty for alleged failure to meet certain procedural requirements for EMF radiation self-certification compliance.

The matters stated above are being contested by the Company and one of its subsidiaries and based on legal advice, the Company and one of its subsidiaries believes that it has complied with all license related regulations and does not expect any financial impact due to these matters.

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

(v) Post the Hon'ble Supreme Court judgment in 2011, on components of AGR for computation of license fee, based on the legal advice, the Company believes that the foreign exchange gain should not be included in AGR for computation of license fee thereon. Further as per TDSAT judgement in 2015, foreign exchange fluctuation does not have any bearing on the license fees. Accordingly, the license fee on foreign exchange gain has not been provided in the financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences', the license fee impact on such exchange differences is not quantifiable. The matter is currently pending adjudication by Hon'ble Kerala High Court, Hon'ble Tripura High Court and Hon'ble Supreme Court.

(vi) On January 8, 2013, DoT issued a demand on the Company and one of its subsidiaries for Rs. 52,013 towards levy of one time spectrum charge which was further revised on June 27, 2018 to Rs. 84,140. The demand includes a retrospective charge of Rs. 9,090 for holding GSM spectrum beyond 6.2 MHz for the period from July 1, 2008 to December 31, 2012 and also a prospective charge of Rs. 75,050 for GSM spectrum held beyond 4.4 MHz for the period from January 1, 2013, till the expiry of the initial terms of the respective licenses.

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

(vii) DoT had issued notices to the Company (as well as other telecom service providers) to stop provision of services (under 3G Intra Circle Roaming ('ICR') arrangements) in the service areas where such service providers had not been allocated 3G spectrum and levied a financial penalty of Rs. 3,500 on the Company. The Company contested the notices, in response to which TDSAT in 2014 held 3G ICR arrangements to be competent and compliant with the licensing conditions and quashed the notice imposing penalty. The DoT has challenged the order of TDSAT before the Hon'ble Supreme Court which is yet to be listed for hearing.

Guarantees:

Guarantees outstanding as of March 31, 2019 and March 31, 2018 amounting to Rs. 107,689 and Rs. 129,565 respectively, have been issued by banks and financial institutions on behalf of the Group. These guarantees include certain financial bank guarantees which have been given for subjudice matters / compliance with licensing requirements, the amount with respect to these have been disclosed under capital commitments, contingencies and liabilities, as applicable, in compliance with the applicable accounting standards.

In addition to the above the Group's share of guarantees of joint ventures and associates is Rs. 901 and Rs. 891 as of March 31, 2019 and March 31, 2018 respectively.

(ii) Commitments

Capital commitments

The Group has contractual commitments towards capital expenditure (net of related advance) of Rs. 93,336 and Rs. 137,280 as of March 31, 2019 and March 31, 2018 respectively.

In addition to the above, the Group's share of capital commitments of joint ventures and associates is Rs. 2,904 and Rs. 4,126 as of March 31, 2019 and March 31, 2018 respectively.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

Lease commitments

a) Operating lease

The future minimum lease payments ('FMLP') are as follows:-

As lessee

	As of	
	March 31, 2019	**March 31, 2018**
Not later than one year	85,256	70,692
Later than one year but not later than five years	254,156	244,153
Later than five years	108,651	70,652
	448,063	**385,497**
Lease rentals (excluding lease equalisation adjustments)	80,577	70,875

The above lease arrangements are mainly pertaining to passive infrastructure and premises / land. Certain of these lease agreements have escalation clause upto 25% and include option of renewal from 1 to 15 years.

The FMLP obligation disclosed above include the below FMLP obligations payable to joint ventures, which mainly pertain to amounts payable under the agreement entered by the parent and its subsidiaries, with a joint venture of the Group.

	As of	
	March 31, 2019	**March 31, 2018**
Not later than one year	45,676	45,156
Later than one year but not later than five years	124,633	149,465
Later than five years	32,591	15,253
	202,900	**209,874**

As lessor

(i) The Group has entered into non-cancellable lease arrangements to provide dark fiber on indefeasible right to use ('IRU') basis. Due to the nature of the transaction, it is not possible to compute gross carrying amount, depreciation for the year and accumulated depreciation of the asset given on operating lease as of March 31, 2018 and accordingly, the related disclosures are not provided.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

(ii)The FMLP receivables against assets (other than above IRU assets) are as follows:

	As of	
	March 31, 2019	March 31, 2018
Not later than one year	15,710	21,933
Later than one year but not later than five years	54,466	68,228
Later than five years	24,803	37,574
	94,979	**127,735**

The above lease arrangements are mainly pertaining to passive infrastructure. Certain of these lease agreements have escalation clause upto 2.5%.

b) Finance lease

As lessee

Finance lease obligation of the Group as of March 31, 2019 is as follows:-

	Future minimum lease payments	Interest	Present value
Not later than one year	10,357	4,675	5,682
Later than one year but not later than five years	40,404	12,384	28,020
Later than five years	15,391	1,581	13,810
	66,152	**18,640**	**47,512**

Finance lease obligation of the Group as of March 31, 2018 is as follows:

	Future minimum lease payments	Interest	Present value
Not later than one year	9,930	5,053	4,877
Later than one year but not later than five years	38,989	14,702	24,287
Later than five years	23,335	3,723	19,612
	72,254	**23,478**	**48,776**

The above lease arrangements are mainly pertaining to passive infrastructure.

As lessor

The FMLP receivable of the Group as of March 31, 2019 is Rs. Nil

The FMLP receivable of the Group as of March 31, 2018 is as follows:-

	Future minimum lease payments	Interest	Present value
Not later than one year	176	16	160
Later than one year but not later than five years	89	6	83
Later than five years	-	-	-
	265	**22**	**243**

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The above lease arrangements are mainly pertaining to various network equipments.

25 Revenue

	For the year ended	
	March 31, 2019	**March 31, 2018**
Service revenue	805,002	822,528
Sale of products	2,800	3,860
	807,802	**826,388**

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

Disaggregation of Revenue

Revenue is disaggregated by primary geographical market; major products/service lines and timing of revenue recognition are as follows:

	Mobile Services		Airtel Business		Tower Infrastructure Services		Homes Services		Digital TV Services		Others		Total	
Particulars	**2018-19**	**2017-18**	**2018-19**	**2017-18**	**2018-19**	**2017-18**	**2018-19**	**2017-18**	**2018-19**	**2017-18**	**2018-19**	**2017-18**	**2018-19**	**2017-18**
Geographical Markets*														
India	394,707	441,295	82,967	80,713	31,291	33,232	22,235	25,056	40,935	37,505	867	1,199	573,002	619,000
South Asia	4,199	3,783	-	-	-	-	-	-	-	-	-	-	4,199	3,783
Africa	210,333	186,074	-	-	-	-	-	-	-	-	-	-	210,333	186,074
Others	-	-	20,268	17,531	-	-	-	-	-	-	-	-	20,268	17,531
	609,239	**631,152**	**103,235**	**98,244**	**31,291**	**33,232**	**22,235**	**25,056**	**40,935**	**37,505**	**867**	**1,199**	**807,802**	**826,388**
Major Product/ Services lines														
Data and Voice Services	485,877	507,241	81,000	85,488	-	-	21,196	24,006	-	-	-	-	588,073	616,735
Setting up, operating and maintaining towers	-	-	-	-	31,291	33,232	-	-	-	-	-	-	31,291	33,232
Others	123,362	123,911	22,235	12,756	-	-	1,039	1,050	40,935	37,505	867	1,199	188,438	176,421
	609,239	**631,152**	**103,235**	**98,244**	**31,291**	**33,232**	**22,235**	**25,056**	**40,935**	**37,505**	**867**	**1,199**	**807,802**	**826,388**
Timing of Revenue Recognition														
Products and services transferred at a point in time	2,896	2,675	1,748	2,379	-	-	39	21	1,232	121	-	-	5,915	5,196
Products and services transferred over time	606,343	628,477	101,487	95,865	31,291	33,232	22,196	25,035	39,703	37,384	867	1,199	801,887	821,192
	609,239	**631,152**	**103,235**	**98,244**	**31,291**	**33,232**	**22,235**	**25,056**	**40,935**	**37,505**	**867**	**1,199**	**807,802**	**826,388**

*Basis location of entity.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

Contract Balances

The following table provides information about unbilled revenue and deferred revenue from contract with customers

	As of	
	March 31, 2019	March 31, 2018
Unbilled Revenue	17,072	16,136
Deferred Revenue	61,979	70,783

Significant changes in the unbilled revenue and deferred revenue balances during the year are as follows:

	For the year ended March 31, 2019	
	Unbilled Revenue	Deferred Revenue
Revenue recognised that was included in the contract liability balance at the beginning of the period		48,666
Increases due to cash received, excluding amounts recognised as revenue during the period		39,862
Transfers from contract assets recognised at the beginning of the period to receivables	16,136	

26 Network operating expenses

	For the year ended	
	March 31, 2019	March 31, 2018
Passive infrastructure charges	98,667	79,636
Power and fuel	56,261	69,082
Repair and maintenance	36,419	34,667
Internet, bandwidth and leasedline charges	14,602	9,932
Others*	17,951	4,203
	223,900	**197,520**

*It includes charges towards managed service, installation, insurance and security.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

27 Employee benefits expense

	For the year ended	
	March 31, 2019	**March 31, 2018**
Salaries	32,092	33,666
Contribution to provident and other funds	2,004	2,104
Staff welfare expenses	1,723	1,313
Defined benefit plan / other long term benefits	835	1,212
Employee share-based payment expense		
- Equity-settled plans	347	630
- Cash-settled plans	187	(36)
Others*	786.60	882
	37,975	**39,771**

*It mainly includes recruitment and training expenses.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

27.1 Share based payment plans

The following table provides an overview of all existing share option plans of the Group:

Scheme	Plan	Vesting period (years)	Contractual term (years)
Equity settled Plans			
Scheme I	2006 Plan	1 - 5	7
Scheme 2005	2008 Plan & Annual Grant Plan (AGP)	1 - 3	7
Scheme 2005	Performance Share Plan (PSP) 2009 Plan	3 - 4	7
Scheme 2005	Special ESOP & Restricted Share Units (RSU) Plan	1 - 5	7
Infratel plan	Infratel 2008 Plan	1 - 5	7
Scheme 2005	Long Term Incentive (LTI) Plan	1 - 3	7
Infratel plan	Infratel LTI plans	1 - 3	7
Airtel Payments Bank Limited ('APBL') Plan	APBL Plan	1 - 4	8
Cash settled Plans			
Performance Unit Plan (PUP)	PUP 2013 - PUP 2017	1 - 5	3-5
Infratel plan	PUP	1 - 3	7

The stock options vesting is subject to service and certain performance conditions mainly pertaining to certain financial parameters.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The movement in the number of stock options and the related weighted average exercise prices are given in the table below:

	For the year ended			
	March 31, 2019		March 31, 2018	
	Number of share options ('000)	Weighted average exercise price (Rs.)	Number of share options ('000)	Weighted average exercise price (Rs.)
2006 Plan				
Outstanding at beginning of year	115	5.00	205	5.00
Granted	-	-	-	-
Exercised	(50)	5.00	(90)	5.00
Forfeited / expired	-	-	-	-
Outstanding at end of year	65	5.00	115	5.00
Exercisable at end of year	8	5.00	2	5.00
PSP 2009 Plan				
Outstanding at beginning of year	-	-	6	5.00
Granted	-	-	-	-
Exercised	-	-	(3)	5.00
Forfeited / expired	-	-	(3)	5.00
Outstanding at end of year	-	-	-	-
Exercisable at end of year	-	-	-	5.00
Special ESOP & RSU Plan				
Outstanding at beginning of year	-	-	34	5.00
Granted	-	-	-	-
Exercised	-	-	(33)	5.00
Forfeited / expired	-	-	(1)	5.00
Outstanding at end of year	-	-	-	-
Exercisable at end of year	-	-	-	-
Infratel 2008 Plan				
Outstanding at beginning of year	108	109.67	158	109.67
Granted	-	-	-	-
Exercised	(49)	109.67	(49)	109.67
Forfeited / expired	(1)	109.67	(1)	109.67
Outstanding at end of year	58	109.67	108	109.67
Exercisable at end of year	58	109.67	108	109.67
LTI Plans				
Outstanding at beginning of year	2,977	5.00	2,002	5.00
Granted	2,274	-	1,571	-
Exercised	(877)	5.00	(406)	5.00
Forfeited / expired	(963)	5.00	(189)	5.00
Outstanding at end of year	3,412	5.00	2,977	5.00
Exercisable at end of year	478	5.00	567	5.00
Infratel LTI plans				
Outstanding at beginning of year	238	10.00	175	10.00
Granted	158	10.00	115	10.00
Exercised	(63)	10.00	(36)	10.00
Forfeited / expired	(38)	10.00	(15)	10.00
Outstanding at end of year	295	10.00	238	10.00
Exercisable at end of year	48	10.00	31	10.00
Airtel Payment Bank Limited Plan*				
Outstanding at beginning of year	-	-	-	-
Granted	-	-	14,063	-
Exercised	-	-	-	-
Forfeited / expired	-	-	(3,359)	-
Outstanding at end of year	-	-	10,704	-
Exercisable at end of year	-	-	-	-
Performance Unit Plans				
Outstanding at beginning of year	1,401	-	2,369	-
Granted	670	-	690	-
Exercised	(503)	-	(1,336)	-
Forfeited / expired	(280)	-	(322)	-
Outstanding at end of year	1,287	-	1,401	-
Exercisable at end of year	23	-	23	-

*The exercise period is 3 years from vesting date or 1 year from IPO listing (whichever is later). Eligible employees will be able to exercise the option at a price of 50% of fair market value (determined at the end of previous financial year) or INR 10 whichever, is higher. Employee can exercise the unexercised options within 3 months / 1 month from the date of retirement / resignation from the Group.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The fair value of options is measured using Black-Scholes / Binomial valuation model. The key inputs used in the measurement of the grant date fair valuation of equity settled plans and fair value of cash settled plans are given in the table below:

	For the year ended	
	March 31, 2019	**March 31, 2018**
Risk free interest rates	6.31% to 8.03%	6.17% to 7.18%
Expected life	4 to 60 months	10 to 96 months
Volatility	29.06% to 34.54%	25.91% to 40%
Dividend yield	0.74% to 4.74%	0.24% to 3.99%

The expected life of the stock options is based on the Group's expectations and is not necessarily indicative of exercise patterns that may actually occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the expected life of the options is indicative of future trends, which may not necessarily be the actual outcome. Further, the expected volatility is based on the weighted average volatility of the comparable benchmark companies.

For details as to exercise price, refer table above.

The details of weighted average remaining contractual life, weighted average fair value and weighted average share price for the options are as follows:-

Weighted average	**March 31, 2019**	**March 31, 2018**
Remaining contractual life for the options outstanding as of (years)	0.35 to 8.44	0.35 to 8.44
Fair value for the options granted during the year ended (Rs.)	258.29 to 409.73	4.36 to 409.76
Share price for the options exercised during the year ended (Rs.)	188.62 to 598.01	367.14 to 457.41

The carrying value of cash settled plans liability is Rs. 227 and Rs. 235 as of March 31, 2019 and March 31, 2018 respectively.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

27.2 Employee benefits

The details of significant employee benefits are as follows:

	For the year ended March 31,2019		For the year ended March 31,2018	
	Retirement benefits	Compensated absence	Retirement benefits	Compensated absence
Obligation:				
Balance as at beginning of the year	3,272	1,424	2,886	1,441
Current service cost	453	266	825	286
Interest cost	281	120	239	112
Benefits paid	(608)	(266)	(424)	(169)
Transfers	(45)	(5)	5	2
Remeasurements	(42)	(286)	(259)	(248)
Present value of funded obligation	**3,311**	**1,253**	**3,272**	**1,424**
Assets:				
Balance as at beginning of year	16	-	46	-
Interest income	1	-	3	-
Benefits paid	(12)	-	(32)	-
Remeasurements	(1)	-	(1)	-
Fair value of plan assets	**4**	-	**16**	-
Liability recognised in the balance sheet	**3,307**	**1,253**	**3,256**	**1,424**
Current portion	**696**	**1,253**	**782**	**1,424**
Non-current portion	**2,611**	-	**2,474**	-

The expected contribution for the year ended March 31, 2019 and 2018 for Gratuity plan is Rs. 693 and Rs. 588 respectively.

Amount recognised in other comprehensive income for the above plans

	For the year ended	
	March 31, 2019	March 31, 2018
Experience losses	(43)	(6)
Gains from change in demographic assumptions	(13)	22
Losses from change in financial assumptions	14	(275)
Remeasurements on Liability	**(42)**	**(259)**
Return on plan assets, excluding interest income	(1)	(1)
Remeasurements on plan assets	**(1)**	**(1)**
Net remeasurements recognised in OCI	**(41)**	**(258)**

The above mentioned plan assets are entirely represented by funds invested with LIC.

Due to its defined benefit plans, the Group is exposed to the following significant risks:

Changes in bond yields - A decrease in bond yields will increase plan liability.

Salary risk - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The financial (per annum rates) and demographic assumptions used to determine defined benefit obligations are as follows:

	As of	
	March 31, 2019	**March 31, 2018**
Discount rate	9.08%	9.18%
Rate of return on plan assets	3.83%	3.93%
Rate of salary increase	5.60%	7.13%
Rate of attrition	7.49%- 27%	6.74%-24%
Retirement age	58	58

The Group regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligations is given in the table below:

		As of			
		March 31, 2019		March 31, 2018	
	Change in assumption	**Retirement benefits**	**Compensated absence**	**Retirement benefits**	**Compensated absence**
Discount Rate	+1%	1,288	527	1,008	503
	-1%	1,618	663	1,363	694
Salary Growth Rate	+1%	1,610	658	1,347	670
	-1%	1,276	531	994	509

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefit obligations, as a result of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular under-lying actuarial assumption, while assuming all other assumptions to be constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The table below summarises the maturity profile and duration of the gratuity liability:

	As of	
	For the year ended March 31,2019	**For the year ended March 31,2018**
Within one year	700	773
Within one-three years	609	813
Within three-five years	575	606
above five years	1,427	1,081
	3,311	**3,272**

(All amounts are in millions of Indian Rupee; unless stated otherwise)

28 Sales and marketing expenses

	For the year ended	
	March 31, 2019	March 31, 2018
Sales commission and distribution	25,811	29,943
Advertisement and marketing	10,856	10,682
Business promotion	2,479	2,587
Other ancillary expenses	2,131	2,063
	41,277	**45,275**

29 Depreciation and amortisation

	For the year ended	
	March 31, 2019	March 31, 2018
Depreciation	148,632	132,963
Amortisation	64,843	59,468
	213,475	**192,431**

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

30 Other expenses

	For the year ended	
	March 31, 2019	**March 31, 2018**
Content cost	24,646	21,067
Cost of good sold	10,855	9,994
IT expenses	4,337	7,771
Customer care expenses	5,878	6,797
Legal and professional fees	4,794	5,072
Provision for doubtful debts	(14,097)	9,007
Collection and recovery expenses	2,836	3,607
Travelling and conveyance	2,236	2,113
Bad debts written off	24,353	1,156
Charity and donation	1,292	1,204
(Reversal of earlier provision) / provision for diminution in value of inventory	(163)	(282)
Others*	16,547	9,521
	83,514	**77,027**

*It includes rent, printing and stationary, security, repair and maintenance expenses etc. Further, it includes political contributions amounting to Rs. 542 and Rs. 330 made under Section 182 of the Companies Act, 2013 during the year ended March 31, 2019 and 2018 respectively.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

31 Finance costs and income

	For the year ended	
	March 31, 2019	**March 31, 2018**
Finance costs		
Interest expense	90,566	64,692
Net loss on derivative financial instruments	-	8,506
Net loss on FVTPL investments*	-	1,416
Net exchange loss	5,973	1,882
Net fair value loss on financial instruments (fair value hedges)	3,912	-
Other finance charges#	9,683	16,759
	110,134	**93,255**
Finance income		
Dividend from mutual funds	231	367
Interest income@	5,025	6,150
Net gains on FVTPL investments*	3,394	-
Net fair value gain on financial instruments (fair value hedges)	-	6,023
Net gain on derivative financial instruments	5,590	-
	14,240	**12,540**

*Net gains / loss on fair value changes on FVTPL investments includes gains / loss of Rs. 1,804 and Rs. 1,709 pertaining to investments sold during the year ended March 31, 2019 and 2018 respectively.

#It includes bank charges, trade finance charges, charges relating to derivative instruments and interest charges towards subjudice matters. Further, it includes Rs. 152 and Rs. 143 for the years ended March 31, 2019 and 2018 respectively, towards unwinding of discount on other financial liabilities (carried at amortised cost).

@It includes Rs. 41 and Rs. 43 towards unwinding of discount on security deposits (carried at amortised cost) and Rs. 407 and Rs. 415 from investment measured at FVTOCI for the years ended March 31, 2019 and 2018 respectively.

32 Exceptional items

Exceptional items comprise of the following:

(i) For the year ended March 31, 2019:

a. Charge of Rs. 6,399 mainly towards operating costs on network re-farming and up-gradation program
b. Credit of Rs. 28,568 due to re-assessment of levies, based on a recent pronouncement related to the manner of determination of such levies and settlement of litigations
c. Charge of Rs. 1,368 mainly towards net integration related cost / reversal pertaining to the business combination
d. Charge of Rs. 248 related to the early redemption of the USD 1,500 Mn 5.125% Guaranteed Senior Notes due in March 2023 (refer note 5 (e)).
e. Credit of Rs. 8,735 Mn due to de-consolidation of APBL (refer note 5 (f)).

(ii) For the year ended March 31, 2018:

a. Charge of Rs. 4,372 mainly towards operating costs on network re-farming and up-gradation program
b. Net charge of Rs. 3,457 relating to the translation impact in Nigeria due to transition from the administered to market based exchange rate given the underlying economic changes and other developments
c. Provision of Rs. 1,094 taken against one major delinquent receivable
d. Charge of Rs. 3,535 due to levies and taxes pertaining to internal restructuring and litigation related assessment
e. Gain of Rs. 4,527 mainly pertaining to one of the earlier divestments

Tax expenses include:

(a) Net benefit of Rs. 9,579 and Rs. 2,305 during the year ended March 31, 2019 and 2018 respectively on above exceptional items
(b) Net charge of Rs. 407 and benefit of Rs. 1,779 on account of re-assessment of tax provisions for the year ended March 31, 2019 and 2018 respectively on above exceptional items.

The net impact for non-controlling interests is charge of Rs. 579 and benefit of Rs. 878 during the year ended March 31, 2019 and 2018 respectively, relating to the above exceptional items.

33 Earnings per share ('EPS')

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

	As of	
	March 31, 2019	**March 31, 2018**
	In thousands	
Weighted average shares outstanding for basic EPS	3,995,772	3,996,067
Effect of dilution due to employee share options	2,044	1,721
Weighted average shares outstanding for diluted EPS	**3,997,816**	**3,997,788**

Profit attributable to equity holders for basic and diluted EPS is Rs. 4,095 and Rs. 10,990 for the year ended March 31, 2019 and 2018 respectively.

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34 Segment reporting

The Group's operating segments are organised and managed separately through the respective business managers, according to the nature of products and services provided and geographies in which services are provided, with each segment representing a strategic business unit. These business units are reviewed by the Chairman of the Group (Chief Operating Decision Maker - 'CODM').

The amounts reported to CODM are based on the accounting principles used in the preparation of financial statements as per Ind AS. Segment's performance is evaluated based on segment revenue and segment result viz. profit or loss from operating activities before exceptional items and tax but including share of result of joint ventures and associates. Accordingly, finance costs / income, non-operating (income) / expenses and exceptional items are not allocated to individual segment.

Inter-segment pricing and terms are reviewed and changed by the management to reflect changes in market conditions and changes to such terms are reflected in the period in which the changes occur. Inter-segment revenues are eliminated upon consolidation of segments / Group accounting policy alignments are reflected in the 'Eliminations / Adjustments' column.

Segment assets / liabilities comprise assets / liabilities directly managed by each segment. Segment assets primarily includes receivables, property, plant and equipment, capital work-in-progress, intangibles assets, intangible assets under development, non-current investments, inventories and cash and cash equivalents. Segment liabilities primarily include operating liabilities. Segment capital expenditure comprises of additions to PPE, CWIP, intangible assets, intangible assets under development and capital advances.

The reporting segments of the Group are as below:

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

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

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

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

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

Homes Services: These services cover voice and data communications through fixed-line network and broadband technology for homes.

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

Others: It includes certain other strategic investment in joint venture/associates, and administrative support services provided to other segments.

Unallocated: It includes expenses / results, assets and liabilities primarily of corporate headquarters of the Group, non-current investment, current taxes, deferred taxes, borrowings and certain financial assets and liabilities, not allocated to the operating segments.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Summary of the segmental information for the year ended and as of March 31, 2019 is as follows:

	Mobile Services India	Mobile Services Africa	Mobile Services South Asia	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others#	Unallocated	Eliminations / Adjustments	Total
Revenue from external customers	394,707	210,333	4,199	103,235	32,047	22,235	40,935	867	-	(756)	807,802
Inter-segment revenue	20,833	4,695	237	21,302	36,138	156	66	296	-	(83,723)	-
Total revenue	415,540	215,028	4,436	124,537	68,185	22,391	41,001	1,163	-	(84,479)	807,802
Share of results of joint ventures and associates#	4	(7)	-	-	10,172	3	-	(5,324)	-	(1,292)	3,556
Segment results*	(57,507)	52,100	(1,069)	27,466	31,429	3,333	7,410	(7,228)	(1,726)	(3,026)	51,182
Less:											
Finance costs											110,134
Finance income											(14,240)
Non-operating expenses (net)											1,894
Exceptional items (net) (refer note 32)											(29,288)
Loss before tax											(17,318)
Other segment items											
Capital expenditure	235,770	50,846	1,228	18,986	9,107	8,931	8,791	41	-	(5,769)	327,931
Depreciation and amortisation	150,991	31,234	1,196	13,014	10,658	7,453	8,275	50	11	(9,407)	213,475
As of Macrh 31, 2019											
Segment assets*	1,700,637	570,021	6,774	149,445	169,693	45,889	31,234	37,927	133,120	(92,765)	2,751,975
Segment liabilities*	408,088	110,986	2,515	87,225	22,303	21,729	35,423	2,181	1,313,444	(101,399)	1,902,495
Investment in joint ventures and associates (included in segment assets above)#	66	230	-	-	52,479	3	-	36,159	-	-	88,937

#Refer Note 5(f)

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Summary of the segmental information for the year ended and as of March 31, 2018 is as follows:

	Mobile Services India	Mobile Services Africa	Mobile Services South Asia	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others	Unallocated	Eliminations/ Adjustments	Total
Revenue from external customers	441,295	186,074	3,783	98,244	33,221	25,056	37,505	1,199	-	11	826,388
Inter-segment revenue	21,344	4,999	262	15,322	33,063	209	65	2,810	-	(78,074)	-
Total revenue	462,639	191,073	4,045	113,566	66,284	25,265	37,570	4,009	-	(78,063)	826,388
Share of results of joint ventures and associates	6	205	-	-	13,025	3	-	(1,421)	-	(1,209)	10,609
Segment results	20,835	35,884	(1,268)	31,029	33,477	4,720	5,306	(4,097)	(1,679)	(2,750)	121,457
Less:											
Finance costs											93,255
Finance income											(12,540)
Non-operating expenses, (net)											141
Exceptional items (refer note 32)											7,931
Profit before tax											32,670
Other segment items											
Capital expenditure	198,280	28,366	2,066	14,263	11,307	11,129	10,277	267	6,257	(7,498)	274,714
Depreciation and amortisation	129,545	30,480	1,276	11,372	11,801	7,057	8,915	55	1	(8,070)	192,432
As of March 31, 2018									-		
Segment assets*	1,515,169	508,049	6,839	154,920	199,273	44,251	26,120	39,261	88,578	(76,643)	2,505,817
Segment liabilities*	317,043	115,039	2,622	76,378	22,400	19,866	33,964	8,328	1,210,172	(83,479)	1,722,333
Investment in joint ventures and associates (included in segment assets above)	57	226	-	-	58,110	3	-	28,443	-	-	86,839

*Effective April 1, 2017, individual segments exclude inter-segment balances and allocated borrowings. This has no impact on total assets and liabilities.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Geographical information*:

(a) Revenue from external customers:

	For the year ended	
	March 31, 2019	**March 31, 2018**
India	573,002	619,000
Africa	210,333	186,074
Others	24,467	21,314
	807,802	**826,388**

(b) Non-current assets:

	As of	
	March 31, 2019	**March 31, 2018**
India	1,608,049	1,503,452
Africa	470,490	448,314
Others	27,057	18,897
	2,105,596	**1,970,663**

*Basis location of entity

Non-current operating assets for this purpose consist of PPE, CWIP, intangible assets, intangible assets under development, capital advances and goodwill.

35 Related party disclosures

(a) List of related parties

i. Ultimate controlling entity (w.e.f. November 3, 2017)

Bharti Enterprises (Holding) Private Limited. It is held by private trusts of Bharti family, with Mr. Sunil Bharti Mittal's family trust effectively controlling the said company.

ii. Entity having control over the Company (w.e.f. November 3, 2017)*

Bharti Telecom Limited

*significant influence until November 2, 2017

iii. For list of subsidiaries, joint venture and associates refer note no. 39.

iv. Other entities with whom transactions have taken place during the reporting periods

- **Entities having significant influence over the Company**

Pastel Limited
Singapore Telecommunications Limited

- **Fellow companies (subsidiaries / joint ventures / associates other than that of the Company)**

a) Subsidiaries

Bharti Axa General Insurance Company Limited

Bharti Axa Life Insurance Company Limited

Bharti Enterprises Limited

Bharti Insurance Holdings Private Limited (Merged with Bharti Airtel Enterprises (Holdings) Private Limited w.e.f. 18th October, 2018)

Cedar support Services Limited (Merged with Bharti Airtel Enterprises (Holdings) Private Limited w.e.f. 18th October, 2018)

b) Associates

Bharti General Ventures Private Limited

Bharti Life Ventures Private Limited

- **Others related parties***

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

Bharti Airtel Employees Welfare Trust

Bharti Foundation

Hike Private Limited (formerly known as Hike Limited)

b) Others

Bharti Land Limited

Bharti Realty Holdings Limited

Bharti Realty Limited

Bharti Support Services Private Limited (Merged with Bharti Airtel Enterprises (Holdings) Private Limited w.e.f. 18th October, 2018)

Brightstar Telecommunication India Limited

Centum Learning Limited

Centum Work skills India Limited

Deber Technologies Private Limited

Fieldfresh Foods Private Limited

Gourmet Investments Private Limited

Indian Continent Investment Limited

Jersey Airtel Limited

Nile Tech Limited

Oak Infrastructure Developers Limited

* **'Other related parties'** though not 'Related Parties' as per the definition under Ind AS 24, Related party disclosures have been included by way of a voluntary disclosure, following the best corporate governance practices.

v. Key Management Personnel ('KMP')

Sunil Bharti Mittal

Gopal Vittal

Raghunath Mandava

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

In the ordinary course of business, there are certain transactions among the group entities. However, the intra-group transactions and balances, and the income and expenses arising from such transactions, are eliminated on consolidation. The significant transactions with balance related parties for the years ended March 31, 2019 and 2018 respectively, are described below:

(b) The summary of significant transactions with the above mentioned parties is as follows:

	For the year ended							
	March 31, 2019				March 31, 2018			
Relationship	**Significant influence entities**	**Associates**	**Joint ventures**	**ORP / FC***	**Significant influence entities**	**Associates**	**Joint ventures**	**ORP / FC***
Purchase of assets	-	-	(334)	(856)	-	-	-	(2,761)
Sale / rendering of services	983	105	121	153	1,022	-	44	343
Purchase of goods / receiving of services	(596)	(287)	(43,647)	(2,985)	(217)	(50)	(39,977)	(3,504)
Reimbursement of energy expenses	-	-	(24,764)	(1)	-	-	(26,869)	-
Dividend paid	(13,013)	-	-	(414)	(9,777)	-	-	(496)
Dividend received	-	-	(11,261)	-	-	-	10,010	-

*Other related parties / fellow companies

(All amounts are in millions of Indian Rupee; unless stated otherwise)

(c) The outstanding balances of the above mentioned related parties are as follows:

	Significant influence entities	Associates	Joint ventures	ORP / FC*
As of March 31, 2019				
Trade payables	(219)	(71)	(21,566)	(227)
Trade receivables	-	406	-	54
Security deposit	2	-	4,604	1,214
As of March 31, 2018				
Trade payables	(117)	(31)	(11,193)	(139)
Trade receivables	-	-	-	102
Security deposit	-	-	3,934	1,070

*Other related parties / fellow companies

(1) Outstanding balances at period end are un-secured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

(2) In addition to the above, Rs. 544 and Rs. 410 donation has been given to Bharti Foundation during the year ended March 31, 2019 and 2018 respectively.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director, whether executive or otherwise. Remuneration to key management personnel were as follows:

	For the year ended	
	March 31, 2019	**March 31, 2018**
Short-term employee benefits	339	317
Performance linked incentive ('PLI')#	211	160
Post-employment benefits	28	28
Share-based payment	55	62
	633	**567**

#Value of PLI considered above represents incentive at 100% performance level. However, same will be paid on the basis of actual performance parameters in next year. Additional provision of Rs. Nil and Rs. 21 has been recorded in the books towards PLI for the year ended March 31, 2019 and 2018 respectively. During the year ended March 31, 2019, PLI of Rs. 188 (March 31, 2018: Rs. 164) pertaining to previous year has been paid.

In addition to above, Rs. 1,888 thousand and Rs. 1,122 thousand for the year ended March 31, 2019 and 2018 respectively have been paid as dividend to key management personnel.

As the liabilities for the gratuity and compensated absences are provided on an actuarial basis, and calculated for the Company as a whole rather than each of the individual employees, the said liabilities pertaining specifically to KMP are not known and hence, not included in the above table.

36 Financial and Capital risk

1. Financial risk

The business activities of the Group expose it to a variety of financial risks, namely market risks (that is, foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's risk management strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects on its financial performance. Further, the Group uses certain derivative financial instruments to mitigate some of these risk exposures (as discussed below in this note).

The financial risk management for the Group is driven by the Group's senior management ('GSM'), in close co-ordination with the operating entities and internal / external experts subject to necessary supervision. The Group does not undertake any speculative transactions either through derivatives or otherwise. The GSM are accountable to the Board of Directors and Audit Committee. They ensure that the Group's financial risk-taking activities are governed by appropriate financial risk governance frame work, policies and procedures. The BoD of the respective operating entities periodically reviews the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

The Group policy requires for material items to be established under effective hedge relationships by ensuring that the critical terms of the hedging instruments match with the terms of the hedged item so as maintain the hedge ratio to be 1:1. The Group uses prospective effectiveness assessment (dollar offset / hypothetical derivative method) to ensure that an economic relationship exists between the hedged item and hedging instrument.

(i) Foreign currency risk

Foreign exchange risk arises on all recognised monetary assets and liabilities, and any highly probable forecasted transactions, which are denominated in a currency other than the functional currency of the transacting group entity. The Group, through its parent entity, several intermediary entities and subsidiaries; operates across multiple geographies in the Africa and Asia continent. Accordingly, the Group is exposed to translation risk on the net investment in foreign subsidiaries. The Group has foreign currency trade payables, receivables and borrowings (internal as well as external). However, foreign exchange exposure mainly arises from borrowings and trade payables denominated in foreign currencies and certain net investment in foreign currency. Consequently, the Group is mainly exposed to foreign exchange risks related to USD / Euro vis-à-vis the functional currencies and the translation risk related to USD to INR and USD to XAF-XOF (pegged to Euro).

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The foreign exchange risk management policy of the Group requires it to manage the foreign exchange risk by transacting as far as possible in the functional currency. Moreover, the Group monitors the movements in currencies in which the borrowings / capex vendors are payable and manage any related foreign exchange risk, which inter-alia include entering into foreign exchange derivative contracts - as considered appropriate and whenever necessary. For further details as to foreign currency borrowings, refer note 20. Further, for the details as to the fair value of various outstanding derivative financial instruments designated in a hedge relationship or otherwise refer note 11.

As per the Group's hedging policy certain foreign currency liability, highly probable forecast transactions and material net investment of the Group in foreign subsidiaries have been designated under cash flow hedge and net investment hedge respectively. The following table analyses the movement in the cash flow hedge reserve / net investment hedging in FCTR due to said hedges and details thereto.

a) Cash flow hedge

	March 31, 2019		March 31, 2018	
Currency exchange risk hedged	Euro to USD	CHF to USD	Euro to USD	CHF to USD
Nominal amount of hedging instruments	Euro 870 Mn	CHF 350 Mn	Euro 870 Mn	CHF 350 Mn
Maturity date	December 2018	March 2020	December 2018	March 2020
Weighted average forward price	1 Euro: 1.12 USD	1 CHF: 1.12 USD	1 Euro: 1.12 USD	1 CHF: 1.12 USD
Carrying value of derivative instruments (assets)	-	-	7,377	399
Carrying value of derivative instruments (liabilities)	-	1,806	-	60
Change in fair value during the year				
Hedged item	7,377	2,173	(6,928)	(677)
Hedging instrument	(7,377)	(2,173)	6,928	677
CFHR for continuing Hedge	-	138	410	533
Hedging (loss) / gain recognised during the year	(7,377)	(2,173)	6,928	677
Gain / (loss) reclassification during the year to P&L	6,968	1,778	(6,732)	(62)

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

b) Net investment hedge

	March 31, 2019		March 31, 2018	
Currency exchange risk hedged	Euro to USD	USD to INR	Euro to USD	USD to INR
Nominal amount of hedging instruments	Euro 365 Mn	USD 1405 Mn	Euro 460 Mn	USD 1453 Mn
Carrying value of hedging instruments (borrowings)	28,335	97,163	36,870	94,721
Maturity date	May 2021	June 2025 - February 2028	May 2021	June 2025 - February 2028
Change in fair value during the year				
Hedged item	(3,101)	4,855	4,231	3,793
Hedging instrument	3,101	(4,855)	(4,231)	(3,793)
FCTR (loss) / gain for continuing hedge (net of tax and NCI)	(2,153)	(16,707)	(5,109)	(15,869)
Hedging gain/ (loss) recognised during the year	3,101	(4,855)	(4,231)	(3,793)
Loss reclassification during the year to P&L under exceptional items	-	-	-	-

Foreign currency sensitivity

The impact of foreign exchange sensitivity on profit for the year and other comprehensive income is given in the table below:

	Change in currency exchange rate	Effect on profit before tax	Effect on equity (OCI)
For the year ended March 31, 2019			
US Dollar	+5%	(10,269)	(9,109)
	-5%	10,269	9,109
Euro	+5%	(2,368)	(1,590)
	-5%	2,368	1,590
Others	+5%	(905)	-
	-5%	905	-
For the year ended March 31, 2018			
US Dollar	+5%	(8,823)	(8,796)
	-5%	8,823	8,796
Euro	+5%	(1,712)	(1,844)
	-5%	1,712	1,844
Others	+5%	1	-
	-5%	(1)	-

The sensitivity disclosed in the above table is mainly attributable to, in case of to foreign exchange gains / (losses) on translation of USD / Euro / CHF denominated borrowings, derivative financial instruments, trade and other payables, and trade receivables.

The above sensitivity analysis is based on a reasonably possible change in the under-lying foreign currency against the respective functional currency while assuming all other variables to be constant.

Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, the Group's Management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

(ii) Interest rate risk

As the Group does not have exposure to any floating-interest bearing assets, or any significant long-term fixed-interest bearing assets, its interest income and related cash inflows are not affected by changes in market interest rates. Consequently, the Group's interest rate risk arises mainly from borrowings.

Borrowings

Borrowings with floating and fixed interest rates expose the Group to cash flow and fair value interest rate risk respectively. However, the short-term borrowings of the Group do not have a significant fair value or cash flow interest rate risk due to their short tenure. Accordingly, the components of the debt portfolio are determined by the GSM in a manner which enables the Group to achieve an optimum debt-mix basis its overall objectives and future market expectations.

The Group monitors the interest rate movement and manages the interest rate risk based on its risk management policies, which inter-alia include entering into interest swaps contracts - as considered appropriate and whenever necessary.

The Group has designated the interest rate components (which is separately identifiable from other components) of certain fixed interest rate bonds under the hedge relationship since historically it accounts for substantial portions of the total fair value change of the bonds.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

The following table analyses the financial impact of fair value hedge and details thereto.

	March 31, 2019		March 31, 2018	
Interest rate risk covered for currency	USD	Euro	USD	Euro
Nominal amount of Hedging instruments	USD 2200 Mn	-	USD 2900 Mn	-
Carrying value of hedging instruments (derivative assets)	1,468	-	19	-
Carrying value of hedging instruments (derivative liabilities)	476	-	4,258	-
Maturity date	March 2023 - June 2025	-	March 2023 - June 2025	-
Carrying value of hedged item (borrowings)	152,141	-	189,008	-
Change in fair value during the year				
Hedged item	(5,055)	-	5,802	-
Hedging instrument	5,338	-	(5,025)	-
		-		
Hedge ineffectiveness recognised in finance income/cost during the year	283	-	777	-
Cumulative change in fair value of hedged item	943	-	6,366	-
Unamortised portion of fair value hedge adjustment	735	-	-	(175)

Interest rate sensitivity of borrowings

The impact of the interest rate sensitivity on profit before tax is given in the table below:

Interest rate sensitivity	Increase / decrease (basis points)	Effect on profit before tax
For the year ended March 31, 2019		
INR - borrowings	+100	(2,021)
	-100	2,021
USD -borrowings	+25	(306)
	-25	306
Euro - borrowings	+25	(34)
	-25	34
Other currency -borrowings	+100	(219)
	-100	219
For the year ended March 31, 2018		
INR - borrowings	+100	(1,063)
	-100	1,063
USD -borrowings	+25	(654)
	-25	654
Other currency -borrowings	+100	(42)
	-100	42

The sensitivity disclosed in the above table is attributable to floating-interest rate borrowings and the interest swaps.
The above sensitivity analysis is based on a reasonably possible change in the under-lying interest rate of the Group's borrowings in INR, USD, Euro and NGN (being the significant currencies in which it has borrowed funds), while assuming all other variables (in particular foreign currency rates) to be constant.

Based on the movements in the interest rates historically and the prevailing market conditions as at the reporting date, the Group's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

(iii) Price risk

The Group invests its surplus funds in various fixed income products, including but not limited to debt mutual funds, short term debt funds, corporate debt, government securities and fixed deposits. In order to manage its price risk arising from investments, the Group diversifies its portfolio in accordance with the limits set by the risk management policies. The Group has exposure across debt securities, mutual fund and money market instruments.

Debt investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenor of money market instruments and the underlying portfolio in liquid schemes, these do not pose any significant price risk. On the duration investment balance, an increase / decrease of 25 basis points in market yields (parallel shift of the yield curves), will result in decrease / increase in the marked to market value of the investments by Rs. 147 and Rs. 176 as on March 31, 2019 and March 31, 2018 respectively.

(iv) Credit risk

Credit risk refers to the risk of default on its obligation by the counter-party, the risk of deterioration of credit-worthiness of the counter-party as well as concentration risks of financial assets, and thereby exposing the Group to potential financial losses.

The Group is exposed to credit risk mainly with respect to trade receivables, investment in bank deposits, debt securities, mutual funds and derivative financial instruments.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Trade receivables

The Trade receivables of the Group are typically non-interest bearing unsecured and derived from sales made to a large number of independent customers. As the customer base is widely distributed both economically and geographically, there is no concentration of credit risk.

As there is no independent credit rating of the customers available with the Group, the management reviews the credit-worthiness of its customers based on their financial position, past experience and other factors. The credit risk related to the trade receivables is managed / mitigated by each business unit, basis the Group's established policy and procedures, by setting appropriate payment terms and credit period, and by setting and monitoring internal limits on exposure to individual customers. The credit period provided by the Group to its customers generally ranges from 14-30 days except Airtel business segment wherein it ranges from 7-90 days.

The Group uses a provision matrix to measure the expected credit loss of trade receivables, which comprise a very large numbers of small balances. Refer note 16 for details on the impairment of trade receivables. Based on the industry practices and the business environment in which the entity operates, Management considers that the trade receivables are credit impaired if the payments are more than 270 days past due in case of interconnect debtors in Africa Mobile Segment and 90 days past due in all other cases.

The ageing analysis of trade receivables as of the reporting date is as follows:

	Neither past due nor impaired	Past due but not impaired				Total
		Less than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
March 31, 2019	12,548	12,109	6,765	5,183	6,401	43,006
March 31, 2018	21,182	17,294	7,835	6,201	6,318	58,830

The Group performs on-going credit evaluations of its customers' financial condition and monitors the credit-worthiness of its customers to which it grants credit in its ordinary course of business. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due. Where the financial asset has been written-off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit and loss.

Financial instruments and cash deposits

The Group's treasury, in accordance with the board approved policy, maintains its cash and cash equivalents, deposits and investment in mutual funds & debt securities, and enters into derivative financial instruments - with banks, financial and other institutions, having good reputation and past track record, and high / sovereign credit rating. Similarly, counter-parties of the Group's other receivables carry either no or very minimal credit risk. Further, the Group reviews the credit-worthiness of the counter-parties (on the basis of its ratings, credit spreads and financial strength) of all the above assets on an on-going basis, and if required, takes necessary mitigation measures.

(v) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic and international capital markets across debt and equity.

Moreover, the GSM regularly monitors the rolling forecasts of the entities' liquidity reserve (comprising of the amount of available un-drawn credit facilities and cash and cash equivalents) and the related requirements, to ensure they have sufficient cash on an on-going basis to meet operational needs while maintaining sufficient headroom at all times on its available un-drawn committed credit facilities, so that there is no breach of borrowing limits or relevant covenants on any of its borrowings. For details as to the borrowings, refer note 20.

Based on past performance and current expectations, the Group believes that the cash and cash equivalents, cash generated from operations and available un-drawn credit facilities, will satisfy its working capital needs, capital expenditure, investment requirements, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:-

	As of March 31 , 2019						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings*#	1,287,702	24,802	309,374	158,297	207,658	1,104,386	**1,804,517**
Other financial liabilities#	188,518	2,622	114,247	10,649	9,804	51,196	**188,518**
Trade payables	280,031	-	280,031	-	-	-	**280,031**
Financial liabilities (excluding derivatives)	**1,756,251**	**27,424**	**703,652**	**168,946**	**217,462**	**1,155,582**	**2,273,066**
Derivative assets	3,531	-	50	39	4	3,438	**3,531**
Derivative liabilities	(13,568)	-	(10,651)	(2,112)	(149)	(656)	(13,568)
Net derivatives	**(10,037)**	-	**(10,601)**	**(2,073)**	**(145)**	**2,782**	**(10,037)**

	As of March 31 , 2018						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings*#	1,141,676	19,419	152,197	176,076	126,576	1,231,162	**1,705,430**
Other financial liabilities#	156,811	4,874	108,656	-	161	43,120	**156,811**
Trade payables	277,675	-	277,675	-	-	-	**277,675**
Financial liabilities (excluding derivatives)	**1,576,162**	**24,293**	**538,528**	**176,076**	**126,737**	**1,274,282**	**2,139,916**
Derivative assets	10,972	-	1,333	7,608	968	1,063	**10,972**
Derivative liabilities	(5,692)	-	(117)	(168)	(203)	(5,204)	**(5,692)**
Net derivatives	**5,280**	-	**1,216**	**7,440**	**765**	**(4,141)**	**5,280**

*It includes contractual interest payment based on interest rate prevailing at the end of the reporting period after adjustment for the impact of interest swaps, over the tenor of the borrowings.

#Interest accrued but not due has been included in interest bearing borrowings and excluded from other financial liabilities.

vi) Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows:

Balance sheet caption	Statement of cash flows line item	April 1, 2018	Cash flows	Non-cash movements: Interest expense	Foreign exchange	Fair value changes	FCTR	Others	March 31, 2019
Borrowings*	Proceeds / repayments of borrowings (including short-term)	660,206	102,494	-	(7,398)	-	22,888	10,036	788,226
Interest accrued but not due / derivative instruments	Interest and other finance charges paid	23,061	(76,171)	85,179	11,090	(5,590)	451	5,436	43,456

*It does not include deferred payment liabilities and bank overdraft but include obligations towards Africa tower sale, finance lease obligations and lease back transaction.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

2. Capital risk

The Group's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. However, the key objective of the Group's capital management is to, ensure that it maintains a stable capital structure with the focus on total equity, uphold investor; creditor and customer confidence, and ensure future development of its business activities. In order to maintain or adjust the capital structure, the Group may issue new shares, declare dividends, return capital to shareholders, etc.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

The Group monitors capital using a gearing ratio calculated as below:

	As of	
	March 31, 2019	**March 31, 2018**
Borrowings	1,254,283	1,113,335
Less: cash and cash equivalents	62,121	49,552
Less: term deposits with bank	273	2,119
Net debt	**1,191,889**	**1,061,664**
Equity	714,222	695,344
Total capital	**714,222**	**695,344**
Capital and net debt	**1,906,111**	**1,757,008**
Gearing ratio	**62.5%**	**60.4%**

(All amounts are in millions of Indian Rupee; unless stated otherwise)

37 Fair value of financial assets and liabilities

The category wise details as to the carrying value, fair value and the level of fair value measurement hierarchy of the Group's financial instruments are as follows:

	Level	Carrying value as of		Fair value as of	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial assets					
Fair value through profit and loss					
Derivatives					
- Currency swaps, forward and option contracts	Level 2	346	8,541	346	8,541
- Interest swaps	Level 2	3,185	2,101	3,185	2,101
- Embedded derivatives	Level 2	-	330	-	330
Investments-quoted	Level 1	62,546	65,460	62,546	65,460
Investments-unquoted	Level 2	3,515	2,992	3,515	2,992
Fair value through other comprehensive income					
Investments-quoted	Level 1	2,112	2,391	2,112	2,391
Investments-unquoted	Level 2	-	3,904	-	3,904
Amortised cost					
Security deposits		16,452	9,703	16,452	9,703
Trade receivables		43,006	58,830	43,006	58,830
Cash and cash equivalents		62,121	49,552	62,121	49,552
Other bank balances		18,934	17,154	18,934	17,154
Other financial assets		23,570	33,276	23,570	33,276
		235,787	**254,234**	**235,787**	**254,234**
Financial liabilities					
Fair value through profit and loss					
Derivatives					
- Currency swaps, forward and option contracts	Level 2	3,691	474	3,691	474
- Interest rate swaps / others	Level 2	9,579	5,210	9,579	5,210
- Embedded derivatives	Level 2	298	8	298	8
Amortised cost					
Borrowings - fixed rate	Level 1	254,194	421,560	256,985	431,520
Borrowings - fixed rate	Level 2	625,002	457,636	663,523	488,988
Borrowings - floating rate		375,087	234,139	375,087	234,139
Trade payables		280,031	268,536	280,031	268,536
Other financial liabilities		221,937	185,152	221,937	185,152
		1,769,819	**1,572,715**	**1,811,131**	**1,614,027**

The following methods / assumptions were used to estimate the fair values:

i. The carrying value of other bank balances, trade receivables, trade payables, short-term borrowings, floating-rate long-term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments / being subject to floating-rates.

ii. Fair value of quoted financial instruments is based on quoted market price at the reporting date.

iii. The fair value of non-current financial assets, other long-term borrowings and other financial liabilities is estimated by discounting future cash flows using current rates applicable to instruments with similar terms, currency, credit risk and remaining maturities.

iv. The fair values of derivatives are estimated by using pricing models, wherein the inputs to those models are based on readily observable market parameters. The valuation models used by the Group reflect the contractual terms of the derivatives (including the period to maturity), and market-based parameters such as interest rates, foreign exchange rates, volatility etc. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable.

During the year ended March 31, 2019 and March 31, 2018, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

The following table describes the key inputs used in the valuation (basis discounted cash flow technique) of level 2 financial assets / liabilities as of March 31, 2019 and March 31, 2018:

Financial assets / liabilities	**Inputs used**
Derivatives	
- Currency swaps, forward and option contracts	Forward currency exchange rates, interest rates
- Interest swaps	Prevailing / forward interest rates in market, interest rates
- Embedded derivatives	Forward currency exchange rates, interest rates
Investments	Prevailing interest rates in market, interest rates
Fixed rate borrowings	Prevailing interest rates in market, future payouts, interest rates

Level 3 financial instruments

The following table provides the details as to changes in value of financial instruments categorised within level 3 of the fair value hierarchy:

	For the year ended	
	March 31, 2019	**March 31, 2018**
Opening balance	-	(188)
Issuance	9,139	
-Recognised in finance costs / finance income	-	276
Exchange difference recognised in OCI	-	(88)
Closing balance	**9,139**	-

As part of issue of equity shares to global investors, the Group has committed indemnities pertaining to acquisition of non-controlling interest in Group's operations and other protections. The liability for such indemnity derives its value based on the price of the shares and hence is a derivative liability. The significant input to valuation is the probability of payout of these indemnities. The liability has been valued on the basis of probability weighted amount payable for these indemnities. The significant unobservable input to the valuation, thereby resulting in the embedded derivative being classified as Level 3 in the fair value hierarchy.

Also the Group has entered into certain contracts under which payouts are linked to revenue of the period to which payout relates. The portion of the payout are payable at predetermined fixed foreign exchange rate and results in an embedded derivative. The significant inputs to the valuation model of these embedded derivatives are future revenue projections and foreign exchange forward rates over the contract period. The revenue projections, being based on the rolling ten year financial plan approved by management, constitute a significant unobservable input to the valuation, thereby resulting in the embedded derivative being classified as Level 3 in the fair value hierarchy.

The Group engages external, independent and qualified valuers to determine the fair value of the Group's embedded derivative categorized within level 3.

The value of the embedded derivative is the differential of the present value of future payouts on the reporting date, over that determined based on the forward rates prevailing at the inception of the contract. The present value is calculated using a discounted cash flow model.

Narrative description of sensitivity of fair value changes to changes in unobservable inputs

Any increase/ decrease in probability of expected payouts under non-controlling indemnity liability by 5% will result in 5% increase/ decrease in the derivative liability value.

The fair value of the embedded derivative is directly proportional to the expected future payouts to vendor (considered for the purpose of valuation of the embedded derivatives). If future payout to vendor were to increase/decrease by 5% with all the other variables held constant, the fair value of embedded derivative would increase/decrease by 5%.

38 Other matters

(i) In 1996, the Company had obtained the permission from DoT to operate its Punjab license through one of its wholly owned subsidiary. However DoT cancelled the permission to operate in April, 1996 and subsequently reinstated in March, 1998. Accordingly, for the period from April 1996 to March, 1998 ('blackout period') the license fee was disputed and not paid by the Company.

Subsequently, basis the demand from DoT in 2001, the Company paid the disputed license fee of Rs. 4,856 for blackout period under protest. Consequently, the license was restored subject to arbitrator's adjudication on the dispute. The arbitrator adjudicated the matter in favour of DoT, which was challenged by the Company before Hon'ble Delhi High Court. In 2012, Hon'ble Delhi High Court passed an order setting aside the arbitrator's award, which was challenged by DoT and is pending before its division bench. Meanwhile, the Company had filed a writ petition for recovery of the disputed license fee and interest thereto. However, the single bench, despite taking the view that the Company is entitled to refund, dismissed the writ petition on the ground that the case is still pending with the larger bench. The Company therefore has filed appeal against the said order with division bench and is currently pending. DoT had also filed an appeal against the single judge order. Both these appeals are tagged together and are listed for final hearing. The Hon'ble court has directed both the parties to file comprehensive written submission.

(ii) TRAI vide Telecom Interconnect Usages Charges Regulation (Eleventh Amendment) 2015 has reduced the IUC charges for mobile termination charges to 14 paisa from 20 paisa and abolished the fixed-line termination charges. The Company has challenged the said Regulation before the Hon'ble Delhi High Court and the matter is currently pending.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

39 Additional information as required under Schedule III of the Companies Act, 2013

Table 1 - Details pertaining to share in net assets, profit or loss and total comprehensive income.

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2019 and 2018 (Refer note 1 and 2)	Principal place of operation / country of incorporation	March 31, 2019					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
	Parent								
	- Telecommunication services								
1	Bharti Airtel Limited	100%	India	115.79%	983,593	-446.67%	(18,290)	297.23%	(18,194)
	Subsidiaries								
	A. Indian								
	- Telecommunication services								
1	Bharti Hexacom Limited	70%	India	6.79%	57,676	-176.33%	(7,220)	117.90%	(7,217)
2	Nxtra Data Limited	100%	India	0.06%	469	11.56%	473	-7.75%	474
3	Smartx Services Limited	53.51% [(i)]	India	0.00%	(2)	-0.92%	(37)	0.61%	(37)
4	Telesonic Networks Limited	100%	India	0.09%	761	3.55%	145	-2.39%	146
5	Wynk Limited	100%	India	0.06%	491	-1.49%	(61)	1.00%	(61)
6	Bharti Digital Networks Private Limited (Formerly known as Tikona Digital Networks Private Limited)	100%	India	-1.67%	(14,187)	-9.26%	(379)	6.19%	(379)
	- Direct To Home services								
1	Bharti Telemedia Limited	80% [(ii)]	India	-1.35%	(11,495)	329.63%	13,498	-220.56%	13,501
	- Infrastructure sharing services								
1	Bharti Infratel Limited	53.51% [(i)]	India	11.71%	99,461	323.46%	13,245	-216.03%	13,224
	- Investment Company								
1	Nettle Infrastructure Investments Limited	100%	India	-1.28%	(10,864)	268.13%	10,979	110.88%	(6,787)
	- Mobile commerce services								
1	Airtel Payments Bank Limited (Has become associate w.e.f 25th Oct, 2018)	80.10%	India	0.00%	-	-45.15%	(1,849)	30.24%	(1,851)
	- Other								
1	Bharti Airtel Services Limited	100%	India	-0.03%	(287)	0.54%	22	-0.49%	30
2	Airtel International LLP (incorporated w.e.f. March 27, 2019)	100%	India	0.00%	-	0.00%	-	0.00%	-
	- Uplinking channels for broadcasters								
1	Indo Teleports Limited	100%	India	-0.07%	(591)	-0.75%	(31)	0.50%	(31)
	B. Foreign								
	- Infrastructure sharing services								
1	Africa Towers Services Limited #	100%	Kenya	0.00%	0	-0.01%	(1)	0.01%	(1)
2	Congo RDC Towers S.A.	100%	Democratic Republic of Congo	-0.07%	(598)	0.03%	1	-0.02%	1
3	Gabon Towers S.A. ##	97.95% [(v)]	Gabon	0.00%	(1)	0.00%	(0)	0.00%	(0)
4	Madagascar Towers S.A.	100%	Madagascar	0.07%	591	7.96%	326	-5.32%	326
5	Malawi Towers Limited	100%	Malawi	-0.04%	(307)	42.52%	1,741	-28.44%	1,741
6	Tanzania Towers Limited	60%	Tanzania	0.00%	(34)	-0.04%	(1)	0.02%	(1)
	- Investment Company								
1	Africa Towers N.V.	100%	Netherlands	-0.06%	(550)	-1.92%	(79)	1.28%	(79)
2	Airtel Mobile Commerce B.V.	100%	Netherlands	-0.01%	(90)	-0.78%	(32)	0.52%	(32)
3	Airtel Mobile Commerce Holdings B.V.	100%	Netherlands	0.00%	1	0.00%	-	0.00%	-
4	Airtel Africa Mauritius Limited (incorporated w.e.f. June 28, 2018)	100%	Mauritius	17.33%	147,241	-0.01%	(1)	0.01%	(1)
5	Airtel Africa Limited (incorporated w.e.f. July 12, 2018)	68.31% [(iii)]	United Kingdom	28.56%	242,597	4.43%	181	-2.96%	181
6	Airtel Mobile Commerce Nigeria B.V.(incorporated w.e.f. 5th December, 2018)	100%	Netherlands	0.00%	(0)	0.00%	-	0.00%	-
7	Airtel Mobile Commerce (Seychelles) B.V. (incorporated w.e.f. 29th January, 2019)	100%	Netherlands	0.00%	(0)	0.00%	-	0.00%	-
8	Airtel Mobile Commerce Congo B.V. (incorporated w.e.f. 29th January, 2019)	100%	Netherlands	0.00%	(0)	0.00%	-	0.00%	-
9	Airtel Mobile Commerce Kenya B.V. (incorporated w.e.f. 29th January, 2019)	100%	Netherlands	0.00%	(0)	0.00%	-	0.00%	-
10	Airtel Mobile Commerce Madagascar B.V. (incorporated w.e.f. 29th January, 2019)	100%	Netherlands	0.00%	(0)	0.00%	-	0.00%	-
11	Airtel Mobile Commerce Malawi B.V. (incorporated w.e.f. 29th January, 2019)	100%	Netherlands	0.00%	(0)	0.00%	-	0.00%	-
12	Airtel Mobile Commerce Rwanda B.V. (incorporated w.e.f. 29th January, 2019)	100%	Netherlands	0.00%	(0)	0.00%	-	0.00%	-
13	Airtel Mobile Commerce Tchad B.V. (incorporated w.e.f. 29th January, 2019)	100%	Netherlands	0.00%	(0)	0.00%	-	0.00%	-

(All amounts are in millions of Indian Rupee; unless stated otherwise)

S. No.	Name of the entity	% of shareholding as at March 31, 2019 and 2018 (Refer note 1 and 2)	Principal place of operation / country of incorporation	March 31, 2019					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
14	Airtel Mobile Commerce Uganda B.V. (incorporated w.e.f. 29th January, 2019)	100%	Netherlands	0.00%	(0)	0.00%	-	0.00%	-
15	Airtel Mobile Commerce Zambia B.V. (incorporated w.e.f. 29th January, 2019)	100%	Netherlands	0.00%	(0)	0.00%	-	0.00%	-
16	Bharti Airtel Africa B.V.	100%	Netherlands	12.32%	104,648	96.37%	3,946	-64.47%	3,946
17	Bharti Airtel Burkina Faso Holdings B.V.#	100%	Netherlands	0.00%	(0)	-1218.86%	(49,909)	815.35%	(49,909)
18	Bharti Airtel Chad Holdings B.V.	100%	Netherlands	-0.03%	(287)	10.17%	417	-6.80%	417
19	Bharti Airtel Congo Holdings B.V.	100%	Netherlands	0.77%	6,561	1.83%	75	-1.23%	75
20	Bharti Airtel Developers Forum Limited	96.36%	Zambia	-	-	0.00%	-	0.00%	-
21	Bharti Airtel Holding (Mauritius) Limited (incorporated w.e.f. June 27, 2018)	100%	Mauritius	0.01	11,192	-0.01%	(1)	0.01%	(1)
22	Bharti Airtel Overseas (Mauritius) Limited (incorporated w.e.f. June 28, 2018)	100%	Mauritius	0.01	5,790	-0.01%	(1)	0.01%	(1)
23	Bharti Airtel Gabon Holdings B.V.	100%	Netherlands	1.07%	9,078	1.89%	78	-1.27%	78
24	Bharti Airtel International (Mauritius) Limited	100%	Mauritius	1.99%	16,945	13.60%	557	-9.10%	557
25	Bharti Airtel International (Netherlands) B.V.	100%	Netherlands	50.75%	431,142	136.45%	5,587	-91.28%	5,587
26	Bharti Airtel Kenya B.V.	100%	Netherlands	-2.32%	(19,667)	-69.97%	(2,865)	46.81%	(2,865)
27	Bharti Airtel Kenya Holdings B.V.	100%	Netherlands	-0.35%	(2,977)	-3.53%	(144)	2.36%	(144)
28	Bharti Airtel Madagascar Holdings B.V.	100%	Netherlands	-0.46%	(3,926)	-25.17%	(1,031)	16.84%	(1,031)
29	Bharti Airtel Malawi Holdings B.V.	100%	Netherlands	0.21%	1,786	32.82%	1,344	-21.95%	1,344
30	Bharti Airtel Mali Holdings B.V.	100%	Netherlands	0.01%	49	-0.57%	(23)	0.38%	(23)
31	Bharti Airtel Niger Holdings B.V.	100%	Netherlands	1.62%	13,734	37.32%	1,528	-24.97%	1,528
32	Bharti Airtel Nigeria B.V.	100%	Netherlands	-8.96%	(76,129)	-178.05%	(7,291)	119.10%	(7,291)
33	Bharti Airtel Nigeria Holdings II B.V.	100%	Netherlands	-0.01%	(114)	0.00%	(0)	0.00%	(0)
34	Bharti Airtel RDC Holdings B.V.	100%	Netherlands	-0.11%	(956)	-70.07%	(2,869)	46.87%	(2,869)
35	Bharti Airtel Rwanda Holdings Limited	100%	Mauritius	0.00%	(21)	-5.26%	(215)	3.52%	(215)
36	Bharti Airtel Services B.V.	100%	Netherlands	-0.06%	(519)	-1.20%	(49)	0.80%	(49)
37	Bharti Airtel Tanzania B.V.	100%	Netherlands	-0.47%	(4,000)	28.28%	1,158	-18.92%	1,158
38	Bharti Airtel Uganda Holdings B.V.	100%	Netherlands	-0.82%	(6,962)	92.58%	3,791	-61.93%	3,791
39	Bharti Airtel Zambia Holdings B.V.	100%	Netherlands	4.02%	34,190	77.41%	3,170	-51.78%	3,170
40	Celtel (Mauritius) Holdings Limited	100%	Mauritius	0.32%	2,712	5.75%	235	-3.85%	235
41	Channel Sea Management Company (Mauritius) Limited	100%	Mauritius	0.00%	34	-0.03%	(1)	0.02%	(1)
42	Indian Ocean Telecom Limited	100%	Jersey	0.15%	1,296	12.00%	491	-8.03%	491
43	Montana International	100%	Mauritius	0.00%	(15)	-0.01%	(0)	0.01%	(0)
44	Partnership Investments Sarl	100%	Democratic Republic of Congo	-	-	0.00%	-	0.00%	-
45	Société Malgache de Téléphone Cellulaire S.A.	100%	Mauritius	0.01%	119	-0.02%	(1)	0.02%	(1)
46	Bharti Airtel International (Mauritius) Investments Limited	100%	Mauritius	0.00%	(0)	-0.02%	(1)	0.01%	(1)
	- Mobile commerce services								
1	Airtel Mobile Commerce (Kenya) Limited	100%	Kenya	0.00%	0	0.00%	-	0.00%	-
2	Airtel Mobile Commerce (Seychelles) Limited	100%	Seychelles	0.00%	(34)	-0.07%	(3)	0.04%	(3)
3	Airtel Mobile Commerce (Tanzania) Limited	100%	Tanzania	0.00%	0	0.00%	-	0.00%	-
4	Airtel Mobile Commerce Limited	100%	Malawi	0.00%	0	0.00%	-	0.00%	-
5	Airtel Mobile Commerce Madagascar S.A.	100%	Madagascar	0.01%	68	0.80%	33	-0.54%	33
6	Airtel Mobile Commerce Rwanda Limited	100%	Rwanda	0.00%	1	0.00%	-	0.00%	-
7	Airtel Mobile Commerce Tchad S.a.r.l.	100%	Chad	0.00%	0	0.00%	-	0.00%	-
8	Airtel Mobile Commerce Uganda Limited	100%	Uganda	0.00%	0	0.00%	-	0.00%	-
9	Airtel Mobile Commerce Zambia Limited	100%	Zambia	0.00%	29	12.83%	526	-8.59%	526
10	Airtel Money (RDC) S.A.	100%	Democratic Republic of Congo	0.10%	833	16.47%	674	-11.02%	674
11	Airtel Money Niger S.A.	90%	Niger	0.00	74	3.11%	127	-2.08%	127
12	Airtel Money S.A. (Gabon)	100%	Gabon	0.11%	950	20.09%	823	-13.44%	823
13	Airtel Money Transfer Limited	100%	Kenya	0.00	14	0.00%	(0)	0.00%	(0)
14	Mobile Commerce Congo S.A.	100%	Congo Brazzaville	0.00%	1	0.00%	-	0.00%	-
15	Airtel Money Tanzania Limited	60%	Tanzania	0.00%	(0)	-0.01%	(0)	0.01%	(0)

(All amounts are in millions of Indian Rupee; unless stated otherwise)

S.No.	Name of the entity	% of shareholding as at March 31, 2019 and 2018 (Refer note 1 and 2)	Principal place of operation / country of incorporation	March 31, 2019					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
16	Airtel Mobile Commerce Nigeria Limited	91.77%(iv)	Nigeria	-	-	0.00%	-	0.00%	-
	- Submarine Cable System								
1	Network i2i Limited	100%	Mauritius	13.58%	115,398	7.75%	318	-5.19%	318
	- Telecommunication services								
1	Airtel (Seychelles) Limited	100%	Seychelles	0.06%	527	4.49%	184	-3.01%	184
2	Airtel Congo (RDC) S.A.	98.50%	Democratic Republic of Congo	-6.77%	(57,540)	43.44%	1,779	-29.06%	1,779
3	Airtel Congo S.A.	90%	Congo Brazzaville	-1.14%	(9,662)	-27.80%	(1,139)	18.60%	(1,139)
4	Airtel Gabon S.A.	97.95%(v)	Gabon	-0.55%	(4,698)	14.75%	604	-9.86%	604
5	Airtel Madagascar S.A.	100%	Madagascar	-0.86%	(7,335)	-37.94%	(1,553)	25.38%	(1,553)
6	Airtel Malawi Limited	100%	Malawi	0.09%	794	8.17%	335	-5.47%	335
7	Airtel Networks Kenya Limited @	100%	Kenya	-3.49%	(29,686)	-48.06%	(1,968)	32.15%	(1,968)
8	Airtel Networks Limited	91.77%(iv)	Nigeria	1.23%	10,431	656.45%	26,880	-439.13%	26,880
9	Airtel Rwanda Limited	100%	Rwanda	-1.94%	(16,493)	-80.94%	(3,314)	54.15%	(3,314)
10	Airtel Tanzania Public Limited Company (Formerly known as Airtel Tanzania Limited)	60%	Tanzania	-3.44%	(29,256)	-32.91%	(1,348)	22.02%	(1,348)
11	Airtel Tchad S.A.	100%	Chad	-0.65%	(5,550)	-14.68%	(601)	9.82%	(601)
12	Airtel Uganda Limited	100%	Uganda	0.39%	3,334	162.60%	6,658	-108.77%	6,658
13	Bharti Airtel (France) SAS	100%	France	0.07%	582	5.42%	222	-3.63%	222
14	Bharti Airtel (Hong Kong) Limited	100%	Hong Kong	0.02%	184	4.18%	171	-2.79%	171
15	Bharti Airtel (Japan) Private Limited	100%	Japan	0.00%	5	-0.05%	(2)	0.03%	(2)
16	Bharti Airtel (UK) Limited	100%	United Kingdom	0.10%	831	6.11%	250	-4.09%	250
17	Bharti Airtel (USA) Limited	100%	United States of America	0.10%	866	3.68%	151	-2.46%	151
18	Bharti Airtel Lanka (Private) Limited	100%	Sri Lanka	-0.04%	(319)	-39.61%	(1,622)	26.57%	(1,627)
19	Bharti International (Singapore) Pte. Ltd.	100%	Singapore	1.70%	14,467	-8.60%	(352)	5.75%	(352)
20	Celtel Niger S.A.	90%	Niger	0.03%	267	-23.56%	(965)	15.76%	(965)
21	Airtel Networks Zambia Plc	96.36%	Zambia	-0.18%	(1,544)	2.02%	83	-1.35%	83
22	Tigo Rwanda Limited (merged with Airtel Rwanda Ltd w.e.f July 3, 2018)	100%	Rwanda	0.00%	-	1.66%	68	-1.11%	68
	Minority Interests in all subsidiaries			15.92%	135,258	-312.09%	(12,780)	163.78%	(10,026)
	Associates (Investment as per the equity method)								
	A. Indian								
	- Financial Services								
1	Seynse Technologies Private Limited	22.54%	India	0.02%	205	-0.40%	(16)	0.27%	(16)
	- Mobile commerce services								
1	Airtel Payments Bank Limited (W.e.f 25th Oct, 2018)	80.10%	India	1.21%	10,283	-30.15%	(1,235)	20.17%	(1,235)
	- Others								
1	Juggernaut Books Private Limited	19.35%(vi)	India	0.01%	108	-0.23%	(10)	0.16%	(10)
	B. Foreign								
	- Submarine cable system								
1	Seychelles Cable Systems Company Limited	26%	Seychelles	0.03%	230	-0.17%	(7)	0.11%	(7)
	- Telecommunication services								
1	Robi Axiata Limited	25%	Bangladesh	2.81%	23,886	29.14%	1,193	-19.33%	1,183

(All amounts are in millions of Indian Rupee; unless stated otherwise)

S.No.	Name of the entity	% of shareholding as at March 31, 2019 and 2018 (Refer note 1 and 2)	Principal place of operation / country of incorporation	March 31, 2019					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
	Joint Ventures (Investment as per the equity method)								
	A. Indian								
	- Passive infrastructure services								
1	Indus Towers Limited	22.47%	India	6.18%	52,482	216.83%	8,879	-145.01%	8,876
	- Telecommunication services								
1	FireFly Networks Limited	50%	India	0.00%	3	0.01%	0	-0.01%	0
	B. Foreign								
	- Provision of regional mobile services								
1	Bridge Mobile Pte Limited	10%	Singapore	0.01%	66	0.10%	4	-0.07%	4
	- Telecommunication services								
1	Bharti Airtel Ghana Holdings B.V.	50%	Netherlands	0.20%	1,676	-128.28%	(5,253)	85.82%	(5,253)
	Inter-company eliminations / adjustments on consolidation				(1,379,832)		15,692		20,418
	Total			**100%**	**849,480**	**100%**	**4,095**	**100%**	**(6,121)**

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

pTable 2 - Details pertaining to share in other comprehensive income.

S. No.	Name of the entity	% of shareholding as at March 31, 2019 and 2018 (Refer note 1 and 2)	Principal place of operation / country of incorporation	March 31, 2019 Share in other comprehensive income ('OCI') As % of OCI	Amount
	Parent				
	Telecommunication services				
1	Bharti Airtel Limited	100%	India	-0.94%	96
	Subsidiaries				
	- Indian				
	- Telecommunication services				
1	Bharti Hexacom Limited	70%	India	-0.03%	3
2	Nxtra Data Limited	100%	India	-0.01%	1
3	Telesonic Networks Limited	100%	India	-0.01%	1
4	Wynk Limited	100%	India	0.00%	(0)
	- Direct To Home services				
1	Bharti Telemedia Limited	80% (ii)	India	-0.03%	3
	- Infrastructure sharing services				
1	Bharti Infratel Limited	53.51% (i)	India	0.21%	(21)
	- Investment Company				
1	Nettle Infrastructure Investments Limited	100%	India	173.91%	(17,766)
	- Other				
1	Bharti Airtel Services Limited	100%	India	-0.08%	8
	- Mobile commerce services				
	Airtel Payments Bank Limited (Has become associate w.e.f 25th Oct, 2018)	80.10%	India	0.02%	(3)
	- Foreign				
	- Telecommunication services				
1	Bharti Airtel Lanka (Private) Limited	100%	Sri Lanka	0.05%	(5)
	Minority Interests in all subsidiaries			-26.96%	2,754
	Associates (Investment as per the equity method)				
	A. Foreign				
	- Telecommunication services				
1	Robi Axiata Limited	25%	Bangladesh	0.10%	(10)
	Joint Ventures (Investment as per the equity method)				
	A. Indian				
	- Passive infrastructure services				
1	Indus Towers Limited	22.47% (i)	India	0.02%	(2)
	Inter-company eliminations / adjustments on consolidation				4,726
	Total			**100%**	**(10,216)**

Notes:

1 - Changes in shareholding during the year ended March 31, 2019:

i) The Company has reduced its shareholding to 53.51% (53.54% in March 31, 2018) during the year ended March 31, 2019.

ii) The Company has reduced its shareholding to 80% (95% in March 31, 2018) during the year ended March 31, 2019.

iii) The Company has reduced its shareholding to 68.31% during the year ended March 31, 2019.

iv) The Company has increased its shareholding to 91.77% (83.25% in March 31, 2018) during the year ended March 31, 2019.

v) The Company has increased its shareholding to 97.95% (90% in March 31, 2018) during the year ended March 31, 2019.

vi) The Company has increased its shareholding to 19.35% (10.71% in March 31, 2018) during the year ended March 31, 2019.

2 - Others

Liquidated during the year ended March 31, 2019

Under liquidation

@ The Group also holds 100% preference shareholding in the Company. The preference shares do not carry any voting rights.

During the period effective shareholding of Airtel Africa Limited ('AAL') has been changed to 68.31%, due to which effective shareholding of entities owned by AAL directly/ indirectly will undergo change vis-à-vis the % presented in the above table.

The figures which are appearing as **'0'** are result of rounding off.

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Independent Auditor's Report

TO THE MEMBERS OF

BHARTI AIRTEL LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **BHARTI AIRTEL LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"),which includes the Group's share of profit/loss in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date and a summary of significant accounting policies and other explanatory notes (hereinafter referred to as "Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associates and Joint ventures in accordance with the Indian Accounting Standards (Ind AS) prescribed under section133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the consolidated financial statements by the directors of the company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act ,the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of the joint venture referred to below in the Other Matters paragraph, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2018, their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 24(i)(f)(v) to the Consolidated Financial Statements which describes the uncertainties related to the legal outcome of Department of Telecommunications demand with respect to one time spectrum charges.

Our opinion is not modified in respect of this matter.

Other Matters

i. The Consolidated Financial Statements include the Group's share of profit of ₹11,816 Million and total comprehensive income of ₹11,817 Million for the year ended March 31, 2018, as considered in the Consolidated Financial Statements, in respect of Indus Towers Limited (joint venture), whose financial statements have not been audited by us. These financial statements have been audited by the other auditor whose report has been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture is based solely on the report of the other auditor. Our opinion on the statement is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

ii. The comparative financial information of the Group, its associates and joint ventures for the year ended and as at March 31, 2017 prepared in accordance with Ind AS included in these Consolidated Financial Statements have been audited by the predecessor auditor. The report of the predecessor auditor on comparative financial statements for the year ended and as at March 31, 2017 dated May 9, 2017 expressed an unqualified opinion. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditor on separate financial statements of joint venture company incorporated in India, referred in the Other Matter paragraph above we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

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

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Company, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

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

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.

   ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company, its subsidiary companies, associate companies and joint venture companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Bharti Airtel Limited ("the Company") and its subsidiary companies, its associates companies and joint venture companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company , its subsidiary companies, its associate companies and joint venture companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, its subsidiary companies, its associate companies and its joint venture companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the auditor of the joint venture company which is company incorporated in India, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company, its subsidiary companies, its associate companies and its joint venture companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below the Company, its subsidiary companies, its associate companies and joint venture companies , which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to joint venture, which is a company incorporated in India, is based solely on the corresponding report of the auditor of the joint venture company.

Our opinion is not modified in respect of the above matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: New Delhi
Date: April 24, 2018

(All amounts are in millions of Indian Rupees)

	Notes	As of March 31, 2018	As of March 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	6	706,079	620,088
Capital work-in-progress	6	52,089	23,942
Goodwill	7	328,070	338,082
Other intangible assets	7	837,855	824,181
Intangible assets under development	7	45,423	84,443
Investment in joint ventures and associates	8	86,839	82,277
Financial assets			
- Investments	10	5,769	44,187
- Derivative instruments	11	2,031	4,732
- Security deposits	12	9,703	9,630
- Others	13	5,814	16,653
Income tax assets (net)		25,505	22,716
Deferred tax assets (net)	14	29,330	26,195
Other non-current assets	15	36,319	53,488
		2,170,826	**2,150,614**
Current assets			
Inventories		693	488
Financial assets			
- Investments	10	68,978	16,923
- Derivative instruments	11	8,941	2,060
- Trade receivables	16	58,830	47,402
- Cash and cash equivalents	17	47,886	12,817
- Other bank balances	17	18,820	38,166
- Others	13	27,462	19,737
Other current assets	15	103,380	44,445
		334,990	**182,038**
Total assets		**2,505,816**	**2,332,652**

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(All amounts are in millions of Indian Rupees)

	Notes	As of March 31, 2018	As of March 31, 2017
Equity and Liabilities			
Equity			
Share capital	**18**	19,987	19,987
Other equity		675,357	654,576
Equity attributable to owners of the Parent		**695,344**	**674,563**
Non-controlling interests ('NCI')		88,139	68,750
		783,483	**743,313**
Non-current liabilities			
Financial liabilities			
- Borrowings	**20**	849,420	896,373
- Derivative instruments	**11**	5,409	2,726
- Others	**21**	44,547	15,681
Deferred revenue		22,117	22,335
Provisions	**22**	7,212	7,471
Deferred tax liabilities (net)	**14**	10,606	9,429
Other non-current liabilities	**23**	623	727
		939,934	**954,742**
Current liabilities			
Financial liabilities			
- Borrowings	**20**	129,569	129,442
- Current maturities of long-term borrowings	**20**	134,346	47,062
- Derivative instruments	**11**	283	2,335
- Trade payables		277,675	268,537
- Others	**21**	140,605	90,212
Deferred revenue		48,666	48,785
Provisions	**22**	2,384	2,215
Current tax liabilities (net)		11,058	11,239
Other current liabilities	**23**	37,813	34,770
		782,399	**634,597**
Total liabilities		**1,722,333**	**1,589,339**
Total equity and liabilities		**2,505,816**	**2,332,652**

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

As per our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Hemant M. Joshi
Partner
(Membership No: 38019)

Place: **New Delhi**

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

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Date: **April 24, 2018**

(All amounts are in millions of Indian Rupees; except per share data)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
Revenue	**25**	836,879	954,683
Other income		2,488	1,206
		839,367	**955,889**
Expenses			
Network operating expenses	**26**	197,520	209,154
Access charges		90,446	102,786
License fee / spectrum charges (revenue share)		75,558	92,760
Employee benefits expense	**27**	39,771	43,032
Sales and marketing expenses	**28**	55,766	66,732
Other expenses	**29**	77,027	86,921
		536,088	**601,385**
Profit from operating activities before depreciation, amortisation and exceptional items		**303,279**	**354,504**
Depreciation and amortisation	**30**	192,431	197,730
Finance costs	**31**	93,255	95,466
Finance income	**31**	(12,540)	(18,492)
Non-operating expenses (net)		141	1,319
Share of results of joint ventures and associates	**8**	(10,609)	(10,449)
Profit before exceptional items and tax		**40,601**	**88,930**
Exceptional items	**32**	7,931	11,697
Profit before tax		**32,670**	**77,233**
Tax expense / (credit)			
Current tax	**14**	18,230	21,240
Deferred tax	**14**	(7,395)	13,579
Profit for the year		**21,835**	**42,414**

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Bharti Airtel Limited
Consolidated Statement of Profit and Loss
(All amounts are in millions of Indian Rupees; except per share data)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit for the year (continued from previous page)		**21,835**	**42,414**
Other comprehensive income ('OCI')			
Items to be reclassified subsequently to profit or loss :			
Net losses due to foreign currency translation differences		(7,181)	(41,424)
Net losses on net investment hedge		(8,024)	(10,330)
Net gains on cash flow hedge		809	857
Net gains on fair value through OCI investments		129	107
Tax charge	14	(122)	(16)
		(14,389)	**(50,806)**
Items not to be reclassified to profit or loss :			
Re-measurement gains / (losses) on defined benefit plans		205	(73)
Share of OCI of joint ventures and associates	8	18	(9)
Tax (charge) / credit		(29)	20
		194	**(62)**
Other comprehensive loss for the year		**(14,195)**	**(50,868)**
Total comprehensive income / (loss) for the year		**7,640**	**(8,454)**
Profit for the year attributable to :		**21,835**	**42,414**
Owners of the Parent		10,990	37,998
Non-controlling interests		10,845	4,416
Other comprehensive loss for the year attributable to :		**(14,195)**	**(50,868)**
Owners of the Parent		(13,445)	(48,655)
Non-controlling interests		(750)	(2,213)
Total comprehensive income / (loss) for the year attributable to :		**7,640**	**(8,454)**
Owners of the Parent		(2,455)	(10,657)
Non-controlling interests		10,095	2,203
Earnings per share (Face value : Rs. 5 each) (In Rupees)			
Basic	33	2.75	9.51
Diluted	33	2.75	9.51

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

As per our report of even date

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

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Hemant M. Joshi
Partner
(Membership No: 38019)

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Place: **New Delhi**

Date: **April 24, 2018**

(All amounts are in millions of Indian Rupees; except per share data)

	Equity attributable to owners of the Parent											
	Share capital		Other equity									
			Reserves and surplus									
	No of shares (in '000)	Amount	Securities premium account	Retained earnings	General reserves	Debenture redemption reserve	Share-based payment reserve	NCI reserve	Other components of equity (Note 19)	Total	Non-controlling interests	Total equity
As of April 1, 2016	**3,997,400**	**19,987**	**123,456**	**453,279**	**27,030**	-	**5,169**	**51,165**	**(12,393)**	**647,706**	**54,981**	**722,674**
Profit for the year	-	-	-	37,998	-	-	-	-	-	37,998	4,416	42,414
Other comprehensive loss	-	-	-	(62)	-	-	-	-	(48,593)	(48,655)	(2,213)	(50,868)
Total comprehensive income / (loss)	-	-	-	**37,936**	-	-	-	-	**(48,593)**	**(10,657)**	**2,203**	**(8,454)**
Transaction with owners of equity												
Employee share-based payment expense	-	-	-	-	-	-	328	-	-	328	10	338
Exercise of share options	-	-	-	-	-	-	(1,432)	-	157	(1,275)	(1,236)	(2,511)
Transaction with NCI	-	-	-	-	-	-	-	26,051	-	26,051	26,303	52,354
Dividend paid (including tax) to Company's shareholders	-	-	-	(6,543)	-	-	-	-	-	(6,543)	-	(6,543)
Dividend paid (including tax) to NCI	-	-	-	-	-	-	-	-	-	-	(12,869)	(12,869)
Movement on account of court approved schemes	-	-	-	(1,034)	-	-	-	-	-	(1,034)	(642)	(1,676)
As of March 31, 2017	**3,997,400**	**19,987**	**123,456**	**483,638**	**27,030**	-	**4,065**	**77,216**	**(60,829)**	**654,576**	**68,750**	**743,313**
Profit for the year	-	-	-	10,990	-	-	-	-	-	10,990	10,845	21,835
Other comprehensive income / (loss)	-	-	-	194	-	-	-	-	(13,639)	(13,445)	(750)	(14,195)
Total comprehensive income / (loss)	-	-	-	**11,184**	-	-	-	-	**(13,639)**	**(2,455)**	**10,095**	**7,640**
Transaction with owners of equity												
Employee share-based payment expense	-	-	-	-	-	-	392	-	-	392	21	413
Purchase of treasury shares	-	-	-	-	-		-		(424)	(424)	-	(424)
Exercise of share options	-	-	-	-	3,510	-	(3,675)	-	149	(16)	(13)	(29)
Transaction with NCI	-	-	-	-	-	-	-	42,625	-	42,625	13,812	56,437
Creation of debenture redemption reserve	-	-	-	-	(7,500)	7,500	-	-	-	-	-	-
Dividend paid (including tax) to Company's shareholders	-	-	-	(18,475)	-	-	-	-	-	(18,475)	-	(18,475)
Dividend paid (including tax) to NCI	-	-	-	-	-	-	-	-	-	-	(3,933)	(3,933)
Movement on account of court approved schemes	-	-	-	(866)	-	-	-	-	-	(866)	(593)	(1,459)
As of March 31, 2018	**3,997,400**	**19,987**	**123,456**	**475,481**	**23,040**	**7,500**	**782**	**119,841**	**(74,743)**	**675,357**	**88,139**	**783,483**

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

As per our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Hemant M. Joshi
Partner
(Membership No: 38019)

Place: **New Delhi**

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

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Date: **April 24, 2018**

Bharti Airtel Limited
Consolidated Statement of Cash Flows
(All amounts are in millions of Indian Rupees)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flows from operating activities		
Profit before tax	32,670	77,233
Adjustments for :		
Depreciation and amortisation	192,431	197,730
Finance costs	93,255	95,466
Finance income	(12,540)	(18,492)
Share of results of joint ventures and associates	(10,609)	(10,449)
Exceptional items	325	(276)
Employee share-based payment expense	413	338
Other non-cash items	10,410	7,900
Operating cash flow before changes in working capital	**306,355**	**349,450**
Changes in working capital		
Trade receivables	(24,474)	5,366
Trade payables	15,122	7,640
Inventories	(202)	948
Provisions	154	(26)
Other financial and non financial liabilities	51,205	3,558
Other financial and non financial assets	(35,899)	(52,550)
Net cash generated from operations before tax	**312,261**	**314,386**
Income tax paid	(13,723)	(31,587)
Net cash generated from operating activities (a)	**298,538**	**282,799**
Cash flows from investing activities		
Purchase of property, plant and equipment	(245,259)	(223,030)
Proceeds from sale of property, plant and equipment	5,655	4,462
Purchase of intangible assets *	(17,749)	(155,673)
Payment towards Spectrum - Deferred payment liability *	(9,909)	(9,804)
Net movement in current investments	(50,259)	5,785
Purchase of non-current investments	-	(89,073)
Sale of non-current investments	36,495	82,557
Investment in subsidiary, net of cash acquired / associate	(19,498)	(283)
Sale of subsidiaries	-	59,604
Sale of tower assets	4,869	7,120
Investment in associate	(60)	(250)
Proceeds from sale of interest in associate / joint venture	-	447
Dividend received	10,377	9,789
Interest received	5,662	2,305
Net cash used in investing activities (b)	**(279,676)**	**(306,044)**
Cash flows from financing activities		
Proceeds from borrowings	197,664	258,584
Repayment of borrowings	(130,717)	(274,608)
Net proceeds from short-term borrowings	(26,874)	25,377
Proceeds from sale and finance leaseback of towers	2,958	6,277
Repayment of finance lease liabilities	(3,932)	(3,899)
Purchase of treasury shares	(424)	-
Interest and other finance charges paid	(44,041)	(58,566)
Proceeds from exercise of share options	13	65
Dividend paid (including tax)	(32,652)	(9,168)
Proceeds from issuance of equity shares to NCI (refer note 5)	21	1,245
Sale of interest in a subsidiary (refer Note 5)	57,189	61,863
Purchase of shares from NCI (refer note 5)	-	(10,684)
Net cash generated from / (used in) financing activities (c)	**19,205**	**(3,514)**
Net increase / (decrease) in cash and cash equivalents during the year (a+b+c)	**38,067**	**(26,759)**
Effect of exchange rate on cash and cash equivalents	281	(756)
Cash and cash equivalents as at beginning of the year	(9,880)	17,635
Cash and cash equivalents as at end of the year (Note 17)	**28,468**	**(9,880)**

*Cash flows towards spectrum acquisition are based on the timing of payouts to DoT (viz. upfront / deferred).

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

As per our report of even date

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

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

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

Hemant M. Joshi
Partner
(Membership No: 38019)

Nilanjan Roy
Global Chief Financial Officer

Pankaj Tewari
Company Secretary

Place: **New Delhi**

Date: **April 24, 2018**

1. Corporate information

Bharti Airtel Limited ('the Company' or 'the Parent') is domiciled and incorporated in India as a limited liability company with its shares being listed on the National Stock Exchange and the Bombay Stock Exchange. The registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company together with its subsidiaries (hereinafter referred to as 'the Group') has presence in India, Africa and South Asia. The principal activities of the Group, its joint ventures and associates consist of provision of telecommunication services, tower infrastructure services and direct-to-home digital television services. The details as to the services provided by the Group are further provided in note 36. For details as to the Group structure, refer note 39.

2. Summary of significant accounting policies

2.1 Basis of preparation

These consolidated financial statements ('financial statements') have been prepared to comply in all material respects with the Indian Accounting Standard ('Ind AS') as notified by the Ministry of Corporate Affairs('MCA') under section 133 of the Companies Act, 2013 ('Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act.

The financial statements are authorised for issue by the Company's Board of Directors on April 24, 2018.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013. Further, for the purpose of clarity, various items are aggregated in the statement of profit and loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the financial statements, where applicable or required.

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or 'Rs.') and are rounded to the nearest million, except per share data and unless stated otherwise. Further, amounts which are less than a million are appearing as '0'.

The preparation of the said financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Group's accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in note 3.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by all the group entities, to all the periods presented in the said financial statements. Further, previous year figures have been re-grouped, wherever necessary to conform to current year's classification.

2.2 Basis of measurement

The financial statements have been prepared on the accrual and going concern basis, and the historical cost convention except where the Ind AS requires a different accounting treatment. The principal variations from the historical cost convention relate to financial instruments classified as fair value through profit or loss or through other comprehensive income (refer note 2.10 (b)), liability for cash-settled awards (refer note 2.17), the component of carrying values of recognised liabilities that are designated in fair value hedges (refer note 2.10 (d)) - which are measured at fair value.

Fair value measurement

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants. The Group's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

The Group is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The three levels of the fair-value-hierarchy are described below:
Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets
Level 2: Significant inputs to the fair value measurement are directly or indirectly observable
Level 3: Significant inputs to the fair value measurement are unobservable

2.3 Basis of consolidation

a. Subsidiaries

Subsidiaries include all the entities over which the Group has control. The Group controls an entity when it is exposed or has right to variable return from its involvement with the entity, and has the ability to affect those returns through its power (that is, existing rights that give it the current ability to direct the relevant activities) over the entity. The Group re-assesses whether or not it controls the entity, in case the under-lying facts and circumstances indicate that there are changes to above mentioned parameters that determine the existence of control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group, and they are de-consolidated from the date that control ceases. Non-controlling interests is the equity in a subsidiary not attributable to a parent and presented separately from the Group's equity. Non-controlling interests consist of the amount at the date of the business combination and its share of changes in equity since that date. Profit or loss and other comprehensive income are attributed to the controlling and non-controlling interests in proportion to their ownership interests, even if this results in the non-controlling interests having a deficit balance. However, in case where there are binding contractual arrangements that determine the attribution of the earnings, the attribution specified by such arrangement is considered.

The profit or loss on disposal (associated with loss of control) is recognised in the statement of profit and loss being the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest, and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. In addition, any amounts previously recognised in the other comprehensive income in respect of that de-consolidated entity, are accounted for as if the Group had directly disposed off the related assets or liabilities. This may mean that amounts previously recognised in the other comprehensive income are re-classified to the statement of profit and loss. Any retained interest in the entity is remeasured to its fair value with the resultant change in carrying value being recognised in statement of profit and loss.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as a transaction with equity holders. Any difference between the amount of the adjustment to non-controlling interests and any consideration exchanged is recognised in 'NCI reserve', a component of equity.

b. Joint ventures and associates

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investment in joint ventures and associates are accounted for using equity method; from the date on which Group obtains joint control over the joint venture / starts exercising significant influence over the associate. The said investments are tested at-least annually and whenever circumstances indicate that their carrying values may exceed the recoverable amount (viz. higher of the fair value less costs to sell and the value-in-use).

c. Method of consolidation

Accounting policies of the respective individual subsidiary, joint venture and associate are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

The standalone financial statements of subsidiaries are fully consolidated on a line-by-line basis, after adjusting for business combination adjustments (refer note 2.4). Intra-group balances and transactions, and income and expenses arising from intra-group transactions, are eliminated while preparing the said financial statements. The un-realised gains resulting from intra-group transactions are also eliminated. Similarly, the un-realised losses are eliminated, unless the transaction provides evidence as to impairment of the asset transferred.

The Group's investments in its joint ventures and associates are accounted for using the equity method. Accordingly, the investments are carried at cost less any impairment losses, as adjusted for post-acquisition changes in the Group's share of the net assets of investees. Any excess of the cost over the Group's share of net assets in its joint ventures / associates at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment. The un-realised gains / losses resulting from transactions with joint ventures and associates are eliminated against the investment to the extent of the Group's interest in the investee. However, un-realised losses are eliminated only to the extent that there is no evidence of impairment.

At each reporting date, the Group determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of investment and its carrying value.

2.4 Business combinations

The Group accounts for business combinations using the acquisition method of accounting, and accordingly, the identifiable assets acquired and the liabilities assumed in the acquiree are recorded at their acquisition date fair values (except certain assets and liabilities which are required to be measured as per the applicable standard) and the non-controlling interest is initially recognised at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. The consideration transferred for the acquisition of a subsidiary is aggregation of the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group in exchange for control of the acquiree.

The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is subsequently measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, along with the amount of any non-controlling interests in the acquiree and the acquisition-date fair value (with the resulting difference being recognised in statement of profit and loss) of any previous equity interest in the acquiree, over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Acquisition-related costs are expensed in the period in which the costs are incurred.

If the initial accounting for a business combination is incomplete as at the reporting date in which the combination occurs, the identifiable assets and liabilities acquired in a business combination are measured at their provisional fair values at the date of acquisition. Subsequently adjustments to the provisional values are made within the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date; otherwise the adjustments are recorded in the period in which they occur.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with Ind AS 18 'Revenue'.

2.5 Foreign currency transactions

a. Functional and presentation currency

The items included in financial statements of each of the Group's entities are measured using the currency of primary economic environment in which the entity operates (i.e. 'functional currency').

The financial statements are presented in Indian Rupees which is the functional and presentation currency of the Company.

b. Transactions and balances

Transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in the statement of profit and loss within finance costs / finance income. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – the resulting foreign exchange difference, on subsequent re-statement / settlement, recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.

The equity items denominated in foreign currencies are translated at historical cost.

c. Foreign operations

The assets and liabilities of foreign operations (including the goodwill and fair value adjustments arising on the acquisition of foreign entities) are translated into Rupees at the exchange rates prevailing at the reporting date whereas their statements of profit and loss are translated into Rupees at monthly average exchange rates and the equity is recorded at the historical rate. The resulting exchange differences arising on the translation are recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR'), a component of equity. On disposal of a foreign operation (that is, disposal involving loss of control), the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

2.6 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

Deferred tax assets and liabilities, and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The derivatives designated in hedging relationship and separated embedded derivatives are classified basis the hedged item and host contract respectively.

2.7 Property, plant and equipment ('PPE')

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), assets retirement obligations (refer note 2.18 (b)) and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Further, it includes assets installed on the premises of customers as the associated risks, rewards and control remain with the Group.

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of PPE are required to be replaced at regular intervals, the Group recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. Further, in case the replaced part was not being depreciated separately, the cost of the replacement is used as an indication to determine the cost of the replaced part at the time it was acquired.

The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Group, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straight-line method over the estimated useful lives. Freehold land is not depreciated as it has an unlimited useful life. The Group has established the estimated range of useful lives for different categories of PPE as follows:

Categories	Years
Leasehold improvement	Period of lease or 10 -20 years, as applicable, whichever is less
Leasehold land	Period of lease
Buildings	20
Plant and equipment	
- Network equipment (including passive infrastructure)	3 - 20
- Customer premise equipment	5 - 6
- Assets taken on finance lease	Period of lease or 10 years, as applicable, whichever is less
Other equipment, operating and office equipment	
Computer equipment	3
Furniture & fixture and Office equipment	2 - 5
Vehicles	3 - 5

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at-least as at each financial year end so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted prospectively, and accordingly, the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed off are de-recognised from the balance sheet and the resulting gains / (losses) are included in the statement of profit and loss within other expenses / other income.

The cost of capital work-in-progress ('CWIP') is presented separately in the balance sheet.

2.8 Intangible assets

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be measured reliably.

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable net assets purchased (refer note 2.4). Goodwill is not amortised; however it is tested annually for impairment (refer note 2.9) and carried at cost less any accumulated impairment losses. The gains / (losses) on the disposal of a cash-generating-unit ('CGU') include the carrying amount of goodwill relating to the CGU sold (in case goodwill has been allocated to group of CGUs; it is determined on the basis of the relative fair value of the operations sold).

The intangible assets that are acquired in a business combination are recognised at its fair value there at. Other intangible assets are recognised at cost. These assets having definite useful life are carried at cost less accumulated amortisation and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life of intangible assets.

The Group has established the estimated useful lives of different categories of intangible assets as follows:

a. Software

Software are amortised over the period of license, generally not exceeding three years.

b. Bandwidth

Bandwidth is amortised over the period of the agreement.

c. Licenses (including spectrum)

Acquired licenses and spectrum are amortised commencing from the date when the related network is available for intended use in the relevant jurisdiction. The useful lives range from two to twenty five years.
The revenue-share based fee on licenses / spectrum is charged to the statement of profit and loss in the period such cost is incurred.

d. Other acquired intangible assets

Other acquired intangible assets include the following:

Rights acquired for unlimited license access: Over the period of the agreement which ranges upto five years

Distribution network: One year to two years

Customer base: Over the estimated life of such relationships which ranges from one year to five years

Non-compete fee: Over the period of the agreement which ranges upto five years

The useful lives and amortisation method are reviewed, and adjusted appropriately, at least at each financial year end so as to ensure that the method and period of amortisation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives and / or amortisation method is accounted prospectively, and accordingly, the amortisation is calculated over the remaining revised useful life.

Further, the cost of intangible assets under development includes the amount of spectrum allotted to the

Group and related costs (including borrowing costs that are directly attributable to the acquisition or construction of qualifying assets) (refer note 2.21), if any, for which services are yet to be rolled out and are presented separately in the balance sheet.

2.9 Impairment of non-financial assets

a. Goodwill

Goodwill is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired. For the purpose of impairment testing, the goodwill is allocated to a cash-generating-unit ('CGU') or group of CGUs ('CGUs'), which are expected to benefit from the acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment occurs when the carrying value of a CGU / CGUs including the goodwill, exceeds the estimated recoverable amount of the CGU / CGUs. The recoverable amount of a CGU / CGUs is the higher of its fair value less costs to sell and its value in use. Value-in-use is the present value of future cash flows expected to be derived from the CGU / CGUs.

The total impairment loss of a CGU / CGUs is allocated first to reduce the carrying value of Goodwill allocated to that CGU / CGUs and then to the other assets of that CGU / CGUs - on pro-rata basis of the carrying value of each asset.

b. PPE, intangible assets and intangible assets under development

PPE (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Intangible assets under development is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired.

For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the CGU level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro-rata basis.

Reversal of impairment losses

Impairment loss in respect of goodwill is not reversed. Other impairment losses are reversed in the statement of profit and loss and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset / CGU in previous years.

2.10 Financial instruments

a. Recognition, classification and presentation

The financial instruments are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the financial instrument.

The Group determines the classification of its financial instruments at initial recognition.

The Group classifies its financial assets in the following categories: a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and b) those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group has classified all the non-derivative financial liabilities as measured at amortised cost.

The entire hybrid contract, financial assets with embedded derivatives, are considered in their entirety for determining the contractual terms of the cash flow and accordingly, the embedded derivatives are not separated. However, derivatives embedded in non-financial instrument / financial liabilities (measured at amortised cost) host contracts are classified as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts.

Financial assets and liabilities arising from different transactions are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, the Group currently has a legally enforceable right to set-off the related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

b. Measurement - Non-derivative financial instruments

I. Initial measurement

At initial recognition, the Group measures the non-derivative financial instruments at its fair value plus, in the case of a financial instruments not at fair value through profit or loss, transaction costs. Otherwise transaction costs are expensed in the statement of profit and loss.

II. Subsequent measurement - financial assets

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

i. Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate ('EIR') method (if the impact of discounting / any transaction costs is significant). Interest income from these financial assets is included in finance income.

ii. Financial assets at fair value through other comprehensive income ('FVTOCI')

Equity investments which are not held for trading and for which the Group has elected to present the change in the fair value in other comprehensive income and debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flow represent solely payment of principal and interest, are measured at FVTOCI.

The changes in fair value are taken through OCI, except for the impairment (on debt instruments), interest (basis EIR method), dividend and foreign exchange differences which are recognised in the statement of profit and loss.

When the financial asset is derecognised, the related accumulated fair value adjustments in OCI as at the date of derecognition are reclassified from equity and recognised in the statement of profit and loss. However, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss in case of equity instruments.

iii. Financial assets at fair value through profit or loss ('FVTPL')

All equity instruments and financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. Interest (basis EIR method) and dividend income from financial assets at FVTPL is recognised in the statement of profit and loss within finance income / finance costs separately from the other gains/losses arising from changes in the fair value.

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and debt instrument carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month expected credit loss ('ECL') is used to provide for impairment loss, otherwise lifetime ECL is used.

However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

III. Subsequent measurement - financial liabilities

Financial liabilities are subsequently measured at amortised cost using the EIR method (if the impact of discounting / any transaction costs is significant).

c. Measurement - derivative financial instruments

Derivative financial instruments, including separated embedded derivatives, that are not designated as hedging instruments in a hedging relationship are classified as financial instruments at fair value through profit or loss - Held for trading. Such derivative financial instruments are initially recognised at fair value. They are subsequently measured at their fair value, with changes in fair value being recognised in the statement of profit and loss within finance income / finance costs.

d. Hedging activities

I. Fair value hedge

Some of the group entities use certain type of derivative financial instruments (viz. interest rate / currency swaps) to manage / mitigate their exposure to the risk of change in fair value of the borrowings. The Group designates certain interest swaps to hedge the risk of changes in fair value of recognised borrowings attributable to the hedged interest rate risk. The effective portion of changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss within finance income / finance costs, together with any changes in the fair value of the hedged liability that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised to profit or loss over the period to remaining maturity of the hedged item.

II. Cash flow hedge

Some of the group entities use certain types of derivative financial instruments (viz. foreign currency forwards, options, swaps) to manage / mitigate their exposure to foreign exchange and price risk. Further, the Group designates certain such derivative financial instruments (or its components) as hedging instruments for hedging the exchange rate fluctuation risk attributable to is either to an recognised item or a highly probable forecast transaction ('Cash flow hedge'). The effective portion of changes in the fair value of Derivative financial instruments (or its components) that are designated and qualify as Cash flow hedges, are recognised in the Other comprehensive income and held in Cash flow hedge reserve ('CFHR') - a component of Equity. Any gains / (losses) relating to the ineffective portion, are recognised immediately in the statement of profit and loss within finance income / finance costs. The amounts accumulated in Equity are re-classified to the statement of profit and loss in the periods when the hedged item affects profit / (loss).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gains / (losses) existing in equity at that time remains in equity and is recognised (on the basis as discussed in the above paragraph) when the forecast transaction is ultimately recognised in the statement of profit and loss. However, at any point of time, when a forecast transaction is no longer expected to occur, the cumulative gains / (losses) that were reported in equity is immediately transferred to the statement of profit and loss within finance income / finance costs.

III. Net investment hedge

The Group hedges its certain net investment in foreign subsidiaries which are accounted for similar to cash flow hedges. Accordingly, any foreign exchange differences on the hedging instrument (viz. borrowings) relating to the effective portion of the hedge is recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR') - a component of equity, so as to offset the change in the value of the net investment being hedged. The ineffective portion of the gains or loss on these hedges is immediately recognised in the statement of profit and loss. The amounts accumulated in equity are included in the statement of profit and loss when the foreign operation is disposed or partially disposed.

e. Derecognition

The financial liabilities are de-recognised from the balance sheet when the under-lying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The financial assets are de-recognised from the balance sheet when the rights to receive cash flows from the financial assets have expired, or have been transferred and the Group has transferred substantially all risks and rewards of ownership. The difference in the carrying amount is recognised in the statement of profit and loss.

2.11 Leases

The determination of whether an arrangement is a lease is based on whether fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.
Leases where the lessor transfers substantially all the risks and rewards of ownership of the leased asset are classified as finance lease and other leases are classified as operating lease.

Operating lease receipts / payments are recognised as an income / expense on a straight-line basis over the lease term unless the lease payments increase in line with expected general inflation.

Contingent rents are recognised as income / expense in the period in which they are earned / incurred.

a. Group as a lessee

Assets acquired under finance leases are capitalised at the lease inception at lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are apportioned between finance charges (recognised in the statement of profit and loss) and reduction of the lease liability so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period.

Sale and leaseback transaction involves the sale and the leasing back of the same asset. In case it results in a finance lease, any profit or loss is not recognised, instead the asset leased back is retained at its carrying value. However, in case it results in an operating lease, any profit or loss is recognised immediately provided the transaction occurs at fair value.

b. Group as a lessor

Assets leased to others under finance lease are recognised as receivables at an amount equal to the net investment in the leased assets. Finance lease income is allocated to periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised in statement of profit and loss on a stratght-line basis over the lease term.

The Group enters into 'Indefeasible right to use' ('IRU') arrangement wherein the assets are given on lease over the substantial part of the asset life. However, the title to the assets and significant risk associated with the operation and maintenance of these assets remains with the Group. Hence, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the balance sheet.

2.12 Taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.

a. Current tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date in the respective countries where the group entities operate and generate taxable income. The payment made in excess / (shortfall) of the respective group entities' income tax obligation for the period are recognised in the balance sheet under non-current income tax assets / liabilities.

Any interest, related to accrued liabilities for potential tax assessments are not included in Income tax charge or (credit), but are rather recognised within finance costs.

The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

b. Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax are not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Further, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Moreover, deferred tax is recognised on temporary differences arising on investments in subsidiaries, joint ventures and associates - unless the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Group currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation authority and where there is an intention to settle the current income tax balances on net basis.

2.13 Inventories

Inventories are stated at the lower of cost (determined using the first-in-first-out method) and net realisable value. The costs comprise its purchase price and any directly attributable cost of bringing to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated variable costs necessary to make the sale.

2.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of changes in value). However, for the purpose of the statement of cash flows, in addition to above items, any bank overdrafts / cash credits that are integral part of the Group's cash management, are also included as a component of cash and cash equivalents.

2.15 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets-held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell except for assets such as deferred tax assets, financial assets that are carried at fair value. Non-current assets are not depreciated or amortised while they are classified as held for sale.

Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative loss previously recognised.

If the criteria for the held for sale are no longer met, it ceases to be classified as held for sale and are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation / amortisation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

2.16 Share capital / Securities premium account / Treasury shares

Ordinary shares are classified as Equity when the Company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect.

When the Company purchases its ordinary shares through Bharti Airtel Employees' Welfare Trust, they are treated as treasury shares, and the consideration paid is deducted from the Equity. When the treasury shares are subsequently re-issued, any difference between its carrying amount and consideration received is recognised in share-based-payment reserve.

2.17 Employee benefits

The Group's employee benefits mainly include wages, salaries, bonuses, defined contribution to plans, defined benefit plans, compensated absences, deferred compensation and share-based payments. The employee benefits are recognised in the year in which the associated services are rendered by the group employees.

a. Defined contribution plans

The contributions to defined contribution plans are recognised in profit or loss as and when the services are rendered by employees. The Group has no further obligations under these plans beyond its periodic contributions.

b. Defined benefit plans

In accordance with the local laws and regulations, all the employees in India are entitled for the Gratuity plan. The said plan requires a lump-sum payment to eligible employees (meeting the required vesting service condition) at retirement or termination of employment, based on a pre-defined formula.

The Group provides for the liability towards the said plans on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method.

The obligation towards the said benefits is recognised in the balance sheet, at the present value of the defined benefit obligations less the fair value of plan assets (being the funded portion). The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

The interest income / (expense) are calculated by applying the above mentioned discount rate to the plan assets and defined benefit obligations. The net interest income / (expense) on the net defined benefit obligation is recognised in the statement of profit and loss. However, the related re-measurements of the net defined benefit obligation are recognised directly in the other comprehensive income in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions), the return on plan assets (excluding interest). Re-measurements are not re-classified to the statement of profit and loss in any of the subsequent periods.

c. Other long-term employee benefits

The employees of the Group are entitled to compensated absences as well as other long-term benefits. Compensated absences benefit comprises of encashment and availment of leave balances that were earned by the employees over the period of past employment.

The Group provides for the liability towards the said benefits on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related re-measurements are recognised in the statement of profit and loss in the period in which they arise.

d. Share-based payments

The Group operates equity-settled and cash-settled, employee share-based compensation plans, under which the Group receives services from employees as consideration for stock options either towards shares of the Company / cash settled units.

In case of equity-settled awards, the fair value is recognised as an expense in the statement of profit and loss within employee benefits as employee share-based payment expenses, with a corresponding increase in share-based payment reserve (a component of equity).

However, in case of cash-settled awards, the credit is recognised as a liability within other non-financial liabilities. Subsequently, at each reporting period, until the liability is settled, and at the date of settlement, liability is re-measured at fair value through statement of profit and loss.

The total amount so expensed is determined by reference to the grant date fair value of the stock options granted, which includes the impact of any market performance conditions and non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions. However, the non-market performance vesting and service conditions are considered in the assumption as to the number of options that are expected to vest. The forfeitures are estimated at the time of grant and reduce the said expense rateably over the vesting period.

The expense so determined is recognised over the requisite vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. As at each reporting date, the Group revises its estimates of the number of options that are expected to vest, if required.

It recognises the impact of any revision to original estimates in the period of change. Accordingly, no expense is recognised for awards that do not ultimately vest, except for which vesting is conditional upon a market performance / non-vesting condition. These are treated as vesting irrespective of whether or not the market / non-vesting condition is satisfied, provided that service conditions and all other non-market performance are satisfied.

Where the terms of an award are modified, in addition to the expense pertaining to the original award, an incremental expense is recognised for any modification that results in additional fair value, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled (including due to non-vesting conditions not being met), it is treated as if it is vested thereon, and any un-recognised expense for the award is recognised immediately.

2.18 Provisions

a. General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the said obligation, and the amounts of the said obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation, using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to un-winding of discount over passage of time is recognised within finance costs.

b. Asset retirement obligations ('ARO')

ARO are recognised for those operating lease arrangements where the Group has an obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation and are recognised as part of the cost of that particular asset. The estimated future costs of decommissioning are reviewed annually and any changes in the estimated future costs or in the discount rate applied are adjusted from the cost of the asset.

2.19 Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised and disclosed only where an inflow of economic benefits is probable.

2.20 Revenue recognition

Revenue is recognised when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be measured reliably. Revenue is recognised at the fair value of the consideration received or receivable, which is generally the transaction price, net of any taxes, duties, discounts and process waivers.
In order to determine if it is acting as a principal or as an agent, the Group assesses whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services.

a. Service revenues

Service revenues mainly pertain to usage, subscription and activation charges for voice, data, messaging, value added services and broadcasting. It also includes revenue towards interconnection / roaming charges for usage of the Group's network by other operators for voice, data, messaging and signalling services.

Usage charges are recognised based on actual usage. Subscription charges are recognised over the estimated customer relationship period or subscription pack validity period, whichever is lower. Customer onboarding revenue and associated cost is recognised upfront. Activation revenue and related activation costs are amortised over the estimated customer relationship period. However, any excess of activation costs over activation revenue are expensed as incurred.

The billing / collection in excess of revenue recognised is presented as deferred revenue in the balance sheet whereas unbilled revenue is recognised under other current financial assets.

Certain business' service revenues include income from registration and installation, which are amortised over the period of agreement since the date of activation of services.

Revenues from long distance operations comprise of voice services and bandwidth services (including installation), which are recognised on provision of services and over the period of arrangement respectively.

b. Multiple element arrangements

The Group has entered into certain multiple-element revenue arrangements which involve the delivery or performance of multiple products, services or rights to use assets. At the inception of the arrangement, all the deliverables therein are evaluated to determine whether they represent separately identifiable component basis it is perceived from the customer perspective to have value on standalone basis.

Total consideration related to the multiple element arrangements is allocated among the different components based on their relative fair values (i.e., ratio of the fair value of each element to the aggregated fair value of the bundled deliverables). In case the relative fair value of different components cannot be determined on a reasonable basis, the total consideration is allocated to the different components on a residual value method.

c. Equipment sales

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories. Such transactions are recognised when the significant risks and rewards of ownership are transferred to the customer. However, in case of equipment sale forming part of multiple-element revenue arrangements which is not separately identifiable component, revenue is recognised over the customer relationship period.

d. Capacity swaps

The exchange of network capacity is recognised at fair value unless the transaction lacks commercial substance or the fair value of neither the capacity received nor the capacity given is reliably measurable.

e. Interest income

The interest income is recognised using the EIR method. For further details, refer note 2.10.

f. Dividend income

Dividend income is recognised when the Group's right to receive the payment is established. For further details, refer note 2.10

2.21 Borrowing costs

Borrowing costs consist of interest and other ancillary costs that the Group incurs in connection with the borrowing of funds. The borrowing costs directly attributable to the acquisition or construction of any asset that takes a substantial period of time to get ready for its intended use or sale are capitalised. All the other borrowing costs are recognised in the statement of profit and loss within finance costs of the period in which they are incurred.

2.22 Exceptional items

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

2.23 Non-operating expense / income

Non-operating expense comprises regulatory levies applicable to finance income in some of the geographies whereas non-operating income pertains to certain fee income in one of the group entities.

2.24 Dividends paid

Dividend to shareholders is recognised as a liability and deducted from equity, in the year in which the dividends are approved by the shareholders. However, interim dividends declared by the Board of directors, which does not need shareholders' approval, are recognised as a liability and deducted from retained earnings, in the year in which the dividends are so declared.

2.25 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS data.

Basic EPS is computed by dividing the profit for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period excluding the treasury shares.

Diluted EPS is computed by adjusting, the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving Basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the period, unless issued at a later date during the period.

3. Critical accounting estimates, assumptions and judgements

The estimates and judgements used in the preparation of the said financial statements are continuously evaluated by the Group, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Group believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.
Although the Group regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions under-lying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The

changes in estimates are recognised in the financial statements in the year in which they become known.

3.1 Critical accounting estimates and assumptions

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

a. Impairment reviews

PPE (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Similarly, goodwill and intangible assets under development is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired. For details as to the impairment policy, refer note 2.9. Accordingly the Company has performed impairment reviews for the above assets. However, the said reviews did not result in any impairment charge.

In calculating the value in use, the Group is required to make significant judgements, estimates and assumptions inter-alia concerning the growth in EBITDA, long-term growth rates and discount rates to reflect the risks involved. Also, judgement is involved in determining the CGU /grouping of CGUs for allocation of the goodwill.

The Group mainly operates in developing markets and in such markets, the plan for shorter duration is not indicative of the long-term future performance. Considering this and the consistent use of such robust ten year information for management reporting purpose, the Group uses ten year plans for the purpose of impairment testing.

b. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority.

Deferred tax assets are recognised for the unused tax losses and minimum alternate tax credits for which there is probability of utilisation against the future taxable profit. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

c. Property, plant and equipment

Refer note 2.7 and 6 for the estimated useful life and carrying value of property, plant and equipment respectively.

During the year ended March 31, 2017, the Group had reassessed useful life of certain categories of network assets due to technological developments and accordingly, had revised the estimate of its useful life in respect of those assets. Out of those assets, the additional depreciation charge of Rs. 3,258 on assets for which the revised useful life had expired by March 31, 2016 has been recognised and disclosed as 'exceptional items' and additional depreciation charge of Rs. 6,969 for other assets has been recognised within 'Depreciation and amortisation' during the year ended March 31, 2017. The impact of above change on the depreciation charge for the future years after March 31, 2018 is as follows:

	Year Ended		Future period till
	March 31, 2019	March 31, 2020	end of life
Impact on future depreciation charge	(2,765)	(1,133)	16,968

d. Allowance for impairment of trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances

e. Contingent liability

Refer note 24 (i) for details of contingent liability.

3.2 Critical judgement's in applying the Group's accounting policies

The critical judgement's, which the management has made in the process of applying the Group's accounting policies and has the most significant impact on the amounts recognised in the said financial statements, is discussed below:

a. Revenue recognition and presentation

The Group assesses its revenue arrangements in order to determine if it is acting as a principal or as an agent by determining whether it has primary obligation basis pricing latitude and exposure to credit / inventory risks associated with the sale of goods / rendering of services.

In the said assessment, both the legal form and substance of the agreement are reviewed to determine each party's role in the transaction.

b. Determination of functional currency

The Group has determined the functional currency of the group entities by identifying the primary economic environment in which the entity operates - based on under-lying facts / circumstances. However, in respect of certain intermediary foreign operations of the Group, the determination of functional currency is not very obvious due to mixed indicators and the extent of autonomy enjoyed by the foreign operation. In such cases management uses its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

c. Taxes

The identification of temporary differences pertaining to the investment in subsidiaries that are expected to reverse in the foreseeable future and the determination of the related deferred income tax liabilities after considering the requisite tax credits require the Group to make significant judgements.

4. Standards issued but not effective until the date of authorisation for issuance of the said financial statements

The new significant standards, amendments to Standards that are issued but not yet effective until the date of authorisation for issuance of the said financial statements are discussed below. The Group has not early adopted these amendments and intends to adopt when they become effective.

Ind AS 115, 'Revenue from Contracts with Customers'

In March 2018, MCA has notified the Ind AS 115, Revenue from Contract with Customers. As a consequence of issuance of Ind AS 115, relevant paragraphs have been inserted / amended in various other standards.

The Standard establishes a new five-step model that will apply to revenue arising from contracts with customers. Under this standard, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in Ind AS 115 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under Ind AS. The effective date of Ind AS 115 is annual periods beginning on or after April 1, 2018. The Group does not expect that the adoption of the said standard and related amendments will have any significant impact on the consolidated financial statements per se.

5. Significant transactions / new developments

a) During the year ended March 31, 2018, the Group has entered into an agreement to sell 15% equity stake in Bharti Telemedia Limited, a subsidiary of the Company. The said transaction is subject to requisite regulatory approvals and other closing conditions.

b) i. During the year ended March 31, 2018, the Group had entered into a share purchase agreement with Millicom International Cellular S.A. to acquire 100% equity interest in Tigo Rwanda Limited. The acquisition will make the Group the second largest mobile operator in Rwanda. The difference of Rs. 362 between the fair value of purchase consideration (including contingent consideration) aggregating to Rs. 3,200 and provisional fair value of net assets has been recognised as goodwill. The said goodwill is mainly attributable to the acquired customer base and economies of scale expected from combining the operations of the Group.

The contingent consideration arrangement requires the Group to pay between Nil to Rs. 554 (undiscounted basis) which is contingent on the achievement of meeting a target performance and is essentially an earn out condition. As at the acquisition date, the fair value of the said consideration was Rs. 339 determined using the discounted cash flow and estimated probability of payout.

The initial accounting for the acquisition has only been provisionally determined at the end of the reporting period. At the date of finalisation of these consolidated financial statements, the necessary deferred tax related implications and calculations thereto had not been finalised and they have therefore only been provisionally determined based on the management's best estimate.

From the date of acquisition, the acquired entity has contributed for the year ended March 31, 2018, revenue of Rs. 473 and loss of Rs. 85 to the revenue and profit of the Group respectively, Management estimates if the said business combination had taken place at the beginning of the year, the statement of profit and loss would show pro-forma revenue of Rs. 839,816 and the profit of Rs. 20,209.

ii. During the year ended March 31, 2018, the Group had entered into a share purchase agreement with seller of Tikona Digital Networks Private Limited ('TDNPL') to acquire 100% equity interest in TDNPL. The difference of Rs. 739 Mn between the purchase consideration and fair value of net assets has been recognised as goodwill. The said goodwill is mainly attributable to synergies expected from the combined operation of the Group and TDNPL.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

iii. The fair value of the assets and liabilities recognised at the date of acquisition for the above acquisitions are as follows:

	Tigo	Tikona	Total
Non-current assets			
Property, plant and equipment (including CWIP)	4,634	206	4,840
Intangible assets	945	17,258	18,203
Non-current liabilities			
Borrowings	1,786	10,538	12,324
Defferred tax liabilities	-	1,709	1,709
Working capital	(955)	3,014	2,059
Net assets acquired	**2,838**	**8,231**	**11,069**

c) During the year ended March 31, 2017, the Group signed a definitive agreement to enter into 50-50 joint venture between Bharti Airtel Ghana Holdings B.V. and MIC Africa B.V. against consideration of their respective ownership interest of operations in Ghana. Further during the year ended March 31, 2018, as the closing conditions for consummation of the transaction have been fulfilled, the Group and Millicom International Cellular have formed a joint venture to combine their telecommunication operations in Ghana.

The details of consideration received (determined on provisional basis), assets and liabilities over which control was lost and gain on disposal (recorded as exceptional item) is as follows:

A. Consideration received	**As of October 12, 2017**
Fair value of consideration received	7,663

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(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

B. Net assets disposed off

Non-current assets	
Property, plant and equipment	5,776
Goodwill and other intangible assets	7,962
Others	47
Current Assets	
Cash and cash equivalents	135
Trade receivables	640
Other current assets	570
Total Assets (a)	**15,130**
Non-current liabilities	
Others	862
Current liabilities	
Borrowings	4,278
Trade payable	2,065
Others	895
Total Liabilities (b)	**8,100**
Net assets disposed off (a-b)	**7,030**

C. Gain on disposal* **312**

D. Net cash inflow on disposal

Consideration received in cash and cash equivalent	-
Less: cash and cash equivalents held by the entity	(135)
	(135)

*Gain on disposal has been computed after adjusting FCTR reclassified to statement of profit and loss and provision towards future contractual settlements.

d) During the year ended March 31, 2018, an understanding for demerger of consumer mobile businesses of Tata Teleservices Limited and Tata Teleservices Maharashtra Limited into the Company / Bharti Hexacom Limited (subsidiary of the Company) was entered into. Further, the board of directors have approved the scheme(s) of arrangement under section 230 to section 232 of the Companies Act, 2013 for the said demerger. The said transaction is subject to requisite regulatory approvals.

e) During the year ended March 31, 2017, Bharti Infratel Limited ('BIL'), a subsidiary of the Company had bought back its approx. 47 Mn shares against a consideration of Rs. 425 per share aggregating to

Rs. 20,000, wherein the Company and other shareholders had tendered the shares in the ratio of 62% and 38% approximately. Accordingly, the shareholding of the Company in BIL had increased by 0.25%, and hence the consideration paid to NCI over and above the reduction in their carrying value amounting Rs. 1,514 had been recognised in NCI reserve, a component of equity.

Further, the Group has sold approx. 150.5 Mn equity shares and 190.6 Mn equity shares of BIL during the year ended March 31, 2018 and March 31, 2017 respectively. The excess of proceeds (net of associated transaction costs, taxes and regulatory levies) over the change in NCI amounting to Rs. 42,598 and Rs. 39,241 during the year ended March 31, 2018 and March 31, 2017 has been recognised directly in NCI reserve, a component of equity.

f) During the year ended March 31, 2017, the Group had entered into a scheme of amalgamation for the merger of Telenor (India) Communication Private Limited with the Company. The said transaction is subject to requisite regulatory approvals and other closing conditions.

g) During the year ended March 31, 2017, Bharti Telemedia Limited ('BTL'), a subsidiary of the Company allotted 500 Mn shares, against a consideration of Rs. 10 per share aggregating to Rs. 5,000, to the Company and Bharti Enterprises Limited ('BEL') in the ratio of their existing shareholding (viz. 95:5). Accordingly, the Group had allocated BEL's share of accumulated losses in BTL to the extent of capital contribution received from BEL.

h) During the year ended March 31, 2017, the Group acquired rights to use spectrum in the 1800 MHz band for six circles against a consideration of Rs. 46,530 from Videocon Telecommunications Limited.

i) During the year ended March 31, 2017, the Group acquired rights to use spectrum in the 2300 MHz band for eight circles against a consideration of Rs. 35,000 from Aircel Limited and its subsidiaries Dishnet Wireless Limited.

j) During the year ended March 31, 2017, the Group acquired 24.89% of shares in Airtel Ghana Limited by subscribing to the right issue through the conversion of existing shareholder loans hereby, increasing its shareholding to 99.89%. The excess of consideration over the carrying value of the interest acquired, Rs. 9,130, had been recognised in transaction with NCI reserve, a component of equity.

k) During the year ended March 31, 2017, the Group acquired 4.20% equity stake in Airtel Networks Limited, thereby, increasing its shareholding to 83.25%. The excess of consideration paid to NCI over the carrying value of the interest acquired, Rs. 3,923, had been recognised in transaction with NCI reserve, a component of equity.

l) (i) During the year ended March 31, 2017, the Group merged its business operations in Bangladesh with

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Robi Axiata Limited and accordingly lost control over Airtel Bangladesh Limited and acquired 25% stake in the merged entity (viz. Robi Axiata Limited) as an associate of the Group.

(ii) During the year ended March 31, 2017, the Group had sold Group's operations in Burkina Faso and Sierra Leone.

The details of consideration received, assets and liabilities over which control was lost and gain on disposals (recorded as exceptional item) is as follows:

	As of		
	June 22, 2016	July 19, 2016	November 16, 2016
	Burkina Faso	Sierra Leone	Bangladesh
A. Consideration received			
Fair value of consideration received	39,554	22,185	25,956
B. Net assets disposed off			
Non-current assets			
Property, plant and equipment	6,922	4,110	18,661
Goodwill and other intangible assets	25,232	8,972	16,765
Others	1,203	1,014	720
Current Assets			
Cash and cash equivalents	1,017	402	426
Trade receivables	1,153	132	689
Other current assets	3,953	629	1,752
Total Assets (a)	**39,480**	**15,259**	**39,013**
Non-current liabilities			
Others	1,018	153	961
Current liabilities			
Borrowings	1,074	73	7,445
Trade payable	9,090	904	4,681
Others	1,096	69	2,812
Total Liabilities (b)	**12,278**	**1,199**	**15,899**
Net assets disposed off (a-b)	**27,202**	**14,060**	**23,114**
C. Gain on disposal *	**8,404**	**1,778**	**2,038**

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

D. Net cash inflow on disposal

Consideration received in cash and cash equivalent (net of transaction tax)	39,554	20,820	-
Less: cash and cash equivalents held by the entity	58	(402)	(426)
	39,612	**20,418**	**(426)**

*Gain on disposal has been computed after adjusting FCTR reclassified to statement of profit and loss, transactional taxes, deferred gains on account of transaction with associate and provision towards future contractual settlements.

m) During the year ended March 31, 2017, the Group has been allotted 172 MHz spectrum across 1800 / 2100 / 2300 MHz. Consequently, the Group had paid amount of Rs. 74,018 upfront and opted the deferred payment option for Rs. 66,764.

n) During the year ended March 31, 2017, the Group had sold its entire stake in its African associate, Tanzania Telecommunications Company Limited and recognised gain of Rs. 443 on disposal as exceptional item.

o) During the year ended March 31, 2017, the Group had acquired 100% equity stake of Augere Wireless Broadband India Private Limited ('AWBPL'). On June 7, 2016, on fulfillment of the relevant conditions the transactions has been consummated and goodwill of Rs. 150 has been recognised. Subsequently, with effect from February 15, 2017, AWBPL had merged with the Company through the scheme of arrangement under Sections 391 to 394 of the Companies Act, 1956.

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(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

6. Property, plant and equipment ('PPE')

The following table presents the reconciliation of changes in the carrying value of PPE for the year ended March 31, 2018 and 2017:

	Leasehold improvement	Building	Land	Plant and equipment	Furniture & fixture	Vehicles	Office equipment	Computer	Total
Gross carrying value									
As of April 1, 2016	**9,163**	**11,873**	**3,687**	**1,230,511**	**3,661**	**2,414**	**9,212**	**85,745**	**1,356,266**
Additions / capitalisation	378	86	351	202,705	710	157	981	4,309	209,677
Disposals / adjustments	(471)	(153)	(241)	(28,714)	(361)	(151)	(1,496)	(3,136)	(34,723)
Sale of subsidiaries / towerco operation^	(130)	(610)	(97)	(69,400)	(970)	(115)	(328)	(4,777)	(76,427)
Net transfers to / from assets-held-for-sale	-	-	-	4,990	-	-	-	-	4,990
Exchange differences	(537)	(788)	(262)	(53,624)	(317)	(131)	(942)	(10,635)	(67,236)
As of March 31, 2017	**8,403**	**10,408**	**3,438**	**1,286,468**	**2,723**	**2,174**	**7,427**	**71,506**	**1,392,547**
Additions / capitalisation	318	147	123	220,354	389	57	798	7,688	229,874
Acquisition through business combinations^	15	157	-	3,996	-	19	-	510	4,697
Disposals / adjustments	229	(498)	520	(38,517)	(29)	(52)	(547)	119	(38,775)
Sale of subsidiaries^	(82)	(66)	-	(9,184)	(145)	(4)	(114)	(1,345)	(10,940)
Exchange differences	127	9	131	(4,665)	59	88	(54)	(141)	(4,446)
As of March 31, 2018	**9,010**	**10,157**	**4,212**	**1,458,452**	**2,997**	**2,282**	**7,510**	**78,337**	**1,572,957**
Accumulated depreciation									
As of April 1, 2016	**6,674**	**2,841**	**127**	**651,301**	**2,493**	**1,977**	**6,791**	**73,554**	**745,758**
Charge#	804	570	5	136,400	561	177	1,040	6,474	146,031
Disposals / adjustments	(503)	677	5	(26,576)	688	(151)	(2,278)	(3,332)	(31,470)
Sale of subsidiaries / towerco operation^	(98)	(152)	-	(38,421)	(900)	(96)	(268)	(3,949)	(43,884)
Net transfers to / from assets-held-for-sale	-	-	-	1,374	-	-	-	-	1,374
Exchange differences	(392)	(245)	(9)	(33,975)	(491)	(94)	(621)	(9,523)	(45,350)
As of March 31, 2017	**6,485**	**3,691**	**128**	**690,103**	**2,351**	**1,813**	**4,664**	**63,224**	**772,459**
Charge#	533	495	18	128,189	429	176	1,028	6,154	137,022
Disposals / adjustments	228	(384)	(33)	(32,400)	(3)	(28)	(170)	119	(32,671)
Sale of subsidiaries^	(60)	(27)	-	(4,168)	(134)	(3)	(90)	(1,222)	(5,704)
Exchange differences	122	5	11	(4,318)	13	72	(42)	(91)	(4,228)
As of March 31, 2018	**7,308**	**3,780**	**124**	**777,406**	**2,656**	**2,030**	**5,390**	**68,184**	**866,878**
Net carrying value									
As of March 31, 2017	1,918	6,717	3,310	596,365	372	361	2,763	8,282	620,088
As of March 31, 2018	1,702	6,377	4,088	681,046	341	252	2,120	10,153	706,079

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

^Refer note 5 (b), (c), (l) & (o)

#It includes Rs. 3,672 (March 31, 2017 Rs. 2,936) on account of exceptional item with respect to plant and equipment (refer note 32 (i) a & (ii) b, c, d) and Rs. 387 (March 31, 2017 Rs. 510) on account of court approved scheme / arrangements**.**

@Refer note 24 (ii) (a) for assets given on operating lease

The carrying value of CWIP as at March 31, 2018 and 2017 is Rs. 52,089 and Rs. 23,942 respectively, which mainly pertains to plant and equipment.

The following table summarises the detail of the significant assets taken on finance lease:

Plant and equipment	**As of**	
	March 31, 2018	**March 31, 2017**
Gross carrying value@	36,453	37,165
Accumulated depreciation	19,898	18,757
Net carrying value	16,555	18,408

@During the year ended March 31, 2017, sale and lease back of 1,510 towers in two of the African countries was completed for a consideration of Rs. 13,193. The portion leased back which have been classified as finance lease, has been retained at the carrying value of Rs. 5,430 and the finance lease obligation has been recorded at Rs. 5,855, being the fair value of the leased back portion.

For details towards pledge of the above assets refer note 20.

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(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

7. Intangible assets

The following table presents the reconciliation of changes in the carrying value of goodwill and other intangible assets for the year ended March 31, 2018 and 2017:

		Other intangible assets				
	Goodwill #	Software	Bandwidth	Licenses (including spectrum)	Other acquired intangibles	Total
Gross carrying value						
As of April 1, 2016	**431,018**	**16,218**	**19,901**	**771,197**	**4,405**	**811,721**
Additions / capitalisation	-	2,783	4,903	205,372	5,463	218,521
Acquisition through business combinations^	150	-	-	1,250	-	1,250
Disposals / adjustments@	-	(92)	(86)	(1,095)	-	(1,273)
Sale of subsidiaries / towerco operation^	(44,066)	(944)	(182)	(19,015)	-	(20,141)
Exchange differences	(46,383)	17	(954)	(24,497)	(91)	(25,525)
As of March 31, 2017	**340,719**	**17,982**	**23,582**	**933,212**	**9,777**	**984,553**
Additions / capitalisation	-	3,637	7,451	64,352	6	75,446
Acquisition through business combinations^	1,084	-	-	321	632	953
Disposals / adjustment@	-	(140)	(824)	(10,362)	(389)	(11,715)
Sale of subsidiaries^	(6,310)	-	(463)	(16,112)	-	(16,575)
Exchange differences	(4,783)	2	(71)	(2,830)	102	(2,797)
As of March 31, 2018	**330,710**	**21,481**	**29,675**	**968,581**	**10,128**	**1,029,865**
Accumulated amortisation						
As of April 1, 2016	-	**12,027**	**5,342**	**108,011**	**2,302**	**127,682**
Charge	-	2,780	1,507	48,611	2,247	55,145
Disposals / adjustments@	-	36	(82)	(1,127)	(100)	(1,273)
Sale of subsidiaries / towerco operation^	-	(792)	(68)	(8,849)	-	(9,709)
Exchange differences	-	13	(79)	(11,344)	(63)	(11,473)
As of March 31, 2017	-	**14,064**	**6,620**	**135,302**	**4,386**	**160,372**
Charge	-	2,731	1,663	52,612	2,462	59,468
Disposals / adjustments@		(140)	(824)	(10,362)	(389)	(11,715)
Sale of subsidiaries^	-	-	(53)	(14,868)	-	(14,921)
Exchange differences	-	2	(9)	(1,295)	108	(1,194)
As of March 31, 2018	-	**16,657**	**7,397**	**161,389**	**6,567**	**192,010**
Net carrying value						
As of March 31, 2017	338,082	3,918	16,962	797,910	5,391	824,181
As of March 31, 2018	328,070	4,824	22,278	807,192	3,561	837,855

#Net carrying value of goodwill includes accumulated impairment of Rs. 2,640.

^Refer note 5 (b), (c), (l) & (o)

@Mainly pertains to gross block and accumulated amortisation of license (including spectrum), bandwidth and software whose useful life has expired.

The carrying value of Intangible assets under development as at March 31, 2018 and March 31, 2017 is Rs. 45,423 and Rs. 84,443 respectively, which pertains to spectrum.

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

During the year ended March 31, 2018 and 2017 the Group has capitalised borrowing cost of Rs. 3,037 and Rs. 2,750 respectively.

Weighted average remaining amortization period of licenses as of March 31, 2018 and March 31, 2017 is 15.88 years and 16.60 years respectively.

For details towards pledge of the above assets refer note 20.

Impairment review

The Group tests goodwill for impairment annually on December 31. During the year ended March 31, 2018, the testing did not result in any impairment in the carrying amount of goodwill.

The carrying amount of goodwill is attributable to the following CGU / group of CGUs:

	As of	
	March 31, 2018	**March 31, 2017**
Mobile Services - Africa	281,182	291,959
Mobile Services - India	40,413	39,676
Airtel business	6,131	6,103
Homes Services	344	344
	328,070	**338,082**

The recoverable amount of the above CGUs are based on value-in-use, which is determined based on ten year business plans that have been approved by management for internal purposes. The said planning horizon reflects the assumptions for short-to-mid term market developments. The cash flows beyond the planning period are extrapolated using appropriate terminal growth rates. The terminal growth rates used do not exceed the long term average growth rates of the respective industry and country in which the entity operates and are consistent with the internal / external sources of information.

The key assumptions used in value-in-use calculations are as follows:

- Earnings before interest, taxes, depreciation and amortisation ('EBITDA') margins
- Discount rate
- Growth rates
- Capital expenditures

EBITDA margins: The margins have been estimated based on past experience after considering incremental revenue arising out of adoption of valued added and data services from the existing and new customers, though these benefits are partially offset by decline in tariffs in competitive scenario. Margins will be positively impacted from the efficiencies and cost rationalisation / others initiatives driven by the Company; whereas, factors like higher churn, increased cost of operations may impact the margins negatively.

Discount rate: Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs and estimated based on the weighted average cost of capital for respective CGU / group of CGUs. Post-tax discount rates used are 18.20% / 10.60% for Mobile Services – Africa / other CGUs respectively, for the year ended March 31, 2018 and 17.55% / 9.13% for Mobile Services – Africa / other CGUs respectively, for the year ended March 31, 2017. The post-tax discount rates as grossed up for tax impact during the projection period (marginal tax rates are mainly in the range of 30% to 40%) are the pre-tax discount rates used for discounting the cash flows.

Growth rates: The growth rates used are in line with the long-term average growth rates of the respective industry and country in which the entity operates and are consistent with the internal / external sources of information. The average growth rates used in extrapolating cash flows beyond the planning period ranged from 3.5% to 4.0% for March 31, 2018 and ranged from 3.5% to 4.0% for March 31, 2017.

Capital expenditures: The cash flow forecasts of capital expenditure are based on past experience after considering the additional capital expenditure required for roll out of incremental coverage requirements and to provide enhanced voice and data services.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use for Homes Services, Mobile Services - India CGU group (as of December 31, 2016) and Airtel Business, no reasonably possible change in any of the above key assumptions would have caused the carrying amount of these units to exceed their recoverable amount.

In case of Mobile Services - India CGU group, the recoverable amount exceeds the carrying amount by Rs. 349,671 (25.5%) as of December 31, 2017. An increase of 1.78% in pre-tax discount rate shall equate the recoverable amount with the carrying amount of the Mobile Services – India CGU group as of December 31, 2017. Further, no reasonably possible change in the terminal growth rate beyond the planning horizon would cause the carrying amount to exceed the recoverable amount.

In case of Mobile Services - Africa CGU group, the recoverable amount exceeds the carrying amount by Rs. 54,087 (15.2%) as of December 31, 2017 and Rs. 33,103 (8.1%) as of December 31, 2016. An increase of 2.4% (December 31, 2016: 0.9%) in pre-tax discount rate shall equate the recoverable amount with the carrying amount of the Mobile Services – Africa CGU group as of December 31, 2017. Further, no reasonably possible change in the terminal growth rate beyond the planning horizon would cause the carrying amount to exceed the recoverable amount.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

8. Investment in joint ventures and associates

Details of joint ventures:

S.no.	Name of joint ventures	Principal place of business	Principal activities	Ownership interest % As of March 31, 2018	Ownership interest % As of March 31, 2017
1	Indus Towers Limited*	India	Passive infrastructure services	22.49	25.91
2	Airtel Ghana Limited$	Ghana	Telecommunication services	49.95	-
3	Millicom Ghana Company Limited$	Ghana	Telecommunication services	49.95	-
4	Airtel Mobile Commerce Ghana Limited$	Ghana	Mobile commerce services	49.95	-
5	Mobile Financial Services Limited$	Ghana	Mobile commerce services	49.95	-
6	Bharti Airtel Ghana Holdings B.V.$	Netherlands	Investment company	50	-
7	Bridge Mobile Pte Limited	Singapore	Provision of regional mobile services	10	10
8	FireFly Networks Limited	India	Telecommunication services	50	50

* Bharti Infratel Limited, in which the Group has 53.54% equity interest (61.68% as of March 31, 2017), owns 42% of Indus Towers Limited .

$ w.e.f. October 12, 2017, refer note 5 (c).

Details of associates:

S.no.	Name of associates	Principal place of business	Principal activities	Ownership interest % As of March 31, 2018	Ownership interest % As of March 31, 2017
1	Seychelles Cable Systems Company Limited	Seychelles	Submarine cable system	26	26
2	Robi Axiata Limited (refer note 5 (l))	Bangladesh	Telecommunication services	25	25
3	Seynse Technologies Private Limited	India	Financial services	22.54	22.54
4	Juggernaut Books Private Limited (w.e.f. November 29, 2017)	India	Digital books publishing services	10.71	-

The amounts recognised in the balance sheet are as follows:

	As of March 31, 2018	As of March 31, 2017
Joint ventures	64,714	59,461
Associates	22,125	22,816
	86,839	**82,277**

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

The amounts recognised in the statement of profit and loss are as follows:

	For the year ended	
	March 31, 2018	**March 31, 2017**
Recognised in profit and loss		
Joint ventures	10,715	11,091
Associates	(106)	(642)
	10,609	**10,449**
Recognised in other comprehensive income		
Joint ventures	1	(9)
Associates	17	-
	18	**(9)**

The summarised financial information of joint venture and associate that are material to the Group are as follows:

Summarised balance sheet

	As of				
	Joint ventures			Associate	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2018	March 31, 2017
	Indus Towers Limited		Bharti Airtel Ghana Holdings B.V.*	Robi Axiata Limited	
Assets					
Non current assets	**201,576**	**207,357**	**12,102**	**104,308**	**95,480**
Current assets					
Cash and cash equivalents ('C&CE')	1,063	1,121	1,759	1,111	1,507
Other current assets (excluding 'C&CE')	33,534	17,182	2,120	8,899	6,904
Total current assets	**34,597**	**18,303**	**3,879**	**10,010**	**8,411**
Liabilities					
Non current liabilities					
Borrowings	9,556	10,589	4,122	6,078	8,578
Other liabilities	31,751	30,294	716	2,836	2,706
Total non current liabilities	**41,307**	**40,883**	**4,838**	**8,914**	**11,284**
Current liabilities					
Borrowings	30,683	24,090	869	22,177	11,620
Other liabilities	32,233	28,522	12,283	37,396	33,521
Total current liabilities	**62,916**	**52,612**	**13,152**	**59,573**	**45,141**
Equity	**131,950**	**132,165**	**(2,009)**	**45,831**	**47,466**
Percentage of Group's ownership interest	42%	42%	50%	25%	25%
Interest in joint venture / associate	55,419	55,509	(1,005)	11,458	11,867
Consolidation adjustment (inlcuding goodwill / accounting policy alignment)	2,691	3,900	7,548	10,162	10,700
Carrying amount of investment	**58,110**	**59,409**	**6,543**	**21,620**	**22,567**

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Summarised information on statement of profit and loss

	For the year / period ended				
	Joint ventures			Associate	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2018	March 31, 2017
	Indus Towers Limited		Bharti Airtel Ghana Holdings B.V.*	Robi Axiata Limited	
Revenue	187,424	174,817	5,612	52,635	19,901
Depreciation and amortisation	27,766	26,116	1,388	11,574	7,958
Finance income	995	376	-	66	52
Finance cost	5,053	5,440	789	1,343	479
Income tax expense	16,593	15,273	3	1,385	(1,814)
Profit / (loss) for the year / period	**31,013**	**28,451**	**(1,092)**	**(1,668)**	**(4,932)**
OCI / loss for the year / period	3	(22)	-	76	-
Percentage of Group's ownership interest	42%	42%	50%	25%	25%
Group's share in profit / (loss) for the year	13,025	11,949	(546)	(417)	(1,233)
Group's share in OCI / (loss) for the year / period	1	(9)	-	19	-
Consolidation adjustments / accounting policy alignment	(1,209)	(866)	(564)	135	51
Group's share in profit / (loss) recognised@	**11,816**	**11,083**	**(1,110)**	**(282)**	**(1,182)**
Dividend received from joint venture / associate	10,010	9,510	-	-	-

@During the year ended March 31, 2017 loss of Rs. 540 has been recognised as exceptional item for Robi Axiata Limited (refer note 32 (ii) (f)).

*Based on consolidated financial statements of the entity

The aggregate information of joint ventures that are individually immaterial is as follows:

	As of	
	March 31, 2018	March 31, 2017
Carrying amount of investments	61	52

	For the year ended	
Group's share in joint ventures	March 31, 2018	March 31, 2017
Net profit	9	8
Total comprehensive income	9	8

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

The aggregate information of associates that are individually immaterial is as follows:

	As of	
	March 31, 2018	**March 31, 2017**
Carrying amount of investments	505	249
Cumulative unrecognised losses	-	90

	For the year ended	
Group's share in associates'	**March 31, 2018**	**March 31, 2017**
Net profit	176	0
Total comprehensive income	176	0
Unrecognised losses	-	46

Refer note 24 for Group's share of joint venture's and associate's commitments and contingencies.

9. Investments in subsidiaries

Information as to the subsidiaries which are part of the Group is as follows:

S. no.	**Principal activity**	**Principal place of business**	**Number of wholly-owned subsidiaries**	
			As of	
			March 31, 2018	**March 31, 2017**
1	Telecommunication services	India	4	3
2	Telecommunication services	Africa	8	7
3	Telecommunication services	South Asia	1	1
4	Telecommunication services	Others	6	6
5	Mobile commerce services	India	-	-
6	Mobile commerce services	Africa	13	14
7	Infrastructure services	Africa	4	4
8	Infrastructure services	South Asia	-	2
9	Direct to home services	Africa	-	1
10	Submarine cable	Mauritius	1	1
11	Investment company	Netherlands	22	25
12	Investment company	Mauritius	7	6
13	Investment company	Others	3	4
14	Others	India	2	1
			71	**75**

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

S. no.	Principal activity	Principal place of business	Number of non-wholly-owned subsidiaries	
			As of	
			March 31, 2018	March 31, 2017
1	Telecommunication services	India	2	2
2	Telecommunication services	Africa	7	8
3	Mobile commerce services	India	1	1
4	Mobile commerce services	Africa	3	3
5	Infrastructure services	India	1	1
6	Infrastructure services	Africa	2	3
7	Direct to home services	India	1	1
8	Investment company	Africa	1	1
9	Others	India	-	1
			18	**21**

Additionally, the Group also controls the employee stock option plan trusts as mentioned herebelow:

S. no.	Name of trust	Principal place of business
1	Bharti Airtel Employees' Welfare Trust	India
2	Bharti Infratel Employees' Welfare Trust	India

The summarised financial information of subsidiaries (including acquisition date fair valuation and adjustments thereto, and accounting policies alignment) having material non-controlling interests is as follows:-

Summarised balance sheet

	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Networks Limited	
	As of		As of		As of	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Assets						
Non current assets	135,827	178,274	94,539	89,157	53,692	63,174
Current assets	76,121	47,118	8,931	6,984	465	5,343
Liabilities						
Non current liabilities	14,613	14,705	2,628	3,560	32,288	37,798
Current liabilities	18,159	43,952	35,949	25,753	37,573	43,049
Equity	**179,176**	**166,735**	**64,893**	**66,828**	**(15,704)**	**(12,330)**
% of ownership interest held by NCI	46.46%	38.32%	30.00%	30.00%	16.75%	16.75%
Accumulated NCI	83,245	63,893	19,468	20,049	(2,630)	(2,064)

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

Summarised statement of profit and loss

	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Networks Limited	
	For the year ended		For the year ended		For the year ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Revenue	64,751	60,178	44,181	51,313	66,781	69,543
Net profit / (loss)	22,651	25,624	(1,119)	6,601	(2,927)	(22,173)
Other comprehensive income / (loss)	24	84	2	(1)	(450)	(2,010)
Total comprehensive income / (loss)	22,675	25,708	(1,117)	6,600	(3,377)	(24,183)
Profit / (loss) allocated to NCI	9,530	7,242	(335)	2,007	(566)	(4,810)

Summarised statement of cash flows

	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Networks Limited	
	For the year ended		For the year ended		For the year ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Net cash inflow from operating activities	34,694	28,662	9,882	15,162	20,141	13,605
Net cash outflow from investing activities	(18,551)	(2,434)	(14,884)	(16,443)	(9,213)	(10,291)
Net cash (outflow) / inflow from financing activities	(35,548)	(26,648)	2,883	49	(13,270)	(6,497)
Net cash outflow	**(19,405)**	**(420)**	**(2,119)**	**(1,232)**	**(2,342)**	**(3,183)**
Dividend paid to NCI (including tax)	3,411	1,873	246	695	-	-

*Based on consolidated financial statements of the entity (refer note 5 (e))

10 Investments

Non-current

	As of	
	March 31, 2018	March 31, 2017
Investment at FVTPL		
Government securities	292	38,783
Equity instruments	2,672	2,648
Mutual funds	334	308
Preference shares	318	316
	3,616	**42,055**
Investment at FVTOCI		
Bonds	2,153	2,132
	2,153	**2,132**
	5,769	**44,187**

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Current

Investment at FVTPL		
Mutual funds	51,038	221
Government securities	11,798	13,089
Corporate deposits	-	1,425
Bonds	1,001	-
Non-convertible debenture	997	-
	64,834	**14,735**
Investment at FVTOCI		
Government securities	3,904	1,711
Commercial paper	240	477
	4,144	**2,188**
	68,978	**16,923**
Aggregate book / market value of quoted investments		
Non-current	2,777	41,222
Current	65,074	15,466
Aggregate book value of unquoted investments		
Non-current	2,992	2,965
Current	3,904	1,457

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(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

11 Derivative financial instruments

	As of	
	March 31, 2018	**March 31, 2017**
Assets		
Currency swaps, forward and option contracts	8,541	814
Interest swaps	2,101	4,963
Embedded derivatives	330	1,015
	10,972	**6,792**
Liabilities		
Currency swaps, forward and option contracts	474	3,412
Interest swaps	5,210	880
Embedded derivatives	8	769
	5,692	**5,061**
Non-current derivative financial assets	2,031	4,732
Current derivative financial assets	8,941	2,060
Non-current derivative financial liabilities	(5,409)	(2,726)
Current derivative financial liabilities	(283)	(2,335)
	5,280	**1,731**

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(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

12 Security deposits

	As of	
	March 31, 2018	**March 31, 2017**
Considered good*	9,703	9,630
Considered doubtful	1,357	1,464
Less: provision for doubtful deposits	(1,357)	(1,464)
	9,703	**9,630**

Security deposits primarily include deposits given towards rented premises, cell sites and interconnect ports.

*It includes amount due from related party refer note 35.

For details towards pledge of the above assets refer note 20.

13 Financial assets – others

Non-current

	As of	
	March 31, 2018	**March 31, 2017**
Rent equalisation	4,164	4,183
Tower sale receivable	-	10,323
Bank deposits	950	744
Margin money deposits	419	554
Claims recoverable	74	73
Others	207	776
	5,814	**16,653**

The details of interest accrued on above items (which is included within 'interest accrued on deposits' under current other financial assets) is provided in the table given below:

	As of	
	March 31, 2018	**March 31, 2017**
Bank deposits	30	25
Margin money depostis	8	0
Tower sale receivable	-	474
	38	**499**

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

Current

	As of	
	March 31, 2018	**March 31, 2017**
Unbilled revenue	16,136	15,880
Claims recoverable	1,180	2,007
Receivable on sale of business / tower assets*	8,736	-
Interest accrued on investments / deposits	870	1,447
Others#	540	403
	27,462	**19,737**

*Interest accrued on tower sale receivable amounts to Rs. 150 and is included within 'interest accrued on deposits' above.

#It includes finance lease receivables and amounts due from related party (refer note 35).

For details towards pledge of the above assets refer note 20.

14 Income tax

The major components of the income tax expense are:

	For the year ended	
	March 31, 2018	**March 31, 2017**
Current income tax		
- For the year	21,082	21,332
- Adjustments for prior periods	(2,852)	(92)
	18,230	21,240
Deferred tax		
- Origination and reversal of temporary differences	(4,536)	18,436
- Effect of change in tax rate	411	-
- Adjustments for prior periods	(3,270)	(4,857)
	(7,395)	13,579
Income tax expense	**10,835**	**34,819**

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

The reconciliation between the amount computed by applying the statutory income tax rate to the profit before tax and the income tax charge is summarised below:

	For the year ended	
	March 31, 2018	**March 31, 2017**
Profit before tax	32,672	77,233
Tax expense @ company's domestic tax rate of 34.608%	11,307	26,728
Effect of:		
Share of profits in associates and joint ventures	(3,985)	(3,618)
Tax holiday	303	778
Adjustments in respect of previous years	(6,125)	(4,967)
Effect of changes in tax rate	411	-
Additional taxes / taxes for which no credit is allowed	2,339	4,466
Difference in overseas tax rates	(77)	(465)
Items subject to different tax rates	452	(4,311)
(Income) / expense (net) not taxable / deductible	(551)	1,065
Tax on undistributed retained earnings	2,434	2,184
Items for which no deferred tax asset was recognised	4,662	12,311
Settlement of various disputes	(395)	369
Others	60	279
Income tax expense	**10,835**	**34,819**

The analysis of deferred tax assets and liabilities is as follows:

	As of	
	March 31, 2018	**March 31, 2017**
Deferred tax assets (net)		
a) Deferred tax liability due to		
Depreciation / amortisation on PPE / intangible assets	(86,565)	(66,798)
b) Deferred tax asset arising out of		
Provision for impairment of debtors / advances	16,291	13,004
Carry forward losses	23,424	3,382
Unearned income	576	385
Employee benefits	1,285	1,133
Minimum alternate tax ('MAT') credit	57,484	57,465
Lease rent equilisation	7,093	6,983
Fair valuation of financial instruments and exchange differences	8,210	7,748
Rates and taxes	1,431	1,527
Others	101	1,366
	29,330	**26,195**

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

	As of	
Deferred tax liabilities (net)	**March 31, 2018**	**March 31, 2017**
a) Deferred tax liability due to		
Lease rent equilisation (net)	3,639	4,076
Fair valuation of financial instruments and exchange differences	(569)	691
Depreciation / amortisation on PPE / intangible assets	6,242	4,112
Undistributed retained earnings	3,541	2,987
Others	115	187
b) Deferred tax asset arising out of		
Provision for impairment of debtors / advances	(1,652)	(1,389)
Carry forward losses	(498)	(720)
Unearned income	7	(301)
Employee benefits	(219)	(214)
	10,606	**9,430**

	For the year ended	
	March 31, 2018	**March 31, 2017**
Deferred tax expense		
Provision for impairment of debtors / advances	2,604	2,858
Carry forward losses	19,575	(99)
Unearned income	(497)	23
Employee benefits	162	235
MAT credit	(47)	1,223
Lease rent equilisation (net)	658	789
Fair valuation of financial instruments and exchange differences	864	2,377
Rates and taxes	(96)	1,527
Depreciation / amortisation on PPE / intangible assets	(16,178)	(22,496)
Undistributed retained earnings	(549)	(259)
Others	899	243
Net deferred tax expense	**7,395**	**(13,579)**

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

The movement in deferred tax assets and liabilities during the year is as follows:

	For the year ended	
	March 31, 2018	**March 31, 2017**
Opening balance	**16,766**	**34,226**
Tax expense / (credit) recognised in statement of profit or loss	7,395	(13,579)
Tax income recognised in equity	-	1,426
Tax expense on Business combination	(1,709)	-
Tax expense recognised in OCI:		
- on net investments hedge	(122)	(10)
- on fair value through OCI investments	(29)	(6)
Exchange differences and others	(3,577)	(5,291)
Closing balance	**18,724**	**16,766**

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and carry forward tax losses / credits (including capital losses) can be utilised. Accordingly, the Group has not recognised deferred tax assets in respect of deductible temporary differences and carry forward tax losses (including capital losses) of Rs 509,731 and Rs 484,266 as of March 31, 2018 and March 31, 2017 respectively, as it is not probable that relevant taxable profits will be available in future. The applicable tax rates for the same vary from 3% to 45%, depending on the tax jurisdiction in which the respective group entity operates. Of the above balance as of March 31, 2018 and March 31, 2017, Rs. 70,508 and Rs. 58,861 respectively have an indefinite carry forward period and the balance amount expires, if unutilised, as follows:

	As of	
Expiry date	**March 31, 2018**	**March 31, 2017**
Within one - three years	52,694	38,289
Within three - five years	31,265	44,242
Above five years	355,264	342,874
	439,223	**425,405**

Moreover, deferred tax liability has not been recognised in respect of temporary differences pertaining to the investment in its certain subsidiaries, as where Group is in a position to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The temporary differences associated with respect to such investment in subsidiaries are represented by their retained earnings and other reserves (on the basis of their standalone financial statements), aggregating to Rs. 130,715 and Rs. 129,808 as of March 31, 2018 and March 31, 2017 respectively. In case of distribution of the same as dividend, it is expected to attract tax in the range of 10% to 21% depending on the tax rates applicable as of March 31, 2018 in the relevant jurisdiction. Further, the Group has been substantially availing the tax credit and believes that it would continue to avail the tax credit, for the dividend distribution tax payable by the subsidiaries on its dividend distribution.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

15 Other non-financial assets

Non-current

	As of	
	March 31, 2018	**March 31, 2017**
Advances (net)#	32,267	32,980
Capital advances	1,147	2,961
Prepaid expenses	1,600	1,783
Taxes recoverable	-	15,092
Others	1,305	672
	36,319	**53,488**

#Advances represent payments made to various government authorities under protest and are disclosed net of provision (refer note 22).

Capital advances includes advance payment of Nil and Rs. 1,720 towards spectrum as at March 31, 2018 and March 31, 2017 respectively.

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(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Current

	As of	
	March 31, 2018	**March 31, 2017**
Taxes recoverable	74,004	13,524
Advances to suppliers (net)	17,642	17,054
Prepaid expenses	9,275	11,490
Others*	2,459	2,377
	103,380	**44,445**

*It mainly includes security deposits given towards rented premises, cell sites, interconnect ports and other miscellaneous deposits.

Taxes recoverable primarily include Goods and service tax ('GST'), customs duty, excise duty, service tax and sales tax.

Advance to suppliers are disclosed net of provision of Rs. 2,680 and Rs. 2,128 as of March 31, 2018 and March 31, 2017 respectively.

16 Trade receivables

	As of	
	March 31, 2018	**March 31, 2017**
Unsecured		
Considered good*	58,830	47,402
Considered doubtful	51,579	42,258
Less: provision for doubtful receivables	(51,579)	(42,258)
	58,830	**47,402**

*It includes amount due from related party refer note 35.

Refer note 36 (iv) for credit risk

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

The movement in allowances for doubtful debts is as follows:

	For the year ended	
	March 31, 2018	**March 31, 2017**
Opening balance	42,258	35,080
Additions	10,163	8,509
Write off (net of recovery)	(1,156)	(873)
Exchange differences	314	(458)
Closing balance	**51,579**	**42,258**

For details towards pledge of the above assets refer note 20.

17 Cash and bank balances

Cash and cash equivalents ('C&CE')

	As of	
	March 31, 2018	**March 31, 2017**
Balances with banks		
- On current accounts	8,218	9,871
- Bank deposits with original maturity of 3 months or less	37,862	2,532
Cheques on hand	986	16
Cash on hand	820	398
	47,886	**12,817**

Other bank balances

Restricted cash*	15,289	11,408
Earmarked bank balances - unpaid dividend	70	22,250
Term deposits with bank	2,119	3,360
Margin money deposits	1,342	1,148
	18,820	**38,166**

*It represents cash received from subscriber of mobile commerce services.

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

Margin money deposits represents amount given as collateral for legal cases and / or bank guarantees for disputed matters.

The details of interest accrued on above items (which is included within 'interest accrued on deposits' under current other financial assets) is as below:

	As of	
	March 31, 2018	**March 31, 2017**
Cash and cash equivalents		
- Bank deposits with original maturity 3 months or less	1	2
	1	**2**
Other bank balance		
- Margin money depostis	33	31
- Term deposits with bank	124	69
	157	**100**
	158	**102**

For the purpose of the consolidated cash flow statement, C&CE are as following:

	As of	
	March 31, 2018	**March 31, 2017**
C&CE as per balance sheet	47,886	12,817
Bank overdraft	(19,418)	(22,697)
	28,468	**(9,880)**

18 Share capital

	As of	
	March 31, 2018	**March 31, 2017**
Issued, subscribed and fully paid-up shares		
3,997,400,102 equity shares of Rs. 5 each	19,987	19,987
	19,987	**19,987**

a. Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 5 per share. Each holder of equity shares is entitled to cast one vote per share.

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

b. Treasury shares

	For the year ended			
	March 31, 2018		March 31, 2017	
	No. of shares ('000')	Amount	No. of shares ('000')	Amount
Opening balance	1,345	367	1,882	524
Purchased during the year	906	424	-	-
Excercised during the year	(532)	(149)	(537)	(157)
Closing balance	**1,719**	**642**	**1,345**	**367**

c. Dividend

		For the year ended	
		March 31, 2018	March 31, 2017
A	**Declared and paid during the year:**		
	Interim dividend for 2017-18 : Rs. 2.84 per share*	13,658	-
	Dividend on treasury shares*	6	-
	*(including dividend distribution tax @ 20.36% of Rs. 2,311)		
	Final dividend for 2016-17 : Re. 1 per share#	4,810	-
	Dividend on treasury shares#	1	-
	#(including dividend distribution tax of Rs. 814 @ 20.36%)		
	Final dividend for 2015-16 : Rs. 1.36 per share^	-	6,541
	Dividend on treasury shares^	-	2
	^(including dividend distribution tax Rs. 1,107 @ 20.36%)		
		18,475	**6,543**
B	**Proposed dividend**		
	Final dividend for 2017-18: Rs. 2.50 per share (2016-17 : Rs 1 per share)	9,993	3,997
	Dividend distribution tax for 2017-18 @ 20.56% (2016-17 @ 20.36%)	2,054	814
		12,047	**4,811**

The proposed dividend being subject to approval at respective annual general meetings, no related corresponding liability has been recognised in the respective financial years.

19 Other equity

a. **Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Group, re-measurement differences on defined benefit plans, any transfer from general reserve and the reserves arising due to court scheme accounting and adjustments thereto (as explained below for significant Scheme of Arrangements).

The Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities at their respective fair values from Bharti Infratel Ventures Limited (erstwhile subsidiary company), Vodafone Infrastructure Limited, Idea Cellular Tower Infrastructure Limited to its joint venture Indus Towers Limited, was approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 and filed with the Registrar of Companies on June 11, 2013 with appointed date April 1, 2009 and hence was accounted retrospectively with effect from April 01, 2009. Similarly, pursuant to the Scheme of Arrangement of the Company under sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of the Company was transferred to one of its subsidiary Bharti Infratel Limited during the year ended March 31, 2008.

Further, pursuant to the said schemes, mainly the excess of the fair values over the original book values of the assets transferred to them and the periodic depreciation thereto is adjusted in retained earnings.

In absence of any specific provision under Ind AS with respect to court schemes, and the fact that the court schemes are part of the law, accounting prescribed therein (as explained above) will continue to prevail even in the Ind AS financial statements of the Group after being adjusted for intra-group eliminations / equity accounting, as required.

b. **General reserve:** The Company has transferred a portion of its profit before declaring dividend in respective prior years to general reserve, as stipulated under the erstwhile Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013 ('Act').

Further, on exercise of the stock options, the difference between the consideration (i.e. the exercise price and the related amount of share-based payment reserve) and the cost of the related treasury shares, is transferred to general reserve.

c. **Debenture redemption reserve:** Pursuant to the provisions of the Act, the Company is required to create debenture redemption reserve out of the profits and is to be utilised for the purpose of redemption of debentures. On redemption of the debentures, the related amount of this reserve gets transferred to retained earnings.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Other components of equity

	FCTR*	CFHR	FVTOCI reserve	Treasury shares	Total
As of April 1, 2016	**(11,149)**	**(724)**	**4**	**(524)**	**(12,393)**
Net losses due to foreign currency translation differences	(42,134)	-	-	-	(42,134)
Net losses on net investment hedge	(7,402)	-	-	-	(7,402)
Net gains on cash flow hedge	-	857	-	-	857
Net gains on fair value through OCI investments	-	-	86	-	86
Exercise of share options	-	-	-	157	157
As of March 31, 2017	**(60,685)**	**133**	**90**	**(367)**	**(60,829)**
Net losses due to foreign currency translation differences	(7,056)	-	-	-	(7,056)
Net losses on net investment hedge	(7,508)	-	-	-	(7,508)
Net gains on cash flow hedge	-	810	-	-	810
Net gains on fair value through OCI investments	-	-	115	-	115
Purchase of treasury shares	-	-	-	(424)	(424)
Exercise of share options	-	-	-	149	149
As of March 31, 2018	**(75,249)**	**943**	**205**	**(642)**	**(74,743)**

*During the year ended March 31, 2018 and 2017, the Group has reclassified gain of Rs. 60 and loss Rs. 2,073 respectively, from FCTR to statement of profit and loss on sale of foreign subsidiaries (refer note 5).

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(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

20 Borrowings

Non-current

	As of	
	March 31, 2018	March 31, 2017
Secured		
Term loans	16,836	11,474
Vehicle loans*	29	31
	16,865	**11,505**
Less: Current portion (A)	(14,498)	(4,322)
Less: Interest accrued but not due (refer note 21)	(111)	(130)
	2,256	**7,053**
Unsecured		
Term loans#	71,011	69,067
Non-convertible bonds@	389,558	373,765
Non-convertible debentures^	30,068	-
Deferred payment liabilities**	455,602	439,204
Finance lease obligations	48,831	57,089
	995,070	**939,125**
Less: Current portion (B)	(119,848)	(42,740)
Less: Interest accrued but not due (refer note 21)	(28,058)	(7,065)
	847,164	**889,320**
	849,420	**896,373**
Current maturities of long-term borrowings (A + B)	134,346	47,062

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Current

	As of	
	March 31, 2018	**March 31, 2017**
Secured		
Bank overdraft	5,060	663
	5,060	**663**
Unsecured		
Term loans	76,816	92,094
Commercial papers	33,507	14,820
Bank overdraft	14,358	22,034
	124,681	**128,948**
Less: Interest accrued but not due (refer note 21)	(172)	(169)
	129,569	**129,442**

*These loans are secured by hypothecation of the vehicles.

#It includes re-borrowable term loans of Rs. 3,331 and Rs. 9,810 as of March 31, 2018 and March 31, 2017 respectively which have daily prepayment flexibility.

@It includes impact of fair value hedge refers note 36 (ii).

^During the year ended March 31, 2018, the Group has issued 30,000 listed, unsecured, rated, redeemable, Non - Convertible Debentures ('NCDs'), Series I and series II of face value of Rs. 10 Lakhs each, at par aggregating to Rs. 30,000 on private placement basis, carrying interest rates 8.25% p.a. and 8.35% p.a. (payable annually) and principal repayable in year 2020 and 2021 respectively.

**During the year ended March 31, 2018, the Government of India has provided one time option to elect higher number of annual instalments prospectively (upto a maximum of 16 instalments) towards the repayment of spectrum liability viz-a-viz currently allowed 10 instalments. Accordingly, the Company has exercised the option, increasing the remaining number of instalments by 6 annual instalments for all its existing deferred payment liabilities.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

20.1 Analysis of borrowings

The details given below are gross of debt origination cost and fair valuation adjustments with respect to the hedged risk.

20.1.2 Repayment terms of borrowings

The table below summarises the maturity profile of the Group's borrowings:

	As of March 31, 2018						
	Interest rate (range)	**Frequency of installments**	**Number of installments outstanding per facility (range)***	**Within one year**	**Between one and two years**	**Between two and five years**	**Over five years**
Vehicle loans	7.95% - 9.50%	Monthly	6 - 33	15	11	3	-
Term loans	3.38%	Monthly	10	2,716	-	-	-
	4.95% - 5.00%	Quaterly	10 - 11	472	472	264	-
	2.56% - 5.02%	Half yearly	1 - 14	8,181	6,465	13,078	4,424
	2.72% - 4.32%	Annual	1	19,625	-	-	-
	6.00% - 8.98%	Quaterly	3 - 15	5,263	7,363	15,763	-
	7.85% - 8.40%	Half yearly	3 - 9	863	2,725	11,743	-
	7.90%	Annual	2	880	880	-	-
	7.70% - 8.35%	One time	1	63,800	-	-	-
Commercial papers	7.05% - 8.05%	One time	1	33,507	-	-	-
Non-convertible bonds	3.00% - 5.35%	One time	1	80,144	23,842	157,688	129,978
Non-convertible debentures	8.25% - 8.35%	One time	1	-	-	30,000	-
Deferred payment liabilities	9.30% - 10.00%	Annual	13 - 16	24,511	12,217	51,543	345,023
Finance lease obligations	8.05% - 10.30%	Monthly / Annual	8 - 119 / 2	4,858	5,194	18,573	20,151
Bank overdraft	3.88% - 10.65%	Payable on demand	N/A	16,684	-	-	-
	14.00% - 19.00%	Payable on demand	N/A	2,734	-	-	-
				264,253	**59,169**	**298,655**	**499,576**

*The instalments amount due are equal / equated per se.

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(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

	As of March 31, 2017						
	Interst rate (range)	Frequency of installments	Number of installments outstanding per facility (range)*	Within one year	Between one and two years	Between two and five years	Over five years
Vehicle loans	9.25% - 9.48%	Monthly	2 - 35	15	12	5	-
Term loans	0.63%	One time	1	3,891	-	-	-
	1.68% - 1.97%	On demand	N/A	28,372	-	-	-
	4.26% - 4.28%	Quarterly	14 - 15	1,029	1,029	1,573	
	1.45% - 4.52%	Half yearly	1 - 16	10,810	9,069	15,327	8,746
	2.30%	Annual	1	3,243	-	-	-
	7.00% - 8.00%	Quarterly	3 - 12	2,525	2,554	2,450	-
	6.25% - 8.35%	Half yearly	1 - 9	983	3,513	15,988	1,750
	8.00%	Annual	3	1,630	880	880	-
	7.85% - 8.75%	One time	1	55,250	-	-	-
	11.25% - 12.20%	One time	1	1,209	-	-	-
	16.90%	Quarterly	14	182	182	272	-
	23.11%	Half yearly	1	97	-	-	-
Commercial papers	6.35%	One time	1	14,820	-	-	-
Non-convertible bonds	3.00% - 5.35%	One time	1	-	69,328	74,414	226,691
Deferred payment liabilities	9.30 - 10.00%	Annual	7 - 10	26,814	35,991	78,331	298,031
Finance lease obligations	9.77% - 10.25%	Monthly / Annual	7 - 119 / 3	5,360	5,835	17,828	27,524
Bank overdraft	1.54% - 8.80%	Payable on demand	N/A	17,851	-	-	-
	9.90% - 16.50%	Payable on demand	N/A	4,582	-	-	-
	26.70%	Payable on demand	N/A	265	-	-	-
				178,928	**128,393**	**207,068**	**562,742**

*The installments amount due are equal / equated per se.

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(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

20.1.3 Interest rate and currency of borrowings

Currency	Weighted average rate of Interest	Total borrowings	Floating rate borrowings	Fixed rate borrowings
INR	9.33%	603,521	106,298	497,223
USD	5.47%	337,319	58,572	278,747
Euro	3.73%	139,954	-	139,954
CHF	3.00%	23,843	-	23,843
XAF	6.61%	4,691	-	4,691
XOF	6.80%	7,047	1,421	5,626
Others	8.48% to 19.00%	5,278	2,799	2,479
March 31, 2018		**1,121,653**	**169,090**	**952,563**
INR	9.48%	542,731	86,577	456,154
USD	5.05%	372,361	88,598	283,763
Euro	3.73%	121,037	-	121,037
CHF	3.00%	22,705	-	22,705
XAF	6.56%	5,893	-	5,893
XOF	7.10%	5,180	-	5,180
Others	11.06% to 25.74%	7,224	4,886	2,338
March 31, 2017		**1,077,131**	**180,061**	**897,070**

20.2 Security details

The Group has taken borrowings in various countries mainly for working capital, capital expenditure and refinancing of existing borrowings. The details of security provided by the Group in various countries are as follows:

Entity	Outstanding loan amount		Security detail
	March 31, 2018	March 31, 2017	
Bharti Airtel Ltd.	29	31	Hypothecation of vehicles
Bharti Airtel Africa BV and its subsidiaries	21,838	12,128	Pledge of all fixed and floating assets - Kenya, Nigeria, Tanzania, Uganda and DRC.
	21,867	**12,159**	

Africa operations acquisition related borrowing:

Borrowings include certain loans which have been taken to refinance the Africa acquisition related borrowing. These loan agreements prevents the Group (excluding Bharti Airtel Africa B.V, Bharti Infratel Limited, and their respective subsidiaries) to pledge any of its assets without prior written consent of the majority lenders except in certain agreed circumstances.

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

The Euro bonds due in 2018 and USD bonds due in 2023 issued by BAIN contain certain covenants relating to limitation on indebtedness. All notes carry a restriction on incurrence of any lien on its assets other than as permitted under the agreement, unless the bonds and guarantee are ranked pari-pasu with such indebtedness. The limitation on indebtedness covenant on Euro bonds due in 2018 and USD bonds due in 2023 gets suspended on notes meeting certain agreed criteria. The debt covenants remained suspended as of the date of the authorisation of the financial statements.

20.3 Unused lines of credit*

The below table provides the details of un-drawn credit facilities that are available to the Group.

	As of	
	March 31, 2018	**March 31, 2017**
Secured	1,542	57
Unsecured	171,531	194,592
	173,073	**194,649**

*Excludes non-fund based facilities

21 Financial liabilities - others

Non-current

	As of	
	March 31, 2018	**March 31, 2017**
Lease rent equalisation	14,496	13,377
Payable towards acquisition@	1,440	-
Security deposits	1,294	1,237
Others*#	27,317	1,067
	44,547	**15,681**

*It includes advance amounting to Rs. 26,077 as on March 31, 2018, received against an agreement to sell certain investment, at a future date and is subject to certain customary closing conditions.

@Refer note 5 (b)

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Current

	As of	
	March 31, 2018	**March 31, 2017**
Payables against capital expenditure	80,940	65,860
Interest accrued but not due	28,341	7,364
Payable against business / asset acquisition@	13,523	4,104
Employees payables	5,879	5,364
Security deposit^	4,372	4,148
Others#	7,550	3,373
	140,605	**90,212**

@It includes payable to Qualcomm Asia Pacific Pte. Limited for Rs. 4,104 (towards purchase of balance equity shares upon satisfaction of certain conditions as per the share purchase agreement for acquisition of erstwhile Airtel Broadband Services Private Limited) and other acquisitions during the year.

^It pertains to deposits received from subscriber / channel partners which are repayable on demand after adjusting the outstanding amount, if any.

#It includes account balances of customers and distributors of payments bank, non-interest bearing advance received from customers / international operators and liability towards cash settled employee share based payment plans.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

22 Provisions

Non-current

	As of	
	March 31, 2018	**March 31, 2017**
Asset retirement obligations	4,523	5,359
Gratuity	2,006	1,956
Other employee benefit plans	683	156
	7,212	**7,471**

Current

	As of	
	March 31, 2018	**March 31, 2017**
Gratuity	662	616
Other employee benefit plans	1,722	1,599
	2,384	**2,215**

The movement of provision towards asset retirement obligations is as below:

	For the year ended	
	March 31, 2018	**March 31, 2017**
Opening balance	5,359	5,064
Net (reversal) / additions	(868)	823
Interest cost	37	248
Disposal of subsidiries / tower operations (refer note 5)	(5)	(776)
Closing balance	**4,523**	**5,359**

Refer note 27 for movement of provision towards various employee benefits.

The movement of provision towards subjudice matters is as below:

	For the year ended	
	March 31, 2018	**March 31, 2017**
Opening balance	131,061	113,436
Net additions	20,738	17,625
Closing balance	**151,799**	**131,061**

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

The said provision has been disclosed under:

	As of	
	March 31, 2018	**March 31, 2017**
Other non-financial assets (refer note 15)	53,910	48,915
Other non-financial liabilities (refer note 23)	4,685	4,619
Trade payables	93,204	77,527
	151,799	**131,061**

The said provisions pertain to payable / paid under protest spectrum usage charges / licenses fees (trade payable / other non-financial assets) and payable for certain levies (other non-financial liabilities).

23 Other non - financial liabilities

Non-current

	As of	
	March 31, 2018	**March 31, 2017**
Deferred rent	623	727
	623	**727**

Current

	As of	
	March 31, 2018	**March 31, 2017**
Taxes payable	37,376	25,961
Others#	437	8,809
	37,813	**34,770**

#As of March 31, 2017, it includes dividend payable by one of the subsidiary to its NCI amounting to Rs. 8,512.

Taxes payable mainly pertains to GST, service tax, sales tax, other taxes payable and provision towards subjudice matters (refer note 22).

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

24 Contingent liabilities and commitments

(i) Contingent liabilities

Claims against the Company not acknowledged as debt:

	As of	
	March 31, 2018	**March 31, 2017**
(i) Taxes, duties and other demands		
(under adjudication / appeal / dispute)		
-Sales Tax and Service Tax	31,560	39,085
-Income Tax	15,712	20,150
-Customs Duty	7,646	5,899
-Entry Tax	9,878	9,252
-Stamp Duty	596	596
-Municipal Taxes	1,488	1,276
-Department of Telecom ('DoT') demands	40,778	37,560
-Other miscellaneous demands	5,164	8,000
(ii) Claims under legal cases including arbitration matters		
-Access charges / Port charges	10,733	9,371
-Others	2,708	3,631
	126,263	**134,820**

Further, refer note f (iv), (v), (vi) and g below for other DoT matter.

In addition to the above, the Group's share of joint ventures and associates contingent liabilities is Rs. 21,816 and Rs. 17,507 as of March 31, 2018 and March 31, 2017 respectively.

The category wise detail of the contingent liability has been given below:-

a) Sales and Service Tax

The claims for sales tax comprised of cases relating to the appropriateness of declarations made by the Group under relevant sales tax legislations which were primarily procedural in nature and the applicable sales tax on disposals of certain property and equipment items. Pending final decisions, the Group has deposited amounts under protest with statutory authorities for certain cases.

The service tax demands relate to cenvat claimed on tower and related material, levy of service tax on SIM cards and employee talk time, cenvat credit disallowed for procedural lapses and usage in excess of 20% limit.

b) Income Tax demand

Income tax demands mainly include the appeals filed by the Group before various appellate authorities against the disallowance by income tax authorities of certain expenses being claimed and non-deduction of tax at source with respect to pre-paid dealers / distributor's margin.

c) Access charges / Port charges

(i) Despite the interconnect usage charges ('IUC') rates being governed by the Regulations issued by Telecom Regulatory Authority of India ('TRAI'); BSNL had raised a demand for IUC at the rates contrary to the regulations issued by TRAI in 2009. Accordingly, the Company and one of its subsidiaries filed a petition against the demand with the TDSAT which allowed payments to be on the existing regulations. The matter was then challenged by BSNL and is currently pending with the Hon'ble Supreme Court.

(ii) The Hon'ble TDSAT allowed BSNL to recover distance based carriage charges. The private telecom operators have jointly filed an appeal against the said order and the matter is currently pending before the Hon'ble Supreme Court.

(iii) BSNL challenged before TDSAT the port charges reduction contemplated by the regulations issued by TRAI in 2007 which passed its judgment in favour of BSNL. The said judgment has been challenged by the private operators in Hon'ble Supreme Court. Pending disposal of the said appeal, in the interim, private operators were allowed to continue paying BSNL as per the revised rates i.e. TRAI regulation issued in 2007, subject to the bank guarantee being provided for the disputed amount. The rates were further reduced by TRAI in 2012 which was challenged by BSNL before the Hon'ble Delhi High Court. The Hon'ble Delhi High Court, in the interim, without staying the rate revision, directed the private operators to secure the difference between TRAI regulation of 2007 and 2012 rates by way of bank guarantee pending final disposal of appeal.

d) Customs Duty

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

e) Entry Tax

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

During the year ended March 31, 2017, the Hon'ble Supreme Court of India upheld the constitutional validity of entry tax levied by few States. However, Supreme Court did not conclude certain aspects such as present levies in each State is discriminatory in nature or not, leaving them open to be decided by regular benches of the Courts. Pending disposition by the regular benches, the Group has decided to maintain status-quo on its position and hence continues to disclose it as contingent liability.

f) DoT demands

(i) Demand for license fees pertaining to computation of Adjusted Gross Revenue ('AGR') and the interest thereon, due to difference in its interpretation. The definition of AGR is sub-judice and under dispute since 2005 before the TDSAT. TDSAT had pronounced its judgment in 2015, quashed all demands raised by DoT and directed DoT to rework the demands basis the principles enunciated in its judgment. Subsequently, the Union of India ('UOI') and the Company and of its subsidiaries along with various other operators have filed appeals / cross appeals before the Hon'ble Supreme Court of India against the TDSAT judgment. In 2016, all the appeals were tagged together and Hon'ble Supreme Court has permitted DOT to raise demands with a direction not to enforce any demand till the final adjudication of the matter by Hon'ble Supreme Court. Accordingly, DoT has raised the demand basis special audit done by DoT and Comptroller and Auditor General of India. The contingent liability includes such demand and interest thereto (excluding certain contentious matters, penalty and interest thereto) for the financial years for which demand have been received.

(ii) Demands for the contentious matters in respect of subscriber verification norms and regulations including validity of certain documents allowed as proof of address / identity.

(iii) Penalty for alleged failure to meet certain procedural requirements for EMF radiation self-certification compliance.

The matters stated above are being contested by the Company and one of its subsidiaries and based on legal advice, the Company and one of its subsidiaries believes that it has complied with all license related regulations and does not expect any financial impact due to these matters.

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

(iv) Post the Hon'ble Supreme Court judgment in 2011, on components of AGR for computation of license fee, based on the legal advice, the Company believes that the foreign exchange gain should not be included in AGR for computation of license fee thereon. Further as per TDSAT judgement in 2015, foreign exchange fluctuation does not have any bearing on the license fees. Accordingly, the license fee on foreign exchange gain has not been provided in the financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences', the license fee impact on such exchange differences is not quantifiable. The matter is currently pending adjudication by Hon'ble Supreme Court.

(v) On January 8, 2013, DoT issued a demand on the Company and one of its subsidiaries for Rs. 52,013 towards levy of one time spectrum charge. The demand includes a retrospective charge of Rs. 9,090 for holding GSM spectrum beyond 6.2 MHz for the period from July 1, 2008 to December 31, 2012 and also a prospective charge of Rs. 42,923 for GSM spectrum held beyond 4.4 MHz for the period from January 1, 2013, till the expiry of the initial terms of the respective licenses.

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

(vi) DoT had issued notices to the Company (as well as other telecom service providers) to stop provision of services (under 3G Intra Circle Roaming ('ICR') arrangements) in the service areas where such service providers had not been allocated 3G spectrum and levied a financial penalty of Rs. 3,500 on the Company. The Company contested the notices, in response to which TDSAT in 2014 held 3G ICR arrangements to be competent and compliant with the licensing conditions and quashed the notice imposing penalty. The DoT has challenged the order of TDSAT before the Hon'ble Supreme Court which is yet to be listed for hearing.

g) Airtel Networks Limited – Ownership

Airtel Networks Limited ('Airtel Networks') (formerly known as Celtel Nigeria Limited) was incorporated on December 21, 2000 as Econet Wireless Nigeria Limited and since 2010 been a subsidiary of Bharti Airtel Nigeria B.V. ('BANBV'), which is an indirect subsidiary of Bharti Airtel Limited. Airtel Networks and / or BANBV have since 2010 been defending cases filed by Econet Wireless Limited ('EWL') where EWL was claiming, amongst others, a breach of its alleged pre-emption rights against erstwhile and current shareholders.

EWL inter alia commenced arbitral proceedings in Nigeria contesting the acquisition by Celtel Nigeria B.V. (now, Bharti Airtel Nigeria B.V. – 'BANBV') of the controlling stake in Airtel Networks Limited in 2006, wherein BANBV was one of the defendants. The Final Award ('FA') by the Arbitral Tribunal as to the same was pronounced in 2014. Subsequently, various applications were filed to challenge / enforce the FA in the High Court and the Supreme Court of Nigeria by BANBV and Econet respectively. Further, EWL had filed conservatory attachment proceedings in the Netherlands against BANBV for enforcement of the Final Award, and also pursuing a claim for compensation against BANBV's parent (Bharti Airtel Nigeria Holdings II B.V.) and Grandparent (Bharti Airtel Africa B.V.) alleging that these entities acted unlawfully and induced breach of contract by the selling shareholders. Separately, Airtel Networks Limited was a defendant in an action where EWL was claiming entitlement to 5% of the issued share capital of Airtel Networks Limited.

Under the 2010 share purchase agreement, the Group had certain indemnities from Zain BV in relation to these proceedings. In 2016, the Group had initiated arbitration against Zain B.V. and its guarantor, Mobile Telecommunications Company in relation to the said indemnities under the share purchase agreement.

During the year ended March 31, 2017, Zain and Company has entered into an agreement to settle these matters along with other tax cases covered under indemnities. Separately, the Company and EWL have entered into an agreement to settle all these disputes and consequent withdrawal of all the proceedings in all courts across all jurisdictions. The net settlement amount as adjusted for the related indemnification assets and provisions resulted in a loss of Rs. 732 which has been recognised and disclosed as an exceptional item.

Guarantees:

Guarantees outstanding as of March 31, 2018 and March 31, 2017 amounting to Rs. 129,565 and Rs. 129,131 respectively, have been issued by banks and financial institutions on behalf of the Group. These guarantees include certain financial bank guarantees which have been given for subjudice matters / compliance with licensing requirements, the amount with respect to these have been disclosed under capital commitments, contingencies and liabilities, as applicable, in compliance with the applicable accounting standards.

In addition to the above the Group's share of guarantees of joint ventures and associates is Rs. 891 and Rs. 396 as of March 31, 2018 and March 31, 2017 respectively.

(ii) Commitments

Capital commitments

The Group has contractual commitments towards capital expenditure (net of related advance) of Rs. 137,280 and Rs. 102,008 as of March 31, 2018 and March 31, 2017 respectively.

In addition to the above, the Group's share of capital commitments of joint ventures and associates is Rs. 4,126 and Rs. 4,684 as of March 31, 2018 and March 31, 2017 respectively.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Lease commitments

a) Operating lease

The future minimum lease payments ('FMLP') are as follows:-

As lessee

	As of	
	March 31, 2018	**March 31, 2017**
Not later than one year	70,692	65,945
Later than one year but not later than five years	244,153	244,475
Later than five years	70,652	92,978
	385,497	**403,398**
Lease rentals (including lease equalisation adjustments)	70,875	70,883

The above lease arrangements are mainly pertaining to passive infrastructure and premises / land. Certain of these lease agreements have escalation clause upto 25% and include option of renewal from 1 to 15 years.

The FMLP obligation disclosed above include the below FMLP obligations payable to joint ventures, which mainly pertain to amounts payable under the agreement entered by the parent and its subsidiaries, with a joint venture of the Group.

	As of	
	March 31, 2018	**March 31, 2017**
Not later than one year	45,156	41,639
Later than one year but not later than five years	149,465	159,691
Later than five years	15,253	31,677
	209,874	**233,007**

As lessor

(i) The Group has entered into non-cancellable lease arrangements to provide dark fiber on indefeasible right to use ('IRU') basis. Due to the nature of the transaction, it is not possible to compute gross carrying amount, depreciation for the year and accumulated depreciation of the asset given on operating lease as of March 31, 2018 and accordingly, the related disclosures are not provided.

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

(ii)The FMLP receivables against assets (other than above IRU assets) are as follows:

	As of	
	March 31, 2018	**March 31, 2017**
Not later than one year	21,933	21,574
Later than one year but not later than five years	68,228	86,447
Later than five years	37,574	38,430
	127,735	**146,451**

The above lease arrangements are mainly pertaining to passive infrastructure. Certain of these lease agreements have escalation clause upto 2.5%.

b) Finance lease

As lessee

Finance lease obligation of the Group as of March 31, 2018 is as follows:-

	Future minimum lease payments	Interest	Present value
Not later than one year	9,930	5,053	4,877
Later than one year but not later than five years	38,989	14,702	24,287
Later than five years	23,335	3,723	19,612
	72,254	**23,478**	**48,776**

Finance lease obligation of the Group as of March 31, 2017 is as follows:

	Future minimum lease payments	Interest	Present value
Not later than one year	10,792	5,446	5,346
Later than one year but not later than five years	40,117	16,449	23,668
Later than five years	33,221	5,689	27,533
	84,130	**27,584**	**56,547**

The above lease arrangements are mainly pertaining to passive infrastructure.

As lessor

The FMLP receivable of the Group as of March 31, 2018 is as follows:-

	Future minimum lease payments	Interest	Present value
Not later than one year	176	16	160
Later than one year but not later than five years	89	6	83
Later than five years	-	-	-
	265	**22**	**243**

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

The FMLP receivable of the Group as of March 31, 2017 is as follows:-

	Future minimum lease payments	Interest	Present value
Not later than one year	133	25	107
Later than one year but not later than five years	189	17	172
Later than five years	-	-	-
	322	**42**	**279**

The above lease arrangements are mainly pertaining to various network equipments.

25 Revenue

	For the year ended	
	March 31, 2018	**March 31, 2017**
Service revenue	833,019	951,213
Sale of products	3,860	3,470
	836,879	**954,683**

26 Network operating expenses

	For the year ended	
	March 31, 2018	**March 31, 2017**
Passive infrastructure charges	79,636	78,490
Power and fuel	69,082	72,946
Repair and maintenance	34,667	45,612
Internet, bandwidth and leasedline charges	9,932	7,785
Others*	4,203	4,321
	197,520	**209,154**

*It includes charges towards managed service, installation, insurance and security.

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

27 Employee benefits expense

	For the year ended	
	March 31, 2018	**March 31, 2017**
Salaries	34,185	37,300
Contribution to provident and other funds	2,104	1,746
Staff welfare expenses	1,313	1,617
Defined benefit plan / other long term benefits	693	887
Employee share-based payment expense		
- Equity-settled plans	630	337
- Cash-settled plans	(36)	61
Others*	882	1,084
	39,771	**43,032**

*It includes recruitment and training expenses.

27.1 Share based payment plans

The following table provides an overview of all existing share option plans of the Group:

Scheme	Plan	Vesting period (years)	Contractual term (years)
Equity settled Plans			
Scheme I	2006 Plan	1 - 5	7
Scheme 2005	2008 Plan & Annual Grant Plan (AGP)	1 - 3	7
Scheme 2005	Performance Share Plan (PSP) 2009 Plan	3 - 4	7
Scheme 2005	Special ESOP & Restricted Share Units (RSU) Plan	1 - 5	7
Infratel plan	Infratel 2008 Plan	1 - 5	7
Scheme 2005	Long Term Incentive (LTI) Plan	1 - 3	7
Infratel plan	Infratel LTI plans	1 - 3	7
Airtel Payments Bank Limited ('APBL') Plan	APBL Plan	1 - 4	8
Cash settled Plans			
Performance Unit Plan (PUP)	PUP 2013 - PUP 2017	1 - 5	3-5
Infratel plan	PUP	1 - 3	7

The stock options vesting is subject to service and certain performance conditions mainly pertaining to certain financial parameters.

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

The movement in the number of stock options and the related weighted average exercise prices are given in the table below:

	For the year ended			
	March 31, 2018		March 31, 2017	
	Number of share options ('000)	Weighted average exercise price (Rs.)	Number of share options ('000)	Weighted average exercise price (Rs.)
2006 Plan				
Outstanding at beginning of year	205	5.00	305	5.00
Granted	-	-	-	-
Exercised	(90)	5.00	(100)	5.00
Forfeited / expired	-	-	-	-
Outstanding at end of year	115	5.00	205	5.00
Exercisable at end of year	2	5.00	36	5.00
2008 Plan & AGP				
Outstanding at beginning of year	-	-	639	402.50
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited / expired	-	-	(639)	402.50
Outstanding at end of year	-	-	-	-
Exercisable at end of year	-	-	-	-
PSP 2009 Plan				
Outstanding at beginning of year	6	5.00	53	5.00
Granted	-	-	-	-
Exercised	(3)	5.00	(37)	5.00
Forfeited / expired	(3)	5.00	(10)	5.00
Outstanding at end of year	-	-	6	5.00
Exercisable at end of year	-	5.00	6	5.00
Special ESOP & RSU Plan				
Outstanding at beginning of year	34	5.00	126	5.00
Granted	-	-	-	-
Exercised	(33)	5.00	(91)	5.00
Forfeited / expired	(1)	5.00	(1)	5.00
Outstanding at end of year	-	-	34	5.00
Exercisable at end of year	-	-	34	5.00
Infratel 2008 Plan				
Outstanding at beginning of year	158	109.67	732	109.67
Granted	-	-	-	-
Exercised	(49)	109.67	(564)	109.67
Forfeited / expired	(1)	109.67	(10)	109.67
Outstanding at end of year	108	109.67	158	109.67
Exercisable at end of year	108	109.67	158	109.67
LTI Plans				
Outstanding at beginning of year	2,002	5.00	1,709	5.00
Granted	1,571	-	820	-
Exercised	(406)	5.00	(308)	5.00
Forfeited / expired	(189)	5.00	(219)	5.00
Outstanding at end of year	2,978	5.00	2,002	5.00
Exercisable at end of year	567	5.00	358	5.00
Infratel LTI plans				
Outstanding at beginning of year	175	10.00	94	10.00
Granted	115	10.00	105	10.00
Exercised	(36)	10.00	(19)	10.00
Expired	-	-	-	-
Forfeited / expired	(15)	10.00	(5)	10.00
Outstanding at end of year	238	10.00	175	10.00
Exercisable at end of year	31	10.00	11	10.00
Airtel Payment Bank Limited Plan				
Outstanding at beginning of year	-	*	-	-
Granted	14,063	*	-	-
Exercised	-	*	-	-
Forfeited / expired	(3,359)	*	-	-
Outstanding at end of year	10,704	*	-	-
Exercisable at end of year	-	*	-	-
Performance Unit Plans				
Outstanding at beginning of year	2,369	-	5,231	-
Granted	690	-	366	-
Exercised	(1,336)	-	(1,442)	-
Expired	-	-	-	-
Forfeited / expired	(322)	-	(1,786)	-
Outstanding at end of year	1,401	-	2,369	-
Exercisable at end of year	23	-	25	-

*The exercise period is 3 years from vesting date or 1 year from IPO listing (whichever is later). Eligible employees will be able to exercise the option at a price of 50% of fair market value (determined at the end of previous financial year) or INR 10 whichever, is higher. Employee can exercise the unexercised options within 3 months / 1 month from the date of retirement / resignation from the Group.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

The fair value of options is measured using Black-Scholes / Binomial valuation model. The key inputs used in the measurement of the grant date fair valuation of equity settled plans and fair value of cash settled plans are given in the table below:

	For the year ended	
	March 31, 2018	**March 31, 2017**
Risk free interest rates	6.17% to 7.18%	5.79% to 7.1%
Expected life	10 to 96 months	4 to 76 months
Volatility	25.91% to 40%	27.08% to 38.94%
Dividend yield	0.24% to 3.99%	0.39% to 1.83%

The expected life of the stock options is based on the Group's expectations and is not necessarily indicative of exercise patterns that may actually occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the expected life of the options is indicative of future trends, which may not necessarily be the actual outcome. Further, the expected volatility is based on the weighted average volatility of the comparable benchmark companies.

For details as to exercise price, refer table above.

The details of weighted average remaining contractual life, weighted average fair value and weighted average share price for the options are as follows:-

	For the year ended	
Weighted average	**March 31, 2018**	**March 31, 2017**
Remaining contractual life for the options outstanding as of (years)	0.35 to 8.44	0.10 to 5.90
Fair value for the options granted during the year ended (Rs.)	4.36 to 409.76	304.34 to 338.50
Share price for the options exercised during the year ended (Rs.)	367.14 to 457.41	316.50 to 486.77

The carrying value of cash settled plans liability is Rs. 235 and Rs. 752 as of March 31, 2018 and March 31, 2017 respectively.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

27.2 Employee benefits

The details of significant employee benefits are as follows:

	For the year ended			
	March 31, 2018		March 31, 2017	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Obligation:				
Balance as at beginning of the year	2,618	1,158	2,656	1,127
Current service cost	377	218	412	234
Interest cost	194	86	207	84
Benefits paid	(424)	(169)	(541)	(163)
Transfers	5	2	(189)	(79)
Remeasurements	(86)	(180)	73	(45)
Present value of funded obligation	**2,684**	**1,115**	**2,618**	**1,158**
Assets:				
Balance as at beginning of year	46	-	66	-
Interest income	3	-	5	-
Benefits paid	(32)	-	(25)	-
Remeasurements	(1)	-	(0)	-
Fair value of plan assets	**16**	-	**46**	-
Liability recognised in the balance sheet	**2,668**	**1,115**	**2,572**	**1,158**
Current portion	**662**	**1,115**	**616**	**1,158**
Non-current portion	**2,006**	-	**1,956**	-

The expected contribution for the year ended March 31, 2018 and 2017 for Gratuity plan is Rs. 588 and Rs. 583 respectively.

Amount recognised in other comprehensive income for the above plans

	For the year ended	
	March 31, 2018	March 31, 2017
Experience losses	18	41
Gains from change in demographic assumptions	26	(31)
Losses from change in financial assumptions	(130)	63
Remeasurements on liability	**(86)**	**73**
Return on plan assets, excluding interest income	(1)	(0)
Remeasurements on plan assets	**(1)**	**(0)**
Net remeasurements recognised in OCI	**(85)**	**73**

The above mentioned plan assets are entirely represented by funds invested with LIC.

Due to its defined benefit plans, the Group is exposed to the following significant risks:

Changes in bond yields - A decrease in bond yields will increase plan liability.

Salary risk - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

The financial (per annum rates) and demographic assumptions used to determine defined benefit obligations are as follows:

	As of	
	March 31, 2018	**March 31, 2017**
Discount rate	7.85%	7.40%
Rate of return on plan assets	7.85%	7.40%
Rate of salary increase	10.00%	10.00%
Rate of attrition	20% to 24%	21% to 29%
Retirement age	58	58

The Group regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligations is given in the table below:

		As of			
		March 31, 2018		March 31, 2017	
	Change in assumption	Gratuity	Compensated absence	Gratuity	Compensated absence
Discount Rate	+1%	(96)	(51)	(89)	(49)
	-1%	105	55	96	54
Salary Growth Rate	+1%	103	54	93	52
	-1%	(96)	(50)	(88)	(48)

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefit obligations, as a result of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular under-lying actuarial assumption, while assuming all other assumptions to be constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The table below summarises the maturity profile and duration of the gratuity liability:

	As of	
	March 31, 2018	**March 31, 2017**
Within one year	678	662
Within one-three years	736	709
Within three-five years	456	413
above five years	814	834
	2,684	**2,618**
Weighted average duration (in years)	3.61	3.42

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

28 Sales and marketing expenses

	For the year ended	
	March 31, 2018	**March 31, 2017**
Sales commission and distribution	40,434	43,920
Advertisement and marketing	10,682	14,440
Business promotion	2,587	4,812
Other ancillary expenses	2,063	3,560
	55,766	**66,732**

29 Other expenses

	For the year ended	
	March 31, 2018	**March 31, 2017**
Content cost	21,067	21,507
Cost of good sold	9,994	9,073
IT expenses	7,771	10,012
Customer care expenses	6,797	7,357
Legal and professional fees	5,072	6,535
Provision for doubtful debts	9,007	7,635
Collection and recovery expenses	3,607	3,987
Travelling and conveyance	2,113	2,989
Bad debts written off	1,156	873
Charity and donation*	1,204	1,702
(Reversal of earlier provision) / provision for diminution in value of inventory	(282)	170
Others#	9,521	15,081
	77,027	**86,921**

*It includes Rs. 330 and Rs. 220 paid to Prudent Electoral Trust (formerly known as Satya Electoral Trust) for political purpose for the year ended March 31, 2018 and 2017 respectively.

#It includes printing and stationary, security, rent and communication expenses etc.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

30 Depreciation and amortisation

	For the year ended	
	March 31, 2018	**March 31, 2017**
Depreciation	132,963	142,585
Amortisation	59,468	55,145
	192,431	**197,730**

31 Finance costs and income

	For the year ended	
	March 31, 2018	**March 31, 2017**
Finance costs		
Interest expense	64,692	67,131
Net loss on derivative financial instruments	8,506	13,231
Net loss on FVTPL investments*	1,416	-
Net exchange loss	1,882	3,624
Other finance charges#	16,759	11,480
	93,255	**95,466**
Finance income		
Dividend from mutual funds	367	279
Interest income@	6,150	3,207
Net gains on FVTPL investments*	-	5,154
Net fair value gain on financial instruments (fair value hedges)	6,023	9,852
	12,540	**18,492**

*Net loss / gains on fair value changes on FVTPL investments includes loss / gains of Rs. 1,709 and Rs. 5,962 pertaining to investments sold during the year ended March 31, 2018 and 2017 respectively.

#It includes bank charges, trade finance charges, charges relating to derivative instruments and interest charges towards subjudice matters. Further, it includes Rs. 143 and Rs. 110 for the years ended March 31, 2018 and 2017 respectively, towards unwinding of discount on other financial liabilities (carried at amortised cost).

@It includes Rs. 43 and Rs. 46 towards unwinding of discount on security deposits (carried at amortised cost) and Rs. 415 and Rs. 309 from investment measured at FVTOCI for the years ended March 31, 2018 and 2017 respectively.

32 Exceptional items

Exceptional items comprise of the following:

(i) For the year ended March 31, 2018:

a. Charge of Rs. 4,372 mainly towards operating costs on network re-farming and up-gradation program
b. Net charge of Rs. 3,457 relating to the translation impact in Nigeria due to transition from the administered to market based exchange rate given the underlying economic changes and other developments
c. Provision of Rs. 1,094 taken against one major delinquent receivable
d. Charge of Rs. 3,535 due to levies and taxes pertaining to internal restructuring and litigation related assessment
e. Gain of Rs. 4,527 mainly pertaining to one of the earlier divestments

(ii) For the year ended March 31, 2017:

a. Net gain of Rs. 10,157 pertaining to the divestment of Group's operations in Burkina Faso and Sierra Leone, telecom towers in DRC and Niger and an African associate (viz. Tanzania Telecommunications Company Limited) (refer note 5 (l) and (n))
b. Net charge of Rs. 6,881 due to settlement of past litigations, regulatory levies, vendor claims, reconciliation of balances, restructuring activities and tax related contingent liability
c. Charge of Rs. 3,356 towards operating costs (including accelerated depreciation) on network re-farming and up-gradation program
d. Charge of Rs. 3,258 resulting from reassessment of the useful life of certain categories of network assets of the Group due to technological advancements (refer note 3.1.c.)
e. Net charge of Rs. 9,460 relating to the translation impact in Nigeria due to the new flexible exchange rate regime
f. Net gain of Rs 1,641 (net of related expenses) pertaining to the divestment of stake in Bangladesh and charge of Rs. 540 due to share in the post-merger restructuring activities (refer note 5 (l) (i))

Tax expenses include:

(a) Tax benefit of Rs. 2,305 and Rs. 5,163 during the year ended March 31, 2018 and 2017 respectively on above exceptional items
(b) Tax benefit of Rs. 1,779 on account of re-assessment of tax provisions for previous periods during the year ended March 31, 2018
(c) Tax benefit of Rs. 4,248 during the year ended March 31, 2017 on account of recognition of deferred tax on earlier business combination and re-assessment of tax provisions for previous periods

Profit / (loss) attributable to non-controlling interests include benefit of Rs. 878 and Rs. 2,147 during the year ended March 31, 2018 and 2017 respectively, relating to the above exceptional items.

33 Earnings per share ('EPS')

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

	As of	
	March 31, 2018	March 31, 2017
	In thousands	
Weighted average shares outstanding for basic EPS	3,996,067	3,995,817
Effect of dilution due to employee share options	1,721	1,359
Weighted average shares outstanding for diluted EPS	**3,997,788**	**3,997,176**

Profit attributable to equity holders for basic and diluted EPS is Rs. 10,990 and Rs. 37,998 for the year ended March 31, 2018 and 2017 respectively.

34 Segment reporting

The Group's operating segments are organised and managed separately through the respective business managers, according to the nature of products and services provided and geographies in which services are provided, with each segment representing a strategic business unit. These business units are reviewed by the Chairman of the Group (Chief Operating Decision Maker - 'CODM').

The amounts reported to CODM are based on the accounting principles used in the preparation of financial statements as per Ind AS. Segment's performance is evaluated based on segment revenue and segment result viz. profit or loss from operating activities before exceptional items and tax but including share of result of joint ventures and associates. Accordingly, finance costs / income, non-operating (income) / expenses and exceptional items are not allocated to individual segment.

Inter-segment pricing and terms are reviewed and changed by the management to reflect changes in market conditions and changes to such terms are reflected in the period in which the changes occur. Inter-segment revenues eliminated upon consolidation of segments / Group accounting policy alignments are reflected in the 'Eliminations / Adjustments' column.

Segment assets / liabilities comprise assets / liabilities directly managed by each segment. Segment assets primarily include receivables, PPE, CWIP, intangibles assets, intangible assets under development, inventories, cash and cash equivalents. Segment liabilities primarily include operating liabilities. Segment capital expenditure comprises of additions to PPE, CWIP, intangible assets, intangible assets under development and capital advances.

The reporting segments of the Group are as below:

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

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

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

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

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

Homes Services: These services cover voice and data communications through fixed-line network and broadband technology.

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

Others: It includes administrative and support services provided to other segments and also include Airtel payment bank operations.

Unallocated items include expenses / results, assets and liabilities primarily of corporate headquarters of the Group, current taxes, deferred taxes, borrowings and certain financial assets and liabilities, not allocated to the operating segments.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Summary of the segmental information for the year ended and as of March 31, 2018 is as follows:

	Mobile Services India	Mobile Services Africa	Mobile Services South Asia	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others	Unallocated	Eliminations/ Adjustments	Total
Revenue from external customers	441,295	196,565	3,783	98,244	33,221	25,056	37,505	1,199	-	11	836,879
Inter-segment revenue	21,344	4,999	262	14,974	33,063	209	65	2,810	-	(77,726)	-
Total revenue	**462,639**	**201,564**	**4,045**	**113,218**	**66,284**	**25,265**	**37,570**	**4,009**	**-**	**(77,715)**	**836,879**
Share of results of joint ventures and associates	6	(905)	(282)	-	13,025	3	-	(29)	-	(1,209)	10,609
Segment results	20,835	34,758	(1,550)	31,044	33,477	4,720	5,306	(2,706)	(1,678)	(2,749)	121,457
Less:											
Finance costs											93,255
Finance income											(12,540)
Non-operating expenses, (net)											141
Exceptional items (refer note 32)											7,931
Profit before tax											**32,670**
Other segment items											
Capital expenditure	198,280	29,954	2,066	12,675	11,307	11,129	10,277	267	6,257	(7,498)	274,714
Depreciation and amortisation	129,545	30,672	1,276	11,179	11,801	7,057	8,915	55	1	(8,070)	192,431
As of March 31, 2018									-		
Segment assets*	1,515,169	516,476	28,459	153,051	199,273	44,251	26,120	11,082	88,578	(76,643)	2,505,816
Segment liabilities*	317,043	115,149	2,622	76,284	22,400	19,866	33,964	8,312	1,210,172	(83,479)	1,722,333
Investment in joint ventures and associates (included in segment assets above)	57	6,769	21,620	-	58,110	3	-	280	-	-	86,839

*Effective April 1, 2017, individual segments exclude inter-segment balances and allocated borrowings. This has no impact on total assets and liabilities.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Summary of the segmental information for the year ended and as of March 31, 2017 is as follows:

	Mobile Services India	Mobile Services Africa	Mobile Services South Asia	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others	Unallocated	Eliminations/ Adjustments	Total
Revenue from external customers	543,901	214,093	11,198	94,855	28,384	27,223	34,240	718	-	71	954,683
Inter-segment revenue	21,610	5,475	545	14,574	32,445	295	66	3,018	-	(78,028)	-
Total revenue	**565,511**	**219,568**	**11,743**	**109,429**	**60,829**	**27,518**	**34,306**	**3,736**	**-**	**(77,957)**	**954,683**
Share of results of joint ventures and associates	9	-	(642)	-	11,949	-	-	-	-	(867)	10,449
Segment results	105,494	10,189	(4,660)	22,737	29,195	6,868	3,577	(2,481)	(1,433)	(2,263)	167,223
Less:											
Finance costs											95,466
Finance income											(18,492)
Non-operating income, (net)											1,319
Exceptional items (refer Note 32)											11,697
Profit before tax											**77,233**
Other segment items											
Capital expenditure	380,011	25,235	1,801	17,142	9,829	19,649	8,608	19	1,597	(21,204)	442,687
Depreciation and amortisation	121,189	41,894	4,256	11,024	11,658	6,080	8,642	49	0	(7,062)	197,730
As of March 31, 2017											
Segment assets	1,642,949	556,281	29,048	331,833	210,023	311,890	22,935	9,327	120,032	(901,666)	2,332,652
Segment liabilities	722,363	226,314	7,968	180,624	47,535	246,864	28,341	5,083	1,044,215	(919,968)	1,589,339
Investment in joint ventures and associates (included in segment assets above)	52	-	22,567	-	59,409	-	-	249	-	-	82,277

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Geographical information*:

(a) Revenue from external customers:

	For the year ended	
	March 31, 2018	**March 31, 2017**
India	619,000	708,462
Africa	196,565	214,093
Others	21,314	32,128
	836,879	**954,683**

(b) Non-current assets:

	As of	
	March 31, 2018	**March 31, 2017**
India	1,503,452	1,411,798
Africa	448,314	466,775
Others	18,897	15,123
	1,970,663	**1,893,696**

*Basis location of entity

Non-current operating assets for this purpose consist of PPE, CWIP, intangible assets, intangible assets under development and capital advances.

35 Related party disclosures

(a) List of related parties

i. Ultimate controlling entity (w.e.f. November 3, 2017)

Bharti Enterprises (Holding) Private Limited. It is held by private trusts of Bharti family, with Mr. Sunil Bharti Mittal's family trust effectively controlling the said company.

ii. Entity having control over the Company (w.e.f. November 3, 2017)*

Bharti Telecom Limited

*significant influence until November 2, 2017

iii. For list of subsidiaries, joint venture and associates refer note no. 39.

iv. Other entities with whom transactions have taken place during the reporting periods

- **Entities having significant influence over the Company**

Singapore Telecommunications Limited
Pastel Limited

- **Fellow companies (subsidiaries / joint ventures / associates other than that of the Company)**

a) Subsidiaries

Bharti Enterprises Limited

Cedar support Services Limited

Bharti Insurance Holdings Private Limited

Bharti Axa General Insurance Company Limited

Bharti Axa Life Insurance Company Limited

b) Associates

Bharti Life Ventures Private Limited

Bharti General Private Limited

- **Others related parties***

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

Bharti Foundation

Bharti Airtel Employees Welfare Trust

Hike Private Limited (formerly known as Hike Limited)

b) Others

Brightstar Telecommunication India Limited

Bharti Realty Holdings Limited

Bharti Realty Limited

Deber Technologies Private Limited

Hike Messenger Limited

Centum Learning Limited

Fieldfresh Foods Private Limited

Indian Continent Investment Limited

Jersey Airtel Limited

Nile Tech Limited

Bharti Support Services Private Limited (formerly known as Atrium Restaurants India Private Limited)

Bharti Land Limited

Centum Work skills India Limited

Oak Infrastructure Developers Limited

Gourmet Investments Private Limited

* **'Other related parties'** though not 'Related Parties' as per the definition under Ind AS 24, Related party disclosures have been included by way of a voluntary disclosure, following the best corporate governance practices.

v. Key Management Personnel ('KMP')

Sunil Bharti Mittal

Gopal Vittal

Christian D. Faria (until December 31, 2016)

Raghunath Mandava (w.e.f. January 1, 2017)

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(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

In the ordinary course of business, there are certain transactions among the group entities. However, the intra-group transactions and balances, and the income and expenses arising from such transactions, are eliminated on consolidation. The significant transactions with balance related parties for the years ended March 31, 2018 and 2017 respectively, are described below:

(b) The summary of significant transactions with the above mentioned parties is as follows:

	For the year ended							
	March 31, 2018				March 31, 2017			
Relationship	**Significant influence entities**	**Associates**	**Joint ventures**	**ORP / FC***	**Significant influence entities**	**Associates**	**Joint ventures**	**ORP / FS**
Purchase of assets	-	-	-	(2,761)	-	-	-	(3,329)
Sale / rendering of services	1,022	-	44	343	1,433	6	77	294
Purchase of goods / receiving of services	(217)	(50)	(39,977)	(3,504)	(496)	(9)	(42,385)	(3,220)
Reimbursement of energy expenses	-	-	(26,869)	-	-	-	(26,090)	(3)
Dividend paid	(9,777)	-		(496)	(3,255)	-	-	(362)
Dividend received	-	-	10,010	-	-	-	9,510	-

*Other related parties / fellow companies

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

(c) The outstanding balances of the above mentioned related parties are as follows:

	Significant influence entities	Associates	Joint ventures	ORP / FC*
As of March 31, 2018				
Trade payables	(117)	(31)	(11,193)	(139)
Trade receivables	-	-	-	102
Security deposit	-	-	3,934	1,070
As of March 31, 2017				
Trade payables	(490)	(4)	(11,310)	(532)
Trade receivables	129	-	1	216
Security deposit	-	-	3,903	1,050

*Other related parties / fellow companies

(1) Outstanding balances at period end are un-secured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

(2) In addition to the above, Rs. 410 and Rs. 1,227 donation has been given to Bharti Foundation during the year ended March 31, 2018 and 2017 respectively.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director, whether executive or otherwise. Remuneration to key management personnel were as follows:

	For the year ended	
	March 31, 2018	**March 31, 2017**
Short-term employee benefits	317	305
Performance linked incentive ('PLI')#	160	168
Post-employment benefits	28	26
Share-based payment	62	62
	567	**561**

#Value of PLI considered above represents incentive at 100% performance level. However, same will be paid on the basis of actual performance parameters in next year. Additional provision of Rs. 21 and Rs. 28 has been recorded in the books towards PLI for the year ended March 31, 2018 and 2017 respectively. During the year ended March 31, 2018, PLI of Rs. 164 (March 31, 2017: Rs. 150) pertaining to previous year has been paid.

In addition to above, Rs. 1,122 thousand and Rs. 313 thousand for the year ended March 31, 2018 and 2017 respectively have been paid as dividend to key management personnel.

As the liabilities for the gratuity and compensated absences are provided on an actuarial basis, and calculated for the Company as a whole rather than each of the individual employees, the said liabilities pertaining specifically to KMP are not known and hence, not included in the above table.

36 Financial and Capital risk

1. Financial risk

The business activities of the Group expose it to a variety of financial risks, namely market risks (that is, foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's risk management strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects on its financial performance. Further, the Group uses certain derivative financial instruments to mitigate some of these risk exposures (as discussed below in this note).

The financial risk management for the Group is driven by the Group's senior management ('GSM'), in close co-ordination with the operating entities and internal / external experts subject to necessary supervision. The Group does not undertake any speculative transactions either through derivatives or otherwise. The GSM are accountable to the Board of Directors and Audit Committee. They ensure that the Group's financial risk-taking activities are governed by appropriate financial risk governance frame work, policies and procedures. The BoD of the respective operating entities periodically reviews the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

The Group policy requires for material items to be established under effective hedge relationships by ensuring that the critical terms of the hedging instruments match with the terms of the hedged item so as maintain the hedge ratio to be 1:1. The Group uses prospective effectiveness assessment (dollar offset / hypothetical derivative method) to ensure that an economic relationship exists between the hedged item and hedging instrument.

(i) Foreign currency risk

Foreign exchange risk arises on all recognised monetary assets and liabilities, and any highly probable forecasted transactions, which are denominated in a currency other than the functional currency of the transacting group entity. The Group, through its parent entity, several intermediary entities and subsidiaries; operates across multiple geographies in the Africa and Asia continent. Accordingly, the Group is exposed to translation risk on the net investment in foreign subsidiaries. The Group has foreign currency trade payables, receivables and borrowings (internal as well as external). However, foreign exchange exposure mainly arises from borrowings and trade payables denominated in foreign currencies and certain net investment in foreign currency. Consequently, the Group is mainly exposed to foreign exchange risks related to USD / Euro vis-à-vis the functional currencies and the translation risk related to USD to INR and USD to XAF-XOF (pegged to Euro).

The foreign exchange risk management policy of the Group requires it to manage the foreign exchange risk by transacting as far as possible in the functional currency. Moreover, the Group monitors the movements in currencies in which the borrowings / capex vendors are payable and manage any related foreign exchange risk, which inter-alia include entering into foreign exchange derivative contracts - as considered appropriate and whenever necessary. For further details as to foreign currency borrowings, refer note 20. Further, for the details as to the fair value of various outstanding derivative financial instruments designated in a hedge relationship or otherwise refer note 11.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

As per the Group's hedging policy certain foreign currency liability, highly probable forecast transactions and material net investment of the Group in foreign subsidiaries have been designated under cash flow hedge and net investment hedge respectively. The following table analyses the movement in the cash flow hedge reserve / net investment hedging in FCTR due to said hedges and details thereto.

i. Cash flow hedge

	March 31, 2018		March 31, 2017	
Currency exchange risk hedged	Euro to USD	CHF to USD	Euro to USD	CHF to USD
Nominal amount of hedging instruments	Euro 870 Mn	CHF 350 Mn	Euro 870 Mn	CHF 350 Mn
Maturity date	December 2018	March 2020	December 2018	March 2020
Weighted average forward price	1 Euro: 1.12 USD	1 CHF: 1.12 USD	1 Euro: 1.12 USD	1 CHF: 1.12 USD
Carrying value of derivative instruments (assets)	7,377	399	131	-
Carrying value of derivative instruments (liabilities)	-	60	908	620
Change in fair value during the year				
Hedged item	(6,928)	(677)	3,534	1,141
Hedging instrument	6,928	677	(3,534)	(1,141)
CFHR for continuing Hedge	410	533	214	(82)
Hedging gain / (loss) recognised during the year	6,928	677	(3,534)	(1,141)
(Loss) / Gain reclassifictaion during the year to P&L	(6,732)	(62)	4,079	1,453

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(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

ii. Net investment hedge

	March 31, 2018		March 31, 2017	
Currency exchange risk hedged	Euro to USD	USD to INR	Euro to USD	USD to INR
Nominal amount of hedging instruments	Euro 460 Mn	USD 1453 Mn	Euro 400 Mn	USD 1578 Mn
Carrying value of hedging instruments (borrowings)	36,870	94,721	27,738	102,308
Maturity date	May 2021	June 2025 - February 2028	May 2021	June 2025 - September 2026
Change in fair value during the year				
Hedged item	4,231	3,793	(2,232)	12,562
Hedging instrument	(4,231)	(3,793)	2,232	(12,562)
FCTR (loss) / gain for continuing Hedge (net of tax and NCI)	(5,109)	(15,869)	(878)	(12,596)
Hedging gain/ (loss) recognised during the year	(4,231)	(3,793)	2,232	(12,562)
Loss reclassifictaion during the year to P&L under exceptional items	-	-	581	-

Foreign currency sensitivity

The impact of foreign exchange sensitivity on profit for the year and other comprehensive income is given in the table below:

	Change in currency exchange rate	Effect on profit before tax	Effect on equity (OCI)
For the year ended March 31, 2018			
US Dollar	+5%	(8,823)	(8,796)
	-5%	8,823	8,796
Euro	+5%	(1,712)	(1,844)
	-5%	1,712	1,844
Others	+5%	1	-
	-5%	(1)	-
For the year ended March 31, 2017			
US Dollar	+5%	(8,955)	(8,375)
	-5%	8,955	8,375
Euro	+5%	(1,716)	(1,387)
	-5%	1,716	1,387
Others	+5%	(26)	-
	-5%	26	-

The sensitivity disclosed in the above table is mainly attributable to, in case of to foreign exchange gains / (losses) on translation of USD / Euro / CHF denominated borrowings, derivative financial instruments, trade and other payables, and trade receivables.

The above sensitivity analysis is based on a reasonably possible change in the under-lying foreign currency against the respective functional currency while assuming all other variables to be constant.

Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, the Group's Management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

(ii) Interest rate risk

As the Group does not have exposure to any floating-interest bearing assets, or any significant long-term fixed-interest bearing assets, its interest income and related cash inflows are not affected by changes in market interest rates. Consequently, the Group's interest rate risk arises mainly from borrowings.

Borrowings

Borrowings with floating and fixed interest rates expose the Group to cash flow and fair value interest rate risk respectively. However, the short-term borrowings of the Group do not have a significant fair value or cash flow interest rate risk due to their short tenure. Accordingly, the components of the debt portfolio are determined by the GSM in a manner which enables the Group to achieve an optimum debt-mix basis its overall objectives and future market expectations.

The Group monitors the interest rate movement and manages the interest rate risk based on its risk management policies, which inter-alia include entering into interest swaps contracts - as considered appropriate and whenever necessary.

The Group has designated the interest rate components (which is separately identifiable from other components) of certain fixed interest rate bonds under the hedge relationship since historically it accounts for substantial portions of the total fair value change of the bonds.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

The following table analyses the financial impact of fair value hedge and details thereto.

	March 31, 2018		March 31, 2017	
Interest rate risk covered for currency	USD	Euro	USD	Euro
Nominal amount of Hedging instruments	USD 2900 Mn	-	USD 2900 Mn	-
Carrying value of hedging instruments (derivative assets)	19	-	1,568	-
Carrying value of hedging instruments (derivative liabilities)	4,258	-	851	-
Maturity date	March 2023 - June 2025	-	March 2023 - June 2025	-
Carrying value of hedged item (borrowings)	189,008	-	188,065	-
Change in fair value during the year				
Hedged item	5,802	-	9,768	-
Hedging instrument	(5,025)	-	(11,118)	-
Hedge ineffectiveness recognised in finance income/cost during the year	777	-	(1,349)	-
Cumulative change in fair value of hedged Item	6,366	-	476	-
Unamortised potion of fair value hedge adjustment	-	(175)	-	(396)

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Interest rate sensitivity of borrowings

The impact of the interest rate sensitivity on profit before tax is given in the table below:

Interest rate sensitivity	Increase / decrease (basis points)	Effect on profit before tax
For the year ended March 31, 2018		
INR - borrowings	+100	(1,063)
	-100	1,063
USD -borrowings	+25	(654)
	-25	654
Other currency -borrowings	+100	(42)
	-100	42
For the year ended March 31, 2017		
INR - borrowings	+100	(866)
	-100	866
USD -borrowings	+25	(657)
	-25	657
Other currency -borrowings	+100	(49)
	-100	49

The sensitivity disclosed in the above table is attributable to floating-interest rate borrowings and the interest swaps.

The above sensitivity analysis is based on a reasonably possible change in the under-lying interest rate of the Group's borrowings in INR, USD, Euro and NGN (being the significant currencies in which it has borrowed funds), while assuming all other variables (in particular foreign currency rates) to be constant.

Based on the movements in the interest rates historically and the prevailing market conditions as at the reporting date, the Group's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

(iii) Price risk

The Group invests its surplus funds in various fixed income products, including but not limited to debt mutual funds, short term debt funds, corporate debt, government securities and fixed deposits. In order to manage its price risk arising from investments, the Group diversifies its portfolio in accordance with the limits set by the risk management policies. The Group has exposure across debt securities, mutual fund and money market instruments.

Debt investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenor of money market instruments and the underlying portfolio in liquid schemes, these do not pose any significant price risk. On the duration investment balance, an increase / decrease of 25 basis points in market yields (parallel shift of the yield curves), will result in decrease / increase in the marked to market value of the investments by Rs. 176 and Rs. 808 as on March 31, 2018 and March 31, 2017 respectively.

(iv) Credit risk

Credit risk refers to the risk of default on its obligation by the counter-party, the risk of deterioration of credit-worthiness of the counter-party as well as concentration risks of financial assets, and thereby exposing the Group to potential financial losses.

The Group is exposed to credit risk mainly with respect to trade receivables, investment in bank deposits, debt securities, mutual funds and derivative financial instruments.

Trade receivables

The Trade receivables of the Group are typically non-interest bearing unsecured and derived from sales made to a large number of independent customers. As the customer base is widely distributed both economically and geographically, there is no concentration of credit risk.

As there is no independent credit rating of the customers available with the Group, the management reviews the credit-worthiness of its customers based on their financial position, past experience and other factors. The credit risk related to the trade receivables is managed / mitigated by each business unit, basis the Group's established policy and procedures, by setting appropriate payment terms and credit period, and by setting and monitoring internal limits on exposure to individual customers. The credit period provided by the Group to its customers generally ranges from 14-30 days except Airtel business segment wherein it ranges from 7-90 days.

The Group uses a provision matrix to measure the expected credit loss of trade receivables, which comprise a very large numbers of small balances. Refer note 16 for details on the impairment of trade receivables. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are credit impaired if the payments are more than 90 days past due.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

The ageing analysis of trade receivables as of the reporting date is as follows:

	Neither past due nor impaired	Past due but not impaired				Total
		Less than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
March 31, 2018	21,182	17,294	7,835	6,201	6,318	58,830
March 31, 2017	17,115	11,653	6,612	5,966	6,056	47,402

The Group performs on-going credit evaluations of its customers' financial condition and monitors the credit-worthiness of its customers to which it grants credit in its ordinary course of business. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due. Where the financial asset has been written-off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit and loss.

Financial instruments and cash deposits

The Group's treasury, in accordance with the board approved policy, maintains its cash and cash equivalents, deposits and investment in mutual funds & debt securities, and enters into derivative financial instruments - with banks, financial and other institutions, having good reputation and past track record, and high / sovereign credit rating. Similarly, counter-parties of the Group's other receivables carry either no or very minimal credit risk. Further, the Group reviews the credit-worthiness of the counter-parties (on the basis of its ratings, credit spreads and financial strength) of all the above assets on an on-going basis, and if required, takes necessary mitigation measures.

(v) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic and international capital markets across debt and equity.

Moreover, the GSM regularly monitors the rolling forecasts of the entities' liquidity reserve (comprising of the amount of available un-drawn credit facilities and cash and cash equivalents) and the related requirements, to ensure they have sufficient cash on an on-going basis to meet operational needs while maintaining sufficient headroom at all times on its available un-drawn committed credit facilities, so that there is no breach of borrowing limits or relevant covenants on any of its borrowings. For details as to the borrowings, refer note 20.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Based on past performance and current expectations, the Group believes that the cash and cash equivalents, cash generated from operations and available un-drawn credit facilities, will satisfy its working capital needs, capital expenditure, investment requirements, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:-

	As of March 31 , 2018						
	Carrying amount	**On Demand**	**Less than 6 months**	**6 to 12 months**	**1 to 2 years**	**> 2 years**	**Total**
Interest bearing borrowings*#	1,141,676	19,419	152,197	176,076	126,576	1,231,162	**1,705,430**
Other financial liabilities#	156,811	4,874	108,656	-	161	43,120	**156,811**
Trade payables	277,675	-	277,675	-	-	-	**277,675**
Financial liabilities (excluding derivatives)	**1,576,162**	**24,293**	**538,528**	**176,076**	**126,737**	**1,274,282**	**2,139,916**
Derivative assets	10,972	-	1,333	7,608	968	1,063	**10,972**
Derivative liabilities	(5,692)	-	(117)	(168)	(203)	(5,204)	**(5,692)**
Net derivatives	**5,280**	-	**1,216**	**7,440**	**765**	**(4,141)**	**5,280**

	As of March 31 , 2017						
	Carrying amount	**On Demand**	**Less than 6 months**	**6 to 12 months**	**1 to 2 years**	**> 2 years**	**Total**
Interest bearing borrowings*#	1,078,384	22,697	135,951	50,646	176,532	1,100,524	**1,486,350**
Other financial liabilities#	100,386	4,148	80,557	-	540	15,141	**100,386**
Trade payables	268,537	-	268,537	-	-	-	**268,537**
Financial liabilities (excluding derivatives)	**1,447,307**	**26,845**	**485,045**	**50,646**	**177,072**	**1,115,665**	**1,855,273**
Derivative assets	6,792	-	1,010	1,050	1,743	2,989	**6,792**
Derivative liabilities	(5,061)	-	(1,992)	(343)	(1,092)	(1,634)	**(5,061)**
Net derivatives	**1,731**	-	**(982)**	**707**	**651**	**1,355**	**1,731**

*It includes contractual interest payment based on interest rate prevailing at the end of the reporting period after adjustment for the impact of interest swaps, over the tenor of the borrowings.

#Interest accrued but not due has been included in interest bearing borrowings and excluded from other financial liabilities.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

vi) Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows:

Balance sheet caption	Statement of cash flows line item	April 1, 2017	Cash flows	Non-cash movements					March 31, 2018
				Interest expense	Foreign exchange	Fair value changes	FCTR	Others	
Borrowings*	Proceeds / repayments of borrowings (including short-term)	610,282	36,141	-	11,480	-	883	1,420	660,206
Interest accrued but not due / derivative instruments	Interest and other finance charges paid	5,633	(44,041)	29,470	-	8,506	2,588	20,905	23,061

*It does not include deferred payment liabilities, finance lease obligations and bank overdraft but include obligations towards Africa tower sale and lease back transaction.

2. Capital risk

The Group's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. However, the key objective of the Group's capital management is to, ensure that it maintains a stable capital structure with the focus on total equity, uphold investor; creditor and customer confidence, and ensure future development of its business activities. In order to maintain or adjust the capital structure, the Group may issue new shares, declare dividends, return capital to shareholders, etc.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

The Group monitors capital using a gearing ratio calculated as below:

	As of	
	March 31, 2018	**March 31, 2017**
Borrowings	1,113,335	1,072,877
Less: cash and cash equivalents	47,886	12,817
Less: term deposits with bank	2,119	3,360
Net debt	**1,063,330**	**1,056,700**
Equity	695,344	674,563
Total capital	**695,344**	**674,563**
Capital and net debt	**1,758,674**	**1,731,263**
Gearing ratio	**60.5%**	**61.0%**

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

37 Fair value of financial assets and liabilities

The category wise details as to the carrying value, fair value and the level of fair value measurement hierarchy of the Group's financial instruments are as follows:

	Level	Carrying value as of		Fair value as of	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial assets					
FVTPL					
Derivatives					
- Currency swaps, forward and option contracts	Level 2	8,541	814	8,541	814
- Interest swaps	Level 2	2,101	4,963	2,101	4,963
- Embedded derivatives	Level 2	330	1,005	330	1,005
- Embedded derivatives	Level 3	-	10	-	10
Investments-quoted	Level 1	65,460	52,402	65,460	52,402
Investments-unquoted	Level 2	2,992	4,389	2,992	4,389
FVTOCI					
Investments-quoted	Level 1	2,391	2,609	2,391	2,609
Investments-unquoted	Level 2	3,904	1,711	3,904	1,711
Amortised cost					
Security deposits	Level 2	9,703	9,630	9,703	9,630
Trade receivables	Level 2	58,830	47,402	58,830	47,402
Cash and cash equivalents	Level 1	47,886	12,817	47,886	12,817
Bank deposits	Level 1	18,820	38,166	18,820	38,166
Other financial assets	Level 2	33,276	36,390	33,276	36,390
		254,234	**212,308**	**254,234**	**212,308**
Financial liabilities					
FVTPL					
Derivatives					
- Currency swaps, forward and option contracts	Level 2	474	3,412	474	3,412
- Interest rate swaps	Level 2	5,210	880	5,210	880
- Embedded derivatives	Level 2	8	571	8	571
- Embedded derivatives	Level 3	-	198	-	198
Amortised cost					
Borrowings - fixed rate	Level 1	414,407	368,913	427,293	386,739
Borrowings - fixed rate	Level 2	512,404	526,542	555,413	562,306
Borrowings - floating rate	Level 2	186,525	178,826	186,525	178,826
Trade payables	Level 2	277,675	268,537	277,675	268,537
Other financial liabilities	Level 2	185,152	105,893	185,152	105,893
		1,581,855	**1,453,772**	**1,637,750**	**1,507,362**

The following methods / assumptions were used to estimate the fair values:

i. The carrying value of bank deposits, trade receivables, trade payables, short-term borrowings, floating-rate long-term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments / being subject to floating-rates.

ii. Fair value of quoted financial instruments is based on quoted market price at the reporting date.

iii. The fair value of non-current financial assets, other long-term borrowings and other financial liabilities is estimated by discounting future cash flows using current rates applicable to instruments with similar terms, currency, credit risk and remaining maturities.

iv. The fair values of derivatives are estimated by using pricing models, wherein the inputs to those models are based on readily observable market parameters. The valuation models used by the Group reflect the contractual terms of the derivatives (including the period to maturity), and market-based parameters such as interest rates, foreign exchange rates, volatility etc. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable.

During the year ended March 31, 2018 and 2017, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

Following table describes the key input in the valuation (basis discounted cash flow technique) of level 2 financial assets / liabilities as of March 31, 2018 and March 31, 2017:

Financial assets / liabilities	**Inputs used**
- Currency swaps, forward and option contracts	Forward currency exchange rates, Interest rates
- Interest swaps	Prevailing / forward interest rates in market, Interest rates
- Embedded derivatives	Forward currency exchange rates, Interest rates
- Investments	Prevailing interest rates in market, Interest rates
- Other financial assets / fixed rate borrowings / other financial liabilities	Prevailing interest rates in market, Future payouts, Interest rates

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Level 3 financial instruments

The following table provides the details as to changes in value of financial instruments categorised within level 3 of the fair value hierarchy:

	For the year ended	
	March 31, 2018	**March 31, 2017**
Opening balance	(188)	51
Gain recognised in consolidated statement of profit and loss (including settlements)		
-Recognised in finance costs / finance income*	276	(215)
Transferred on account of sale of subsidiary	-	(22)
Exchange difference recognised in OCI	(88)	(2)
Closing balance	-	**(188)**

*Out of these gains / (losses), Nil and loss of Rs. 213 year ended March 31, 2018 and 2017 respectively relates to assets/liabilities held at the end of respective periods.

Valuation process, techniques and inputs used: The Group has entered into certain contracts under which payouts are linked to revenue of the period to which payout relates. The portion of the payout are payable at predetermined fixed foreign exchange rate and results in an embedded derivative. The significant inputs to the valuation model of these embedded derivatives are future revenue projections and foreign exchange forward rates over the contract period. The revenue projections, being based on the rolling ten year financial plan approved by management, constitute a significant unobservable input to the valuation, thereby resulting in the embedded derivative being classified as Level 3 in the fair value hierarchy.

The Group either engages external, independent and qualified valuers or internally values the embedded derivative categorised within level 3. Discounted cash flow model is used to value the embedded derivative wherein major inputs are expected future payouts to vendors, forward foreign currency exchange rates and relevant interest rates. The value of embedded derivative is the present value of the differential of future payouts on the reporting date, over that determined based on the forward rates prevailing at the inception of the contract.

Sensitivity to changes in unobservable inputs: The fair value of embedded derivative is directly proportional to the expected future payouts to vendor (considered for the purpose of valuation of the embedded derivative). If future payouts to vendor were to increase / decrease by 5% with all the other variables held constant, the fair value of embedded derivative would increase / decrease by 5%. Expected future payouts to vendor ranging from Nil and USD 12 to USD 17 per quarter as of March 31, 2018 and March 31, 2017 respectively.

38 Other matters

(i) In 1996, the Company had obtained the permission from DoT to operate its Punjab license through one of its wholly owned subsidiary. However DoT cancelled the permission to operate in April, 1996 and subsequently reinstated in March, 1998. Accordingly, for the period from April 1996 to March, 1998 ('blackout period') the license fee was disputed and not paid by the Company.

Subsequently, basis the demand from DoT in 2001, the Company paid the disputed license fee of Rs. 4,856 for blackout period under protest. Consequently, the license was restored subject to arbitrator's adjudication on the dispute. The arbitrator adjudicated the matter in favour of DoT, which was challenged by the Company before Hon'ble Delhi High Court. In 2012, Hon'ble Delhi High Court passed an order setting aside the arbitrator's award, which was challenged by DoT and is pending before its division bench. Meanwhile, the Company had filed a writ petition for recovery of the disputed license fee and interest thereto. However, the single bench, despite taking the view that the Company is entitled to refund, dismissed the writ petition on the ground that the case is still pending with the larger bench. The Company therefore has filed appeal against the said order with division bench and is currently pending. DoT had also filed an appeal against the single judge order. Both these appeals are tagged together and are listed for final hearing. The Hon'ble court has directed both the parties to file comprehensive written submission.

(ii) TRAI vide Telecom Interconnect Usages Charges Regulation (Eleventh Amendment) 2015 has reduced the IUC charges for mobile termination charges to 14 paisa from 20 paisa and abolished the fixed-line termination charges. The Company has challenged the said Regulation before the Hon'ble Delhi High Court and the matter is currently pending.

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(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

39 Additional information as required under Schedule III of the Companies Act, 2013

Table 1 - Details pertaining to share in net assets, profit or loss and total comprehensive income.

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2018 and 2017 (Refer note 1 and 2)	Principal place of operation / country of incorporation	March 31, 2018					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
	Parent								
	- Telecommunication services								
1	Bharti Airtel Limited	100%	India	131.29%	1,028,609	7.21%	792	-34.58%	849
	Subsidiaries								
	A. Indian								
	- Telecommunication services								
1	Bharti Hexacom Limited	70%	India	8.28%	64,893	-10.18%	(1,119)	45.51%	(1,117)
2	Nxtra Data Limited	100%	India	0.02%	183	2.14%	235	-9.65%	237
3	Smartx Services Limited	53.54% ^	India	0.00%	19	0.03%	3	-0.12%	3
4	Telesonic Networks Limited	100%	India	0.08%	617	2.13%	234	-9.05%	222
5	Wynk Limited	100%	India	0.07%	551	1.29%	141	-5.76%	141
6	Bharti Digital Networks Private Limited (Formerly known as Tikona Digital Networks Private Limited; subsidiary w.e.f. August 24, 2017)	100%	India	-1.76%	(13,808)	-1.44%	(158)	6.44%	(158)
	- Direct To Home services								
1	Bharti Telemedia Limited	95%	India	-3.19%	(24,995)	25.74%	2,829	-115.36%	2,832
	- Infrastructure sharing services								
1	Bharti Infratel Limited	53.54% ^	India	14.23%	111,515	119.36%	13,118	-535.32%	13,142
	- Investment Company								
1	Nettle Infrastructure Investments Limited	100%	India	-2.19%	(17,145)	7.61%	837	-355.57%	8,729
	- Mobile commerce services								
1	Airtel Payments Bank Limited	80.10%	India	0.29%	2,306	-24.81%	(2,726)	111.05%	(2,726)
	- Other								
1	Bharti Airtel Services Limited	100%	India	-0.04%	(312)	6.26%	688	-28.32%	695
	- Uplinking channels for broadcasters								
1	Indo Teleports Limited	100% ^^	India	-0.07%	(560)	-1.01%	(111)	4.54%	(111)
	B. Foreign								
	- Direct To Home services								
1	Airtel DTH Services Nigeria Limited #	100%	Nigeria	-	-	-	-	-	-
	- Infrastructure sharing services								
1	Africa Towers Services Limited ##	100%	Kenya	0.00%	1	0.00%	0	-0.02%	0
2	Bangladesh Infratel Networks Limited #	100%	Bangladesh	-	-	-	-	-	-
3	Bharti Infratel Lanka (Private) Limited #	100%	Sri Lanka	-	-	-	-	-	-
4	Congo RDC Towers S.A.	100%	Democratic Republic of Congo	-0.07%	(565)	-2.74%	(301)	12.25%	(301)
5	Gabon Towers S.A. ##	90%	Gabon	0.00%	(1)	0.02%	2	-0.10%	2
6	Madagascar Towers S.A.	100%	Madagascar	0.04%	320	0.71%	78	-3.20%	78
7	Malawi Towers Limited	100%	Malawi	-0.25%	(1,920)	-4.45%	(489)	19.92%	(489)
8	Tanzania Towers Limited	60%	Tanzania	0.00%	(31)	0.00%	(0)	0.01%	(0)
9	Towers Support Nigeria Limited #	83.25%	Nigeria	-	-	0.01%	1	-0.02%	1
	- Investment Company								
1	Africa Towers N.V.	100%	Netherlands	-0.06%	(445)	-0.45%	(49)	2.01%	(49)
2	Airtel Mobile Commerce B.V.	100%	Netherlands	-0.01%	(77)	-0.09%	(10)	0.40%	(10)
3	Airtel Mobile Commerce Holdings B.V.	100%	Netherlands	0.00%	1	-	-	-	-
4	Bharti Airtel Africa B.V.	100%	Netherlands	11.20%	87,717	18.95%	2,083	-84.84%	2,083
5	Bharti Airtel Burkina Faso Holdings B.V.	100%	Netherlands	5.81%	45,513	0.00%	(0)	0.00%	(0)
6	Bharti Airtel Chad Holdings B.V.	100%	Netherlands	-0.06%	(462)	-3.09%	(340)	13.83%	(340)
7	Bharti Airtel Congo Holdings B.V.	100%	Netherlands	0.79%	6,171	0.84%	92	-3.74%	92
8	Bharti Airtel Developers Forum Limited	96.36%	Zambia	-	-	-	-	-	-
9	Bharti Airtel DTH Holdings B.V. #	100%	Netherlands	-	-	-	-	-	-
10	Bharti Airtel Gabon Holdings B.V.	100%	Netherlands	1.09%	8,574	0.46%	50	-2.04%	50
11	Bharti Airtel Ghana Holdings B.V. (Refer note 5 (c))	100%	Netherlands	-	-	-8.93%	(981)	39.97%	(981)
12	Bharti Airtel International (Mauritius) Limited	100%	Mauritius	1.97%	15,449	1.76%	193	-9.77%	240
13	Bharti Airtel International (Netherlands) B.V.	100%	Netherlands	24.65%	193,134	-171.27%	(18,823)	766.73%	(18,823)
14	Bharti Airtel Kenya B.V.	100%	Netherlands	-1.80%	(14,087)	-15.88%	(1,745)	71.09%	(1,745)

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

S. No.	Name of the entity	% of shareholding as at March 31, 2018 and 2017 (Refer note 1 and 2)	Principal place of operation / country of incorporation	March 31, 2018					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
15	Bharti Airtel Kenya Holdings B.V.	100%	Netherlands	-0.34%	(2,671)	-0.86%	(95)	3.86%	(95)
16	Bharti Airtel Madagascar Holdings B.V.	100%	Netherlands	-0.31%	(2,421)	-2.19%	(240)	9.78%	(240)
17	Bharti Airtel Malawi Holdings B.V.	100%	Netherlands	0.05%	410	0.69%	76	-3.09%	76
18	Bharti Airtel Mali Holdings B.V.	100%	Netherlands	0.01%	100	-0.14%	(16)	0.64%	(16)
19	Bharti Airtel Niger Holdings B.V.	100%	Netherlands	1.47%	11,555	14.00%	1,539	-62.68%	1,539
20	Bharti Airtel Nigeria B.V.	100%	Netherlands	-7.78%	(60,964)	-40.46%	(4,446)	181.11%	(4,446)
21	Bharti Airtel Nigeria Holdings B.V. #	100%	Netherlands	-	-	-	-	-	-
22	Bharti Airtel Nigeria Holdings II B.V.	100%	Netherlands	-0.01%	(107)	0.09%	10	-0.42%	10
23	Bharti Airtel RDC Holdings B.V.	100%	Netherlands	0.23%	1,780	-17.73%	(1,949)	79.38%	(1,949)
24	Bharti Airtel Rwanda Holdings Limited	100%	Mauritius	0.02%	187	-0.02%	(2)	0.09%	(2)
25	Bharti Airtel Services B.V.	100%	Netherlands	-0.06%	(443)	-0.48%	(53)	2.16%	(53)
26	Bharti Airtel Tanzania B.V.	100%	Netherlands	-0.60%	(4,697)	-8.15%	(896)	36.48%	(896)
27	Bharti Airtel Uganda Holdings B.V.	100%	Netherlands	-1.26%	(9,900)	-33.71%	(3,705)	150.92%	(3,705)
28	Bharti Airtel Zambia Holdings B.V.	100%	Netherlands	3.81%	29,834	25.14%	2,763	-112.55%	2,763
29	Celtel (Mauritius) Holdings Limited	100%	Mauritius	0.30%	2,346	-1.36%	(150)	6.09%	(150)
30	Channel Sea Management Company (Mauritius) Limited	100%	Mauritius	0.00%	33	-0.01%	(1)	0.06%	(1)
31	Indian Ocean Telecom Limited	100%	Jersey	0.10%	798	-0.03%	(3)	0.14%	(3)
32	Montana International	100%	Mauritius	0.00%	(14)	-0.01%	(1)	0.04%	(1)
33	MSI-Celtel Nigeria Limited #	100%	Nigeria	-	-	-	-	-	-
34	Partnership Investments Sprl	100%	Democratic Republic of Congo	-	-	-	-	-	-
35	Société Malgache de Téléphone Cellulaire S.A.	100%	Mauritius	0.02%	121	-0.02%	(2)	0.07%	(2)
36	Bharti Airtel International (Mauritius) Investments Limited (incorporated on March 26, 2018)	100%	Mauritius	0.00%	(1)	-0.01%	(1)	0.02%	(1)
	- Mobile commerce services								
1	Airtel Mobile Commerce (Ghana) Limited (Refer note 5 (c))	99.89%	Ghana	-	-	-	-	-	-
2	Airtel Mobile Commerce (Kenya) Limited	100%	Kenya	0.00%	0	-	-	-	-
3	Airtel Mobile Commerce (Seychelles) Limited	100%	Seychelles	0.00%	(29)	-0.01%	(1)	0.06%	(1)
4	Airtel Mobile Commerce (Tanzania) Limited	100%	Tanzania	0.00%	0	-	-	-	-
5	Airtel Mobile Commerce Limited	100%	Malawi	0.00%	0	0.00%	-	0.00%	-
6	Airtel Mobile Commerce Madagascar S.A.	100%	Madagascar	-0.06%	(499)	-0.14%	(15)	0.61%	(15)
7	Airtel Mobile Commerce Rwanda Limited	100%	Rwanda	0.00%	1	-	-	-	-
8	Airtel Mobile Commerce Tchad S.a.r.l.	100%	Chad	0.00%	0	-	-	-	-
9	Airtel Mobile Commerce Uganda Limited	100%	Uganda	0.00%	0	-	-	-	-
10	Airtel Mobile Commerce Zambia Limited	100%	Zambia	-0.07%	(551)	-0.02%	(3)	0.11%	(3)
11	Airtel Money (RDC) S.A.	100%	Democratic Republic of Congo	0.02%	168	1.23%	135	-5.50%	135
12	Airtel Money Niger S.A.	90%	Niger	-	-	-	-	-	-
13	Airtel Money S.A. (Gabon)	100%	Gabon	0.04%	335	3.14%	345	-14.06%	345
14	Airtel Money Transfer Limited	100%	Kenya	-	-	-	-	-	-
15	Mobile Commerce Congo S.A.	100%	Congo Brazzaville	0.00%	1	-	-	-	-
16	Zap Trust Company Nigeria Limited #	100%	Nigeria	-	-	-	-	-	-
17	Airtel Money Tanzania Limited	60.04%	Tanzania	0.00%	(1)	-0.01%	(1)	0.03%	(1)
18	Airtel Mobile Commerce Nigeria Limited (incorporated on August 31, 2017)	83.25%	Nigeria	-	-	-	-	-	-
	- Submarine Cable System								
1	Network i2i Limited	100%	Mauritius	13.90%	108,870	25.71%	2,826	-115.11%	2,826
	- Telecommunication services								
1	Airtel (Seychelles) Limited	100%	Seychelles	0.10%	793	2.20%	242	-9.85%	242
2	Airtel Congo (RDC) S.A.	98.50%	Democratic Republic of Congo	-7.11%	(55,695)	-27.37%	(3,008)	122.51%	(3,008)
3	Airtel Congo S.A.	90%	Congo Brazzaville	-1.14%	(8,898)	11.36%	1,248	-50.85%	1,248
4	Airtel Gabon S.A.	90%	Gabon	-0.69%	(5,431)	29.75%	3,270	-133.18%	3,270
5	Airtel Ghana Limited (Refer note 5 (c))	99.89%	Ghana	-	-	-5.05%	(555)	22.61%	(555)
6	Airtel Madagascar S.A.	100%	Madagascar	-0.84%	(6,555)	-9.12%	(1,002)	40.83%	(1,002)
7	Airtel Malawi Limited	100%	Malawi	0.24%	1,902	14.82%	1,629	-66.36%	1,629
8	Airtel Networks Kenya Limited @	100%	Kenya	-3.33%	(26,094)	-17.80%	(1,956)	79.67%	(1,956)

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

S.No.	Name of the entity	% of shareholding as at March 31, 2018 and 2017 (Refer note 1 and 2)	Principal place of operation / country of incorporation	March 31, 2018					
				Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')		Share in total comprehensive income ('TCI')	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
9	Airtel Networks Limited	83.25%	Nigeria	-2.07%	(16,195)	-22.95%	(2,522)	102.73%	(2,522)
10	Airtel Rwanda Limited	100%	Rwanda	-1.56%	(12,234)	-16.86%	(1,853)	75.47%	(1,853)
11	Airtel Tanzania Public Limited Company (Formerly known as Airtel Tanzania Limited)	60%	Tanzania	-3.44%	(26,931)	-14.58%	(1,602)	65.27%	(1,602)
12	Airtel Tchad S.A.	100%	Chad	-0.65%	(5,124)	13.82%	1,519	-61.87%	1,519
13	Airtel Uganda Limited	100%	Uganda	0.11%	859	41.78%	4,591	-187.03%	4,591
14	Bharti Airtel (France) SAS	100%	France	0.04%	340	1.51%	166	-6.78%	166
15	Bharti Airtel (Hong Kong) Limited	100%	Hong Kong	0.00%	14	1.23%	135	-5.50%	135
16	Bharti Airtel (Japan) Private Limited	100%	Japan	0.00%	6	0.01%	1	-0.05%	1
17	Bharti Airtel (UK) Limited	100%	United Kingdom	0.07%	543	0.58%	63	-2.63%	64
18	Bharti Airtel (USA) Limited	100%	United States of America	0.09%	674	1.97%	217	-8.83%	217
19	Bharti Airtel Lanka (Private) Limited	100%	Sri Lanka	0.17%	1,295	-18.14%	(1,993)	81.20%	(1,993)
20	Bharti International (Singapore) Pte. Ltd.	100%	Singapore	2.08%	16,298	4.77%	525	-21.37%	525
21	Celtel Niger S.A.	90%	Niger	0.40%	3,168	20.69%	2,274	-92.64%	2,274
22	Airtel Networks Zambia Plc	96.36%	Zambia	0.22%	1,717	29.69%	3,263	-132.93%	3,263
23	Tigo Rwanda Limited (Subsidiary w.e.f. January 31, 2018)	100%	Rwanda	-0.16%	(1,276)	-0.83%	(92)	3.73%	(92)
	Minority Interests in all subsidiaries			11.25%	88,139	-98.67%	(10,845)	411.19%	(10,095)
	Associates (Investment as per the equity method)								
	A. Indian								
	- Financial Services								
1	Seynse Technologies Private Limited	22.54%	India	0.03%	222	-0.25%	(27)	1.12%	(27)
	- Others								
1	Juggernaut Books Private Limited (acquired on November 29, 2017)	10.71%	India	0.01%	58	-0.02%	(2)	0.08%	(2)
	B. Foreign								
	- Submarine cable system								
1	Seychelles Cable Systems Company Limited	26%	Seychelles	0.03%	226	1.87%	205	-8.37%	205
	- Telecommunication services								
1	Robi Axiata Limited	25%	Bangladesh	2.76%	21,620	-2.57%	(282)	10.72%	(263)
	Joint Ventures (Investment as per the equity method)								
	A. Indian								
	- Passive infrastructure services								
1	Indus Towers Limited	22.49% ^^^	India	7.42%	58,110	107.51%	11,816	-481.35%	11,817
	- Telecommunication services								
1	FireFly Networks Limited	50%	India	0.00%	3	0.03%	3	-0.13%	3
	B. Foreign								
	- Provision of regional mobile services								
1	Bridge Mobile Pte Limited	10%	Singapore	0.01%	58	0.06%	6	-0.26%	6
	- Investment Company								
1	Bharti Airtel Ghana Holdings B.V. (Refer note 5 (c))	50%	Netherlands	0.48%	3,756	-	-	-	-
	- Mobile commerce services								
1	Airtel Mobile Commerce (Ghana) Limited (Refer note 5 (c))	49.95%	Ghana	-0.02%	(145)	-0.61%	(67)	2.74%	(67)
2	Mobile Financial Services Limited (Refer note 5 (c))	50%	Ghana	0.01%	54	-0.02%	(3)	0.11%	(3)
	- Telecommunication services								
1	Airtel Ghana Limited (Refer note 5 (c))	49.95%	Ghana	-0.17%	(1,362)	-2.83%	(311)	12.66%	(311)
2	Millicom Ghana Company Limited (Refer note 5 (c))	49.95%	Ghana	-0.12%	(952)	-1.96%	(216)	8.79%	(216)
	Inter-company eliminations / adjustments on consolidation				(814,885)		15,515		(6,723)
	Total			**100%**	**783,483**	**100%**	**10,990**	**100%**	**(2,455)**

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Table 2 - Details pertaining to share in other comprehensive income.

S. No.	Name of the entity	% of shareholding as at March 31, 2018 and 2017 (Refer note 1 and 2)	Principal place of operation / country of incorporation	March 31, 2018 Share in other comprehensive income ('OCI')	
				As % of OCI	Amount
	Parent				
	Telecommunication services				
1	Bharti Airtel Limited	100%	India	-0.42%	57
	Subsidiaries				
	- Indian				
	- Telecommunication services				
1	Bharti Hexacom Limited	70%	India	-0.01%	2
2	Nxtra Data Limited	100%	India	-0.01%	2
3	Telesonic Networks Limited	100%	India	0.09%	(12)
4	Wynk Limited	100%	India	0.00%	(0)
	- Direct To Home services				
1	Bharti Telemedia Limited	95%	India	-0.02%	3
	- Infrastructure sharing services				
1	Bharti Infratel Limited	53.54% ^	India	-0.18%	24
	- Investment Company				
1	Nettle Infrastructure Investments Limited	100%	India	-58.70%	7,892
	- Other				
1	Bharti Airtel Services Limited	100%	India	-0.05%	7
	- Foreign				
	- Telecommunication services				
1	Bharti Airtel (Japan) Private Limited	100%	Japan	0.00%	0
2	Bharti Airtel (UK) Limited	100%	United Kingdom	-0.01%	1
3	Bharti Airtel (Hong Kong) Limited	100%	Hong Kong	0.00%	(0)
	- Investment Company				
1	Bharti Airtel International (Mauritius) Limited	100%	Mauritius	-0.35%	47
	Minority Interests in all subsidiaries			-5.58%	750
	Associates (Investment as per the equity method)				
	A. Foreign				
	- Telecommunication services				
1	Robi Axiata Limited	25%	Bangladesh	-0.14%	19
	Joint Ventures (Investment as per the equity method)				
	A. Indian				
	- Passive infrastructure services				
1	Indus Towers Limited	22.49% ^^^	India	-0.01%	1
	Inter-company eliminations / adjustments on consolidation				(22,238)
	Total			**100%**	**(13,445)**

Notes:

1 - Changes in shareholding during the year ended March 31, 2018:
^ The Company has reduced its shareholding to 53.55% (61.68% in March 31, 2017) during the year ended March 31, 2018.
^^ The Company has increased its shareholding to 100% (95% in March 31, 2017) during the year ended March 31, 2018.
^^^ The Company has reduced its shareholding to 22.49% (25.91% in March 31, 2017) during the year ended March 31, 2018.

2 - Others
Liquidated during the year ended March 31, 2018
Under liquidation
@ The Group also holds 100% preference shareholding in the Company. The preference shares do not carry any voting rights.
The figures which are appearing as '0' are result of rounding off.

Independent Auditor's Report

To the Members of Bharti Airtel Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Bharti Airtel Limited ('the Holding Company'), its subsidiaries (together referred to as "the Group"), its associates and jointly controlled entities, comprising of the consolidated Balance Sheet as at March 31, 2017, 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 significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statement").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("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 associates and jointly controlled entities and in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by Ministry of Corporate Affairs. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and jointly controlled entities 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 Company, as aforesaid.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 Holding Company'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 accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 reports of other auditors on separate financial statements and on the other financial information of a associate and a jointly controlled entity, 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 accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2017, their consolidated profit including other comprehensive loss, and their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 26(i)(f)(v) to these consolidated Ind AS financial statements which, describes the uncertainties related to the legal outcome of the Department of Telecommunications' demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter.

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 report of the other auditors on separate financial statements and the other financial information of subsidiaries, an associate and a jointly controlled entity, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

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

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

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

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 3 of the Companies (Accounts) Rules, 2015 and the Companies (Indian Accounting Standards) Rules, 2016 issued by Ministry of Corporate Affairs;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiaries, an associate company and jointly controlled company incorporated in India, none of the directors of the Group's companies, its associate and jointly controlled companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

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

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 Companies (Audit and Auditors) Amendment Rules, 2017, 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 its consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note 23 to the consolidated Ind AS financial statements;

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 11 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group, its associates and jointly controlled entities and (b) the Group's share of net profit in respect of its associates;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and jointly controlled companies incorporated in India during the year ended March 31, 2017.

iv. The Company has provided requisite disclosures in Note 17 to these Ind AS consolidated financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 of the Group entities as applicable. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by those entities as produced to us by the management of the respective Group entities.

Other Matter

We did not audit the financial statements of the joint venture included herein with the Company's share of profit in joint venture of ₹ 11,083 Mn for the year ended March 31, 2017. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us by the management. Our opinion in so far as it relates to the affairs of such joint venture,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 such other auditors. Our opinion is not qualified in respect of this matter.

These consolidated Ind AS financial statements include the Company's share of losses for the post-merger period effective November 16, 2016 in an associate of ₹ 1,182 Mn for the year ended March 31, 2017. These financial statements and other financial information are audited upto period ended December 31, 2016 and unaudited for three months period ended March 31, 2017 and have been furnished to us by the management based on management accounts of the associate pending approval of its quarterly accounts. Our opinion in so far as it relates to the affairs of such associate, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such audited and unaudited financial statements and other unaudited financial information for the period ended December 31, 2016 and March 31, 2017 respectively.

Our above opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W/E300004

per Nilangshu Katriar
Partner
Membership Number: 58814

Place: New Delhi
Date: May 9, 2017

Annexure 1 To the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of Bharti Airtel Limited

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

To the Members of Bharti Airtel Limited

In conjunction with our audit of the consolidated Ind AS financial statements of Bharti Airtel Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Bharti Airtel Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W/E300004

per Nilangshu Katriar
Partner
Membership Number: 58814

Place: New Delhi
Date: May 9, 2017

(All amounts are in millions of Indian Rupees)

	Notes	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Assets				
Non-current assets				
Property, plant and equipment	**6**	620,088	610,508	543,936
Capital work-in-progress	**6**	23,942	47,304	48,702
Goodwill	**7**	338,082	428,381	414,823
Other intangible assets	**7**	824,181	684,039	341,718
Intangible assets under development	**7**	84,443	9,716	118,487
Investment in joint ventures and associates	**8**	82,277	60,990	51,936
Financial assets				
- Investments	**10**	44,187	28,622	31,310
- Derivative instruments	**11**	4,732	13,999	7,303
- Security deposits	**12**	9,630	10,441	9,529
- Others	**13**	16,653	17,502	8,031
Deferred tax assets (net)	**14**	26,262	46,738	59,502
Other non-current assets	**15**	49,875	70,440	75,684
		2,124,352	**2,028,680**	**1,710,961**
Current assets				
Inventories		488	1,692	1,339
Financial assets				
- Investments	**10**	16,923	16,159	84,017
- Derivative instruments	**11**	2,060	4,765	1,207
- Trade receivables	**16**	49,838	55,039	51,961
- Cash and cash equivalents	**17**	12,817	37,087	11,721
- Bank deposits	**17**	3,360	13,900	8,823
- Others	**13**	52,105	32,511	25,171
Current tax assets		21,454	11,570	5,721
Other current assets	**15**	44,105	48,827	32,196
Assets-held-for-sale	**18**	-	7,002	32,618
		203,150	**228,552**	**254,774**
Total Assets		**2,327,502**	**2,257,232**	**1,965,735**

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Bharti Airtel Limited
Consolidated Balance Sheet
(All amounts are in millions of Indian Rupees)

	Notes	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Equity and Liabilities				
Equity				
Share capital	**19**	19,987	19,987	19,987
Other equity		654,576	647,706	610,603
Equity attributable to owners of the Parent		**674,563**	**667,693**	**630,590**
Non-controlling interests ('NCI')		68,750	54,981	51,613
		743,313	**722,674**	**682,203**
Non-current liabilities				
Financial liabilities				
- Borrowings	**21**	896,373	892,686	591,575
- Derivative instruments	**11**	2,726	8	164
- Others	**22**	15,681	16,084	14,537
Deferred revenue		22,335	17,787	17,917
Provisions	**23**	7,471	7,350	7,648
Deferred tax liabilities (net)	**14**	9,429	12,512	13,077
Other non-current liabilities	**24**	727	1,527	1,466
		954,742	**947,954**	**646,384**
Current liabilities				
Financial liabilities				
- Borrowings	**21**	129,442	57,238	86,680
- Current maturities of long-term borrowings	**21**	48,466	54,602	125,366
- Derivative instruments	**11**	2,335	1,931	628
- Trade payables	**25**	268,537	255,806	215,896
- Others	**22**	88,808	131,180	127,306
Deferred revenue		48,785	51,336	50,074
Provisions	**23**	2,215	2,332	2,066
Current tax liabilities (net)		6,089	9,296	9,271
Other current liabilities	**24**	34,770	21,844	15,898
Liabilities-held-for-sale	**18**	-	1,039	3,963
		629,447	**586,604**	**637,148**
Total Liabilities		**1,584,189**	**1,534,558**	**1,283,532**
Total Equity and Liabilities		**2,327,502**	**2,257,232**	**1,965,735**

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

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W/E300004

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

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

per Nilangshu Katriar
Partner
Membership No: 58814

Nilanjan Roy
Global Chief Financial Officer

Place: **New Delhi**

Date: **May 9, 2017**

(All amounts are in millions of Indian Rupees; except per share data)

	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
Income			
Revenue from operations	**27**	954,683	965,321
Other income		1,206	871
		955,889	**966,192**
Expenses			
Network operating expenses	**29**	209,154	201,567
Access charges		102,786	109,423
License fee / spectrum charges (revenue share)		92,760	94,928
Employee benefits	**28**	43,032	49,108
Sales and marketing expenses	**29**	71,400	82,410
Other expenses	**29**	82,253	88,043
		601,385	**625,479**
Profit from operating activities before depreciation, amortisation and exceptional items		**354,504**	**340,713**
Share of results of joint ventures and associates	**8**	(10,449)	(10,666)
Depreciation and amortisation	**30**	197,730	174,498
Finance costs	**31**	95,466	85,461
Finance income	**31**	(18,492)	(16,326)
Non-operating expense (net)	**32**	1,319	1,024
Profit before exceptional items and tax		**88,930**	**106,722**
Exceptional items	**33**	11,697	(21,741)
Profit before tax		**77,233**	**128,463**
Tax expense			
Current tax	**14**	21,240	44,690
Deferred tax	**14**	13,579	14,843
Profit for the year		**42,414**	**68,930**

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(All amounts are in millions of Indian Rupees; except per share data)

	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit for the year (continued from previous page)		**42,414**	**68,930**
Other comprehensive income ('OCI')			
Items to be reclassified subsequently to profit or loss :			
Net losses due to foreign currency translation differences		(41,424)	(4,920)
Net losses on net investments hedge		(10,330)	(7,108)
Net gains / (losses) on cash flow hedge		857	(724)
Net gains on fair value through OCI investments		107	9
Income tax (charge) / credit	14	(16)	503
		(50,806)	**(12,240)**
Items not to be reclassified to profit or loss :			
Re-measurement losses on defined benefit plans	28	(73)	(129)
Share of joint ventures and associates	8	(9)	(4)
Income tax credit		20	25
		(62)	**(108)**
Other comprehensive loss for the year		**(50,868)**	**(12,348)**
Total comprehensive (loss) / gain for the year		**(8,454)**	**56,582**
Profit for the year attributable to :		**42,414**	**68,930**
Owners of the Parent		37,998	60,767
Non-controlling interests		4,416	8,163
Other comprehensive loss for the year attributable to :		**(50,868)**	**(12,348)**
Owners of the Parent		(48,655)	(11,977)
Non-controlling interests		(2,213)	(371)
Total comprehensive (loss) / gain for the year attributable to :		**(8,454)**	**56,582**
Owners of the Parent		(10,657)	48,790
Non-controlling interests		2,203	7,792
Earnings per share (In Rupees) (Face value Rs. 5/- each)			
Basic	34	9.51	15.21
Diluted	34	9.51	15.20

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

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W/E300004

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

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

per Nilangshu Katriar
Partner
Membership No: 58814

Nilanjan Roy
Global Chief Financial Officer

Place: **New Delhi**

Date: **May 9, 2017**

Consolidated Statement of Changes in Equity

(All amounts are in millions of Indian Rupees; except per share data)

	Equity attributable to owners of the Parent										
	Share capital		Other equity								
			Reserves and surplus								
	No of shares (in '000)	Amount	Share premium	Retained earnings (Note 20)	General reserve	Share-based payment reserve	Transactions with NCI reserve	Other components of equity (Note 20)	Total	Non-controlling interests	Total equity
As of April 1, 2015	**3,997,400**	**19,987**	**123,456**	**404,792**	**27,030**	**4,805**	**50,634**	**(114)**	**610,603**	**51,613**	**682,203**
Profit for the year	-	-	-	60,767	-	-	-	-	60,767	8,163	68,930
Other comprehensive loss	-	-	-	(108)	-	-	-	(11,869)	(11,977)	(371)	(12,348)
Total comprehensive income / (loss)	-	-	-	**60,659**	-	-	-	**(11,869)**	**48,790**	**7,792**	**56,582**
Transaction with owners of equity											
Employee share-based payment expense	-	-	-	-	-	237	-	-	237	11	248
NCI arising on a business combination	-	-	-	-	-	-	-	-	-	(16)	(16)
Purchase of treasury shares	-	-	-	-	-	-	-	(514)	(514)	-	(514)
Exercise of share options	-	-	-	-	-	127	-	104	231	338	569
Transaction with NCI	-	-	-	-	-	-	531	-	531	453	984
Dividend paid (including tax) to Company's shareholders	-	-	-	(10,679)	-	-	-	-	(10,679)	-	(10,679)
Dividend paid (including tax) to NCI	-	-	-	-	-	-	-	-	-	(4,625)	(4,625)
Movement on account of court approved schemes	-	-	-	(1,493)	-	-	-	-	(1,493)	(585)	(2,078)
As of March 31, 2016	**3,997,400**	**19,987**	**123,456**	**453,279**	**27,030**	**5,169**	**51,165**	**(12,393)**	**647,706**	**54,981**	**722,674**
Profit for the year	-	-	-	37,998	-	-	-	-	37,998	4,416	42,414
Other comprehensive loss	-	-	-	(62)	-	-	-	(48,593)	(48,655)	(2,213)	(50,868)
Total comprehensive income / (loss)	-	-	-	**37,936**	-	-	-	**(48,593)**	**(10,657)**	**2,203**	**(8,454)**
Transaction with owners of equity											
Employee share-based payment expense	-	-	-	-	-	328	-	-	328	10	338
Exercise of share options	-	-	-	-	-	(1,432)	-	157	(1,275)	(1,236)	(2,511)
Transaction with NCI	-	-	-	-	-	-	26,051	-	26,051	26,303	52,354
Dividend paid (including tax) to Company's shareholders	-	-	-	(6,543)	-	-	-	-	(6,543)	-	(6,543)
Dividend paid (including tax) to NCI	-	-	-	-	-	-	-	-	-	(12,869)	(12,869)
Movement on account of court approved schemes	-	-	-	(1,034)	-	-	-	-	(1,034)	(642)	(1,676)
As of March 31, 2017	**3,997,400**	**19,987**	**123,456**	**483,638**	**27,030**	**4,065**	**77,216**	**(60,829)**	**654,576**	**68,750**	**743,313**

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

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W/E300004

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

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

per Nilangshu Katriar
Partner
Membership No: 58814

Nilanjan Roy
Global Chief Financial Officer

Place: **New Delhi**

Date: **May 9, 2017**

Bharti Airtel Limited
Consolidated Statement of Cash Flows
(All amounts are in millions of Indian Rupees)

	For the year ended	
	March 31, 2017	**March 31, 2016**
Cash flows from operating activities		
Profit before tax	***77,233***	**128,463**
Adjustments for :		
Depreciation and amortisation	197,730	174,498
Finance costs	95,466	85,461
Finance income	(18,492)	(16,326)
Share of results of joint ventures and associates	(10,449)	(10,666)
Exceptional items	(276)	(31,321)
Employee share-based payment expense	338	248
Other non-cash items	265	(143)
Operating cash flow before changes in working capital	**341,815**	**330,214**
Changes in working capital		
Trade receivables	13,001	12,656
Trade payables	9,633	(3,504)
Inventories	948	(872)
Provisions	(26)	(277)
Other financial and non financial liabilities	3,558	9,939
Other financial and non financial assets	(54,543)	(21,897)
Net cash generated from operations before tax and dividend	**314,386**	**326,259**
Dividend received	9,510	-
Income tax paid	(31,587)	(46,836)
Net cash generated from operating activities (a)	**292,309**	**279,423**
Cash flows from investing activities		
Purchase of property, plant and equipment	(223,030)	(193,313)
Proceeds from sale of property, plant and equipment	4,462	3,798
Purchase of intangible assets	(165,477)	(81,452)
Net movement in current investments	5,785	63,771
Purchase of non-current investments	(89,073)	(3,218)
Sale of non-current investments	82,557	7,642
Investment in subsidiaries, net of cash acquired	(283)	(135)
Sale of subsidiaries (refer note 5)	59,604	-
Sale of tower assets	7,120	56,821
Investment in associate	(250)	-
Proceeds from sale of interest in associate / joint venture (refer note 5)	447	55
Loan to joint venture / associate	-	(19)
Loan repayment received from joint venture / associate	-	14
Dividend received	279	118
Interest received	2,305	3,661
Net cash used in investing activities (b)	**(315,554)**	**(142,257)**
Cash flows from financing activities		
Proceeds from borrowings	258,584	187,265
Repayment of borrowings	(274,608)	(309,656)
Net proceeds from short-term borrowings	25,377	4,558
Proceeds from sale and finance leaseback of towers	6,277	48,120
Repayment of finance lease liabilities	(3,899)	(2,593)
Purchase of treasury shares	-	(514)
Interest and other finance charges paid	(58,566)	(32,890)
Proceeds from exercise of share options	65	569
Dividend paid (including tax)	(9,168)	(15,304)
Proceeds from issuance of equity shares to NCI (refer note 5)	1,245	984
Sale of interest in a subsidiary (refer Note 5)	61,863	-
Purchase of shares from NCI (refer note 5)	(10,684)	-
Net cash used in financing activities (c)	**(3,514)**	**(119,461)**
Net decrease in cash and cash equivalents during the year (a+b+c)	**(26,759)**	**17,705**
Effect of exchange rate on cash and cash equivalents	(756)	1,343
Cash and cash equivalents as at beginning of the year	17,635	(1,413)
Cash and cash equivalents as at end of the year (refer Note 17)	**(9,880)**	**17,635**

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

As per our report of even date

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W/E300004

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

Sunil Bharti Mittal
Chairman
DIN: 00042491

Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778

per Nilangshu Katriar
Partner
Membership No: 58814

Nilanjan Roy
Global Chief Financial Officer

Place: **New Delhi**

Date: **May 9, 2017**

1. Corporate information

Bharti Airtel Limited ('the Company' or 'the Parent') is domiciled and incorporated in India as a limited liability company with its shares being listed on the National Stock Exchange and the Bombay Stock Exchange. The registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company together with its subsidiaries (hereinafter referred to as 'the Group') has presence in India, Africa and South Asia. The principal activities of the Group, its joint ventures and associates consist of provision of telecommunication services, tower infrastructure services and direct-to-home digital television services. The details as to the services provided by the Group are further provided in Note 35. For details as to the Group structure, refer Note 40.

2. Summary of significant accounting policies

2.1 Basis of preparation

These consolidated financial statements ('financial statements') have been prepared to comply in all material respects with the Indian Accounting Standard ('Ind AS') 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 issued by the Ministry of Corporate Affairs ('MCA').

The said financial statements for the year ended March 31, 2017 are the first Ind AS financial statements of the Group. The transition to Ind AS has been carried out from accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('IGAAP'), which is considered as the previous GAAP, for purposes of Ind AS 101. For details, refer Note 2.3.

The financial statements are authorised for issue by the Company's Board of Directors on May 9, 2017.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by all the group entities, to all the periods presented in the said financial statements.

The preparation of the said financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Group's accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in Note 3.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013. Further, for the purpose of clarity, various items are aggregated in the statement of profit and loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the financial statements, where applicable or required.

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or 'Rs.') and are rounded to the nearest million, except per share data and unless stated otherwise.

2.2 Basis of measurement

The financial statements have been prepared on the accrual and going concern basis, and the historical cost convention except where the Ind AS requires a different accounting treatment. The principal variations from the historical cost convention relate to financial instruments classified as fair value through profit or loss or through other comprehensive income (refer Note 2.11 b), liability for cash-settled awards (refer Note 2.18), the component of carrying values of recognised liabilities that are designated in fair value hedges (refer Note 2.11 d) - which are measured at fair value.

Fair value measurement

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants. The Group's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

The Group is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The three levels of the fair-value-hierarchy are described below:

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets
Level 2: Significant inputs to the fair value measurement are directly or indirectly observable
Level 3: Significant inputs to the fair value measurement are unobservable

2.3 Basis of transition to Ind AS

The adoption of Ind AS is carried out in accordance with Ind AS 101 on April 1, 2015 being the transition date. Ind AS 101 requires that all Ind AS standards that are issued and effective for the year ending March 31, 2017, be applied retrospectively and consistently for all the periods presented. However, in preparing these financial statements, the Group has availed of certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity at the transition date.

In these financial statements, the Group has presented three balance sheets - as of March 31, 2017, March 31, 2016 and April 1, 2015. The Group has also presented two statements of profit and loss, two statements of changes in equity and two statements of cash flows for the year ended March 31, 2017 and 2016 along with the necessary and related notes.

Ind AS 101 allows first-time adopters certain optional exemptions and mandatory exceptions from the retrospective application of certain requirements under Ind AS.

Exemptions / exceptions from full retrospective application

(i) The Group has elected to apply the following optional exemption from full retrospective application of Ind AS:

(a) Foreign currency translation reserve exemption - The Group has elected to reset all the cumulative translation differences to zero at the date of transition to Ind AS.

(ii) The following mandatory exceptions from retrospective application of Ind AS have been applied by the Group:

(a) Estimates exception - On an assessment of the estimates made under the previous GAAP financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS (except for adjustments to reflect any difference in accounting policies), as there is no objective evidence that those estimates were in error. However, estimates, that were required under Ind AS but not required under previous GAAP, are made by the Group for the relevant reporting dates, reflecting conditions existing as at that date without using any hindsight.

(b) De-recognition of financial assets and liabilities exception - Financial assets and liabilities de-recognised before transition date are not re-recognised under Ind AS.

Reconciliations and explanations of the significant effect of the transition from previous GAAP to Ind AS on the Group's equity, statement of profit and loss and statement of cash flows are provided in Note 41.

2.4 Basis of consolidation

a. Subsidiaries

Subsidiaries include all the entities over which the Group has control. The Group controls an entity when it is exposed or has right to variable return from its involvement with the entity, and has the ability to affect those returns through its power (that is, existing rights that give it the current ability to direct the relevant activities) over the entity. The Group re-assesses whether or not it controls the entity, in case the under-lying facts and circumstances indicate that there are changes to above mentioned parameters that determine the existence of control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group, and they are de-consolidated from the date that control ceases. Non-controlling interests is the equity in a subsidiary not attributable to a parent and presented separately from the Group's equity. Non-controlling interests consist of the amount at the date of the business combination and its share of changes in equity since that date. Profit or loss and other comprehensive income are attributed to the controlling and non-controlling interests in proportion to their ownership interests, even if this results in the non-controlling interests having a deficit balance. However, in case where there are binding contractual arrangements that determine the attribution of the earnings, the attribution specified by such arrangement is considered.

The profit or loss on disposal (associated with loss of control) is recognised in the statement of profit and loss being the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest, and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. In addition, any amounts previously recognised in the other comprehensive income in respect of that de-consolidated entity, are accounted for as if the Group had directly disposed off the related assets or liabilities. This may mean that amounts previously recognised in the other comprehensive income are re-classified to the statement of profit and loss. Any retained interest in the entity is remeasured to its fair value with the resultant change in carrying value being recognised in statement of profit and loss.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as a transaction with equity holders. Any difference between the amount of the adjustment to non-controlling interests and any consideration exchanged is recognised in 'reserve arising on transactions with NCI', a component of equity.

b. Joint ventures and associates

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Joint ventures and associates are accounted for from the date on which Group obtains joint control over the joint venture / starts exercising significant influence over the associate.

c. Method of consolidation

Accounting policies of the respective individual subsidiary, joint venture and associate are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

The standalone financial statements of subsidiaries are fully consolidated on a line-by-line basis. Intra-group balances and transactions, and income and expenses arising from intra-group transactions, are eliminated while preparing the said financial statements. The un-realised gains resulting from intra-group transactions are also eliminated. Similarly, the un-realised losses are eliminated, unless the transaction provides evidence as to impairment of the asset transferred.

The Group's investments in its joint ventures and associates are accounted for using the equity method. Accordingly, the investments are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of investees. Any excess of the cost over the Group's share of net assets in its joint ventures / associates at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment. The un-realised gains / losses resulting from transactions (including sale of business) with joint ventures and associates are eliminated against the investment to the extent of the Group's interest in the investee. However, un-realised losses are eliminated only to the extent that there is no evidence of impairment.

At each reporting date, the Group determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of investment and its carrying value.

2.5 Business Combinations

The Group accounts for business combinations using the acquisition method of accounting, and accordingly, the identifiable assets acquired and the liabilities assumed in the acquiree are recorded at their acquisition date fair values (except certain assets and liabilities which are required to be measured as per the applicable standard) and the non-controlling interest is initially recognised at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. The consideration transferred for the acquisition of a subsidiary is aggregation of the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group in exchange for control of the acquiree.

The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is subsequently measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, along with the amount of any non-controlling interests in the acquiree and the acquisition-date fair value (with the resulting difference being recognised in statement of profit and loss) of any previous equity interest in the acquiree, over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Acquisition-related costs are expensed in the period in which the costs are incurred.

If the initial accounting for a business combination is incomplete as at the reporting date in which the combination occurs, the identifiable assets and liabilities acquired in a business combination are measured at their provisional fair values at the date of acquisition. Subsequently adjustments to the provisional values are made within the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date; otherwise the adjustments are recorded in the period in which they occur.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with Ind AS 18 'Revenue'.

2.6 Foreign currency transactions

a. Functional and presentation currency

The items included in financial statements of each of the Group's entities are measured using the currency of primary economic environment in which the entity operates (i.e. 'functional currency').

The financial statements are presented in Indian Rupees which is the functional and presentation currency of the Company.

b. Transactions and balances

Transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in the statement of profit and loss within finance costs / finance income. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – the resulting foreign exchange difference, on subsequent re-statement / settlement, recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.

The equity items denominated in foreign currencies are translated at historical cost.

c. Foreign operations

The assets and liabilities of foreign operations (including the goodwill and fair value adjustments arising on the acquisition of foreign entities) are translated into Rupees at the exchange rates prevailing at the reporting date whereas their statements of profit and loss are translated into Rupees at monthly average exchange rates and the equity is recorded at the historical rate. The resulting exchange differences arising on the translation are recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR'), a component of equity. On disposal of a foreign operation (that is, disposal involving loss of control), the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

2.7 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

Deferred tax assets and liabilities, and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The derivatives designated in hedging relationship and separated embedded derivatives are classified basis the hedged item and host contract respectively.

2.8 Property, plant and equipment ('PPE')

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use. In case of multiple element contracts whereby the vendor supplies PPE as well as other components, PPE is recorded on the basis of relative fair values. Further, it includes assets installed on the premises of customers as the associated risks, rewards and control remain with the Group.

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of property, plant and equipment are required to be replaced in regular intervals, the Group recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. Further, in case the replaced part was not being depreciated separately, the cost of the replacement is used as an indication to determine the cost of the replaced part at the time it was acquired.

The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Group, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straight-line method over the estimated useful lives. Freehold land is not depreciated as it has an unlimited useful life. The Group has established the estimated range of useful lives of different categories of PPE based on technical evaluation as follows:

	Years
Leasehold improvements	Period of lease or 10 -20 years, as applicable, whichever is less
Leasehold land	Period of lease
Buildings	20
Plant and machinery	
- Network equipment	3 – 20
- Customer premise equipment	5-6
Other equipment, operating and office equipment	
Computer equipment	3
Furniture & fixture and Office equipment	2 - 5
Vehicles	3 - 5

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at-least as at each reporting date so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted prospectively, and accordingly, the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed off are de-recognised from the balance sheet and the resulting gains / (losses) are included in the statement of profit and loss within other expenses / other income.

The cost of capital work-in-progress is presented separately in the balance sheet.

2.9 Intangible assets

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be measured reliably.

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable net assets purchased (refer Note 2.5). Goodwill is not amortised; however it is tested annually for impairment (refer Note 2.10) and carried at cost less any accumulated impairment losses. The gains/ (losses) on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

The intangible assets that are acquired in a business combination are recognised at its fair value thereat. Other intangible assets are recognised at cost. These assets having finite useful life are carried at cost less accumulated amortisation and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life of intangible assets.

The Group has established the estimated useful lives of different categories of intangible assets as follows:

a. Softwares

Softwares are amortised over the period of license, generally not exceeding three years.

b. Bandwidth

Bandwidth is amortised on straight-line basis over the period of the agreement.

c. Licenses (including spectrum)

Acquired licenses and spectrum are amortised commencing from the date when the related network is available for intended use in the relevant jurisdiction. The useful lives range from two years to twenty five years.

The revenue-share based fee on licenses / spectrum is charged to the statement of profit and loss in the period such cost is incurred.

d. Other acquired intangible assets

Other acquired intangible assets include the following:

Rights acquired for unlimited license access: Over the period of the agreement which ranges upto five years.

Distribution network: One year to two years

Customer base: Over the estimated life of such relationships which ranges from one year to five years.

Non-compete fee: Over the period of the agreement which ranges upto five years.

The useful lives and amortisation method are reviewed, and adjusted appropriately, at least at each financial year end so as to ensure that the method and period of amortisation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives and / or amortisation method is accounted prospectively, and accordingly, the amortisation is calculated over the remaining revised useful life.

Further, the cost of intangible assets under development includes the amount of spectrum allotted to the Group and related costs (including borrowing costs that are directly attributable to the acquisition or construction of qualifying assets) (refer Note 2.22), if any, for which services are yet to be rolled out and are presented separately in the balance sheet.

2.10 Impairment of non-financial assets

a. Goodwill

Goodwill is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired. For the purpose of impairment testing, the goodwill is allocated to a cash-generating-unit ('CGU') or group of CGUs, which are expected to benefit from the acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment occurs when the carrying value of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value in use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

The total impairment loss of a CGU is allocated first to reduce the carrying value of Goodwill allocated to that CGU and then to the other assets of that CGU - on pro-rata basis of the carrying value of each asset.

b. Property, plant and equipment and Intangible assets

PPE and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the CGU level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro-rata basis.

Impairment losses, if any, are recognised in statement of profit and loss.

Reversal of impairment losses

An impairment loss in respect of goodwill is not reversed. Other impairment losses are reversed and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset in previous years.

2.11 Financial instruments

a. Recognition, classification and presentation

The financial instruments are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the financial instrument.

The Group determines the classification of its financial instruments at initial recognition.

The Group classifies its financial assets in the following categories: a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and b) those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group has classified all the non-derivative financial liabilities measured at amortised cost.

The entire hybrid contract, financial assets with embedded derivatives, are considered in their entirety for determining the contractual terms of the cash flow and accordingly, the embedded derivatives are not separated. However, derivatives embedded in non-financial instrument / other financial liabilities host contracts are classified as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts.

Financial assets and liabilities arising from different transactions are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, the Group currently has a legally enforceable right to set-off the related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

b. Measurement - Non-derivative financial instruments

I. Initial measurement

At initial recognition, the Group measures the non-derivative financial instruments at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Otherwise transaction costs are expensed in the statement of profit and loss.

II. Subsequent measurement - financial assets

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

i. Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate ('EIR') method (if the impact of discounting / any transaction costs is significant). Interest income from these financial assets is included in finance income.

ii. Financial assets at fair value through other comprehensive income ('FVTOCI')

Equity investments which are not held for trading and for which the Group has elected to present the change in the fair value in other comprehensive income and debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flow represent solely payment of principal and interest, are measured at FVTOCI.

The changes in fair value are taken through OCI, except for the impairment (on debt), interest (basis EIR method), dividend and foreign exchange differences which are recognised in the statement of profit and loss.

When the financial asset is derecognised, the related accumulated fair value adjustments in OCI as at the date of derecognition are reclassified from equity and recognised in the statement of profit and loss. However, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss in case of equity instruments.

iii. Financial assets at fair value through profit or loss ('FVTPL')

All equity instruments and financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. Interest (basis EIR method) and dividend income from financial assets at FVTPL is recognised in the statement of profit and loss within finance income / finance costs separately from the other gains/losses arising from changes in the fair value.

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and debt instrument carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss, otherwise lifetime ECL is used.

However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

III. Subsequent measurement - financial liabilities

Other financial liabilities are subsequently measured at amortised cost using the EIR method (if the impact of discounting / any transaction costs is significant).

c. Measurement - derivative financial instruments

Derivative financial instruments, including separated embedded derivatives, that are not designated as hedging instruments in a hedging relationship are classified as financial instruments at fair value through profit or loss - Held for trading. Such derivative financial instruments are initially recognised at fair value. They are subsequently re-measured at their fair value, with changes in fair value being recognised in the statement of profit and loss within finance income / finance costs.

d. Hedging activities

I. Fair value hedge

Some of the group entities use certain type of derivative financial instruments (viz. interest rate / currency swaps) to manage / mitigate their exposure to the risk of change in fair value of the borrowings. The Group designates certain interest swaps to hedge the risk of changes in fair value of recognised borrowings attributable to the hedged interest rate risk. The effective portion of changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss within finance income / finance costs, together with any changes in the fair value of the hedged liability that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised to profit or loss over the period to remaining maturity of the hedged item.

II. Cash flow hedge

Some of the group entities use certain types of derivative financial instruments (viz. foreign currency forwards, options, swaps) to manage / mitigate their exposure to foreign exchange and price risk. Further, the Group designates certain such derivative financial instruments (or its components) as hedging instruments for hedging the exchange rate fluctuation risk attributable to is either to an recognised item or a highly probable forecast transaction ('Cash flow hedge'). The effective portion of changes in the fair value of Derivative financial instruments (or its components) that are designated and qualify as Cash flow hedges, are recognised in the Other comprehensive income and held in Cash flow hedge reserve ('CFHR') - a component of Equity. Any gains / (losses) relating to the ineffective portion, are recognised immediately in the statement of profit and loss within finance income / finance costs. The amounts accumulated in Equity are re-classified to the statement of profit and loss in the periods when the hedged item affects profit / (loss).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gains / (losses) existing in equity at that time remains in equity and is recognised (on the basis as discussed in the above paragraph) when the forecast transaction is ultimately recognised in the statement of profit and loss. However, at any point of time, when a forecast transaction is no longer expected to occur, the cumulative gains / (losses) that were reported in equity is immediately transferred to the statement of profit and loss within finance income / finance costs.

III. Net investment hedge

The Group hedges its certain net investment in foreign subsidiaries which are accounted for similar to cash flow hedges. Accordingly, any foreign exchange differences on the hedging instrument (viz. borrowings) relating to the effective portion of the hedge is recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR') - a component of equity, so as to offset the change in the value of the net investment being hedged. The ineffective portion of the gain or loss on these hedges is immediately recognised in the statement of profit and loss. The amounts accumulated in equity are included in the statement of profit and loss when the foreign operation is disposed or partially disposed.

e. Derecognition

The financial liabilities are de-recognised from the balance sheet when the under-lying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The financial assets are de-recognised from the balance sheet when the rights to receive cash flows from the financial assets have expired, or have been transferred and the Group has transferred substantially all risks and rewards of ownership. The difference in the carrying amount is recognised in the statement of profit and loss.

2.12 Leases

The determination of whether an arrangement is a lease is based on whether fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases where the lessor transfers substantially all the risks and rewards of ownership of the leased asset are classified as finance lease and other leases are classified as operating lease.

Operating lease receipts / payments are recognised as an income / expense on a straight-line basis over the lease term unless the lease payments increase in line with expected general inflation.

Contingent rents are recognised as income / expense in the period in which they are earned/ incurred.

a. Group as a lessee

Assets acquired under finance leases are capitalised at the lease inception at lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are apportioned between finance charges (recognised in the statement of profit and loss) and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability for each period.

Sale and leaseback transaction involves the sale and the leasing back of the same asset. In case it results in a finance lease, any profit or loss is not recognised, instead the asset leased back is retained at its carrying value. However, in case it results in an operating lease, any profit or loss is recognised immediately provided the transaction occurs at fair value.

b. Group as a lessor

Assets leased to others under finance lease are recognised as receivables at an amount equal to the net investment in the leased assets. Finance lease income is recognised based on the periodic rate of return on the net investment outstanding in respect of the finance lease.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised in statement of profit and loss on a stratght-line basis over the lease term.

The Group enters into 'Indefeasible right to use' arrangement wherein the assets are given on lease over the substantial part of the asset life. However, the title to the assets and significant risk associated with the operation and maintenance of these assets remains with the Group. Hence, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the balance sheet.

2.13 Taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.

a. Current tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date in the respective countries where the group entities operate and generate taxable income. The payment made in excess / (shortfall) of the respective group entities' income tax obligation for the period are recognised in the balance sheet 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 Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

b. Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax are not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Further, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Moreover, deferred tax is recognised on temporary differences arising on investments in subsidiaries, joint ventures and associates - unless the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Group currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation authority and where there is an intention to settle the current income tax balances on net basis.

2.14 Inventories

Inventories are stated at the lower of cost (determined using the first-in-first-out method) and net realisable value. The costs comprise its purchase price and any directly attributable cost of bringing to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated variable costs necessary to make the sale.

2.15 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of changes in value). However, for the purpose of the statement of cash flows, in addition to above items, any bank overdrafts / cash credits that are integral part of the Group's cash management, are also included as a component of cash and cash equivalents.

2.16 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets-held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell except for assets such as deferred tax assets, financial assets that are carried at fair value. Non-current assets are not depreciated or amortised while they are classified as held for sale.

Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative loss previously recognised.

If the criteria for the held for sale are no longer met, it ceases to be classified as held for sale and are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation / amortisation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

2.17 Share capital / Share premium / Treasury shares

Ordinary shares are classified as Equity when the Company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect.

When the Company purchases its ordinary shares through Bharti Airtel Employees' Welfare Trust, they are treated as treasury shares, and the consideration paid is deducted from the Equity. When the treasury shares are subsequently re-issued, any difference between its carrying amount and consideration received is recognised in share-based-payment reserve.

2.18 Employee benefits

The Group's employee benefits mainly include wages, salaries, bonuses, defined contribution to plans, defined benefit plans, compensated absences, deferred compensation and share-based payments. The employee benefits are recognised in the year in which the associated services are rendered by the group employees.

a. Defined contribution plans

The contributions to defined contribution plans are recognised in profit or loss as and when the services are rendered by employees. The Group has no further obligations under these plans beyond its periodic contributions.

b. Defined benefit plans

In accordance with the local laws and regulations, all the employees in India are entitled for the Gratuity plan. The said plan requires a lump-sum payment to eligible employees (meeting the required vesting service condition) at retirement or termination of employment, based on a pre-defined formula.

The Group provides for the liability towards the said plans on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method.

The obligation towards the said benefits is recognised in the balance sheet, at the present value of the defined benefit obligations less the fair value of plan assets (being the funded portion). The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

The interest income / (expense) are calculated by applying the above mentioned discount rate to the plan assets and defined benefit obligations liability. The net interest income / (expense) on the net defined benefit liability is recognised in the statement of profit and loss. However, the related re-measurements of the net defined benefit liability are recognised directly in the other comprehensive income in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions), the return on plan assets (excluding interest). Re-measurements are not re-classified to the statement of profit and loss in any of the subsequent periods.

c. Other long-term employee benefits

The employees of the Group are entitled to compensated absences as well as other long-term benefits. Compensated absences benefit comprises of encashment and availment of leave balances that were earned by the employees over the period of past employment.

The Group provides for the liability towards the said benefit on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related re-measurements are recognised in the statement of profit and loss in the period in which they arise.

d. Share-based payments

The Group operates equity-settled and cash-settled, employee share-based compensation plans, under which the Group receives services from employees as consideration for stock options either towards shares of the Company / cash settled units.

In case of equity-settled awards, the fair value is recognised as an expense in the statement of profit and loss within employee benefits as employee share-based payment expenses, with a corresponding increase in share-based payment reserve (a component of equity).

However, in case of cash-settled awards, the credit is recognised as a liability within other non-financial liabilities. Subsequently, at each reporting period, until the liability is settled, and at the date of settlement, liability is re-measured at fair value through statement of profit and loss.

The total amount so expensed is determined by reference to the grant date fair value of the stock options granted, which includes the impact of any market performance conditions and non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions. However, the non-market performance vesting and service conditions are considered in the assumption as to the number of options that are expected to vest. The forfeitures are estimated at the time of grant and reduce the said expense rateably over the vesting period.
The expense so determined is recognised over the requisite vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. As at each reporting date, the Group revises its estimates of the number of options that are expected to vest, if required.

It recognises the impact of any revision to original estimates in the period of change. Accordingly, no expense is recognised for awards that do not ultimately vest, except for which vesting is conditional upon a market performance / non-vesting condition. These are treated as vesting irrespective of whether or not the market / non-vesting condition is satisfied, provided that service conditions and all other non-market performance are satisfied.

Where the terms of an award are modified, in addition to the expense pertaining to the original award, an incremental expense is recognised for any modification that results in additional fair value, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled (including due to non-vesting conditions not being met), it is treated as if it is vested thereon, and any un-recognised expense for the award is recognised immediately. 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 replacement award is substituted for the cancelled award, the arrangement is treated as a modification and accounted accordingly.

2.19 Provisions

a. General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the said obligation, and the amounts of the said obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation, using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to un-winding of discount over passage of time is recognised within finance costs.

b. Asset Retirement Obligation ('ARO')

ARO are recognised for those operating lease arrangements where the Group has an obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation and are recognised as part of the cost of that particular asset. The estimated future costs of decommissioning are reviewed annually and any changes in the estimated future costs or in the discount rate applied are adjusted from the cost of the asset.

2.20 Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised and disclosed only where an inflow of economic benefits is probable.

2.21 Revenue recognition

Revenue is recognised when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be measured reliably. Revenue is recognised at the fair value of the consideration received or receivable, which is generally the transaction price, net of any taxes, duties, discounts and process waivers.

In order to determine if it is acting as a principal or as an agent, the Group assesses whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services.

a. Service revenues

Service revenues mainly pertain to usage, subscription and activation charges for voice, data, messaging, value added services and broadcasting. It also includes revenue towards interconnection charges for usage of the Group's network by other operators for voice, data, messaging and signalling services.

Usage charges are recognised based on actual usage. Subscription charges are recognised over the estimated customer relationship period or subscription pack validity period, whichever is lower. Activation revenue and related activation costs are amortised over the estimated customer relationship period. However, any excess of activation costs over activation revenue are expensed as incurred.

The billing / collection in excess of revenue recognised is presented as deferred revenue in the balance sheet whereas unbilled revenue is recognised in other current financial assets.

Certain business' service revenues include income from registration and installation, which are amortised over the period of agreement since the date of activation of services.

Revenues from long distance operations comprise of voice services and bandwidth services (including installation), which are recognised on provision of services and over the period of arrangement respectively.

b. Multiple element arrangements

The Group has entered into certain multiple-element revenue arrangements which involve the delivery or performance of multiple products, services or rights to use assets. At the inception of the arrangement, all the deliverables therein are evaluated to determine whether they represent separately identifiable component basis it is perceived from the customer perspective to have value on standalone basis.

Total consideration related to the multiple element arrangements is allocated among the different components based on their relative fair values (i.e., ratio of the fair value of each element to the aggregated fair value of the bundled deliverables). In case the relative fair value of different components cannot be determined on a reasonable basis, the total consideration is allocated to the different components on a residual value method.

c. Equipment sales

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories. Such transactions are recognised when the significant risks and rewards of ownership are transferred to the customer. However, in case of equipment sale forming part of multiple-element revenue arrangements which is not separately identifiable component, revenue is recognised over the customer relationship period.

d. Capacity Swaps

The exchange of network capacity is recognised at fair value unless the transaction lacks commercial substance or the fair value of neither the capacity received nor the capacity given is reliably measurable.

e. Interest income

The interest income is recognised using the EIR method. For further details, refer Note 2.11.

f. Dividend income

Dividend income is recognised when the Group's right to receive the payment is established. For further details, refer Note 2.11

2.22 Borrowing costs

Borrowing costs consist of interest and other ancillary costs that the Group incurs in connection with the borrowing of funds. The borrowing costs directly attributable to the acquisition or construction of any asset that takes a substantial period of time to get ready for its intended use or sale are capitalised. All the other borrowing costs are recognised in the statement of profit and loss within finance costs of the period in which they are incurred.

2.23 Exceptional items

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

2.24 Dividends Paid

Dividend to shareholders is recognised as a liability and deducted from equity, in the year in which the dividends are approved by the shareholders. However, interim dividends declared by the Board of directors, which does not need shareholders' approval, are recognised as a liability and deducted from retained earnings, in the year in which the dividends are so declared.

2.25 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS data.

Basic EPS is computed by dividing the profit for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period excluding the treasury shares.

Diluted EPS is computed by adjusting, the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving Basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the period, unless issued at a later date during the period.

3. Critical accounting estimates, assumptions and judgements

The estimates and judgements used in the preparation of the said financial statements are continuously evaluated by the Group, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Group believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Although the Group regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions under-lying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the financial statements in the year in which they become known.

3.1 Critical accounting estimates and assumptions

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

a. Impairment reviews

Goodwill is tested for impairment at-least on an annual basis and when events that occur / changes in circumstances - indicate that the recoverable amount of the CGU is less than its carrying value. In calculating the value in use, the Group is required to make significant judgements, estimates and assumptions inter-alia concerning the growth in EBITDA, long-term growth rates; discount rates to reflect the risks involved. Also, judgement is involved in determining the CGU /grouping of CGUs for allocation of the goodwill.

The Group mainly operates in developing markets and in such markets, the plan for shorter duration is not indicative of the long-term future performance. Considering this and the consistent use of such robust ten year information for management reporting purpose, the Group uses ten year plans for the purpose of impairment testing.

b. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Deferred tax assets are recognised for the unused tax losses for which there is probability of utilisation against the taxable profit. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments.

c. Property, plant and equipment

Refer Note 2.8 and 6 for the estimated useful life and carrying value of property, plant and equipment respectively.

During the year ended March 31, 2017, the Group has reassessed useful life of certain categories of network assets due to technological developments and accordingly, has revised the estimate of its useful life in respect of those assets. Out of these assets, the additional depreciation charge of Rs. 3,258 on assets for which the revised useful life has expired by March 31, 2016 has been recognised and disclosed as 'exceptional items' and additional depreciation charge of Rs. 6,969 for other assets has been recognised within 'Depreciation and amortisation'. The impact of above change on the depreciation charge for the future year is as follows:

	Year Ended			Future period till end of life
	March 31, 2018	March 31, 2019	March 31, 2020	
Impact on future depreciation charge	(2,863)	(2,765)	(1,133)	16,988

d. Allowance for impairment of trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances

e. Contingent liability

Refer Note 26 (i) for details of contingent liability.

3.2 Critical judgement's in applying the Group's accounting policies

The critical judgement's, which the management has made in the process of applying the Group's accounting policies and has the most significant impact on the amounts recognised in the said financial statements, is discussed below:

a. Arrangement containing lease

The Group assesses the contracts entered with telecom operators / passive infrastructure services providers to share tower infrastructure services so as to determine whether these contracts that do not take the legal form of a lease convey a right to use an asset or not. The Group has determined, based on an evaluation of the terms and conditions of the arrangements that such contracts are in the nature of leases. Most of these leases are classified as operating unless the term of the agreement is for the major part of the estimated economic life of the leased asset, which is accounted for as finance lease.

b. Revenue recognition and presentation

The Group assesses its revenue arrangements in order to determine if it is acting as a principal or as an agent by determining whether it has primary obligation basis pricing latitude and exposure to credit / inventory risks associated with the sale of goods / rendering of services.

In the said assessment, both the legal form and substance of the agreement are reviewed to determine each party's role in the transaction.

c. Multiple element contracts with vendors

The Group has entered into multiple element contracts for supply of goods and rendering of services. In certain cases, the consideration paid is determined independent of the value of supplies received and services availed. Accordingly, the supplies and services are accounted for based on their relative fair values to the overall consideration. The supplies with finite life under the contracts have been accounted under Property, Plant and Equipment and / or as Intangible assets, since the Group has economic ownership in these assets and represents the substance of the arrangement.

d. Determination of functional currency

The Group has determined the functional currency of the group entities by identifying the primary economic environment in which the entity operates - based on under-lying facts / circumstances. However, in respect of certain intermediary foreign operations of the Group, the determination of functional currency is not very obvious due to mixed indicators and the extent of autonomy enjoyed by the foreign operation. In such cases management uses its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

e. Taxes

The identification of temporary differences pertaining to the investment in subsidiaries that are expected to reverse in the foreseeable future and the determination of the related deferred income tax liabilities after considering the requisite tax credits require the Group to make significant judgements.

4. Standards issued but not effective until the date of authorisation for issuance of the said financial statements

The new Standards, amendments to Standards that are issued but not yet effective until the date of authorisation for issuance of the said financial statements are discussed below. The Group has not early adopted these amendments and intends to adopt when they become effective.

Ind AS 102 'Share based payments'

In March 2017, MCA issued amendments to Ind AS 102 pertaining to measurement of cash–settled share based payments, classification of share-based payments settled net of tax withholdings and accounting for modification of a share based payment from cash-settled to equity-settled method.

The amendments are applicable to annual periods beginning on or after April 1, 2017 with early adoption permitted. The Group does not expect that the adoption of the amendments will not have any significant impact on the said financial statements.

Ind AS 7, 'Statement of cash flows'

In March 2017, MCA issued amendments to Ind AS 7, which requires certain additional disclosures to be made for changes in liabilities / assets arising from financial activities on account of non-cash transaction such as effect of changes in foreign exchange rates, fair values and others.

The amendments are applicable to annual periods beginning on or after April 1, 2017 with early adoption permitted. The Group will be providing the requisite disclosure in its statement of cash flows.

5. Significant transactions / new developments

a) During the year ended March 31, 2017, the Group has been allotted 172 MHz spectrum across 1800/2100/2300 MHz. Consequently, the Group has paid amount of Rs. 74,018 upfront and opted the deferred payment option for Rs. 66,764.

b) (i) During the year ended March 31, 2016, the Group had entered into a definitive agreement with Axiata Group Berhad for combining the business operations of their telecommunication subsidiaries in Bangladesh. On November 16, 2016, on the fulfillment of the regulatory and other closing conditions the Group has consummated the transaction. Accordingly, the Group has lost control over Airtel Bangladesh Limited and acquired 25% stake in the merged entity (viz. Robi Axiata Limited) as an associate of the Group.

(ii) During the year ended March 31, 2016, the Group had entered into definitive agreement to sell Group's operations in Burkina Faso and Sierra Leone. During the year ended March 31, 2017, on the fulfillment of the regulatory and other closing conditions the Group has consummated the divestment of these subsidiaries.

The details of consideration received, assets and liabilities over which control was lost (net asset disposed off) and gain on disposal (as exceptional item) recorded in financial statement is as follows:

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(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

	As of		
	June 22, 2016	July 19, 2016	November 16, 2016
A. Consideration received	Burkina Faso	Sierra Leone	Bangladesh
Fair value of consideration received	39,554	22,185	25,956
B. Net assets disposed off			
Non-current assets			
Property, plant and equipment	6,922	4,110	18,661
Goodwill and other intangible assets	25,232	8,972	16,765
Others	1,203	1,014	720
Current Assets			
Cash and cash equivalents	1,017	402	426
Trade receivables	1,153	132	689
Other current assets	3,953	629	1,752
Total Assets (a)	**39,480**	**15,259**	**39,013**
Non-current liabilities			
Others	1,018	153	961
Current liabilities			
Borrowings	1,074	73	7,445
Trade payable	9,090	904	4,681
Others	1,096	69	2,812
Total Liabilities (b)	**12,278**	**1,199**	**15,899**
Net assets disposed off (a-b)	**27,202**	**14,060**	**23,114**
C. Gain on disposal *	**8,404**	**1,778**	**2,038**
D. Net cash inflow on disposal			
Consideration received in cash and cash equivalent (net of transaction tax)	39,554	20,820	-
Less: cash and cash equivalents held by the entity	58	(402)	(426)
	39,612	**20,418**	**(426)**

* Gain on disposal has been computed after adjusting FCTR reclassified to statement of profit and loss, transactional taxes, deferred gains on account of transaction with associate and provision towards future contractual settlement.

c) During the year ended March 31, 2017, the Group has sold its entire stake in its African associate, Tanzania Telecommunications Company Limited and recognised gain of Rs. 443 on disposal as exceptional item (refer Note 33 (i) a).

d) On November 25, 2016, the Group acquired 4.20% equity stake in Airtel Networks Limited, thereby, increasing its shareholding to 83.25%. The excess of consideration paid to NCI over the carrying value of the interest acquired, Rs. 3,923, has been recognised in transaction with NCI reserve, a component of equity.

e) On November 22, 2016, the Group acquired 24.89% of shares in Airtel Ghana Limited by subscribing to the right issue through the conversion of existing shareholder loans hereby, increasing its shareholding to 99.89%. The excess of consideration over the carrying value of the interest acquired, Rs. 9,130, has been recognised in transaction with NCI reserve, a component of equity.

f) During the year the Group signed a definitive agreement to enter into 50% joint venture (JV Co) between Bharti Airtel Ghana Holdings B.V. and MIC Africa B.V. against consideration of the ownership interest in Airtel Ghana Limited and Millicom Ghana. The closing of the said transactions is subject to requisite regulatory approvals and other closing conditions.

g) During the year ended March 31, 2017, the Group entered into a definitive agreement with Aircel Limited and its subsidiaries Dishnet Wireless Limited and Aircel cellular Limited, to acquire rights to use spectrum in the 2300 MHz band for eight circles against a consideration of Rs. 35,000. The Group has received the requisite approvals for the transfer of right to use spectrum and accordingly, the spectrum has been recorded in the books.

h) During the year ended March 31, 2016, the Group had entered into a definitive agreement with Videocon Telecommunications Limited to acquire rights to use spectrum in the 1800 MHz band for six circles against a consideration of Rs. 46,530. During the year ended March 31, 2017, the Group has received the requisite approvals for the transfer of right to use spectrum and accordingly, the spectrum has been recorded in the books.

i) During the year ended March 31, 2016, the Group had entered into a definitive agreement for acquisition of Augere Wireless Broadband Private Limited ('AWBPL'). On June 7, 2016, on fulfillment of the relevant closing conditions the transaction has been consummated and goodwill of Rs. 150 has been recognised. The Scheme of Arrangement ('Scheme') under Sections 391 to 394 of the Companies Act, 1956 with respect to the amalgamation of AWBPL with the Company, was approved by the Hon'ble High Court of Delhi. The Company has filed the Scheme with Registrar of Companies ('ROC') on February 15, 2017 which is the effective date and appointed date of merger. Accordingly, AWBPL has ceased to exist and have merged with the Company.

j) During the year ended March 31, 2017, Bharti Infratel Limited ('BIL'), a subsidiary of the Company has bought back its 47,058,823 shares against a consideration of Rs. 425 per share aggregating to Rs. 20,000, wherein the Company and other shareholders have tendered the shares in the ratio of 62% and 38% approximately. Accordingly, the shareholding of the Company in BIL has increased by 0.25%, and hence the consideration paid to NCI over and above the reduction in their carrying value (due to revised net worth and relative interest) amounting Rs. 1,514 has been recognised in transaction with NCI reserve, a component of equity.

Subsequently, the Group also sold 190,583,357 shares in BIL, against a consideration aggregating to Rs. 61,940. The excess of proceeds over the change in non-controlling interests net of associated transaction costs, taxes and regulatory levies, amounting to Rs. 39,241 has been recognised directly in consolidated statement of changes in equity. Due to the said transaction, shareholding of the Group in BIL has reduced to 61.68%.

k) During the year ended March 31, 2017, Bharti Telemedia Limited ('BTL'), a subsidiary of the Company allotted 500 Mn shares, against a consideration of Rs. 10 per share aggregating to Rs. 5,000, to the Company and Bharti Enterprises Limited ('BEL') in the ratio of their existing shareholding (viz. 95:5). Accordingly, the Group has allocated BEL's share of accumulated losses in BTL to the extent of capital contribution received from BEL.

l) During the year ended March 31, 2016, Airtel Payments Bank Limited ('APBL') (formerly Airtel M Commerce Services Limited), Kotak Mahindra Bank Limited ('KMBL') and the Company have entered into a Share Subscription and Shareholders' agreement to allot 19.90% of the post issue share capital of APBL to KMBL. Accordingly, the shareholding of the Company in APBL stands reduced to 80.10% and the corresponding non-controlling interests has been recognised. Excess of proceeds over net assets attributable to non-controlling interests, amounting to Rs. 498 has been recognised directly in equity as attributable to the equity shareholders of the parent.

m) During the year ended March 31, 2016, the Group acquired additional 46% of the share capital of Indo Teleports Limited (formerly known as Bharti Teleports Limited) increasing its ownership to 95% and accordingly, goodwill of Rs. 311 has been recognised in the transaction.

n) During the year ended March 31, 2017, the Group has entered into a scheme of amalgamation for the merger of Telenor (India) Communication Private Limited with the Company and definitive agreement to acquire 100% equity stake in Tikona Digital Networks. The closing of the said transactions are subject to requisite regulatory approvals and other closing conditions.

o) The Scheme of Arrangement ('Scheme') under Sections 391 to 394 of the Companies Act, 1956 with respect to the amalgamation of Airtel Broadband Services Private Limited ('ABSPL') with the Company, was approved by the Hon'ble High Court of Bombay in 2014. Department of Telecommunications ('DoT') had given its approval for taking on record the merger of ABSPL with the Company, subject to certain conditions as stipulated in the letter. One of the conditions of merger requires payment of Rs. 4,361, equal to the difference between the entry fee for Unified Access Service License and Internet Service Provider License. The Hon'ble Telecom Disputes Settlement and Appellate Tribunal ('TDSAT') vide its interim order in 2015 has allowed the Company to operationalise the spectrum subject to the Company paying a sum of Rs. 4,361 along with interest as may be determined by the Tribunal, in case the petition fails.

The Company has filed the Scheme with Registrar of Companies ('ROC') on April 9, 2015 which is the effective date and appointed date of merger. Accordingly, ABSPL has ceased to exist and have merged with the Company.

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(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

6. Property, plant and equipment ('PPE')

The following table presents the reconciliation of changes in the carrying value of PPE and capital work-in-progress for the year ended March 31, 2017 and 2016:

	PPE								
	Leasehold improvement	**Land & Building**	**Plant and machinery**	**Furniture & fixture**	**Vehicles**	**Office equipment**	**Computer**	**Total**	**Capital work-in-progress**
Gross carrying value									
Balance as of April 1, 2015	**8,981**	**15,746**	**1,056,752**	**2,888**	**2,285**	**8,649**	**80,868**	**1,176,169**	**48,702**
Additions	477	484	-	665	86	1,158	12,368	**15,238**	191,144
Acquisition through Business Combinations^	-	-	161	-	-	1	-	**162**	-
Disposals / adjustment	(48)	(484)	(18,087)	-	(55)	(229)	(8,991)	**(27,894)**	-
Net transfers to/from assets-held-for-sale@	-	-	(4,634)	-	-	-	-	**(4,634)**	655
Exchange differences	137	(20)	1,940	(25)	98	86	680	**2,896**	438
Capitalisation / reclassification*	(384)	(166)	194,379	133	-	(453)	820	**194,329**	(193,635)
Balance as of March 31, 2016	**9,163**	**15,560**	**1,230,511**	**3,661**	**2,414**	**9,212**	**85,745**	**1,356,266**	**47,304**
Additions	378	437	-	710	157	981	4,309	**6,972**	179,982
Acquisition through business combinations^	-	-	-	-	-	-	-	-	534
Disposals / adjustment	(544)	(62)	(28,714)	(140)	(155)	(1,629)	(2,776)	**(34,020)**	-
Sale of subsidiaries/towerco operation^	(130)	(707)	(69,400)	(970)	(115)	(328)	(4,777)	**(76,427)**	(747)
Net transfers to/from assets-held-for-sale@	-	-	4,990	-	-	-	-	**4,990**	-
Exchange differences	(537)	(1,050)	(53,624)	(317)	(131)	(942)	(10,635)	**(67,236)**	(1,129)
Capitalisation / reclassification*	73	(332)	202,705	(221)	4	133	(360)	**202,002**	(202,002)
Balance as of March 31, 2017	**8,403**	**13,846**	**1,286,468**	**2,723**	**2,174**	**7,427**	**71,506**	**1,392,547**	**23,942**
Accumulated depreciation									
Balance as of April 1, 2015	**5,888**	**2,419**	**541,977**	**2,301**	**1,783**	**6,282**	**71,583**	**632,233**	-
Charge#	822	640	126,826	511	168	778	9,147	**138,892**	-
Disposals / adjustment	-	(212)	(14,945)	-	(43)	(219)	(8,876)	**(24,295)**	-
Net transfers to/from assets-held-for-sale@	-	-	(1,524)	-	-	-	-	**(1,524)**	-
Exchange differences	132	(59)	(1,051)	(34)	71	20	725	**(196)**	-
Reclassification*	(168)	180	18	(285)	(2)	(70)	975	**648**	-
Balance as of March 31, 2016	**6,674**	**2,968**	**651,301**	**2,493**	**1,977**	**6,791**	**73,554**	**745,758**	-
Charge#	804	575	136,400	561	177	1,040	6,474	**146,031**	-
Disposals / adjustment	(543)	1	(26,462)	(15)	(150)	(1,626)	(2,675)	**(31,470)**	-
Sale of subsidiaries/towerco operation^	(98)	(152)	(38,421)	(900)	(96)	(268)	(3,949)	**(43,884)**	-
Net transfers to/from assets-held-for-sale@	-	-	1,374	-	-	-	-	**1,374**	-
Exchange differences	(392)	(254)	(33,975)	(491)	(94)	(621)	(9,523)	**(45,350)**	-
Reclassification*	40	681	(114)	703	(1)	(652)	(657)	-	-
Balance as of March 31, 2017	**6,485**	**3,819**	**690,103**	**2,351**	**1,813**	**4,664**	**63,224**	**772,459**	-
Net carrying value									
As of April 1, 2015	3,093	13,327	514,775	587	502	2,367	9,285	543,936	48,702
As of March 31, 2016	2,489	12,592	579,210	1,168	437	2,421	12,191	610,508	47,304
As of March 31, 2017	1,918	10,027	596,365	372	361	2,763	8,282	620,088	23,942

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

@ Refer Note 18

^ Refer Note 5

* Rs. 694 and Rs. 648 of gross block and accumulated depreciation respectively, has been reclassified mainly from Software to computer during the year ended March 31, 2016.

Includes exceptional item of Rs. 2,936 (March 31, 2016 Rs. 3,041) with respect to plant and machinery (refer Note 33 (i) b, c, d & (ii) f) and Rs. 510 (March 31, 2016 Rs. 571) is on account of court approved scheme/arrangements**.**

The following table summarises the detail of assets taken on finance lease:

	Gross carrying value	Accumulated depreciation	Net carrying value
As of March 31, 2017			
Plant and machinery	37,165	18,757	18,408
Leasehold land	681	102	579
Computer	-	-	-
Vehicles	66	12	54
As of March 31, 2016			
Plant and machinery	38,930	17,563	21,367
Leasehold land	502	100	402
Computer	1,097	835	262
As of April 1, 2015			
Plant and machinery	435	7	428
Leasehold land	662	104	559
Computer	831	431	400

Capital work in progress mainly includes Rs. 21,883, Rs. 46,190 and Rs. 47,652 towards Plant and machinery as of March 31, 2017, March 31, 2016 and April 1, 2015 respectively.

For details towards pledge of the above assets refer Note 21.

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

7. Intangible assets

The following table presents the reconciliation of changes in the carrying value of goodwill, other intangible assets and intangible assets under development for the year ended March 31, 2017 and 2016:

		Other intangible assets					
	Goodwill #	Software	Bandwidth	Licenses (including spectrum)	Others acquired intangibles	Total	Intangible assets under development
Gross carrying value							
Balance as of April 1, 2015	**417,460**	**17,713**	**16,573**	**408,398**	**4,325**	**447,009**	**118,487**
Additions	-	3,363	3,244	-	70	6,677	262,709
Acquisition through Business Combinations^	314	-	-	-	128	128	-
Disposals / adjustment@	-	(4,255)	-	(15,130)	(143)	(19,528)	-
Exchange differences	13,244	103	72	6,374	25	6,574	75
Capitalisation / reclassification*	-	(706)	12	371,555	-	370,861	(371,555)
Balance as of March 31, 2016	**431,018**	**16,218**	**19,901**	**771,197**	**4,405**	**811,721**	**9,716**
Additions	-	2,783	4,903	-	5,463	13,149	280,099
Acquisition through business combinations^	150	-	-	1,250	-	1,250	-
Disposals / adjustment@	-	(92)	(86)	(1,095)	-	(1,273)	-
Sale of subsidiaries/towerco operation^	(44,066)	(944)	(182)	(19,015)	-	(20,141)	-
Exchange differences	(46,383)	17	(954)	(24,497)	(91)	(25,525)	-
Capitalisation / reclassification	-	-	-	205,372	-	205,372	(205,372)
Balance as of March 31, 2017	**340,719**	**17,982**	**23,582**	**933,212**	**9,777**	**984,553**	**84,443**
Accumulated amortisation							
Balance as of April 1, 2015	-	**14,116**	**3,961**	**85,881**	**1,333**	**105,291**	-
Charge	-	2,723	1,207	34,204	1,084	39,218	-
Disposals / adjustment@	-	(4,255)	-	(15,130)	(119)	(19,504)	-
Exchange differences	-	103	162	3,056	4	3,325	-
Reclassification*	-	(660)	12	-	-	(648)	-
Balance as of March 31, 2016	-	**12,027**	**5,342**	**108,011**	**2,302**	**127,682**	-
Charge	-	2,780	1,507	48,611	2,247	55,145	-
Disposals / adjustment@	-	(92)	(86)	(1,095)	-	(1,273)	-
Sale of subsidiaries/towerco operation^	-	(792)	(68)	(8,849)	-	(9,709)	-
Exchange differences	-	13	(79)	(11,344)	(63)	(11,473)	-
Reclassification	-	128	4	(32)	(100)	-	-
Balance as of March 31, 2017	-	**14,064**	**6,620**	**135,302**	**4,386**	**160,372**	-
Net carrying value							
As of April 1, 2015	414,823	3,597	12,612	322,517	2,992	341,718	118,487
As of March 31, 2016	428,381	4,191	14,559	663,186	2,103	684,039	9,716
As of March 31, 2017	338,082	3,918	16,962	797,910	5,391	824,181	84,443

Net carrying value of goodwill includes accumulated impairment of Rs. 2,637.

^ Refer Note 5

@ Mainly pertains to gross block and accumulated amortisation of license (including spectrum) and software whose useful life has expired.

* Rs. 694 and Rs. 648 of gross block and accumulated depreciation respectively, has been reclassified mainly from software to computer during the year ended March 31, 2016.

During the year ended March 31, 2017 and 2016 the Group has capitalised borrowing cost of Rs. 2,750 and Rs. 2,265 respectively.

Weighted average remaining amortization period of licenses as of March 31, 2017, March 31, 2016 and April 1, 2015 is 16.60 years, 16.64 years and 15.69 years, respectively.

Addition to the intangible under development pertains to spectrum.

For details towards pledge of the above assets refer Note 21.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Impairment review of goodwill

The Group tests goodwill for impairment annually on December 31. The impairment assessment is based on value in use calculations except in case of Mobile Services - Bangladesh during the year ended March 31, 2016, where fair value less cost to sell was used in view of then impending merger of Airtel Bangladesh Limited with Robi Axiata Limited (refer Note 5 (b) (i)).

During the year ended March 31, 2017, the testing did not result in any impairment in the carrying amount of goodwill.

The carrying amount of goodwill is attributable to the following CGU / group of CGUs:

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Mobile Services - India	39,676	39,527	39,524
Mobile Services - Bangladesh	-	8,937	8,479
Airtel business	6,103	6,224	5,597
Mobile Services - Africa	291,959	373,349	360,879
Homes Services	344	344	344
	338,082	**428,381**	**414,823**

The recoverable amount of the above CGUs are based on value-in-use (except in case of Mobile Services - Bangladesh during the year ended March 31, 2016), which is determined based on ten year business plans that have been approved by management for internal purposes. The said planning horizon reflects the assumptions for short-to-mid term market developments. The cash flows beyond the planning period are extrapolated using appropriate terminal growth rates. The terminal growth rates used do not exceed the long term average growth rates of the respective industry and country in which the entity operates and are consistent with the internal / external sources of information. During the year ended March 31, 2016 the measurement of the fair value less cost to sell in case of Mobile Services – Bangladesh had been determined based on the fair value of stake (basis 10 year plan) to be received by the Group in the merged entity (i.e. combined entity after merger of Robi Axiata Limited and Airtel Bangladesh Limited) in consideration of contribution to merged entity.

The key assumptions used in value-in-use calculations are as follows:

- Earnings before interest and taxes margins ('EBIT')
- Discount rate
- Growth rates
- Capital expenditures

EBIT margins: The margins have been estimated based on past experience after considering incremental revenue arising out of adoption of valued added and data services from the existing and new customers, though these benefits are partially offset by decline in tariffs in competitive scenario. Margins will be positively impacted from the efficiencies and initiatives driven by the Company; whereas, factors like higher churn, increased cost of operations may impact the margins negatively.

Discount rate: Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs and estimated based on the weighted average cost of capital for respective CGU / group of CGUs. Pre-tax discount rate used ranged from 10.28% to 21.98% for the year ended March 31, 2017 and ranged from 13.1% to 19.9% for the year ended March 31, 2016 (higher rate used for CGU group 'Mobile Services – Africa').

Growth rates: The growth rates used are in line with the long-term average growth rates of the respective industry and country in which the entity operates and are consistent with the internal / external sources of information. The average growth rates used in extrapolating cash flows beyond the planning period ranged from 3.5% to 4.0% for March 31, 2017 and ranged from 3.5% to 4.0% for March 31, 2016.

Capital expenditures: The cash flow forecasts of capital expenditure are based on past experience after considering the additional capital expenditure required for roll out of incremental coverage requirements and to provide enhanced voice and data services adjusted for impact of any proposed divestment of towers.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use for Mobile Services - India, Homes Services and Airtel Business, and fair value less cost to sell in Mobile Services – Bangladesh, no reasonably possible change in any of the above key assumptions would have caused the carrying amount of these units to exceed their recoverable amount.

In case of Mobile Services - Africa CGU group, the recoverable amount exceeds the carrying amount by approximately 8.1% as of December 31, 2016 and approximately 10.0% as of December 31, 2015. An increase of 0.9% (December 31, 2015: 1.1%) in discount rate shall equate the recoverable amount with the carrying amount of the Mobile Services – Africa CGU group as of December 31, 2016. Further, no reasonably possible change in the terminal growth rate beyond the planning horizon would cause the carrying amount to exceed the recoverable amount.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

8. Investment in joint ventures and associates

Details of joint ventures:

S.no	Name of joint ventures	Principal place of business	Principal activities	Ownership interest % As of March 31, 2017	March 31, 2016	April 1, 2015
1	Indus Towers Limited *	India	Passive infrastructure services	25.91	30.14	30.19
2	Bridge Mobile Pte Limited	Singapore	Provision of regional mobile services	10	10	10
3	Forum I Aviation Ltd	India	Aircraft chartering services	-	-	16.67
4	FireFly Networks Limited	India	Telecommunication services	50	50	50

* Bharti Infratel Limited, in which the Group has 61.68% equity interest (71.76% as of March 31, 2016 and 71.88% as of April 1, 2015), owns 42% of Indus Towers Limited .

Details of associates:

S.no	Name of associates	Principal place of business	Principal activities	Ownership interest % As of March 31, 2017	March 31, 2016	April 1, 2015
1	Indo Teleports Limited (formerly known as Bharti Teleports Limited) *	India	Uplinking channels for broadcasters	-	-	49
2	Tanzania Telecommunications Company Limited #	Tanzania	Telecommunication services	-	35	35
3	Seychelles Cable Systems Company Limited	Seychelles	Submarine Cable System	26	26	26
4	Robi Axiata Limited(refer Note 5(b))	Bangladesh	Telecommunication services	25	-	-
5	Seynse Technologies Private Limited@	India	Financial Services	22.54	-	-

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

The Group has sold its shareholding in the company on June 23, 2016

@ The Group has acquired stake in the company on February 21, 2017.

The amounts recognised in the balance sheet are as follows:

	As of March 31, 2017	March 31, 2016	April 1, 2015
Joint ventures	59,461	60,990	51,936
Associates	22,816	-	-
	82,277	**60,990**	**51,936**

The amounts recognised in the statement of profit and loss are as follows:

	For the year ended March 31, 2017	March 31, 2016
Recognised in profit and loss		
Joint ventures	11,091	10,666
Associates	(642)	-
	10,449	**10,666**
Recognised in other comprehensive income		
Joint ventures	(9)	(4)
Associates	-	-
	(9)	**(4)**

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

The summarised financial information of joint venture and associate that are material to the Group are as follows:

Summarised balance sheet

	As of			
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017
	Indus Towers Limited (joint venture)			Robi Axiata Limited (associate)#
Assets				
Non current assets	**207,357**	**207,634**	**209,213**	**95,480**
Current assets				
Cash and cash equivalents ('C&CE')	1,121	752	533	1,507
Other current assets (excluding 'C&CE')	17,182	15,956	17,922	6,904
Total current assets	**18,303**	**16,708**	**18,455**	**8,411**
Liabilities				
Non current liabilities				
Borrowings	10,589	25,585	37,203	8,578
Other liabilities	30,294	28,104	26,908	2,706
Total non current liabilities	**40,883**	**53,689**	**64,111**	**11,284**
Current liabilities				
Borrowings	24,090	14,999	24,186	11,620
Other liabilities	28,522	21,891	28,349	33,521
Total current liabilities	**52,612**	**36,890**	**52,535**	**45,141**
Equity	**132,165**	**133,763**	**111,022**	**47,466**
Percentage of Group's ownership interest	42%	42%	42%	25%
Interest in joint venture / associate	55,509	56,181	46,629	11,867
Consolidation adjustment*	3,900	4,767	5,184	10,700
Carrying amount of investment	59,409	60,948	51,813	22,567

* includes Goodwill of Rs. 11,176 pertaining to Robi Axiata Limited.

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(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Summarised information on statement of profit and loss

	For the year ended		For the period ended
	March 31, 2017	March 31, 2016	March 31, 2017
	Indus Towers Limited (joint venture)		Robi Axiata Limited (associate) #
Revenue	174,817	161,353	19,901
Depreciation and amortisation	26,116	25,442	7,958
Finance income	315	344	52
Finance cost	5,064	5,806	479
Income tax expense	15,273	14,227	(1,814)
Profit for the year / period	**28,451**	**26,355**	**(4,932)**
OCI for the year / period	(22)	(10)	-
Percentage of Group's ownership interest	42%	42%	25%
Group's share in profit for the period	11,949	11,069	(1,233)
Group's share in OCI for the year / period	(9)	(4)	-
Consolidation adjustments	(867)	(417)	51
Group's share in profit recognised@	11,083	10,652	(1,182)
Dividend received from Joint venture / asscoiate	9,510	-	-

The information is based on the financial statements which are only audited up-to period ended December 31, 2016.

@ Loss of Rs. 540 has been recognised as exceptional item for Robi Axiata Limited. Refer Note 33 (i) (f).

Aggregate information of joint ventures that are individually immaterial is as follows:

	As of		
	March 31, 2017	March 31, 2016	April 1, 2015
Carrying amount of investments	52	42	123
Cumulative unrecognised losses	-	2	2

	For the year ended	
Group's share in joint ventures'	**March 31, 2017**	**March 31, 2016**
Net profit	8	14
Total comprehensive income	8	14
Unrecognised losses	-	-

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Aggregate information of associates that are individually immaterial is as follows:

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Carrying amount of investments	249	-	-
Cumulative unrecognised losses*	90	1,765	1,559

	For the year ended	
Group's share in associates'	**March 31, 2017**	**March 31, 2016**
Net profit / (loss)	0	(206)
Total comprehensive income / (loss)	0	(206)
Unrecognised losses	46	206

* Reduced due to sale of associate refer Note 5 (c).

Refer Note 26 for Group's share of joint venture's and associate's commitments and contingencies.

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(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

9. Investments in subsidiaries

Information about the subsidiaries which are part of the Group is as follows:

S. No.	Principal activity	Principal place of business	Number of wholly-owned subsidiaries		
			As of		
			March 31, 2017	March 31, 2016	April 1, 2015
1	Telecommunication services	India	3	3	4
2	Telecommunication services	Africa	7	10	10
3	Telecommunication services	South Asia	1	2	2
4	Telecommunication services	Others	6	6	7
5	Mobile commerce services	India	-	-	1
6	Mobile commerce services	Africa	14	16	17
7	Infrastructure services	Africa	4	6	9
8	Infrastructure services	South Asia	2	2	2
9	Direct to Home services	Africa	1	2	3
10	Submarine cable	Mauritius	1	1	1
11	Investment company	Netherlands	25	26	26
12	Investment company	Mauritius	6	6	6
13	Investment company	Others	4	4	5
14	Others	India	1	1	1
			75	**85**	**94**

S. No.	Principal Activity	Principal place of business	Number of Non-wholly-owned subsidiaries		
			As of		
			March 31, 2017	March 31, 2016	April 1, 2015
1	Telecommunication services	India	2	2	1
2	Telecommunication services	Africa	8	8	9
3	Mobile commerce services	India	1	1	-
4	Mobile commerce services	Africa	3	2	-
5	Infrastructure services	India	1	2	2
6	Infrastructure services	Africa	3	5	7
7	Direct to Home services	India	1	1	1
8	Investment company	Africa	1	1	-
9	Others	India	1	1	-
			21	**23**	**20**

Additionally the Group also controls the trusts as mentioned here below:

Details of controlled trust:

S.no	Name of trust	Principal place of business
1	Bharti Airtel Employees' Welfare Trust	India
2	Bharti Infratel Employees' Welfare Trust	India

Summarised financial information of subsidiaries (including acquisition date fair valuation and adjustments thereto, and accounting policies alignment) having material non-controlling interests is as follows:-

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

Summarised balance sheet

	Bharti Infratel Limited*			Bharti Hexacom Limited			Airtel Networks Limited		
	As of			As of			As of		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Assets									
Non current assets	178,274	171,644	167,514	89,157	79,331	77,719	63,174	99,144	97,130
Current assets	47,118	55,454	51,659	6,984	5,443	4,289	5,343	8,835	19,610
Liabilities									
Non current liabilities	14,705	16,893	15,170	3,560	9,372	6,551	37,798	45,831	37,249
Current liabilities	43,952	14,166	13,799	25,753	12,857	22,127	43,049	50,294	85,573
Equity	166,735	196,039	190,204	66,828	62,545	53,330	(12,330)	11,854	(6,082)
% of ownership interest held by NCI	38.32%	28.24%	28.12%	30.00%	30.00%	30.00%	16.75%	20.94%	20.94%
Accumulated NCI	63,893	55,360	53,491	20,049	18,738	15,977	(2,064)	2,482	(1,274)

Summarised statement of profit and loss

	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Networks Limited	
	For the year ended		For the year ended		For the year ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Revenue	60,178	57,272	51,313	51,922	69,543	83,491
Net profit/(loss)	25,624	22,353	6,601	10,279	(22,173)	8,990
Other comprehensive income / (loss)	84	(18)	(1)	(2)	(2,010)	8,946
Total comprehensive income / (loss)	25,708	22,335	6,600	10,277	(24,183)	17,936
Profit / (loss) allocated to NCI	7,242	6,309	2,007	3,086	(4,810)	1,883

Summarised statement of cash flows

	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Networks Limited	
	For the year ended		For the year ended		For the year ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Net cash inflow from operating activities	28,662	19,115	15,162	15,109	13,605	17,677
Net cash (outflow)/inflow from investing activities	(2,434)	15,483	(16,443)	(6,937)	(10,291)	19,090
Net cash (outflow)/inflow from financing activities	(26,648)	(14,529)	49	(8,413)	(6,497)	(34,240)
Net cash (outflow)/inflow	(420)	20,069	(1,232)	(241)	(3,183)	2,527
Dividend paid to NCI (including tax)	1,873	4,183	695	325	-	-

* Based on consolidated financial statements of the entity. Also, refer Note 5 (j).

10 Investments

Non-current

	As of		
	March 31, 2017	March 31, 2016	April 1, 2015
Investments - FVTPL	42,051	25,396	31,310
Investments - FVTOCI	2,136	3,226	-
	44,187	**28,622**	**31,310**

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Current

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Investments - FVTPL	15,212	16,159	84,017
Investments - FVTOCI	1,711	-	-
	16,923	**16,159**	**84,017**

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Investment in equity instruments (Unqouted)			
IFFCO Kissan Sanchar Limited : 100,000 equity shares of Rs. 10 each fully paid up	50	50	50
Greenenergy Wind Corporation Pvt Ltd : 41,535 equity shares of Rs.10 each fully paid up (FVTOCI)	4	4	-
Helios Towers Africa Ltd. : 29,629,629 equity shares of 1.35 USD each	2,594	-	-
Investment in preference share (Unquoted)			
Tube INC (Data Mi) : 5,294,781 (March 31, 2016 4,947,871) non-cumulative convertible preference shares of 0.9208 Euro each	316	302	-
Investment in government securities * (Quoted / Unquoted)	53,584	2	2
Investment in mutual funds (Quoted)	529	38,345	115,258
Investment in corporate deposits and bonds (Quoted / Unquoted)	3,556	6,078	17
Investment in commercial paper (Quoted)	477	-	-
	61,110	**44,781**	**115,327**
Aggregate book / market value of quoted investments	56,688	44,416	115,258
Aggregate book value of unquoted investments	4,422	365	69

* Investment in government securities mainly pertains to investment in Govt. stock 2026.

11 Derivative financial Instruments

The Group uses foreign exchange option contracts, swap contracts, forward contracts and interest rate swaps to manage some of its transaction exposures.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

The details of derivative financial instruments are as follows:-

	As of		
	March 31, 2017	March 31, 2016	April 1, 2015
Assets			
Currency swaps, forward and option contracts	814	3,788	280
Interest swaps	4,963	14,545	5,598
Embedded derivatives	1,015	431	2,632
	6,792	**18,764**	**8,510**
Liabilities			
Currency swaps, forward and option contracts	3,412	1,096	381
Interest swaps	880	-	73
Embedded derivatives	769	843	338
	5,061	**1,939**	**792**
Non-current derivative financial assets	4,732	13,999	7,303
Current derivative financial assets	2,060	4,765	1,207
Non-current derivative financial liabilities	(2,726)	(8)	(164)
Current derivative financial liabilities	(2,335)	(1,931)	(628)
	1,731	**16,825**	**7,718**

Embedded derivative

The Group entered into agreements denominated/determined in foreign currencies. The value of these contracts changes in response to the changes in specified foreign currencies. Some of these contracts have embedded foreign currency derivatives having economic characteristics and risks that are not closely related to those of the host contracts. These embedded foreign currency derivatives have been separated and carried at fair value through profit or loss.

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(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

12 Security deposits

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Considered good*	9,630	10,441	9,529
Considered doubtful	1,464	1,123	620
Less: provision for doubtful deposits	(1,464)	(1,123)	(620)
	9,630	**10,441**	**9,529**

Security deposits primarily include deposits given towards rented premises, cell sites, interconnect ports and other miscellaneous deposits.

*Includes amount due from related party refer Note 36.

For details towards pledge of the above assets refer Note 21.

13 Financial assets – others

Non-current

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Rent equalisation	4,183	4,093	3,517
Tower sale receivable	10,323	10,658	-
Restricted cash	554	1,048	1,296
Claims recoverable	73	1,360	1,227
Bank deposits	744	5	4
Others*	776	338	1,987
	16,653	**17,502**	**8,031**

Current

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Restricted cash	34,806	14,626	10,075
Unbilled revenue	13,442	11,064	10,273
Claims recoverable	2,007	5,151	4,481
Interest accrued on investments	1,447	1,554	63
Others*	403	116	279
	52,105	**32,511**	**25,171**

Restricted cash represents cash received from subscribers of mobile commerce services, earmarked balances for dividend payouts and amount given as collateral for legal cases and/or bank guarantees for disputed matters.

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

*Primarily includes finance lease receivables and also includes amount due from related party refer Note 36. For details towards pledge of the above assets refer Note 21.

14 Income tax

The major components of the income tax expense are:

	For the year ended	
	March 31, 2017	**March 31, 2016**
Current income tax		
- For the year	21,332	43,749
- Adjustments for prior periods	(92)	941
	21,240	44,690
Deferred tax*#		
- Origination and reversal of temporary differences	18,436	5,329
- Adjustments for prior periods	(4,857)	9,514
	13,579	14,843
Income tax expense	**34,819**	**59,533**

* Includes Minimum Alternate Tax ('MAT') credit of Rs. 1,222 and Rs. 17,661 during the year ended March 31, 2017 and 2016, respectively.

Includes reversal of deferred tax asset of Rs. 8,612 during the year ended March 31, 2016, in one of the subsidiary on account of surrender of depreciation with Tax authority.

The reconciliation between the amount computed by applying the statutory income tax rate to the profit before tax and the income tax charge is summarised below:

	For the year ended	
	March 31, 2017	**March 31, 2016**
Profit before tax	77,233	128,463
Tax expense @ company's domestic tax rate of 34.608%	26,728	44,459
Effect of:		
Share of profits in associates and joint ventures	(3,618)	(3,342)
Tax holiday	778	(7,249)
Adjustments in respect of previous years	(4,967)	10,453
Additional Tax / Tax for which no credit is allowed	4,466	4,688
Difference in overseas tax rates	(465)	(1,451)
Items on which tax is lower than applicable rate	(4,311)	(7,992)
(Income) / expense (net) not taxable / deductible	1,065	2,288
Tax on undistributed retained earnings	2,184	1,667
Tax losses and temporary difference for which no deferred tax asset was recognised	12,311	16,240
Settlement of various disputes	369	480
Others	279	(708)
Income tax expense	**34,819**	**59,533**

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

The analysis of deferred tax assets and liabilities is as follows:

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Deferred tax assets (net)			
a) Deferred tax liability due to			
Depreciation / amortisation on property, plant and equipment / intangible assets	(66,798)	(37,899)	(7,112)
b) Deferred tax asset arising out of			
Provision for impairment of debtors / advances	13,004	9,950	9,625
Carry forward losses	3,382	1,876	3,333
Unearned Income	385	400	357
Employee benefits	1,133	925	820
Minimum Tax Credit	57,532	56,310	38,649
Lease Rent Equilisation	6,983	6,725	6,172
Fair valuation of financial instruments and exchange differences	7,748	7,267	6,132
Rates and taxes	1,527	-	-
Others	1,366	1,185	1,526
	26,262	**46,738**	**59,502**

	As of		
Deferred tax liabilities (net)	**March 31, 2017**	**March 31, 2016**	**April 1, 2015**
a) Deferred tax liability due to			
Lease Rent Equilisation (net)	4,076	4,597	4,431
Fair valuation of financial instruments and exchange differences	691	1,430	2,254
Depreciation / amortisation on property, plant and equipment / intangible assets	4,112	6,522	6,971
Undistributed retained earnings	2,986	3,232	1,456
Others	187	-	-
b) Deferred tax asset arising out of			
Provision for impairment of debtors / advances	(1,389)	(2,076)	(1,121)
Carry forward losses	(720)	(832)	(383)
Unearned Income	(301)	(71)	(196)
Employee benefits	(214)	(187)	(257)
Others	-	(103)	(78)
	9,429	**12,512**	**13,077**

	For the year ended	
	March 31, 2017	**March 31, 2016**
Deferred tax expense		
Provision for impairment of debtors / advances	2,858	1,425
Carry forward losses	(99)	(872)
Unearned Income	23	(94)
Employee benefits	235	134
Minimum Tax Credit	1,223	17,661
Lease Rent Equilisation (net)	789	395
Fair valuation of financial instruments and exchange differences	2,377	492
Rates and taxes	1,527	-
Depreciation / amortisation on property, plant and equipment / intangible assets	(22,496)	(32,195)
Undistributed retained earnings	(259)	(1,667)
Others	243	(122)
Net deferred tax expense	**(13,579)**	**(14,843)**

(This space has been intentionally left blank)

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

The movement in deferred tax assets and liabilities during the year is as follows:

	For the year ended	
	March 31, 2017	**March 31, 2016**
Opening balance	**34,226**	**46,425**
Tax expense recognised in profit and loss	(13,579)	(14,843)
Tax income recognised in equity	1,426	-
Disposal of subsidiary	-	785
Tax expense recognised in OCI - on net investments hedge	(10)	506
Tax expense recognised in OCI - on fair value through OCI investments	(6)	(3)
Exchange differences and others	(5,224)	1,356
Closing balance	**16,833**	**34,226**

The deferred tax assets are recognised for carry-forward losses and credits, to the extent that the realisation of the related tax benefit is probable. Accordingly, deferred tax assets are recognised for the entire credits and certain carry-forward losses, since the Group estimates that the realisation of the related tax benefit in future, through adjustment against future taxable profits and reversal of deferred tax liabilities in the relevant tax jurisdictions, is probable.

Accordingly, the Group has not recognised deferred tax assets in respect of deductible temporary differences, carry forward of unabsorbed depreciation and unused tax losses of Rs. 184,022, Rs. 269,200 and Rs. 229,893 as of March 31, 2017, March 31, 2016 and April 1, 2015, respectively as it is not probable that taxable profits will be available in future. The tax rates applicable to these unused tax losses, unabsorbed depreciation and deductible temporary differences vary from 3% to 45% depending on the jurisdiction in which the respective group entity operates. Of the above balance as of March 31, 2017, March 31, 2016 and April 1, 2015, tax losses, unabsorbed depreciation and deductible temporary differences to the extent of Rs. 75,724, Rs. 147,654 and Rs. 143,308, respectively have an indefinite carry forward period and the balance amount expires unutilised as follows:

	As of		
Expiry date	**March 31, 2017**	**March 31, 2016**	**April 1, 2015**
Within one - three years	33,442	25,469	20,224
Within three - five years	36,045	38,187	30,370
Above five years	38,811	57,891	35,991
	108,298	**121,547**	**86,585**

Moreover, deferred tax liability has not been recognised with respect to unremitted retained earnings and associated foreign currency translation reserve with respect to certain of its subsidiaries where the Group is in a position to control the timing of distribution of the profits and it is probable that the subsidiary will not distribute the profits in the foreseeable future. The temporary differences associated with respect to unremitted retained earnings and associated foreign currency translation reserve aggregating to Rs. 100,437, Rs. 96,573 and Rs. 96,364 as of March 31, 2017, March 31, 2016 and April 1, 2015, respectively. The distribution of the same is expected to attract tax in the range of Nil to 20% depending on the tax rates applicable as of March 31, 2017 in the jurisdiction in which the respective group entity operates. Further, the Group has been substantially availing the tax credit and believes that it would continue to avail the tax credit, for the dividend distribution tax payable by the subsidiaries on its dividend distribution.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

15 Other non-financial assets

Non-Current

	As of		
	March 31, 2017	March 31, 2016	April 1, 2015
Capital advances	2,961	40,890	48,812
Other advances	29,367	28,703	26,069
Taxes recoverable	15,092	-	-
Others	2,455	847	803
	49,875	**70,440**	**75,684**

Current

	As of		
	March 31, 2017	March 31, 2016	April 1, 2015
Prepaid expenses	11,490	15,590	10,573
Taxes recoverable	13,524	15,828	12,504
Advances to Suppliers	17,054	15,895	6,341
Others	2,037	1,514	2,778
	44,105	**48,827**	**32,196**

Capital advances includes advance payment of Rs. 1,720, Rs. 40,314 and Rs. 47,255 towards spectrum as at March 31, 2017, March 31, 2016 and April 1, 2015, respectively.

Other advances represent payments made to various government authorities under protest and are disclosed net of provision refer Note 23.

Taxes recoverable primarily include customs duty, excise duty, service tax and sales tax. Non-current tax recoverable represents service tax recoverable on spectrum beyond one year period.

Others primarily include employee receivables which principally consist of advances given for business purposes and non-current prepaid expenses.

Advance to suppliers are disclosed net of provision of Rs. 2,128, Rs. 2,056 and Rs. 3,003 as of March 31, 2017, March 31, 2016 and April 1, 2015, respectively.

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

16 Trade Receivables

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Unsecured			
Considered good *	49,838	55,039	51,961
Considered doubtful	42,258	35,080	27,795
Less: Provision for doubtful receivables	(42,258)	(35,080)	(27,795)
	49,838	**55,039**	**51,961**

*Includes amount due from related party refer Note 36.

Refer Note 37 (iv) for credit risk.

The movement in allowances for doubtful debts is as follows:

	For the year ended	
	March 31, 2017	**March 31, 2016**
Opening balance	35,080	27,795
Additions*	8,509	11,167
Write off (net of recovery)	(873)	(4,960)
Exchange differences	(458)	1,078
Closing balance	**42,258**	**35,080**

*includes exceptional item of Rs. 2,066 (refer Note 33 (ii) (d)) for the year ended March 31, 2016.

For details towards pledge of the above assets refer Note 21.

17 Cash and bank balances

Cash and cash equivalents ('C&CE')

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Balances with banks			
- On current accounts	9,871	14,950	7,522
- Bank deposits with original maturity of 3 months or less	2,532	21,145	2,850
Cheques on hand	16	184	418
Cash on hand	398	808	931
	12,817	**37,087**	**11,721**

Other bank balances

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Bank deposits with remaining maturity of less than 12 months	3,360	13,900	8,823

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

For the purpose of the consolidated cash flow statement, C&CE are as following:-

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
C&CE as per balance sheet	12,817	37,087	11,721
C&CE included in the assets-held-for-sale	-	-	73
Bank overdraft (refer Note 21)	(22,697)	(19,452)	(13,207)
	(9,880)	**17,635**	**(1,413)**

The details of specified bank notes held and transacted during the period November 8, 2016 to December 30, 2016, of the group entities as applicable, are provided below:

	Specified Bank Notes	**Other Denomination Notes**	**Total**
Closing cash in hand as at November 8, 2016	43	1	44
(+) Permitted receipts	42	716	758
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	85	680	765
Closing cash in hand as at December 30, 2016	-	**37**	**37**

18 Non-current assets-held-for-sale

a. Until March 31, 2015, the Group had entered into agreements to sale and leaseback a dedicated portion of towers in eight of the African countries. Further during the year ended March 31, 2017 and 2016, the Group has entered into an agreement to sale and leaseback a dedicated portion of towers in one of the African country each. The Group, on the basis of approval by relevant Board of Directors, considers that the criteria relevant for classification as assets-held-for-sale have been met, and accordingly has classified the assets and associated liabilities (collectively referred to as 'disposal group') that are part of the sale and will not be leased back as held for sale. These assets and liabilities pertain to 'Mobile Services Africa' segment.

The completion of the transactions is subject to certain customary closing conditions and is expected to be completed within a period of one year from the date of classification as held for sale.

Assets-held-for-sale mainly consists of property, plant and equipment (refer Note 6). The Group has ceased depreciation on the telecom tower assets, to the extent it has estimated such assets would not be leased back, from the respective dates of classification as held for sale.

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

During the year ended March 31, 2017, the agreement for sale of tower assets in one of the African countries with American Tower Corporation have lapsed and therefore stand terminated thereby. Accordingly, assets and the related liabilities have been re-classified from held for sale to its earlier classification.

b. The major classes of assets and liabilities classified as held for sale are as follows:

Assets of disposal group classified as held for sale	As of March 31, 2017	March 31, 2016	April 01, 2015
Non current assets	-	6,870	30,012
Other current assets	-	132	2,606
	-	**7,002**	**32,618**

Liabilities of disposal group classified as held for sale	As of March 31, 2017	March 31, 2016	April 01, 2015
Non current liabilities	-	(1,039)	(2,763)
Current liabilities	-	-	(1,200)
	-	**(1,039)**	**(3,963)**

c. During the year ended March 31, 2017, sale and lease back of 1,510 towers in two of the African countries was completed for a consideration of Rs. 13,193. The portion leased back which have been classified as finance lease, has been retained at the carrying value of Rs. 5,430 and the finance lease obligation has been recorded at Rs. 5,855, being the fair value of the leased back portion.

During the year ended March 31, 2016, sale and lease back of 8,740 towers in seven African countries was completed for a consideration of Rs. 116,229. The portion leased back which have been classified as finance lease, has been retained at the carrying value of Rs. 16,339 and the finance lease obligation has been recorded at Rs. 51,141, being the fair value of the leased back portion.

19 Share capital

	As of March 31, 2017	March 31, 2016	April 1, 2015
Issued, Subscribed and fully paid-up shares			
3,997,400,102 equity shares of Rs 5 each	19,987	19,987	19,987
	19,987	**19,987**	**19,987**

a. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.5 per share. Each holder of equity shares is entitled to cast one vote per share.

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

b. Treasury Shares

	For the year ended			
	March 31, 2017		March 31, 2016	
	No. of shares ('000')	Amount	No. of shares ('000')	Amount
Opening balance	1,882	524	1,411	114
Purchased during the year	-	-	1,500	514
Excercised during the year	(537)	(157)	(1,029)	(104)
Closing balance	**1,345**	**367**	**1,882**	**524**

c. Dividend paid and proposed

		For the year ended	
		March 31, 2017	March 31, 2016
A	**Declared and paid during the year:**		
	Final dividend for 2015-16 : Rs. 1.36 per share	6,541	-
	Dividend on treasury shares	2	-
	(including dividend distribution tax of Rs. 1,107 @ 20.358%)		
	Final dividend for 2014-15 : Rs. 2.22 per share	-	10,679
	Dividend on treasury shares	-	2
	(including dividend distribution tax of Rs. 1,807 @ 20.358%)		
		6,543	**10,681**
B	**Proposed dividend**		
	Final dividend for 2016-17: Rs. 1 per share (2015-16 : Rs 1.36 per share)	3,997	5,436
	Dividend distribution tax @ 20.358%	814	1,107
		4,811	**6,543**

The proposed dividend is subject to approval at annual general meeting and hence has not been recognised as liability.

20 Retained earnings and other reserves

Retained earnings

Retained earnings represent the amount of accumulated earnings of the Group, re-measurement differences on defined benefit plans and, the reserves arising due to court scheme accounting and adjustments thereto (as explained below for material Scheme of Arrangements).

The Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities at their respective fair values from Bharti Infratel Ventures Limited (erstwhile subsidiary company), Vodafone Infrastructure Limited, Idea Cellular Tower Infrastructure Limited to its joint venture Indus Towers Limited, was approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 and filed with the Registrar of Companies on June 11, 2013 with appointed date April 1, 2009 and hence was accounted retrospectively with effect from April 01, 2009. Similarly, pursuant to the Scheme of Arrangement of the Company under sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of the Company was transferred to one of its subsidiary Bharti Infratel Limited during the year ended March 31, 2008.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Further, pursuant to the said schemes, mainly the excess of the fair values over the original book values of the assets transferred to them and the periodic depreciation thereto is adjusted in retained earnings.

In absence of any specific provision under Ind AS with respect to court schemes, and the fact that the court schemes are part of the law, accounting prescribed therein (as explained above) will continue to prevail even in the Ind AS financial statements of the Group after being adjusted for intra-group eliminations / equity accounting as required.

Other components of equity

	FCTR	CFHR	FVTOCI reserve	Treasury shares	Total
As of April 1, 2015	-	-	-	**(114)**	**(114)**
Net losses due to foreign currency translation differences	(4,497)	-	-	-	(4,497)
Net losses on net investments hedge	(6,652)	-	-	-	(6,652)
Net losses on cash flow hedge	-	(724)	-	-	(724)
Net gains on fair value through OCI investments	-	-	4	-	4
Purchase of treasury shares	-	-	-	(514)	(514)
Exercise of share options	-	-	-	104	104
As of March 31, 2016	**(11,149)**	**(724)**	**4**	**(524)**	**(12,393)**
Net losses due to foreign currency translation differences	(42,134)	-	-	-	(42,134)
Net losses on net investments hedge	(7,402)	-	-	-	(7,402)
Net gains on cash flow hedge	-	857	-	-	857
Net gains on fair value through OCI investments	-	-	86	-	86
Exercise of share options	-	-	-	157	157
As of March 31, 2017	**(60,685)**	**133**	**90**	**(367)**	**(60,829)**

a) Foreign currency translation reserve ('FCTR')

During the year ended March 31, 2017, the Group has reclassified loss of Rs. 2,073 respectively, to statement of profit and loss on sale of foreign subsidiaries. Refer Note 5 (b).

b) Cash flow hedge reserve ('CFHR')

The Group has designated certain CHF / Euro forward contracts as a cash flow hedge of the foreign currency risk arising from the CHF / Euro borrowings.

The Group had designated certain of its foreign currency borrowings denominated in USD as a cash flow hedge of the foreign currency risk arising from the expected sale consideration receivable from the highly probable forecasted transaction relating to the sale of telecom towers. Foreign exchange loss of Rs. 1,440 (Rs. 852, net of tax and non-controlling interests) during the year ended March 31, 2016 has been recognised in other comprehensive income. Further, on occurrence of forecasted sale transaction during year ended March 31, 2016, the same has been reclassified from other comprehensive income to statement of profit and loss and disclosed as exceptional item.

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

21 Borrowings

Non-current

		As of		
		March 31, 2017	**March 31, 2016**	**April 1, 2015**
Secured				
Term loans		11,344	26,279	68,943
Others*		31	20	19
		11,375	**26,299**	**68,962**
Less: Current portion (A)		(4,322)	(7,543)	(37,323)
		7,053	**18,756**	**31,639**
Unsecured				
Term loans#		68,800	126,402	209,366
Non-convertible bonds @		368,912	395,292	294,688
Deferred Payment Liabilities**		439,205	341,424	143,167
Finance lease obligations ^		56,547	57,871	758
		933,464	**920,989**	**647,979**
Less: Current portion (B)		(44,144)	(47,059)	(88,043)
		889,320	**873,930**	**559,936**
		896,373	**892,686**	**591,575**
Current maturities of long-term borrowings	**(A + B)**	48,466	54,602	125,366

Current

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Secured			
Term loans	-	17,165	10,396
Bank overdraft	663	513	987
	663	**17,678**	**11,383**
Unsecured			
Term Loans	106,745	20,621	63,077
Bank overdraft	22,034	18,939	12,220
	128,779	**39,560**	**75,297**
	129,442	**57,238**	**86,680**

* Others include vehicle loans taken from banks which were secured by hypothecation of the vehicles.

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

Includes re-borrowable term loans of Rs. 9,810, Rs. 2,887 and Rs. Nil as of March 31, 2017, March 31, 2016 and April 1, 2015, respectively which have daily prepayment flexibility.

@ For impact of change in fair value with respect to the hedged risk refer note 37 (ii).

^ includes finance lease liabilities primarily arising on sale and lease back of tower assets (refer Note 18 (c)).

** During the year ended March 31, 2017, 2015 and 2014, the Group had won the auction for spectrum aggregating to 398.6 MHz. The Group had opted for deferred payment in certain circles for a specified portion of the auction price. The deferred payment liability recognised in the financial statements is payable in 10 equal annual installments (including the related interest) after a moratorium of two years.

21.1 During the year ended March 31, 2016, the Company had issued 4.375% USD 1,000 Mn (Rs. 63,973) senior unsecured notes ('Bonds') at issue price of 99.304% which are listed on Singapore stock exchange and due for repayment in the year 2025.

21.2 Analysis of borrowings

The details given below are gross of debt origination cost and fair valuation adjustments with respect to the hedged risk.

21.2.1 Repayment terms of borrowings

The table below summarises the maturity profile of the Group's borrowings:

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Within one year	178,928	112,243	212,260
Between one and two years	128,393	52,605	46,214
Between two and five years	207,068	259,181	206,490
Over five years	562,742	574,826	343,591
	1,077,131	**998,855**	**808,555**

The borrowings of Rs. 22,697, Rs. 19,452 and Rs. 13,207 outstanding as of March 31, 2017, March 31, 2016 and April 1, 2015, comprising bank overdraft facilities from banks which are repayable on demand. The borrowings of Rs.1,054,434, Rs. 979,403 and Rs. 795,348 outstanding as of March 31, 2017, March 31, 2016 and April 1, 2015, comprising various loans, are repayable in total 1,361, 907 and 118 monthly installments, 173, 104 and 70 quarterly installments, 700, 888 and 1107 half yearly installments, 44, 43 and 44 yearly installments and 53, 312 and 172 bullet payments.

21.2.2 Interest rate and currency of borrowings

The below details do not necessarily represents foreign currency or interest rate exposure to the income statement, since the Group has taken derivatives for offsetting the foreign currency & interest rate exposure. For foreign currency and interest rate sensitivity refer Note 37.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

	Average Rate of Interest	Total borrowings	Floating rate borrowings	Fixed rate borrowings
INR	9.48%	542,731	86,577	456,154
USD	5.05%	372,361	88,598	283,763
Euro	3.73%	121,037	-	121,037
CHF	3.00%	22,705	-	22,705
XAF	6.56%	5,893	-	5,893
XOF	7.10%	5,180	-	5,180
Others	11.06% to 25.74%	7,224	4,886	2,338
March 31, 2017		**1,077,131**	**180,061**	**897,070**
INR	9.95%	365,771	22,377	343,394
USD	4.78%	424,973	133,185	291,788
Euro	3.68%	136,356	4,715	131,641
CHF	3.00%	24,211	-	24,211
NGN	17.75%	6,491	6,491	-
XAF	7.26%	9,438	-	9,438
XOF	6.79%	5,831	-	5,831
BDT	9.88%	18,485	513	17,972
Others	8.91% to 25.7%	7,299	5,797	1,502
March 31, 2016		**998,855**	**173,078**	**825,777**
INR	10.06%	178,537	35,207	143,330
USD	3.40%	404,491	243,833	160,658
Euro	3.58%	135,796	18,639	117,157
CHF	3.00%	22,544	-	22,544
NGN	15.56%	31,864	31,423	441
XAF	7.03%	11,077	-	11,077
XOF	8.58%	7,710	-	7,710
BDT	10.77%	10,297	242	10,055
Others	8.64% to 27%	6,239	2,981	3,258
April 1, 2015		**808,555**	**332,325**	**476,230**

(This space has been intentionally left blank)

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

21.3 Security details

The Group has taken borrowings in various countries towards funding of its acquisition and working capital requirements. The details of security provided by the Group in various countries are as follows:

Entity	Outstanding loan amount			Security Detail
	March 31, 2017	March 31, 2016	April 1, 2015	
Bharti Airtel Ltd	31	20	19	Hypothecation of vehicles
Airtel Bangladesh Ltd (refer Note 5 (b))	-	26,289	21,731	(i) Deed of Hypothecation by way of fixed charge creating a first-ranking pari passu fixed charge over listed machinery and equipment of the company, favouring the Bank / FIIs investors and the Offshore Security Agent and filed with the Registrar of Joint Stock Companies. Third Modification to Deed of Hypothecation for EKN-1, EKN-2, SCB Mauritius & HDFC Loan facilities. (ii) Deed of Hypothecation by way of floating charge creating a first-ranking pari passu floating charge over plant, machinery and equipment, both present and future, excluding machinery and equipment covered under the foregoing Deed of Hypothecation by way of fixed charge and a first-ranking pari passu floating charge over all current assets of the company, both present and future, including but not limited to stock, book debts, receivables and accounts of the company, entered into or to be entered into by the company, favouring the Bank / FIIs Facility Investors and Offshore Security Agent and filed with the Registrar of Joint Stock Companies for EKN-1, EKN-2, SCB Mauritius & HDFC loan facility. (iii) Corporate Guarantee by BAHSPL (Bharti Airtel Holdings Pte. Ltd.) to Airtel Bangladesh Limited for EKN-1, EKN-2, HDFC & SCB Mauritius loan facility. Counter Guarantee to BAHSPL by BAL (Bharti Airtel Limited) for EKN-1, EKN-2, HDFC loan facility. (iv) Register Hypothecations of all present and future book debts, receivables, monies, and movable property of the Borrower consisting of raw materials, stocks, inventory work in progress, finished goods and insurance proceeds thereof, of Airtel Bangladesh on Pari Passu basis with other Lenders, under a Letter of Hypothecation dated February 8, 2012 and its subsequent modifications to the hypothecation executed in favor of the existing lenders and filed with the Registrar of Joint Stock Companies. (For Short Term Working Capital Lenders (STL & OD) except Citibank N.A).
Bharti Airtel Africa BV and its subsidiaries	12,128	18,062	59,349	(i) Pledge of all fixed and floating assets - Kenya, Nigeria, Tanzania, Uganda, DRC, Ghana and Rwanda . (ii) Pledge of specific fixed assets - Chad.
	12,159	**44,371**	**81,099**	

Africa operations acquisition related borrowing:

Borrowings include certain loans which have been taken to refinance the Africa acquisition related borrowing. These loan agreements contains a negative pledge covenants that prevents the Group (excluding Airtel Bangladesh Limited, Bharti Airtel Africa B.V, Bharti Infratel Limited, and their respective subsidiaries) to create or allow to exist any security interest or any of its assets without prior written consent of the majority lenders except in certain agreed circumstances.

The Euro bonds due in 2018 and USD bonds due in 2023 issued by BAIN contain certain covenants relating to limitation on indebtedness and all bonds carry a restriction on incurrence of any lien on its assets other than as permitted under the agreement, unless an effective provision is made to secure the bonds and guarantee equally and ratably with such indebtedness for so long as such indebtedness is so secured by such lien. The limitation on indebtedness covenant on Euro bonds due in 2018 and USD bonds due in 2023 gets suspended on bonds meeting certain agreed criteria. The debt covenants remained suspended as of the date of the authorisation of the financial statements. The other bonds issued do not carry any restrictions on the limitation of indebtedness.

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

21.4 Unused lines of credit *

The below table provides the details of un-drawn credit facilities that are available to the Group.

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Secured	57	19,909	20,253
Unsecured	194,592	156,999	160,722
	194,649	**176,908**	**180,975**

* Excluding non-fund based facilities.

22 Financial liabilities - others

Non-current

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Equipment supply payables	-	264	939
Security deposits	1,237	1,013	849
Lease rent equalisation	13,377	12,671	11,109
Others	1,067	2,136	1,640
	15,681	**16,084**	**14,537**

Current

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Equipment supply payables	65,860	103,988	102,787
Employees payables	5,364	6,509	4,212
Interest accrued but not due	5,960	6,599	6,802
Security deposit *	4,148	4,492	4,304
Others	7,476	9,592	9,201
	88,808	**131,180**	**127,306**

* It pertains to deposits received from subscriber / channel partners which are repayable on disconnection, net of outstanding, if any.

'Others' include payable to Qualcomm Asia Pacific Pte. Limited of Rs. 4,104 towards purchase of balance equity shares upon satisfaction of certain conditions as per the share purchase agreement for acquisition of erstwhile ABSPL. It also includes non-interest bearing advance received from customers and international operators, liability towards cash settled employee share based payment plans and payment bank related liabilities.

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

23 Provisions

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Asset retirement obligation	5,786	5,761	6,127
Gratuity	2,572	2,590	2,322
Compensated absence	1,158	1,127	1,071
Other employee benefit plans	170	204	194
	9,686	**9,682**	**9,714**
Non-current	7,471	7,350	7,648
Current	2,215	2,332	2,066
	9,686	**9,682**	**9,714**

The movement of provision towards asset retirement obligation is as below:

	For the year ended	
	March 31, 2017	**March 31, 2016**
Opening Balance	5,761	6,127
Additions	553	175
Interest cost	248	286
Disposal's of tower operations (refer Note 18)	(776)	(827)
	5,786	**5,761**

Refer note 28 for movement of provision towards employee benefits.

Due to large number of lease arrangements of the Group, the range of expected period of outflows of provision for asset retirement obligation is significantly wide.

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(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

The movement of provision towards subjudice matters is as below:

	For the year ended	
	March 31, 2017	**March 31, 2016**
Opening balance	113,436	86,531
Net additions	17,625	26,905
Closing balance	**131,061**	**113,436**

The said provision has been disclosed under:

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Other non-financial assets (refer Note 15)	48,915	42,096	34,424
Other non-financial liabilities (refer Note 24)	4,619	4,318	3,529
Trade payables (refer Note 25)	77,527	67,022	48,578
	131,061	**113,436**	**86,531**

24 Other non - financial liabilities

Non-current

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Deferred rent	727	691	630
Others	-	836	836
	727	**1,527**	**1,466**

Current

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Taxes payable	25,961	21,844	15,898
Others#	8,809	-	-
	34,770	**21,844**	**15,898**

includes dividend payable to NCI Rs. 8,512 by one of the subsidiary.

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

Taxes payable mainly pertains to service tax, sales tax, other taxes payable and provision towards sub judice matters (refer Note 23).

25 Trade payables

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Trade payables*	**268,537**	**255,806**	**215,896**

Trade payables include provision towards subjudice matters refer Note 23.

*Includes amount due from related party refer Note 36.

26 Contingent liabilities and commitments

(i) Contingent liabilities

Claims against the company not acknowledged as debt:

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
(i) Taxes, Duties and Other demands			
(under adjudication / appeal / dispute)			
-Sales Tax and Service Tax	39,085	40,214	38,225
-Income Tax	20,150	19,746	20,130
-Customs Duty	5,899	6,601	6,136
-Entry Tax	9,252	8,201	6,957
-Stamp Duty	596	596	603
-Municipal Taxes	1,276	1,114	863
-Department of Telecom ('DoT') demands	37,560	5,273	5,020
-Other miscellaneous demands	8,000	7,105	2,133
(ii) Claims under legal cases including arbitration matters			
-Access Charges / Port Charges	9,371	8,761	7,443
-Others	3,631	4,370	5,703
	134,820	**101,981**	**93,213**

Further, refer Note f (iv), (v), (vi) and g below for other DoT matter.

In addition to the above, the Group's share of joint ventures and associates contingent liabilities is Rs. 17,507, Rs. 12,032 and Rs. 9,083 as of March 31, 2017, March 31, 2016 and April 1, 2015 respectively.

The category wise detail of the contingent liability has been given below:-

a) Sales and Service Tax

The claims for sales tax comprised of cases relating to the appropriateness of declarations made by the Company under relevant sales tax legislations which were primarily procedural in nature and the applicable sales tax on disposals of certain property and equipment items. Pending final decisions, the Company has deposited amounts under protest with statutory authorities for certain cases.

The service tax demands relate to cenvat claimed on tower and related material, levy of service tax on SIM cards and employee talk time, cenvat credit disallowed for procedural lapses and usage in excess of 20% limit.

b) Income tax demand

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

c) Access charges (Interconnect Usage Charges) / Port charges

(i) Despite the interconnect usage charges ('IUC') rates being governed by the Regulations issued by Telecom Regulatory Authority of India ('TRAI'); BSNL had raised a demand for IUC at the rates contrary to the regulations issued by TRAI in 2009. Accordingly, the Company filed a petition against the demand with the TDSAT which allowed payments by the Group based on the existing regulations. The matter was then challenged by BSNL and is currently pending with the Hon'ble Supreme Court.

(ii) The Hon'ble TDSAT allowed BSNL to recover distance based carriage charges. The private telecom operators have jointly filed an appeal against the said order and the matter is currently pending before the Hon'ble Supreme Court.

(iii) BSNL challenged before TDSAT the port charges reduction contemplated by the regulations issued by TRAI in 2007 which passed its judgment in favour of BSNL. The said judgment has been challenged by the private operators in Hon'ble Supreme Court. Pending disposal of the said appeal, in the interim, private operators were allowed to continue paying BSNL as per the revised rates i.e. TRAI regulation issued in 2007, subject to the bank guarantee being provided for the disputed amount. The rates were further reduced by TRAI in 2012 which was challenged by BSNL before the Hon'ble Delhi High Court. The Hon'ble Delhi High Court, in the interim, without staying the rate revision, directed the private operators to secure the difference between TRAI regulation of 2007 and 2012 rates by way of bank guarantee pending final disposal of appeal.

d) Customs Duty

The custom authorities, in some states, demanded custom duty for the imports of special software on the ground that this would form part of the hardware on which it was pre-loaded at the time of import. The view of the Company is that such imports should not be subject to any custom duty as it is operating software exempt from any custom duty. In response to the application filed by the Company, the Hon'ble Central

Excise and Service Tax Appellate Tribunal ('CESTAT') has passed an order in favour of the custom authorities. The Company has filed an appeal with Hon'ble Supreme Court against the CESTAT order.

e) Entry Tax

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

During the year ended March 31, 2017, the Hon'ble Supreme Court of India upheld the constitutional validity of entry tax levied by few States. However, Supreme Court did not conclude certain aspects such as present levies in each State is discriminatory in nature or not, leaving them open to be decided by regular benches of the Courts. Pending disposition by the regular benches, the Company has decided to maintain status-quo on its position and hence continued to disclose it as contingent liability.

f) DoT demands

(i) DoT demands include Demand for license fees pertaining to computation of Adjusted Gross Revenue ('AGR') and the interest thereon, due to difference in its interpretation. The definition of AGR is sub-judice and under dispute since 2005 before the TDSAT. However, the Hon'ble High Courts vide interim orders in 2012 had permitted the Group to continue paying license fee on similar basis as the Company has been paying throughout the period of the license. Further, TDSAT had pronounced its judgment in 2015, quashed all demands raised by DoT and directed DoT to rework the demands basis the principles enunciated in its judgment. Subsequently, the Union of India ('UOI') and the Group along with various other operators have filed appeals / cross appeals before the Hon'ble Supreme Court of India against the TDSAT judgment. In 2016, all the appeals were tagged together and Hon'ble Supreme Court has permitted DOT to raise demands with a direction not to enforce any demand till the final adjudication of the matter by Hon'ble Supreme Court. Accordingly, DoT has raised the demand basis special audit done by DoT and Comptroller and Auditor General of India. The contingent liability includes such demand and interest thereto (excluding certain contentious matters, penalty and interest thereto) for the financial year 2006-07, 2007-08, 2008-09 and 2009-10.

(ii) DoT demands also include the contentious matters in respect of subscriber verification norms and regulations including validity of certain documents allowed as proof of address / identity.

(iii) Penalty for alleged failure to meet certain procedural requirements for EMF radiation self-certification compliance.

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

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

(iv) Post the Hon'ble Supreme Court Judgment in 2011, on components of AGR for computation of license fee, based on the legal advice, the Company believes that the foreign exchange gain should not be included in AGR for computation of license fee thereon. Further as per TDSAT judgement in 2015, foreign exchange fluctuation does not have any bearing on the license fees. Accordingly, the license fee on foreign exchange gain has not been provided in the financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences', the license fee impact on such exchange differences is not quantifiable. Further as stated in point (i) above, the interpretation as to the components of AGR (including the above component) is subject to litigation and the Hon'ble High Courts vide interim orders in 2012 had permitted the Group to continue paying license fee on similar basis as the Company has been paying throughout the period of the license. The matter is currently pending adjudication of the matter by Hon'ble Supreme Court.

(v) On January 8, 2013, DoT issued a demand on the Company and one of its subsidiaries for Rs. 52,013 towards levy of one time spectrum charge. The demand includes a retrospective charge of Rs. 9,090 for holding GSM Spectrum beyond 6.2 MHz for the period from July 1, 2008 to December 31, 2012 and also a prospective charge of Rs. 42,923 for GSM spectrum held beyond 4.4 MHz for the period from January 1, 2013, till the expiry of the initial terms of the respective licenses.

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

(vi) DoT had issued notices to the Company (as well as other telecom service providers) to stop provision of services (under 3G Intra Circle Roaming ('ICR') arrangements) in the service areas where such service providers had not been allocated 3G Spectrum and levied a financial penalty of Rs. 3,500 on the Company. The Company contested the notices and upon various rounds of litigations, in response to which TDSAT in 2014 held 3G ICR arrangements to be competent and compliant with the licensing conditions and quashed the notice imposing penalty. The DoT has challenged the order of TDSAT before the Hon'ble Supreme Court which is yet to be listed for hearing.

g) Airtel Networks Limited – Ownership

Airtel Networks Limited ('Airtel Networks') (formerly known as Celtel Nigeria Limited) was incorporated on December 21, 2000 as Econet Wireless Nigeria Limited and since 2010 been a subsidiary of Bharti Airtel Nigeria B.V. ('BANBV'), which is an indirect subsidiary of Bharti Airtel Limited. Airtel Networks and / or BANBV have since 2010 been defending cases filed by Econet Wireless Limited ('EWL') where EWL was claiming, amongst others, a breach of its alleged pre-emption rights against erstwhile and current shareholders.

EWL inter alia commenced arbitral proceedings in Nigeria contesting the acquisition by Celtel Nigeria B.V. (now, Bharti Airtel Nigeria B.V. – 'BANBV') of the controlling stake in Airtel Networks Limited in 2006, wherein BANBV was one of the defendants. The Final Award ('FA') by the Arbitral Tribunal as to the same was pronounced in 2014. Subsequently, various applications were filed to challenge / enforce the FA in the High Court and the Supreme Court of Nigeria by BANBV and Econet respectively. Further, EWL had filed conservatory attachment proceedings in the Netherlands against BANBV for enforcement of the Final Award, and also pursuing a claim for compensation against BANBV's parent (Bharti Airtel Nigeria Holdings II B.V.) and Grandparent (Bharti Airtel Africa B.V.) alleging that these entities acted unlawfully and induced breach of contract by the selling shareholders. Separately, Airtel Networks Limited was a defendant in an action where EWL was claiming entitlement to 5% of the issued share capital of Airtel Networks Limited.

Under the 2010 share purchase agreement, the Group had certain indemnities from Zain BV in relation to these proceedings. In 2016, the Group had initiated arbitration against Zain B.V. and its guarantor, Mobile Telecommunications Company in relation to the said indemnities under the share purchase agreement.

During the year ended March 31, 2017, Zain and Company has entered into an agreement to settle these matters along with other tax cases covered under indemnities. Separately, the Company and EWL have entered into an agreement to settle all these disputes and consequent withdrawal of all the proceedings in all courts across all jurisdictions. The net settlement amount as adjusted for the related indemnification assets and provisions resulted in a loss of Rs. 732 which has been recognised and disclosed as an exceptional item.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Guarantees:

Guarantees outstanding as of March 31, 2017, March 31, 2016 and April 1, 2015 amounting to Rs. 129,131, Rs. 106,255 and Rs. 112,525, respectively have been issued by banks and financial institutions on behalf of the Company. These guarantees include certain financial bank guarantees which have been given for subjudice matters and in compliance with licensing conditions, the amount with respect to these have been disclosed under capital commitments, contingencies and liabilities, as applicable, in compliance with the applicable accounting standards.

In addition to the above, the Group's share of guarantees of joint ventures and associates is Rs. 396, Nil and Nil as of March 31, 2017, March 31, 2016 and April 1, 2015 respectively.

(ii) Commitments

Capital commitments

Estimated amount of contracts to be executed on capital account and not provided for (net of advances) Rs. 102,008, Rs. 74,061 and Rs. 343,859 (including Rs. Nil, Rs. 10,970 and Rs. 244,040 towards spectrum) as of March 31, 2017, March 31, 2016 and April 1, 2015, respectively.

The above includes Rs. 155, Rs. 2,537 and Rs. 38,083 as of March 31, 2017, March 31, 2016 and April 1, 2015, respectively pertaining to certain agreements, under which the vendor supplies assets as well as services to the Group. The amount represents total minimum commitment over the unexpired period of the contracts (upto four years from the reporting date), since it is not possible for the Group to determine allocation between assets and services to be provided over the unexpired period of the contract.

In addition to the above, the Group's share of capital commitments of joint ventures and associates is Rs. 4,684, Rs. 1,624 and Rs. 1,214 as of March 31, 2017, March 31, 2016 and April 1, 2015 respectively.

Lease commitments

a) Operating lease

The future minimum lease payments are as follows:-

As lessee

	As of		
	March 31, 2017	**March 31, 2016**	**March 31, 2015**
Not later than one year	64,929	58,732	51,007
Later than one year but not later than five years	248,872	173,036	174,444
Later than five years	99,439	88,217	82,463
	413,240	**319,985**	**307,914**
Lease Rentals	68,333	65,174	
Lease equalisation adjustments	2,550	1,445	

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

The future minimum lease payments obligation disclosed above include the below future minimum lease payments obligations payable to joint ventures, which mainly pertain to amounts payable under the agreement entered by the Parent and its subsidiaries, with a joint venture of the Group.

	As of		
	March 31, 2017	**March 31, 2016**	**March 31, 2015**
Not later than one year	41,639	38,053	35,511
Later than one year but not later than five years	159,691	97,262	117,671
Later than five years	31,677	25,779	24,640
	233,007	**161,094**	**177,822**

Certain lease agreements have escalation clause upto 25%, includes option of renewal from 1 to 15 years.

As lessor

	As of		
	March 31, 2017	**March 31, 2016**	**March 31, 2016**
Not later than one year	21,424	19,835	16,761
Later than one year but not later than five years	85,126	70,185	64,870
Later than five years	37,345	32,648	29,777
	143,895	**122,668**	**111,408**

b) Finance lease

As lessee

Finance lease obligation of the Group as of March 31, 2017 is as follows:-

	Future minimum lease payments	**Interest**	**Present value**
Not later than one year	10,416	5,446	4,970
Later than one year but not later than five years	40,117	16,449	23,668
Later than five years	33,221	5,689	27,533
	83,754	**27,584**	**56,171**

Finance lease obligation of the Group as of March 31, 2016 is as follows:

	Future minimum lease payments	**Interest**	**Present value**
Not later than one year	10,161	5,415	4,746
Later than one year but not later than five years	38,263	16,973	21,290
Later than five years	39,380	7,545	31,835
	87,804	**29,933**	**57,871**

Finance lease obligation of the Group as of April 1, 2015 is as follows:

	Future minimum lease payments	**Interest**	**Present value**
Not later than one year	721	164	557
Later than one year but not later than five years	1,083	421	662
Later than five years	575	166	409
	2,379	**751**	**1,628**

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

Certain lease arrangements have escalation clause upto 7.5% and includes option of renewal in block of 3 years.

As lessor

The future minimum lease payments receivable of the Group as of March 31, 2017 is as follows:-

	Future minimum lease payments	Interest	Present value
Not later than one year	133	25	107
Later than one year but not later than five years	189	17	172
Later than five years	-	-	-
	322	**42**	**279**

The future minimum lease payments receivable of the Group as of March 31, 2016 is as follows:-

	Future minimum lease payments	Interest	Present value
Not later than one year	126	33	93
Later than one year but not later than five years	297	37	260
Later than five years	-	-	-
	423	**70**	**353**

The future minimum lease payments receivable of the Group as of April 1, 2015 is as follows:-

	Future minimum lease payments	Interest	Present value
Not later than one year	45	13	32
Later than one year but not later than five years	123	17	106
Later than five years	-	-	-
	168	**30**	**138**

27 Revenue from operations

	For the year ended	
	March 31, 2017	**March 31, 2016**
Service revenue	951,213	959,451
Sale of products	3,470	5,870
	954,683	**965,321**

28 Employee benefits

	For the year ended	
	March 31, 2017	**March 31, 2016**
Salaries	37,300	40,795
Contribution to provident and other funds	1,746	2,179
Staff welfare expenses	1,617	2,549
Defined benefit plan/ other long term benefits	887	926
Employee Share-based payment expense		
- Equity-settled plans	337	248
- Cash-settled plans	61	750
Others	1,084	1,661
	43,032	**49,108**

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

28.1 Share based payment plans

The following table provides an overview of all existing share option plans of the Group:

Scheme	Plan	Vesting period (years)	Contractual term (years)
Equity settled Plans			
Scheme I	2006 Plan	1 - 5	7
Scheme 2005	2008 Plan & Annual Grant Plan (AGP)	1 - 3	7
Scheme 2005	Performance Share Plan (PSP) 2009 Plan	3 - 4	7
Scheme 2005	Special ESOP & Restricted Share Units (RSU) Plan	1 - 5	7
Infratel plan	Infratel 2008 Plan	1 - 5	7
Scheme 2005	Long Term Incentive (LTI) Plan	1 - 3	7
Infratel plan	Infratel LTI plans	1 - 3	7
Cash settled Plans			
Performance Unit Plan (PUP)	PUP 2013 - PUP 2016	1 - 5	3-5
Infratel plan	PUP	1 - 3	7

The stock options vesting is subject to service and certain performance conditions mainly pertaining to certain financial parameters

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(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

The movement in the number of stock options and the related weighted average exercise prices are as follows:

	For the year ended			
	March 31, 2017		March 31, 2016	
	Number of share options ('000)	Weighted average exercise price (Rs.)	Number of share options ('000)	Weighted average exercise price (Rs.)
2006 Plan				
Outstanding at beginning of year	305	5.00	390	5.00
Granted	-	-	-	-
Exercised	(100)	5.00	(75)	5.00
Forfeited / Expired	-	-	(10)	5.00
Outstanding at end of year	205	5.00	305	5.00
Exercisable at end of year	36	5.00	30	5.00
2008 Plan & AGP				
Outstanding at beginning of year	639	402.50	2,534	355.45
Granted	-	-	-	-
Exercised	-	-	(686)	334.89
Forfeited / Expired	(639)	402.50	(1,209)	342.24
Outstanding at end of year	-	-	639	402.50
Exercisable at end of year	-	-	639	402.50
PSP 2009 Plan				
Outstanding at beginning of year	53	5.00	83	5.00
Granted	-	-	-	-
Exercised	(37)	5.00	(22)	5.00
Forfeited / Expired	(10)	5.00	(8)	5.00
Outstanding at end of year	6	5.00	53	5.00
Exercisable at end of year	6	5.00	53	5.00
Special ESOP & RSU Plan				
Outstanding at beginning of year	126	5.00	189	5.00
Granted	-	-	-	-
Exercised	(91)	5.00	(44)	5.00
Forfeited / Expired	(1)	5.00	(19)	5.00
Outstanding at end of year	34	5.00	126	5.00
Exercisable at end of year	34	5.00	126	5.00
Infratel 2008 Plan				
Outstanding at beginning of year	732	109.67	3,834	109.67
Granted	-	-	-	-
Exercised	(564)	109.67	(3,078)	109.67
Forfeited / Expired	(10)	109.67	(24)	109.67
Outstanding at end of year	158	109.67	732	109.67
Exercisable at end of year	158	109.67	732	109.67
LTI Plans				
Outstanding at beginning of year	1,709	5.00	523	5.00
Granted	820	-	1,576	5.00
Exercised	(308)	5.00	(201)	5.00
Forfeited / Expired	(219)	5.00	(189)	5.00
Outstanding at end of year	2,002	5.00	1,709	5.00
Exercisable at end of year	358	5.00	208	5.00
Infratel LTI plans				
Number of shares under option:				
Outstanding at beginning of year	94	10.00	6	10.00
Granted	105	10.00	90	10.00
Exercised	(19)	10.00	(2)	10.00
Expired	-	-	-	-
Forfeited / Expired	(5)	10.00	-	10.00
Outstanding at end of year	175	10.00	94	10.00
Exercisable at end of year	11	10.00	4	10.00
Performance Unit Plans				
Number of shares under option:				
Outstanding at beginning of year	5,231	-	7,221	-
Granted	366	-	1,056	-
Exercised	(1,442)	-	(873)	-
Forfeited / Expired	(1,786)	-	(2,174)	-
Outstanding at end of year	2,369	-	5,231	-
Exercisable at end of year	25	-	37	-

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

The following table summarises information about weighted average remaining contractual life, weighted average fair value and weighted average share price for the options:

Entity	Plan	Weighted average remaining contractual life for the options outstanding as of (years)			Weighted avg fair value for the options granted during the year ended (Rs.)			Weighted average share price for the options exrcised during the year ended (Rs.)		
		March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Equity settled Plans										
Bharti Airtel	2006 Plan	4.07	5.00	5.86	-	-	361.19	316.50	350.45	371.70
Bharti Airtel	2008 Plan & AGP	-	0.25	0.63	-	-	-	-	397.45	383.30
Bharti Airtel	PSP 2009 Plan	0.34	0.69	1.87	-	-	-	346.84	367.51	352.26
Bharti Airtel	Special ESOP & RSU Plan	0.10	1.20	2.26	-	-	-	329.91	319.66	350.09
Bharti Airtel	LTI Plan (2011, 2012, 2015 & 2016)	5.65	5.98	4.27	338.50	398.32	291.63	296.90	348.28	368.36
Bharti Infratel	2008 Plan	0.25	1.95	1.95	-	-	-	348.64	394.02	262.40
Bharti Infratel	LTI Plan (Part of 2008 Plan,2015 & 2016))	5.90	6.20	4.42	318.70	414.41	-	402.31	394.02	262.40
Cash settled Plans										
Bharti Airtel	PUP 2013 - PUP 2016	1.30	1.88	2.52	304.34	342.75	383.86	457.60	420.81	354.24
Bharti Infratel	Performance Unit Plan	3.34	4.34	5.34	-	-	336.29	486.77	439.11	262.40

The carrying value of cash settled plans liability is Rs. 752, Rs. 1,230 and Rs. 799 as of March 31, 2017, March 31, 2016 and April 1, 2015, respectively.

The fair value of options is measured using Black-Scholes valuation model. The key inputs used in the measurement of the grant date fair valuation of equity settled plans and fair value of cash settled plans are given in the table below:

	For the year ended	
	March 31, 2017	March 31, 2016
Risk free interest rates	5.79% to 7.1%	6.86% to 7.87%
Expected life	4 to 76 months	4 to 60 months
Volatility	27.08% to 38.94%	26.63% to 37.23%
Dividend yield	0.39% to 1.83%	0.54% to 1.44%
Wtd average exercise price (Rs.)	0-10	0-10

The expected life of the stock options is based on the Group's expectations and is not necessarily indicative of exercise patterns that may actually occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the expected life of the options is indicative of future trends, which may not necessarily be the actual outcome. Further, the expected volatility is based on the weighted average volatility of the comparable benchmark companies.

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

28.2 Defined benefit plans

The details of defined benefit obligations and plan assets are as follows:

	For the year ended			
	March 31, 2017		March 31, 2016	
	Gratuity	Compensated absence	Gratuity	Compensated absence
Obligation:				
Balance as at beginning of the year	2,656	1,127	2,426	1,071
Current service cost	412	234	416	233
Interest cost	207	84	209	92
Benefits paid	(541)	(163)	(494)	(209)
Transfers	(189)	(79)	(22)	1
Remeasurements	73	(45)	121	(61)
Present value of funded obligation	**2,618**	**1,158**	**2,656**	**1,127**
Assets:				
Balance as at beginning of year	66	-	104	-
Interest income	5	-	9	-
Benefits paid	(25)	-	(39)	-
Remeasurements	(0)	-	(8)	-
Fair value of plan assets	**46**	-	**66**	-
Liability recognised in the balance sheet	**2,572**	**1,158**	**2,590**	**1,127**
Current portion	**616**	**1,158**	**563**	**1,127**
Non-current portion	**1,956**	-	**2,027**	-

The expected contribution for the year ended March 31, 2017 and 2016 for Gratuity plan is Rs. 583 and Rs. 225, respectively.

Amount recognised in other comprehensive income

	For the year ended	
	March 31, 2017	March 31, 2016
Experience losses	41	121
Gains from change in demographic assumptions	(31)	-
Losses from change in financial assumptions	63	-
Remeasurements on Liability	**73**	**121**
Return on plan assets, excluding interest income	(0)	(8)
Remeasurements on plan assets	**(0)**	**(8)**
Net remeasurements recognised in OCI	**73**	**129**

The above mentioned plan assets are entirely represented by funds invested with LIC.

Due to its defined benefit plans, the Group is exposed to the following significant risks:

Changes in bond yields - A decrease in bond yields will increase plan liability.

Salary risk - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

The financial (per annum rates) and demographic assumptions used to determine defined benefit obligations are as follows:

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Discount rate	7.40%	8.00%	8.50%
Rate of return on plan assets	7.40%	9.00%	8.00%
Rate of salary increase	10.00%	10.00%	10.00%
Rate of attrition	21% to 29%	20% to 23%	22% to 28%
Retirement age	58	58	58

The Company regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligations is given in the table below:

		As of			
		March 31, 2017		**March 31, 2016**	
	Change in assumption	**Gratuity**	**Compensated absence**	**Gratuity**	**Compensated absence**
Discount Rate	+1%	(89)	(49)	(243)	(98)
	-1%	96	54	267	107
Salary Growth Rate	+1%	93	52	265	104
	-1%	(88)	(48)	(246)	(98)

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefit obligations, as a result of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular under-lying actuarial assumption, while assuming all other assumptions to be constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The table below summarises the maturity profile and duration of the gratuity liability:

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Within one year	662	611	603
Within one-three years	709	679	621
Within three-five years	413	787	689
above five years	834	579	513
	2,618	**2,656**	**2,426**
Weighted average duration (in years)	3.42	3.75	3.69

(This space has been intentionally left blank)

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

29 Network operating expenses / sales and marketing expenses / other expenses

a. Network operating expenses

	For the year ended	
	March 31, 2017	March 31, 2016
Internet, bandwidth and leasedline charges	7,785	7,776
Passive infrastructure charges	78,490	74,531
Power and fuel	72,946	69,049
Repair and maintenance	45,612	49,669
Others	4,321	542
	209,154	**201,567**

b. Sales and marketing expenses

	For the year ended	
	March 31, 2017	March 31, 2016
Advertisement and marketing	14,440	20,648
Sales commission and distribution expenses	48,588	51,321
Business promotion	4,812	6,211
Others	3,560	4,230
	71,400	**82,410**

c. Other expenses

	For the year ended	
	March 31, 2017	March 31, 2016
Content cost	21,507	22,775
Customer care expenses	7,357	9,170
Legal and professional fees	6,535	7,048
Provision for doubtful debts	7,635	4,141
Bad debts written off	873	4,960
Cost of good sold	4,406	6,053
Charity and donation*	1,702	1,233
Rates and taxes	2,752	2,115
Travelling and conveyance	2,989	3,666
IT expenses	10,012	7,349
Collection and recovery expenses	3,987	3,869
Diminution in value of inventory	170	288
Others	12,328	15,376
	82,253	**88,043**

* includes Rs. 220 and Rs. 310 paid to Satya Electoral Trust for political purpose for the year ended March 31, 2017 and 2016, respectively.

Other includes printing and stationary, security, rent and communication expenses.

(All amounts are in millions of Indian Rupees -'Rs.'; unless stated otherwise)

30 Depreciation and amortisation

	For the year ended	
	March 31, 2017	**March 31, 2016**
Depreciation *	142,585	135,280
Amortisation	55,145	39,218
	197,730	**174,498**

* includes impact of reassessment of useful life, refer Note 3.1 c.

31 Finance costs and income

	For the year ended	
	March 31, 2017	**March 31, 2016**
Finance costs		
Interest expense	67,131	47,472
Net loss on derivative financial instruments	13,231	-
Net exchange loss	3,624	16,852
Net fair value loss on financial instruments (fair value hedges)	-	9,785
Other finance charges	11,480	11,352
	95,466	**85,461**
Finance income		
Dividend from mutual funds	279	118
Interest income	3,207	5,526
Net gain on FVTPL investments	5,154	2,209
Net fair value gain on financial instruments (fair value hedges)	9,852	-
Net gain on derivative financial instruments	-	8,473
	18,492	**16,326**

'Interest income' includes Rs. 46 and Rs. 355 towards unwinding of discount on security deposits for the years ended March 31, 2017 and 2016, respectively.

'Other finance charges' include bank charges, trade finance charges, charges relating to derivative instruments and interest charges towards sub judice matters and also includes Rs. 110 and Rs. 99 towards unwinding of discount on other financial liabilities for the years ended March 31, 2017 and 2016, respectively.

32 Non-operating expense (net)

Non-operating expense comprises regulatory levies applicable to finance income in some of the geographies. Non-operating income pertains to certain fee income in one of the group entities.

33 Exceptional Items

Exceptional items comprise of the following:

(i) For the year ended March 31, 2017:

a. Net gain of Rs. 10,157 pertaining to the divestment of Group's operations in Burkina Faso and Sierra Leone, telecom towers in DRC and Niger and an African associate (viz. Tanzania Telecommunications Company Limited) (refer Note 5 (b) and (c)).

b. Net charge of Rs. 6,881 due to settlement of past litigations, regulatory levies, vendor claims, reconciliation of balances, restructuring activities and tax related contingent liability.

c. Charge of Rs. 3,356 towards operating costs (including accelerated depreciation) on network re-farming and up-gradation program.

d. Charge of Rs. 3,258 resulting from reassessment of the useful life of certain categories of network assets of the Group due to technological advancements. Refer Note 3.1.c.

e. Net charge of Rs. 9,460 relating to the translation impact in Nigeria due to the new flexible exchange rate regime.

f. Net gain of Rs 1,641 (net of related expenses) pertaining to the divestment of stake in Bangladesh and charge of Rs. 540 due to share in the post-merger restructuring activities (refer Note 5 (b) (i)).

(ii) For the year ended March 31, 2016:

a. Net gain of Rs. 38,505 pertaining to the divestment of telecom tower assets in Kenya, Zambia, Uganda, Ghana, Congo Brazzaville and Nigeria (refer Note 18), net of cash flow hedge reserve amounting to Rs. 1,440 reclassified to statement of profit and loss (refer Note 20).

b. Charge for regulatory fee provisions of Rs. 2,712 arising out of re-assessment of certain positions.

c. Charge of Rs. 2,096 towards de-recognition of embedded derivative assets and Rs. 1,124 arising from amendment of tenure and in various terms of the related long-term contract.

d. Charge for provision against certain disputed receivables / expired claims amounting to Rs. 2,829.

e. Charge of Rs. 3,713 towards restructuring activities in a few countries.

f. Charge of Rs. 4,290 towards operating costs (including accelerated depreciation) on network refarming and up-gradation program.

Tax expenses include:

(a) Tax benefit of Rs. 5,163 and tax expense of Rs. 6,337 during the year ended March 31, 2017 and 2016 respectively on above exceptional items.

(b) Tax benefit of Rs. 4,248 during the year ended March 31, 2017 on account of recognition of deferred tax on earlier business combination and assessment of tax provisions.

Profit / (loss) attributable to non-controlling interests include benefit of Rs. 2,147 and expense of Rs. 2,621 during the year ended March 31, 2017 and 2016 respectively, relating to the above exceptional items.

34 Earnings per share ('EPS')

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

(Shares in thousands)

	As of	
	March 31, 2017	**March 31, 2016**
Weighted average shares outstanding for basic EPS	3,995,817	3,995,870
Effect of dilution due to employee share options	1,359	784
Weighted average shares outstanding for diluted EPS	**3,997,176**	**3,996,654**

Profit attributable to equity holders for basic and diluted EPS is Rs. 37,998 and Rs. 60,767 for the year ended March 31, 2017 and 2016, respectively.

35 Segment Reporting

The Group's operating segments are organised and managed separately through the respective business managers, according to the nature of products and services provided and geographies in which services are provided, with each segment representing a strategic business unit. These business units are reviewed by the Chairman of the Group (chief operating decision maker - 'CODM').

The amounts reported to CODM are based on the accounting principles used in the preparation of financial statements as per Ind AS. Segment's performance is evaluated based on segment revenue and segment result viz. profit or loss from operating activities before exceptional items and tax but including share of result of joint ventures and associates. Accordingly, finance costs / income, non-operating expenses and exceptional items are not allocated to individual segment.

Inter-segment pricing and terms are reviewed and changed by the management to reflect changes in market conditions and changes to such terms are reflected in the period in which the changes occur. Inter-segment revenues eliminated upon consolidation of segments / Group accounting policy alignments are reflected in the eliminations / adjustment column.

Segment assets / liabilities comprise assets / liabilities directly managed by each segment. Segment assets primarily include receivables, property, plant and equipment, capital work-in-progress, intangibles assets, intangible assets under development, inventories, cash and cash equivalents, inter-segment assets. Segment liabilities primarily include operating liabilities. Segment capital expenditure comprises additions to property, plant and equipment and intangible assets.

Effective April 1, 2016, the Group has realigned the reporting of its corporate data and fixed line business with Airtel business and accordingly, renamed Telemedia Service to Homes Services. Further, effective January 1, 2017, the Company has moved the reporting of Airtel Payment Bank operations to Others segment from Mobile Services India. The historical periods have been restated for the above mention segmental changes to make them comparable.

The revised reporting segments of the Group are as below:

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

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

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

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

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

Homes Services: These services cover voice and data communications through fixed-line network and broadband technology.

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

Others: It includes administrative and support services provided to other segments and also include Airtel Payment Bank Operations.

Unallocated items include expenses / results, assets and liabilities (including inter-segment assets and liabilities) of corporate headquarters of the Group, current taxes, deferred taxes and certain financial assets and liabilities, not allocated to the operating segments.

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(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Summary of the segmental information for the year ended and as of March 31, 2017 is as follows:

	Mobile Services India	Mobile Services South Asia	Mobile Services Africa	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others	Unallocated	Eliminations/ Adjustments	Consolidated
Revenue from external customers	543,901	11,198	214,093	94,855	28,384	27,223	34,240	718	-	71	954,683
Inter-segment revenue	21,610	545	5,475	14,574	32,445	295	66	3,018	-	(78,028)	-
Total revenues	**565,511**	**11,743**	**219,568**	**109,429**	**60,829**	**27,518**	**34,306**	**3,736**	**-**	**(77,957)**	**954,683**
Share of results of joint ventures and associates	9	(642)	-	-	11,949	-	-	-	-	(867)	10,449
Segment results	105,494	(4,660)	10,189	22,737	29,195	6,868	3,577	(2,481)	(1,433)	(2,263)	167,223
Finance costs											95,466
Finance income											(18,492)
Non - operating expense (net)											1,319
Exceptional items (refer note 33)											11,697
Profit before tax											77,233
Other segment items											
Capital expenditure	(380,011)	(1,801)	(25,235)	(17,142)	(9,829)	(19,649)	(8,608)	(19)	(1,597)	21,204	(442,687)
Depreciation and amortisation	(121,189)	(4,256)	(41,894)	(11,024)	(11,658)	(6,080)	(8,642)	(49) -	0	7,062	(197,730)
As of March 31, 2017											
Segment assets	1,642,949	29,048	556,281	331,833	210,023	311,890	22,935	9,327	114,882	(901,666)	2,327,502
Segment liabilities	722,363	7,968	226,314	180,624	47,535	246,864	28,341	5,083	1,039,065	(919,968)	1,584,189
Investment in joint ventures and associates (included in segment assets)	52	22,567	-	-	59,409	-	-	249	-	-	82,277

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Summary of the segmental information for the year ended, as of March 31, 2016 and April 1, 2015 is as follows:

	Mobile Services India	Mobile Services South Asia	Mobile Services Africa	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others	Unallocated	Eliminations/ Adjustments	Consolidated
Revenue from external customers	542,037	15,866	245,775	82,156	25,051	24,739	29,119	234	-	344	965,321
Inter-segment revenue	18,600	588	5,558	14,837	30,537	327	59	3,212	-	(73,718)	-
Total revenues	**560,637**	**16,454**	**251,333**	**96,993**	**55,588**	**25,066**	**29,178**	**3,446**	**-**	**(73,374)**	**965,321**
Share of results of joint ventures and associates	10	-	-	-	11,069	-	-	4	-	(417)	10,666
Segment results	128,320	(6,394)	4,909	18,853	25,506	5,682	1,843	(556)	(1,544)	262	176,881
Finance costs											85,461
Finance income											(16,326)
Non - operating expense (net)											1,024
Exceptional items (refer note 33)											(21,741)
Profit before tax											128,463
Other segment items											
Capital expenditure	(372,416)	(3,465)	(58,955)	(15,610)	(9,900)	(6,646)	(11,067)	(7)	(932)	11,144	(467,854)
Depreciation and amortisation	(90,528)	(5,593)	(47,857)	(11,436)	(11,550)	(4,927)	(8,132)	(178)	0	5,703	(174,498)
As of March 31, 2016											
Segment assets	1,489,052	47,038	710,446	229,437	209,382	168,010	22,756	4,950	181,847	(805,686)	2,257,232
Segment liabilities	625,414	31,499	278,878	129,797	19,806	110,033	46,958	3,146	1,107,281	(818,254)	1,534,558
Investment in joint ventures and associates (included in segment assets)	43	-	-	-	60,947	-	-	-	-	-	60,990
As of April 1, 2015											
Segment assets	1,249,164	47,416	678,806	170,321	202,444	105,756	19,125	2,762	237,443	(747,502)	1,965,735
Segment liabilities	407,037	29,076	205,181	88,834	18,798	51,167	54,550	2,506	1,185,717	(759,334)	1,283,532
Investment in joint ventures and associates (included in segment assets)	30	-	-	-	51,814	-	-	92	-	-	51,936

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Unallocated assets comprise of :			
Derivative financial assets	6,792	18,764	8,510
Deferred tax asset	26,262	46,738	59,502
Current tax assets	21,454	11,570	5,721
Inter-segment loans / receivables	32,302	89,135	100,194
Other investments	-	8	47,567
Others	28,072	15,632	15,949
Total	**114,882**	**181,847**	**237,443**

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Unallocated liabilities comprise of :			
Borrowings	578,529	605,231	659,696
Derivative financial liabilities	5,061	1,939	792
Deferred tax liability	9,429	12,512	13,077
Current tax liabilities	6,089	9,296	9,271
Inter-segment loans / payables	404,411	463,575	491,026
Others	35,546	14,728	11,855
Total	**1,039,065**	**1,107,281**	**1,185,717**

Geographical information:

Information concerning geographical areas by location of the entity is as follows:

(a) Revenue from external customers:

	For the year ended	
	March 31, 2017	**March 31, 2016**
India	708,462	685,735
Africa	214,093	245,775
Others	32,128	33,811
	954,683	**965,321**

(b) Non-current operating assets:

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
India	1,409,162	1,112,037	826,916
Africa	466,539	614,895	587,733
Others	15,035	53,016	53,017
	1,890,736	**1,779,948**	**1,467,666**

Non-current operating assets for this purpose consist of property, plant and equipment, capital work-in-progress, goodwill, other intangible assets and intangible assets under development.

36 Related party disclosures

(a) List of related parties

- For list of subsidiaries, joint venture and associates refer Note no. 40.

- **Entities having significant influence over the Company**
  Singapore Telecommunications Limited
  Pastel Limited
  Bharti Telecom Limited

- **Other related parties***

  (i) Entities where Key Management Personnel and their relatives exercise significant influence
  Bharti Foundation
  Bharti Airtel Employees Welfare Trust
  Hike Private Limited (formerly known as Hike Limited)
  Cedar Support Services Limited

  (ii) Group Companies
  Brightstar Telecommunication India Limited (Formerly known as Beetel Teletech Limited)
  Bharti Axa General Insurance Company Limited
  Bharti Axa Life Insurance Company Limited
  Bharti Realty Holdings Limited
  Bharti Realty Limited
  Future Retail Limited (ceased w.e.f. May 01, 2016)
  Deber Technologies Private Limited (Formerly known as Ignite World Private Limited)
  Hike Messenger Limited (formerly known as BSB Innovation India Limited)
  Centum Learning Limited
  Fieldfresh Foods Private Limited
  Indian Continent Investment Limited
  Jersey Airtel Limited
  Nile Tech Limited
  Y2CF Digital Media Limited
  Bharti Enterprises Limited
  Atrium Restaurants India Private Limited
  Bharti Land Limited
  Centum Work skills India Limited
  Oak Infrastructure Developers Limited
  Gourmet Investments Private Limited

- **Key Management Personnel ('KMP')**
  Sunil Bharti Mittal
  Gopal Vittal
  Christian D. Faria (until December 31, 2016)
  Raghunath Mandava (w.e.f. January 1, 2017)

* '**Other related parties**' though not 'Related Parties' as per the definition under Ind AS 24, Related party disclosures have been included by way of a voluntary disclosure, following the best corporate governance practices.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

In the ordinary course of business, there are some transactions among the group entities. However, the intra-group transactions and balances, and the income and expenses arising from such transactions, are eliminated on consolidation. The transactions with balance related parties for the years ended March 31, 2017 and 2016, respectively, are described below:

(b) The summary of transactions with the above mentioned parties is as follows:

	For the year ended							
	March 31, 2017				March 31, 2016			
Relationship	**Significant influence entities**	**Associates**	**Joint Ventures**	**Other related parties**	**Significant influence entities**	**Associates**	**Joint Ventures**	**Other related parties**
Purchase of assets	-	-	-	(3,329)	-	-	-	(2,475)
Sale / Rendering of services	1,433	6	77	294	1,313	125	36	385
Purchase of goods / Receiving of services	(496)	(9)	(42,385)	(3,220)	(629)	(928)	(38,633)	(4,831)
Reimbursement of energy expenses	-	-	(26,090)	(3)	-	-	(23,219)	(4)
Loans to related party	-	-	-	-	-	14	5	40
Loan repayment	-	-	-	-	-	(14)	-	-
Expenses incurred by the Group on behalf of related party	-	-	31	0	-	5	14	42
Expenses incurred by related party for the Group	-	-	(99)	(413)	-	-	(113)	(355)
Security deposit paid	-	-	95	37	-	-	125	73
Refund of security deposit	-	-	-	-	-	-	(4)	(32)
Interest income on loan	-	-	0	-	-	21	0	1
Claim received			-	-	-	-	-	72
Dividend paid	(3,255)	-	-	(362)	(5,199)	-	-	(590)
Dividend received	-	-	9,510	-	-	-	-	-

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

(c) The outstanding balances are as follows:

	Significant influence entities	Associates	Joint ventures	Other related parties
As of March 31, 2017				
Trade Payables	(490)	(4)	(11,310)	(532)
Trade Receivables	129	-	1	216
Other financial assets - Loans given	-	-	5	-
Security Deposit	-	-	3,903	1,050
As of March 31, 2016				
Trade Payables	(534)	(613)	(8,733)	(718)
Trade Receivables	233	-	24	383
Other financial assets - Loans given	-	-	5	40
Security Deposit	-	-	3,808	1,010
As of April 1, 2015				
Trade Payables	(437)	(146)	(8,928)	(758)
Trade Receivables	342	125	240	202
Other financial assets - Loans given	-	466	-	47
Security Deposit	-	-	3,685	974

(1) Outstanding balances at period end are un-secured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

(3) In addition to the above, Rs. 1,227 and Rs. 830 donation has been given to Bharti Foundation during the year ended March 31, 2017 and 2016, respectively.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director, whether executive or otherwise. Remuneration to key management personnel were as follows:

	For the year ended	
	March 31, 2017	**March 31, 2016**
Short-Term employee benefits	305	274
Performance linked incentive ('PLI')#	168	153
Post-Employment benefits	26	24
Share-based payment	62	57
	561	**508**

Value of PLI considered above represents incentive at 100% performance level. However, same will be paid on the basis of actual performance parameters in next year. Additional provision of Rs. 28 and Rs. 29 has been recorded in the books towards PLI for the year ended March 31, 2017 and 2016, respectively. During the year ended March 31, 2017, PLI of Rs. 150 (March 31, 2016: Rs. 143) pertaining to previous year has been paid.

In addition to above Rs. 313 thousand during the year ended March 31, 2017 and Rs. 322 thousand during the year ended March 31, 2016 have been paid as equity dividend to key management personnel.

As the liabilities for the gratuity and compensated absences are provided on an actuarial basis, and calculated for the Company as a whole rather than each of the individual employees, the said liabilities pertaining specifically to KMP are not known and hence, not included in the above table.

37 Financial and Capital risk

1. Financial Risk

The business activities of the Group expose it to a variety of financial risks, namely market risks (that is, foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's risk management strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects on its financial performance. Further, the Group uses certain derivative financial instruments to mitigate some of these risk exposures (as discussed below in this note).

The financial risk management for the Group is driven by the Group's senior management ('GSM'), in close co-ordination with the operating entities and internal / external experts subject to necessary supervision. The Group does not undertake any speculative transactions either through derivatives or otherwise. The GSM are accountable to the Board of Directors and Audit Committee. They ensure that the Group's financial risk-taking activities are governed by appropriate financial risk governance frame work, policies and procedures. The BoD of the respective operating entities periodically reviews the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

The Group policy requires for material items to be established under effective hedge relationships by ensuring that the critical terms of the hedging instruments match with the terms of the hedged item so as maintain the hedge ratio to be 1:1. The Company uses prospective effectiveness assessment (dollar offset / hypothetical derivative method) to ensure that an economic relationship exists between the hedged item and hedging instrument.

(i) Foreign currency risk

Foreign exchange risk arises on all recognised monetary assets and liabilities, and any highly probable forecasted transactions, which are denominated in a currency other than the functional currency of the transacting group entity. The Group, through its parent entity, several intermediary entities and subsidiaries; operates across multiple geographies in the Africa and Asia continent. Accordingly, the Group is exposed to translation risk on the net investment in foreign subsidiaries. The Group has foreign currency trade payables, receivables and borrowings (internal as well as external). However, foreign exchange exposure mainly arises from borrowings and trade payables denominated in foreign currencies and certain net investment in foreign currency. Consequently, the Group is mainly exposed to foreign exchange risks related to USD / Euro vis-à-vis the functional currencies and the translation risk related to USD to INR and USD to XAF-XOF (pegged to Euro).

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

The foreign exchange risk management policy of the Group requires it to manage the foreign exchange risk by transacting as far as possible in the functional currency. Moreover, the Group monitors the movements in currencies in which the borrowings / capex vendors are payable and manage any related foreign exchange risk, which inter-alia include entering into foreign exchange derivative contracts - as considered appropriate and whenever necessary. For further details as to foreign currency borrowings, refer note 21. Further, for the details as to the fair value of various outstanding derivative financial instruments designated in a hedge relationship or otherwise refer Note 11.

As per the Group's hedging policy certain foreign currency liability, highly probable forecast transactions and material net investment of the Group in foreign subsidiaries have been designated under cash flow hedge and net investment hedge respectively. The following table analyses the movement in the Cash flow hedge reserve / net investment hedging in FCTR due to said hedges and details thereto.

a) Cash Flow hedge

	March 31, 2017		March 31, 2016	
Currency exchange risk hedged	Euro to USD	CHF to USD	Euro to USD	CHF to USD
Nominal amount of hedging instruments	Euro 870 Mn	CHF 350 Mn	Euro 720 Mn	CHF 300 Mn
Maturity date	December 2018	March 2020	December 2018	March 2020
Weighted average forward price	1 Euro: 1.12 USD	1 CHF: 1.12 USD	1 Euro: 1.13 USD	1 CHF: 1.12 USD
Carrying value of derivative instruments (assets)	131	-	2,687	500
Carrying value of derivative instruments (liabilities)	908	620	-	-
Change in fair value during the year				
Hedged Item	3,534	1,141	(2,675)	(523)
Hedging Instrument	(3,534)	(1,141)	2,675	523
CFHR for continuing Hedge	214	(82)	(331)	(393)
Hedging gain / (loss) recognised during the period	(3,534)	(1,141)	2,675	523
(Loss) / gain reclassifictaion during the period to P&L	4,079	1,453	(3,005)	(917)

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

b) Net investment hedge

	March 31, 2017		March 31, 2016	
Currency exchange risk hedged	Euro to USD	USD to INR	Euro to USD	USD to INR
Nominal amount of hedging instruments	Euro 400 Mn	USD 1578 Mn	Euro 733 Mn	USD 1816 Mn
Carrying value of hedging instruments (Borrowings)	27,738	102,308	55,337	120,333
Maturity date	May 2021	February 2025 - September 2026	May 2021	February 2025 - October 2025
Change in fair value during the year				
Hedged Item	(2,232)	12,562	3,707	3,401
Hedging Instrument	2,232	(12,562)	(3,707)	(3,401)
FCTR (loss) / gain for continuing Hedge (net of tax and NCI)	(878)	(12,596)	(3,707)	(2,945)
Hedging gain/ (loss) recognised during the period	2,232	(12,562)	(3,707)	(3,401)
Loss reclassifictaion during the period to P&L to exceptional items	581	-	-	-

Foreign currency sensitivity

The impact of foreign exchange sensitivity on profit for the year and other comprehensive income is given in the table below:

	Change in currency exchange rate	Effect on profit before tax	Effect on equity (OCI)
For the year ended March 31, 2017			
US Dollar	+5%	(8,955)	(8,375)
	-5%	8,955	8,375
Euro	+5%	(1,716)	(1,387)
	-5%	1,716	1,387
Others	+5%	(26)	-
	-5%	26	-
For the year ended March 31, 2016			
US Dollar	+5%	(9,437)	(9,421)
	-5%	9,437	9,421
Euro	+5%	(1,449)	(2,737)
	-5%	1,449	2,737
CHF	+5%	(174)	-
	-5%	174	-
Others	+5%	16	-
	-5%	(16)	-

The sensitivity disclosed in the above table is mainly attributable to, in case of to foreign exchange gains / (losses) on translation of USD / Euro / CHF denominated borrowings, derivative financial instruments, trade and other payables, and trade receivables.

The above sensitivity analysis is based on a reasonably possible change in the under-lying foreign currency against the respective functional currency while assuming all other variables to be constant.

Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, the Group's Management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

(ii) Interest rate risk

As the Group does not have exposure to any floating-interest bearing assets, or any significant long-term fixed-interest bearing assets, its interest income and related cash inflows are not affected by changes in market interest rates. Consequently, the Group's interest rate risk arises mainly from borrowings.

Borrowings

Borrowings with floating and fixed interest rates expose the Group to cash flow and fair value interest rate risk respectively. However, the short-term borrowings of the Group do not have a significant fair value or cash flow interest rate risk due to their short tenure. Accordingly, the components of the debt portfolio are determined by the GSM in a manner which enables the Group to achieve an optimum debt-mix basis its overall objectives and future market expectations.

The Group monitors the interest rate movement and manages the interest rate risk based on its risk management policies, which inter-alia include entering into interest swaps contracts - as considered appropriate and whenever necessary.

The Group has designated the interest rate components (which is separately identifiable from other components) of certain fixed interest rate bonds under the hedge relationship since historically it accounts for substantial portions of the total fair value change of the bonds.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

The following table analyses the financial impact of fair value hedge and details thereto.

	March 31, 2017		March 31, 2016	
Interest rate risk covered for currency	USD	Euro	USD	Euro
Nominal amount of Hedging instruments	USD 2900 Mn	-	USD 2900 Mn	Euro 850 Mn
Carrying value of hedging instruments (derivative assets)	1,568	-	11,502	1,808
Carrying value of hedging instruments (derivative liabilities)	851	-	-	-
Maturity date	March 2023 - June 2025	-	March 2023 - June 2025	December 2018
Carrying value of hedged item (borrowings)	188,065	-	192,140	64,130
Change in fair value during the period				
Hedged Item	9,768	-	(9,267)	(517)
Hedging Instrument	(11,118)	-	8,462	64
Hedge ineffectiveness recognised in finance income/cost during the year	(1,349)	-	(805)	(453)
Cumulative change in fair value of hedged Item	476	-	(9,078)	(503)
Unamortised potion of fair value hedge adjustment	-	(396)	-	-

Interest rate sensitivity of borrowings

The impact of the interest rate sensitivity on profit before tax is given in the table below:

Interest rate sensitivity	Increase / decrease in basis points	Effect on profit before tax
For the year ended March 31, 2017		
INR - borrowings	+100	(866)
	-100	866
US Dollar -borrowings	+100	(2,629)
	-100	2,629
Other Currency -borrowings	+100	(49)
	-100	49
For the year ended March 31, 2016		
INR - borrowings	+100	(224)
	-100	224
US Dollar -borrowings	+100	(3,253)
	-100	3,253
Euro - borrowings	+100	(688)
	-100	688
Nigerian Naira - borrowings	+100	(65)
	-100	65
Other Currency -borrowings	+100	(63)
	-100	63

The sensitivity disclosed in the above table is attributable to floating-interest rate borrowings and the interest swaps.

The above sensitivity analysis is based on a reasonably possible change in the under-lying interest rate of the Group's borrowings in INR, USD, Euro and NGN (being the significant currencies in which it has borrowed funds), while assuming all other variables (in particular foreign currency rates) to be constant.

Based on the movements in the interest rates historically and the prevailing market conditions as at the reporting date, the Group's Management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

(iii) Price risk

The Group invests its surplus funds in various fixed income products, including but not limited to debt mutual funds, short term debt funds, corporate debt, government securities and fixed deposits. In order to manage its price risk arising from investments, the Group diversifies its portfolio in accordance with the limits set by the risk management policies. The Group has exposure across dent securities, mutual fund and money market instruments.

Debt investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenor of money market instruments and the underlying portfolio in liquid schemes, these do not pose any significant price risk. On the duration investment balance, an increase/decrease of 25 basis points in market yields (parallel shift of the yield curves), will result in decrease / increase in the marked to market value of the investments by Rs. 808, Rs. 720 and Rs. 965 as on March 31, 2017, March 31, 2016 and April 1, 2015 respectively.

(iv) Credit risk

Credit risk refers to the risk of default on its obligation by the counter-party, the risk of deterioration of credit-worthiness of the counter-party as well as concentration risks of financial assets, and thereby exposing the Group to potential financial losses.

The Group is exposed to credit risk mainly with respect to trade receivables, investment in bank deposits, debt securities, mutual funds and derivative financial instruments.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Trade receivables

The Trade receivables of the Group are typically non-interest bearing un-secured and derived from sales made to a large number of independent customers. As the customer base is widely distributed both economically and geographically, there is no concentration of credit risk.

As there is no independent credit rating of the customers available with the Group, the Management reviews the credit-worthiness of its customers based on their financial position, past experience and other factors. The credit risk related to the Trade receivables is managed / mitigated by each business unit, basis the Group's established policy and procedures, by setting appropriate payment terms and credit period, and by setting and monitoring internal limits on exposure to individual customers. The credit period provided by the Group to its customers generally ranges from 14-30 days except Airtel business segment wherein it ranges from 7-90 days.

The Group uses a provision matrix to measure the expected credit loss of trade receivables, which comprise a very large numbers of small balances. Refer Note 16 for details on the impairment of trade receivables. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are credit impaired if the payments are more than 90 days past due.

The ageing analysis of trade receivables as of the reporting date is as follows:

	Neither past due nor impaired	Past due but not impaired				Total
		Less Than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
Trade Receivables as of March 31, 2017	19,551	11,653	6,612	5,966	6,056	49,838
Trade Receivables as of March 31, 2016	22,525	15,834	5,297	5,143	6,240	55,039
Trade Receivables as of April 1, 2015	24,280	12,498	6,075	5,896	3,212	51,961

The Group performs on-going credit evaluations of its customers' financial condition and monitors the credit-worthiness of its customers to which it grants credit in its ordinary course of business. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due. Where the financial asset has been written-off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit and loss.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Financial instruments and cash deposits

The Group's treasury, in accordance with the Board approved policy, maintains its cash and cash equivalents, deposits and investment in mutual funds & debt securities, and enters into Derivative financial instruments - with banks, financial and other institutions, having good reputation and past track record, and high / sovereign credit rating. Similarly, counter-parties of the Group's other receivables carry either no or very minimal credit risk. Further, the Group reviews the credit-worthiness of the counter-parties (on the basis of its ratings, credit spreads and financial strength) of all the above assets on an on-going basis, and if required, takes necessary mitigation measures.

(v) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic and international capital markets across debt and equity.

Moreover, the Group's senior management regularly monitors the rolling forecasts of the entities' liquidity reserve (comprising of the amount of available un-drawn credit facilities and Cash and cash equivalents) and the related requirements, to ensure they have sufficient cash on an on-going basis to meet operational needs while maintaining sufficient headroom at all times on its available un-drawn committed credit facilities, so that there is no breach of borrowing limits or relevant covenants on any of its borrowings. For details as to the Borrowings, refer note 21.

Based on past performance and current expectations, the Group believes that the Cash and cash equivalents, cash generated from operations and available un-drawn credit facilities, will satisfy its working capital needs, capital expenditure, investment requirements, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:-

	As of March 31 , 2017						
	Carrying amount	**On Demand**	**Less than 6 months**	**6 to 12 months**	**1 to 2 years**	**> 2 years**	**Total**
Interest bearing borrowings*#	1,080,241	22,697	137,808	50,646	176,532	1,100,524	**1,488,207**
Other financial liabilities#	98,529	4,148	78,700	-	540	15,141	**98,529**
Trade payables	268,537	-	268,537	-	-	-	**268,537**
Financial liabilities (excluding derivatives)	**1,447,307**	**26,845**	**485,045**	**50,646**	**177,072**	**1,115,665**	**1,855,273**
Derivative assets	6,792	-	1,010	1,050	1,743	2,989	**6,792**
Derivative liabilities	(5,061)	-	(1,992)	(343)	(1,092)	(1,634)	**(5,061)**
Net derivatives	**1,731**	-	**(982)**	**707**	**651**	**1,355**	**1,731**

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

	As of March 31 , 2016						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings*#	1,011,125	19,452	72,998	54,938	118,106	1,141,668	1,407,162
Other financial liabilities#	140,665	4,492	120,148	52	562	16,288	141,542
Trade payables	255,806	-	255,806	-	-	-	255,806
Financial liabilities (excluding derivatives)	**1,407,596**	**23,944**	**448,952**	**54,990**	**118,668**	**1,157,956**	**1,804,510**
Derivative assets	18,764		436	4,329	242	13,757	18,764
Derivative liabilities	(1,939)	-	(1,787)	(144)	(3)	(5)	(1,939)
Net derivatives	**16,825**	-	**(1,351)**	**4,185**	**239**	**13,752**	**16,825**

	As of April 1 , 2015						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings*#	810,423	13,207	185,453	45,950	76,991	724,312	1,045,913
Other financial liabilities#	135,041	4,304	116,200	160	1,955	13,261	135,880
Trade payables	215,896	-	215,849	-	-	-	215,849
Financial liabilities (excluding derivatives)	**1,161,360**	**17,511**	**517,502**	**46,110**	**78,946**	**737,573**	**1,397,642**
Derivative assets	8,510	-	318	889	109	7,194	8,510
Derivative liabilities	(792)	-	(545)	(83)	(153)	(11)	(792)
Net derivatives	**7,718**	-	**(227)**	**806**	**(44)**	**7,183**	**7,718**

* Includes contractual interest payment based on interest rate prevailing at the end of the reporting period after adjustment for the impact of interest swaps, over the tenor of the borrowings.

Interest accrued but not due of Rs. 5,960, Rs. 6,599 and Rs. 6,802 as of March 31, 2017, March 31, 2016 and April 1, 2015, respectively, has been included in interest bearing borrowings and excluded from trade and other payables.

2. Capital Risk

The Group's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. However, the key objective of the Group's capital management is to, ensure that it maintains a stable capital structure with the focus on total Equity, uphold investor; creditor and customer confidence, and ensure future development of its business activities. In order to maintain or adjust the capital structure, the Group may issue new shares, declare dividends, return capital to shareholders, etc.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

	As of		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Borrowings	1,074,281	1,004,526	803,621
Less: Cash and cash equivalents	12,817	37,087	11,721
Net debt	**1,061,464**	**967,439**	**791,900**
Equity	674,563	667,693	630,590
Total capital	**674,563**	**667,693**	**630,590**
Capital and Net Debt	**1,736,027**	**1,635,132**	**1,422,490**
Gearing Ratio	**61.1%**	**59.2%**	**55.7%**

38 Fair Value of financial assets and liabilities

The category wise details as to the carrying value, fair value and the level of fair value measurement hierarchy of the Group's financial instruments are as follows:

		Carrying Value as of			Fair Value as of		
	Level	**March 31, 2017**	**March 31, 2016**	**April 1, 2015**	**March 31, 2017**	**March 31, 2016**	**April 1, 2015**
Financial assets							
FVTPL							
Derivatives							
- Currency swaps, forward and option contracts	Level 2	814	3,788	280	814	3,788	280
- Interest swaps	Level 2	4,963	14,545	5,598	4,963	14,545	5,598
- Embedded derivatives	Level 2	1,005	380	147	1,005	380	147
- Embedded derivatives	Level 3	10	51	2,485	10	51	2,485
Investments	Level 1	54,301	41,193	115,258	54,301	41,193	115,258
Investments	Level 2	2,962	362	69	2,962	362	69
FVTOCI							
Investments	Level 1	2,387	3,223	-	2,387	3,223	-
Investments	Level 2	1,460	3	-	1,460	3	-
Amortised cost							
Security deposits	Level 2	9,630	10,441	9,529	9,630	10,477	9,505
Trade receivables	Level 2	49,838	55,039	51,961	49,838	55,039	51,961
Cash and cash equivalents	Level 1	12,817	37,087	11,721	12,817	37,087	11,721
Bank deposits	Level 1	3,360	13,900	8,823	3,360	13,900	8,823
Other financial assets	Level 2	68,758	50,013	33,203	68,758	50,013	33,203
		212,305	**230,025**	**239,074**	**212,305**	**230,061**	**239,050**
Financial liabilities							
FVTPL							
Derivatives							
- Currency swaps, forward and option contracts	Level 2	3,412	1,096	381	3,412	1,096	381
- Interest rate swaps	Level 2	880	-	73	880	-	73
- Embedded derivatives	Level 2	571	843	338	571	843	338
- Embedded derivatives	Level 3	198	-	-	198	-	-
Amortised cost							
Borrowings - fixed rate	Level 1	368,913	395,292	294,689	386,739	408,889	319,195
Borrowings - fixed rate	Level 2	526,542	429,722	179,935	562,306	450,454	179,555
Borrowings - floating rate	Level 2	178,826	179,511	328,998	178,826	179,511	328,998
Trade payables	Level 2	268,537	255,806	215,896	268,537	255,806	215,896
Other financial liabilities	Level 2	104,489	147,264	141,843	104,489	147,333	141,783
		1,452,368	**1,409,534**	**1,162,153**	**1,505,958**	**1,443,932**	**1,186,219**

The following methods / assumptions were used to estimate the fair values:

i. The carrying value of bank deposits, trade receivables, trade payables, short-term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments.

ii. Fair value of quoted mutual funds and non-convertible bonds is based on quoted market price at the reporting date.

iii. The fair value of non-current financial assets, long term borrowings and other financial liabilities is estimated by discounting future cash flows using current rates applicable to instruments with similar terms, currency, credit risk and remaining maturities.

iv. The fair values of derivatives are estimated by using pricing models, wherein the inputs to those models are based on readily observable market parameters. The valuation models used by the Group reflect the contractual terms of the derivatives (including the period to maturity), and market-based parameters such as interest rates, foreign exchange rates, volatility etc. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable.

During the year ended March 31, 2017 and 2016, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

Following table describes the valuation techniques used and key inputs thereto for the level 2 financial assets / liabilities as of March 31, 2017, March 31, 2016 and April 1, 2015:

Financial assets / Financial liabilities	Valuation technique	Inputs used
- Currency swaps, forward and option contracts	Discounted Cash Flow	Forward currency exchange rates, Interest rates.
- Interest swaps	Discounted Cash Flow	Prevailing/forward interest rates in market, Interest rates.
- Embedded derivatives	Discounted Cash Flow	Forward currency exchange rates, Interest rates.
- Investments	Discounted Cash Flow	Prevailing interest rates in market, Interest rates.
- Other financial assets	Discounted Cash Flow	Prevailing interest rates in market, Future payouts, Interest rates.
- Other borrowings- fixed rate	Discounted Cash Flow	Prevailing interest rates in market, Future payouts, Interest rates.
- Other financial liabilities	Discounted Cash Flow	Prevailing interest rates in market, Future payouts, Interest rates.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

Level 3 financial instruments

The following table provides the details as to changes in value of financial instruments categorised within level 3 of the fair value hierarchy:

	For the year ended	
	March 31, 2017	**March 31, 2016**
Opening balance	51	2,485
Gain recognised in consolidated statement of profit and loss (including settlements)		
-Recognised in finance costs*	(215)	(352)
-Recognised in exceptional items (refer note 33 (ii) c)	-	(2,096)
Transferred on account of sale of subsidiary	(22)	
Exchange difference recognised in OCI	(2)	14
Closing balance	**(188)**	**51**

* Out of these gains / (losses), loss of Rs. 213 and gain of Rs. 23 year ended March 31, 2017 and 2016 respectively relates to assets/liabilities held at the end of respective periods.

Valuation process, techniques and inputs used: The Group has entered into certain contracts under which payouts are linked to revenue of the period to which payout relates. The portion of the payout are payable at predetermined fixed foreign exchange rate and results in an embedded derivative. The significant inputs to the valuation model of these embedded derivatives are future revenue projections and foreign exchange forward rates over the contract period. The revenue projections, being based on the rolling ten year financial plan approved by management, constitute a significant unobservable input to the valuation, thereby resulting in the embedded derivative being classified as Level 3 in the fair value hierarchy.

The Group either engages external, independent and qualified valuers or internally values the embedded derivative categorised within level 3. Discounted cash flow model is used to value the embedded derivative wherein major inputs are expected future payouts to vendors, forward foreign currency exchange rates and relevant interest rates. The value of embedded derivative is the present value of the differential of future payouts on the reporting date, over that determined based on the forward rates prevailing at the inception of the contract.

Sensitivity to changes in unobservable inputs: The fair value of embedded derivative is directly proportional to the expected future payouts to vendor (considered for the purpose of valuation of the embedded derivative). If future payouts to vendor were to increase / decrease by 5% with all the other variables held constant, the fair value of embedded derivative would increase / decrease by 5%. Expected future payouts to vendor ranging from USD 12 to USD 17, USD 13 to USD 18 and USD 31 to USD 46 per quarter as of March 31, 2017, March 31, 2016 and April 1, 2015 respectively.

39 Other Matters

(i) In 1996, the Company had obtained the permission from DoT to operate its Punjab license through one of its wholly owned subsidiary. However DoT cancelled the permission to operate in April, 1996 and subsequently reinstated in March, 1998. Accordingly, for the period from April 1996 to March, 1998 ('blackout period') the license fee was disputed and not paid by the Company.

Subsequently, basis the demand from DoT in 2001, the Company paid the disputed license fee of Rs. 4,856 for blackout period under protest. Consequently, the license was restored subject to arbitrator's adjudication on the dispute. The arbitrator adjudicated the matter in favour of DoT, which was challenged by the Company before Hon'ble Delhi High Court. In 2012, Hon'ble Delhi High Court passed an order setting aside the arbitrator's award, which was challenged by DoT and is pending before its division bench. Meanwhile, the Company had filed a writ petition for recovery of the disputed license fee and interest thereto. However, the single bench, despite taking the view that the Company is entitled to refund, dismissed the writ petition on the ground that the case is still pending with the larger bench. The Company therefore has filed appeal against the said order with division bench and is currently pending.

(ii) TRAI vide Telecom Interconnect Usages Charges Regulation (Eleventh Amendment) 2015 has reduced the IUC charges for mobile termination charges to 14 paisa from 20 paisa and abolished the fixed-line termination charges. The Company has challenged the said Regulation before the Hon'ble Delhi High Court and the matter is currently pending.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

40 Additional information as required under Schedule III of the Companies Act 2013.

S.No.	Name of the entity	% of shareholding	Principal place of operation / country of incorporation	Principal activities	March 31, 2017 - Net Assets, i.e., total assets minus total liabilities - As % of consolidated net assets	Net Assets - Amount	Share in profit or loss - As % of consolidated profit or loss	Share in profit or loss - Amount	Share in other comprehensive income (OCI) - As % of OCI	Share in OCI - Amount	Share in total comprehensive income (TCI) - As % of TCI	Share in TCI - Amount
	Parent											
1	Bharti Airtel Limited	100	India	Telecommunication services	150.03%	1,012,073	-261.21%	(99,256)	0.05%	(25)	931.60%	(99,281)
	Subsidiaries											
	- Indian											
1	Airtel Payments Bank Limited (formerly known as Airtel M Commerce Services Limited)	80.10	India	Mobile commerce services	0.73%	4,926	-6.43%	(2,443)	0%	-	22.93%	(2,443)
2	Bharti Airtel Services Limited	100	India	Other	-0.15%	(1,009)	0.02%	8	0.02%	(9)	0.01%	(1)
3	Bharti Hexacom Limited	70	India	Telecommunication services	9.91%	66,828	17.37%	6,601	0%	(1)	-61.93%	6,600
4	Bharti Infratel Limited *	61.68	India	Infrastructure sharing services	24.07%	162,371	71.19%	27,050	-0.19%	93	-254.70%	27,143
5	Bharti Infratel Services Limited #	-	India	Infrastructure sharing services	0%	-	0%	-	0%	-	0%	-
6	Bharti Telemedia Limited	95	India	Direct To Home services	-4.13%	(27,827)	3.46%	1,315	0%	(1)	-12.33%	1,314
7	Indo Teleports Limited (formerly known as Bharti Teleports Limited)	95	India	Uplinking channels for broadcasters	-0.07%	(449)	-0.24%	(90)	0%	-	0.84%	(90)
8	Nxtra Data Limited	100	India	Telecommunication services	-0.01%	(91)	-0.20%	(75)	0%	(1)	0.71%	(76)
9	Smartx Services Limited	61.68	India	Telecommunication services	0%	30	0%	(0)	0%	-	0%	(0)
10	Telesonic Networks Limited	100	India	Telecommunication services	0.05%	348	0.64%	243	0.02%	(11)	-2.18%	232
11	Wynk Limited	100	India	Telecommunication services	0.01%	57	0.11%	41	0%	(1)	-0.38%	40
12	Nettle Infrastructure Investments Limited (formerly known as Nettle Developers Limited), subsidiary w.e.f. March 14, 2017.	100	India	Investment Company	0.39%	2,622	6.61%	2,513	-0.22%	109	-24.60%	2,622
13	Augere Wireless Broadband India Private Limited (subsidiary w.e.f. June 7, 2016, subsequently merged with the Company w.e.f. February 15, 2017)	-	India	Telecommunication services	0%	-	0%	-	0%	-	0%	-
	- Foreign											
1	Africa Towers N.V.	100	Netherlands	Investment Company	-0.06%	(392)	-0.12%	(46)	0%	-	0.43%	(46)
2	Africa Towers Services Limited ##	100	Kenya	Infrastructure sharing services	0%	0	0%	0	0%	-	0%	0
3	Airtel (Seychelles) Limited	100	Seychelles	Telecommunication services	0.08%	537	0.23%	88	0%	-	-0.82%	88
4	Airtel (SL) Limited (Sold on July 19, 2016)	-	Sierra Leone	Telecommunication services	0%	-	-3.93%	(1,492)	0%	-	14.00%	(1,492)
5	Airtel Bangladesh Limited (merged with Robi Axiata Limited w.e.f. November 16, 2016)	-	Bangladesh	Telecommunication services	0%	-	-11.23%	(4,268)	0%	-	40.05%	(4,268)
6	Airtel Burkina Faso S.A. (Sold on June 22, 2016)	-	Burkina Faso	Telecommunication services	0%	-	1.81%	689	0%	-	-6.46%	689
7	Airtel Congo (RDC) S.A.	98.50	Democratic Republic of Congo	Telecommunication services	-7.79%	(52,538)	-33.27%	(12,642)	0%	-	118.63%	(12,642)
8	Airtel Congo S.A.	90	Congo Brazzaville	Telecommunication services	-1.31%	(8,843)	-5.19%	(1,970)	0%	-	18.49%	(1,970)
9	Airtel DTH Services (SL) Limited #	-	Sierra Leone	Direct To Home services	0%	-	0%	-	0%	-	0%	-
10	Airtel DTH Services Nigeria Limited ##	100	Nigeria	Direct To Home services	0%	-	0%	-	0%	-	0%	-
11	Airtel Gabon S.A.	90	Gabon	Telecommunication services	-1.15%	(7,760)	-7.61%	(2,892)	0%	-	27.13%	(2,892)
12	Airtel Ghana Limited ^ @	99.89	Ghana	Telecommunication services	-0.29%	(1,949)	-9.01%	(3,424)	0%	-	32.13%	(3,424)
13	Airtel Madagascar S.A.	100	Madagascar	Telecommunication services	-0.86%	(5,773)	-4.45%	(1,689)	0%	-	15.85%	(1,689)
14	Airtel Malawi Limited	100	Malawi	Telecommunication services	0.09%	598	1.61%	611	0%	-	-5.73%	611
15	Airtel Mobile Commerce (Ghana) Limited @	99.89	Ghana	Mobile commerce services	-0.04%	(289)	0.07%	27	0%	-	-0.25%	27
16	Airtel Mobile Commerce (Kenya) Limited	100	Kenya	Mobile commerce services	0%	0	0%	-	0%	-	0%	-
17	Airtel Mobile Commerce (Seychelles) Limited	100	Seychelles	Mobile commerce services	0%	(28)	-0.01%	(4)	0%	-	0.03%	(4)
18	Airtel Mobile Commerce (SL) Limited (Sold on July 19, 2016)	-	Sierra Leone	Mobile commerce services	0%	-	0%	-	0%	-	0%	-
19	Airtel Mobile Commerce (Tanzania) Limited	100	Tanzania	Mobile commerce services	0%	0	0%	-	0%	-	0%	-
20	Airtel Mobile Commerce B.V.	100	Netherlands	Investment Company	-0.01%	(36)	-0.03%	(12)	0%	-	0.12%	(12)
21	Airtel Mobile Commerce Burkina Faso S.A.(Sold on June 22, 2016)	-	Burkina Faso	Mobile commerce services	0%	(0)	0.17%	66	0%	-	-0.62%	66
22	Airtel Mobile Commerce Holdings B.V.	100	Netherlands	Investment Company	0%	1	0%	(0)	0%	-	0%	(0)
23	Airtel Mobile Commerce Limited	100	Malawi	Mobile commerce services	-0.05%	(337)	0.01%	3	0%	-	-0.03%	3
24	Airtel Mobile Commerce Madagascar S.A.	100	Madagascar	Mobile commerce services	-0.07%	(481)	-0.23%	(87)	0%	-	0.82%	(87)
25	Airtel Mobile Commerce Rwanda Limited	100	Rwanda	Mobile commerce services	0%	1	0%	-	0%	-	0%	-
26	Airtel Mobile Commerce Tchad S.a.r.l.	100	Chad	Mobile commerce services	0%	0	0%	-	0%	-	0%	-
27	Airtel Mobile Commerce Uganda Limited	100	Uganda	Mobile commerce services	0%	0	0%	-	0%	-	0%	-
28	Airtel Mobile Commerce Zambia Limited	100	Zambia	Mobile commerce services	-0.08%	(534)	-0.11%	(43)	0%	-	0.40%	(43)
29	Airtel Money (RDC) S.A.	100	Democratic Republic of Congo	Mobile commerce services	-0.25%	(1,658)	-0.28%	(107)	0%	-	1.01%	(107)
30	Airtel Money Niger S.A.	90	Niger	Mobile commerce services	0%	-	0%	-	0%	-	0%	-
31	Airtel Money S.A. (Gabon)	100	Gabon	Mobile commerce services	-0.03%	(171)	0.45%	172	0%	-	-1.62%	172

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

S.No	Name of the entity	% of shareholding	Principal place of operation / country of incorporation	Principal activities	March 31, 2017							
					Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehesive income (OCI)		Share in total comprehesive income (TCI)	
					As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of OCI	Amount	As % of TCI	Amount
32	Airtel Money Transfer Limited	100	Kenya	Mobile commerce services	0%	-	0%	-	0%	-	0%	-
33	Airtel Networks Kenya Limited ^	100	Kenya	Telecommunication services	-3.48%	(23,473)	-24.59%	(9,344)	0%	-	87.68%	(9,344)
34	Airtel Networks Limited @@	83.25	Nigeria	Telecommunication services	-2.41%	(16,255)	-69.08%	(26,250)	0%	-	246.32%	(26,250)
35	Airtel Networks Zambia Plc	96.36	Zambia	Telecommunication services	0.17%	1,159	-2.62%	(996)	0%	-	9.35%	(996)
36	Airtel Rwanda Limited	100	Rwanda	Telecommunication services	-1.74%	(11,756)	-9.31%	(3,536)	0%	-	33.18%	(3,536)
37	Airtel Tanzania Limited	60	Tanzania	Telecommunication services	-3.78%	(25,473)	-10.30%	(3,913)	0%	-	36.72%	(3,913)
38	Airtel Tchad S.A.	100	Chad	Telecommunication services	-0.87%	(5,836)	-6.75%	(2,566)	0%	-	24.08%	(2,566)
39	Airtel Towers (Ghana) Limited #	-	Ghana	Infrastructure sharing services	0%	-	0.03%	13	0%	-	-0.12%	13
40	Airtel Towers (SL) Company Limited #	-	Sierra Leone	Infrastructure sharing services	0%	-	0.02%	7	0%	-	-0.06%	7
41	Airtel Uganda Limited ^	100	Uganda	Telecommunication services	0%	10	6.79%	2,580	0%	-	-24.21%	2,580
42	Bangladesh Infratel Networks Limited ##	100	Bangladesh	Infrastructure sharing services	0%	0	0%	(0)	0%	-	0%	(0)
43	Bharti Airtel (France) SAS	100	France	Telecommunication services	0.03%	170	0.21%	82	0%	-	-0.77%	82
44	Bharti Airtel (Hongkong) Limited	100	Hongkong	Telecommunication services	-0.02%	(122)	0.17%	66	0%	-	-0.62%	66
45	Bharti Airtel (Japan) Kabushiki Kaisha	100	Japan	Telecommunication services	0%	5	0.03%	12	0%	(1)	-0.11%	11
46	Bharti Airtel (UK) Limited	100	United Kingdom	Telecommunication services	0.07%	478	0.35%	133	0%	(1)	-1.24%	132
47	Bharti Airtel (USA) Limited	100	United States of America	Telecommunication services	0.07%	452	0.63%	238	0%	-	-2.23%	238
48	Bharti Airtel Africa B.V.	100	Netherlands	Investment Company	13.97%	94,264	50.96%	19,364	0%	-	-181.70%	19,364
49	Bharti Airtel Burkina Faso Holdings B.V.	100	Netherlands	Investment Company	6.71%	45,286	99.27%	37,719	0%	-	-353.94%	37,719
50	Bharti Airtel Chad Holdings B.V.	100	Netherlands	Investment Company	0.07%	447	0.25%	96	0%	-	-0.90%	96
51	Bharti Airtel Congo Holdings B.V.	100	Netherlands	Investment Company	0.92%	6,199	0.68%	259	0%	-	-2.43%	259
52	Bharti Airtel Developers Forum Limited	96.36	Zambia	Investment Company	0%	-	0%	-	0%	-	0%	-
53	Bharti Airtel DTH Holdings B.V.	100	Netherlands	Investment Company	0%	1	0%	(0)	0%	-	0%	(0)
54	Bharti Airtel Gabon Holdings B.V.	100	Netherlands	Investment Company	1.30%	8,754	1.16%	442	0%	-	-4.15%	442
55	Bharti Airtel Ghana Holdings B.V.	100	Netherlands	Investment Company	-1.07%	(7,230)	-4.24%	(1,611)	0%	-	15.12%	(1,611)
56	Bharti Airtel Holdings (Singapore) Pte Ltd (merged with Bharti International (Singapore) Pte Ltd w.e.f. July 15, 2016)	-	Singapore	Investment Company	0%	-	0.03%	13	0%	-	-0.12%	13
57	Bharti Airtel International (Mauritius) Limited	100	Mauritius	Investment Company	2.26%	15,256	-545.07%	(207,117)	0%	-	1943.48%	(207,117)
58	Bharti Airtel International (Netherlands) B.V.	100	Netherlands	Investment Company	46.87%	316,155	14.63%	5,561	0%	-	-52.18%	5,561
59	Bharti Airtel Kenya B.V.	100	Netherlands	Investment Company	-0.97%	(6,523)	-3.71%	(1,409)	0%	-	13.22%	(1,409)
60	Bharti Airtel Kenya Holdings B.V.	100	Netherlands	Investment Company	-0.38%	(2,562)	-0.18%	(70)	0%	-	0.66%	(70)
61	Bharti Airtel Lanka (Private) Limited	100	Sri Lanka	Telecommunication services	-0.96%	(6,485)	-6.96%	(2,645)	0%	-	24.82%	(2,645)
62	Bharti Infratel Lanka (Private) Limited ##	100	Sri Lanka	Infrastructure sharing services	0%	-	0%	-	0%	-	0%	-
63	Bharti Airtel Madagascar Holdings B.V.	100	Netherlands	Investment Company	-0.17%	(1,156)	-0.74%	(281)	0%	-	2.64%	(281)
64	Bharti Airtel Malawi Holdings B.V.	100	Netherlands	Investment Company	0.06%	422	0.24%	91	0%	-	-0.85%	91
65	Bharti Airtel Mali Holdings B.V.	100	Netherlands	Investment Company	0.03%	216	-0.04%	(17)	0%	-	0.16%	(17)
66	Bharti Airtel Niger Holdings B.V.	100	Netherlands	Investment Company	1.51%	10,209	-0.18%	(69)	0%	-	0.64%	(69)
67	Bharti Airtel Nigeria B.V.	100	Netherlands	Investment Company	-6.37%	(42,955)	-29.06%	(11,042)	0%	-	103.61%	(11,042)
68	Bharti Airtel Nigeria Holdings B.V. ##	100	Netherlands	Investment Company	0%	-	0%	-	0%	-	0%	-
69	Bharti Airtel Nigeria Holdings II B.V.	100	Netherlands	Investment Company	-0.02%	(117)	0%	(1)	0%	-	0.01%	(1)
70	Bharti Airtel RDC Holdings B.V.	100	Netherlands	Investment Company	0.56%	3,753	2.38%	906	0%	-	-8.50%	906
71	Bharti Airtel Rwanda Holdings Limited	100	Mauritius	Investment Company	0.03%	188	0%	(2)	0%	-	0.02%	(2)
72	Bharti Airtel Services B.V.	100	Netherlands	Investment Company	-0.06%	(387)	-0.14%	(53)	0%	-	0.50%	(53)
73	Bharti Airtel Sierra Leone Holdings B.V. (Sold on July 19, 2016)	-	Netherlands	Investment Company	0%	-	0.09%	35	0%	-	-0.33%	35
74	Bharti Airtel Tanzania B.V.	100	Netherlands	Investment Company	-0.52%	(3,478)	-5.50%	(2,089)	0%	-	19.60%	(2,089)
75	Bharti Airtel Uganda Holdings B.V.	100	Netherlands	Investment Company	-0.88%	(5,906)	-0.76%	(288)	0%	-	2.70%	(288)
76	Bharti Airtel Zambia Holdings B.V.	100	Netherlands	Investment Company	4.31%	29,090	1.76%	668	0%	-	-6.27%	668
77	Bharti International (Singapore) Pte. Ltd	100	Singapore	Telecommunication services	2.34%	15,767	-333.69%	(126,797)	0%	-	1189.80%	(126,797)
78	Celtel (Mauritius) Holdings Limited	100	Mauritius	Investment Company	0.38%	2,530	1.26%	479	0%	-	-4.50%	479
79	Celtel Niger S.A.	90	Niger	Telecommunication services	0.33%	2,198	-0.57%	(216)	0%	-	2.03%	(216)
80	Channel Sea Management Company (Mauritius) Limited	100	Mauritius	Investment Company	0.01%	34	-0.25%	(94)	0%	-	0.88%	(94)
81	Congo RDC Towers S.A.	100	Democratic Republic of Congo	Infrastructure sharing services	-0.04%	(260)	1.24%	470	0%	-	-4.41%	470
82	Congo Towers S.A. #	-	Congo Brazzavile	Infrastructure sharing services	0%	0	0%	-	0%	-	0%	-
83	Gabon Towers S.A. ##	90	Gabon	Infrastructure sharing services	0%	(3)	0%	(1)	0%	-	0.01%	(1)

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

S.No	Name of the entity	% of shareholding	Principal place of operation / country of incorporation	Principal activities	March 31, 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	
					As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of OCI	Amount	As % of consolidated profit or loss	Amount
84	Indian Ocean Telecom Limited	100	Jersey	Investment Company	0.14%	948	0%	(0)	0%	-	0%	(0)
85	Madagascar Towers S.A.	100	Madagascar	Infrastructure sharing services	0.03%	236	-0.23%	(87)	0%	-	0.82%	(87)
86	Malawi Towers Limited	100	Malawi	Infrastructure sharing services	-0.21%	(1,422)	-0.15%	(59)	0%	-	0.55%	(59)
87	Mobile Commerce Congo S.A.	100	Congo Brazzavile	Mobile commerce services	0%	1	0%	-	0%	-	0%	-
88	Montana International	100	Mauritius	Investment Company	0%	(12)	0%	(2)	0%	-	0.02%	(2)
89	MSI-Celtel Nigeria Limited ##	100	Nigeria	Investment Company	0%	-	0%	-	0%	-	0%	-
90	Network i2i Limited	100	Mauritius	Submarine Cable System	11.32%	76,379	6.36%	2,419	0%	-	-22.69%	2,419
91	Partnership Investment Sprl	100	Democratic Republic of Congo	Investment Company	0%	-	0%	-	0%	-	0%	-
92	Société Malgache de Téléphone Cellulaire S.A.	100	Mauritius	Investment Company	0.02%	147	-0.01%	(2)	0%	-	0.02%	(2)
93	Tanzania Towers Limited	60	Tanzania	Infrastructure sharing services	0%	(31)	-0.01%	(2)	0%	-	0.02%	(2)
94	Tchad Towers S.A. #	-	Chad	Infrastructure sharing services	0%	-	0.21%	80	0%	-	-0.75%	80
95	Towers Support Nigeria Limited ## @@	83.25	Nigeria	Infrastructure sharing services	0%	(1)	0%	0	0%	-	0%	0
96	Warid Telecom Uganda Limited (merged with with Airtel Uganda Limited w.e.f. July 31, 2016)	-	Uganda	Telecommunication services	0%	-	0%	-	0%	-	0%	-
97	Zap Trust Company Nigeria Limited ##	100	Nigeria	Mobile commerce services	0%	-	0%	-	0%	-	0%	-
98	Airtel Money Tanzania Limited (incorporated on June 10, 2016)	60	Tanzania	Mobile commerce services	0%	-	0%	-	0%	-	0%	-
	Minority Interests in all subsidiaries				-10.19%	(68,750)	-11.62%	(4,416)	-4.55%	2,213	20.67%	(2,203)
	Associates (Investment as per the equity method)											
	- Indian											
1	Seynse Technologies Private Limited (Associate w.e.f February 21, 2017)	22.54	India	Financial Services	0.01%	76	0%	(1)	0%	-	0.01%	(1)
	- Foreign											
1	Tanzania Telecommunications Company Ltd (TTCL) (Sold on June 23, 2016)	-	Tanzania	Telecommunication services	0%	-	0%	-	0%	-	0%	-
2	Seychelles Cable Systems Company Limited	26	Seychelles	Submarine cable system	0%	-	0%	-	0%	-	0%	-
3	Robi Axiata Limited (Associate w.e.f. November 16, 2016)	25	Bangladesh	Telecommunication services	1.76%	11,867	-0.18%	(1,233)	0%	-	11.57%	(1,233)
	Joint Ventures (Investment as per the equity method)											
	- Indian											
1	Indus Towers Limited	22.91	India	Passive infrastructure services	8.23%	55,509	31.45%	11,949	0%	-	-112.13%	11,949
2	FireFly Networks Limited	50	India	Telecommunication services	0%	(0)	0%	2	0%	-	-0.02%	2
	- Foreign											
3	Bridge Mobile Pte Limited	25.91	Singapore	Provision of regional mobile services	0.01%	52	0.02%	9	0%	-	-0.09%	9
	Inter Company Elimination / adjustments on consolidation					(933,729)		451,627 **		(51,019)		400,608
	Total				**100%**	**674,563**	**100%**	**37,998**	**100%**	**(48,655)**	**100%**	**(10,657)**

Dissolved during the year ended March 31, 2017.
Under Liquidation.
^ The Group also holds 100% preference shareholding in these companies. The preference shares does not carry any voting rights.
* Bharti Infratel Limited, in which the Group has 61.68% equity interest (71.76% as of March 31, 2016), owns 42% of Indus Towers Limited.
** It includes elimination of the internal restructuring impact amounting to Rs. 133,488, Rs. 207,062 and Rs. 86,696 as reflected in the standalone numbers of the Company, Bharti Airtel International (Mauritius) Limited and Bharti International (Singapore) Pte. Ltd. respectively.
@ During the year ended March 31, 2017, the Group has increased its shareholding by 24.89% i.e. from 75% in March 31, 2016 to 99.89% in March 31, 2017 {Refer note 5 (e)}.
@@ During the year ended March 31, 2017, the Group has increased its shareholding by 4.2% i.e. from 79.06% in March 31, 2016 to 83.25% in March 31, 2017 {(Refer note 5 (d)}.

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

S.No.	Name of the entity	% of shareholding	Principal place of operation / country of incorporation	Principal activities	March 31, 2016							
					Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
					As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of OCI	Amount	As % of TCI	Amount
1	Bharti Airtel Limited	100	India	Telecommunication services	167.34%	1,117,291	128.04%	77,803	0.28%	(34)	159.40%	77,769
	Subsidiaries											
	- Indian											
1	Airtel Broadband Services Private Limited (formerly known as Wireless Business Services Private Limited), merged with the Company w.e.f. April 9, 2015	-	India	Telecommunication services	0%	-	-0.01%	(6)	0%	-	-0.01%	(6)
2	Airtel Payments Bank Limited (formerly known as Airtel M Commerce Services Limited)	80.10	India	Mobile commerce services	0.35%	2,369	-0.57%	(346)	0%	-	-0.71%	(346)
3	Bharti Airtel Services Limited	100	India	Other	-0.13%	(882)	-0.10%	(60)	0.05%	(6)	-0.14%	(66)
4	Bharti Hexacom Limited	70	India	Telecommunication services	9.37%	62,545	16.93%	10,289	0.01%	(2)	21.08%	10,287
5	Bharti Infratel Limited *	71.76	India	Infrastructure sharing services	28.35%	189,296	21.84%	13,274	0%	4	27.22%	13,278
6	Bharti Infratel Services Limited #	71.76	India	Infrastructure sharing services	0%	-	0%	-	0%	-	0%	-
7	Bharti Telemedia Limited	95	India	Direct To Home services	-4.71%	(31,428)	-1.89%	(1,150)	0.02%	(2)	-2.36%	(1,152)
8	Indo Teleports Limited (formerly known as Bharti Teleports Limited) subsidiary w.e.f. August 27, 2015.	95	India	Uplinking channels for broadcasters	-0.05%	(359)	-0.13%	(78)	0%	-	-0.16%	(78)
9	Nxtra Data Limited	100	India	Telecommunication services	0%	(16)	-0.20%	(124)	0.01%	(1)	-0.26%	(125)
10	Smartx Services Limited (subsidiary w.e.f. September 21, 2015)	71.76	India	Telecommunication services	0%	30	0%	0	0%	-	0%	0
11	Telesonic Networks Limited	100	India	Telecommunication services	0.02%	116	0.57%	346	0.19%	(23)	0.66%	323
12	Wynk Limited	100	India	Telecommunication services	0%	24	0.03%	16	0%	-	0.03%	16
	- Foreign											
1	Africa Towers N.V.	100	Netherlands	Investment Company	-0.05%	(355)	-0.46%	(279)	0%	-	-0.57%	(279)
2	Africa Towers Services Limited	100	Kenya	Infrastructure sharing services	0%	(0)	0.06%	34	0%	-	0.07%	34
3	Airtel (Seychelles) Limited	100	Seychelles	Telecommunication services	0.07%	468	0.01%	4	0%	-	0.01%	4
4	Airtel (SL) Limited	100	Sierra Leone	Telecommunication services	0.04%	238	1.07%	650	0%	-	1.33%	650
5	Airtel Bangladesh Limited	100	Bangladesh	Telecommunication services	-2.77%	(18,524)	-11.50%	(6,987)	-0.32%	39	-14.24%	(6,948)
6	Airtel Burkina Faso S.A.	100	Burkina Faso	Telecommunication services	0.52%	3,480	1.72%	1,046	0%	-	2.14%	1,046
7	Airtel Congo (RDC) S.A.	98.50	Democratic Republic of Congo	Telecommunication services	-6.18%	(41,237)	-20.18%	(12,261)	0%	-	-25.13%	(12,261)
8	Airtel Congo S.A.	90	Congo Brazzaville	Telecommunication services	-1.14%	(7,619)	-2.01%	(1,219)	0%	-	-2.50%	(1,219)
9	Airtel DTH Services (SL) Limited	100	Sierra Leone	Direct To Home services	0%	-	0%	-	0%	-	0%	-
10	Airtel DTH Services Congo (RDC) S.p.r.l. ##	-	Democratic Republic of Congo	Direct To Home services	0%	-	0%	-	0%	-	0%	-
11	Airtel DTH Services Nigeria Limited #	100	Nigeria	Direct To Home services	0%	-	0%	-	0%	-	0%	-
12	Airtel Gabon S.A.	90	Gabon	Telecommunication services	-0.83%	(5,548)	-7.63%	(4,639)	0%	-	-9.51%	(4,639)
13	Airtel Ghana Limited ^	75	Ghana	Telecommunication services	-4.08%	(27,244)	1.79%	1,089	0%	-	2.23%	1,089
14	Airtel Madagascar S.A.	100	Madagascar	Telecommunication services	-0.64%	(4,282)	-4.17%	(2,535)	0%	-	-5.19%	(2,535)
15	Airtel Malawi Limited	100	Malawi	Telecommunication services	0%	17	-1.15%	(698)	0%	-	-1.43%	(698)
16	Airtel Mobile Commerce (Ghana) Limited	75	Ghana	Mobile commerce services	-0.07%	(451)	-0.19%	(117)	0%	-	-0.24%	(117)
17	Airtel Mobile Commerce (Kenya) Limited	100	Kenya	Mobile commerce services	0%	0	0%	-	0%	-	0%	-
18	Airtel Mobile Commerce (Seychelles) Limited	100	Seychelles	Mobile commerce services	0%	(25)	-0.02%	(13)	0%	-	-0.03%	(13)
19	Airtel Mobile Commerce (SL) Limited	100	Sierra Leone	Mobile commerce services	0%	0	0%	-	0%	-	0%	-
20	Airtel Mobile Commerce (Tanzania) Limited	100	Tanzania	Mobile commerce services	0%	0	0%	-	0%	-	0%	-
21	Airtel Mobile Commerce B.V.	100	Netherlands	Investment Company	0%	(25)	-0.01%	(8)	0%	-	-0.02%	(8)
22	Airtel Mobile Commerce Burkina Faso S.A.	100	Burkina Faso	Mobile commerce services	0.02%	161	0.29%	174	0%	-	0.36%	174
23	Airtel Mobile Commerce Holdings B.V.	100	Netherlands	Investment Company	0%	1	0%	(0)	0%	-	0%	(0)
24	Airtel Mobile Commerce Limited	100	Malawi	Mobile commerce services	-0.06%	(373)	-0.21%	(130)	0%	-	-0.27%	(130)
25	Airtel Mobile Commerce Madagascar S.A.	100	Madagascar	Mobile commerce services	-0.06%	(408)	-0.18%	(111)	0%	-	-0.23%	(111)
26	Airtel Mobile Commerce Rwanda Limited	100	Rwanda	Mobile commerce services	0%	1	0%	-	0%	-	0%	-
27	Airtel Mobile Commerce Tchad S.a.r.l.	100	Chad	Mobile commerce services	0%	0	0%	-	0%	-	0%	-
28	Airtel Mobile Commerce Uganda Limited	100	Uganda	Mobile commerce services	0%	0	0%	-	0%	-	0%	-
29	Airtel Mobile Commerce Zambia Limited	100	Zambia	Mobile commerce services	-0.07%	(441)	-0.21%	(130)	0%	-	-0.27%	(130)
30	Airtel Money (RDC) S.A.	100	Democratic Republic of Congo	Mobile commerce services	-0.24%	(1,588)	-0.78%	(477)	0%	-	-0.98%	(477)
31	Airtel Money Niger S.A.	90	Niger	Mobile commerce services	0%	-	0%	-	0%	-	0%	-

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

S.No.	Name of the entity	% of shareholding	Principal place of operation / country of incorporation	Principal activities	March 31, 2016 Net Assets, i.e., total assets minus total liabilities: As % of consolidated net assets	Amount	Share in profit or loss: As % of consolidated profit or loss	Amount	Share in other comprehensive income (OCI): As % of OCI	Amount	Share in total comprehensive income (TCI): As % of TCI	Amount
32	Airtel Money S.A. (Gabon)	100	Gabon	Mobile commerce services	-0.05%	(363)	-0.07%	(41)	0%	-	-0.08%	(41)
33	Airtel Money Transfer Limited (incorporated on July 20, 2015)	100	Kenya	Mobile commerce services	0%	-	0%	-	0%	-	0%	-
34	Airtel Networks Kenya Limited ^	100	Kenya	Telecommunication services	-2.26%	(15,097)	7.15%	4,345	0%	-	8.91%	4,345
35	Airtel Networks Limited	79.06	Nigeria	Telecommunication services	0.76%	5,064	10.67%	6,483	0%	-	13.29%	6,483
36	Airtel Networks Zambia Plc	96.36	Zambia	Telecommunication services	0.37%	2,456	3.44%	2,091	0%	-	4.29%	2,091
37	Airtel Rwanda Limited	100	Rwanda	Telecommunication services	-1.43%	(9,575)	-4.89%	(2,971)	0%	-	-6.09%	(2,971)
38	Airtel Tanzania Limited	60	Tanzania	Telecommunication services	-3.40%	(22,696)	-17.03%	(10,350)	0%	-	-21.21%	(10,350)
39	Airtel Tchad S.A.	100	Chad	Telecommunication services	-0.56%	(3,744)	-2.85%	(1,734)	0%	-	-3.55%	(1,734)
40	Airtel Towers (Ghana) Limited	75	Ghana	Infrastructure sharing services	0%	(15)	0.05%	32	0%	-	0.06%	32
41	Airtel Towers (SL) Company Limited	100	Sierra Leone	Infrastructure sharing services	0%	(16)	0.04%	26	0%	-	0.05%	26
42	Airtel Uganda Limited ^	100	Uganda	Telecommunication services	-0.38%	(2,568)	3.34%	2,029	0%	-	4.16%	2,029
43	Bangladesh Infratel Networks Limited #	100	Bangladesh	Infrastructure sharing services	0%	(0)	0%	0	0%	-	0%	0
44	Bharti Airtel (Canada) Limited ##	-	Canada	Telecommunication services	0%	(0)	0.05%	28	0%	-	0.06%	28
45	Bharti Airtel (France) SAS	100	France	Telecommunication services	0.02%	104	0.07%	45	0%	-	0.09%	45
46	Bharti Airtel (Hongkong) Limited	100	Hongkong	Telecommunication services	-0.03%	(181)	0.23%	138	0%	-	0.28%	138
47	Bharti Airtel (Japan) Kabushiki Kaisha	100	Japan	Telecommunication services	0%	(6)	-0.03%	(17)	0.01%	(1)	-0.04%	(18)
48	Bharti Airtel (UK) Limited	100	United Kingdom	Telecommunication services	0.08%	530	-0.21%	(126)	0%	-	-0.26%	(126)
49	Bharti Airtel (USA) Limited	100	United States of America	Telecommunication services	0.03%	219	0.65%	397	0%	-	0.81%	397
50	Bharti Airtel Africa B.V.	100	Netherlands	Investment Company	11.57%	77,253	4.95%	3,006	0%	-	6.16%	3,006
51	Bharti Airtel Burkina Faso Holdings B.V.	100	Netherlands	Investment Company	1.37%	9,152	1.74%	1,058	0%	-	2.17%	1,058
52	Bharti Airtel Chad Holdings B.V.	100	Netherlands	Investment Company	0.05%	361	0.07%	43	0%	-	0.09%	43
53	Bharti Airtel Congo Holdings B.V.	100	Netherlands	Investment Company	0.91%	6,078	0.48%	293	0%	-	0.60%	293
54	Bharti Airtel Developers Forum Limited	96.36	Zambia	Investment Company	0%	-	0%	-	0%	-	0%	-
55	Bharti Airtel DTH Holdings B.V.	100	Netherlands	Investment Company	0%	1	0%	(0)	0%	-	0%	(0)
56	Bharti Airtel Gabon Holdings B.V.	100	Netherlands	Investment Company	1.27%	8,509	0.40%	245	0%	-	0.50%	245
57	Bharti Airtel Ghana Holdings B.V.	100	Netherlands	Investment Company	-0.87%	(5,801)	-2.02%	(1,229)	0%	-	-2.52%	(1,229)
58	Bharti Airtel Holdings (Singapore) Pte Ltd	100	Singapore	Investment Company	0.98%	6,531	-0.81%	(493)	0%	-	-1.01%	(493)
59	Bharti Airtel International (Mauritius) Limited	100	Mauritius	Investment Company	31.11%	207,752	0%	(2)	0%	-	0%	(2)
60	Bharti Airtel International (Netherlands) B.V.	100	Netherlands	Investment Company	48.17%	321,648	-9.29%	(5,643)	0%	-	-11.57%	(5,643)
61	Bharti Airtel Kenya B.V.	100	Netherlands	Investment Company	-0.79%	(5,278)	-1.83%	(1,109)	0%	-	-2.27%	(1,109)
62	Bharti Airtel Kenya Holdings B.V.	100	Netherlands	Investment Company	-0.38%	(2,549)	-0.17%	(104)	0%	-	-0.21%	(104)
63	Bharti Airtel Lanka (Private) Limited	100	Sri Lanka	Telecommunication services	-0.64%	(4,257)	-4.52%	(2,746)	0%	-	-5.63%	(2,746)
64	Bharti Infratel Lanka (Private) Limited #	100	Sri Lanka	Infrastructure sharing services	0%	-	0%	-	0%	-	0%	-
65	Bharti Airtel Madagascar Holdings B.V.	100	Netherlands	Investment Company	-0.14%	(904)	-0.32%	(194)	0%	-	-0.40%	(194)
66	Bharti Airtel Malawi Holdings B.V.	100	Netherlands	Investment Company	0.05%	342	-0.04%	(22)	0%	-	-0.04%	(22)
67	Bharti Airtel Mali Holdings B.V.	100	Netherlands	Investment Company	0.04%	237	0%	-	0%	-	0%	-
68	Bharti Airtel Niger Holdings B.V.	100	Netherlands	Investment Company	1.57%	10,497	2.24%	1,364	0%	-	2.80%	1,364
69	Bharti Airtel Nigeria B.V.	100	Netherlands	Investment Company	-4.95%	(33,021)	-5.04%	(3,063)	0%	-	-6.28%	(3,063)
70	Bharti Airtel Nigeria Holdings B.V. #	100	Netherlands	Investment Company	0%	-	0%	-	0%	-	0%	-
71	Bharti Airtel Nigeria Holdings II B.V.	100	Netherlands	Investment Company	-0.02%	(118)	0%	-	0%	-	0%	-
72	Bharti Airtel RDC Holdings B.V.	100	Netherlands	Investment Company	0.44%	2,943	2.06%	1,253	0%	-	2.57%	1,253
73	Bharti Airtel Rwanda Holdings Limited	100	Mauritius	Investment Company	0.03%	194	0%	(3)	0%	-	-0.01%	(3)
74	Bharti Airtel Services B.V.	100	Netherlands	Investment Company	-0.05%	(344)	-0.09%	(58)	0%	-	-0.12%	(58)
75	Bharti Airtel Sierra Leone Holdings B.V.	100	Netherlands	Investment Company	0.03%	199	0.22%	134	0%	-	0.27%	134
76	Bharti Airtel Tanzania B.V.	100	Netherlands	Investment Company	-0.22%	(1,498)	0.70%	424	0%	-	0.87%	424
77	Bharti Airtel Uganda Holdings B.V.	100	Netherlands	Investment Company	-0.86%	(5,750)	-0.83%	(506)	0%	-	-1.04%	(506)
78	Bharti Airtel Zambia Holdings B.V.	100	Netherlands	Investment Company	4.35%	29,063	1.61%	981	0%	-	2.01%	981
79	Bharti International (Singapore) Pte. Ltd	100	Singapore	Telecommunication services	12.66%	84,513	0.74%	450	0%	-	0.92%	450
80	Burkina Faso Towers S.A. ##	-	Burkina Faso	Infrastructure sharing services	0%	0	0.06%	38	0%	-	0.08%	38
81	Celtel (Mauritius) Holdings Limited	100	Mauritius	Investment Company	0.33%	2,195	0.55%	336	0%	-	0.69%	336
82	Celtel Niger S.A.	90	Niger	Telecommunication services	0.36%	2,423	-0.72%	(440)	0%	-	-0.90%	(440)
83	Channel Sea Management Company (Mauritius) Limited	100	Mauritius	Investment Company	0.01%	38	0%	(2)	0%	-	0%	(2)
84	Congo RDC Towers S.A.	100	Democratic Republic of Congo	Infrastructure sharing services	-0.11%	(728)	-0.26%	(156)	0%	-	-0.32%	(156)
85	Congo Towers S.A.	90	Congo Brazzaville	Infrastructure sharing services	0%	(0)	0.07%	44	0%	-	0.09%	44
86	Gabon Towers S.A. #	90	Gabon	Infrastructure sharing services	0%	(2)	0.06%	34	0%	-	0.07%	34

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

S.No.	Name of the entity	% of shareholding	Principal place of operation / country of incorporation	Principal activities	March 31, 2016							
					Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehesive income (OCI)		Share in total comprehesive income (TCI)	
					As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of OCI	Amount	As % of TCI	Amount
87	Indian Ocean Telecom Limited	100	Jersey	Investment Company	0.15%	968	0%	(2)	0%	-	0%	(2)
88	Kenya Towers Limited (Sold on September 23, 2015)	-	Kenya	Infrastructure sharing services	0%	0	-1.61%	(981)	0%	-	-2.01%	(981)
89	Madagascar Towers S.A.	100	Madagascar	Infrastructure sharing services	0.05%	324	-0.48%	(293)	0%	-	-0.60%	(293)
90	Malawi Towers Limited	100	Malawi	Infrastructure sharing services	-0.22%	(1,495)	-2.73%	(1,659)	0%	-	-3.40%	(1,659)
91	Mobile Commerce Congo S.A.	100	Congo Brazzavile	Mobile commerce services	0%	1	0%	-	0%	-	0%	-
92	Montana International	100	Mauritius	Investment Company	0%	(11)	0%	(1)	0%	-	0%	(1)
93	MSI-Celtel Nigeria Limited #	100	Nigeria	Investment Company	0%	-	0%	-	0%	-	0%	-
94	Network i2i Limited	100	Mauritius	Submarine Cable System	3.73%	24,925	6.46%	3,924	0%	-	8.04%	3,924
95	Niger Towers S.A. ##	-	Niger	Infrastructure sharing services	0%	(0)	0.06%	36	0%	-	0.07%	36
96	Partnership Investment Sprl	100	Democratic Republic of Congo	Investment Company	0%	-	0%	-	0%	-	0%	-
97	Société Malgache de Téléphone Cellulaire S.A.	100	Mauritius	Investment Company	0.02%	152	0%	(2)	0%	-	0%	(2)
98	Tanzania Towers Limited	60	Tanzania	Infrastructure sharing services	0%	(30)	0.04%	24	0%	-	0.05%	24
99	Tchad Towers S.A.	100	Chad	Infrastructure sharing services	-0.01%	(83)	0.07%	43	0%	-	0.09%	43
100	Towers Support Nigeria Limited #	79.06	Nigeria	Infrastructure sharing services	0%	(1)	0.05%	32	0%	-	0.07%	32
101	Uganda Towers Limited (Sold on June 1, 2015)	-	Uganda	Infrastructure sharing services	0%	(0)	-0.46%	(282)	0%	-	-0.58%	(282)
102	Warid Telecom Uganda Limited (in process of amalgamation with Airtel Uganda Limited)	100	Uganda	Telecommunication services	0%	-	0%	-	0%	-	0%	-
103	Zambian Towers Limited (Sold on August 31, 2015)	-	Zambia	Infrastructure sharing services	0%	(0)	-4.36%	(2,647)	0%	-	-5.43%	(2,647)
104	Zap Trust Company Nigeria Limited #	100	Nigeria	Mobile commerce services	0%	-	0%	-	0%	-	0%	-
	Minority Interests in all subsidiaries				-8.23%	(54,981)	-13.43%	(8,163)	-3.10%	371	-15.97%	(7,792)
	Associates (Investment as per the equity method)											
	- Foreign											
1	Tanzania Telecommunications Company Ltd (TTCL)	35	Tanzania	Telecommunication services	0%	-	0%	-	0%	-	0%	-
2	Seychelles Cable Systems Company Limited	26	Seychelles	Submarine cable system	0%	-	0%	-	0%	-	0%	-
	Joint Ventures (Investment as per the equity method)											
	- Indian											
1	Indus Towers Limited	30.14	India	Passive infrastructure services	8.41%	56,180	18.22%	11,069	0%	-	22.69%	11,069
2	FireFly Networks Limited	50	India	Telecommunication services	0%	(2)	0%	0	0%	-	0%	0
3	Forum 1 Aviation Limited (Investment sold on January 7, 2016)	-	India	Aircraft chartering services	0%	-	0.02%	12	0%	-	0.02%	12
	- Foreign											
4	Bridge Mobile Pte Limited	25.91	Singapore	Provision of regional mobile services	0.01%	43	0.02%	10	0%	-	0.02%	10
	Inter Company Elimination / adjustments on consolidation					(1,257,320)		(8,018)		(12,322)		(20,340)
	Total				**100%**	**667,693**	**100%**	**60,767**	**100%**	**(11,977)**	**100%**	**48,790**

\# Under liquidation

\## Dissolved during the year ended March 31, 2016.

* Bharti Infratel Limited, in which the Group has 71.76%, owns 42% of Indus Towers Limited.

^ The Group also holds 100% preference shareholding in these companies which does not carry any voting rights.

41 Reconciliation from previous GAAP

The following reconciliations provide a quantification of the effect of differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101 whereas the notes explain the significant differences thereto.

I. Balance sheet reconciliations as of April 1, 2015.

II a. Balance sheet reconciliations as of March 31, 2016.

II b. Reconciliations of statement of profit and loss for the year ended March 31, 2016

III. Notes to the balance sheet and statement of profit and loss reconciliations

IV. Explanation of material adjustments to statement of cash flows

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(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

I. Balance sheet reconciliation as of April 1, 2015

	Notes	Regrouped I GAAP	Ind AS Adjustments	Ind AS
Assets				
Non-current assets				
Property, plant and equipment	1 / 3 / 4	666,630	(122,694)	543,936
Capital work-in-progress	3	49,958	(1,256)	48,702
Goodwill	1	247,770	167,053	414,823
Other intangible assets	1	304,503	37,215	341,718
Intangible assets under development	1	124,598	(6,111)	118,487
Investment in joint ventures and associates	3	-	51,936	51,936
Financial assets				
- Investments	5	27,433	3,877	31,310
- Derivative instruments	6	-	7,303	7,303
- Security deposits	3 / 7	11,319	(1,790)	9,529
- Others	3	15,500	(7,469)	8,031
Deferred tax assets (net)	13	43,611	15,891	59,502
Other non-current assets	3 / 7	75,662	22	75,684
		1,566,984	**143,977**	**1,710,961**
Current assets				
Inventories		1,339	-	1,339
Financial assets				
- Investments	5	80,088	3,929	84,017
- Derivative instruments	6	718	489	1,207
- Trade receivables	3	54,494	(2,533)	51,961
- Cash and cash equivalents	3	12,011	(290)	11,721
- Bank deposits	3	8,838	(15)	8,823
- Others	3	26,949	(1,778)	25,171
Current tax assets	3	8,385	(2,664)	5,721
Other current assets	3	33,893	(1,697)	32,196
Assets-held-for-sale	2	28,168	4,450	32,618
		254,883	**(109)**	**254,774**
Total Assets		**1,821,867**	**143,868**	**1,965,735**
Equity and Liabilities				
Equity				
Share capital		19,987	-	19,987
Other Equity		377,783	232,820	610,603
Equity attributable to owners of the Parent		**397,770**	**232,820**	**630,590**
Non-controlling interests	14	68,906	(17,293)	51,613
		466,676	**215,527**	**682,203**
Non-current liabilities				
Financial liabilities				
- Borrowings	3	607,220	(15,645)	591,575
- Derivative instruments		164	-	164
- Others	3	17,123	(2,586)	14,537
Deferred revenue	3 / 7	18,079	(162)	17,917
Provisions	3 / 4	17,178	(9,530)	7,648
Deferred tax liabilities (net)	3 / 13	25,568	(12,491)	13,077
Other non-current liabilities	7	836	630	1,466
		686,168	**(39,784)**	**646,384**
Current liabilities				
Financial liabilities				
- Borrowings	3	88,148	(1,468)	86,680
- Current maturities of long-term borrowings	3	134,057	(8,691)	125,366
- Derivative instruments		628	-	628
- Trade Payables	3	221,408	(5,512)	215,896
- Others	3	130,126	(2,820)	127,306
Deferred revenue	3 / 7	49,914	160	50,074
Provisions		2,066	-	2,066
Current tax liabilities (net)		9,271	-	9,271
Other current liabilities	3 / 8	27,251	(11,353)	15,898
Liabilities-held-for-sale	4	6,154	(2,191)	3,963
		669,023	**(31,875)**	**637,148**
Total Liabilities		**1,355,191**	**(71,659)**	**1,283,532**
Total Equity and Liabilities		**1,821,867**	**143,868**	**1,965,735**

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

II a. Balance sheet reconciliation as of March 31, 2016

	Notes	Regrouped I GAAP	Ind AS Adjustments	Ind AS
Assets				
Non-current assets				
Property, plant and equipment	1 / 3 / 4	724,675	(114,167)	610,508
Capital work-in-progress	3	48,521	(1,217)	47,304
Goodwill	1	231,371	197,010	428,381
Other intangible assets	1	656,417	27,622	684,039
Intangible assets under development		9,716	-	9,716
Investment in joint ventures and associates	3	-	60,990	60,990
Financial assets				
- Investments	5	24,324	4,298	28,622
- Derivative instruments	6	69	13,930	13,999
- Security deposits	3 / 7	12,550	(2,109)	10,441
- Others	3	23,540	(6,038)	17,502
Deferred tax assets (net)	13	63,932	(17,194)	46,738
Other non-current assets	3 / 7	70,518	(78)	70,440
		1,865,633	**163,047**	**2,028,680**
Current assets				
Inventories		1,692	-	1,692
Financial assets				
- Investments	3 / 5	14,853	1,306	16,159
- Derivative instruments	6	1,008	3,757	4,765
- Trade receivables	3	56,495	(1,456)	55,039
- Cash and cash equivalents	3	37,492	(405)	37,087
- Bank deposits	3	13,916	(16)	13,900
- Others	3	35,430	(2,919)	32,511
Current tax assets	3	14,076	(2,506)	11,570
Other current assets	3	54,468	(5,641)	48,827
Assets-held-for-sale	2	5,097	1,905	7,002
		234,527	**(5,975)**	**228,552**
Total Assets		**2,100,160**	**157,072**	**2,257,232**
Equity and liabilities				
Equity				
Share capital		19,987	-	19,987
Other Equity		402,989	244,717	647,706
Equity attributable to owners of the Parent		**422,976**	**244,717**	**667,693**
Non-controlling interests	14	74,465	(19,484)	54,981
		497,441	**225,233**	**722,674**
Non-current liabilities				
Financial liabilities				
- Borrowings	3 / 10	893,820	(1,134)	892,686
- Derivative instruments		8	-	8
- Others	3	18,796	(2,712)	16,084
Deferred revenue	7	17,755	32	17,787
Provisions	3 / 4	18,470	(11,120)	7,350
Deferred tax liabilities (net)	3 / 13	46,028	(33,516)	12,512
Other non-current liabilities	7	836	691	1,527
		995,713	**(47,759)**	**947,954**
Current liabilities				
Financial liabilities				
- Borrowings		57,238	-	57,238
- Current maturities of long-term borrowings	3	60,902	(6,300)	54,602
- Derivative instruments		1,931	-	1,931
- Trade Payables	3	259,828	(4,022)	255,806
- Others	3	134,760	(3,580)	131,180
Deferred revenue		51,336	-	51,336
Provisions	3	2,383	(51)	2,332
Current tax liabilities (net)		9,296	-	9,296
Other current liabilities	3 / 8	28,166	(6,322)	21,844
Liabilities-held-for-sale	4	1,166	(127)	1,039
		607,006	**(20,402)**	**586,604**
Total Liabilities		**1,602,719**	**(68,161)**	**1,534,558**
Total Equity and Liabilities		**2,100,160**	**157,072**	**2,257,232**

(All amounts are in millions of Indian Rupees -'Rs.' ; unless stated otherwise)

II b. Reconciliation of Statement of profit and loss for the year ended March 31, 2016

	Notes	Regrouped I GAAP	Ind AS Adjustments	Ind AS
Income				
Revenue from operations	3	1,009,373	(44,052)	965,321
Other income	3	903	(32)	871
		1,010,276	**(44,084)**	**966,192**
Expenses				
Network operating expenses	3	213,719	(12,152)	201,567
Access charges		109,423	-	109,423
License fee / spectrum charges (revenue share)		94,928	-	94,928
Employee benefits	3 / 12	51,003	(1,895)	49,108
Sales and marketing expenses	3	82,491	(81)	82,410
Other expenses	3 / 7	88,308	(265)	88,043
		639,872	**(14,393)**	**625,479**
Profit from operating activities before depreciation, amortisation and exceptional items		**370,404**	**(29,691)**	**340,713**
Share of results of joint ventures and associates	3	-	(10,666)	(10,666)
Depreciation and amortisation	1 / 2 / 3 / 4 / 7	213,674	(39,176)	174,498
Finance costs	3 / 4 / 6 / 7 / 9 / 10	87,021	(1,560)	85,461
Finance income	3 / 5 / 6 / 7	(8,756)	(7,570)	(16,326)
Non-operating expense		1,024	-	1,024
Profit before exceptional items and tax		**77,441**	**29,281**	**106,722**
Exceptional items	2 / 6 / 9	(29,236)	7,495	(21,741)
Profit before tax		**106,677**	**21,786**	**128,463**
Tax expense				
Current tax	3	50,908	(6,218)	44,690
Deferred tax	3 / 13	1,464	13,379	14,843
Profit for the year		**54,305**	**14,625**	**68,930**
Other comprehensive income ('OCI')				
Items to be reclassified subsequently to profit or loss :				
Net losses due to foreign currency translation differences	11	-	(4,920)	(4,920)
Losses on net investments hedge	9 / 11	-	(7,108)	(7,108)
Losses on cash flow hedge	9 / 11	-	(724)	(724)
Gains on fair value through OCI investments	11	-	9	9
Income tax credit	11	-	503	503
		-	**(12,240)**	**(12,240)**
Items not to be reclassified to profit or loss :				
Re-measurement losses on defined benefit plans	12	-	(129)	(129)
Share of joint ventures and associates	12	-	(4)	(4)
Income tax credit	12	-	25	25
		-	**(108)**	**(108)**
Other comprehensive loss for the year		-	**(12,348)**	**(12,348)**
Total comprehensive gain for the year		**54,305**	**2,277**	**56,582**
Profit for the year attributable to :		**54,305**	**14,625**	**68,930**
Owners of the Parent		44,566	16,201	60,767
Non-controlling interests	14	9,739	(1,576)	8,163
Other comprehensive loss for the year attributable to :		-	**(12,348)**	**(12,348)**
Owners of the Parent		-	(11,977)	(11,977)
Non-controlling interests		-	(371)	(371)
Total comprehensive gain for the year attributable to :		**54,305**	**2,277**	**56,582**
Owners of the Parent		44,566	4,224	48,790
Non-controlling interests	14	9,739	(1,947)	7,792

III. Notes to the balance sheet and statement of profit and loss reconciliations

As the presentation requirements under IGAAP differ from Ind AS, the IGAAP information has been regrouped for ease and facilitation of reconciliation with Ind AS.

1. **Business combinations**

Under previous GAAP, assets and liabilities acquired in a business combination are recognised at the acquiree's carrying value. Under Ind AS, as the Group has opted to apply Ind AS 103 'Business Combination' retrospectively, it has restated all business combinations since inception of the Company. Accordingly, assets and liabilities acquired in a business combination are recognised at fair value on the date of acquisition. As Goodwill represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets and liabilities of the entity, the corresponding impact has been recognised in Goodwill. Further, under previous GAAP, goodwill was amortised on a straight line basis over 15 years; whereas under Ind AS it is not subject to amortisation.

Any corresponding impact of the differential depreciation, amortisation and currency translation on such assets (including goodwill) and liabilities has been recognised in equity.

2. **Assets held-for-sale ('AHS')**

The Group has classified certain assets and associated liabilities as held-for-sale. Under previous GAAP, the Group had continued to charge depreciation on such PPE even after it is classified as AHS. Under Ind AS, once the PPE is classified as AHS it is not subject to depreciation charge. The consequential impact on the gain or loss on sale of AHS has been recognised accordingly.

3. **Joint venture accounting**

Under previous GAAP, joint venture entities were consolidated using the proportionate consolidation method whereby Group's share of each of the assets, liabilities, income and expenses of a joint venture entity is consolidated basis line-by-line consolidation. Under Ind AS, these entities have been accounted for using the equity method whereby the share of net assets / results of joint venture and associates are shown as a single line item. For the application of equity method, the initial investment, as at the date of transition, has been measured as the aggregate of the Ind AS carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated.

4. **Asset retirement obligations ('ARO')**

Under previous GAAP, ARO was initially measured at the expected cost to settle the obligation. Under Ind AS, the ARO is initially measured at the present value of expected cost to settle the obligation. The Group accordingly has recognized the adjustment to the cost of fixed assets and the consequent depreciation and finance cost. The corresponding impact on the date of transition has been recognised in equity.

5. **Investments**

Under previous GAAP, investments were measured at lower of cost or fair value. Under Ind AS, these financial assets are classified as FVTPL / FVTOCI and the changes in fair value are recognised in statement of profit and loss / statement of other comprehensive income. On the transition date, these financial assets have been measured at their fair value which is higher than its cost as per previous GAAP, resulting in an increase in carrying value of the investments with corresponding increase being recognised in equity.

6. **Derivatives**

Under previous GAAP, derivative contracts are measured at fair value at each balance sheet date with the changes over the previous carrying amount being recognised in the statement of profit and loss, but recognition of increase in the fair value is restricted only to the extent it represents any subsequent reversal of previously recognised losses. Under Ind AS, the entire changes the fair values of derivative contracts are recognised in statement of profit and loss in the year of change.

7. **Non-current financial assets / liabilities**

Under previous GAAP, certain non-current financial assets / liabilities which were measured at cost / best estimate of the expenditure required to settle the obligation, at the balance sheet date without considering the effect discounting whereas these are measured at the present value on the balance sheet date under Ind AS. Accordingly, the Group has recognised the adjustment to the respective carrying amount and the consequent impact on finance cost / finance income due to the unwinding of the discounting impact. The corresponding impact on the date of transition has been recognised in equity.

8. **Proposed dividend**

Under previous GAAP, dividend on equity shares recommended by the board of directors ('proposed dividend') was recognised as a liability in the financial statements in the period to which it relates. Under Ind AS, such dividend is recognized as a liability when approved by the shareholders in the general meeting. The Group accordingly, has de-recognised the proposed dividend liability with the corresponding increase being recognised in equity.

9. **Cash flow hedge ('CFH') / Net Investment Hedge ('NIH')**

Under Ind AS, the Group has designated certain borrowings / derivatives under CFH in order to hedge the foreign currency risk arising from highly probable forecast transaction / recognised financial liability. Further, the Group has designated certain borrowings under NIH in order to hedge the net investment in certain foreign subsidiaries on account of foreign currency translation differences. Any unrealised gain / loss on the hedging instruments is recognised in other comprehensive income within equity instead of statement of profit and loss and reclassified from equity to statement of profit and loss in the same period during which hedged cash flow affects the profit and loss / on disposal of the hedged net investment. Under previous GAAP, the said CFH and NIH accounting was not followed .

10. **Fair value hedge ('FVH')**

Under Ind AS, the Group has designated certain interest swaps (IS) under FVH in order to hedge the fair value gain / loss due to changes in the designated interest rate risk on certain borrowings. Any changes in the fair value of the borrowings that are attributable to the hedged risk are recognised in the statement of profit and loss. However, under previous GAAP, the change in the said hedged risk is not recognised by the Group.

11. **Statement of other comprehensive income**

Under previous GAAP, there was no concept of other comprehensive income and hence, previous GAAP profit is reconciled to total comprehensive income as per Ind-AS. Under Ind AS, certain specified items net of related tax impact are required to be presented in other comprehensive income.

12. **Re-measurement differences**

Under previous GAAP, the re-measurements of the net defined benefit liability were recognised in the statement of profit and loss. Under Ind AS, the said re-measurement differences net of the related tax impact are recognised in other comprehensive income.

13. **Deferred Taxes**

Under previous GAAP, in the financial statements, deferred taxes of the parent and its group companies were consolidated on line-by-line basis. Under Ind AS, deferred taxes are computed for temporary differences between the carrying amount in the consolidated balance sheet and its tax base. Accordingly, deferred tax on account of undistributed profits of subsidiaries, associates and joint arrangements, eliminations of unrealised profits arising on intra group transfers has been recognised in the statement of profit and loss.

Additionally, the Group also recognised the consequential deferred tax implications on account of various GAAP adjustments explained above.

14. **Non-controlling interests**

Under previous GAAP, share of non-controlling interests in the losses of any subsidiary was restricted to the carrying amount of non-controlling interests in respective subsidiary and any excess losses are allocated to the owners of the Parent. Under Ind AS, share in any such excess losses in the respective subsidiary is allocated to non-controlling interests. On transition date, the Group has allocated the share in accumulated losses in respective subsidiaries with the corresponding impact being recognised in equity.

Additionally, the Group also recognised the consequential non-controlling implications on account of various GAAP adjustments explained above.

IV. Explanation of material adjustments to Statement of Cash Flows

There were no material differences between the statements of cash flows presented under Ind AS and the previous GAAP except due to difference in accounting for joint ventures (Equity Vs. Proportionate consolidation) and the definition of cash and cash equivalents under these two GAAPs.

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DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotments of Equity Shares pursuant to this Issue shall be made by our Company, in consultation with the Managers, to Eligible QIBs only, on a discretionary basis. The names of the proposed Allottees and the percentage of post-Issue capital (assuming that the Equity Shares are Allotted to them pursuant to this Issue) that may be held by them, is set forth below:

S. No	Name of the proposed Allottees	Percentage of the post-Issue equity share capital held (%)*#
1.	EMPLOYEES PROVIDENT FUND BOARD MANAGED BY NOMURA ASSET MANAGEMENT MALAYSIA SDN BHD	0.02
2.	NOMURA FUNDS IRELAND PUBLIC LIMITED COMPANY NOMURA FUNDS IRELAND - INDIA EQUITY FUND	0.04
3.	NOMURA INDIA INVESTMENT FUND MOTHER FUND	0.21
4.	GOLDMAN SACHS FUNDS - GOLDMAN SACHS ASIA EQUITY PORTFOLIO	0.00
5.	GOLDMAN SACHS FUNDS - GOLDMAN SACHS EMERGING MARKETS EQUITY ESG PORTFOLIO	0.00
6.	THE GOLDMAN SACHS UK RETIREMENT PLAN	0.00
7.	GOLDMAN SACHS FUNDS - GOLDMAN SACHS GLOBAL ABSOLUTE RETURN PORTFOLIO	0.00
8.	GOLDMAN SACHS FUNDS - GOLDMAN SACHS EMERGING MARKETS EQUITY PORTFOLIO	0.04
9.	GOLDMAN SACHS FUNDS - GOLDMAN SACHS EMERGING MARKETS MULTI-ASSET PORTFOLIO	0.00
10.	GOLDMAN SACHS INDIA LIMITED	0.13
11.	ALLIANZ GLOBAL INVESTORS GMBH ACTING ON BEHALF OF ALLIANZGI-FONDS-GS INDIA EQUITY	0.00
12.	FRANKLIN INDIA FOCUSED EQUITY FUND	0.22
13.	FRANKLIN INDIA BLUECHIP FUND	0.16
14.	FRANKLIN BUILD INDIA FUND	0.03
15.	UNIVERSITIES SUPERANNUATION SCHEME LIMITED (USSL) AS TRUSTEE OF UNIVERSITIES SUPERANNUATION SCHEME	0.10
16.	HSBC INDIAN EQUITY MOTHER FUND	0.02
17.	HSBC GLOBAL INVESTMENT FUNDS-ASIA EX JAPAN EQUITY SMALLER COMPANIES	0.01
18.	HSBC GLOBAL INVESTMENT FUNDS - INDIAN EQUITY	0.03
19.	KOTAK FUNDS - INDIA MIDCAP FUND	0.03
20.	ALPS/KOTAK INDIA GROWTH FUND	0.01
21.	KOTAK FUNDS - INDIA GROWTH FUND	0.01
22.	KOTAK INFINITY FUND - CLASS AC	0.00
23.	KOTAK INDIA ADVANTAGE FUND - III CLASS B	0.01
24.	KB INDIA EQUITY FUND	0.00
25.	APM KOTAK INDIA MASTER FUND LP	0.00
26.	CASTLE HOOK MASTER FUND LIMITED	0.09
27.	L AND T MUTUAL FUND TRUSTEE LTD - L AND T BALANCED ADVANTAGE FUND	0.01
28.	L AND T MUTUAL FUND TRUSTEE LTD - L AND T TAX ADVANTAGE FUND	0.04
29.	L AND T MUTUAL FUND TRUSTEE LTD - L AND T EQUITY FUND	0.03
30.	L AND T MUTUAL FUND TRUSTEE LIMITED - L AND T HYBRID EQUITY FUND	0.10
31.	L AND T MUTUAL FUND TRUSTEE LTD - L AND T INDIA LARGE CAP FUND	0.01
32.	L AND T MUTUAL FUND TRUSTEE LTD - L AND T INDIA VALUE FUND	0.06
33.	ABU DHABI INVESTMENT AUTHORITY - MERLION	0.06
34.	INDIA ACORN FUND LTD	0.00
35.	CAISSE DE DEPOT ET PLACEMENT DU QUEBEC - WHITE OAK CAPITAL PARTNERS PTE LTD	0.00
36.	ABU DHABI INVESTMENT AUTHORITY - WAY	0.01

S. No	Name of the proposed Allottees	Percentage of the post-Issue equity share capital held (%)*#
37.	WHITE OAK INDIA EQUITY FUND	0.00
38.	WHITE OAK INDIA EQUITY FUND II	0.00
39.	ASHOKA INDIA OPPORTUNITIES FUND	0.00
40.	ASHOKA INDIA EQUITY INVESTMENT TRUST PLC	0.00
41.	ABS DIRECT EQUITY FUND LLC - INDIA SERIES 1	0.00
42.	HDFC TRUSTEE COMPANY LIMITED - HDFC TAX SAVER FUND	0.05
43.	KOTAK BLUECHIP FUND	0.01
44.	KOTAK BALANCED ADVANTAGE FUND	0.01
45.	KOTAK EQUITY SAVINGs FUND	0.01
46.	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD	0.13
47.	AVENDUS ABSOLUTE RETURN FUND	0.02
48.	AURIGIN MASTER FUND LIMITED	0.01
49.	NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LTD SCHEME - E - TIER - I	0.04
50.	NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LTD SCHEME - E - TIER - Ii	0.00
51.	INDIA CAPITAL FUND LIMITED	0.04
52.	CANARA HSBC ORIENTAL BANK OF COMMERCE LIFE INSURANCE CO LTD	0.08
53.	KOTAK MAHINDRA LIFE INSURANCE COMPANY LTD	0.09
54.	MAKRANA SINGAPORE FUND I PTE. LTD	0.00
55.	ROBECO CAPITAL GROWTH FUNDS	0.00
56.	KUWAIT INVESTMENT AUTHORITY FUND 227	0.05
57.	BNP PARIBAS ARBITRAGE	0.49
58.	MORGAN STANLEY ASIA (SINGAPORE) PTE.	0.09
59.	NOMURA SINGAPORE LIMITED	0.01
60.	PRINICPAL TRUSTEE CO. PVT. LTD - PRINCIPAL MUTUAL FUND - PRINICPAL EMERGING MUTUAL FUND	0.00
61.	EUROPACIFIC GROWTH FUND	0.52
62.	NATIONWIDE FUND ADVISORS	0.00
63.	AMERICAN FUNDS INSURANCE SERIES INTERNATIONAL FUND	0.06
64.	NEW WORLD FUND INC	0.13
65.	CAPITAL GROUP NEW WORLD FUND (LUX)	0.00
66.	AMERICAN FUNDS INSURANCE SERIES NEW WORLD FUND	0.02
67.	CGMPV, LLC	0.00
68.	MINISTRY OF ECONOMY AND FINANCE - CAPITAL INTERNATIONAL, INC.	0.00
69.	CAPITAL GROUP EMERGING MARKETS GROWTH FUND (LUX)	0.01
70.	CAPITAL GROUP NEW PERSPECTIVE TRUST (US)	0.00
71.	Capital Group Emerging Markets Restricted Equity Common Trust (US)	0.02
72.	Emerging Markets Equity Fund	0.05
73.	EMERGING MARKETS GROWTH FUND, INC.	0.06
74.	Capital Group New Perspective Fund (LUX)	0.01
75.	New Perspective Fund	0.21
76.	WELLINGTON MANAGEMENT FUNDS (IRELAND) PUBLIC LIMITED COMPANY - WELLINGTON EMERGING MARKETS EQUITY FUND	0.00
77.	GUIDESTONE FUNDS EMERGING MARKETS EQUITY FUND	0.00
78.	WELLINGTON TRUST COMPANY, NATIONAL ASSOCIATION MULTIPLE COLLECTIVE INVESTMENT FUND TRUST, EMERGING MARKETS PORTFOLIO	0.00
79.	WELLINGTON EMERGING MARKETS EQUITY FUND (AUSTRALIA)	0.00
80.	UNITED SUPER PTY LTD AS TRUSTEE FOR CONSTRUCTION AND BUILDING UNIONS SUPPERANNUATION FUND	0.00
81.	IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM	0.00
82.	WELLINGTON TRUST COMPANY NATIONAL	0.00

S. No	Name of the proposed Allottees	Percentage of the post-Issue equity share capital held (%)*#
	ASSOCIATION MULTIPLE COLLECTIVE INVESTMENT FUNDS TRUST II EMERGING MARKERTS EQUITY (MASTER) PORTFOLIO	
83.	TREASURER OF THE STATE OF NORTH CAROLINA EQUITY INVESTMENT FUND POOLED TRUST MANAGED BY WELLINGTON MANAGEMENT COMPANY LLP	0.00
84.	ICICI PRUDENTIAL BLUECHIP FUND	0.44
85.	ICICI PRUDENTIAL GROWTH FUND - SERIES 3	0.00
86.	ICICI PRUDENTIAL RETIREMENT FUND-HYBRID AGGRESSIVE PLAN	0.00
87.	ICICI PRUDENTIAL RETIREMENT FUND-HYBRID CONSERVATIVE PLAN	0.00
88.	ICICI PRUDENTIAL RETIREMENT FUND-PURE EQUITY PLAN	0.00
89.	ICICI PRUDENTIAL EQUITY & DEBT FUND	0.67
90.	ICICI PRUDENTIAL BHARAT CONSUMPTION FUND - SERIES 1	0.03
91.	ICICI PRUDENTIAL BHARAT CONSUMPTION FUND - SERIES 3	0.00
92.	ICICI PRUDENTIAL GROWTH FUND - SERIES 1	0.00
93.	ICICI PRUDENTIAL MULTICAP FUND	0.14
94.	ICICI PRUDENTIAL SMALLCAP FUND	0.01
95.	ICICI PRUDENTIAL LONG TERM EQUITY FUND TAX SAVINGS	0.17
96.	ICICI PRUDENTIAL MULTI-ASSET FUND	0.41
97.	ICICI PRUDENTIAL INFRASTRUCTURE FUND	0.04
98.	ICICI PRUDENTIAL VALUE FUND - SERIES 15	0.01
99.	ICICI PRUDENTIAL MNC FUND	0.02
100.	ICICI PRUDENTIAL DIVIDEND YIELD EQUITY FUND	0.00
101.	ICICI PRUDENTIAL MIDCAP FUND	0.01
102.	ICICI PRUDENTIAL GROWTH FUND - SERIES 2	0.00
103.	ICICI PRUDENTIAL VALUE FUND - SERIES 20	0.01
104.	ICICI PRUDENTIAL VALUE DISCOVERY FUND	0.32
105.	ICICI PRUDENTIAL EQUITY SAVINGS FUND	0.03
106.	ICICI PRUDENTIAL LARGE & MID CAP FUND	0.07
107.	ICICI PRUDENTIAL VALUE FUND - SERIES 12	0.02
108.	ICICI PRUDENTIAL VALUE FUND - SERIES 16	0.02
109.	ICICI PRUDENTIAL VALUE FUND - SERIES 17	0.00
110.	ICICI PRUDENTIAL VALUE FUND - SERIES 18	0.00
111.	ICICI PRUDENTIAL BHARAT CONSUMPTION FUND	0.02
112.	ICICI PRUDENTIAL BHARAT CONSUMPTION FUND - SERIES 4	0.01
113.	ICICI PRUDENTIAL BALANCED ADVANTAGE FUND	0.29
114.	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS LONG TERM EQUITY FUND	0.15
115.	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS FOCUSED 25 FUND	0.08
116.	AXIS EQUITY ADVANTAGE FUND - SERIES 1	0.01
117.	AXIS EQUITY ADVANTAGE FUND - SERIES 2	0.00
118.	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS BLUECHIP FUND	0.09
119.	AXIS MULTICAP FUND	0.05
120.	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C Axis Capital Builder Fund - Series 4 (1582 Days)	0.00
121.	AXIS DYNAMIC EQUITY FUND	0.01
122.	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS EQUITY SAVER FUND	0.00
123.	SOCIETE GENERALE	0.47
124.	ITI LONG-SHORT EQUITY FUND	0.00
125.	EASTSPRING INVESTMENTS INDIA EQUITY OPEN LIMITED	0.07
126.	DRAGON PEACOCK INVESTMENTS LIMITED	0.02

S. No	Name of the proposed Allottees	Percentage of the post-Issue equity share capital held (%)*#
127.	EASTSPRING INVESTMENTS - DRAGON PEACOCK FUND	0.01
128.	EASTSPRING INVESTMENTS - INDIA EQUITY FUND	0.01
129.	KUWAIT INVESTMENT AUTHORITY FUND 225	0.07
130.	EASTSPRING INVESTMENTS INDIA INFRASTRUCTURE EQUITY OPEN LIMITED	0.04
131.	AMAZON MARKET NEUTRAL FUND	0.02
132.	TASMAN MARKET NEUTRAL FUND	0.03
133.	TOWER VIEW LIMITED	0.00
134.	TYBOURNE EQUITY MASTER FUND	0.05
135.	TYBOURNE LONG OPPORTUNITIES MASTER FUND	0.05
136.	ATLAS SINGAPORE MASTER FUND PTE LTD	0.03
137.	TRAFALGAR TRADING FUND INC	0.03
138.	TOKIO MARINE ASIA EX JAPAN EQUITY SELECT FUND A SUB FUND OF TOKIO MARINE FUNDS PLC.	0.00
139.	CITIGROUP GLOBAL MARKETS MAURITIUS PRIVATE LIMITED	0.20
140.	KUWAIT INVESTMENT AUTHORITY FUND 238	0.00
141.	RAMS EQUITIES PORTFOLIO FUND-INDIA EQUITIES PORTFOLIO FUND	0.02
142.	DWS INDIA EQUITY FUND	0.00
143.	DEUTSCHE ASSET MANAGEMENT S.A FOR DWS INDIA	0.01
144.	INTEGRATED CORE STRATEGIES (ASIA) PTE.LTD.	0.08
145.	PEOPLES BANK OF CHINA	0.42
146.	AMBER OAK INVESTMENT LTD	0.12
147.	BOSTON PARTNERS EMERGING MARKETS LONG/SHORT FUND	0.00
148.	JNL MULTI MANAGER ALTERNATIVE FUND	0.00
149.	BOSTON PARTNERS EMERGING MARKETS FUND	0.00
150.	BOSTON PARTNERS LONG/SHORT RESEARCH FUND	0.01
151.	MULTI-MANAGER DIRECTIONAL ALTERNATIVE STRATEGIES FUND	0.00
152.	BEST INVESTMENT CORPORATION MANAGED BY BLACKROCK ASSET MANAGEMENT NORTH ASIA LIMITED	0.07
153.	TOKIO MARINE LIFE INSURANCE SINGAPORE LTD - PAR BLACKROCK	0.01
154.	UNISUPER LIMITED AS TRUSTEE OF UNISUPER	0.04
155.	RUSSELL INVESTMENT COMPANY PLC - RUSSELL INVESTMENTS ASIA PACIFIC EX JAPAN FUND-BLACKROCK ASSET MANAGEMENT NORTH ASIA LIMITED	0.00
156.	MGTS AFH DA ASIA EX JAPAN EQUITY FUND	0.01
157.	BLACKROCK ASIA FUND	0.01
158.	BLACKROCK ASIAN DRAGON FUND INC	0.01
159.	LANSFORSAKRINGAR ASIENFOND	0.01
160.	BLACKROCK GLOBAL FUNDS ASIAN DRAGON FUND	0.16
161.	RUSSELL INVESTMENT COMPANY II PLC-RUSSELL INVESTMENTS EMERGING MARKETS EXTENDED OPPORTUNITIES FUND-BLACKROCK ASSET MANAGEMENT NORTH	0.00
162.	BLACKROCK GLOBAL FUNDS GLOBAL MULTI ASSET INCOME FUND	0.01
163.	BLACKROCK DYNAMIC HIGH INCOME PORTFOLIO OF BLACKROCK FUNDS II	0.00
164.	BLACKROCK MULTI ASSET INCOME PORTFOLIO OF BLACKROCK FUNDS II	0.02
165.	BLACKROCK GLOBAL FUNDS - DYNAMIC HIGH INCOME FUND	0.01
166.	BLACKROCK GLOBAL FUNDS EMERGING MARKETS EQUITY INCOME FUND	0.02
167.	BLACKROCK INDIA EQUITIES FUND (MAURITIUS) LIMITED	0.06
168.	BLACKROCK GLOBAL FUNDS ASIA PACIFIC EQUITY	0.01

S. No	Name of the proposed Allottees	Percentage of the post-Issue equity share capital held (%)*#
	INCOME FUND	
169.	THE MASTER TRUST BANK OF JAPAN LTD AS TRUSTEE OF BLACKROCK INDIA EQUITY FUND	0.02
170.	PGGM WORLD EQUITY II B.V.	0.02
171.	NATIONAL PENSION SERVICE MANAGED BY BLACKROCK INSTITUTIONAL TRUST COMPANY NA	0.02
172.	PUBLIC SECTOR PENSION INVESTMENT BOARD BLACKROCK INSTITUTIONAL TRUST COMPANY N.A	0.02
173.	KEY SQUARE MASTER FUND LP	0.06
174.	KEY SQUARE MASTER FUND II LP	0.02
175.	KUWAIT INVESTMENT AUTHORITY FUND NO 208	0.04
176.	THE SULTANATE OF OMAN MINISTRY OF DEFENCE PENSION FUND	0.00
177.	BLUE SKY ACTIVE EQUITY EMERGING MARKETS GLOBAL FUND	0.00
178.	MORGAN STANLEY OFFSHORE EMERGING MARKETS FUND	0.00
179.	EMERGING MARKETS TRUST	0.02
180.	EQ ADVISORS TRUST-EQ/GLOBAL EQUITY MANAGED VOLATILITY PORTFOLIO	0.00
181.	MORGAN STANLEY INVESTMENT FUNDS INDIAN EQUITY FUND	0.00
182.	MORGAN STANLEY INVESTMENT FUNDS ASIAN EQUITY FUND	0.00
183.	MORGAN STANLEY INDIA INVESTMENT FUND INC	0.01
184.	MORGAN STANLEY INSTITUTIONAL FUND INC EMERGING MARKETS PORTFOLIO	0.01
185.	JTSB LTD AS TRUSTEE FOR THE STBCL AS TRUSTEE FOR MORGAN STANLEY INDIA EQUITY FUND	0.00
186.	PENN SERIES EMERGING MARKETS EQUITY FUND	0.00
187.	TD EMERGING MARKETS FUND	0.00
188.	MORGAN STANLEY VARIABLE INSURANCE FUND INC EMERGING MARKETS EQUITY PORTFOLIO	0.00
189.	MORGAN STANLEY INVESTMENT FUNDS EMERGING MARKETS EQUITY FUND	0.01
190.	ADVANCED SERIES TRUST - AST FIDELITY INSTITUTIONAL AMSM QUANTITATIVE PORTFOLIO	0.00
191.	DANSKE INVEST SICAV-GLOBAL EMERGING MARKETS	0.00
192.	FIDELITY INSTITUTIONAL FUNDS ICVC SELECT EMERGING MARKETS EQUITIES FUND	0.00
193.	PYRAMIS SELECT EMERGING MARKETS EQUITY TRUST	0.00
194.	FIDELITY RUTLAND SQUARE TRUST II: STRATEGIC ADVISERS EMERGING MARKETS FUND AS MANAGED BY FIAM LLC	0.01
195.	FIAM GROUP TRUST FOR EMPLOYEE BENEFIT PLANS FIAM SELECT EMERGING MARKETS EQUITY COMMINGLED POOL	0.01
196.	FIDELITY RUTLAND SQUARE TRUST II STRATEGIC ADVISERS FIDELITY EMERGING MARKETS FUND AS MANAGED BY FIAM LLC	0.01
197.	FIAM SELECT EMERGING MARKETS EQUITY FUND LP	0.00
198.	DSP INDIA ENHANCED EQUITY SATCORE FUND- NON LONG TERM	0.02
199.	GOVERNMENT PENSION FUND GLOBAL	0.51
200.	DSP INDIA ENHANCED EQUITY FUND	0.02
201.	DSP INDIA FUND	0.04
202.	SBI SELECT EQUITIES FUND	0.00
203.	SBI ACTIVE SELECT FUND	0.00
204.	AMUNDI FUNDS SBI FM EQUITY INDIA	0.32
205.	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	0.97
206.	ADITY BIRLA SUN LIFE INSURANCE COMPANY LIMITED	0.08
207.	RELIANCE NIPPON LIFE INSURANCE COMPANY LIMITED	0.04
208.	PGIM INDIA TRUSTEES PRIVATE LIMITED A/C PGIM INDIA	0.00

S. No	Name of the proposed Allottees	Percentage of the post-Issue equity share capital held (%)*#
	LARGE CAP FUND	
209.	DSP TOP 100 EQUITY FUND	0.03
210.	DSP INDIA TIGER FUND	0.02
211.	DSP TAX SAVER FUND	0.14
212.	DSP EQUITY OPPORTUNITIES FUND	0.11
213.	SBI BLUE CHIP FUND	0.12
214.	SBI FOCUSED EQUITY FUND	0.20
215.	SBI MAGNUM TAXGAIN SCHEME	0.12
216.	SBI MAGNUM MULTICAP FUND	0.10
217.	SBI INFRASTRUCTURE FUND	0.02
218.	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C NIPPON INDIA EQUITY HYBRID FUND	0.04
219.	RELIANCE CAPITAL TRUSTEE CO. LTDA/C NIPPON INDIA RETIREMENT FUND-WEALTH CREATION SCHEME	0.02
220.	RELIANCE CAPITAL TRUSTEE CO. LTDA/C NIPPON INDIA GROWTH FUND	0.02
221.	RELIANCE CAPITAL TRUSTEE CO. LTDA/C NIPPON INDIA MULTI CAP FUND	0.09
222.	RELIANCE CAPITAL TRUSTEE CO. LTDA/C NIPPON INDIA VALUE FUND	0.02
223.	RELIANCE CAPITAL TRUSTEE CO. LTDA/C NIPPON INDIA BALANCED ADVANTAGE FUND	0.02
224.	RELIANCE CAPITAL TRUSTEE CO. LTDA/C NIPPON INDIA CAPITAL BUILDER FUND IV- SERIES A	0.00
225.	IDFC EQUITY OPPORTUNITIES FUND - SERIES 6	0.00
226.	IDFC TAX ADVANTAGE ELSS FUND	0.01
227.	IDFC EQUITY OPPORTUNITIES FUND - SERIES 5	0.00
228.	IDFC FOCUSED EQUITY FUND	0.02
229.	UTI - VALUE OPPORTUNITIES FUND	0.06
230.	UTI - INDIA CONSUMER FUND	0.01
231.	UTI - LONG TERM EQUITY FUND (TAX SAVING)	0.01
232.	UTI - CCF - SAVING PLAN	0.01
233.	UTI - CCF INVESTMENT PLAN	0.00
234.	UTI - CORE EQUITY FUND	0.01
235.	UTI - MASTER EQUITY PLAN UNIT SCHEME	0.02
236.	UTI - INFRASTRUCTURE FUND	0.03
237.	UTI - LONG TERM ADVANTAGE FUND SERIES III	0.00
238.	UTI - LONG TERM ADVANTAGE FUND SERIES IV	0.00
239.	UTI - LONG TERM ADVANTAGE FUND SERIES V	0.00
240.	UTI - FOCUSSED EQUITY FUND - SERIES I (2195 DAYS)	0.00
241.	UTI - FOCUSSED EQUITY FUND - SERIES IV (1104 DAYS)	0.00
242.	UTI - FOCUSSED EQUITY FUND - SERIES V (1102 DAYS)	0.00
243.	UTI - FOCUSSED EQUITY FUND - SERIES VI (1150 DAYS)	0.00
244.	JAPAN TRUSTEE SERVICES BANK LTD. SMTB ASEAN PLUS EQUITY MOTHER FUND	0.00
245.	INDIA INFRA EQUITY FUND	0.00
246.	NIKKO ASSET MANAGEMENT MAURITIUS LTD	0.00
247.	JAPAN TRUSTEE SERVICES BANK LTD SMTB EURASIA EQUITY MOTHER FUND	0.01
248.	SUNDARAM MUTUAL FUND / SUNDARAM LARGE & MIDCAP	0.01
249.	SUNDARAM MUTUAL FUND	0.01
250.	AIA INTERNATIONAL LIMITED RELATIVE ASIA EQUITY PORTFOLIO	0.01
251.	AIA INTERNATIONAL LIMITEDHONG KONG BRANCH RELATIVE ASIA EQUITY LEF	0.00
252.	AIA INTERNATIONAL LIMITEDHONG KONG BRANCH RELATIVE ASIA EQUITY MEF	0.00
253.	AIA INTERNATIONAL LIMITEDHONG KONG BRANCH RELATIVE ASIA EQUITY XP	0.01
254.	KUWAIT INVESTMENT AUTHORITY FUND 223	0.04
255.	ABSL UMBRELLA UCITS FUND PLC INDIA FRONTLINE EQUITY FUND	0.01

S. No	Name of the proposed Allottees	Percentage of the post-Issue equity share capital held (%)*#
256.	PIONEER INVESTMENT FUND	0.12
257.	FIDELITY COMMON CONTRACTUAL FUND II/FIDELITY ASIA PACIFIC EXJAPAN EQUITY FUND	0.00
258.	FIDELITY INVESTMENT FUNDS ICVC FIDELITY EMERGING ASIA FUND	0.01
259.	FIDELITY FUNDS ASIAN SPECIAL SITUATIONS FUND	0.17
260.	FIDELITY FUNDSASIAN EQUITY POOL	0.05
261.	FIDELITY FUNDS EMERGING ASIA POOL	0.05
262.	FIDELITY FUNDS INDIA FOCUS FUND	0.21
263.	FIDELITY FUNDS ASIA FOCUS FUND	0.12
264.	THE MASTER TR BK OF JPN LIMITED AS TRSTEE OF FIDELITY ASIA E	0.00
265.	FIDELITY INDIA FUND	0.02
266.	KAPITALFORENINGEN INSTITUTIONEL INVESTOR, ASIATISKE EMERGING MARKET AKTIER	0.02
267.	FIDELITY ACTIVE STRATEGY ASIA FUND	0.03
268.	FIDELITY INVESTMENT FUNDS - FIDELITY ASIA FUND	0.11
269.	FIDELITY KOREA-INDIA EQUITY INVESTMENT TRUST-MOTHER	0.01
270.	OP EMERGING ASIA FUND NON UCITS	0.00
271.	SENTOSA DEVELOPMENT CORPORATION	0.00
272.	MAX LIFE INSURANCE COMPANY LIMITED	0.01
273.	MAX LIFE INSURANCE COMPANY LIMITED	0.03
274.	MAX LIFE INSURANCE COMPANY LIMITED	0.00
275.	MAX LIFE INSURANCE COMPANY LIMITED	0.00
276.	MAX LIFE INSURANCE COMPANY LIMITED	0.00
277.	MAX LIFE INSURANCE COMPANY LIMITED	0.00
278.	MAX LIFE INSURANCE COMPANY LIMITED	0.00
279.	MAX LIFE INSURANCE COMPANY LIMITED	0.05
280.	SAMSUNG INDIA SECURITIES MASTER INVESTMENT TRUST EQUITY	0.02
281.	QUANTUM M LIMITED	0.02
282.	MIRAE ASSET EMERGING BLUECHIP FUND	0.00
283.	MIRAE ASSET GREAT CONSUMER FUND	0.01
284.	MIRAE ASSET HYBRID - EQUITY FUND	0.00
285.	MIRAE ASSET MUTUAL FUND AC MIRAE ASSET TAX SAVER FUND	0.00
286.	MIRAE ASSET EQUITY SAVINGS FUND	0.00
287.	MIRAE ASSET MIDCAP FUND	0.01
288.	MIRAE ASSET INDIA SECTOR LEADER EQUITY FUND	0.02
289.	HDFC LIFE INSURANCE COMPANY LIMITED	0.26
290.	EDELWEISS TRUSTEESHIP CO LTD Edelweiss Balance Advantage Fund	0.01
291.	JPMORGAN INDIA FUND	0.02
292.	J P MORGAN FUNDS	0.02
293.	JPMORGAN INDIAN INVESTMENT TRUST PLC	0.02
294.	UBS PRINCIPAL CAPITAL ASIA LTD	0.05
295.	AR CAPITAL PTE LTD (AGT)	0.05
296.	COPTHALL MAURITIUS INVESTMENT LIMITED	0.11
297.	ARANDA INVESTMENTS PTE LTD	0.12
298.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Front Line Equity Fund	0.27
299.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Focused Equity Fund	0.07
300.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Hybrid '95 Fund	0.06
301.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Fund	0.20
302.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Advantage Fund	0.03
303.	Birla Sun Life Trustee Company Private Limited A/C India Excel (Offshore) Fund	0.02

S. No	Name of the proposed Allottees	Percentage of the post-Issue equity share capital held (%)*#
304.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pure Value Fund	0.02
305.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life India Gennext Fund	0.02
306.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Digital India Fund	0.02
307.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Resurgent India Fund - Series 3	0.00
308.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Resurgent India Fund - Series 4	0.00
309.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Resurgent India Fund - Series 5	0.00
310.	SBI LIFE INSURANCE COMPANY LTD	0.49
311.	SCHRODER INTERNATIONAL SELECTION FUND INDIAN EQUITY	0.01
312.	SCHRODER INTERNATIONAL SELECTION FUND INDIAN OPPORTUNITIES	0.01
313.	SCHRODER GLOBAL EMERGING MARKETS FUND	0.01
314.	SCHRODER PACIFIC EMERGING MARKETS FUND	0.01
315.	SCHRODER EMERGING MARKETS FUND	0.00
316.	SCHRODER EMERGING MARKETS FUND CANADA	0.00
317.	HARTFORD SCHRODERS EMERGING MARKETS EQUITY FUND	0.03
318.	SCHRODER INSTITUTIONAL DEVELOPING MARKETS FUND	0.00
319.	SCHRODER INTERNATIONAL SELECTION FUND EMERGING MARKETS	0.03
320.	SCHRODER INTERNATIONAL SELECTION FUND BRIC [BRAZIL, RUSSIA, INDIA, CHINA]	0.01
321.	ONTARIO PENSION BOARD	0.01
322.	PUBLIC SECTOR PENSION INVESTMENT BOARD-SCHRODERS INVESTMENT MANAGEMENT LIMITED	0.01
323.	SCHRODER GLOBAL EMERGING MARKETS FUND	0.00
324.	PRIME SERIES SCHRODERS EM EQUITY FUND	0.00
325.	STICHTING PENSIOENFONDS MEDISCH SPECIALISTEN	0.00
326.	ROBUSTA EMERGING MARKETS EQUITY FUND	0.00
327.	SUN LIFE SCHRODER EMERGING MARKETS FUND	0.00
328.	THE MASTER TRUST BANK OF JAPAN LTD. AS TRUSTEE OF HONDA PENSION FUND MUTB400037408	0.00
329.	THE MTBJ LTD AS TRUSTEE OF SCHRODER GLOBAL EMERGING EQUITY W	0.00
330.	THE MTBJ LIMITED AS TRUSTEE OF SCHRODER BRICS EQUITY MOTHER	0.00
331.	TELSTRA SUPER PTY LTD AS TRUSTEE FOR TELSTRA SUPERANNUATION SCHEME	0.00
332.	TCORPIM EMERGING MARKET SHARE FUND	0.00
333.	CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM - SCHRODER INVESTMENT MANAGEMENT NORTH AMERICA, INC.	0.01
334.	SCHRODER INTERNATIONAL SELECTION FUND ASIA PACIFIC EX-JAPAN EQUITY	0.00
335.	ACTIVE EMERGING MARKETS EQUITY FUND	0.01
336.	FIDELITY RUTLAND SQUARE TRUST II STRATEGIC ADVISERS EMERGING MARKETS FUND AS MANAGED BY SCHRODER INVESTMENT MANAGEMENT NORTH AMERICA IN	0.00
337.	SCHRODER INDIA EQUITY FUND	0.00
338.	RBC FUNDS (LUX)	0.00
339.	RBC ASIA PACIFIC EX-JAPAN EQUITY FUND	0.15
340.	TOSCA FOCUS	0.01
341.	ZABA PAN ASIA MASTER FUND	0.00
342.	Edelweiss TOKIO LIFE INSURANCE COMPANY LIMITED EQUITY BLUE CHIP FUND(SFIN	0.00

S. No	Name of the proposed Allottees	Percentage of the post-Issue equity share capital held (%)*#
	ULIF01226/1/18ETLBLUCHIP147)	
343.	Edelweiss Tokio Life Insurance Co Ltd - Equity Large Cap Fund	0.00
344.	Edelweiss Tokio Life Insurance Co Ltd - Equity Top 250 Fund	0.00
345.	Edelweiss Tokio Life Insurance Co Ltd - Managed Fund	0.00
346.	Edelweiss Tokio Life Insurance Co Ltd - Price Earning Based Fund	0.00
347.	Edelweiss Tokio Life Insurance Co Ltd - Pension Growth Fund - SFIN ULI00831/03/15ETL1PNSGRT147	0.00
348.	Edelweiss Tokio Life Insurance Co Ltd - Life Par Fund	0.00
349.	Edelweiss Tokio Life Insurance Co Ltd - Shareholders Fund - For Solvency margin	0.00
350.	JAPAN TRUSTEE SERVICES BANK LTD.	0.00
351.	GENUS EMERGING MARKET EQUITY COMPONENT	0.00
352.	THE NOMURA TRUST AND BANKING CO LTD RE NOMURA EMERGING MARKETS CONSUMER STOCK FUND	0.00
353.	THE MTBJ LTD. AS TRUSTEE OF HONDA PENSION FUND MUTB400038099	0.00
354.	HALLIBURTON COMPANY EMPLOYEE BENEFIT MASTER TRUSTWELLS CAPITAL MANAGEMENT	0.00
355.	GOVERNMENT PENSION FUND	0.00
356.	OPTIMIX WHOLESALE GLOBAL EMERGING MARKETS SHARE TRUST	0.00
357.	TRUST ANDCUSTODY SERVICES BANK, LTD. AS TRUSTEE FOR WELLS CAPITAL EMERGING EQUITY MOTHER FUND	0.00
358.	WELLS FARGO -LUX- WORLDWIDE FUND - EMERGING MARKETS EQUITY FUND	0.01
359.	FLORIDA RETIREMENT SYSTEM - WELLS CAPITAL MANAGEMENT INC	0.02
360.	THE MASTER TRUST BANK OF JAPAN, LTD. AS TRUSTEE FOR GOVERNMENT PENSION INVESTMENT FUND MTBJ400045836	0.02
361.	WELLS FARGO EMERGING MARKETS EQUITY CIT	0.01
362.	WELLS FARGO EMERGING MARKETS EQUITY FUND	0.07
363.	EMERGING MARKETS EQUITY FUND A SERIES OF 525 MARKET STREET FUND LLC	0.02
364.	LEGAL and GENERAL EMERGING MARKET COLLECTIVE INVESTMENT TRUST FUND	0.00
365.	GOLDMAN SACHS SINGAPORE PTE	0.12
366.	GOVERNMENT OF SINGAPORE	0.42
367.	MONETARY AUTHORITY OF SINGAPORE	0.05
368.	AB SICAV I INDIA GROWTH PORTFOLIO	0.01
369.	CREDIT SUISSE SINGAPORE LIMITED	0.03
370.	EDELWEISS ALPHA FUND SCHEME I	0.01
371.	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	0.50
372.	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	0.45
373.	VANGUARD EMERGING MARKETS STOCK INDEX FUND A SERIES OF VANGUARD INVESTMENT SERIES PLC	0.06
374.	VANGUARD FTSE ALL-WORLD EX-US INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	0.05
375.	VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST	0.01
376.	VANGUARD FUNDS PUBLIC LIMITED COMPANY - VANGUARD FTSE EMERGING MARKETS ETF	0.01
377.	VANGUARD TOTAL WORLD STOCK INDEX FUND	0.01
378.	SUNSUPER SUPERANNUATION FUND	0.01
379.	VANGUARD EMERGING MARKETS SHARES INDEX FUND	0.01
380.	ONEPATH GLOBAL EMERGING MARKETS SHARES (UNHEDGED) INDEX POOL	0.00
381.	PUB EQUITIES EMERGING MARKETS 2	0.00

S. No	Name of the proposed Allottees	Percentage of the post-Issue equity share capital held (%)*#
382.	VANGUARD FUNDS PUBLIC LIMITED COMPANY - VANGUARD FTSE ALL - WORLD ETF	0.00
383.	VANGUARD ESG INTERNATIONAL STOCK ETF	0.00
384.	VANGUARD ASIA EX JAPAN SHARES INDEX FUND	0.00
385.	VANGUARD MODERATE GROWTH FUND	0.00
386.	VANGUARD FTSE ASIA EX JAPAN INDEX ETF	0.00
387.	VANGUARD INVESTMENTS FUNDS ICVC-VANGUARD FTSE GLOBAL ALL CAP INDEX FUND	0.00
388.	VANGUARD INCOME FUND	0.00

* *Based on beneficiary position as on January 10, 2020.*

\# *The post-Issue shareholding pattern (in percentage terms) of the proposed Allottees has been disclosed on the basis of their respective DP ID and Client ID.*

Note: The details as set forth in the table above, are subject to allotment in this Issue.

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations. Our Company further certifies that all the statements in this Placement Document are true and correct.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Signed by:

____

Mr. Gopal Vittal
Designation: Managing Director & CEO (India & South Asia)

Date: January 14, 2020
Place: Gurgaon

DECLARATION

We, the Board of Directors of the Company certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Signed by:

____

Mr. Gopal Vittal
Designation: Managing Director & CEO (India & South Asia)

I am authorized by the Special Committee of Directors for Fund Raising, a committee of the Board of Directors of the Company, vide resolution dated January 8, 2020 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoter subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed: ___________________

Mr. Gopal Vittal
Designation: Managing Director & CEO (India & South Asia)

Date: January 14, 2020
Place: Gurgaon

REGISTERED AND CORPORATE OFFICE OF THE COMPANY
Bharti Airtel Limited Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110 070, India Website: www.airtel.in; CIN: L74899DL1995PLC070609

COMPLIANCE OFFICER FOR THE ISSUE	CHIEF FINANCIAL OFFICER
Mr. Rohit Krishan Puri Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110 070, India Tel: +91 11 4666 6100; E-mail: compliance.officer@bharti.in	Mr. Badal Bagri Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110 070, India Tel: +91 11 4666 6100; E-mail: CFO.India@airtel.com

GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS		
Axis Capital Limited 1st Floor, Axis House, C-2, Wadia International Centre Pandurang Budhkar Marg, Worli Mumbai 400 025 Maharashtra, India	**Citigroup Global Markets India Private Limited** 1202, 12th Floor First International Financial Center G-Block Bandra Kurla Complex, Bandra (East) Mumbai 400 098 Maharashtra, India	**J.P. Morgan India Private Limited** J.P. Morgan Towers Off CST Road, Kalina, Santacruz East Mumbai 400 098 Maharashtra, India

BOOK RUNNING LEAD MANAGERS				
BNP Paribas BNP Paribas House 1 North Avenue, Maker Maxity Bandra-Kurla Complex, Bandra (East) Mumbai 400 051 Maharashtra, India	**DSP Merrill Lynch Limited** Ground Floor, A Wing One BKC, G Block Bandra Kurla Complex Bandra (East) Mumbai 400 051 Maharashtra, India	**Goldman Sachs (India) Securities Private Limited** Rational House, 951/A Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India	**HDFC Bank Limited** Investment Banking Group, Unit No. 401 & 402, 4th Floor, Tower B, Peninsula Business Park, Lower Parel, Mumbai 400 013 Maharashtra, India	**HSBC Securities and Capital Markets (India) Private Limited** 52/60, Mahatma Gandhi Road, Fort, Mumbai 400 001 Maharashtra, India

LEGAL COUNSEL TO THE COMPANY AS TO INDIAN LAW	LEGAL COUNSEL TO THE MANAGERS AS TO INDIAN LAW
AZB & Partners AZB House Plot No. A8, Sector 4 Noida 201 301 India Tel: +91 120 417 9999	**Shardul Amarchand Mangaldas & Co** Amarchand Towers 216, Okhla Industrial Estate Phase III New Delhi 110 020 India Telephone: +91 11 4159 0700

LEGAL COUNSEL TO THE COMPANY AS TO INTERNATIONAL LAW	LEGAL COUNSEL TO THE MANAGERS AS TO INTERNATIONAL LAW
Linklaters Singapore Pte. Ltd. One George Street, #17-01 Singapore 049145	**Latham & Watkins LLP** 9 Raffles Place #42-02 Republic Plaza Singapore 048619 Tel: +65 6536 1161 Fax: +65 6536 1171

STATUTORY AUDITORS
Deloitte Haskins & Sells LLP, Chartered Accountants 10th Floor, Building 10, Tower B, DLF Cyber City, Phase- II, Gurugram – 122 002, Haryana, India

APPLICATION FORM

SHARE APPLICATION FORM

Bharti Airtel Limited	**APPLICATION FORM** **Name of the Bidder** ____________________ **Form. No.**______
Bharti Airtel Limited (the "**Issuer**" or the "**Company**") was originally incorporated as 'Bharti Tele-Ventures Limited' on July 7, 1995 at New Delhi, as a public limited company under the Companies Act, 1956 and a certificate of incorporation was granted to our Company by Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi ("**RoC**"). Our Company received the certificate of commencement of business from the RoC on January 18, 1996. Subsequently, the name of our Company was changed to 'Bharti Airtel Limited' pursuant to which a fresh certificate of incorporation was granted on April 24, 2006 by the RoC) **Registered and Corporate Office:** Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi 110 070, India **CIN**: L74899DL1995PLC070609; **Website**:www.airtel.in; **Tel**: +91 11 4666 6100; **Email**: compliance.officer@bharti.in	**Date:** ______

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 5 EACH (THE "EQUITY SHARES") FOR CASH, AT A PRICE OF ₹[●] PER EQUITY SHARE (THE "ISSUE PRICE"), INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE, AGGREGATING UP TO ₹[●] MILLION IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") BY THE COMPANY.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) restricted from participating in the Issue under SEBI ICDR Regulations and other applicable laws; are eligible to submit this Application Form. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("Securities Act"), or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, (a) the Equity Shares are being offered and sold in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act ("Rule 144A") and referred to in the Preliminary Placement Document as a "U.S. QIB") in transactions exempt from the registration requirements of the Securities Act, and (b) the Equity Shares are being offered and sold outside the United States only to investors who are not "U.S. persons" as defined in Regulation S of the Securities Act ("Regulation S") in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Transfer Restrictions*" in the accompanying the preliminary placement document dated January 8, 2020 (the "PPD").

ELIGIBLE NON-RESIDENT QIBS CAN PARTICIPATE IN THE ISSUE IN COMPLIANCE WITH FEMA REGULATIONS. ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER THE RESPECTIVE SCHEDULES OF FEMA REGULATIONS, IN THIS ISSUE, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY. FVCIs, NON-RESIDENT MULTILATERAL AND BILATERAL DEVELOPMENT FINANCIAL INSTITUTIONS AND ANY OTHER NON-RESIDENT INVESTORS (OTHER THAN ELIGIBLE FPI THROUGH SCHEDULE 2 OF THE FEMA REGULATIONS) ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,
The Board of Directors
Bharti Airtel Limited
Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi 110 070, India

Dear Sirs,

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds
NIF	National Investment Fund	**FPI**	Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Fund
SI-NBFC	Systemically Important Non-Banking Financial Companies	**OTH**	Others ____________ (Please specify)

**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended*

On the basis of the serially numbered PPD and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, on the terms and price indicated below. We confirm that we are an eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under SEBI ICDR Regulations and other applicable laws and that we are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoter of the Company, directly or indirectly. Further, we confirm that we do not have any right in the Company under a shareholders' agreement or voting agreement entered into with promoter or members of the promoter group of the Company, veto rights or right to appoint any nominee director on the Board of Directors of the Company. We confirm that the bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid does not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**SEBI Takeover Regulations**"). We further understand and agree that (i) our names, address, contact details, PAN and bank account details will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document pursuant to the requirements under Form PAS-4 of the PAS Rules; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the RoC as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the 'same group' (as defined under the SEBI ICDR Regulations), are Allotted more than 5% of the Equity Shares in the Issue, the Company will disclose our name, along with the name of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the website of the National Stock Exchange of India Limited and BSE Limited (together referred to as the "**Stock Exchanges**"), and we consent to such disclosure.

We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the price and amount to be Allotted under each such scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Applicant and the Applicant has all the necessary approvals. We note that the Board of Directors of the Company, or any duly authorized committee thereof, is entitled, in consultation with Axis Capital Limited, Citigroup Global Markets India Private Limited, J.P. Morgan India Private Limited (collectively, the "**Global Co-ordinators and Book Running Lead Managers**" or "**GCBRLMs**"), and BNP Paribas, DSP Merrill Lynch Limited, Goldman Sachs (India) Securities Private Limited, HDFC Bank Limited and HSBC Securities and Capital Markets (India) Private Limited (collectively, the "**Book Running Lead Managers**" or "**BRLMs**", and together with GCBRLMs, the "**Managers**"), in their absolute discretion, to accept or reject this Application Form without assigning any reason thereof. We hereby accept the Equity Shares that may be Allocated to us pursuant to the Confirmation of Allocation Note ("CAN") and request you to credit the same to our beneficiary account as per the details given below, subject to receipt of Application Form and Application Amount towards the Equity Shares that may be allocated to us. By submitting this Application Form we acknowledge, represent and agree that in accordance with the Articles of Association of the Company, any person or group of persons who holds less than 5% of the total issued share capital of the Company, can subscribe to such number of Equity Shares which would not take their total equity shareholding in the Company to a level of 5% or more of the post-Issue issued and paid-up share capital of the Company. In the event any application made by any QIB exceeds such limits, such QIB would be required to submit a copy of the approval obtained from the RBI with such application. Such approval from the RBI should clearly mention the name(s) of the persons who propose to apply in this Issue and the aggregate shareholding of such QIB (individually or together with a group) in the pre-Issue paid-up share capital of the Company, if any. In case of failure by such QIB to submit the RBI approval, the Company may at its sole discretion keep on hold the Allotment to such QIB applicant until necessary approvals are received from such applicant or it may decide to Allot such number of Equity Shares, that will limit the resultant aggregate shareholding of the applicant to less than 5% of the post-Issue paid-up equity share capital of the Company. However, such limit shall not be applicable to any person or group of persons who holds 5% or more of the total issued share capital of the Company. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form only through electronic mode, along with this duly completed Application Form within the Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the Managers; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, the bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount has been paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in requirements, as may be applicable to us.

By signing and submitting this Application Form, we hereby confirm and agree (i) that the representations, warranties and acknowledgments as provided in the "Notice to Investors", "Representations by Investors", "Issue Procedure", "Selling Restrictions" and "Transfer Restrictions" sections of the PPD (ii) and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the Managers, each of which are entitled to rely on and are relying on these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section titled '*Risk Factors*' therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the Managers or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the CAN and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are granted by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company in consultation with the Managers and the submission of this Application Form and the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Managers; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Eligible QIBs that 'belong to the same group' as us, shall not exceed 50% of the Issue. For the purposes of this representation: The expression Eligible QIBs 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations i.e. entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, amongst the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

We acknowledge that the Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. By signing this Application Form and checking the applicable box above, we hereby represent that we are either (i) a U.S. QIB purchasing the Equity Shares in transactions meeting the requirements of Rule 144A or another exemption from the registration requirements of the Securities Act, or (ii) not "U.S. persons" as defined in Regulation S located outside the United States and purchasing the Equity Shares in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. We confirm that we have read the representations, warranties and agreements contained in the sections entitled "Selling Restrictions" and "Transfer Restrictions" of the PPD.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares.

BIDDER DETAILS (In Block Letters)	
NAME OF APPLICANT*	
REGISTERED ADDRESS	
NATIONALITY	
CITY AND CODE	
COUNTRY	

PHONE NO.		**FAX NO.**	
EMAIL			
FOR FPIs**	SEBI FPI REGISTRATION NO. ____________________		
FOR AIFs***	SEBI AIF REGISTRATION NO. ____________________		
FOR VCFs	SEBI VCF REGISTRATION NO. ____________________		
FOR SI-NBFC	RBI REGISTRATION DETAILS____________________		
FOR FVCI	SEBI REGISTRATION DETAILS ____________________		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS. ____________________		

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the Managers.*

*** In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*

****** Allotments made to Alternative Investment Funds in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. Alternative Investment Funds should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.***

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under PAS-4 of the PAS Rules. For such information, the Managers will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

DEPOSITORY ACCOUNT DETAILS		
Depository Name	National Securities Depository Limited	Central Depository Services (India) Limited
Depository Participant Name		
DP – ID	I N	
Beneficiary Account Number		(16-digit beneficiary A/c. No. to be mentioned above)

The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank details as mentioned below, from which the Application Amount has been remitted for the Equity Shares applied for in the Issue will be considered.

PAYMENT DETAILS REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER
By 1:00 p.m. (IST), [Day and Date]

BANK ACCOUNT DETAILS FOR PAYMENT OF APPLICATION AMOUNT THROUGH ELECTRONIC FUND TRANSFER			
Name of the Account	BHARTI AIRTEL LIMITED – QIP SHARE ESCROW ACCOUNT	**Account Type**	Escrow Account
Name of Bank	Axis Bank Limited	**Address of the Branch of the Bank**	Axis Bank Limited, Upper Ground Floor, Sector C, Pocket 9, Pawa Residential Business Park, Vasant Kunj, Delhi - 110070
Account No.	920020001359412	**IFSC**	*UTIB0000119*
Phone No.	011 49322999		

Kindly make your payment only by way of electronic fund transfers, towards the Escrow Account**.** Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bidding Period i.e. within the Issue Closing Date. All payments must be made in favor of "Bharti Airtel Limited – QIP Share Escrow Account". The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

NO. OF EQUITY SHARES BID FOR		PRICE PER EQUITY SHARE (RUPEES)	
(In Figures)	(In Words)	(In Figures)	(In Words)

DETAILS OF CONTACT PERSON	
Name:	

Address:			
Tel. No:		Fax No:	
Email:	____		

OTHER DETAILS	
PAN*	
Signature of Authorized Signatory	

ENCLOSURES ATTACHED
☐ Copy of the PAN Card or PAN Allotment Letter
☐ FIRC
☐ Copy of the SEBI registration certificate as a Mutual Fund
☐ Copy of the SEBI registration certificate as an Eligible FPI
☐ Copy of the SEBI registration certificate as an AIF
☐ Copy of the SEBI registration certificate as a VCF
☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank
☐ Copy of notification as a public financial institution
☐ Copy of the IRDAI registration certificate
☐ Copy of RBI approval, if required
☐ Certified true copy of power of attorney
☐ Others, please specify________________

**Please note that the Applicant should not submit the GIR number or any other identification number instead of the PAN as the application is liable to be rejected on this ground.*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD and Placement Document.

Note 2: The Application Form is liable to be rejected if any information provided is incomplete or inadequate.

The Application Form, the PPD sent to you and the Placement Document which will be sent to you, either in physical form or in electronic form or both, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.