July 22, 2017

The BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400001
Email ID: corp.relations@bseindia.com

The National Stock Exchange of India Limited
Exchange Plaza, Bandra kurla Complex,
Bandra (E), Mumbai 400 051
Email ID: cmlist@nse.co.in

Ref: Bharti Infratel Limited (534816 / INFRATEL)

Sub: 11th Annual General Meeting ('AGM') and voting results.

Dear Sir/Madam,

The 11th Annual General Meeting ('AGM') of the Company was held today i.e July 22, 2017 and the business(es) mentioned in the Notice dated May 8, 2017 were transacted.

In this regard, Please find enclosed the following-

1. Summary of proceedings of AGM as required under Regulation 30, Part-A of Schedule -III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations as Annexure – I.

2. Voting results as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations as Annexure – II.

3. Report of Scrutinizer dated July 22, 2017 pursuant to Section 108 of the Companies Act, 2013 and Rule 20(4) (xii) of the Companies (Management and Administration) Rules, 2014.

4. Annual Report for the financial year 2016-17 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Bharti Infratel Limited

Shweta Girotra
Company Secretary

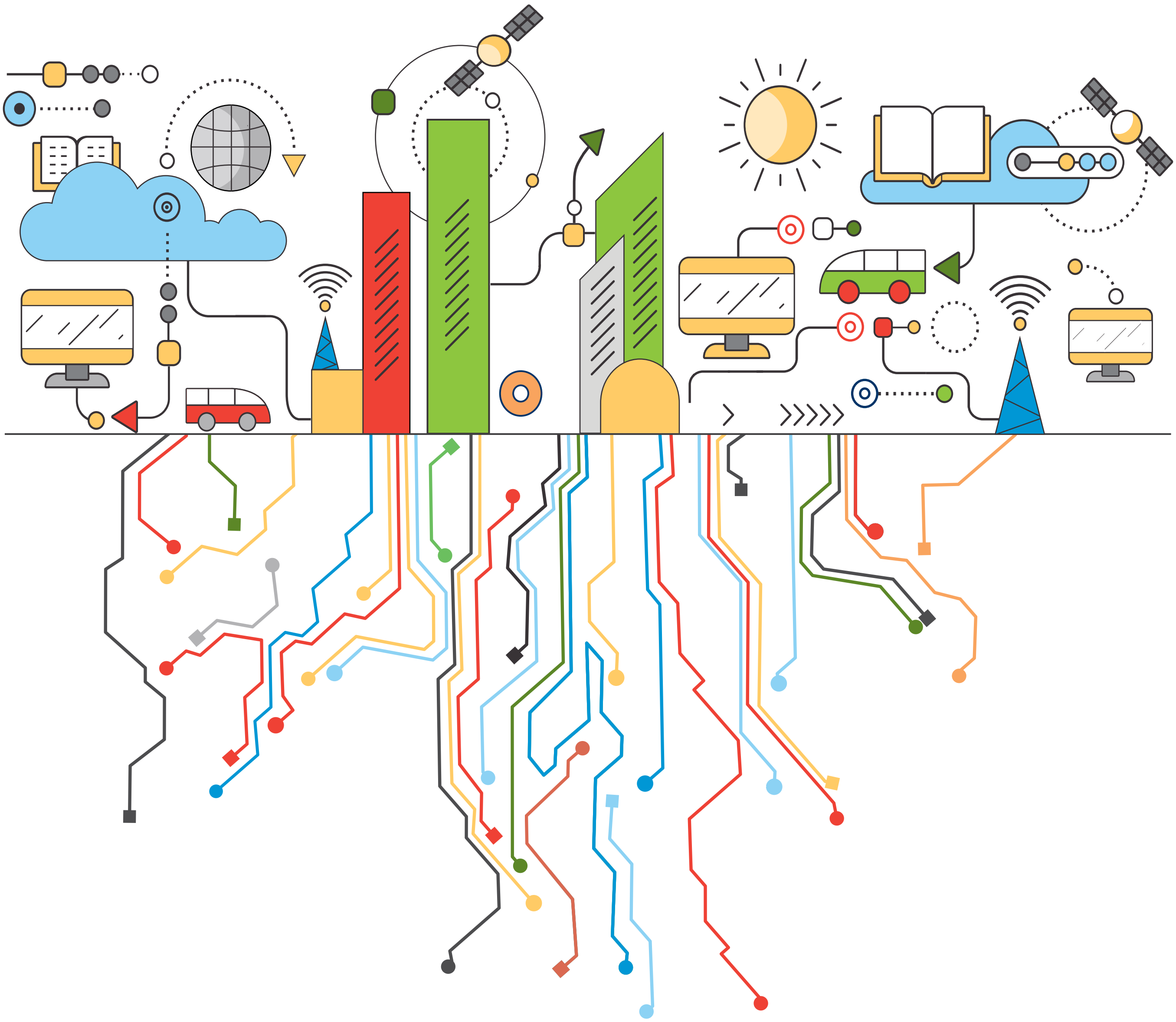
BHARTI INFRATEL LIMITED
NEW DELHI

Bharti Infratel Limited
CIN L64201DL2006PLC156038
901, Park Centra, Sector 30
NH-8,Gurgaon, Haryana - 122001
Phone: +91 124 4132600 Fax: +91 124 4109580
Email: compliance.officer@bharti-infratel.in
www.bharti-infratel.com

Registered Office:
Bharti Crescent
1, Nelson Mandela Road, Vasant Kunj
Phase II, New Delhi, India – 110070
Phone: +91 11 46666100
Fax: +91 11 41666137

2016-17
Annual Report

Strengthening the roots of Digital India



Building and Sharing Vital Infrastructure

What's Inside

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIAL STATEMENTS

Forward Looking Statement

Some information in this report may contain forward-looking statements. We have based these forward looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words.

A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances. You should also keep in mind that any forward-looking statement made by us in this report or elsewhere speaks only as of the date on which we made it. New risks and uncertainties come up from time to time, and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, update or revise the forward-looking statements in this report after the date hereof. In light of these risks and uncertainties, any forward-looking statement made in this report or elsewhere may or may not occur and has to be understood and read along with this supplemental disclosure.

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

Corporate Information

Board of Directors

Akhil Gupta
Chairman

Bharat Sumant Raut

D S Rawat
Managing Director & CEO

Jitender Balakrishnan

Leena Srivastava

N Kumar

Rajan Bharti Mittal

R P Singh

Sanjay Nayar

Tao Yih Arthur Lang

Company Secretary and Compliance Officer

Shweta Girotra

Statutory Auditors

S.R. Batliboi & Associates LLP
Chartered Accountants

Internal Auditors

KPMG
Price Waterhouse & Co. LLP

Secretarial Auditor

Chandrasekaran Associates
Company Secretaries

Registered Office

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

Head Office

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

Corporate Identification Number (CIN)

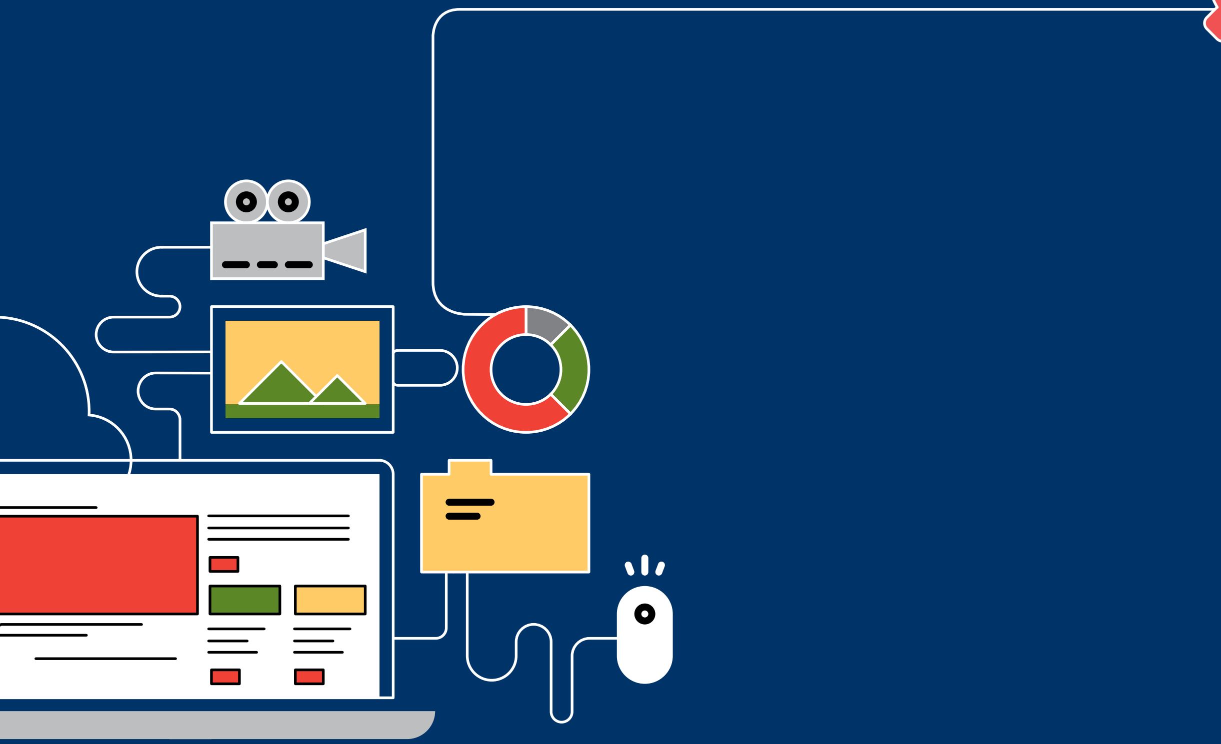
L64201DL2006PLC156038

Website

www.bharti-infratel.com

Digital India Vision

We at Bharti Infratel are equipped with our best-in-class resources and assets to help make that vision a reality for all citizens of the nation.



India's telecom landscape is seeing rapid growth and consolidation with explosion in data consumption across the societal pyramid. The key drivers for this digital revolution are growing smartphone penetration, rich media content and surge in applications, mobile business solutions and Internet of Things (IoT).

This was further augmented with the rapid rollout of 4G services by major telecom operators in the country, enabling millions of people to enjoy a more prolific digital life.

The opportunity landscape around us makes us upbeat about the future. We believe, in the coming years, the infrastructure requirement for telecom operators will increase exponentially to cater to the ever-increasing data demand across India.

Our relationship with all operators, along with execution excellence and management expertise will help us further strengthen our leadership position.

The Government of India's Smart City project will open new revenue streams for us and we are already contributing to the vision of a smarter nation.

With a strong balance sheet, reliable track record of highest tower uptime and continued focus on innovation, environmental conservation and community development, we are progressing steadily. And as we move forward, we work on strengthening the roots of Digital India.

Enabling the nation's digital aspirations

At Bharti Infratel, we are equipped to grow our business sustainably and play a critical role in enabling India's mobile communication revolution.

We are one of the largest pan-India tower infrastructure providers on a consolidated basis, based on the number of towers owned and operated by Bharti Infratel and Indus, which are represented by Infratel's 42% equity interest.

Our business is to acquire, build, own and operate towers and related infrastructure. We provide access to our towers primarily to wireless telecommunications service providers on a shared basis, under long-term contracts.

We cater to all telecom operators in India. Our three largest customers are Bharti Airtel, Vodafone India, Idea Cellular, which are the three leading wireless telecommunication service providers in India by wireless revenue. We have a nationwide presence with operations in all 22 telecommunication circles in the country, with Bharti Infratel and Indus having operations in four overlapping circles.

Our Vision

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

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

Business Strategy

Our robust business strategy revolves around three key elements:

- Operational Excellence
- People Excellence
- Service Excellence

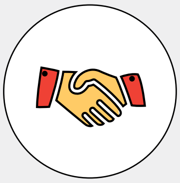
Business Strengths

- A leading telecommunications infrastructure operator in India, with large-scale, nationwide operations
- Extensive presence in all telecommunications circles with high-growth potential
- Long-term contracts with leading wireless telecommunications service providers in India, providing visibility on future revenues
- The estimated weighted average remaining life of service contracts, entered with telecommunications service providers, as on March 31, 2017, is 5.99 years (on a consolidated basis)
- Comprehensive deployment and operational experience, supported by well-developed processes, systems and IT infrastructure

DNA that Drives Us

Drive for Innovation

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



Develop People and Partnerships

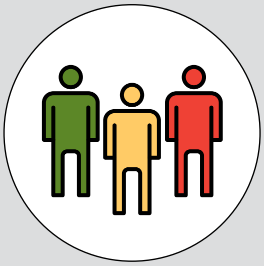
- Establish mutually rewarding internal and external relationships
- Develop self and high performance teams
- Be transparent and consistent in words and actions

Drive for Results

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

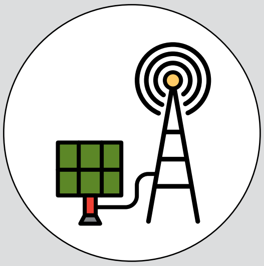
Commercial Thinking

- Proactive approach to exceed challenging goals and customer expectations

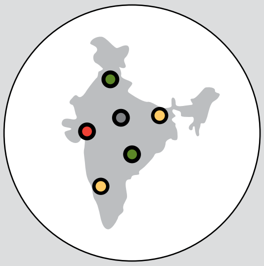


2,350+
On roll employees

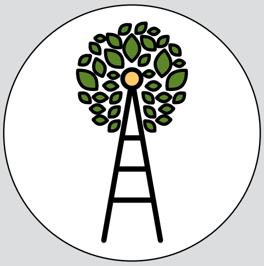
90,646
Total tower base



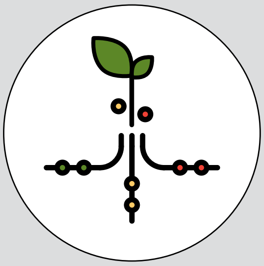
3,000+
Solar powered towers



22
Telecom circles across India

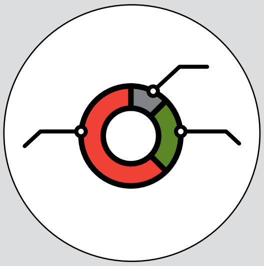


38,962
Green sites



43%
Green network

210,606
Co-locations

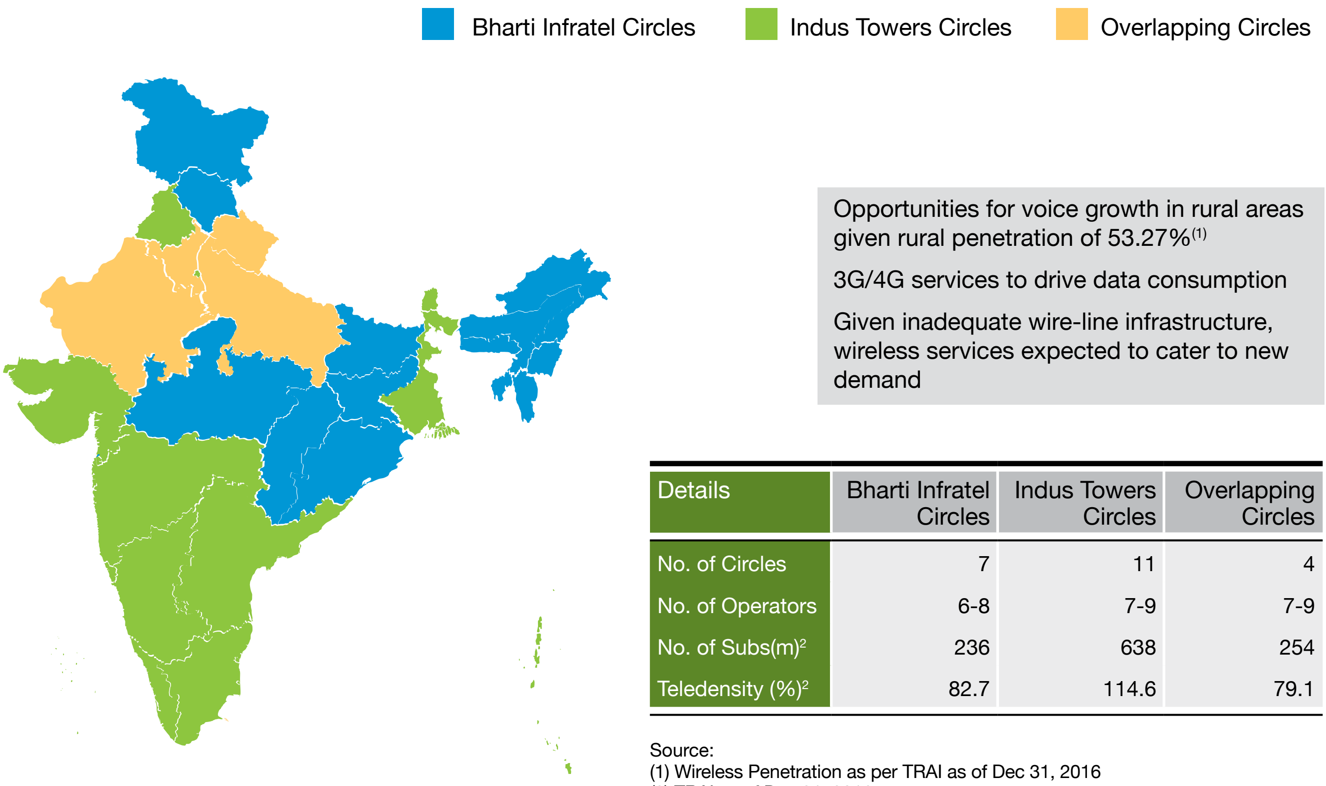


2.32
Closing sharing factor

Note: As on March 31, 2017 on a consolidated basis.

Pan-India Reach

With our presence across all 22 telecom circles, we are best positioned to offer infrastructure on sharing basis to our customers



Opportunities for voice growth in rural areas given rural penetration of 53.27%[1]

3G/4G services to drive data consumption

Given inadequate wire-line infrastructure, wireless services expected to cater to new demand

Details	Bharti Infratel Circles	Indus Towers Circles	Overlapping Circles
No. of Circles	7	11	4
No. of Operators	6-8	7-9	7-9
No. of Subs(m)[2]	236	638	254
Teledensity (%)[2]	82.7	114.6	79.1

Source:
(1) Wireless Penetration as per TRAI as of Dec 31, 2016
(2) TRAI as of Dec 31, 2016

Note:
Map not to scale. Map for representative purpose only in the computation of wireless teledensity, following assumptions have been made: [A] Since only UP state teledensity was available, it was assumed to be the same between UP(E) and UP(W); [B] Since teledensity was reported for West Bengal including Kolkata, the same teledensity was assumed for both circles; [C] Since teledensity was reported for Maharashtra including Mumbai, the same teledensity was assumed for both circles; [D] Delhi includes Ghaziabad, Noida, Gurgaon and Faridabad ; [E] Operator refers to wireless operators providing service as of December 31, 2016 ; [F] No. of SIMs refers to wireless subscribers

Our Competitive Advantages

Low Capital Investment

As new infrastructure need not be created exclusively for a particular customer and can be shared among multiple customers, the outcome is a win-win for customers as well as Infratel

Faster Time-to-Market

Towers enjoy a large geographic footprint and cover high-revenue telecom circles

Operational Efficiencies

Best practices adopted by the market leader benefit the industry as a whole

Revenue Maximisation

The savings in capital expenditure and operational expenditure due to sharing of infrastructure can be diverted to provide better, new and more innovative services that yield higher average revenue per users (ARPUs)

Performance Review[5]

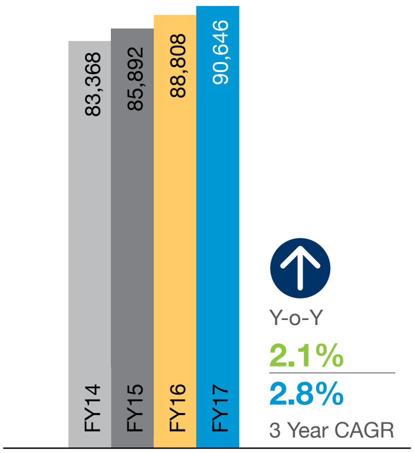
Particulars	Units	Full Year Ended[4] 2014	2015	2016	2017
Consolidated Operating Highlights					
Total Towers	Nos	83,368	85,892	88,808	90,646
Total Co-locations	Nos	167,202	182,294	195,035	210,606
Average Sharing factor	Times	1.96	2.06	2.16	2.26
Closing Sharing factor	Times	2.01	2.12	2.20	2.32
Sharing Revenue per Tower per month	₹	64,190	69,148	74,513	78,318
Sharing Revenue per Sharing Operator per month	₹	32,798	33,488	34,499	34,648
Consolidated Financials					
Revenue[1]	₹ Mn	106,199	115,646	123,313	134,237
EBITDA[1]	₹ Mn	42,106	49,215	54,478	59,420
EBIT[1]	₹ Mn	21,103	27,572	31,871	36,343
Finance Cost (Net)	₹ Mn	3,347	(3,364)	(1,848)	(4,414)
Profit before Tax	₹ Mn	22,177	36,074	35,766	42,211
Profit after Tax[3]	₹ Mn	13,332	22,027	22,474	27,470
Capex	₹ Mn	15,547	20,492	21,243	21,788
-of Which Maintenance & General Corporate Capex	₹ Mn	4,071	5,116	4,753	5,048
Operating Free Cash Flow[1]	₹ Mn	26,255	29,106	32,879	37,209
Adjusted Fund From Operations(AFFO)[1]	₹ Mn	37,730	44,482	49,369	53,949
Total Capital Employed	₹ Mn	119,245	112,320	121,848	119,738
Net Debt / (Net Cash)	₹ Mn	(56,039)	(63,981)	(60,414)	(35,127)
Shareholder's Equity	₹ Mn	175,284	176,301	182,262	154,865
Key Ratios					
EBITDA Margin[2]	%	39.6	42.6	44.2	44.3
EBIT Margin[2]	%	19.9	23.8	25.8	27.1
Net Profit Margin[2]	%	12.6	19.0	18.2	20.5
Net Debt / (Net Cash) to EBITDA (LTM)	Times	(1.33)	(1.30)	(1.11)	(0.59)
Interest Coverage ratio (LTM)	Times	8.94	13.65	18.50	22.17
Return on Capital Employed (LTM) Pre Tax	%	15.1	23.8	27.2	30.1
Return on Shareholder's Equity (LTM) Pre Tax	%	12.7	20.5	19.9	25.0
Return on Shareholder's Equity (LTM) Post tax	%	7.6	12.5	12.5	16.3
Valuation Indicators					
Market Capitalisation	₹ Bn	384	729	724	603
Enterprise Value	₹ Bn	328	665	664	568
EV / EBITDA (LTM)	Times	7.80	13.51	12.19	9.55
EPS (Diluted)	₹	6.72	11.63	11.86	14.73
PE Ratio	Times	30.25	33.10	32.22	22.13

1. Revenue, EBITDA, EBIT, Operating free cash flow and Adjusted Fund from Operations (AFFO) are excluding other income.
2. EBITDA, EBIT and Net profit margin have been computed on revenue excluding other income.
3. Profit after tax excludes impact of Other Comprehensive Income
4. Previous periods' figures have been regrouped/ rearranged wherever necessary to confirm to current period classifications
5. The Company has adopted IND AS w.e.f. April 1, 2016 with transition date being April 1, 2015 in accordance with the requirements under Section 133 of the Companies Act, 2013. Accordingly, the consolidated financial statements under IND AS include the share of Joint-Venture on the basis of Equity Method of accounting.

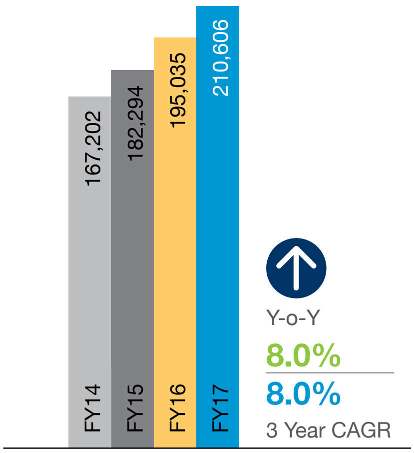
   In the past, we have been presenting our consolidated financial results based on proportionate consolidation method as required under previous GAAP. In order to ensure continuity of comparison by our investors even after introduction of IND AS, we have consistently continued to disclose the results based on the erstwhile proportionate consolidation method (Proforma consolidated financials) for presentation in our quarterly audited results to investors. The Company has disclosed the above Proforma consolidated financials for FY 2016 and FY 2017 based on segment information in the audited consolidated financial statement of IND AS (refer note 43 of notes to consolidated financial statements on page number 192 - 196) and other relevant information. For FY2014 and FY2015 proforma consolidated financials (using proportionate consolidation method) are based on agreed upon procedure report of the auditors on previous GAAP audited financial information adjusted with the impact of adjustments due to IND AS accounting policies for these years.

Key Performance Indicators[3]

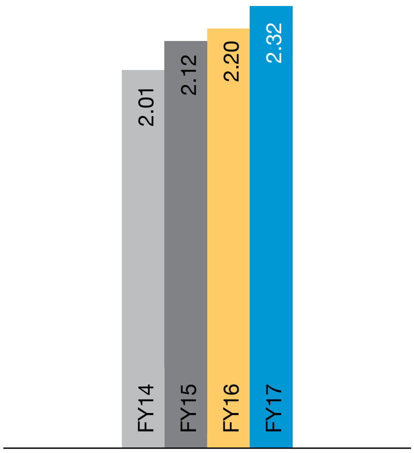
Total Towers (Nos.)



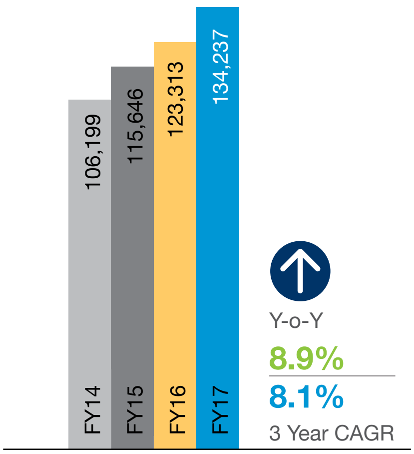
Total Co-locations (Nos.)



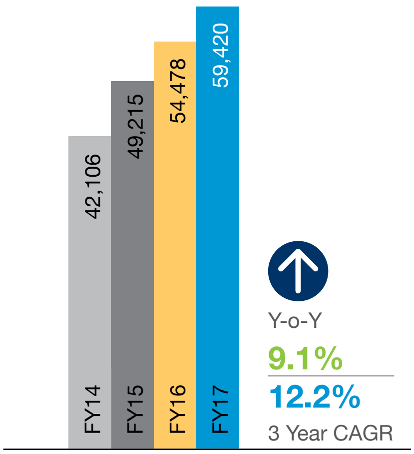
Closing Sharing Factor (Times)



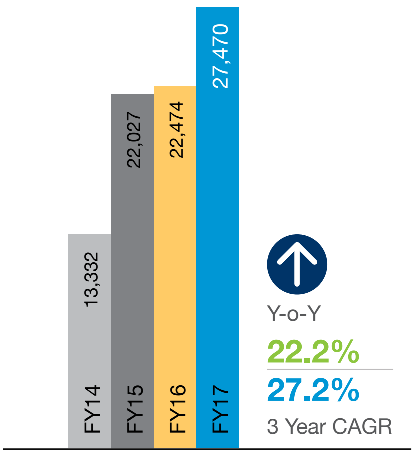
Revenue[1] (₹ Mn)



EBITDA[1] (₹ Mn)



Profit after Tax[2] (₹ Mn)



1. Revenue, EBITDA, EBIT, Operating free cash flow and Adjusted Fund from Operations (AFFO) are excluding other income.
2. Profit after tax excludes impact of Other Comprehensive Income
3. The above Key Performance Indicators are based on Proforma Consolidated Financials. Refer Note 5 of Performance Review (Page No. 8)

Message from Chairman

The Company's financial performance during the year was strong with a consolidated EBITDA of over ₹ 59,420 Mn and a net profit of ₹ 27,470 Mn, an increase of around 9% and 22% respectively over the previous year.

Dear Shareholders,

The year gone by was a transformational year for the Indian Telecom industry with continued growth in subscribers, higher adoption of data services aided by spurt in smartphone penetration and deeper coverage of data networks. During the year, the Government also successfully auctioned spectrum across multiple bands like 1800, 2100, 2300 & 2500 MHz and we also saw the launch of services by Reliance Jio that triggered the much-awaited industry consolidation. While several operators like Videocon and Telenor exited or merged into other operators; RCom, Aircel and MTS announced merger. Another major announcement was the proposed merger between Vodafone and Idea, the second and third largest operators.

As far as tower industry is concerned, such consolidation, especially Voda-Idea merger, which may still be some time away if it fructifies will inevitably lead to short term & one-time rationalisation in tenancies. However, we believe that the consolidation leading to few but strong and willing participants is good for the tower industry in medium to long term, vis-à-vis large number of small or unwilling operators with no financial muscle or passion to invest in data network rollouts. In any event, we believe any reduction in revenue on account of the overlaps will be more than offset by the exit charges, as well as the incremental revenue on account of rapid rollouts by all operators.

As anticipated, the year 2016-17 witnessed strong network rollouts as evidenced by co-location additions of over 24,000 between Infratel and Indus and of 15,571 on a proportionate basis, which was the highest in the last five years. Total consolidated co-locations as on March 31, 2017 were at 210,606, a co-location factor of 2.32 at closing. With broadband penetration still at ~ 20% and Government's push for a digital economy, the prospects of mobile broadband in the country remain strong.

The Company's financial performance during the year was strong with consolidated revenues for the year, at ₹ 134,237 Mn growing by 9% over the last year. Consolidated EBITDA improved to ₹ 59,420 Mn up 9% Y-o-Y, representing an operating margin of 44.3%. The Operating Free Cash Flow grew by 13% Y-o-Y to ₹ 37,209 Mn for the year. The consolidated profit after tax came at ₹ 27,470 Mn, up 22% Y-o-Y. The Company declared an interim dividend of ₹ 12/- per equity share in March 2017 and the Board of Directors have also proposed a final dividend of ₹ 4/- per share subject to shareholders' approval. Total cash outgo for the dividend for the full year, inclusive of tax on dividend would amount to ₹ 35,621 Mn, ~132% of the standalone PAT.

Foreign Institutional ownership touched an all-time high of 34.34% as on March 31, 2017 as compared to 8.65% at the time of IPO in December 2012. This includes 10.3% stake sold by Bharti Airtel to leading global private equity funds - KKR and CPPIB during the year.

Our focus on people development continued to yield results as we were recognised as the 'Best Employer' by AON Hewitt for the third year in a row and also recognised as 'Great Place to Work' for the first time in 2016-17.

We sustained our efforts to improve green footprint during the year and move towards more diesel free sites in the long-run. On a consolidated basis, over 38,900 towers or 43% of our portfolio are green as of March 31, 2017.

During the year, the consortium led by Bharti Infratel has signed the Concession Agreement with Bhopal Smart City Development Co. Ltd. for implementing Smart City project. We are now working towards a successful project delivery. We expect Bhopal Smart City to serve as a model for the Smart Cities initiative and expect other state governments to follow suit by way of Request for Proposal or RFPs. The project gives us a unique opportunity to experiment on several new opportunities, becoming available for infrastructure sharing like optic fiber rollout, small cells, IBS and Wi-Fi. We hope to pursue these opportunities going forward and do more Smart City projects in future. We believe that with India now decisively embracing the 'digital world', the demand for data would grow exponentially in years to come. This augurs well, despite temporary setbacks, for telecom industry & thereby telecom infrastructure industry in long term.

As an undisputed leader in Telecom & Tower Infrastructure space, and with a very strong Balance Sheet, we are very well placed to capture, what we feel is a significant untapped potential for growth in telecom infrastructure, which would require large capital.

Akhil Gupta
Chairman

Message from Managing Director & CEO

Our efforts have resulted in turning 43% of our network 'Green' and recognition of Best Employers by Aon Hewitt and Great Place to Work Institute.

Dear Shareholders,

The year 2016-17 was a year of growth and consolidation. This was one of the most eventful years for the telecom sector with major events - data growth, Reliance Jio launch, spectrum auctions, operator consolidation and IP1 consolidation.

As in the recent past, the growth continued to be driven by data. Increased smartphone penetration, rich media content, application proliferation, mobile business solutions and Internet of Things (IoT) etc. were the key drivers that led to data explosion. This was further augmented with launch of 4G services of Airtel across all 22 telecom circles and commercial entry of Reliance Jio.

These developments prompted other operators also to advance their 4G rollouts. Already, majority of the co-location additions and cabinet expansions this year have been towards 4G networks.

Spectrum auctions held last year led to major operators enhancing 3G/4G presence across all circles. Over last six years, operators have invested ~₹ 3,585k Mn in spectrum. We believe operators would need to monetize this investment by further enhancing coverage and capacity.

Operator consolidation was the key development of the year, with announcements on Vodafone-Idea merger, Reliance Communications-Aircel-MTS merger and Airtel acquisition of Aircel and Videocon spectrum along with Tikona's 4G business and Telenor India business. Thus the Industry now seems to moving towards a 4-5 operator scenario. This would be a positive change as it would result in financially stronger operators with the ability and inclination for enhanced data networks. Operators are already working towards improving their balance sheets by monetizing passive infrastructure assets, etc. Reliance Infratel announced deal with Brookfield and Airtel sold 10.3% stake in Bharti Infratel to KKR and CPPIB.

There have been exciting developments in regulatory front too – release of Right of Way (RoW) rules, clarification on scope of IP1 and consultations on IBS, public Wi-Fi and sustainable telecommunications. We are actively participating in these through TAIPA.

Apart from robust data growth, next year is expected to be about Digital India and Smart Cities initiative by Government of India. Last year, we already won Bhopal Smart City and are working towards a successful project delivery. Other smart cities are expected to consider this project as a model; opening up new revenue streams for us. We can utilize our shared infrastructure and experience in distributed operations for monetizing of the same. We have also secured licenses for NLD and ISP to facilitate such endeavors.

During the year, we added the highest number of co-locations since IPO – 15,571. As a result, we crossed 90k figure in towers and 200k figure in co-locations. Our closing sharing factor was 2.32 times for FY 2016-17.

On the operations front, our commitment to the highest uptime remains strong. We have managed this despite the environment challenges – floods during Roanu cyclones or snowfall in Himalayan peaks. Our teams have helped in restoring the infrastructure in record time and earned commendation from our customers. We have incorporated Environment Friendliness as an integral part of our Vision statement. We achieve the same every time we add a co-location to our network. As of March 31, 2017, the team has managed to turn around 43% of the sites into 'Green Sites'.

At Bharti Infratel, we believe organizational excellence cannot be achieved without people excellence. We continue to focus on people as our core strength. We are investing in them by stretching boundaries together, helping them become leaders for tomorrow and providing growth opportunities. Employees are becoming more customer-centric and collaborative in their day-to-day tasks. As a result, we were awarded 'Best Employer' by AON Hewitt third time in a row and also "Great Place to Work" for the first time.

During the year, we were also conferred with Best Infrastructure Brand of 2016 by Economic Times Best Infrastructure Brands conference and Platinum award for our Annual Report in Vision Awards 2016 USA. These awards are a testimony of strong brand value of Bharti Infratel.

We take pride in our CSR and sustainability efforts. Majority of our CSR initiatives are driven by Bharti Foundation especially in areas of education and sanitation. It gives us great pleasure to announce that the overall class X pass percentage was 97% across Satya Bharti schools. Our focus and efforts were also recognized by external entities in the form of Golden Peacock Award for Sustainability 2016.

We take this opportunity to express our appreciation to all our shareholders, customers, partners and employees for their continued enthusiasm, trust and support. We look forward to the coming years as the data momentum is expected to carry ahead. With the increasing penetration of mobile internet to rural areas, we are best positioned to capitalize on the opportunities coming our way.

Warm Regards,

DS Rawat

D S Rawat
Managing Director and
Chief Executive Officer

Board of Directors

Akhil Gupta

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

Akhil is a recipient of various awards like the 'CEO of the Year' award at the National Telecom Awards (2012), 'Asia Corporate Dealmaker' award at the Asia-Pacific M&A ATLAS Awards (2010) and the 'CA Business Achiever Award' at the ICAI Awards (2009). He was honoured for 'Outstanding Contribution to the Telecom Sector' and also inducted to the CFO India - 'Hall of Fame' in recognition of his contribution to the world of finance.

C4 C3

Bharat Sumant Raut

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

C1

D S Rawat

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

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

C3 C4 C5

Jitender Balakrishnan

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

C1

Leena Srivastava

Leena Srivastava is an Independent and Non-Executive Director of the Company. She holds a degree of Doctor of Philosophy from the Indian Institute of Science, Bangalore. She is the Vice Chancellor of TERI University at New Delhi. She has worked on various energy-related policy issues for economic growth, climate protection and the environment.

C2 C5

N Kumar

N Kumar is an Independent and Non-Executive Director of the Company and Chairman of HR, Nomination and Remuneration Committee and Corporate Social Responsibility (CSR) Committee. He is an electronics engineer and a fellow member of the Indian National Academy of Engineering. He is also a fellow life member of The Institution of Electronics and Telecommunication Engineers. He is the Vice Chairman of The Sanmar Group, Chennai and is the Honorary Consul General of Greece in Chennai. He is on the Board of various public companies and has over four decades of experience in technology, management and finance. He has served as a President at the Confederation of Indian Industry. He is also the President of the Indo-Japan Chamber of Commerce & Industry. He is the Chairman of Madhuram Narayanan Centre for Exceptional Children and Managing Trustee of The Indian Education Trust, which runs two schools.

C2 C5

Rajan Bharti Mittal

Rajan Bharti Mittal is a Non-Independent and Non-Executive Director of the Company and Chairman of Stakeholders' Relationship Committee. He is also the Vice Chairman of Bharti Enterprises - one of India's leading business groups with interests in retail, telecom, financial services, manufacturing, renewable energy, realty and agri-business. He was born in 1960 and joined Bharti Enterprises after graduating from Punjab University. He is an alumnus of Harvard Business School and is actively involved in overseeing the activities of the Group at the corporate level. With his rich experience in the marketing function, he is also involved in many of the new business ventures of the Group.

Rajan serves as a member of several industry associations and policymaking bodies. Currently, he is on the Board of Trustees of Brookings Institution, the world's oldest and most prestigious think tank and a member of the President's Council on International Activities (PCIA), Yale University. In 2013, he was the President of ICC (International Chamber of Commerce) India. He was also the President of FICCI (Federation of Indian Chambers of Commerce and Industry) during 2010 -2011 and is currently a Member of its Executive & Steering Committees. In FICCI, he was Chairman of Retail Committee in 2007, Infrastructure Committee in 2006, Telecom & IT Committee in 2004 & 2005 and Telecom Committee in 2001, 2002 and 2003. He was the President of Association of Basic Telecom Operators (now known as Association of Unified Telecom Service Providers of India - AUSPI) during 1999-2000. He has been honoured with the 'Indian Business Leader of the Year Award 2011' by Horasis, The Global Visions Community and has also been awarded the 'Leonardo International Prize 2012' by Comitato Leonardo, the Italian Quality Committee.

C3 C2 C4 C5

R P Singh

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

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

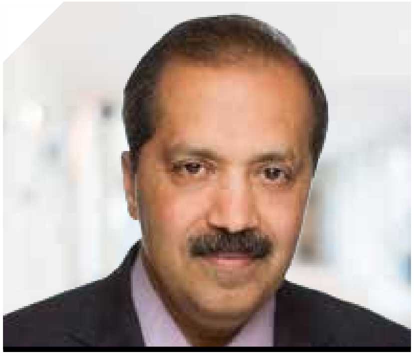
After retirement from the Indian Administrative Service, he was appointed by the Government of India as Chairman of National Highways Authority of India (NHAI). At present, he is holding the directorship with Maruti Suzuki India Limited, Lodha Developers (Pvt.) Ltd. and IRB Infrastructure Pvt. Ltd.

C1

Board Committees

Chairman | Member

C1 Audit and Risk Management Committee
C2 HR, Nomination and Remuneration Committee
C3 Stakeholders' Relationship Committee
C4 Committee of Directors
C5 Corporate Social Responsibility Committee



Sanjay Nayar

Sanjay Nayar joined KKR in 2009, and is a member and the CEO of KKR India. Sanjay is also a member of the Asia Portfolio Management Committee and the Asia Investment Committee. He is on the board of KKR's portfolio companies Magma Financial Services, Gland, Apollo Hospitals, Coffee Day Holdings, Avendus Capital and Max Financial Services. He had significant involvement with KKR's investment in Avantha. He is further involved in expanding the range of KKR's credit and capital markets offerings across the region.

Prior to joining KKR, he served as the CEO of Citigroup's India and South Asia operations. Besides, he served as a member of Citigroup's Management Committee and Asia Executive Operating Committee.

In addition, Sanjay was the Deputy Chairman of the Indian Banks Association (IBA), a member of the board of US-India Business Council (USIBC). He was also the Co-Chairman of the Banking Committee for the Federation of Indian Chambers of Commerce and Industry (FICCI) and Securities and Exchange Board of India's (SEBI's) Board of National Institute of Securities Markets (NISM) and Alternative Investment Fund (AIF). Besides, he has served on the Committee of the Reserve Bank of India tasked with building a Centre for Advanced Financial Learning (CAFL).

Currently, he is on the board of Habitat for Humanity, Pratham, Grameen Capital and ISB and is a founding member of the Brookings Foundation, India. He has served until recently as the Chairman of the Indian Private Venture Capital Association and was recently appointed to the Board of Emerging Markets Private Equity Association (EMPEA).

C1

Tao Yih Arthur Lang

Arthur Lang is the CEO International of Singapore Telecommunications Limited. He was formerly the Group CFO of CapitaLand Limited, one of Asia's largest real estate companies.

Prior to joining CapitaLand, he was at Morgan Stanley. There, he served as the Co-Head of the Southeast Asia investment banking division and the Chief Operating Officer for the Asia Pacific investment banking division.

Moreover, Arthur is a Board member of Globe Telecom, Inc. in the Philippines, the Land Transport Authority of Singapore, the National Kidney Foundation and the Straits Times Pocket Money Fund. Besides, he is a part of the Advisory Board in the Lee Kong Chian School of Business, Singapore Management University. Additionally, he has been appointed as a member of CNBC's Global CFO Council. He was also a director of Tiger Airways Holdings Limited, CapitaLand Mall Trust and CapitaLand Commercial Trust.

Arthur received the Best CFO of the Year Award for listed companies with market capitalisation of S$ 1 billion and above at the Singapore Corporate Awards 2015. He has further bagged the Best Investor Relations by a CFO award by IR Magazine in 2012. He was placed second (sell-side) and third (sell-side) for Asia's Best CFO (Property) in the Institutional Investor All-Asia Executive Team rankings in 2013 and 2015, respectively.

He holds a Master of Business Administration from the Harvard Business School and a BA in Economics (magna cum laude) from Harvard University.

C2

Model for Sustainable Business

Business Objective

Provide vital infrastructure to telecom operators, ensuring highest uptime, speed & quality of deployment, cost & energy efficiencies and environment friendliness

GROWTH STRATEGIES

- Capitalise on the rollout of new technologies and data services
- Increase revenue and capital productivity
- Achieve cost efficiencies across tower portfolio

- Roll-out of products like fiber, in-building solutions and bespoke Wi-Fi solutions
- Operators are driving faster rollout of 3G/4G sites, owing to significant traction for data services in semi-urban and rural areas

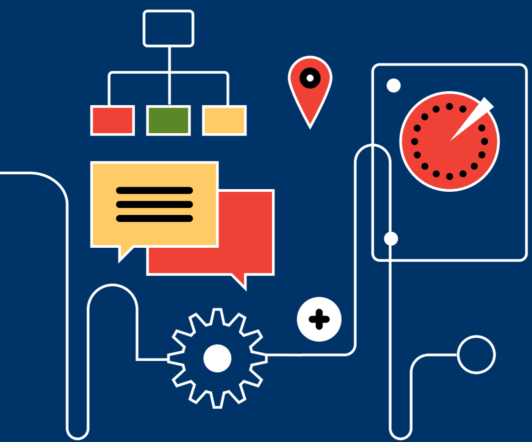
- In line with our co-location numbers increasing, we are also consistently growing our tower network
- We have long-term Master Service Agreements (MSAs) signed with telecom operators with applicable charges and annual escalation clauses

- We have been deploying alternate energy initiatives to reduce our energy cost per co-locations year on year and also help reduce our environmental impact
- We are enhancing capital efficiency with lower costs by reengineering tower design, reducing capital expenditure and improving efficiency

Our Value Drivers

- **Comprehensive Scale:** We have 42% stake in Indus Towers, enabling pan-India presence across 22 telecom circles
- **Robust Architecture:** We have state-of-the-art 'Tower Operations Centre', integrated IT systems and best-in-class processes, facilitating seamless operation
- **Enduring Relationship:** We have partnered with all telecom operators for a long-term arrangement. Moreover, leading operators are our anchor tenants
- **Environment First:** Our Company has initiated ZEN – Zero Emission Network programme, based on seven ideas aimed at minimising dependency on diesel and thereby carbon footprint reduction.

We co-create long-term value



We believe value creation is a collaborative process and involves the active participation of shareholders, customers, employees, partners, regulatory bodies, industry forums and the community. Our entire stakeholder fraternity drives our business; and we will continue to foster deep and wide-ranging relationships with each stakeholder group, as a part of our commitment to grow sustainably with a long-term vision.

01 Shareholders

02 Customers

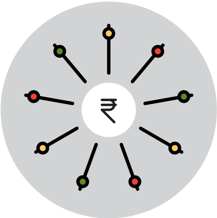
03 Partners

04 Employees

05 Compliance Institutions

06 Industry Forums/ Associations

07 Community



Shareholders

Bharti Infratel is focused on delivering return to its shareholders through a multi-pronged strategy

- Pursuit of viable value accretive inorganic growth
- Leverage diversified customer base to capitalise on data growth
- Explore opportunities to return cash to shareholders

Our responsibilities towards shareholders are:

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

Customers

The emphasis of our Sales and Marketing team is to build on its existing strong customer relationships, encouraging a regular flow of information between Bharti Infratel and its customers. While it ensures high visibility of future growth plans, it also makes them aware of Bharti Infratel's offerings and the advantages it provides.

The team takes the following steps to ensure smooth delivery of services to them:

- Master Service Agreement (MSA) is executed with all customers, laying down non-discriminatory offering of services to all.
- We follow a key account management strategy to strengthen our customer relationship by assigning a relationship manager with each of our customers.
- We have defined a governance mechanism to run structured governance processes with all customers.
- We provide pre-sales, as well as post-sales technical support to Bharti Infratel's customers, along with the necessary operational information.
- We conduct annual customers' surveys, which are used to measure our performance and further improve our deliverables.
- We ensure customer safety through various initiatives, including raising safety standards.
- We conduct six sigma projects for a wide-ranging impact on businesses by reducing diesel consumption, costs and carbon footprint towards ensuring a cleaner and greener environment.
- Infratel Enterprise Suite is Infratel's innovative online platform, where customers go through the entire process of requesting a new cell site or a cabinet expansion.

Employees

We strive to attract and retain the best talent and provide teams with learning opportunities. We encourage and motivate them through recognition and rewards and make them feel that they are an integral part of our growth and sustainability.

- We drive continuous knowledge and skill development through superior learning platforms for all teams.
- We identify high potential employees and chart accelerated growth plans through leadership training.
- We have instituted two ESOP schemes to retain, promote and motivate the best talent and to develop a sense of ownership among employees.
- We are building a diverse and inclusive culture, integral to our success.
- We leverage differences in thought, perspective, knowledge, qualification, skill, professional experience, cultural and geographical background for achieving sustainable and balanced development. It also helps us retain and ensure our competitive advantage.

Compliance Institutions

As part of listing regulations, a Business Responsibility Report (BRR) is compiled to describe the initiatives taken by the Company from environmental, social and governance perspective.

- We have registered as Infrastructure Provider Category 1 with the Department of Telecommunications, Ministry of Communications & Information Technology, Government of India.
- We are certified by British Standards Institution (BSI) on Information Security (ISO 27001) and Business Continuity (ISO 22301) Management Systems
- Our DGs comply to Mass Emission and Smoke Norms, Central Pollution Control Board (CPCB) certification and State Pollution Control Board (SPCB)
- Our IPMS is tested for EMI/RFI as per FCC Class-A. Burst test as per IEC 62.41 and environmental test as per TEC QM-333 B2
- Our battery banks have TEC certification

Industry Forums

- We are a member of several industry forums and associations, including the Confederation of Indian Industry (CII) and Tower and Infrastructure Providers Association (TAIPA).
- We also provide inputs to telecom infrastructure for an appropriate representation of the regulator/ respective local authority, whenever any consultation paper is released by TRAI (Telecom Regulatory Authority of India) and/or policy/guideline related to towers is issued by local authorities.
- We also focus on public policies that maximise the ability of individuals and companies to innovate, enhance job creation and increase telecom penetration.

Community

- We have a dedicated Board Level Committee and a full-time CSR team is involved in attaining the set objectives related to CSR.
- Our CSR policy focuses on five pillars: education, skill development, rural upliftment, sanitation, relief operations and environment sustainability.
- We create numerous opportunities for employee participation as a part of our social responsibility initiatives.

For more information, please refer to the CSR initiatives from page no. 34 to 50

Partners (Suppliers/Vendors/ Landlords)

Our contracts provide for dispute resolution, governance and Infratel also maintains a 'Supplier Portal', which has been set up to address the concerns of all our vendors

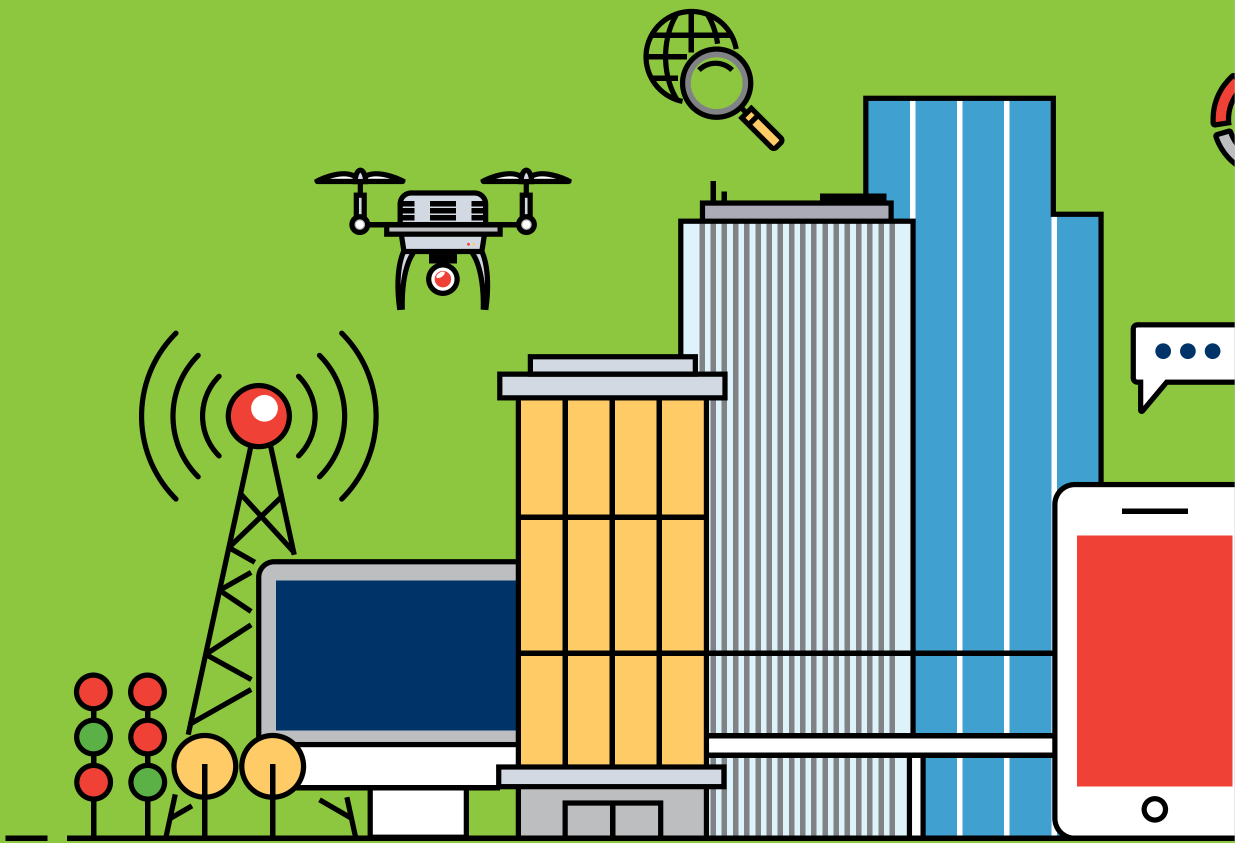
- We conduct structured and scheduled governance meetings for discussing the progress of key deliverables like KPI, SLA and other contractual obligations.
- An annual vendor/partner meet is organised, enabling us to map the progression of our business and the expectations and alignments with our partner fraternity.
- A yearly survey is conducted independently to ascertain the vendor engagement and satisfaction in our business transactions with them.
- Our 'I Supplier Portal' is directly linked to the ERP system and provides a real-time update of the progression of the vendor invoice and payments and any other communication.
- Our business vendors and partners are part of our 'Safety First' programme; their safety awareness is critical for business sustainability

CoC Certification

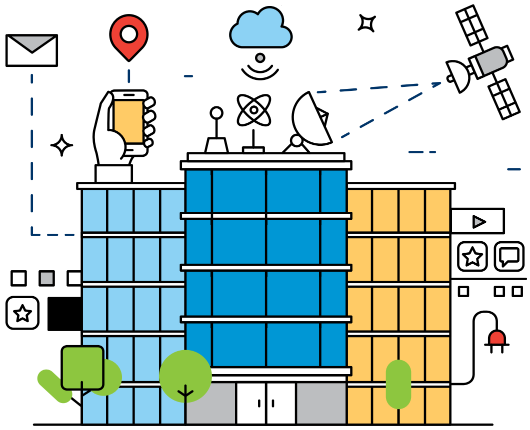
We take pride in conducting all business transactions, maintaining the highest ethical levels and expect the same from our partners. An undertaking for CoC compliance to ethical practices, EHS (Environment, Health and Safety), regulatory compliances is obtained from our partners for entering into any business transaction.

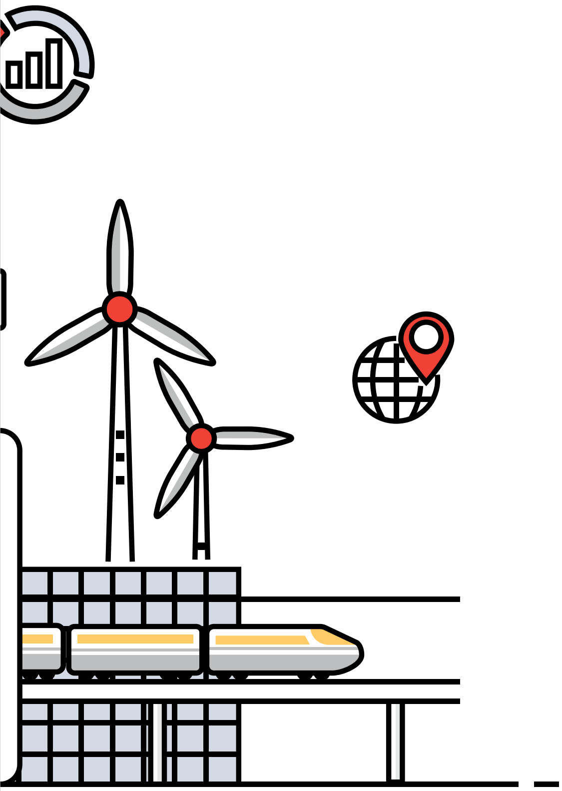
Smarter India is a promising reality

The Government of India's Smart Cities Mission is an urban renewal and retrofitting programme to develop 100 cities across the country, making them citizen-friendly and sustainable.



The Smart Cities Mission aims to provide cities advanced infrastructure, a clean and sustainable environment and cutting-edge solutions in line with global standards. At Bharti Infratel, we are geared to act as an enabler to the Government of India's vision of a smarter India.





Strong Communication Backbone is Key to A Smart City

Smart City project entails the setting up of telecom infrastructure, which will include tower set up, microsite and fiberised backhaul. Key essentials include 100% coverage of the area by cell phone towers, coupled with fiber as a backbone. Moreover, expectations from Smart City also include wide availability of Wi-Fi and fiber-optic connectivity to home and buildings, among others.

Why Infratel?

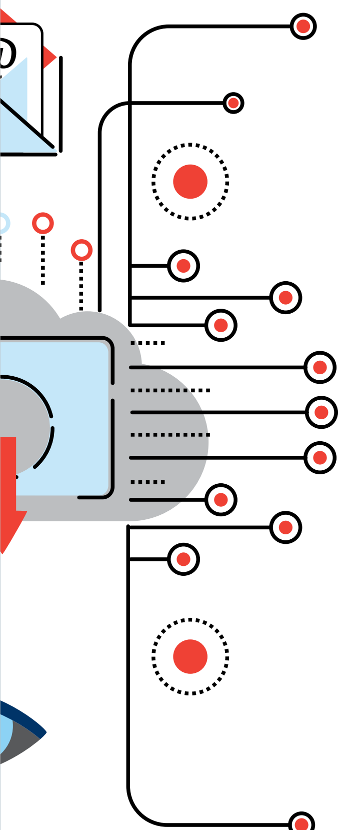
- Driven by our extensive pan-India footprint, strong balance sheet, relationship with leading mobile operators, proven skills to manage distributed operations along with providing sharing on telecom infrastructure, we are best positioned to enable the Smart Cities project.
- Infratel as part of a consortium has been selected as a successful bidder for setting up Intelligent Street Poles in Bhopal, Madhya Pradesh for implementing the Smart City project. This paves the way for Infratel to participate in similar bids in future.
- Infratel continues to engage with the Government to explore all possibilities of telecom infrastructure deployments in Smart Cities.
- Infratel will assess opportunities and businesses that are in accordance with the company's philosophy and are value accretive.

We cherish shared excellence

Our business model inherently generates savings for partners by creating an ecosystem in which resources (energy and space) can be shared. The result is affordable telecom services, which enable citizens to 'connect and do more' in a digitally driven world.

Over the years, we have not only helped increase telecom penetration in several parts of India, but also are seen as a 'reliable partner' to implement telecom services across diverse terrains.

Be it providing connectivity in inhospitable locations where the Indian Army operates, or remotest areas of Indian states where road connectivity is poor. In these locations, mobile communication depends on these towers. By providing cost-effective communication when and where it's required, Infratel has made a significant difference to the 'quality of life' in the communities it serves.



We have a vast footprint of towers across all states of the Union of India. Multiple operators can share the same infrastructure. This includes the tower and shelter for housing the BTS (Base Transceiver Stations), the onsite power supply equipment like diesel generators, battery banks, transmission room, as well as services related to installation, maintenance, repair, overhauling and upgradation of the above. The operators need to invest only in the 'Active Equipment', which includes antennas, transceivers and associated equipment.

The towers or poles come in two varieties: ground-based (GBT) and roof-top (RTT).

Best-in-class Enterprise Suite

Our Enterprise Suite under the Classic Information Technology (CIT) platform was set up by Bharti Infratel in partnership with IBM. Infratel Enterprise Suite is our innovative online platform, where customers can raise and manage their respective business requests on an end-to-end basis. The entire process of requesting a new cell site or a cabinet expansion can now be administered through this smooth, transparent and efficient mechanism.

Tower Operations Centre

While deploying and operating the towers is one half of the business, efficiently managing them on a day-to-day basis is the other half, both being equally critical. Delays in handling repairs or breakdowns can result in downtime and seriously affect the operator's performance in that cluster.

We have deployed a state-of-the-art Tower Operations Centre (TOC) that helps manage Infratel's towers round the clock. This is a centralised Control Room that functions as a single point of contact for flashing and reporting all site-downtime alerts, which are routed to the concerned service technician and 'feet on street' who manage the towers. The Centre also maintains a repository of data from the condition of the equipment, down to the last service alert. Every single piece of information is stored and monitored by a large team of qualified personnel, with the help of sophisticated software and equipment.

For efficient operations, the towers need to be maintained, serviced, repaired, overhauled and upgraded from time to time. To streamline and simplify the process, this is managed from TOC - single centralised location that operates 24x7.

Proactive and Efficient

- Reduced response times: Concerns and grievances are handled in the shortest possible time and in a highly skilled manner
- Best uptime: Infratel towers have the best and highest local uptime, which enhances the service and operations of the telecom service provider.
- Control over Service Level Agreements (SLA): This helps the operator achieve higher return on investment on the operating costs

Teams Make A Difference

The determination, collaboration and knowledge of our people drive our brand reputation. We continue to invest in enhancing the capabilities of our people and build a pipeline of future leaders, who can take the organisation to the next altitude of growth and sustainability.

At the same time, we focus on employee engagement, safety and recognition to build a motivated workforce.

Hiring talent to deliver
During FY 2016-17, we continued to hire talent with good academic credentials and industry relevant experiences. The methodology and assessment platform at front-line hiring saw a face-lift by aligning the evaluation with major job deliverables. We developed and implemented an evaluation series, comprising of simulation exercises and case studies to assess the domain knowledge of the candidates.

We on-boarded our new employees by providing a holistic cross-functional induction, combining the essence of classroom and on-the-job training to make them job ready.

Diversity at its best

We conducted various initiatives during FY 2016-17 through diversity and inclusion at the workplace.

a. Women in front-line roles
We challenged the general industry mindset by hiring women in our front-line roles. We conducted various gender sensitisation workshops, where we channelised our effort to create awareness on behaviour, language and conduct to be observed at work. Important days and weeks like International Women's Day, Mother's Day and International day of Women Health were celebrated.

The concept of 'Bits n Bytes' was introduced to build informal conversations and integration among women employees to generate meaningful insights. Our focused approach to create an enabling culture through education, inclusiveness and respect has helped us to emerge as an equal opportunity employer.

b. Diversity is strength
Our pan-India footprint ensures that we have a diversity of people who bring a wealth of experience on board. We believe we thrive on our culture of diversity.

Women's Day celebration with Management Team

Talent Management
Employee growth and career movements have been key differentiators for us, wherein addressing skill gaps and developing internal talent have taken precedence at Infratel. We have built a conducive learning culture at Infratel based on our philosophy of "Own Your Development". Our learning philosophy focuses on holistic development of employees, wherein formal training comprises only 10% of the learning. Exposure through mentoring and further experiences through cross-functional assignments cover the rest 20% and 70%, respectively.


AON Best Employer Award

Apart from our regular development interventions like one-on-one coaching, 360-degree feedback sessions and psychometric tools, we have launched the pilot batch of leadership development centres this year. A success profile for each leadership position was created and this further became the foundation of the design of our development centre. Towards the end of the centre, assessors shared one-on-one feedback, to further groom our future leaders. The leadership team at Infratel is committed to identify the internal pool of high potentials, develop and review them on a regular basis to ensure a robust succession pipeline.

Best Employers
Bharti Infratel has been awarded 'Best Employer' by AON Hewitt third time in a row and also 'Great Place to Work' for the first time in FY 2016-17.

Employee rewards and recognition

In FY 2016-17, we continued our focus and enthusiasm to recognise our employees, who were contributing to the success of the organisation, across all locations, functions and teams. Listed below are the touch points that helped in enhancing the R&R culture at Infratel:

- Employees sent appreciation notes (High5) to their colleagues via the online applause portal for real-time peer-to-peer recognition
- People nominated their colleagues for monetary awards (iAppreciate, Star, Spotlight, Heroes), thus recognising their achievements
- We gave veteran awards to appreciate the contribution of our employees, who completed 5, 10, 15 and 20 years of service in Infratel
- During FY 2016-17, we introduced our Safety Rewards to drive safety consciousness among our employees
- To encourage the philosophy of "Own Your Development", we awarded our i-Learn Toppers for completing online courses and contributing towards self development.
- Contest Award was given out to recognise high-impact projects at the circle level
- Front-line employees were additionally recognised by rolling out Heroes Award for the best

performing CIs and ZOMs at pan-Infratel level during the national ECFs (Employee Communication Forums) conducted semi-annually

- A new award category "Well Done Awards" was introduced to recognise the best performing technicians and associates across all circles of our operations. This helps in cascading the Infratel spirit to our off-roll employees as well.
- Top five recognisers were also highlighted on the portal, encouraging other managers to strengthen the culture of recognition in respective teams

Employee engagement

With an employee strength of nearly 1,261 employees (on standalone basis), spread across our 11 circles and 74 zones, Last Mile Connect becomes critical to drive and uphold employee motivation, engagement and loyalty. Few of the focused connect forums in the last year were:

- **Manthan**
  We have organised bi-annually and quarterly zonal conclaves across all circles, where the CBH (Circle Business Head), along with other Circle Function Heads met the zonal teams. This was the platform for the zone to share performance highlights and challenges. While this was primarily conducted for the on-roll team, top performing technicians were invited and recognised in the programme, as well.
- **Sampark**
  Open house sessions with technicians were conducted by the circle HR Head in all circles. Through these sessions, the Circle HR addressed and resolved the grievances raised by the off-roll associates. This platform was also used to make the team aware of the processes and policies applicable to them.
- **Sambandh**
  This programme involved celebrating a technician's birthday by planting a sapling at one of his sites, with his family members. This initiative was anchored by the cluster in-charge, along with occasional visits by the Zonal Operations Manager (ZOM) and Circle HR Head.

Employee participation

Overseeing Examination

Every year, Bharti Foundation conducts the Teacher Subject Knowledge Test (TSKT) to assess the competency levels of Satya Bharti School teachers across India. In 2016-17 session, team members from Bharti Infratel, volunteered to be a part of the invigilation team to oversee the examinations in Neemrana, Rajasthan.

Organising Interactive Sessions

All our circle offices organised various interactive and counselling sessions with students of Satya Bharti and several other marginalised schools. These schools are supported for education and sanitation concerns by Bharti Infratel, women trainees of our skill development programmes, their parents and community members. The focus was on bringing behavioural changes, promoting adoption and participation in different development initiatives implemented by Bharti Infratel across different locations.

Creating awareness on hygiene and sanitation

Employees from our Odisha, Bihar & Jharkhand, MPCG, J&K, HPH and NESA circles visited schools that are being provided safe water infrastructure under our CSR initiatives. They held discussions and organised activities on the importance of water, hygiene and sanitation.

Monitoring local-level CSR projects

The CSR Committee, in each circle, monitors the local implementation of our different CSR projects. These projects are based on different social issues, including education, skill development, sanitation and so on. Regular site visits, meetings with SPOCs of implementing organisation and participation in project activities ensure that these programmes create the intended impact.

Partnering with other NGOs

As a small effort from our side, employees at different circles spend a part of their spare time with people belonging to marginalised sections. Our members support initiatives that help create a positive difference in their lives and can make a big difference in society. Also, the feeling of satisfaction that one gets through these experiences is incredibly fulfilling.

ACT - A Caring Touch

This initiative provides an opportunity for our employees to contribute towards several social initiatives via different non-profit organisations.

Airtel Delhi Half Marathon

Like every year, in 2016, we participated in the Airtel Delhi Half Marathon. Our objective was to support Bharti Foundation in its cause of providing quality education to the marginalised.

Employee safety

We, at Bharti Infratel, are committed to ensure the safety of our employees, associates, technicians, contractors and all other people working on sites, offices and warehouses:

- We have an efficient safety policy in place that strives for zero fatality and prevents all workplace injuries. The policy aims at identifying operational hazards and eliminating them by putting appropriate safety measures in place. It also aims to build a proactive safety culture by educating and training employees and all relevant stakeholders on safety systems and processes
- To ensure safe work practices, cardinal safety rules have been framed and implemented. We also implemented the Consequence Management Matrix in FY 2016-17 to ensure strict implementation of cardinal safety rules
- The safety policy was translated into Hindi and pushed through tablets to maximise the document awareness in the field
- Another breakthrough in the field of safety awareness was achieved with the launch of e-modules on road and site safety for employees as well as technicians. Communication drive was conducted through safety stories, which was shared by organisation-wide internal communication

Bharti Infratel employees during the Airtel Delhi Half Marathon 2016

- To promote the use of Personal Protective Equipment (PPE), reflective jackets to all field teams were distributed
- Group Term Life Insurance Policy for all our technicians and associates has been introduced to facilitate financial assistance to their families
- Safety quizzes, e-mail communication on safety guidelines, and to further augement importance of safety at the end after safety sms blasters and so on were executed

Our Recognitions

1 Bharti Infratel was conferred with the Gold Award - Business Excellence Framework-2017 by RE Assets India - 2017.

2 Bharti Infratel was honoured with the Silver Award - Social and Community Initiatives at The 7th Annual Changemaker Awards 2016 for corporate responsibility and good governance.

3 Our Annual Report was appreciated in a global arena, when it won the Platinum Award at Vision Awards 2016 instituted by the League of American Communications Professionals LLC, USA (LACP) in the Telecommunication category. It was ranked 22nd among the overall top 50 reports worldwide.

4 Bharti Infratel won the Top Telecom Tower Company of the Year 2016 award at Amity Telecom National Awards for Excellence Telefocus. It was organised at the 14th Annual National Telecom Seminar.

5 Bharti Infratel was bestowed with 'Green Initiative of the Year 2016' title at the TowerXchange ME&A Meetup in Johannesburg for the company's adoption of green and sustainable practices in business and operations.

6 Bharti Infratel won the 'Telecom Infrastructure Development Award' by Dun & Bradstreet Infra Awards 2016, which are presented for delivering exemplary performances, under various verticals of infrastructure.

7 Bharti Infratel received the 'Golden Peacock Award for Sustainability' by Institute of Directors at The London Global Convention, 2016 for promoting sustainable business practices and developments.

8 Bharti Infratel was recognised as the 'Best Infrastructure Brand of 2016' at The Economic Times Best Infrastructure Brands conference.

9 Bharti Infratel was recognised as one of best companies to work for in 2016, by Great Place to Work Institute.

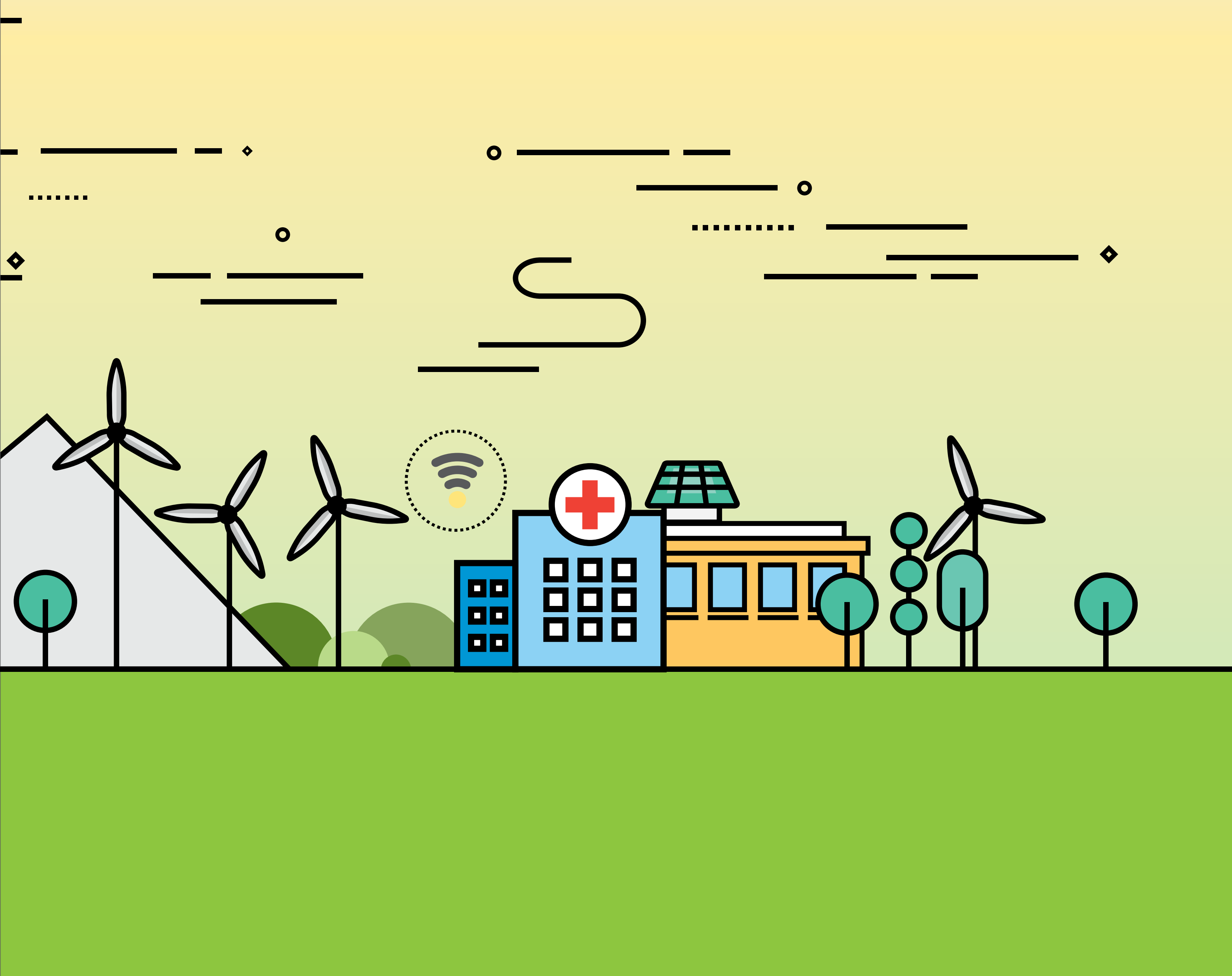
10 Bharti Infratel was the winner of 'Off-Grid Project Developer of the Year Green Telecom' category by FirstView Solar Quarter at the India Solar Week, 2016. The award was conferred for outstanding contribution towards the development of Indian solar industry.

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

Bharti Infratel Limited

Driving inclusive growth

At Bharti Infratel, we believe that our well-integrated business approach will help us positively influence and build an empowered society. We are elevating the quality of life through multiple need-based interventions. Our CSR initiatives encourage participation of community members and relevant stakeholders in expansion of our community care initiatives across India. We are focusing on strengthening the pillars of a developed society, which include various programmes on education, sanitation, skill development, disaster relief and so on.



Our CSR Committee met four times (once in each quarter) in FY 2016-17. The agenda was to discuss the progress of ongoing CSR projects, deliberate on new and proposed projects, and share concerns related to CSR and its implementation on the ground.

CSR Committee

Key Responsibilities

Our CSR Committee works towards maintaining a transparent monitoring mechanism for implementing CSR projects. It assesses the progress of each programme and approves the appointment or re-appointment of directors responsible for Business Responsibility. Moreover, it considers other functions, as defined by the Board, or as may be stipulated under any law.

Our CSR committee recommends modifications, if any, in the CSR Policy and the amount of expenditure to be incurred on the activities. It reviews the performance of each project and evaluates the social impact created. In FY 2016-17, Bharti Infratel invested ₹ 224.18 Mn in different social development projects, which includes the amount spent on CSR projects falling under section 135 of the Companies Act, 2013.

The Committee is supported by our CSR team, Circle HR teams and CSR volunteers. During FY 2016-17, our Company spent on several social development projects, including education, access to safe water and sanitation, skill development/livelihood creation, research and so on.

Transcending geographies

In FY 2016-17, we served India from Assam to Rajasthan and Jammu and Kashmir to Odisha.

Partnering with non-profit sector

Besides promoting social development programmes through various not-for-profit organisations, our Company is also involved in building the capacities of these partners on areas including periodic project evaluation, reporting systems to be followed and fund utilisation. The organisation is proactively participating in social development activities by partnering with non-profit organisations, such as Bharti Foundation, Shishu Sarothi, PanIIT Alumni Reach for India Foundation, The Energy and Resources Institute (TERI) and VSO India Trust, among others.

Our CSR Vision

To build an empowered society through education, community development and environment sustainability.

Our various need-based development initiatives are focused on benefiting the marginalised and vulnerable sections of society. Our core areas of focus are:

1. Education and skill development
2. Improving sanitation facilities
3. Rural development
4. Environmental sustainability
5. Disaster management and relief operations

A GLANCE AT OUR VARIOUS CSR INITIATIVES IN FY 2016-17

Satya Bharti School Program

Objective
Provide free quality education to underprivileged children in rural India with a special focus on girl child

Impact

1. Over 43,527 students in 254 schools, across six states are being provided free quality education
2. Employed 1,677 teachers from local communities
3. Recoded 49% of students and 65% of teachers are female

Bharti Infratel Scholarship Program

Objective
Offer financial support to students with disabilities for higher education

Impact

Benefited 117 underprivileged students with disabilities from north-east India, through this programme

Satya Bharti Abhiyan

Objective
Create provision for sanitation facilities and awareness on its sustainability

Impact

1. Constructed 17,628 individual household toilets and 14 toilet blocks in government schools in rural Ludhiana

2. Surveyed over 1,000 villages, impacting 86500+ beneficiaries, across 792 villages

Facilitating Learning on WASH

Objective
Create safe water provision and awareness on WASH (water, sanitation and hygiene) in marginalised urban schools

Impact

1. Provision of clean water infrastructure (which is in final stages of completion) in 33 schools across Bhubaneswar, Indore and Ranchi

2. Conducted 116 knowledge workshops on water, sanitation and hygiene benefitting 15,000+ school students

3. Organised 13 teacher training workshops on WASH across Bhubaneswar, Indore, Ranchi, Jammu and Guwahati for over 120 teachers

Aaghaaz

Objective
Empower women through vocational and life skills training and employment

Impact

1. Trained 1,003 marginalised women living in urban slums across five cities - Bhubaneswar, Patna, Ranchi, Raipur and Lucknow
2. Provided dignified livelihood opportunities to 720 women in different trades across these cities

Employment Opportunities

Objective
Create livelihood opportunities for fresh ITI pass-outs in the telecom sector

Impact

2,100+ youth will be trained in 'Tower maintenance' over three years; helping them in accessing employment opportunities in different telecom companies across the country.

Devising Policy Mechanism

Objective
Examine the education and environment scenario in the country and suggest policy mechanisms for improving the situation

Impact

Publishing research papers that address access to education and holistic costs of renewable energy in India; and suggest policy changes/modifications for improving the education scenario and sustainability of renewable energy in India

Environmental Sustainability

Objective
Reduce carbon footprint and invest in alternate sources of energy

Impact

Operate over 38,962 diesel-free towers across different geographical locations

Our CSR Projects

SATYA BHARTI SCHOOL PROGRAM

Despite the Right to Education (RTE) Act and several government initiatives like Sarva Shiksha Abhiyan (SSA) and Rashtriya Madhyamik Shiksha Abhiyan (RMSA), pursuing education remains a challenge for children from marginalised communities.

A Satya Bharti School located in the rural heartlands of India, supported by Bharti Infratel

Through the Satya Bharati School Program (launched in 2006) implemented by Bharti Foundation, we are providing free quality education to underprivileged children in rural India. This initiative helps in bringing positive changes across 254 schools in Punjab, Haryana, Uttar Pradesh, Rajasthan, West Bengal and Tamil Nadu. We are confident that these efforts will turn these students into educated, confident, responsible and self-reliant employable citizens of India. Besides, this initiative has helped provide employment to educated rural youth as teachers, as well as providing impetus to local businesses by sourcing various school requirements locally. This program has also been successful in ensuring increased awareness among communities about education and the need for empowering girls.

254

schools in Punjab, Haryana, Uttar Pradesh, Rajasthan, Tamil Nadu and West Bengal

Initiatives in FY 2016-17

In FY 2016-17, besides supporting the operation of 254 schools, we also continued to fund for the school infrastructure expansion programme. The infrastructure expansion helped increase the number of teaching spaces in Satya Bharti Schools to accommodate more children.

Additional rooms in 119 identified Satya Bharti Schools were built and construction is ongoing in 46 other schools. The additional infrastructures built in these schools include classrooms, head teacher/staff room, store rooms, girls' common room, resource rooms and boundary walls/fencing.

A Glimpse at FY 2016-17

6
States

254
Schools

43,527
Students

49%
Girl Students

75%
SC/ST/OBC

1,677
Teachers

65%
Female Teachers

My teachers encourage me to dream big

Nisha Rani

student, Satya Bharti Adarsh Senior Secondary School, Rauni, Ludhiana (Punjab)

Nisha's family migrated to Rauni, rural Ludhiana to escape poverty. But her father, a victim of substance abuse could not provide for the family. Her mother earned their living working as a domestic help. Nisha and her five siblings supplemented the family income with petty jobs such as packing incense sticks.

The family's dismal living conditions moved the teachers of Satya Bharti Adarsh Senior Secondary School in Rauni. They urged Nisha's mother to send her children to school for quality education free of cost. Initially, her mother was reluctant as it would have meant loss of income for the struggling family. Nevertheless, the teachers were able to convince her explaining the long-term benefits of education would far outweigh illiteracy.

At first, Nisha remained restrained in her engagement with teachers and peers. But with additional care in the form of extra stationery, clothing, nutritious mid-day meals and unwavering emotional support, she blossomed. To ensure her safety and regular attendance, the Head Teacher herself picked and dropped her from her home.

With time and encouragement, Nisha's academic performance improved, drawing out a strong and confident girl child. In her own words, "*My teachers encourage me to dream big. And I am sure education will help me take my family out of poverty.*" The child's confidence speaks volumes about her progress and paves a direct path for her dream of running a successful business venture in the future.

BHARTI INFRATEL SCHOLARSHIP PROGRAM

Visazo with his family in Nagaland

At Bharti Infratel, we believe inclusion of persons-with-disabilities (PWDs) in the mainstream is only possible when enabling conditions are created for them.

We implemented the Bharti Infratel Scholarship Program in FY 2015-16 across the north-eastern region in association with Shishu Sarothi, a non-profit organisation. It aims to promote the inclusion of students with disabilities, in the mainstream by providing financial support in completing their education. This scholarship programme helps them financially to pursue higher education (undergraduate or above) of their choice.

Initiatives in FY 2016-17

The scholarship programme benefited 117 students from across the eight north-eastern states in FY16-17. Among the selected 117 students with disabilities, 13 of them are pursuing professional/technical courses, 87 students are pursuing graduation, 17 are pursuing post-graduation

Visazo Kikhi
Nagaland

Visazo Kikhi from Nagaland is a student with orthopaedic disability. He is pursuing MBBS from Government Medical College in Kozhikode, Kerala. He said, *The Bharti Infratel Scholarship has reduced my family's burden and helped me in fulfilling my dreams of becoming a doctor.*

SATYA BHARTI ABHIYAN

In line with the Government of India's Swachh Bharat initiative, we also contribute towards discouraging open defecation in the country. We have been promoting good health and hygiene by building toilets in villages and schools in rural Ludhiana (Punjab), while encouraging people to use and maintain them. We are supporting Bharti Foundation in this transformation of India by providing proper sanitation facilities.

Key Figures of FY 2016-17

A cumulative total of 17,628 individual toilets were constructed

14 toilet blocks for girls built at government schools in rural Ludhiana

1,010 villages surveyed and toilets were built in 792 villages

86,500+ beneficiaries of Satya Bharti Abhiyan

Initiatives in FY 2016-17

As a part of this project, residents of 792 villages were provided with 17,628 private toilets in their homes. Besides, campaigns were organised to encourage the much-needed behavioural change towards health and wellness of the community. In rural Ludhiana, the project provided 14 government schools with toilet blocks for girl students. Till date, this project has benefited over 86,500 beneficiaries.

Significance of Satya Bharti Abhiyan

- Construction of individual household toilets at rural households; girls toilets in government schools selected by government authorities
- Overall reduction in open defecation*
- Intended impact will be visible in the reduced incidents of open defecation, increased attendance of girl children

Interaction with teachers and students on usage and maintenance of toilets provided under Satya Bharti Abhiyan

*By supporting the district administration's efforts in declaring itself open-defecation free.

FACILITATING LEARNING ON WATER, SANITATION & HYGIENE (FLOW)

An essential pillar of a developed society is health and access to potable water maintains a certain degree of hygiene that leads to good health. Thus, we strive to make clean and healthy potable water available for school students and teachers

At Bharti Infratel, we put significant efforts to ensure the provision of potable water in urban schools that cater to children from marginalised communities. Here, we facilitate learning about water, sanitation and hygiene.

In association with our project implementing partner TERI, through Project FLOW – Facilitating Learning on Water, Sanitation and Hygiene (WASH), we ensured provision of safe water infrastructure (including rainwater harvesting systems) in these urban schools across seven cities. Sixty schools and their neighbouring communities in Bhubaneswar, Ranchi, Indore, Jammu, Srinagar, Panipat and Guwahati, are benefitting from this intervention.

Initiatives in FY 2016-17

In FY 2016-17, 33 schools in Bhubaneswar, Ranchi and Indore were provided with safe water infrastructure, including rainwater harvesting structures. These will help the schools in conserving water. Moreover, we organised 116 knowledge workshops for students across 63 schools and 13 teacher training workshops, during the year.

Knowledge Workshop on WASH in Bhubaneswar

Key Highlights of 2016-17

63
schools were part of Project Flow

116
knowledge workshops were conducted

13
teacher training workshops were organised

AAGHAAZ

Women empowerment and gender equality are fundamental aspects of promoting a more equitable and sustainable society. India's economic development cannot be effective without empowering its women economically.

Through Aaghaaz, we aim to ensure that the challenges in women's wellbeing and empowerment are recognised and addressed. Under this initiative, we provide vocational and life skills training and employment opportunities for slum-dwelling women across five cities - Patna, Ranchi, Raipur, Lucknow and Bhubaneswar.

Initiatives in FY 2016-17

This project is being implemented in association with VSO India Trust and five local non-profit organisations: Bhartiya Kisan Sangh (Ranchi), Berojgar Mahila Sewa Samiti (Raipur), Jan Jagran Sansthan (Patna), Pratham Education Foundation (Lucknow) and Social Welfare Research Group (Bhubaneswar). During the year, 1,006 women were trained in different trades, including housekeeping, retail, unarmed security guard, bedside assistant and beauty and wellness. As on March 31, 2017, 720 (72%) of these trained women were placed in formal employment.

Classroom Training Session in Ranchi

Impact in FY 2016-17

5 cities saw the implementation of Aaghaaz	**1,006** women were trained	**720** women were placed in formal employment

My future is secure.

Laxmi Kumari
Housekeeping Staff, Gargee Gautam Vihar Resort, Rajgir, Jharkhand

Laxmi, from the outskirts of Ranchi, lost her father to a fatal disease when she was quite young. Bereft of any male support in the family, her uncles took over their farmland. Laxmi and her sister were reduced to daily wage labourers at farms and construction sites to support their diabetic mother, who could not work. Project Aaghaaz changed her life when Laxmi got selected and trained for housekeeping. Today, she is happily employed as a housekeeping staff at Gargee Gautam Vihar Resort in Rajgir, Bihar. Her colleagues are impressed with her performance. "*Today I feel that my future is secure, I can improve the financial condition of my family as I am earning a decent livelihood through a dignified employment. I appreciate Aaghaaz for providing this opportunity to unemployed women like me.*"

TOWER TECHNICIAN GURUKUL

In 2016-17, Bharti Infratel launched a residential skill-development programme in tower maintenance for ITI freshers belonging to marginalised communities. The programme aims to ensure their placement in the telecom industry across the country. Through this programme, four residential 'Gurukuls' will be set up across Jharkhand, Odisha, Chhattisgarh and Uttar Pradesh. The project is being implemented in association with PanIIT Alumni Reach for India Foundation.

Research projects on education and environmental sustainability challenges are being implemented by Brookings Institution India Center, which are supported by Bharti Infratel. These projects aim at suggesting policy mechanisms for improving the education scenario and sustainability of renewable energy in the country.

ENCOURAGING ECO-FRIENDLY MOVEMENTS

As a responsible and environmentally conscious corporate, our Company is putting various efforts to create a positive impact on the environment. One of our primary goals is to become a 'Green Company', which we aim to achieve by reducing our carbon footprint and investing in alternate sources of energy.

Green energy

38,962
energy-conserving green sites

We are in line with our vision to be the best and most innovative passive communications infrastructure provider. We are known globally for our highest uptime, cost and energy efficiencies, speed and quality of deployment and environmental friendliness. We continue to stride towards being a Zero Emission Network (ZEN) organisation.

Initiatives in FY 2016-17

By the end of FY 2016-17, we had a total of 38,962 green sites across our circles, which witnesses an increase of 16% y-o-y. We are looking forward to accelerating further in the current financial year.

The energy conservation measures brought over 24% reduction in diesel consumption per co-location during the last two years and 35% decrease in the last three years.

In our journey towards ZEN programme, we continued to focus on reduction in emission through optimum utilisation of energy, enhanced battery storage and installation of alternate energy at feasible sites.

During the year, we undertook the following initiatives

Usage of Renewables

We used alternative clean energy sources like solar and wind. It decreased the diesel consumption significantly; hence, reduced our carbon footprint. With our unique Renewable Energy Service Company (RESCO) model of using renewable energy, we could ensure community development by providing surplus power in rural areas. Currently, over 5,000 rural families are being supported through this model. Since solar-powered telecom towers do not require frequent monitoring, site visits saw a sharp decline, saving fuel to be spent on travel, time on travel, thereby diminished carbon footprint. Additionally, the utilisation of alternate energy sources further lowered operational expenses, reduced our dependence on diesel and increased uptime. We also created new innovative solutions such as solar

Solar installation

on tower legs to address the issue of feasibility as well as EB grid cost parity. We have been a pioneer in deploying renewable energy sources at site and are a leading entity in terms of deployment of the same across sector.

Air-conditioners Abandonment Solution Deployment

We traditionally deployed air-conditioners at sites to cool off the operator equipment placed indoors. Abandoning air-conditioner involves incentivising the operators for shifting their equipment outdoors for a natural ambient air cooling or providing them with an alternative solution based on ambient air, thereby reducing the Company's carbon footprint. Various options were used, including Free Cooling Unit (FCU), Natural Cooling Unit (NCU) and Hybrid Chillers. Six different kinds of natural cooling solutions were developed to take care of site demography. Moreover, we developed a unique solution, combining efficacies of solar energy and FCU to ensure zero carbon/diesel consumption. The said solution uses solar output for running DC exhaust fans during the day. This ensured offsetting of thermal gain, in turn confirming attainability of lower temperature.

Technological Intervention

With our state-of-the-art technology-led efficiency measures and advanced analytics, we reduced our diesel consumption by 25% in the last two years. Deployment of variable speed power generators and smart logics-based equipment reduced carbon-dioxide emission. Besides, high-efficiency integrated power management solutions helped us maximise power utilisation.

Power Optimisation

We endeavoured to ensure optimum utilisation of electricity through our advanced storage systems, including high-end VRLA batteries and Li-Ion batteries, among others. Moreover, we improved our energy systems that led to lower losses and higher utilisation of power. Our referred advanced storage systems, apart from being highly efficient, also have a capability of quick charging. Therefore, they ensure maximum usage of available energy at lowest cost with the highest uptime.

Business engines development

To further boost energy operations, we have developed business engines. They are meant for energy and other infra health analysis, to ensure optimum utilisation of infra at site resulting in reduction in losses and carbon emission.

Future Plan of Action for ZEN Mission Enhancement

At Infratel, we plan to remain committed to our efforts for enhancing green energy and further reduction of emission. We would continue to focus on increasing grid electricity availability by improving electrification, Low Tension to High Tension conversion and feeder conversion. We would also continue to enhance our alternate energy deployment and advanced battery storage solutions across our tower portfolio.

We plan to further encourage the development of RESCO-based partners in north eastern states, such as Assam and other states of north-east India. This will ensure a reliable, clean power supply. Additionally, with net metering kicking across our circles, we intend to increase our solar power deployment to maximise the available benefits.

Going forward, we will enhance our collaborative efforts with our active infra partners to ensure quicker adoption of low power consuming devices.

STATUTORY REPORTS

FINANCIAL STATEMENTS

Business Responsibility Report

Section A: General Information about the Company

1.	Corporate Identity Number (CIN):	L64201DL2006PLC156038
2.	Name of the Company	Bharti Infratel Limited
3.	Registered Address	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070
4.	Website	www.bharti-infratel.com
5.	Email id	compliance.officer@bharti-infratel.in
6.	Financial Year reported	2016-2017
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Telecom Tower Infrastructure Sharing Services

Industrial Group	Description
612	Activities of providing Telecom Tower Infrastructure Sharing for telecommunication services

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

8.	List three key products / services that the Company manufactures / provides (as in Balance Sheet):	Services related to Telecom Tower Infrastructure Sharing. (Acquire, build, own and operate towers and related infrastructure).
9.	Total number of locations where business activity is undertaken by the Company	Bharti Infratel Limited is carrying out business activity across all States of Union of India either directly or through our joint venture i.e. Indus Towers Limited
	Number of International Locations (Provide details of major 5)	Nil
	Number of National Locations	Bharti Infratel Limited is carrying out business activity across all States of Union of India either directly or through its joint venture i.e. Indus Towers Limited
10.	Markets served by the Company - Local / State / National / International	The Company is serving all Indian markets

Section B: Financial Details of the Company

1. Paid up capital (INR) : ₹18,496 Mn
2. Total turnover (INR) : ₹ 60,847 Mn*
3. Total profit after taxes (INR) : ₹ 27,050 Mn **
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 0.63%
5. List of activities in which expenditure in 4 above has been incurred:
    1) Education of underprivileged children - Satya Bharti School Program
    2) Scholarship for Students with Disabilities – Bharti Infratel Scholarship Program
    3) Safe water provision and awareness in marginalized Urban Schools – Facilitating Learning on Water, Sanitation and Hygiene (WASH)
    4) Empowering women living in urban slums through skill based employability – Aaghaaz
    5) Skilling ITI fresher's belonging to marginalized communities in "Tower Maintenance" and their placement in telecom Industry across the country - Tower Technician Gurukuls
    6) Research on Education & Environment Sustainability Challenges to suggesting policy mechanisms for improving the education scenario and sustainability of renewable energy

* On Standalone basis excluding other income

** On Standalone basis

Section C: Other Details

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

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

   No
3. Do any other entity / entities (e.g. suppliers, distributors etc.), that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]

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

Section D: BR Information

1. Details of Director / Directors responsible for BR:

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

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

b) Details of the BR head:

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

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

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

Principle 1

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

Principle 2

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

Principle 3

Businesses should promote the well-being of all employees

Principle 4

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

Principle 5

Businesses should respect and promote human rights

Principle 6

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

Principle 7

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

Principle 8

Businesses should support inclusive growth and equitable development.

Principle 9

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

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

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

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

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

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

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

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

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

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

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

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

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

3. **Governance related to BR:**

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

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

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

  Yes. The report on Sustainability for FY 2015-16 and 2016-17 forms part of this Annual Report.

Section E: Principle-wise Performance

Principle 1

Ethics, Transparency and Accountability

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

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

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

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

   In FY 2016-17, 9 cases of allegations of bribery/ corruption were received. Post investigations, the allegations were substantiated only in 1 case in which action was initiated according to the Consequence Management Policy and in 2 cases investigation is in progress.

Principle 2

Product Lifecycle Sustainability

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

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

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

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

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

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

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

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

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

      The Company has reduced significant CO_2 emissions by implementation of the aforesaid initiatives.

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

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

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

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

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

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

Principle 3

Employee well-being

Businesses should promote the well-being of all employees

1. Total number of employees.

   As on March 31, 2017, the strength of Bharti Infratel Limited's on roll workforce stands at a total of 1261 (on Standalone basis).

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

   As on March 31, 2017, the strength of Bharti Infratel Limited's workforce on temporary basis stands at a total of 4329.

3. Total number of permanent women employees.

   As on March 31, 2017, the strength of Bharti Infratel Limited's permanent women employees stands at a total of 88.

4. Total Number of permanent employees with disabilities.

   As on March 31, 2017, the strength of Bharti Infratel Limited's permanent employees with disabilities stands at a total of 3.

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

   No

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

   NIL

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

   No pending complaints in any category mentioned above

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

a)	**Permanent employees**	-	100% New Joinees mandatory Safety Training, 96% Safety Refresher & 86% Skill Upgradation (Behavioral & Functional)
b)	**Permanent women employees**	-	100% New Joinees mandatory Safety Training, 96% Safety Refresher & 70% Skill Upgradation (Behavioral & Functional)
c)	**Casual/ Temporary/ Contractual Employees**	-	97% Safety Training (Refresher & New Joinee) and ongoing on the job training
d)	**Employees with disabilities**	-	96% Safety Refresher & 67% Skill Upgradation (Behavioral & Functional)

Principle 4

Stakeholder engagement

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

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

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

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

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

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

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

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

   Our commitment to building a business that has a positive impact on the society and caring for the community that we operate in is well integrated with our business strategy. Our approach focuses on our internal and external environment, social sustainability and have is defined by a clear CSR vision of building an empowered society through education, community development and environment sustainability. Our CSR Policy, defines the company's focus areas of social intervention and the governance system to be followed in delivering the maximum impact through such interventions.

   Since the past few years, Infratel has been focused on promoting education of underprivileged children/ disabled students, promoting access to proper sanitation facilities and supporting issues on the community's health and wellbeing and creating livelihood opportunities for marginalized women through skill development. This year the focus expanded to create skilled resource for the telecom industry by utilizing our core competencies and support research on education and environment.

   Our major development project on education is being implemented in association with Bharti Foundation, the philanthropic arm of Bharti Group. Through the **Satya Bharti School Program** which is being implemented by the Foundation, more than 42500 students are provided quality education through 254 schools across 6 states of India (Haryana, Punjab, Rajasthan, West Bengal, Tamil Nadu and Uttar Pradesh). This program has also created employment opportunity for more than 1670 teachers from the surrounding communities. The education and other facilities like mid-day meals, books, uniforms, etc. are provided free and several community based initiatives are organized to change the behaviors of the rural community regarding education and other social concerns specific to their region. This program also focuses on bringing about sustainable changes through the use of technology by these underprivileged children. In Satya Bharti Schools, 49% of our students are girls and 65% of our teachers are females. The **Bharti Infratel Scholarship Program** provides financial support for higher education to 117 underprivileged students with disability from the Northeastern region of the country and 40% of the scholarship beneficiaries are girls with disabilities.

   Through project **FLOW- Facilitating Learning on WASH (FLOW),** safe water infrastructure is in final stages of construction in 33 schools across 3 cities – Indore, Ranchi and Bhubaneswar and 116 knowledge workshops and 13 Teacher Training sessions across 60 schools in 7 cities (Indore, Bhubaneswar, Guwahati, Shimla, Jammu, Srinagar & Ranchi) were held to create awareness on Water, Sanitation and Hygiene. These campaigns reached out to 15000+ students and Training of 120 Teachers on the issue was organized across different cities.

To create livelihood opportunities for more than 3000 marginalized women living in urban slums through technical and interpersonal skill development across 5 cities – Patna, Raipur, Lucknow, Ranchi & Bhubaneswar, we launched project **Aaghaaz – The Beginning.** During the year, 1006 women were trained in different trades including Housekeeping, Retail, Unarmed Security Guard, Bedside Assistant and Beauty & Wellness. As on March 31, 2017, 720 (72%) trained women have been placed in formal employment.

In 2016-17, Bharti Infratel launched a residential skilling program for ITI fresher's belonging to marginalized communities in "Tower Maintenance", which will ensure their placement in telecom Industry across the country. The program is called **"Tower Technician Gurukuls"** and is being implemented across 4 states – Jharkhand, Odisha, Raipur and Uttar Pradesh.

A research project on education & environment sustainability challenges is also being supported by Bharti Infratel which aims at suggesting policy mechanisms for improving the education scenario and sustainability of renewable energy in the country.

Principle 5

Human Rights

Businesses should respect and promote human rights

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

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

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

   No stakeholder complaint was received in FY 16-17

Principle 6

Environmental management

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

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

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

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

   Yes. The Company has proactively taken steps to create positive impact on the environment. We continue to stride towards being a Zero Emission Network (ZEN) organisation. Refer CSR section of the report for complete details.

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

   YES

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

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

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

   Yes, the Company has taken multiple initiatives towards energy efficiency and use of renewable energy at its site. Refer CSR section of the report.

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

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

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

   The Company has not received any show cause / legal notices from CPCB/SPCB in FY 2016-17.

Principle 7

Public Advocacy

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

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

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

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

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

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

Principle 8

Inclusive Growth

Businesses should support inclusive growth and equitable development

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

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

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

In addition, the Company also contributes towards social development through its Corporate Social Responsibility (CSR) projects on different social concerns including education, sanitation and skill development, environment sustainability through numerous non-profit organizations. The programs that are implemented also provide opportunities to its various stakeholders/beneficiaries to become self-reliant and access opportunities to excel in life by:

- Advocating for the importance of education especially of the girl child in rural communities
- Supporting need based expansion of infrastructure in academic institutions in rural areas
- Training and providing employment opportunities local youth including females belonging to the marginalized sections of the society as Teachers
- Employing mothers of the children who study in Satya Bharti Schools as Mid-Day Meal vendors
- Providing access to funds for students with disabilities to pursue education and lead an empowered and dignified life
- Provide need based skills and livelihood opportunities to marginalized women living in urban slums for their economic empowerment and to lead life with dignity

- Look after Health and wellbeing of marginalized school students and teachers in urban areas by providing safe water and sanitation services and making them aware of the importance of the water, sanitation and maintaining hygiene.

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

   Over the past few years, Bharti Infratel has broadened its partnership with several non-profit organisations that work on varied social issues and has also supported in building their capacity, wherever required. We have been active in promoting social development programmes/projects through these partnerships at national and state level. Our project implementing partners consist of in-house teams /owned foundation/ external NGOs/ government structures. Education and sanitation programs at Infratel are being implemented through Bharti Foundation, The Energy and Resources Institute (TERI), Shishu Sarothi and Brookings Institute India Center. The Skill Development and livelihood programs are implemented in association with VSO India Trust and PanIIT Alumni Reach for India Foundation. Other agencies that are being supported by Infratel and its employees across different states include Berojghar Mahila Sewa Samiti, Bhartiya Kisan Sangh, Jan Jagran Sansthan, Pratham Education Foundation and Social Welfare Research Group, SOS Village of India, Helpage India, National Association of Blind and Child Rights and You (CRY).

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

   Yes, the impact assessment was done for Satya Bharti School Program by Bharti Foundation and a report on the same was shared with us. Other implementing partners including TERI, Shishu Sarothi, VSO India Trust and PanIIT Alumni Reach for India Foundation will also share an impact assessment report after completion of their respective project timelines.

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

   During the year 2016-2017, Bharti Infratel Limited has contributed INR 171.18 Mn towards various social development projects.

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

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

Principle 9

Value for Customers

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

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

   While there are 4 (Four) consumer cases pending before different forums against the Company, none of these are maintainable as the complainants do not fall within the definition of consumers.

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

   N.A.

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

   NIL

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

   Bharti Infratel Limited values its customer's voice and had actively engaged an external independent agency who has already carried out the Customer Satisfaction Survey across all customers for the FY 2016-2017.

Board's Report

Dear Members,

Your Directors are pleased to present the Eleventh Board's Report on the business and operations of the Company together with the audited financial statements for the financial year ended March 31, 2017.

Business Overview

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

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

As of March 31, 2017, Bharti Infratel owned and operated 39,099 towers with 89,263 co-locations in 11 telecommunication circles while Indus Towers operated 122,730 towers with 288,913 co-locations in 15 telecommunication circles. With Bharti Infratel's towers and its 42% interest in Indus Towers, we have an economic interest in the equivalent of 90,646 towers and 210,606 co-locations in India as of March 31, 2017.

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

Financial Highlights

A. Consolidated financial results as per Ind AS

(₹ Millions)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Revenue[1]	60,847	55,583
EBIDTA[1]	28,525	25,097
Profit before Tax	35,797	29,791
Profit after Tax	27,470	22,474

[1]Revenue & EBITDA are excluding other income

B. Standalone financial results as per Ind AS

(₹ Millions)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Revenue[1]	60,847	55,583
EBIDTA[1]	28,526	25,098
Profit before Tax	33,357	18,723
Profit after Tax	27,050	13,274

[1]Revenue & EBITDA are excluding other income

Indian Accounting Standard (Ind AS)

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated February 16, 2015, notified the Ind AS applicable to certain class of Companies. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. For Bharti Infratel, Ind AS is applicable from April 1, 2016, with a transition date of April 1, 2015 and IGAAP as the previous GAAP.

The reconciliation and description of the effect of the transition from IGAAP to Ind AS have been provided in Note no. 44 of the standalone and consolidated financial statements for the year ended March 31, 2017.

Share Capital

During the year, the Company has extinguished 47,058,823 equity shares of ₹ 10/- each consequent upon the Buy-back of equity shares of the Company. The paid up share capital of the Company has decreased from ₹ 18,966,670,690 to ₹ 18,496,082,460 represented by 1,849,608,246 equity shares of ₹ 10 each as on March 31, 2017.

Buy-back of Equity Shares

During the year under review, the Company had completed Buy-back of 47,058,823 equity shares (representing 2.48% of total pre Buy-back equity share capital) of ₹ 10/- each at a price of ₹ 425/- per equity share aggregating ₹ 19,999,999,775 (Rupees One Thousand Nine Hundred Ninety Nine Crores Ninety Nine Lakhs Ninety Nine Thousand Seven Hundred and Seventy Five Only), excluding the transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty etc. The Buy-back size represented 19.30 % of the total paid up equity capital and free reserves of the Company as per the audited accounts of the Company for the financial year ended March 31, 2016. The Buy-back of shares from the shareholders of the Company was on proportionate basis through tender offer route as prescribed under the Companies Act, 2013 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended.

The Buy-back is a capital allocation decision taken with the objective of seeking a fairer valuation of the Company's stock while improving the Company's Return on Equity, and increasing shareholder value in the longer term.

Transfer to Reserves

The Company has not transferred any amount to the General Reserve for the financial year ended March 31, 2017.The Company has transferred ₹ 471 Mn from General reserve to Capital Redemption Reserve (CRR) in respect of Buy-back of 47,058,823 equity shares of face value of ₹ 10/- each of the Company.

Dividend

The Board has recommended a final dividend of ₹ 4 per equity share of ₹ 10 each fully paid up (40% of face value) for FY 2016-17 amounting to ₹ 7,398 Mn (excluding tax on dividend). The payment of final dividend is subject to the approval of shareholders at the ensuing Annual General Meeting (AGM) of the Company.

During the year, the Board had also paid an interim dividend of ₹ 12 per equity share of ₹ 10 each fully paid up (120% of face value) for FY 2016-17 amounting to ₹ 22,195 Mn (excluding tax on dividend).

The total dividend (excluding dividend tax) for FY 2016-17 is ₹ 29,593 Mn.

Dividend Distribution Policy

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

Fixed Deposits

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

Details of utilisation of IPO proceeds

Pursuant to the Initial Public Offer in December, 2012, the Company collected ₹ 31,657 Mn (net of selling shareholders' proceeds). The Company had, in terms of Prospectus, proposed to utilise the IPO Proceeds towards objects of the Issue by March 31, 2016. Whilst the Company had made best efforts to utilise the IPO proceeds as per the terms of the Issue, ₹ 9,403 Mn. was pending utilisation as on December 31, 2015 for which the Company had obtained approval of the shareholders' by way of special resolution through Postal Ballot for variation in terms of the Objects of the Issue.

During the year, the Company has fully utilised the IPO proceeds towards the Object of the Issue as stated in the prospectus and / or as approved by the shareholders through postal ballot dated March 21, 2016.

For details of utilisation of IPO proceeds subsequent to approval of the shareholders', please refer Note no. 41 of the standalone financial statements for the year ended March 31, 2017 on page no. 271.

Directors and Key Managerial Personnel

Induction, Re-appointment and Resignation

Mark Chin Kok Chong, Non-Executive Director of the Company has resigned from the Board w.e.f. conclusion of the Board Meeting held on May 8, 2017. The Board placed on record its' sincere appreciation for help, guidance and contribution made by the outgoing Director during his tenure on the Board.

Sanjay Omprakash Nayar and Tao Yih Arthur Lang were appointed as Additional Directors designated as Non-Executive Directors on the Board w.e.f. May 8, 2017 and conclusion of Board Meeting held on May 8, 2017 respectively. The Company has received requisite notice from a member under Section 160 of the Companies Act, 2013, along with deposit of ₹ 1,00,000/- for each Director proposing the appointment of Sanjay Omprakash Nayar and Tao Yih Arthur Lang as Non-Executive Directors, liable to retire by rotation at the ensuing AGM.

Rajan Bharti Mittal was appointed as Non-Executive Director by the shareholders at the last AGM of the Company. Pursuant to the provisions of the Companies Act, 2013, Rajan Bharti Mittal, Director of the Company, is liable to retire by rotation at the forthcoming AGM and being eligible, has offered himself for re-appointment.

D S Rawat, Managing Director & CEO has completed his present term as Managing Director & CEO on March 31, 2017. On the recommendation of the HR, Nomination and Remuneration Committee, the Board in its meeting held on January 23, 2017, subject to approval of shareholders has re-appointed D S Rawat as Managing Director & CEO of the Company for a further term of 3 years w.e.f. April 1, 2017.

A brief resume, nature of expertise, details of other directorships and other information of the Directors proposed to be appointed/ re-appointed as stipulated in Secretarial Standard 2 and Regulation 36 of the Listing Regulations is appended as an annexure to the notice of ensuing AGM.

Declaration by Independent Directors

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

Policy on Nomination, Remuneration and Board Diversity

The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board will be able to leverage different skills, qualifications, professional experiences, perspectives and backgrounds, which is necessary for achieving sustainable and balanced development. The Board has adopted a Policy on Nomination, Remuneration and Board Diversity, which sets out the criteria for determining qualifications, positive attributes and independence of a Director. The detailed policy is available on the Company's website at http://www.bharti-infratel.com/cps-portal/web/pdf/Policy%20on%20Nomination,%20Remuneration%20and%20Board%20Diversity_28092016.pdf and is annexed as Annexure B to this report.

Annual Board Evaluation and Familiarisation Programme for Board Members

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

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

Board Meetings

During FY 2016-17, the Board of Directors met 5 times i.e. on April 26, 2016; July 26, 2016; October 24, 2016; January 23, 2017 and March 22, 2017. The period between any two consecutive meetings of the Board of Directors of the Company was not more than 120 days.

The details regarding composition, number of board meetings held and attendance of the Directors during FY 2016-17 are set out in the Report on Corporate Governance which forms part of this Annual Report.

Board Committees

The Company has several Committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes. As on March 31, 2017, the Board has 5 Committees, namely, Audit and Risk Management Committee; HR, Nomination and Remuneration Committee; Corporate Social Responsibility (CSR) Committee; Stakeholders' Relationship Committee and Committee of Directors. The details with respect to the composition, powers, roles, terms of reference, no. of meetings etc. of the Committees held during FY 2016-17 and attendance of the Directors at each meeting is provided in the Report on Corporate Governance which forms part of this Annual Report.

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

Subsidiary/ Joint Venture/ Associate Company

As on March 31, 2017, the Company has a wholly owned subsidiary in the name of Smartx Services Limited. During the year, name of Bharti Infratel Services Limited, another wholly owned subsidiary Company was Struck-off from the register of Companies by the Registrar of Companies, NCT of Delhi and Haryana. The details of such striking off was published in the Official Gazette of Ministry of Corporate Affairs.

Further, the Company has a joint venture in the name of Indus Towers Limited. There was no change in the joint venture during the financial year under review.

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

Audited financial statements of Smartx Services Limited for FY 2016-17 have been placed on the website of the Company, www.bharti-infratel.com. The audited financial statements of the subsidiary is available for inspection at the Company's registered office and registered office of the subsidiary Company. Shareholders interested in obtaining a copy of the audited financial statements of subsidiary may write to the Company Secretary at the Company's registered office.

Human Resources

At Bharti Infratel, we believe people excellence is the foundation for building a culture of service excellence. Our aim is to sustain our fervour as an employer of choice and we have outlined our key focus areas during the year to achieve this goal. Bharti Infratel has been recognised as one of the "Best Employers" by Aon Hewitt for the 3rd time in a row and "Great Place To Work" for the 1st time during FY 2016-17.

We would be celebrating 10 glorious years of our establishment this year and it was an opportune time to reassess our cultural dimensions. Our work culture ensures safety, good health, development of capabilities, quality of life and overall well-being of our employees.

Safety is viewed as a key parameter to demonstrate commitment to our people and the community at large. It is an integral part of our decision-making and is the prime consideration in all spheres of our activities. We have an effective Safety Policy in place that strives for zero fatality and prevents all workplace injuries. In order to ensure safe work practices, Cardinal Safety Rules have been framed and implemented. We also implemented the Consequence Management Matrix this year to ensure strict implementation of the Cardinal safety Rules.

We undertook various initiatives during the year advocating our vision to promote a gender diverse and inclusive environment. This was the year wherein we challenged ourselves and Industry mind-set by hiring women for unconventional roles. Women hiring for frontline roles is one such successful experiment. Gender sensitisation workshops were held wherein efforts were channelised to create awareness on behaviours, language and conduct to be observed with others.

With an employee strength of nearly 1,261 (on Standalone basis) spread across our 11 circles and 74 zones, Last Mile Connect became critical to drive and uphold employee motivation, engagement and loyalty. Many connect forums, open house sessions were arranged across all locations, functions and teams last year where the employees could voice their concerns and thoughts, the teams were recognised for their efforts and they were made aware of the processes and policies.

This year we yet again worked with renewed focus and enthusiasm to recognise our employees who are contributing to the success of organisation. We introduced several new category of awards to encourage the managers to strengthen the culture of recognition in their teams. This profound culture of recognition has inadvertently become the stepping stone for strengthening the culture of performance in the organisation.

Employees Stock Option Plan

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

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

During FY 2016-17, Company has granted 105,239 stock options under LTI Plan 2015 read with ESOP Scheme 2014. A detailed report with respect to options exercised, vested, lapsed, exercise price, vesting period etc. under ESOP Scheme 2008 and ESOP Scheme 2014 is disclosed on the website of the Company at http://www.bharti-infratel.com/cps-portal/web/shares.html.

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

Auditors and Auditors' Report

Statutory Auditors

Under Section 139 of the Companies Act, 2013, and the rules made thereunder, it is mandatory to rotate the Statutory Auditors on completion of the maximum term permitted under the said section. S. R. Batliboi & Associates, LLP, Chartered Accountants, shall be completing their tenure as the Company's Statutory Auditors and shall hold office till the conclusion of ensuing 11th AGM.

On the recommendation of the Audit & Risk Management Committee, the Board, in its meeting held on May 8, 2017 subject to the approval of the shareholders has recommended the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, (firm registration number 117366W-W100018) ('Deloitte') as the Statutory Auditors of the Company. Deloitte will hold office for a term of five consecutive years i.e. from the conclusion of ensuing 11th AGM till the conclusion of 16th AGM to be convened in the year 2022, subject to ratification by the members at every AGM. Accordingly, the appointment of Deloitte as the Company's Statutory Auditors, is placed for approval of the members. The Company has received a certificate from Deloitte to the effect that their appointment, if made, shall be in accordance with the provisions of Section 141 of the Companies Act, 2013. The first year of audit will be of the financial statements for the year ending March 31, 2018, which will include the audit of the quarterly financial statements for the year.

Auditor's Report

The Board has duly examined the Statutory Auditor's Report on the Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 by M/s S. R. Batliboi & Associates LLP, which is self-explanatory. The report does not contain any observations, disclaimer, qualification or adverse remarks.

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

Secretarial Auditor & their Report

The Company had appointed M/s. Chandrasekaran Associates, Company Secretaries, New Delhi, to conduct its Secretarial Audit for the financial year ended March 31, 2017. The Secretarial Auditor has submitted its Report, confirming compliance by the Company of all the provisions of applicable corporate laws. The Report does not contain any qualification, observation, disclaimer or adverse remark. The Secretarial Audit Report for FY 2016-17 is annexed as Annexure D to this report.

The Board has reappointed M/s. Chandrasekaran Associates, Company Secretaries, New Delhi, as Secretarial Auditor of the Company for FY 2017-18.

Corporate Social Responsibility

With each passing year, our CSR project beneficiaries have become a part of our larger family of stakeholders. It is encouraging to see how our support can change the life and empower the marginalised, be it children - especially girl child living in rural areas, unskilled women in urban slums, unemployed youth awaiting economic opportunities and people with disabilities who seek inclusion in the mainstream. Our work towards social development through CSR encompasses much more than social outreach programmes. We also maintain and align our business processes and goals to make a more deep-rooted impact on the society's sustainable development.

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

The Company has also formulated a Corporate Social Responsibility Policy, which is available on the Company's website at http://www.bharti-infratel.com/cps-portal/web/pdf/Corporate%20Social%20Responsibility%20Policy.pdf.

The Company is committed to increase its CSR impact over the years and has added few new projects during the year under review. On the recommendation of the CSR Committee and the Board, in addition to the CSR contribution of ₹ 171.18 Mn under Section 135 of Companies Act, 2013, the Company has also contributed ₹ 50 Mn to Bharti Foundation for promotion of education of underprivileged children under Section 35AC of the Income Tax Act, 1961 and has contributed ₹ 3 Mn to other charitable causes, during FY 2016-17. The said contributions of ₹ 50 Mn by the Company are as prescribed under Schedule VII of the Companies Act, 2013 and represents 0.31% of the net profit before tax of the Company for last three financial years. However, since the Company has availed a benefit under Section 35AC of Income Tax Act, 1961, the same is treated as other contribution by the Company and not considered towards prescribed 2% CSR contribution under Section 135 of Companies Act, 2013. The consolidated contribution of the Company towards various CSR activities during FY 2016-17 is ₹ 224.18 Mn (i.e. 1.37% of net profit of last three years), which is a marginal increase of 5.05% vis-à-vis consolidated contribution of ₹ 213.40 Mn in FY 2015-16.

Being in the initial years of implementation, the Company is persistently exploring new opportunities to increase its CSR expenditure to the prescribed level. As a socially responsible company, the Company is committed to play a larger role in India's sustainable development by embedding wider economic, social and environmental objectives.

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

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

Business Responsibility Report

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

Management Discussion & Analysis

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

Corporate Governance

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

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

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

Risk Management

Risk management is embedded in Bharti Infratel's operating framework. The Company believes that risk resilience is key to achieving higher growth. To this effect, there is a robust process in place to identify key risks across the Company and prioritize relevant action plans to mitigate these risks. Risk Management framework is reviewed periodically by the Board and the Audit & Risk Management Committee, which includes discussing the management submissions on risks, prioritizing key risks and approving action plans to mitigate such risks.

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

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

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

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

Internal Financial Controls and their adequacy

The Company has established a robust framework for internal financial controls. The Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information. During the year, such controls were assessed and no reportable material weaknesses in the design or operation were observed. Accordingly, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2016- 17. The Internal financial controls of the Company have been further discussed in detail in the Management Discussion and Analysis section.

Vigil Mechanism

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

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

Quality Control

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

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

This year too we have initiated further steps towards ever-lasting quality journey in the form of:

1. Integration of Tablets with Infratel's Central IT system to ensure flawless data analytics and quick turn around time.
2. As Built Drawing creation along with regular Preventive Maintenance Audit activity to ensure reproduction of site conditions for tabletop analytics without any cost to ensure timely Upgradation /necessary corrections.
3. Maintenance process for tower and civil structures has been further strengthened to ensure optimised utilisation of assets throughout their design life.

Through our quality control effort we continue to ensure optimum utilisation of equipment throughout designed lives thus ensuring lower costs, lower network outages and improved margins for both, operators and us.

Other Statutory Disclosures

Related Party Transactions

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

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

Names of Related Parties and details of transactions with them under Ind AS – 24 have been included in Note no. 40 of the standalone financial statements for the year ended March 31, 2017 on page no. 269.

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

Significant and material orders

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

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

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

Particulars of loans, guarantees or investments

The details of loans given, investments made or guarantees given are provided in Note no. 7 and 14 of the Standalone financial statements for the year ended March 31, 2017.

Particulars of Employees

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

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

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

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

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

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

Extract of Annual Return

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

Directors' Responsibility Statement

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

I. In the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards had been followed and there is no material departure from the same;

II. The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2017 and of the profit of the Company for the year ended on that date;

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

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

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

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

Acknowledgements

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

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

For and on behalf of the board

	Rajan Bharti Mittal	D S Rawat
Date: May 8, 2017	Director	Managing Director & CEO
Place: New Delhi	(DIN: 00028016)	(DIN:06798626)

Annexure A

Dividend Distribution Policy

1. Preamble, Objective and Scope

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

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

The objective of this Policy is to:

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

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

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

2. Dividend Philosophy

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

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

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

A) Financial Parameters / Internal Factors:

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

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

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

(d) Debt repayment schedules;

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

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

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

B) External Factors:

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

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

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

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

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

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

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

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

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

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

5. Utilisation of retained earnings

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

6. Parameters with regard to various classes

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

7. General

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

Annexure B

Policy on Nomination, Remuneration and Board Diversity

Preamble

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

Objectives

The main objectives of this Policy are:

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

A. Attributes, qualifications and diversity

Directors and Key Managerial Personnel

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

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

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

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

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

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

- Meet the baseline definition and criteria of "independence" as set out in Section 149 of the Companies Act, 2013 and the Listing Regulations and other applicable laws.
- Should not hold the position of Independent Director in more than six Indian listed companies and if serving as Whole-Time Director in any Indian listed company then in not more than three Indian listed companies.

- Should not hold any board / employment position with a competitor in the geographies where the Company is operating. However, the Board may in special circumstances waive this requirement.

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

Senior Management

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

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

B. Remuneration Policy

Board Members

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

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

Non-Executive Directors including Independent Directors

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

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

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

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

- The commission is payable annually after approval of the financial results for the year.

- The payment of commission is prorated to the number of meetings attended by the Directors in which quarterly results are considered and approved.

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

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

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

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

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

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

Disclosures by the Company

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

General

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

Annexure C

Form AOC-I

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

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

Part "A": Subsidiaries

1.	Sl. No.	1 (One)
2.	Name of the subsidiary	Smartx Services Limited
3.	The date since when subsidiary was acquired	September 21, 2015
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2016 to March 31, 2017
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
6.	Share capital	₹ 30 Mn
7.	Reserves & Surplus	₹ 0.009 Mn
8.	Total assets	₹ 30.717 Mn
9.	Total Liabilities	₹ 0.708 Mn
10.	Investments	Nil
11.	Turnover	Nil
12.	Profit before taxation	₹ 0.27 Mn
13.	Provision for taxation	₹ 0.34 Mn
14.	Profit/(loss) after taxation	₹ (0.06) Mn
15.	Proposed Dividend	Nil
16.	% of shareholding	100%

1. Names of subsidiaries which are yet to commence operations: Smartx Services Limited
2. Names of subsidiaries which have been liquidated or sold during the year: Name of Bharti Infratel Services Limited, wholly owned subsidiary Company was struck-off from the register of Companies by the Registrar of Companies, NCT of Delhi and Haryana. The details of such striking off was published in the Official Gazette of Ministry of Corporate Affairs.

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

Part "B": Associates and Joint Ventures

Name of Joint Venture	Indus Towers Limited
1. Latest audited Balance Sheet Date	March 31, 2017
2. Date on which the Associate or Joint Venture was associated or acquired	December 17, 2007
3. Shares of Associate/Joint Ventures held by the company on March 31, 2017	
(i) No.	500,504 equity shares
(ii) Amount of Investment in Associates/Joint Venture at Cost	₹ 60,419 Mn
(iii) Extend of Holding %	42%
4. Description of how there is significant influence	Bharti Infratel Limited holds 42% equity stake in Indus Towers Limited
5. Reason why the associate/joint venture is not consolidated	Not Applicable
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	₹ 55,509 Mn (42% share of total Net worth)
7. Profit / Loss for the year	
(i) Considered in Consolidation	₹ 11,950 Mn (42% share)
(ii) Not Considered in Consolidation	Nil

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

For and on behalf of the board

Rajan Bharti Mittal
Director
(DIN: 00028016)

D S Rawat
Managing Director & CEO
(DIN: 06798626)

Date: May 8, 2017
Place: New Delhi

Shweta Girotra
Company Secretary

Pankaj Miglani
Chief Financial Officer

Annexure D

Secretarial Audit Report

For the financial year ended March 31, 2017

The Members,

Bharti Infratel Limited
Bharti Crescent, 1,
Nelson Mandela Road,
Vasant Kunj, Phase-II,
New Delhi-110070

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review, there was no change in the composition of the Board of Directors of the Company.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the audit period the Company has Bought back 47,058,823 equity shares of ₹ 10 each through tender offer route. The said event is deemed to have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Dr. S. Chandrasekaran
Senior Partner

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

Date: April 28, 2017
Place: New Delhi

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

Annexure-A to the Secretarial Audit Report

The Members,

Bharti Infratel Limited
Bharti Crescent, 1,
Nelson Mandela Road,
Vasant Kunj, Phase-II,
New Delhi-110070

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Dr. S. Chandrasekaran
Senior Partner

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

Date: April 28, 2017
Place: New Delhi

Annexure E

Annual Report on Corporate Social Responsibility

(FY 2016-17)

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Bharti Infratel's CSR vision is "To build an empowered society through education, community development and environment sustainability". The CSR Policy of the company focuses on promoting: • Education amongst underprivileged section of the society and skill development initiatives • Rural development • Setting up of sanitation facilities • Environmental sustainability including contribution to approved technology incubators • Contribution to relief activities and the government approved relief funds **Web-links** **a. CSR Policy** http://www.bharti-infratel.com/cps-portal/web/corporate_gov.html#4 **b. Programmes and Partners** i. Satya Bharti School Program - Bharti Foundation http://www.bhartifoundation.org/wps/wcm/connect/bhartifoundation/BhartiFoundation/Home/Satya+Bharti%20School%20Program/About%20the%20Satya%20Bharti%20School%20Program/PG_about_bharti_program ii. Facilitating Learning on WASH (FLOW) - The Energy and Resources Institute (TERI) http://www.teriin.org/index.php?option=com_ongoing&task=details&pcode=2015EA10&Itemid=145 iii. Bharti Infratel Scholarship Program - Shishu Sarothi http://www.shishusarothi.org/we_do_units_bisp.html iv. Aaghaaz - VSO India Trust http://www.vsoindiatrust.org/get-involved/corporate-partnerships/bharti-infratel v. Tower Technician Gurukul - PanIIT Alumni Reach For India Foundation - PARFI http://www.parfi.org/program-partners.html vi. Research on Education & Environment Sustainability - Brookings Institution India Center https://www.brookings.in/wp-content/uploads/2016/11/details-of-domestic-grants-2016.pdf
2.	Composition of the CSR Committee	• N. Kumar (Independent Director)- Chairman • D S Rawat (Managing Director & CEO) • Leena Srivastava (Independent Director) • Rajan Bharti Mittal (Non-Executive Director)

3.	Average net profit of the company for last three financial years	₹ 16,333 Mn
4.	Prescribed CSR Expenditure (2% of the amount as above)	₹ 327 Mn
5.	Details of CSR spent during the financial year:	
	(a) Total amount to be spent for the financial year	₹ 327 Mn
	(b) Amount unspent	₹ 155.82 Mn

(c) Manner in which the amount spent during the financial year is detailed below.

(in ₹ Mn)

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs subheads$: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period (Since April 1, 2014)	Amount spent: Direct or implementing agency
CSR Spend under Section 135 of the Companies Act, 2013							
i	Satya Bharti School Program	Education	Specified Below*	50	50	250	Implementing Agency- Bharti Foundation 1st Floor, C-Wing, Airtel Center, Plot No. 16, Udyog Vihar Phase IV, Gurgaon – 122015 Tel.: 0124-4823500
ii	Contribution to Corpus of Bharti Foundation	Education - Satya Bharti School Program	Specified Below*	100	100	100	Implementing Agency- Bharti Foundation 1st Floor, C-Wing, Airtel Center, Plot No. 16, Udyog Vihar Phase IV, Gurgaon – 122015 Tel.: 0124-4823500
iii	FLOW – Facilitating Learning on WaSH#	Sanitation	Odisha- District Khorda (Bhubaneswar) Jharkhand- District Ranchi Madhya Pradesh- District Indore Himachal Pradesh- District Shimla Jammu & Kashmir- Districts Srinagar and Jammu Assam- District Kamrup Metropolitan (Guwahati)	9.2	1.76	7.37	Implementing Agency- The Energy and Resources Institute (TERI) Darbari Seth Block, IHC Complex, Lodhi Road, New Delhi -03 Phone: +91-11- 46444500, 24339606
iv	Bharti Infratel Scholarship Program#	Education	Assam, Meghalaya, Mizoram, Nagaland, Tripura, Sikkim, Manipur and Arunachal Pradesh	4.4	2.7	3.04	Implementing Agency- Shishu Sarothi Centre for Rehabilitation & Training for Multiple Disability, Off Ramakrishna Mission Road, Birubari, Guwahati – 781016, Assam Tel.: 0361-2470990 / 2478912

(in ₹ Mn)

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs subheads$: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period (Since April 1, 2014)	Amount spent: Direct or implementing agency
v	Aaghaaz#	Skill Development / Livelihood Creation	Odisha- District Khorda (Bhubaneswar) Jharkhand- District Ranchi Chhattisgarh- District Raipur Uttar Pradesh- District Lucknow Bihar- Districts Patna	11.40	11.40	14.8	Implementing Agency- VSO India Trust E-4, Clarion Collection The Qutab Hotel Complex Shaheed Jeet Singh Marg New Delhi - 110016 Tel.: +91-11-46681501-04
vi	Tower Technician Gurukul#	Skill Development / Livelihood Creation	Jharkhand – District Deogarh Chhattisgarh – District Rajnandgaon Uttar Pradesh and Odisha – Yet to finalize location	3.60	1.32	1.32	Implementing Agency- PanIIT Alumni Reach For India Foundation - PARFI 2nd floor, CSC Building, IIT B, Powai, Mumbai - 400076, Maharashtra Tel.: +91-9666407383
vii	Research on Education & Environment Sustainability Challenges#	Education / Environment	Pan India	4.0	4.0	4.0	Implementing Agency- Brookings Institution India Center No. 6, Second Floor, Dr. Jose P Rizal Marg Chanakyapuri, New Delhi – 21 Phone: 011 24157600 Email: info@brookingsindia.org
	Total (A)			**182.60**	**171.18**	**380.53**	
	Other Contributions:						
viii	Satya Bharti School Program	Education	Specified Below*	50	50	50	Implementing Agency- Bharti Foundation 1st Floor, C-Wing, Airtel Center, Plot No. 16, Udyog Vihar Phase IV, Gurgaon – 122015 Tel.: 0124-4823500
ix	Brookings Institution India Center	Research on Energy and Environment Development Challenges and Foreign Policy	Pan India and Overseas	2.5	2.5	10.5	Implementing Agency- Brookings Institution India Center No. 6, Second Floor, Dr. Jose P Rizal Marg Chanakyapuri, New Delhi – 21 Phone: 011 24157600 Email: info@brookingsindia.org
x	Contribution to Bharti Foundation	Others - Satya Bharti School Program	Specified Below*	0.5	0.5	1.91	Implementing Agency- Bharti Foundation 1st Floor, C-Wing, Airtel Center, Plot No. 16, Udyog Vihar Phase IV, Gurgaon – 122015 Tel.: 0124-4823500
	Total (B)			**53**	**53**	**62.41**	
	Grand Total (A+B)			**235.60**	**224.18**	**442.94**	

6.	In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	The Company is committed to increase its CSR impact over the years and has added few new projects during the year under review. On the recommendation of the CSR Committee and the Board, in addition to the CSR contribution of ₹ 171.18 Mn under Section 135 of Companies Act, 2013, the Company has also contributed ₹ 50 Mn to Bharti Foundation for promotion of education of underprivileged children under Section 35AC of the Income Tax Act, 1961 and has contributed ₹ 3 Mn to other charitable causes, during FY 2016-17. The said contributions of ₹ 50 Mn by the Company are as prescribed under Schedule VII of the Companies Act, 2013 and represents 0.31% of the net profit before tax of the Company for last three financial years. However, since the Company has availed a benefit under Section 35AC of Income Tax Act, 1961, the same is treated as other contribution by the Company and not considered towards prescribed 2% CSR contribution under Section 135 of Companies Act, 2013. The consolidated contribution of the Company towards various CSR activities during FY 2016-17 is ₹ 224.18 Mn (i.e. 1.37% of net profit of last three years), which is a marginal increase of 5.05% vis-à-vis consolidated contribution of ₹ 213.40 Mn in FY 2015-16. Being in the initial years of implementation, the Company is persistently exploring new opportunities to increase its CSR expenditure to the prescribed level. As a socially responsible company, the Company is committed to play a larger role in India's sustainable development by embedding wider economic, social and environmental objectives.
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.	CSR Committee certifies that all the CSR projects implemented/funded by the Company in FY16-17 adhere to the objectives set in its CSR policy. The selection, implementation and monitoring of the CSR projects has also been done in line with the CSR Policy.

* District wise/ State wise details of Satya Bharti School Program- Kaithal, Kurukshetra, Rewari, Mahendragarh, Jhajjar in Haryana; Jodhpur, Amer, Neemrana in Rajastan; Mushirdabad in West Bengal; Sivaganga in Tamil Nadu; Shahjahanpur, Farrukhabad, Bulandshehar in Uttar Pradesh and Amritsar, Ludhiana, Sangrur in Punjab.

Projects specified at sr. no. (iii), (iv), (v), (vi) and (vii) in the table above are multi-year projects with time span of 3 years for (iii), (v) and (vi) and 2 years for (iv) and (vii) respectively with total budget of ₹ 24.2 Mn, ₹ 35.9, ₹ 32 Mn, ₹ 9.1 Mn and ₹ 8 Mn.

$ Contribution in all the programs are direct expenditure.

For Bharti Infratel Limited

	N. Kumar	D S Rawat
Date: May 8, 2017	Chairman of CSR Committee	Managing Director & CEO
Place: New Delhi	(DIN: 00007848)	(DIN: 06798626)

Annexure F

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members of Bharti Infratel Limited
Bharti Infratel Limited
Bharti Crescent, 1, Nelson Mandela Road
Vasant Kunj, Phase-II
New Delhi-110070

1. The Corporate Governance Report prepared by Bharti Infratel Limited ("the Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2017. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.

5. We conducted our examination of the compliance of the conditions of Corporate Governance in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated in compliance of the conditions of the Corporate Governance with the applicable criteria. Accordingly, we have obtained and verified and noted that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the year, obtained and read the Directors Register as on March 31, 2017 and verified that at least one women director was on the Board during the year, obtained and read the minutes of the meeting of various Committees formed by Board of Directors of the Company along with the minutes of the meeting of Board of Directors of the Company held during the period April 01, 2016 to March 31, 2017, obtained necessary representations and declarations from directors of the Company including the independent directors, and performed necessary inquiries with the management and also obtained necessary specific representations from management.

   The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable as at March 31, 2017, referred to in paragraph 1 above.

Other matters and Restriction on Use

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to Corporate Governance Report accompanied with by a report thereon from the statutory auditors 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 or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:
101049W/E300004

per Vineet Kedia
Partner
Membership No: 212230

Place: New Delhi
Date: May 8, 2017

Annexure G

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2017, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

(a)	Name(s) of the related party and nature of relationship	Bharti Airtel Limited (Holding Company)
(b)	Nature of contracts/ arrangements/ transactions	• To provide passive infrastructure services; • To avail various telecom services such as landline, mobile, leased line broadband facility, SIM charges, USB Dongles etc; • To use and allow usage of each other's passive infrastructure assets; • Rental/Reimbursement of charges towards usage of offices/properties and availing related services.
(c)	Duration of the contracts/ arrangements/ transactions	All the contracts/arrangements/transactions are ongoing basis except as under:- • 10/15 years for providing of passive infrastructure services to Bharti Airtel Limited for each co-location by Bharti Infratel Limited pursuant to Master Service Agreement executed between Bharti Airtel Limited & Bharti Infratel Limited; • 10 years for use of certain passive infrastructure assets of Bharti Airtel Limited by Bharti Infratel Limited from April 1, 2008; • 10 years for use of certain passive infrastructure assets of Bharti Infratel Limited by Bharti Airtel Limited from October 1, 2009; • As per MSA amendment dated August 12, 2016 executed with Bharti Airtel Limited effective from April 1, 2016, all tenancies with tenure expiring on or before March 31, 2022 got extended upto March 31, 2022.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	• To provide passive infrastructure services: Bharti Infratel Limited has entered into Master Service Agreements (MSA) with Bharti Airtel Limited in December 2007 and subsequently three amendments have been executed till date. The MSA and its amendments executed between the parties sets out the terms and conditions relevant to sharing of passive infrastructure at sites and provision for related operation and maintenance services; and corresponding obligations of both the parties on a non-exclusive basis. Further, the MSA includes the SLA applicable to both the parties' w.r.t. their respective obligations under the MSA. The MSA also captures the tower sharing process, site selection, acquisition and deployment timelines, the service levels and uptimes to be maintained, site electrification requirements, the governance process and applicable charges including standard charges, annual increment, various site level premiums, additional charges determined basis the installed active equipments of the sharing operator etc. Further the parties have arrived at arrangement under which the energy consumed is charged at fixed rates. The parties have also entered into joint energy initiative arrangements and have implemented multiple energy efficient and environment friendly solutions.

		Overall monetary value of the transaction depends upon the number of sites provided, site location, number of co-location etc. and vary from time to time. The net value of such transaction for FY 2016-17 amounts to ₹ 30,062 Mn (Excluding Service Tax). • To avail various telecom services such as landline, mobile, leased line broadband facility, SIM charges, USB Dongles etc: Bharti Airtel Limited is engaged in the business of providing various telecommunication services. The Company avails many of these telecom services such as landline, mobile, leased line broadband facility, SIM charges, USB Dongles etc. from Bharti Airtel on arm's length basis. Overall monetary value of the transaction depends upon the number / volume of services availed and the applicable rates of such services at the relevant time. The net value of such transaction for FY 2016-17 amounts to ₹ 145 Mn. • To use and allow usage of each other's passive infrastructure assets: The Company and Bharti Airtel use certain passive infrastructure assets of each other. Both Companies under mutual agreement have agreed to charge each other @ 10% p.a. of the Gross value of the assets for 10 years. Accordingly during the year Bharti Airtel Ltd. paid ₹ 95 Mn to Bharti Infratel Ltd. for use of Infratel Assets by Airtel. Similarly Bharti Infratel Ltd. paid ₹ 22 Mn to Bharti Airtel Ltd. for use of Airtel's assets during FY 2016-17. The net monetary value for the said transactions for FY 2016-17 amounts to ₹ 73 Mn (Excluding Service Tax). • Rental/Reimbursement of charges towards usage of offices/properties and availing related services: Bharti Infratel has been occupying space in some offices and properties of Bharti Airtel and availing related facilities at such locations. Bharti Infratel reimburses charges for such usage and related services. Overall monetary value of the transaction depends upon the number / volume of services availed and the charges applicable at the relevant time. The value of such transaction incurred during FY 2016-17 amounts to ₹ 27 Mn.
(e)	Date(s) of approval by the Board, if any	April 27, 2015*
(f)	Amount paid as advances, if any	Nil

Note: The term "material" means a transaction to be entered individually or taken together with previous transactions in a financial year, which exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, as defined in the Related Party Transaction Policy of the Company.

*Initial approval of Board dated April 27, 2015; subsequently approved by the Shareholders in the AGM held on August 11, 2015. MSAs have been subsequently amended from time to time. The related party transactions are placed before the Board on quarterly basis for their review.

For Bharti Infratel Limited

Rajan Bharti Mittal
Director
(DIN: 00028016)

D S Rawat
Managing Director & CEO
(DIN: 06798626)

Date: May 8, 2017
Place: New Delhi

Annexure H

Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subsequent amendments thereto

(i)	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17	The median remuneration of employees is ₹ 632,200 per annum. Please refer Table A for the ratios.
(ii)	The percentage increase in remuneration of each Director, CFO, CEO, CS or Manager in the financial year 2016-17	Please refer Table A
(iii)	The percentage increase in the median remuneration of employees in the financial year	7%
(iv)	The number of permanent employees on the rolls of the Company as on March 31, 2017 (on Standalone basis)	1,261
(v)	Average percentage increase already made in the salaries of employees other than the managerial personnel in financial year 2016-17 and its comparison with the percentage increase in the managerial remuneration	Average percentage increase in the salaries of employees other than KMPs is 9.5%, whereas remuneration of KMPs has increased by 10.70% which in line with the remuneration of employees.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, remuneration paid is as per the remuneration policy of the Company.

Table A

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for FY 2016-17 (In ₹)	% increase in remuneration in FY 2016-17	Ratio of remuneration of each Director to median remuneration of employees [a, b]
	Executive Directors			
1	Akhil Gupta (Chairman)	82,839,497*	(6.29)	131.03
2	D S Rawat (Managing Director & CEO)	28,897,403#	2.28	45.71
	Non-Executive Directors			
3	Rajan Bharti Mittal	750,000^	NA	1.19
4	Mark Chin Kok Chong	750,000^	NA	1.19
	Independent Directors			
5	Bharat Sumant Raut	2,000,000^	NA	3.16
6	Jitender Balakrishnan	1,500,000^	NA	2.37
7	Leena Srivastava	1,500,000^	NA	2.37
8	N Kumar	1,500,000^	NA	2.37
9	Rajinder Pal Singh	1,500,000^	NA	2.37
	Key Managerial Personnel other than Executive Directors			
10	Pankaj Miglani (Chief Financial Officer)	16,423,524@	10.23	-
11	Shweta Girotra (Company Secretary)	2,835,584	36.60	-

a. Based on Annualized Remuneration

b. Remuneration of Employees and KMPs does not include perquisite value of stock options exercised during FY 2016-17.

^ In terms of remuneration policy, Independent Directors are entitled for profit based commission of ₹ 1,500,000 per annum and Non-Executive Directors ₹ 750,000 per annum. Chairman of Audit & Risk Management Committee is entitled for an additional commission of ₹ 500,000 per annum. The payment of commission is based on attending the board meeting in which quarterly results are adopted. There is no change in the commission paid to Independent Directors and Non-Executive Directors during the year. Company has not paid any sitting fees for FY 2016-17.

* The remuneration of Akhil Gupta has marginally increased during the year, however, due to change in remuneration mix ratio i.e. fixed pay: variable pay from 70:30 to 80:20 during FY 2015-16, and corresponding decrease in actual payout of variable pay during FY 2016-17, a decrease in his remuneration is being reflected.

The remuneration of D S Rawat does not include perquisite value on exercise of ESOPs amounting to ₹ 1,922,956 as mentioned in Form MGT-9 annexed with Board's Report and payout of ₹ 21,106,445 under performance based long term incentive plan of the Company. The remuneration stated during the previous year included arrears of Performance Linked Incentive for FY 2014-15 amounting to ₹ 1,855,038 paid to D S Rawat during FY 2015-16. For effective comparison, the percentage increase is computed after adjusting the arrears of Performance Linked Incentive.

@ the remuneration of Pankaj Miglani does not include perquisite value on exercise of ESOPs amounting to ₹ 13,335,855 as mentioned in Form MGT-9 annexed with Board's Report and payout of ₹ 5,057,169 under performance based long term incentive plan of the Company.

Annexure I

Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subsequent amendments thereto

Sl. No.	Name	Designation	Nature of Employment, whether contractual or otherwise	Nature of duties of the employee	Qualification(s)	Age (In years)	Date of Commencement of Employment (Infratel)	Total experience (in years)	Gross Remuneration (in ₹)	Previous Employment / Designation
(A) Name of top 10 employees in terms of remuneration drawn										
1	Akhil Gupta	Chairman	Contractual	General Management	CA	61	01-Aug-08	32	82,839,497	Bharti Airtel Limited / Jt. Managing Director
2	Biswajit Patnaik	Chief Sales & Marketing Officer	Permanent	Sales & Marketing	PGDSM	44	20-Oct-08	24	16,825,130	TVS InterconnectSystems Ltd / Genral Manager - Sales & Marketing
3	Devender Singh Rawat	Managing Director & CEO	Contractual	CEO's Office	B.E	49	28-Jul-10	28	51,926,804	Huawei Telecommunications (I) Co. P Ltd / Executive Director
4	Dhananjay Joshi	Chief Operating Officer	Permanent	COO's Office	B Tech	57	26-Feb-14	30	15,942,033	Ericssion India Ltd / VP & CU Head
5	Dipak Roy	Chief Human Resource Officer	Permanent	HR	MPM	50	01-Jun-13	26	23,178,504	Bharti Airtel Ltd / Head HR- Consumer Business Operations
6	Pankaj Miglani	Chief Financial Officer	Permanent	Finance	CA/ CS/ ICWA	47	08-Aug-11	22	34,816,548	Bharti Airtel Limited / Head - Global Voice
7	Prashant Veer Singh	Chief Information Officer	Permanent	Technology Services	BE/ MBA	47	01-Apr-10	24	12,412,802	Bharti Airtel Limited/ Vice President - IT & Innovation
8	Rajiv Arora	Chief - Legal-Regulatory & Corp Affairs	Permanent	Legal-Regulatory & Corp Affairs	DLL / LLB	46	01-Oct-07	21	10,846,363	Bharti Airtel Ltd / General Manager
9	Ravinder Bansal	VP - FR & Consol	Permanent	Finance	C.A	42	02-Sep-13	18	10,672,363	Bharti Airtel Tanzania LT./ Financial controller
10	Abhay Kumar Singh*	Circle Business Head	Permanent	Operations	B.E / B.Tech	53	12-Dec-08	30	13,387,789	Nokia Siement Network/ National Infra Manager

* Employed for a part of FY 2016-17

(B) Employed for part of financial year except top 10 employees mentioned in (A) above

1	B.krishna Mohan	Circle Operations Head	Permanent	Operations	C.A	48	09-Feb-09	21	2,457,924	Datacom Solutions Pvt. Ltd./General Manager
2	Ravikant Parvati	Chief O&M Officer	Permanent	O&M	BE	45	03-Nov-14	20	2,993,356	Tech Mahindra / Global Managed Services Head
3	Sanjeev Bhatia	Head - Finance Operations	Permanent	Finance	CPA	44	16-Oct-08	23	3,757,683	Motorola India Pvt Ltd/ Manager Corporate Finance

Notes:
1. Gross Remuneration comprises Salary, Taxable Allowances & Perquisities and Company's contribution to Provident Fund.
2. The employee would qualify for being included in Category (A) or (B) on the following basis:
   For (A) top 10 employees in terms of remuneration drawn or if the aggregate remuneration drawn by him during the year was not less than ₹ 10,200,000 p.a.
   For (B) if the aggregate remuneration drawn by him during the part of year was not less than ₹ 850,000 p.m.
3. None of the employees mentioned above is a relative of any Director of the Company.
4. None of the employees mentioned above holds 2% or more share capital of the Company.
5. The employees are governed by the general terms and conditions of employment and the policies of the Company.

Annexure J

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Bharti Infratel Limited has always aimed to be an environment-friendly company. Our constant pursuit of being a green organisation goes back to year 2006, when the company was incorporated. Over time, ambitions matured, and so did our efforts. Today, we feel proud in saying that we have a total of over 13,850 (on standalone basis) 'Green' sites pan India as of March 31, 2017.

Our unique business model allows the operators to lower their operational expenses significantly, by exploiting the best of our networks with the co-location model. This unique proposition serves a host of purposes including a considerable reduction in diesel cost per co-location, faster rollouts, and lowers emissions.

We, at Bharti Infratel have the vision to be the best and most innovative passive communications infrastructure provider globally known for – highest uptime, cost and energy efficiencies, speed and quality of deployment, and environment friendliness. Our strategy and actions are planned such that we objectively fulfil our vision of becoming a green company.

A. Conservation of Energy

(i) Steps for conservation of energy

During the year under review, several steps were taken for conservation of energy and improving energy efficiency, some of which are listed below:

Infratel as an organization has always been committed towards ensuring lowest energy consumption with minimum carbon emission from sites. Business engines developed for the purposes of energy and other infra health analysis helps us in reducing diesel as well as energy cost and in turn lowers our carbon footprint. Our multipronged strategy for reducing consumption and losses along with operational efforts have yielded big results and have helped in reduction in diesel consumption by a great margin.

Infratel continues to focus on reduction in energy cost through optimum utilization of energy, enhanced battery storage and installation of alternate energy at feasible sites.

We have been regularly working on ensuring optimum utilization of electricity both through advanced storage systems including high end VRLA batteries, Li-Ion and Combination thereof and through efficient power management systems like IPMS.

Traditionally, air conditioners are deployed on-site to cool off the operator equipment placed indoors. We continue our journey for reducing energy consumption and "Abandoning Air-conditioner' by pulling in more and more innovative solution in our gamut including Solar based natural Free cooling units, large sized micro cooling cabinets, HEX based micro cooling units, Free Cooling Unit (FCU) and Natural Cooling Unit (NCU).

(ii) Initiatives to utilise alternate source of energy:

Infratel has always been the pioneer in usage of alternate energy sources for reducing dependence on carbon intensive energy sources. Regular scanning for conventional or non-conventional energy sources is carried out, whereby the solution is evaluated both technically and commercially in terms of deployment and scalability. Solutions such as solar, wind, hydrogen based fuel-cell, bio-mass have been tested and feasible solutions among these have been adopted.

Through persistent efforts we have been able to deploy the largest solar footprint in telecom industry leading to reduction in carbon emission. Substantial social impact has been seen through Renewable Energy Service Company (RESCO) solar model wherein the community power requirements are fulfilled alongside site becoming green.

(iii) Future plan of action

At Infratel we plan to remain committed to our efforts towards optimization of energy consumption by increasing grid electricity availability, improving efficiency, reducing load, enhancing adoption of renewable energy sources and driving operational efficiencies.

We plan to further stimulate development of RESCO based partners in more states. Thus ensuring a reliable clean power to ourselves as well as do our bit for the betterment of community as a whole.

In efforts towards load reduction, we intend to put in more collaborative efforts with our active infra partners to ensure quicker adoption of low power consuming devices and conversion from indoor to outdoor.

(iv) The Capital investment on energy conservation equipment

(₹ Millions)

S. No.	Capex on Energy Conservation	Standalone	Consolidated
1	During FY 2016-17	223	1,815
2	Cumulative as on March 31, 2017	2,894	5,897

The energy conservation measures have brought over 24% reduction in diesel consumption per co-location during the last 2 years.

B. Technology Absorprtion

The Company continues to adopt and use the latest ready for deployment technologies to improve the productivity and quality of its services. However, this section is not applicable for the Company.

C. Foreign Exchange Earnings And Outgo

(i) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans;

Bharti Infratel Limited being a telecom tower Infrastructure service provider has not undertaken any activity relating to exports or development of export markets for services.

(ii) Total foreign exchange used and earned

(a) Total Foreign Exchange Earning: Nil

(b) Total Foreign Exchange Outgo: Nil

Annexure K

Form No. MGT-9

Extract of Annual Return
as on the financial year ended on March 31, 2017
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

i)	CIN:	L64201DL2006PLC156038
ii)	Registration Date:	November 30, 2006
iii)	Name of the Company:	Bharti Infratel Limited
iv)	Category/ Sub- Category of the Company	Company limited by shares / Public Non-Government Company
v)	Address of the registered office of the Company and contact details	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi- 110070 Tel: +91-11-4666 6100 Fax: +91-11-4166 6137 Email ID: compliance.officer@bharti-infratel.in Website: www.bharti-infratel.com
vi)	Whether listed company	Yes
vii)	Name, Address and contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No. 31 & 32 Financial District, Nanakramguda, Gachibowli, Hyderabad- 500032 Contact Person: Ravi Shankar Shukla Tel: +91-040-67161522 Email: einward.ris@karvy.com Website: www.karvycomputershare.com

II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated

Sl. No.	Name and Description of main products/ services	NIC Code of the product/ service*	% to total turnover of the Company
1	Activities of providing Telecom Tower Infrastructure sharing for telecommunication services	612	100%

*As per National Industrial classification- Ministry of Statistics and Programme Implementation.

III. Particulars of Holding, Subsidiary and Associate Companies

S. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Bharti Airtel Limited Bharti Crescent, 1 Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi - 110070	L74899DL1995PLC070609	Holding Company	61.65%*	2(46)
2	Smartx Services Limited Bharti Crescent, 1 Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi- 110070	U64202DL2015PLC285515	Subsidiary Company	100.00%	2(87)
3	Indus Towers Limited Bharti Crescent, 1 Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi- 110070	U92100DL2007PLC170574	Associate Company	42.00%	2(6)

*Includes 11.32% shares held by Nettle Infrastructure Investments Limited , wholly owned subsidiary of Bharti Airtel Limited.

IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

i) Category-wise Share Holding

Category Code	Category of Shareholder	No. of shares held at the beginning of the year i.e. April 1, 2016				No. of shares held at the end of the year i.e. March 31, 2017				% change during the year**
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	Promoter and Promoter Group									
(1)	**Indian**									
(a)	Individual /HUF	-	-	-	-	-	-	-	-	-
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	1,360,000,000	-	1,360,000,000	71.70%	1,140,315,371		1,140,315,371	61.65%	(10.05)
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1) :	**1,360,000,000**	**-**	**1,360,000,000**	**71.70%**	**1,140,315,371**		**1,140,315,371**	**61.65%**	**(10.05)**
(2)	**Foreign**									
(a)	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total A=A(1)+A(2)	**1,360,000,000**	**-**	**1,360,000,000**	**71.70%**	**1,140,315,371**	**-**	**1,140,315,371**	**61.65%**	**(10.05)**
(B)	Public Shareholding									
(1)	**Institutions**									
(a)	Mutual Funds /UTI	3,472,202		3,472,202	0.18%	18,645,508	-	18,645,508	1.01%	0.83%
(b)	Financial Institutions /Banks	10,561,348	-	10,561,348	0.56%	12,908,660	-	12,908,660	0.69%	0.13%
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-		-

i) Category-wise Share Holding

Category Code	Category of Shareholder	No. of shares held at the beginning of the year i.e. April 1, 2016				No. of shares held at the end of the year i.e. March 31, 2017				% change during the year**
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(d)	Venture Capital Funds	-	-	-	-	-	-	-		-
(e)	Insurance Companies	-	-	-	-	-	-	-		-
(f)	Foreign Institutional Investors	484,006,637	-	484,006,637	25.52%	635,145,630	-	635,145,630	34.34%	8.82%
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-		-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-		-
	Sub-Total B(1) :	**498,040,187**	**-**	**498,040,187**	**26.26%**	**666,699,798**	**-**	**666,699,798**	**36.04%**	**9.78%**
(2)	**Non-Institutions**									
(a)	Bodies Corporate	6,502,940	-	6,502,940	0.34%	11,599,647	-	11,599,647	0.63%	0.28%
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹1 lakh	3,380,796	1,144	3,381,940	0.18%	5,447,142	1,233	5,448,375	0.29%	0.12%
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	3,088,912	-	3,088,912	0.16%	3,311,781	-	3,311,781	0.18%	0.02%
(c)	Others									
	Foreign Bodies	21,893,782	-	21,893,782	1.15%	17,645,962	-	17,645,962	0.95%	(0.20%)
	Clearing Members	1,831,845	-	1,831,845	0.10%	2,291,703	-	2,291,703	0.12%	0.03%
	Trusts*	1,507,248	-	1,507,248	0.08%	1,010,757	-	1,010,757	0.05%	(0.03%)
	Non resident Indians	420,215	-	420,215	0.02%	1,284,852	-	1,284,852	0.08%	0.06%
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	
	Sub-Total B(2) :	**38,625,738**	**1,144**	**38,626,882**	**2.04%**	**42,591,844**	**1,233**	**42,593,077**	**2.31%**	**0.27%**
	Total B=B(1)+B(2) :	**536,665,925**	**1,144**	**536,667,069**	**28.30%**	**709,291,642**	**1,233**	**709,292,875**	**38.35%**	**10.05%**
	Total (A+B) :	**1,896,665,925**	**1,144**	**1,896,667,069**	**100.00%**	**1,849,607,013**	**1,233**	**1,849,608,246**	**100%**	**-**
(C)	Shares held by custodians, against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C) :	**1,896,665,925**	**1,144**	**1,896,667,069**	**100.00%**	**1,849,607,013**	**1,233**	**1,849,608,246**	**100%**	**-**

*Trust includes shares held by Bharti Infratel Employee welfare Trust.

**During FY 2016-17, the paid up share capital of the Company decreased from ₹ 18,966,670,690 to ₹ 18,496,082,460 consequent upon buy-back of 47,058,823 Equity shares. As a result, the shareholding in various categories may have increased proportionately.

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year i.e April 1, 2016			Shareholding at the end of the year i.e March 31, 2017			% change in share holding during the year
		No. of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Bharti Airtel Limited	1,360,000,000	71.70	0.00%	930,898,728	50.33	0.00%	(21.37)
2	Nettle Infrastructure Investments Limited*	-	-	0.00%	209,416,643	11.32	0.00%	11.32
	Total	**1,360,000,000**	**71.70**	**0.00%**	**1,140,315,371**	**61.65**	**0.00%**	**(10.05)**

*During FY 2016-17, Nettle Infrastructure Investments Limited, wholly owned subsidiary of Bharti Airtel Limited became part of the promoter group, subsequent to inter-se transfer of shares of the Company.

iii) Change in Promoters' Shareholding

Sl. No.	Name	Shareholding at the beginning of the year/ end of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Bharti Airtel Limited	1,36,00,00,000	71.70	01 April 2016		Opening Balance	1,36,00,00,000	71.70
				01 August 2016	(2,91,01,272)	Tendered under Buy back	1,33,08,98,728	71.95
				28 March 2017	(19,05,83,357)	Open Market Sale	1,14,03,15,371	61.65
				29 March 2017	(20,94,16,643)	**Inter-se Transfer**	93,08,98,728	50.33
				31 March 2017		Closing Balance	93,08,98,728	50.33
2	Nettle Infrastructure Investments Limited	-	-	01 April 2016		Opening Balance	-	-
				29 March 2017	20,94,16,643	Inter-se transfer	20,94,16,643	11.32
				31 March 2017		**Closing Balance**	20,94,16,643	11.32

(iv) Shareholding Pattern of Top 10 shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Sl. No.	Name of the Share Holder	Shareholding		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	**Silverview Portfolio Investments Pte. Limited**				
	At the beginning of the year	-	-	-	-
	Bought during the year	130,803,065	7.07	130,803,065	7.07
	Sold during the year	-	-	-	-
	At the end of the year	130,803,065	7.07	130,803,065	7.07
2	**Canada Pension Plan Investment Board**				
	At the beginning of the year	70	0.00	70	0.00
	Bought during the year	60,461,539	3.27	60,461,609	3.27
	sold during the year	-	-	-	-
	At the end of the year	60,461,609	3.27	60,461,609	3.27
3	**Merrill Lynch Capital Markets Espana S.a. S.v.**				
	At the beginning of the year	43,721,596	2.31	43,721,596	2.36
	Bought during the year	27,510,418	1.49	71,232,014	3.85
	Sold during the year	71,232,014	3.85	-	-
	At the end of the year	-	-	-	-
4	**Merrill Lynch Markets Singapore Pte. Ltd**				
	At the beginning of the year	-	-	-	-
	Bought during the year	52,267,163	2.76	52,267,163	2.83
	Sold during the year	23,153,956	1.25	29,113,207	1.57
	At the end of the year	29,113,207	1.57	29,113,207	1.57

Sl. No.	Name of the Share Holder	Shareholding		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
5	**Millennium Mauritius 1 Limited**				
	At the beginning of the year	18,027,840	0.95	18,027,840	0.97
	Bought during the year	-	-	-	
	Sold during the year	381,878	0.02	17,645,962	0.95
	At the end of the year	17,645,962	0.95	17,645,962	0.95
6	**Matthews Asia Dividend Fund**				
	At the beginning of the year	7,522,045	0.40	7,522,045	0.41
	Bought during the year	9,868,746	0.53	17,390,791	0.94
	Sold during the year	376,102	0.02	17,014,689	0.92
	At the end of the year	17,014,689	0.92	17,014,689	0.92
7	**Fidelity Investment Trust -Fidelity Diversified**				
	At the beginning of the year	14,614,013	0.77	14,614,013	0.79
	Bought during the year	16,211,619	0.88	30,825,632	1.67
	Sold during the year	30,825,632	1.67	-	-
	At the end of the year	-	-	-	-
8	**Abu Dhabi Investment Authority**				
	At the beginning of the year	14,468,020	0.76	14,468,020	0.78
	Bought during the year	7,673,977	0.41	22,141,997	1.20
	Sold during the year	14,692,944	0.79	7,449,053	0.40
	At the end of the year	7,449,053	0.40	7,449,053	0.40
9	**Fidelity Investment Trust Fidelity International**				
	At the beginning of the year	12,647,734	0.67	12,647,734	0.68
	Bought during the year	12,181,228	0.66	24,828,962	1.34
	Sold during the year	14,280,661	0.77	10,548,301	0.57
	At the end of the year	10,548,301	0.57	10,548,301	0.57
10	**Comgest Growth Plc A/C Comgest Growth Emerging Markets**				
	At the beginning of the year	12,590,810	0.66	12,590,810	0.68
	Bought during the year	15,467,856	0.84	28,058,666	1.52
	Sold during the year	12,928,930	0.70	15,129,736	0.82
	At the end of the year	15,129,736	0.82	15,129,736	0.82
11	**Morgan Stanley Asia (Singapore) Pte**				
	At the beginning of the year	11,025,240	0.58	11,025,240	0.60
	Bought during the year	10,373,773	0.56	21,399,013	1.16
	Sold during the year	19,471,980	1.05	1,927,033	0.10
	At the end of the year	1,927,033	0.10	1,927,033	0.10
12	**Fidelity Investment Trust Fidelity Series Emerging Market Fund**				
	At the beginning of the year	10,820,434	0.57	10,820,434	0.59
	Bought during the year	8,367,808	0.45	19,188,242	1.04
	Sold during the year	12,863,594	0.70	6,324,648	0.34
	At the end of the year	6,324,648	0.34	6,324,648	0.34

Sl. No.	Name of the Share Holder	Shareholding		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
13	**Morgan Stanley Mauritius Company Limited**				
	At the beginning of the year	44,114	0.00	44,114	0.00
	Bought during the year	13,734,374	0.74	13,778,488	0.74
	Sold during the year	3,138,918	0.17	10,639,570	0.58
	At the end of the year	10,639,570	0.58	10,639,570	0.58
14	**Life Insurance Corporation Of India**				
	At the beginning of the year	10,272,488	0.54	10,272,488	0.56
	Bought during the year	1,016,877	0.05	11,289,365	0.61
	Sold during the year	-	-	-	-
	At the end of the year	11,289,365	0.61	11,289,365	0.61
15	**Magellan**				
	At the beginning of the year	9,877,311	0.52	9,877,311	0.53
	Bought during the year	11,660,184	0.63	21,537,495	1.16
	Sold during the year	10,036,972	0.54	11,500,523	0.62
	At the end of the year	11,500,523	0.62	11,500,523	0.62

Notes : The details of top 10 Shareholders at any point of time during FY 2016-17 has been provided.

The details of shareholding are maintained by respective depositories and it is not feasible to provide daily change in the shareholding of top 10 Shareholders. Therefore, Consolidated changes during the year 2016-17 has been provided.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year/ end of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Akhil Gupta (Chairman)	2,178,217	0.12	01 April 2016		Opening Balance	2,178,217	0.12
				02 August 2016	(51,000)	Tendered Under Buy Back	2,127,217	0.11
				31 March 2017		**Closing Balance**	2,127,217	0.11
2	D S Rawat (Managing Director & CEO)	78,625	0.00	01 April 2016		Opening Balance	78,625	0.00
				02 August 2016	(1,686)	Tendered Under Buy Back	76,939	0.00
				14 October 2016	5,756	ESOP allotment	82,695	0.00
				31 March 2017		**Closing Balance**	82,695	0.00

No other Director held any shares of the Company during the year.

Key Managerial Personnel other than Executive Directors

1	Pankaj Miglani (Chief Financial Officer)	23,095	0.00	01 April 2016		Opening Balance	23,095	0.00
				02 August 2016	(852)	Tendered Under Buy Back	22,243	0.00
				23 September 2016	(5,000)	Market Sale	17,243	0.00
				30 March 2017	64,619	ESOP Allotment	81,862	0.00
				31 March 2017		**Closing Balance**	81,862	0.00

Shweta Girotra, Company Secretary did not hold any shares in the Company during the year.

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

(₹ Million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	**-**	**-**	**-**	**-**
Change in indebtedness during the financial year				
Addition	-	2,785	-	2,785
Reduction	-	-	-	-
Net change		**2,785**	**-**	**2,785**
Indebtedness at the end of the financial year				
i. Principal Amount*	-	2,785	-	2,785
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	**-**	**2,785**	**-**	**2,785**

*This includes the interest paid on the Overtdraft facility

VI. Remuneration of Directors and Key Managerial Personnel

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

(in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
		Akhil Gupta (Chairman)	D S Rawat (Managing Director & CEO)	
	Gross Salary			
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax act,1961	75,814,196	48,679,048	124,493,244
	(b) Value of perquisites u/s 17(2) of Income tax Act, 1961			
	(i) Perquisite value of Car	39,600	-	39,600
	(ii) Perquisite value of ESOPs exercised during the year	-	1,922,956	1,922,956
	(iii) others			
	(c) Profit In lieu of salary under section 17(3) of Income tax Act,1961	-	-	-
2	Stock Option			
	- Granted	-	-	-
	- Exercised (perquisite value)	-	-	-
3	Sweat Equity			
	- Granted	-	-	-
	- Exercised (perquisite value)	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others (Company's contribution to PF)	6,985,701	1,324,800	8,310,501
	Total (A)	**82,839,497**	**51,926,804**	**134,766,301**
	Ceiling as per Companies Act, 2013			3,430,534,150

B. Remuneration to other Directors:

(in ₹)

Particulars of Remuneration	Name of Director							Total Amount
	Bharat Sumant Raut	N Kumar	Leena Srivastava	Jitender Balakrishnan	Rajinder Pal Singh	Mark Chin Kok Chong	Rajan Bharti Mittal	
	Independent Director				Non-Executive Director			
Fee for attending board/ committee meetings	-	-	-		-	-	-	-
Commission*	2,000,000	1,500,000	1,500,000	1,500,000	1,500,000	750,000	750,000	9,500,000
Others, please specify	-	-	-	-	-	-	-	-
Total (B)	**2,000,000**	**1,500,000**	**1,500,000**	**1,500,000**	**1,500,000**	**750,000**	**750,000**	**9,500,000**
Ceiling as per the Companies Act, 2013								343,053,415
Total Managerial Remuneration (A+B)								**144,266,301**
Overall Ceiling as per the Companies Act, 2013								**3,773,587,565**

* Commission is paid to Directors on the basis of No. of Board Meetings attended by them in which quarterly financial results are adopted.

C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD

(in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Pankaj Miglani (Chief Financial Officer)	Shweta Girotra (Company Secretary)	
	Gross Salary			
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax act, 1961	20,698,238	2,626,584	23,324,822
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961			
	(i) Perquisite value of Car	1,783	36,680	38,463
	(ii) Perquisite value of ESOPs exercised during the year	13,335,855	-	13,335,855
	(iii) others			
	(c) Profit In lieu of salary under section 17(3) of the Income tax Act, 1961			
2	Stock Option			
	- Granted			
	- Exercised (perquisite value)			
3	Sweat Equity			
	- Granted			
	- Exercised (perquisite value)			
4	Commission			
	- as % of profit			
	- others, specify			
5	Others (Company's contribution to PF)	780,672	172,320	952,992
	Total	**34,816,548**	**2,835,584**	**37,652,132**

VII. There were no penalties/punishment/compounding of offences for the year ending March 31, 2017.

Management Discussion & Analysis

Economic Overview

India has been one of the most favoured Emerging Market economies over the last few years and made steady progress in FY 2017 despite global volatilities. According to the International Monetary Fund, the estimated GDP growth for FY 2017 stands at 7.2% as against 6.8% in FY 2016.

Policy reforms continued across sectors and the year gone by saw two major domestic policy developments – first was the demonetisation of high denomination notes and second was the Constitutional amendment paving way for GST implementation. Whilst the former might have led to some slowdown in growth, the economy has shown signs of stabilisation since in the form of higher urban and rural consumption recovery.

The Union Budget was forward looking with the government announcing a series of proposed legislative/policy reforms designed to push the digital economy such as launch of Aadhar pay, curb black money, promote manufacturing and job creation, and promote financial inclusion.

The government also plans to abolish the Foreign Investment Promotion Board (FIPB) which used to vet FDI proposals under the approval route, thus moving to a more liberalised FDI regime. Spending on rural infrastructure – roads, irrigation, electrification, housing and sanitation also remains a key focus.

Over the medium term, consistent traction in policy reforms, increasing digitisation and a successful GST implementation will improve India's growth potential.

Indian Telecom Industry overview

India is currently the world's second-largest telecommunications market with a wireless subscriber base of 1.17 Bn subscribers (as of March 31, 2017, Source-TRAI). Mobile has become an integral part of our lives and is no longer just a communication device. It is now used for information, e-commerce, entertainment, digital payments, customer authentication, health monitoring, education, banking services, etc.

2016-17 was an eventful year for the Indian telecom industry as aggressive 3G network expansion and 4G launches with the backdrop of improving device ecosystem have been instrumental in increasing traffic. According to Nokia's India Mobile Broadband Index 2017 overall traffic increased by 29% from December 2015 to December 2016 driven largely by 3G and 4G. Despite 4G having limited network coverage, it has contributed to 13% of the total data consumption which is further expected to increase exponentially in the coming year. Data usage/subscriber also showed healthy trends with 3G growing by 13% during 2016 to ~850 MB/sub and 4G coming in at ~1.4GB/sub, which is 70% of the average consumption of some developed markets.

The year was also marked by three key industry developments: 1) spectrum auctions 2) entry of new operator Reliance Jio 3) increased operator consolidation. Even though competitive intensity has been high lately, we believe higher availability of spectrum and fewer but stronger operators will lead to superior quality broadband networks in the country in the long-run. In its recent report The Mobile Economy India 2016, GSMA estimated that by 2020 almost half of the total connections will run over mobile broadband networks and the 4G base is expected to grow from 3 Mn at the end of 2015 to 280 Mn by 2020 representing a growth rate of ~150% p.a.

While usage of mobiles and broadband is increasing across India, we have yet to bridge the digital gap between urban and rural India. Government of India has launched Digital India program to address this digital divide. This envisions digital infrastructure as a core utility to every citizen, governance and services on demand and digital empowerment of citizens and plans to deliver majority of these initiatives in three years. Thus we expect increased focus on building underlying telecom infrastructure such as full network coverage, investments in optic fiber to further support broadband fixed-line and wireless access technologies. These would provide opportunities for growth and potentially newer avenues for business for the passive infrastructure industry as well.

Highlights of the Year

- Foreign Institutional ownership touched an all-time high of 34.74% as on March 31, 2017 as compared to 8.65% at the time of IPO in December 2012. This includes 10.3% stake sold by Bharti Airtel to KKR/CPPIB during the year.
- For the third year in a row, we were recognised as the 'Best Employer' by AON Hewitt and also recognised as "Great Place to Work" for the first time
- Infratel (including Indus) reported net tenancy adds of 15,571 during FY2017, the highest since IPO
- Approx. 43% of sites operated by Indus & Infratel are now 'Green'

Regulatory changes in the sector

Right of Way rules, 2016 by Department of Telecommunications (DoT)

To streamline the provision for grant of Right of Way (RoW), DoT has come out with Indian Telegraph Right of Way Rules, 2016 under Indian Telegraph Act, 1885. TAIPA has represented to DoT to include IP1s within its ambit for the Right of Way rules.

The Company had an EBITDA of ₹ 59,420 Mn witnessing a growth of 7.8% year on year. The EBITDA margin for the financial year ended March 31, 2017 was 44.3%.

Consultation paper by TRAI on In-Building Access

TRAI has issued a Consultation Paper bearing No. 10/2016 on 6th June, 2016 on In-Building Access by Telecom Service Provider. The issues involved are relevant to Infrastructure Provider Category-I and therefore, the industry has decided to respond to the Consultation Paper through TAIPA.

Consultation paper by TRAI on Broadband through Public Wi-Fi

TRAI issued a Consultation Paper, namely, No.14/2016 on proliferation of broadband through Public Wi-Fi network dt.13th July, 2016. Towers and Infrastructure Providers Association (TAIPA)on behalf of its members has submitted a joint response, wherein it highlighted the current challenges in implementing public Wi-Fi and potential role the IP-1s could play in enabling public Wi-Fi.

Spectrum auctions 2016

During the quarter, DoT conducted spectrum auctions ranging across bands – 700MHz, 850MHz, 900MHz, 1800MHz, 2100MHz, 2300MHz and 2500MHz. Telecom operators have enhanced their 3G/4G spectrum holding by picking up close to 960 MHz of data spectrum for approx. ₹ 660 Bn. The total investment in spectrum since 2010 is approximately ₹ 3,600 Bn.

Scope of IP-1

Department of Telecommunications vide its communication dt.28/11/2016 has issued clarification regarding scope of IP-1 service providers. It has clarified that IP-1s are not permitted to own and share active infrastructure. The IP-1 can only install the active elements (limited to antenna, feeder cable, Node B, RAN and transmission system only) on behalf of Telecom Licensee i.e. these elements should be owned by the companies who have been issued license under Section 4 of Telegraph Act, 1885. It has further advised that if any IP-1 has invested into creation of active network infrastructure, then such IP-1 need to take appropriate license within 6 months or transfer all active network elements to holder of valid licensee within 6 months. The tower industry through its industry association TAIPA has taken up the subject with DoT to restore the original scope.

TRAI Consultation Paper on Approach towards Sustainable Telecommunications

TRAI has issued a Consultation Paper on issue of 'Approach towards Sustainable Telecommunications' and has requested all stakeholders to submit their response. Broadly, the paper deals with the issue of significance of energy efficiency in modern telecom networks. Some of the issues that have arisen for discussion are methodology for calculation of carbon footprint, energy efficiency in telecom networks and renewable energy targets for telecom networks.

Opportunities & Threats

Opportunities

High QoS demand by Government

The Indian wireless market is experiencing a rapid increase in demand for wireless broadband services, driven by India's strong demographics and availability of wide variety of affordable handsets. The growth in wireless broadband has also been fuelled by virtual non-existence of fixed line broadband networks. There has been a multiplication effect in data usage as the number of users are increasing through increased smartphone penetration and per user data usage is also increasing with proliferation of relevant applications and rich content.

Operators have spent approx ₹ 3,600 Bn on the spectrum licenses since 2010 and are now intensely focused on growing the data story. During the recent times, leading operators have acquired spectrum to offer data services through 3G or 4G across all telecom circles. The strategy has

been to acquire this additional spectrum through auctions or through spectrum trading deals. The leading operators have also increased their spectrum holding in select circles.

The expansion of 3G and 4G network services will require service providers to install additional active transmission equipment at the towers where they currently operate. In addition to this, we expect that the increasing proliferation of such services and the higher tower density required will lead to fresh demand for new towers and tenancies from customers. We are already witnessing demand for data only tenancies on account of densification requirements of the networks in Metros and Tier 1 cities.

Our consolidated revenue from operations for the year ended March 31, 2017 were INR 134,237 Mn, a growth of 8.9% compared to year ended March 31, 2016.

Low Rural Penetration Levels

Indian telecom market has a huge untapped potential in the rural areas. With rural tele-density still at 56% (as of March 31, 2017, Source – TRAI), there is significant headroom for growth in voice services currently and in data services over time in these untapped areas. The high cost of providing services and the ability to quickly deploy state of the art networks will translate into growth opportunities for the Company. Already, Bharti Infratel has a wide footprint in

the Category B and C circles enabling the expansion of networks in rural markets.

New Revenue Streams

Considering the proliferation of data services through expansion of 3G / 4G network and infrastructure expansion across cities, we expect a likely surge in demand for In-building solutions (IBS) as well. In-building deployments are capacity solutions and are rolled out to create more bandwidth in a small area. These solutions are particularly helpful in high foot fall areas like Airports, Malls, Hospitals and Hotels etc. These solutions not only improve the user experience in the area but also free up macro network for street level coverage.

Global data usage reports suggest that close to 70% of data is generated indoors and the fast pace of data uptake will present many new opportunities for tower companies in future, most notable being:

Fiber – While wireless backhaul solutions such as microwave and millimeter wave remain significant for telecom networks, multi-fold increase in data-driven traffic warrant the need for further investments in fiber. Currently, we are evaluating various opportunities in this segment including offering of fiber connected towers to our customers;

IBS installations - We are deploying IBS network installations for our customers at high footfall locations;

Wi-Fi Hotspots - The Company is looking to foray into rollout of Wi-Fi hotspots and offer B2B Wi-Fi to all the operators on a non-discriminatory basis. A proof of concept for outdoor Wi-Fi has already been demonstrated in Odisha on behalf of Airtel;

'Smart Cities' - 'Digital India' is one of the biggest focus areas of the Government of India. Development of 'Smart Cities' is a key initiative under the 'Digital India' Program and the Government has already announced the creation of 100 'Smart Cities'. During the year, the Consortium led by Bharti Infratel has signed the Concession Agreement with Bhopal Smart City Development Co. Ltd. for implementing Smart City project. We are now working towards a successful project delivery. We expect Bhopal Smart City to serve as a model for the Smart Cities initiative and expect other state governments to follow suit by way of Request for Proposal or RFPs. For Infratel, this project will open a new avenue of business for the Company and we believe we can replicate the benefits of the shared infrastructure model in this segment as well. We shall assess all the available opportunities and businesses that are in accordance with the Company philosophy and are value accretive. All such businesses will be taken up in consultation with the Board of Directors.

Threats

General Economic Conditions in India

The Indian economy witnessed slow growth over the last several years that hurt investor sentiment and the industry had postponed capex investment. The Government has assured to take all the necessary steps to revive the investment sentiment in the country. We are already witnessing initial positive signs; recent GDP growth fiscal discipline and steps towards inclusive growth; all are positive indicators.

Financial Health of Wireless Service Providers

Bharti Infratel's business and growth prospects mainly depend on demand from wireless telecommunications service providers in India and any deterioration in their financial health due to increased competition, adverse regulatory regime, general economic conditions, policy changes etc. can affect their ability to pay for infrastructure services and which in turn could adversely affect Bharti Infratel's and Indus' revenues and financial condition.

EMF Radiation Norms

EMF radiations are the invisible electric and magnetic forces arising from the active infrastructure installed at telecom towers. In the recent past some people have raised concerns around the radiations and its ill effects due to which securing a site for new tower addition has become difficult in few pockets. This might affect tower company business adversely if proper information is not disseminated to general public. Recently the Hon'ble Supreme Court of India gave an interim order to decommission and dismantle a mobile tower following a Public-Interest Litigation (PIL) filed by a resident alleging that its electromagnetic radiation afflicted him with cancer. The interim order also mentions that COAI' intervention application has been allowed and shall file various reports and other relevant documents and the matter is scheduled for another hearing in July 2017.

The EMF radiation norms in India are tougher than Europe and non-adherence can invite hefty fines from the regulator. The Department of telecom (DoT) presented before the Hon'ble Supreme Court of India that a small percentage of towers were exceeding radiation limits and were fined penalties. DoT has referenced on WHO report as well as 25,000 articles in the past 30 years to say that there was no confirmation of "any health consequences from exposure to low level electromagnetic fields."

Operator Consolidation

The Indian telecom market has been witnessing operator consolidation with the number of operators reducing from 14 to under 10 in the last year. Vodafone-Idea, Airtel-Telenor and Airtel-Tikona were among the notable announcements made during FY 2017. We believe potential consolidation amongst operators is positive for the industry in the long run because it would lead to financially-healthier larger operators vs. multiple smaller operators. While such transactions may lead to short-term rationalisation in tenancies, we believe any reduction in revenue on account of the overlaps will be more than offset by the exit charges as well as the incremental revenue on account of rapid rollouts by all operators.

The Company reported a net income of INR 27,470 Mn for the full year ended March 31, 2017 i.e. 20.5% of our consolidated revenues, registering Y-o-Y growth of 22.2%.

Financial Results & Operations*

Bharti Infratel reported strong financial performance in FY 2016-17.

On a consolidated basis, the Company added 1,838 towers and 15,571 net co-locations during the year. As on March 31, 2017, average sharing factor stood at 2.30 times, on a consolidated basis (with a closing sharing factor of 2.32). Our consolidated revenue from operations for the year ended March 31, 2017 were ₹ 134,237 Mn, a growth of 9% compared to the year ended March 31, 2016. Our consolidated revenue comprises of primarily revenues from co-locations of Bharti Infratel and 42% economic Interest in Indus Towers and their energy billings. As on March 31, 2017, Bharti Infratel and Indus Towers had average sharing factors of 2.25 (with closing sharing factor of 2.28) and 2.34 (with closing sharing factor of 2.35) per tower, respectively. The Company had an EBITDA of ₹ 59,420 Mn witnessing a growth of 9% year on year. The EBITDA margin for the financial year ended March 31, 2017 was 44.3%. The Company reported a net income of ₹ 27,470 Mn for the full year ended March 31, 2017, registering Y-o-Y growth of 22%.

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 issues by the Ministry of Corporate Affairs.

Risks & Concerns

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

*Based on proforma Consolidated Financials

Bharti Infratel believes that risk management and internal control are fundamental to effective corporate governance and development of a sustainable business. Bharti Infratel has a robust process to identify key risks across its operations and prioritise relevant action plans that can mitigate these risks. Key risks that may impact the Company's business include:

Changes in Regulatory Environment
Despite huge improvements, the regulatory environment in India continues to be challenging. Regulatory developments will have significant implications on the future of telephony as well as India's global competitiveness. Any adverse regulatory changes, changes in taxation and policies may affect the profitability outlook of the Company.

Natural Disasters Damaging Telecom Networks
The Company's telecom networks are subject to risks from natural disasters or other external factors. The Company maintains insurance for its assets, equal to the replacement value of its existing telecommunications network, which provides cover for damage caused by fire, special perils and terrorist attacks. Such failures and natural disasters even when covered by insurance may cause disruption, though temporary, to the Company's operations. The Company has been investing significantly in business continuity plans and disaster recovery initiatives which will enable it to continue with normal operations and offer seamless service to our customers under most circumstances.

Technological Changes Affecting the Tower Demand
The potential future demand for towers could be affected by technological changes and advancements. There have been some trials in the past of new technologies which can provide wireless broadband access by placing balloons or low orbit satellites in the air thus bypassing the need for towers.

None of these solutions have been commercially/technically deployed yet and the cost is also unclear. We don't foresee any risk in near future and the Company keeps assessing all the new technology advancements in the sector for better understanding and preparedness.

Internal Control Systems

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are accountable for financial controls, measured by objective metrics on accounting hygiene and audit scores. The Company has deployed a robust system of internal controls that facilitates the accurate and timely compilation of financial statements and management reports, ensures regulatory and statutory compliance, and safeguards investor interest by ensuring the highest level of governance and periodic communication with investors. The Audit and Risk Managment Committee reviews the effectiveness of the internal control system across the Company and also invites the senior management / functional heads to provide an update on their functions from time to time. A CEO and CFO Certificate included in the Corporate Governance Report confirms the existence of effective internal control systems and procedures in the Company. The Company's Internal Assurance Group also conducts periodic assurance reviews to assess the adequacy of internal control systems and reports to the Audit and Risk Managment Committee of the Board.

The Company has enhanced its internal control systems across all circle operations by significantly improving the quality and frequency of various reconciliations, enhancing the scope and coverage of revenue assurance checks, segregation of duties, rolling out self-validation checks, regular physical verification, systems audits, desktop reviews as well as continuous training and education.

Bharti Infratel is certified by British Standards Institution (BSI) on Information Security (ISO 27001) and Business Continuity (ISO 22301) Management Systems. With regular trainings and awareness sessions, all Infratel employees have been certified in the same. We are extremely protective of our customers' privacy and take reasonable measures to ensure the security of personal data that we collect, store, process or disseminate. Successful ISO certification reiterates our commitment towards providing our customers with a secure and trustworthy service. This is ensured through agreements and contracts which involve accessing, processing, communicating or managing the partner's information.

In summary, the healthy balance between empowerment and accountability at every operating level fosters a culture of responsible growth and well-judged risk taking.

Material Developments in Human Resources:

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

AON Hewitt recognised Bharti Infratel for the 3rd year in a row, as one of the 'Best Employers' in FY 2016-17. Bharti Infratel was also recognised as "Great Place to Work" for the first time.

Hiring Best Talent

We continue to hire talent with premier educational pedigree and previous work experience in reputed organisations. To further the efforts in improving quality of hire, we brought out specific interventions across the hiring process. The methodology and assessment platform at the front line hiring saw a face-lift in alignment with key job deliverables. In addition to assessment on domain knowledge, evaluation series comprising simulation exercises and case studies were designed and implemented. The next theme was picked up in streamlining and structuring the induction and assimilation process for the front line hires. The efforts have been aligned to give anew employeea holistic cross-functional view combining the flavours of class-room and shadow training. Structured interventions for improving candidate experience across all touch point windows were also implemented.

Diversity

We set our Diversity vision for the Company a couple of years back, with the aim to promote a diverse and inclusive environment. The path we chose was building up an enabling culture through education, inclusiveness, collaboration, and respect. We conducted various initiatives during FY 16-17 advocating our vision. This was the year wherein we challenged ourselves and industry mind-set by hiring women on unconventional roles. Women hiring for front line roles is one such successful experiment. Gender sensitisation workshops were held wherein efforts were channelised to create awareness on behaviours, language and conduct to be observed with others. The concept of Bits n Bytes was construed with aim to build informal conversations and connect between women employees and generate better insights and meaningful messages. Specific days and weeks like International Women's Day, Mother's day and International day of Women Health are marked and celebrated encapsulating conversations with eminent leaders. Our focused approach has helped to increase the number of women employees according to our target for the year.

Bharti Infratel has been recognised by Aon Hewitt for the 3rd time in a row as one of the 'Best Employers' and by Great Place to Work Institute for the 1st time in FY 2016-17.

Talent Management

Employee growth and career movements have been a key differentiator for us, wherein addressing talent gaps and developing internal talent has taken precedence at Infratel. We have progressed to build a conducive learning culture at all levels, where employees "Own Their Development". Learning and development interventions have become a hygiene factor for employees to help them grow in their current roles and prepare them for future roles. Our learning philosophy focuses on holistic development wherein formal education/training comprises 10% only and exposure through mentoring/coaching and further experience through cross-functional /stretch / critical assignments cover the 20% and 70% respectively. Apart from our regular development interventions like one on one coaching, 360 degree feedback sessions, psychometric tools, we launched a pilot batch of leadership development centres as well this year. As part of this, a success profile for each leadership position has been created and this further became the foundation of the design of our development centre. Towards the end of the centre, one-on-one feedback was shared by the assessors to further groom our future leaders. Leadership team at Infratel is committed to identify internal pool of high potentials, develop and review them on regular basis to ensure a robust succession pipeline.

Employee Recognition

This year we yet again worked with renewed focus and enthusiasm to recognise our employees who are contributing to the success of organisation, across all locations, functions and teams. The online Applause intranet portal continues to gain popularity as employees sent Appreciation Notes (Hi5) to their colleagues and also nominated their colleagues for monetary Awards (Star, Spotlight, Heroes) thus recognising them for their achievements and demonstration of Infratel DNA. We continued to recognise employees who had completed 5, 10, 15 and 20 years of service in the Company, with the Veterans award. This year we also introduced other award categories like Safety Rewards to appreciate Safety Consciousness, i-Learn Toppers award to appreciate employees who Own Their Development by completing e-learning courses available on the i-Learn portal and Contest Award to recognise high-impact projects at the circle level. We renewed our focus to recognise the front line employees by rolling out Heroes Award for the best performing Cluster

In-charge (CI) and Zonal Operations Manager (ZOM) during the national Employee Communication Forums conducted semi-annually. We even introduced the Well Done Awards to recognise the best performing technicians and associates, across all circles. Top 5 recognisers were also highlighted on the portal encouraging other managers to strengthen the culture of recognition in respective teams. This profound culture of recognition has inadvertently become the stepping stone for strengthening the culture of performance in the organisation.

Last Mile Connect

With an employee strength of nearly 1261 employees (on standalone basis) spread across our 11 circles and 74 zones, Last Mile Connect becomes critical to drive and uphold employee motivation, engagement and loyalty. Few of the focused connect forums in the last year were:

Manthan: Bi-annual/Quarterly Zonal Conclaves were held in all circles where the Circle Business Heads, along with other Executive Committee members, travels to the zone to meet the zonal team. While this is mainly for the on-roll team, top performing technicians are invited and recognised.

Sampark: Open House Sessions with technicians were conducted by the Circle Human Resources (HR) Head in all circles. Through these sessions, HR aims to understand and resolve the grievances raised by off-roll associates. This platform is also used to make the team aware of the processes and policies applicable to them.

Sambandh: This initiative involved celebrating the technician's birthday at one of his sites with his family members through planting of a sapling. This initiative is anchored by the Cluster In-charge (CI) along with occasional visits by the Zonal Operations Manager (ZOM) and Circle HR Head.

Safety

Bharti Infratel is committed to safety of its employees, associates, technicians, contractors and all other people working on the sites, offices and warehouses. We have an effective Safety Policy in place that strives for zero fatality and prevents all workplace injuries. Safety policy aims at identifying operational hazards and eliminating them by putting appropriate safety measures in place. It also aims to build a proactive safety culture by educating and training employees and all relevant stakeholders on safety systems and processes. In order to ensure safe work practices, Cardinal Safety Rules have been framed and implemented. Infratel also implemented the Consequence Management Matrix this year to ensure strict implementation of the Cardinal Safety Rules. In order to reach out to last mile connect in a language more familiar to them, Safety policy was translated in Hindi and pushed through tablets to maximise the document awareness in the field. Another breakthrough in the field of e-learning was achieved with the launch of e-modules on Road & Site Safety for employees as well as technicians. To increase awareness, communication drive was done through safety stories being shared through internal communication. To promote the use of Personal Protective Equipment (PPE), reflective jackets to all field teams were distributed. Group Term Life Insurance Policy for all our technicians and associates has been introduced to facilitate financial assistance to their families. Apart from this, various initiatives like safety quizzes, e-mail communication on safety guidelines, safety SMS blasters, etc. were executed.

Summary & Outlook

India's wireless tele-density is at ~91% (March 31, 2017) with ~1.17bn subscribers. However, data penetration is still ~20% and internet speeds remain low vs. global standards, thus presenting a vast opportunity for growth for the country. This coupled with the Digital India initiative of the Government which aims to transform India into a digitally empowered society should lead to increased demand for data networks which bodes well for the Company.

Report on Corporate Governance

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and some of the best practices followed internationally on Corporate Governance, the following report on governance lays down the ethos of Bharti Infratel Limited and its commitment to conduct business in accordance with sound Corporate Governance practices.

Governance Philosophy

Pursuant to Regulation 34 of the Listing Regulations and Companies Act, 2013, the report contains the details of Corporate Governance system and process at Bharti Infratel Limited. We believe in adopting the well accepted Corporate Governance practices and benchmark the same and strive to improve them continuously.

Our Corporate Governance is a reflection of our value system encompassing our culture, polices and relationships with our stakeholders. Integrity and transparency are key to our Corporate Governance practices and performance and ensure that we gain and retain the trust of stakeholders at all the times. Our guiding principles and practices are summarised in this Corporate Governance Report. These are articulated through the Company's Code of Conduct, charters of various committees of the Board and Company's disclosure policies. These policies seek to focus on enhancement of long term shareholder value without compromising on Ethical Standards and Corporate Social Responsibilities.

The Board of Directors in our Company is at core of our Corporate Governance practice and oversees how the management serves and protects the long term interests of our stakeholders. Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance.

Our Corporate Governance philosophy and practices are based on the following principles:

- Well-experienced and diverse Board of Directors;
- Adoption of transparent procedures and practices and arriving at decision on the strength of adequate information;
- Ensuring compliance with regulatory and fiduciary requirements in letter and spirit;
- High levels of disclosures for dissemination of corporate, financial and operational information to all its stakeholders;
- Adoption of policy on tenure of independent Directors, rotation of auditors and a code of conduct for Directors and senior management;
- Formation of various committees like Audit and Risk Management Committee; HR, Nomination and Remuneration Committee; Stakeholders' Relationship Committee; Corporate Social Responsibility Committee and Committee of Directors;
- Ensuring complete and timely disclosure of relevant operational information to enable the Board to play an effective role in guiding strategy;
- Meeting of Independent Directors without the presence of any Non-Independent or representative of Management to identify areas where they need more clarity or information and then put them before the Board;
- Reviewing regularly and establishing effective meeting practices that encourage active participation and contribution from all members;
- Independence of Directors in reviewing and approving corporate strategy, major business plans and activities;
- Well defined corporate structure that establishes checks and balances and delegates decision making to appropriate levels in the organisation, though the Board remains in effective control of the affairs of the Company at all times.

Governance Structure

The Corporate Governance structure of our Company is multi-tiered, comprising governing/functional business management boards at various levels, each of which is interlinked in the following manner:

a) Strategic supervision and direction – by the Board of Directors, who exercise independent judgment in overseeing management performance on behalf of the shareowners and other stakeholders and hence, play a vital role in the oversight and management of the Company;

b) Control and implementation – by the Infratel Executive Committee, chaired by the Managing Director and CEO. This team owns and drives company-wide processes, systems and policies and meets on a monthly basis to review execution of business strategy and ensure that operational synergies are achieved. This team also functions as a role model for leadership development and as a catalyst for imbibing customer centricity and meritocracy in the culture of the Company;

c) Operations management – by the Circle Executive Committee, headed by the Circle Business Head, for day-to-day management and decision making, focused on enhancing the efficiency and effectiveness of the circle business indicators; and

d) Risk Steering Committee which monitors the effectiveness of the risk management policy, and reviews the progress on the risk mitigation steps being taken by the Company.

Our governance structure helps in clearly determining the responsibilities and entrusted powers of each of the business entities, thus enabling them to execute those responsibilities in the most effective manner. It also allows us to maintain our focus on the organisational DNA and current and future business strategy, besides enabling effective delegation of authority and empowerment at all levels.

Board of Directors

Board Diversity and Structure

The Company recognises and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, industry experience, cultural and geographical background which will help us retain our competitive advantage. The Board has adopted a Policy which sets out the approach to diversity of the Board of Directors.

The Company has a broad-based Board of Directors, constituted in compliance with the Companies Act, 2013, Listing Regulations and in accordance with the best practices in Corporate Governance. The Board functions either as a full Board or through various committees constituted to oversee specific areas. Policy formulation, setting up of goals, evaluation of performance and control functions vest with the Board.

Composition of the Board

The Board of Directors, along with its committees, provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The Company's Board is an optimum mix of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As on March 31, 2017, the Board comprises 9 members with an Executive Chairman, Managing Director & CEO besides 2 Non-Executive Non Independent Directors and 5 Non-Executive Independent Directors.

Detailed profile of each of the Directors is available on the website of the Company at www.bharti-infratel.com.

The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory, as well as business requirements.

Independent Directors

The Company has a policy on Independent Directors stipulating their roles, responsibilities and duties which is consistent with the provisions of the Listing Regulations and Section 149 of the Companies Act, 2013. The policy sets out the criteria of independence, age limits, recommended tenure, committee memberships, remuneration and other related terms of appointment. The policy emphasises importance of independence.

The Company has issued letter of appointment(s) to all the Independent Directors and the terms and conditions of their appointment have been disclosed on the website of the Company i.e www.bharti-infratel.com.

At the time of appointment and thereafter at the beginning of each financial year, the Independent Directors submit a self-declaration, confirming their independence and compliance with various eligibility criteria laid down by the Company, among other disclosures and the Company also ensures that its Directors meet the above eligibility criteria. All such declarations are placed before the Board for information.

Lead Independent Director

The Company since a long time has followed a practice of appointing a Lead Independent Director. N Kumar has been designated as the Lead Independent Director and his roles and responsibilities, inter alia, are to:

- Preside over all meetings of Independent Directors;
- Ensure that there is an adequate and timely flow of information between the Management and the Board;
- Provide objective feedback of the Independent Directors as a group to the Board on various matters including agenda and other matters relating to the Company;
- Perform such other roles as may be requested from time to time by the Board/ Independent Directors.

Meetings of Independent Directors

Even before the Companies Act, 2013 came into effect meeting of Independent Directors is being held quarterly. The Independent Directors meet separately at least once in a quarter, prior to the commencement of Board meeting, without the presence of any Non-Independent Directors or representatives of management. They meet to discuss and form an independent opinion on the agenda items, various other Board-related matters and to annually review the performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company taking into account the view of Executive Directors and Non- Executive Directors; to access the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors regularly engage with the Statutory as well as Internal Auditors to discuss internal audit effectiveness, environment control and invite their general feedback. The Lead Independent Director updates the Board about the outcome of the meetings and action, if any, required to be taken by the Company.

During FY 2016-17, the Independent Directors met 4 times i.e. on April 26, 2016; July 26, 2016; October 24, 2016 and January 23, 2017.

Familiarisation Programme for Board Members

The Company has adopted a structured induction programme for orientation and training of Directors at the time of their joining so as to provide them with an opportunity to familiarise themselves with the Company, its management, its operations and the industry in which the Company operates.

The induction programme includes one-to-one interactive sessions with the top management team, business and functional heads among others and also includes site visits to understand the operations and technology. Apart from the induction program, the Company periodically presents update at the Board/Committee meetings to familiarise the Directors with Company's strategy, business performance, operations, finance, risk management framework, human resources and other related matters.

At the time of appointment, an appointment letter setting out the role, functions, duties and responsibilities, details regarding remuneration, training and development, performance evaluation process etc. is also given to the Directors. The Board also has an active communication channel with executive management which allows free flow of communication among Directors in terms of raising query, seeking clarifications for enabling a good understanding of the Company and its various operations.

Business updates on relevant changes are regularly circulated to the Directors to keep them abreast on significant developments in the Company.

The details of such familiarisation programs are disclosed on the website of the Company at https://www.bharti-infratel.com/cps-portal/web/corporate_gov.html#4.

Board Meeting Schedules and Agenda

The calendar for the Board and Committee meetings, in which the financial results would be considered in the ensuing year are fixed in advance for the whole year. The Board calendar has been disclosed later in the report and has also been uploaded on the Company's Website. The Board meetings are held within 45 days from the end of the quarter in the manner that it coincides with the announcement of quarterly results. Time gap between two consecutive meetings does not exceed 120 days. In case of an urgent necessity, additional Board meeting is called.

The Audit and Risk Management Committee, CSR Committee, HR, Nomination and Remuneration Committee and Stakeholders Relationship Committee meetings are held on the same dates as Board meetings. To ensure an immediate update to the Board, the Chairman of the respective Committee briefs the Board about the proceedings of the respective Committee meetings.

The Company Secretary, in consultation with the Chairman, prepares Board and Committee meetings' agenda. The detailed agenda along with explanatory notes and annexures, as applicable are sent to the Board and Committee members well in advance at least a week before the meetings. In special and exceptional circumstances, additional or supplementary item(s) are permitted to be taken up as 'any other item' with the permission of the Chairman and consent of majority of Board members/ Committee members. Sensitive subject matters are discussed at the meeting without written material being circulated in advance.

As a process prior to each Board / Committee meeting, proposals are invited from all the Directors for discussion / deliberation at the meeting(s) and these are included in the agenda of the meeting.

CFO and other Senior Management members are invited to the Board meetings to present reports on the items being discussed at the meeting. In addition, the functional heads of various business segments / functions are also invited at regular intervals to present updates on their core area.

Information available to the Board

The Board has complete access to all the relevant information within the Company and to all the employees of the Company. The information shared on a regular basis with the Board specifically includes:

- Annual operating plans, capital budgets and updates therein;
- Quarterly and annual consolidated and standalone results & financial statements for the Company;
- Minutes of meetings of the Board and Board Committees, resolutions passed by circulations, and Board minutes of the unlisted subsidiary companies;
- Information on recruitment / remuneration of senior officers just below Board level;
- Material important show cause, demand, prosecution notices and penalty notices, if any;
- Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems, if any;
- Any material default in financial obligations to and by the Company or substantial non-payment for services provided by the Company;
- Any issue which involves possible public or product liability claims of substantial nature, if any;
- Human resource updates and strategies;
- Quarterly treasury reports;
- Quarterly compliance certificates with the 'Exceptions Reports', if any, which includes non-compliance of any regulatory, statutory nature or listing requirements and shareholders service;
- Disclosures and declaration received from Directors;
- Proposals requiring strategic guidance and approval of the Board;
- Related party transactions;
- Regular business updates;
- Update on Corporate Social Responsibility activities;
- Report on action taken on last Board meeting decisions.

Number of Board Meetings

During FY 2016-17, the Board met 5 times i.e. on April 26, 2016; July 26, 2016; October 24, 2016; January 23, 2017 and March 22, 2017. The time gap between two meetings was less than 120 days. The Board approved 3 matters through resolution by circulation during FY 2016-17 and the same were presented in the next meeting for its noting.

Requisite information, according to the requirements of Regulation 17 of the Listing Regulations is provided below:

Name of Director(s)	Category	Number of other Directorships and committee memberships and chairmanships			No. of Meetings held during his/her tenure and attended		Whether attended last AGM
		Directorships[1]	Committees[2]				
			Chairman	Member	Held	Attended	
Akhil Gupta (DIN No. 00028728)	Chairman- Executive Director	12	Nil	Nil	5	5	Yes
Bharat Sumant Raut (DIN No.-00066080)	Independent Director	8	2	1	5	5*	Yes
D S Rawat (DIN No. 06798626)	Managing Director & CEO	1	Nil	Nil	5	5	Yes
Jitender Balakrishnan (DIN No. 00028320)	Independent Director	10	2	3	5	5*	Yes
Leena Srivastava (DIN No. 00005737)	Independent Director	3	Nil	Nil	5	5	Yes
Mark Chin Kok Chong (DIN No. 06638569)	Non-Executive Director	1	Nil	Nil	5	4	No
N Kumar (DIN No. 00007848)	Independent Director	13	4	2	5	5*	Yes
Rajan Bharti Mittal (DIN No. 00028016)	Non-Executive Director	13	1	2	5	5	Yes
R P Singh (DIN No. 02943155)	Independent Director	3	Nil	Nil	5	5*	Yes

1. The Directorships, held by Directors, as mentioned above, do not include the Directorships held in foreign companies / body corporates and Bharti Infratel Limited.
2. Committees considered for the purpose are those prescribed under the Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies other than Bharti Infratel Limited. Committee memberships details provided do not include chairmanship of committees as it has been provided separately.

*This includes one meeting attended through video conferencing

Notes:

- There are no inter-se relationships between our Board members.
- As on March 31, 2017, apart from Akhil Gupta, Chairman and D S Rawat, Managing Director & CEO who holds 2,127,217 and 82,695 equity shares respectively, no other Director of the Company holds shares in the Company.

Remuneration to Directors

The details of the remuneration paid to Directors during FY 2016-17 is given below:

(Amount in ₹)

Name of the Director(s)	Salary and Allowances[1]	Performance Linked Incentive	Perquisites[2]	Commission[3]	Total
Executive Directors					
Akhil Kumar Gupta	65,199,897	17,600,000	39,600	-	82,839,497
D S Rawat	39,880,421	10,123,427	-	-	50,003,848
Non-Executive Directors					
Bharat Sumant Raut	-	-	-	2,000,000	2,000,000
Jitender Balakrishnan	-	-	-	1,500,000	1,500,000
Leena Srivastava	-	-	-	1,500,000	1,500,000
Mark Chin Kok Chong	-	-	-	750,000	750,000
N. Kumar	-	-	-	1,500,000	1,500,000
Rajan Bharti Mittal	-	-	-	750,000	750,000
Rajinder Pal Singh	-	-	-	1,500,000	1,500,000
Total	**105,080,318**	**27,723,427**	**39,600**	**9,500,000**	**142,343,345**

1. The salary and allowance includes the Company's contribution to the Provident Fund.
2. This does not include perquisite value as mentioned in Annexure K annexed with the Board's Report with respect to exercise of stock options granted to D S Rawat.
3. Provision for profit based commission for FY 2016-17.

Notes:

- The value of the perquisites is calculated as per the provisions of the Income Tax Act, 1961.
- During the year, D S Rawat was granted 22,113 stock options effective from August 12, 2016 under ESOP Scheme 2014 at an exercise price of ₹ 10 per option, with vesting period spread over 3 years. The options can be converted into equity shares either in full or in tranches at any time up to seven years from the date of vesting. The unexercised vested options can be carried forward throughout the exercise period. The options which are not exercised will lapse after the expiry of the exercise period. No other Director has been granted any stock option during the year.
- No notice period or severance fee is payable to any Director.
- Performance Linked Incentive (PLI) is based on the actual payout made during the year.
- There were no other pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company.
- During FY 2016-17, the Company did not pay any sitting fees to the Directors.

Nomination, Remuneration & Board Diversity

In terms of the Listing Regulations and Companies Act, 2013, the Board has approved a Policy on Nomination, Remuneration and Board Diversity for Directors, KMPs and other Senior Management Personnel.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically.

The criteria of making payments to Non-Executive Directors forms part of the Policy on Nomination, Remuneration and Board Diversity. The detailed Nomination, Remuneration and Board Diversity Policy is annexed as Annexure B to the Board's Report. The Company affirms that the remuneration paid to the Directors is as per terms laid out in the Nomination, Remuneration and Board Diversity Policy of the Company.

Board Committees

In compliance with the statutory requirements, the Board has constituted various committees with specific terms of reference and scope. The objective is to focus effectively on the issues and ensure expedient resolution of the diverse matters. The Committees operate as the Board's empowered agents according to their charter / terms of reference. The Constitution and charter of the Board Committees are available on the Company's website, www.bharti-infratel.com, and are also stated herein.

Audit and Risk Management Committee

As on March 31, 2017, Audit and Risk Management Committee comprises 3 Directors, all of whom are Independent. The Chairman of the Audit and Risk Management Committee, Bharat Sumant Raut, Independent Director has sound financial knowledge as well as many years of experience in general management. All members of Audit and Risk Management Committee, including the Chairman, have accounting and financial management expertise. The composition of the Audit and Risk Management Committee meets the requirements of Section 177 of the Companies Act, 2013 and the Listing Regulations.

The Company Secretary is the secretary to the Committee. The Managing Director & CEO, CFO, Group Director – Internal Assurance, the Statutory Auditors and the Internal Auditors are permanent invitees.

The Chairman of the Audit and Risk Management Committee was present at the last Annual General Meeting held on August 10, 2016.

Key Responsibilities of the Audit and Risk Management Committee, inter-alia, includes:

- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommend to the Board in respect of the appointment (including the filling of a casual vacancy), resignation or dismissal, remuneration and terms of appointment of the statutory auditor, internal auditors;
- Pre-approve limits in respect of non-audit services provided by the statutory auditor;
- Discuss with the statutory auditor, before the audit commences, the nature and scope of the audit to be conducted; also conduct post-audit discussion to ascertain any areas of concern;
- Review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - Matters required to be included in the Directors' responsibility statement, included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of all related party transactions;
    - Qualifications in the draft audit report;
    - Management discussion and analysis of financial condition and results of operations;
    - Statement of significant related party transactions with specific details of the transactions, which are not in the normal course of business or the transactions which are not at arms' length price;
    - Quarterly compliance certificates confirming compliance with laws and regulations, including any exceptions to these compliances;
    - Management letter/letters of internal control weaknesses issued by the statutory auditors;
    - Internal audit reports relating to internal control weaknesses;
    - The financial statements, in particular the investments, if any, made by unlisted subsidiary companies.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

- Review the Company's financial and risk management policies; and implementation of treasury policies & strategies, and status of investor relation activities;

- To oversee the functioning of the Vigil / Whistle Blower mechanism;

- Review the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;

- Approve the appointment, re-appointment and removal of Chief Financial Officer of the Company after assessing the qualifications, experience and background, etc. of the candidate;

- Ensure that the internal audit function is effective, adequately resourced, and to review coordination between internal and statutory auditors and (where relevant) the risk management department;

- Review the state and adequacy of internal controls with key members of the management, statutory auditors and internal auditors;

- Discuss with the internal auditor the coverage and frequency of internal audits as per the annual audit plan;

- Review & monitor the statutory and internal auditor's independence, performance & effectiveness of audit process;

- Review the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board;

- Scrutiny of inter-corporate loan & investments;

- Monitoring & reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter;

- Valuation of undertakings or assets of the Company, wherever it is necessary;

- Appointment of a registered valuers;

- Evaluation of internal financial controls and risk management systems;

- Approval or any subsequent modification of transactions of the Company with related parties;

- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the listing agreement and the Companies Act, 1956/Companies Act, 2013;

- To formulate and review risk management policy;

- To implement, monitor and review the risk management framework, the risk management plan and related matters; and

- To delegate above said authorities to sub-committees, whenever required.

Powers of the Audit and Risk Management Committee:

- To investigate any activity within its terms of reference;

- To seek information from any employee;

- To obtain outside legal or other professional advice;

- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Meeting, Attendance and Composition of the Audit and Risk Management Committee

During FY 2016-17, the Audit and Risk Management Committee met 4 times i.e. on April 26, 2016; July 26, 2016; October 24, 2016 and January 23, 2017. The time gap between two meetings was less than 120 days.

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

The composition of the Committee as on March 31, 2017 and the attendance of members at the meetings held during FY 2016-17, are given below:

Name of Member(s)	Category	No. of Meetings held during his tenure and attended	
		Held	Attended
Bharat Sumant Raut – Chairman	Independent Director	4	4
Jitender Balakrishnan	Independent Director	4	4
Rajinder Pal Singh	Independent Director	4	4

HR, Nomination and Remuneration Committee

As on March 31, 2017, the HR, Nomination and Remuneration Committee comprises 4 Non-Executive Directors, of whom 2 members are Independent Directors. N. Kumar, Independent Director is the Chairman of the Committee. The composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and the Listing Regulations. The Company Secretary acts as the secretary of the Committee. The Chief Human Resource Officer is a permanent invitee to the Committee meetings. Other senior management members are also invited to the meeting to present reports relating to the items being discussed at the meeting.

Key Responsibilities of the HR, Nomination and Remuneration Committee, inter-alia, includes:

HR Related:

- Attraction and retention strategies for employees;
- Formulation and recommendation to the Board, a policy relating to remuneration of Directors, key managerial personnel and other employees;
- Determine the compensation (including salaries and salary adjustments, incentives/benefits, bonuses and Performance targets of the Chairman and of the Managing Directors & CEO's;
- Review employee development strategies;
- Assess the learning and development needs of the Directors and recommend learning opportunities which can be used by Directors to meet their needs for development;
- Review its Terms of Reference on an annual basis and recommend any changes to the Board;
- Review all human resource related issues including succession plan of key personnel;
- Approve the remuneration payable to managerial persons in case of no profit or inadequate profit taking into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration while bringing objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders;

ESOP Related:

- Formulation of ESOP plans and decide on future grants from time to time;
- Formulation of terms and conditions on following under the present ESOP Schemes of the Company with respect to:
  - Quantum of options to be granted under ESOP Scheme(s) per employee and in the aggregate under a plan;
  - Performance conditions attached to any ESOP Plan;
  - Conditions under which options vested in employees may lapse in case of termination of employment for misconduct;
  - Exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
  - Specified time period within which the employee must exercise the vested options in the event of termination or resignation of an employee;

- Right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- Procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
- Grant, vest and exercise of option in case of employees who are on long leave; and the procedure for cashless exercise of options;
- Any other matter which may be relevant for administration of ESOP schemes from time to time;

- Other key issues as may be referred by the Board.

Nomination Related:

- Formulate the criteria / policy for appointment of Directors, senior management. The criteria / policy to include qualifications, positive attributes and independence of a Director;
- Review and recommend the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and Board Committees;
- Identify and recommend to the board, persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and their removal thereof;
- Evaluate the balance of skills, knowledge, experience and diversity on the Board for description of the role and capabilities required for particular appointment;
- Review succession planning for Executive and Non-Executive Directors and other senior executives particularly the Chairman, Managing Directors and CEO's;
- Recommend suitable candidate for the role of Lead Independent Director;
- Recommend the appointment of any Director to executive or other employment/place of profit in the Company;
- Conduct an annual evaluation of overall effectiveness of the Board, the committees of the Board and the performance of each Director.

The HR, Nomination and Remuneration Committee shall also consider any other key issues/matters as may be referred by the Board or as may be necessary in view of the Listing Regulations or any other statutory provisions.

Meeting, Attendance and Composition of the HR, Nomination and Remuneration Committee

During FY 2016-17, the Committee met 4 times i.e. on April 26, 2016; July 26, 2016; October 24, 2016 and January 23, 2017.

The Committee approved 1 matter through resolution by circulation during FY 2016-17 and the same was presented in the next meeting for its noting.

Name of Member(s)	Category	No. of Meetings held during his/her tenure and attended	
		Held	Attended
N. Kumar – Chairman	Independent Director	4	4
Leena Srivastava	Independent Director	4	4
Mark Chin Kok Chong	Non-Executive Director	4	4
Rajan Bharti Mittal	Non-Executive Director	4	4

Board Evaluation

In compliance with the provisions of the Companies Act, 2013 and the Listing Regulations, HR, Nomination and Remuneration Committee has approved the process, attributes, criteria and format for the performance evaluation of the Board, Committees of the Board and Individual Directors including the Chairman and Managing Director & CEO.

The process provides that the performance evaluation shall be carried out on an annual basis. During the year, the evaluation process was completed by the Company which included evaluation of the Board as a whole, Board Committees and individual Directors including the Chairman and MD & CEO. The evaluation process was facilitated by an independent leading consulting firm.

Performance of the Board and Board Committees was evaluated on various parameters such as structure, composition, diversity, experience, Corporate Governance-competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness.

Performance of individual Directors was evaluated on parameters such as attendance at the meetings, participation and contribution, engagement with colleagues on the Board, responsibility towards stakeholders and independent judgement. All the Directors were subject to peer-evaluation.

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

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

- Devotion of sufficient time and attention towards professional obligations for independent decision and acting in the best interest of the Company;
- Provides strategic guidance to the Company and determine important policies with a view to ensure long term viability and strength;
- Bringing external expertise and independent judgement that contributes to the objectivity of the Board's deliberation, particularly on issues of strategy, performance and conflict management.

All the Directors participated in the evaluation process. The results of evaluation was discussed in the Independent Director's meeting, respective Committee meetings and in the Board Meeting held on May 8, 2017. The Board discussed the performance evaluation reports of the board, board committees, individual Directors, Chairman and Managing Directors & CEO and also noted the suggestions / inputs of Independent Directors, HR, Nomination and Remuneration Committee and respective committee Chairman. Recommendations arising from this entire process were deliberated upon by the Board to augment its effectiveness and optimize individual strengths of the Directors.

Stakeholders' Relationship Committee

In compliance with requirements of the Listing Regulations and provisions of Section 178 of the Companies Act, 2013, the Company has a Stakeholders' Relationship Committee. As on March 31, 2017, the Committee comprises 3 members, of whom 2 are Executive Directors and 1 Non-Executive Director. Rajan Bharti Mittal, Non-Executive Director, is the Chairman of the Committee. The Company Secretary acts as a secretary to the Committee.

Key Responsibilities of the Stakeholders' Relationship Committee, inter-alia, includes:

- Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- Consider and resolve the complaints/grievances of security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend;
- Dematerialise or rematerialise the share certificates;
- Approve the transmission of shares or other securities arising as a result of death of the sole/ anyone joint shareholder;
- Sub-divide, consolidate and/or replace any share or other securities certificate(s) of the Company;
- Issue duplicate share/other securities, certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
- Approve, register, and refuse to register transfer/ transmission of shares and other securities;
- To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s);
- Oversee & review, all matters connected with the transfer of securities of the Company;
- Oversee the performance of Registrar and Share Transfer Agent of the Company;
- Recommend methods to upgrade the standard of services to the investors;

- To deal with the unclaimed / undelivered shares of the Company;
- To do all such acts, deeds and things as may be necessary in this regard.

The meetings of the Committee are generally held as and when deemed necessary, to review and ensure that all investor requests/ grievances are redressed within a stipulated time period.

Meeting, Attendance and Composition of the Stakeholders' Relationship Committee

During FY 2016-17, the Committee met 11 times i.e. on April 26, 2016; May 6, 2016; May 24, 2016; July 14, 2016; August 1, 2016; September 13, 2016, October 24, 2016; November 29, 2016; January 10, 2017, January 23, 2017 and March 30, 2017.

The composition of the Committee as on March 31, 2017 and the attendance of members at the meetings held during FY 2016 -17, are given below:

Name of Member(s)	Category	No. of Meetings held during his tenure and attended	
		Held	Attended
Rajan Bharti Mittal – Chairman	Non- Executive Director	11	9
Akhil Gupta	Executive Director	11	10
D S Rawat	Executive Director	11	11

Compliance Officer

Shweta Girotra acted as the Company Secretary and Compliance Officer of the Company during FY 2016-17 for complying with the requirements of the Listing Regulations and applicable laws.

Nature of Complaints and Redressal Status

During FY 2016-17, the complaints and queries received by the Company were general in nature, which include issues relating to non-receipt of dividend warrants, Annual Reports and others, which were resolved to the satisfaction of the shareholders.

Details of the investor complaint(s) received during FY 2016-17 are as follows:

Complaints pending as on April 1, 2016	Number of complaints received during FY 2016-17	Complaints redressed during FY 2016-17	Complaints pending as on March 31, 2017
Nil	1	1	Nil

To redress investor grievances, the Company has a dedicated e-mail id, compliance.officer@bharti-infratel.com to which investors may send their grievances.

Committee of Directors

To cater to various day-to-day requirements and to facilitate seamless operations, the Company has formed a functional Committee known as the Committee of Directors. The Committee meets as and when deem necessary to cater to the day to day requirements of the Company.

As on March 31, 2017, the Committee comprises 3 members of whom 2 are Executive Directors and 1 Non- Executive Director. Akhil Gupta, Executive Director, is the Chairman of the Committee. The Company Secretary acts as a secretary to the Committee.

Key Responsibilities of the Committee of Directors (within the limit approved by the Board), inter-alia, includes:

Investment Related

- To make loans to any Body corporate / entity within the overall limits approved by the Board of Directors;
- To give guarantee(s) in connection with loan made to any Body corporate/entity within the overall limits approved by the Board of Directors;
- To negotiate, finalise, amend, modify, approve and accept the terms and conditions with respect to aforesaid loans and/or Guarantee(s) from time to time;
- To purchase, sell, acquire, subscribe, transfer, sell or otherwise deal in the shares / securities of any

company, body corporate or other entities within the limits approved by the Board;

Treasury Related

- To borrow such sum of money and such other credit facilities as may be required by the Company from time to time provided that the money already borrowed, together with the money to be borrowed by the Company does not exceed the limits i.e. upto the paid up capital and free reserve of the Company;
- To create security / charge(s) on all or any of the assets of the Company for the purpose of securing credit facility(ies) of the Company;
- To deal in government securities, units of mutual funds, fixed income and money market instruments (including commercial papers, ICDs and short term deposits of corporate), fixed deposits & certificate of deposit program of banks and other instruments / securities / treasury products of banks & financial institutions etc. as per treasury policy of the Company;
- To deal in foreign exchange and financial derivatives linked to foreign exchange and interest rates including, but not limited to foreign exchange spot, forwards, options, currency swaps and interest rates swaps;
- To open, operate, close, change in authorisation for any Bank account, Subsidiary General Ledger (SGL) Account, Dematerialisation / Depository Account;
- To approve, finalise and authorise the execution of any deed, document, letter or writing in connection with the aforesaid activities including borrowing / credit facilities, creation of charge etc.

Allotment of Shares

- Allotment of shares of the Company from time to time, in one or more tranches, as per the terms of the ESOP Schemes for the time being in force;
- To seek listing of shares issued as above on one or more Stock Exchanges in India and all such shares being pari-passu with the existing equity shares of the Company in all respects;
- to do all such acts, deeds and things, as may be necessary and incidental to allotment and listing of shares;

General Authorisations

- To open, shift, merge, close any branch office, circle office etc;
- To approve for participation into any tender, bid, auction etc. by the Company;
- To register the Company with any Central / State Government authorities, Semi-Government authorities, local authorities, tax authorities including sales tax, service tax, value added tax authorities, labour law authorities, administrative authorities, business associations and other bodies;
- To purchase, sell, take on lease / license, transfer or otherwise deal with any property;
- To apply for and surrender any electricity, power or water connection;
- To appoint any Merchant Banker, Chartered Accountant, Advocate, Company Secretary, Engineer, Technician, Consultants and / or Professionals for undertaking any assignment for and on behalf of the Company;
- To constitute, reconstitute, modify, and dissolve any trust or association with regard to the administrative matters or employee related matters and to appoint, reappoint, remove, replace the trustees or representatives;
- To authorise one or more employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s) jointly or severally to represent the Company before Central Government, State Governments, Judicial, Quasi-judicial and other statutory / administrative authorities or any other entity;
- negotiate, finalise, execute, modify, sign, accept, and withdraw all deed, agreements, undertakings, certificates, applications, confirmations, affidavits, indemnity bonds, surety bonds, and all other documents and papers;
- affix common seal of the Company;

- enter into, sign, execute and deliver all contracts for and on behalf of the Company;
- To do all such acts, deeds and things as may be required for the smooth conduct of the operations of the Company and which does not require the specific approval of the Board of Directors of the Company or which has specifically been delegated by the Board of Directors to any other committee of the Board or any officer, employee or agent of the Company;
- To perform such other functions as may be authorised / delegated by the Board of Directors or as might have been authorised / delegated to the erstwhile Borrowing and Investment Committee;
- To authorise/delegate any or all of its power to any person, officer, representative.

Meeting, Attendance and Composition of the Committee of Directors

During FY 2016-17, the Committee met 7 times i.e. on May 6, 2016; June 13, 2016; June 29, 2016; November 29, 2016; January 23, 2017; February 8, 2017 and March 22, 2017.

The composition of the Committee as on March 31, 2017 and the attendance of members at the meetings held during FY 2016 -17, are given below:

Name of Member(s)	Category	No. of Meetings held during his tenure and attended	
		Held	Attended
Akhil Gupta - Chairman	Executive Director	7	7
D S Rawat	Executive Director	7	7
Rajan Bharti Mittal	Non-Executive Director	7	6

Corporate Social Responsibility (CSR) Committee

In compliance with the requirements of the Companies Act, 2013, the Company has constituted the Corporate Social Responsibility (CSR) Committee.

As on March 31, 2017, the Committee comprises 4 members of whom 2 are Independent Directors, 1 Non- Executive Director and 1 Executive Director. N Kumar, Independent Director, is the Chairman of the Committee. The Company Secretary acts as a secretary to the Committee.

Key Responsibilities of the CSR Committee, inter-alia, includes:

- Formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate activities to be undertaken by the Company;
- Recommend the amount of expenditure to be incurred on the activities undertaken;
- Monitor the Corporate Social Responsibility Policy of the Company from time to time;
- Review the performance of the Company in the area of CSR;
- Evaluate social impact of the Company's CSR Activities;
- Review the Company's disclosure of CSR matters including any annual social responsibility report;
- Review the following, with the management, before submission to the Board for approval:

  a) The Business Responsibility Report and Sustainability Report

  b) CSR Report
- Institute a transparent monitoring mechanism for implementation of the CSR Project or programs or activities;
- Approve the appointment or re-appointment of Directors responsible for Business Responsibility;
- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the Listing Regulations, Corporate Social Responsibility Voluntary Guidelines and the Companies Act, 2013.

On the recommendation of the CSR Committee, the Board had approved the Corporate Social Responsibility Policy

(CSR Policy) of the Company. The CSR Policy intends to strive for economic development that positively impacts the society at large with a minimal resource footprints. The Policy is posted on the website of the Company and can be accessed at www.bharti-infratel.com.

Meeting, Attendance and Composition of the Corporate Social Responsibility (CSR) Committee
During FY 2016-17, the CSR Committee met 4 times i.e. on April 26, 2016, July 26, 2016; October 24, 2016 and January 23, 2017.

The Composition of the Committee as on March 31, 2017 and the attendance of the members at the meetings held during FY 2016-17, are given below:

Name of Member(s)	Category	No. of Meetings held during his/her tenure and attended	
		Held	Attended
N. Kumar – Chairman	Independent Director	4	4
D S Rawat	Executive Director	4	4
Leena Srivastava	Independent Director	4	4
Rajan Bharti Mittal	Non-Executive Director	4	4

Corporate Social Responsibility Committee Report for the year ended March 31, 2017
The CSR report for the year ended March 31, 2017 is annexed as Annexure E to the Board's Report.

General Body Meeting

The details of last three Annual General Meetings (AGM) are as follows:

Year	Time, Day, Date & Location	Summary of Special Resolutions
2015-2016	10:30 A.M. IST August 10, 2016 (Wednesday) Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003	No Special Resolution was passed at the last Annual General Meeting.
2014-2015	10:30 A.M. IST August 11, 2015 (Tuesday) Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003	• Adoption of new Articles of Association of Company as per Companies Act, 2013 • To approve Related Party Transactions with Bharti Airtel Limited
2013-2014	10:30 A.M. IST August 4, 2014 (Monday) Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003	• Amendment in the exercise period under Employee Stock Option Plan 2008 (ESOP Scheme) • Amendment in the vesting schedule under Employee Stock Option Plan 2008 (ESOP Scheme)

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

Postal Ballot

The Company had passed Special Resolution through postal ballot/ e- voting for approval of the Buy-Back of Equity Shares of the Company on Friday, June 10, 2016.

Person conducting the Postal Ballot / E-voting
D S Rawat, Managing Director & CEO and Shweta Girotra, Company Secretary were appointed as persons responsible for postal ballot/ e-voting process. Sanjay Grover of M/s Sanjay Grover & Associates, Company Secretaries, New Delhi (CP No. 3850) was appointed as scrutinizer for conducting the postal ballot/ e-voting process in a fair and transparent manner. Sanjay Grover conducted the postal ballot/ e-voting process and submitted his report to the Company.

Procedure followed for Postal Ballot/ E-voting

I. In Compliance with the Listing Regulations and Section 108, 110 and other applicable provisions of the companies Act, 2013, read with the rules made thereunder, the Company provided electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engaged the services of Karvy Computershare Pvt. Ltd. (Karvy) for the purpose of providing e-voting facility. The members had the option to vote either by physical ballot or e- voting.

II. The Company dispatched the postal ballot notice, dated May 6, 2016, containing draft resolution together with the explanatory statements, postal ballot forms and self-addressed envelopes to the members whose names appeared in the register of members / list of beneficiaries as on cut-off date i.e. May 6, 2016. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and applicable rules.

III. Members were advised to carefully read the instructions printed on the postal ballot form before casting their vote and return the duly completed form in the attached self-addressed business reply envelope so as to reach the scrutinizer on or before the close of business hours on Friday, June 10, 2016 in case of members desiring to exercise their votes by physical postal ballot forms. Members voting through electronic mode were requested to follow the instructions for e-voting and could vote from 9:00 a.m on May 12, 2016 till 5:00 p.m on June 10, 2016.

IV. After due scrutiny of all the postal ballot forms/ e-voting received upto the close of working hours on Friday, June 10, 2016, scrutinizer submitted his final report on Friday, June 10, 2016.

V. The result of the postal ballot/ e-voting was declared on Saturday, June 11, 2016. In terms of provisions of Secretarial Standard -2 as Notified by Ministry of Corporate Affairs, the last day for receipt of postal ballot form/e-voting has been taken as the date of passing the resolution.

VI. The result of postal ballot/ e-voting was published in the newspapers within 48 hours of the declaration of the results and was also placed on the website of the Company at www.bharti-infratel.com, besides being communicated to Stock Exchanges and Registrar and Share Transfer Agent.

Details of Voting Pattern
Based on the Scrutinizers' Report, the details of voting pattern in respect of the Special Resolution is as under:

Details of Resolution	Number of valid Votes	Votes cast in favour of the resolution (no & % age)	Votes cast against the resolution (no & % age)
Approval for the Buy-back of Equity shares of the Company	1,680,106,957	1,675,268,273 (99.71 %)	4,838,684 (0.29 %)

There is no immediate proposal for passing any special resolution through Postal Ballot on or before ensuing Annual General Meeting.

Disclosures and Policies

Disclosure on Materially Significant Related Party Transactions that may have Potential Conflict with the Interest of Company at large
All transactions entered into with related parties as defined under the Companies Act, 2013 and the Listing Regulations during the financial year were in the ordinary course of business and on an arm's length pricing basis.

None of the transactions with any of the related parties were in conflict with the interest of the Company rather, they synchronise and synergise with the Company's operations. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 40 of the Standalone Financial Statements, forming part of the Annual Report.

The required statements / disclosures, with respect to the Related Party Transactions, are placed before the Audit and Risk Management Committee as well as to the Board of Directors, on quarterly basis in terms of the Listing Regulations and other applicable laws for approval / information. Prior omnibus approval is obtained for Related Party Transactions which are repetitive in nature.

In terms of the Listing Regulations, Company shall obtain approval of shareholders by way of special resolution for material related party transactions i.e. the transaction / transactions or series of transactions with a related party in any financial year exceeds 10% of the consolidated turnover of the Company. Accordingly, Company has obtained approval of shareholders in the 9th Annual General Meeting held on August 11, 2015 for all the material Related Party Transactions entered / to be entered between the Company and its Holding Company, Bharti Airtel Limited.

The Board of Directors has formulated a Policy on dealing with Related Party Transactions pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties. The Policy is posted on the website of the Company at http://www.bharti-infratel.com/cps-portal/web/corporate_gov.html#4.

Prevention of Sexual Harassment

Bharti Infratel's commitment towards creating a workplace that is free from any form of harassment and discrimination is exemplified by its 'zero-tolerance' approach towards any act of sexual harassment. The Company has a comprehensive policy which is in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been constituted. The Committee's constituents include a senior-level woman chairperson, one member from the legal team, an external NGO representative and one member from the Ombudsperson's office. All such investigations are conducted as per the tenets of the law and the Company policy. The list of ICC members has been prominently displayed across all offices in publicly accessible areas. Further, awareness and training sessions about the Prevention of Sexual harassment at workplace are conducted for all employees, including our associates. During FY 2016-17, no sexual harassment case was reported to ICC.

Details of Non-compliance with regard to Capital Markets during the last three years

There have been no instances of non-compliances by the Company and no penalties and / or strictures have been imposed by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

Insider Trading

In compliance with the SEBI regulation on prevention of insider trading, the Company has established systems and procedures to prohibit insider trading activity and has formulated a Code on Insider Trading for designated persons, who may have access to the Company's price sensitive information. The Code lays down procedures to be followed and disclosures to be made, while trading in the Company's shares.

The Company follows highest standards of transparency and fairness in dealing with all stakeholders and ensures that no insider shall use his or her position with or without the knowledge of the Company to gain personal benefit or to provide benefit to any third party.

Whistle Blower Policy

Bharti Infratel has a robust and independent vigil mechanism that is administered through the office of the Ombudsperson. It outlines the method and process for stakeholders to voice genuine concerns about unethical conduct that may be in breach with the employees' Code of Conduct.

The policy aims to ensure that genuine complainants can raise their concerns in full confidence, without any fear of retaliation or victimisation. The Ombudsperson administers a formal process to review and investigate any concerns raised. It also undertakes all appropriate actions required to resolve the reported matter. Instances of serious misconduct dealt with by the Ombudsperson are reported to the Audit and Risk Management Committee. All employees of the Company as well as external stakeholders that has a grievance has full access to the Ombudsperson through phones, emails or even meetings in person. During the year under review, no employee was denied access to the Audit and Risk Management Committee.

Code of Conduct

In compliance with the Listing Regulations and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct for all Directors and Senior Management personnel. The code is available on the Company's website www.bharti-infratel.com. The Code is applicable to all Board members and Senior Management executives who directly report to the Chairman, the Managing Director & CEO. The Code is circulated to all Board members and Senior Management Personnel and its compliance is affirmed by them annually.

Besides, the Company also procures a quarterly confirmation of material financial and commercial transactions entered into by Senior Management personnel with the Company that may have a potential conflict of interest.

A declaration signed by the Managing Director & CEO, regarding affirmation of the compliance with the Code of Conduct by Board Members and Senior Management for the financial year ended March 31, 2017, is annexed as Annexure A to this report.

Along with the Code of Conduct for the Board members and Senior Management, the Company has also laid down a Code of Conduct for its employees. As a process, an annual confirmation is also sought from all employees. All employees are expected to confirm compliance to the Code annually.

Regular training programmes are conducted across locations to explain and reiterate the importance of adherence to the code.

CEO and CFO Certification

The certificate required under Regulation 17(8) of the Listing Regulations, duly signed by the Managing Director & CEO and CFO was placed before the Board. The same is annexed as Annexure B to this report.

Auditors' Certificate on Corporate Governance

As required under Regulation 34 of the Listing Regulations, the auditors' certificate on Corporate Governance is annexed as Annexure F to the Board's Report.

Subsidiary Companies

The Company monitors performance of subsidiary Companies, inter alia, by the following means:

- Financial Statements, in particular investments made by unlisted subsidiary companies, are reviewed quarterly by Company's Audit and Risk Management Committee;
- Minutes of Board Meeting of unlisted subsidiary companies are placed before the Company's Board regularly;
- A statement containing significant transactions and arrangements entered into by unlisted subsidiary Companies is placed before the Company's Board.

The Company does not have any material non-listed Indian subsidiary in terms of the provisions of Listing Regulations. The Board of Directors have formulated a Policy for determining material subsidiaries pursuant to the provisions of the Listing Regulations. The same is posted on the Company's website at www.bharti-infratel.com.

Compliance with the Mandatory Requirements as Specified in Regulations 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations

The Board of Directors periodically review the compliance of all applicable laws. The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated under the Listing Regulations. It has obtained a certificate affirming the compliances from M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, Gurgaon, the Company's Statutory Auditors and the same is attached to the Board's Report.

Details of Compliances with the Non-mandatory Requirements of Regulation 27 of the Listing Regulations

In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements in terms of the Listing Regulations:

Shareholders' Rights and Auditors' Qualification

The Company has a policy of announcement of the audited quarterly results. The results, as approved by the Board of Directors (or Committee thereof) are first submitted to the Stock Exchanges within 30 minutes of the approval of the results. Once taken on record by the Stock Exchanges, the same are disseminated in the media through press release. The quarterly financial results are published in newspapers and uploaded on Company's website www.bharti-infratel.com.

On the same day / next day of the announcement of the quarterly results, an earnings call is organised where the management responds to the queries of the investors / analysts. These calls are webcast live and transcripts are posted on the website.

Audit Qualifications
Company's financial statements are unqualified.

Separate posts of Chairman and CEO
The positions of the Chairman of the Board and the Managing Director & Chief Executive Officer of the Company are held by separate individuals.

Reporting of Internal Auditor
The Internal Auditor directly reports to the Audit and Risk Management Committee.

Green Initiatives by MCA

In compliance with the provisions of Section 20 of the Companies Act, 2013 and as a continuing endeavour towards the 'Go Green' initiative, the Company proposes to send all correspondences / communications through email to those shareholders, who have registered their email id with their depository participant's / Company's registrar and share transfer agent. In case the shareholders desire to receive printed copy of such communications, they may send requisition to the Company. The Company will forthwith send a printed copy of the communication to the respective shareholder.

Status of Dividend Declared

Status of the unclaimed / unpaid dividend amount as on March 31, 2017 is as under:

Financial Year	Dividend	Rate of Dividend per equity share of ₹ 10 each	Total Dividend Amount	Amount unpaid to the shareholders
2012-2013	Final	3.00	₹ 5,666 Mn	₹ 0.20 Mn
2013-2014	Final	4.40	₹ 8,316 Mn	₹ 0.15 Mn
2014-2015	Interim	4.50	₹ 8,505 Mn	₹ 0.14 Mn
2014-2015	Final	6.50	₹ 12,326 Mn	₹ 0.11 Mn
2015-2016	Final	3.00	₹ 5,548 Mn	₹ 0.08 Mn

Note: Interim Dividend of ₹ 12 per equity share of ₹ 10 each for FY 2016-17 amounting to ₹ 22,195 Mn was paid after March 31, 2017.

The Company constantly endeavours to reduce the unpaid dividend amount. The shareholders, who have not claimed their dividend for the above financial years are requested to contact the Company or its Share Transfer Agent.

Status of Unclaimed / Unpaid IPO Refund Amount

As on March 31, 2017, your Company has 4,53,500/- lying as unclaimed amount in the IPO refund account with HDFC Bank Limited, details of which are available on www.bharti-infratel.com under Investor Relations section. The applicants of the IPO, who have not claimed their refund amount are requested to contact the Company or its Share Transfer Agent.

Equity Shares in the Suspense Account

In terms of Regulation 34 of the Listing Regulations, the details in respect of shares lying in the demat account 'Bharti Infratel Limited- Unclaimed Suspense Account' as on March 31, 2017 are as under:

Particulars	Number of shareholders	Number of equity shares
Number of shareholders and aggregate number of shares as transferred to the Unclaimed Suspense Account outstanding as on April 1, 2016	1	50
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	Nil	Nil
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2017	1	50

The voting rights on the shares in the suspense accounts as on March 31, 2017 shall remain frozen till the rightful owners of such shares claim the shares.

Means of Communication

Quarterly Results: The Company's Quarterly Audited Results are published in prominent daily newspapers, viz. Mint (English daily) and Hindustan (vernacular newspaper) and are also posted on the Company's website, www.bharti-infratel.com.

News releases, presentations: Official news releases and official media releases are sent to the Stock Exchanges and posted on Company's website, www.bharti-infratel.com.

Earning Calls & Presentations to Institutional Investors / Analysts: The Company organises an earnings call with analysts and investors on the same/next day of announcement of results, which is also broadcast live on the Company's website. The transcript is posted on the website soon after. Any specific presentation made to the analysts/ others is also uploaded on the website www.bharti-infratel.com.

NSE Electronic Application Processing System (NEAPS)/ BSE Corporate Compliance & Listing Centre: The NEAPS/ BSE's Listing Centre is web-based application designed for corporates. All periodical compliance fillings like shareholding pattern, corporate governance report, media releases and other material information is also filed electronically on the designated portals.

Website: Up-to-date financial results, annual reports, shareholding patterns, official news releases, financial analysis reports, latest presentation made to the institutional investors and other general information about the Company are available on the website, www.bharti-infratel.com.

Since the time of listing of shares, Bharti Infratel adopted a practice of releasing a quarterly report, which contains financial and operating highlights, key industry and Company developments, results of operations, stock market highlights, ratio analysis, summarised financial statements and so on. The quarterly reports are posted on the Company's website and are also submitted to the Stock Exchanges, where the Company's shares are listed.

General Shareholders Information

11th Annual General Meeting
Date: July 22, 2017
Day: Saturday
Time: 4:00 pm
Venue: Air Force Auditorium, Subroto Park, New Delhi- 110010

Financial Calendar
(Tentative schedule, subject to change):

Financial year	:	April 1 to March 31
Results for the quarter ending		
June 30, 2017	:	July 24, 2017 (Monday)
September 30, 2017	:	October 23, 2017 (Monday)
December 31, 2017	:	January 23, 2018 (Tuesday)
March 31, 2018	:	April 23, 2018 (Monday)

Dividend and Dividend Pay-out Date
The Board had declared an interim dividend of ₹ 12/- per equity share of ₹ 10/- each fully paid up for FY 2016-17, which has been paid on April 5, 2017 i.e. within the statutory time limit of 30 days (Record date for the Interim Dividend was April 3, 2017) .

The Board has also recommended a final dividend of ₹ 4/- per equity share of ₹ 10/- each fully paid up for FY 2016-17, which shall be paid on or after July 22, 2017 (within the statutory time limit of 30 days i.e. up to August 21, 2017), subject to the approval of the shareholders.

Equity Shares Listing, Stock Code and Listing Fee Payment
Name and address of the Stock Exchange, Scrip code and Status of fee paid for FY 2017-18

Name and address of the Stock Exchange	Scrip code	Status of fee paid
National Stock Exchange of India Limited Exchange Plaza' 'C-1 Block G Bandra Kurla Complex, Bandra ©, Mumbai – 400001	INFRATEL	Paid
The BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001	534816	Paid

Stock Market Data

The monthly high & low during each month, in last financial year, is as below:

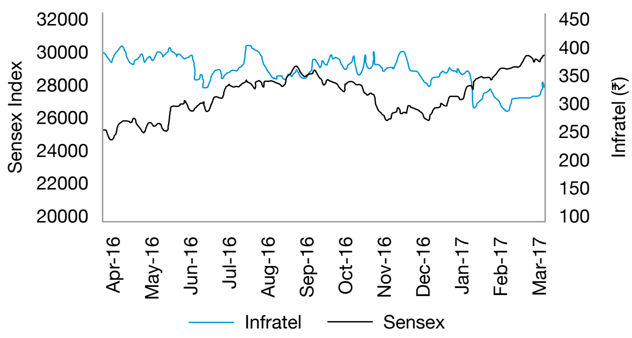
(Amount in ₹)

Month	NSE		BSE	
	High	Low	High	Low
Apr-16	410.00	361.50	409.90	361.50
May-16	397.00	364.65	398.00	365.00
Jun-16	386.65	301.50	387.85	302.10
Jul-16	413.70	340.25	412.55	340.10
Aug-16	408.50	336.10	408.40	336.45
Sep-16	387.80	338.40	386.55	338.40
Oct-16	384.95	343.25	399.40	344.60
Nov-16	393.25	325.00	393.25	337.70
Dec-16	396.05	324.25	395.20	325.10
Jan-17	361.05	282.70	361.00	283.10
Feb-17	327.75	281.75	326.70	283.10
Mar-17	340.85	285.00	340.40	285.90

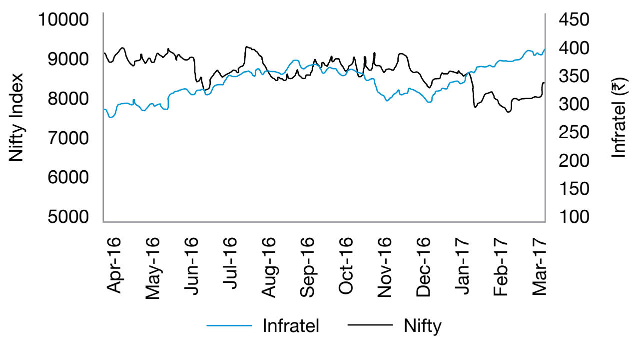
Source: www.nseindia.com Source: www.bseindia.com

Share Price performance in comparison to broad based indices such as BSE Sensex, and NSE NIFTY is as under:

Bharti Infratel Vs BSE Sensex



Bharti Infratel Vs NSE Nifty



Suspension of Company's Securities
Company's securities are never suspended from trading since its listing.

Registrar and Share Transfer Agent (RTA)
Karvy Computershare Private Limited is the Company's Registrar and Transfer Agent for handling the work related to share registry, both in electronic and demat form.

Share Transfer System
Approximately 100% of the Company's equity shares are in electronic format. Transfer of shares in physical form is processed within 15 days from the date of receipt, provided the documents are complete in all respects. All transfers are first processed by the Transfer Agent and are submitted thereafter to the Company for approval. The Transfer Agent has been authorized to transfer minor shareholding up to 50 shares without the Company's involvement.

Pursuant to the Listing Regulations, we obtain certificates from a practicing Company Secretary on a half-yearly basis to the effect that all the transfers are completed within the statutory stipulated period. A copy of the certificates so received is submitted to both the Stock Exchanges, where the shares of the Company are listed.

Distribution of Shareholding
By number of shares held as on March 31, 2017

Sl. No.	Category (by no. of shares)	No. of shareholders	% to holders	Amount of share Capital	% of shares
1	1-5000	38,290	97.82	5,839,712	0.32
2	5001-10000	132	0.34	980,355	0.05
3	10001-20000	96	0.25	1,409,855	0.08
4	20001-30000	62	0.16	1,538,985	0.08
5	30001-40000	42	0.11	1,480,518	0.08
6	40001-50000	35	0.09	1,578,891	0.09
7	50001-100000	118	0.30	8,092,533	0.44
8	100001 and above	370	0.95	1,828,687,397	98.87
	Total	**39,145**	**100.00**	**1,849,608,246**	**100.00**

By Category of holders as on March 31, 2017

S. No.		Category	No. of shares	%age of holding
I		**Promoter and Promoter Group**		
	(i)	Indian Promoters	1,140,315,371	61.65
	(ii)	Foreign Promoters	0	0
		Total Promoters shareholding	**1,140,315,371**	**61.65**
II		**Public Shareholding**		
	(A)	**Institutions**		
	(i)	Mutual Funds	18,645,508	1.01
	(ii)	Financial Institution/ Banks	12,908,660	0.70
	(iii)	Foreign Portfolio Investors including Foreign Institutional Investors	635,145,630	34.34
	(B)	**Non-Institutions**		
	(i)	Bodies Corporate (Indian)	11,599,646	0.63
	(ii)	Bodies Corporate (Foreign)	17,645,962	0.95
	(iii)	Individuals	8,760,156	0.48
	(iv)	NBFC registered with RBI	1	0.00
	(v)	others		
		Clearing Members	2,291,703	0.12
		NRIs/OCBs/Foreign Nationals/ QFI	1,284,852	0.07
		Trusts	158,101	0.01
		Total Public shareholding	**708,440,219**	**38.30**
III		**Non Promoter- Non Public**		
		Shares held by Employee Trust	852,656	0.05
		Total Shareholding (I + II + III)	**1,849,608,246**	**100.00**

Dematerialisation of Shares and Liquidity

The shares of the Company are compulsorily traded in dematerialised form and are available for trading with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders can hold the Company's shares with any of the depository participants, registered with these depositories. ISIN for the Company's shares is INE121J01017. As on March 31, 2017, 1,849,607,013 shares representing approx. 100% of the total issued and paid up capital are in demat form with the depositories.

The Company's equity shares are frequently traded at the BSE Limited and the National Stock Exchange of India Limited.

Outstanding GDRs / ADRs / Warrants or any other Convertible instruments, conversion date and likely impact on equity

The Company does not have any outstanding GDRs / ADRs / Warrants or any other Convertible instruments as on date.

Commodity price risk or foreign exchange risk and hedging activities

The nature of the business of the Company is such that it does not involve any material risk on account of foreign exchange and commodity prices. Therefore, the Company has not undertaken any hedging activities during the year.

Plant Locations

Being a service provider company, Bharti Infratel Limited has no plant locations. The Company's Circle Office addresses are provided at the end of the Annual Report.

Communication Addresses

	Contact	Email	Address
For Corporate Governance and Other Secretarial related matters	Shweta Girotra Company Secretary and Compliance Officer	compliance.officer@bharti-infratel.in	Bharti Infratel Limited Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi 110 070 Telephone no. +91 11 46666100 Fax no. +91 11 46666137 Website: www.bharti-infratel.com
For queries relating to Financial Statements	Surabhi Chandna Investor Relations-Head	ir@bharti-infratel.in	
For Corporate Communication related matters	Raza Khan Head – Group Corporate Communications	corporate.communications@bharti.in	
Registrar & Transfer Agent	Karvy Computershare Pvt. Ltd.	einward.ris@karvy.com	Karvy Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad- 500032 P: 040- 67161522 Fax No.: 040 23420814 Website: www.karvy.com Toll Free No. 1-800-3454001

Annexure - A

Declaration

I hereby confirm that Company has received from all members of the Board and Senior Management, for the financial year ended March 31, 2017, a confirmation that they are in compliance with the Company's Code of Conduct.

For **Bharti Infratel Limited**

D S Rawat
Managing Director & CEO
(DIN: 06798626)

Date: May 8, 2017
Place: New Delhi

Annexure - B

Certification

We, D S Rawat, Managing Director & CEO and Pankaj Miglani, Chief Financial Officer of Bharti Infratel Limited, to the best of our knowledge and belief hereby certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief:

- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit and Risk Management Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit and Risk Management Committee:

- (i) Significant changes in internal control over financial reporting during the year;
- (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

D S Rawat
Managing Director & CEO
(DIN: 06798626)

Pankaj Miglani
Chief Financial Officer

Date: May 8, 2017
Place: New Delhi

Consolidated Financial Statements with Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Members of Bharti Infratel Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Bharti Infratel Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and the joint venture, 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 statements").

Management's Responsibility for the Consolidated 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 the Joint Venture in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and the joint venture 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 the joint venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Holding 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 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 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 but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding 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 sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditor on separate financial statements and on the other financial information of the joint venture, 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, and joint venture as at March 31, 2017, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

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 auditor on separate financial statements and the other financial information of joint venture, 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 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 maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

(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 subsidiary companies and joint venture incorporated in India, none of the directors of the Group's companies and joint venture 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 and joint venture incorporated in India, refer to our separate report in "Annexure 1" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and also the other financial information of the subsidiaries and joint venture, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and joint venture – Refer Note 36 to the consolidated Ind AS financial statements;

ii. The Group and joint venture did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2017;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and joint venture incorporated in India during the year ended March 31, 2017.

iv. As per books of accounts of the Holding Company, subsidiaries and joint venture incorporated in India, and as represented by the management of these entities, the Holding Company and the subsidiaries did not have cash balance as on November 8, 2016 and December 30, 2016 and have no cash dealings during this period.

Other Matter

The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 11,941 million for the year ended March 31, 2017, as considered in the consolidated financial statements, in respect of joint venture, whose financial statements, other financial information have been audited by other auditor and whose report have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture, and our report in terms of sub-sections (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 auditor.

Our opinion above 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 Number: 101049W/E300004

per Vineet Kedia
Partner
Membership Number: 212230

Place: New Delhi
Date: May 8, 2017

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BHARTI INFRATEL 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 Infratel Limited

In conjunction with our audit of the consolidated financial statements of Bharti Infratel Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Bharti Infratel Limited (hereinafter referred to as the "Holding Company") and its' subsidiary company and jointly controlled company, 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 company and jointly controlled company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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 company and jointly controlled company, 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 Matter

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, insofar as it relates to the one jointly controlled company, which is a company incorporated in India, is based on the corresponding report of the auditor of such jointly controlled company incorporated in India.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/ E300004

per Vineet Kedia
Partner
Membership Number: 212230

Place: New Delhi
Date: May 8, 2017

Consolidated Balance Sheet
as at March 31, 2017

(₹ Millions)

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Assets				
Non-current assets				
Property, plant and equipment	6	57,811	60,560	63,211
Capital work-in-progress		585	701	681
Intangible asset	6	131	71	93
Investment in joint venture		55,509	56,180	46,629
Financial assets				
Investment	7	41,221	28,266	31,262
Other financial assets	8	1,163	1,221	1,080
Current tax asset (net)	9	1,634	2,268	1,690
Other non - current assets	10	2,456	2,311	2,971
		160,510	**151,578**	**147,617**
Current assets				
Financial assets				
Investment	7	14,990	16,148	34,972
Trade receivables	11	1,515	1,955	3,392
Cash and cash equivalents	12	22,498	20,133	64
Other bank balance	13	-	11,462	8,820
Other financial assets	8	4,561	2,856	1,125
Other current assets	14	3,554	2,900	3,286
		47,118	**55,454**	**51,659**
Total assets		**207,628**	**207,032**	**199,276**
Equity and liabilities				
Equity				
Equity share capital	15	18,496	18,967	18,938
Other equity		136,497	163,454	157,552
Equity attributable to equity holders of the parent		**154,993**	**182,421**	**176,490**
Non-current liabilities				
Financial liabilities				
Other financial liabilities	16	2,373	2,033	1,756
Long term provisions	17	2,243	2,009	1,799
Deferred tax liabilities	9	2,434	4,630	3,663
Other non - current liabilities	18	1,633	1,773	1,769
		8,683	**10,445**	**8,987**
Current liabilities				
Financial liabilities				
Borrowings	19	2,785	-	-
Trade payables	20			
Total outstanding dues of micro enterprises and small enterprises		15	2	22
Total outstanding dues of Creditors other than micro enterprises and small enterprises		519	643	1,320
Other financial liabilities	21	22,185	-	-
Other current liabilities	22	18,314	13,402	12,351
Provisions	17	134	119	106
		43,952	**14,166**	**13,799**
Total liabilities		**52,635**	**24,611**	**22,786**
Total equity and liabilities		**207,628**	**207,032**	**199,276**

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

For S. R. Batliboi & Associates LLP
Firm Registration Number: 101049W /E300004
Chartered Accountants

per Vineet Kedia
Partner
Membership No: 212230

Place: New Delhi
Date: May 8, 2017

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

Rajan Bharti Mittal
Director

D S Rawat
Managing Director & CEO

Shweta Girotra
Company Secretary

Pankaj Miglani
Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended March 31, 2017

(₹ Millions, except per share data)

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations	23	60,847	55,583
Other income	24	711	1,104
Total income		**61,558**	**56,687**
Expenses			
Power and fuel	25	21,143	19,901
Rent	26	3,184	2,798
Employee benefit expenses	27	2,746	2,578
Repairs and maintenance	28	4,084	3,920
Other expenses	29	1,165	1,289
Total expenses		**32,322**	**30,486**
Profit before depreciation and amortisation, finance costs(net), charity and donation, share of profit of joint venture and tax		**29,236**	**26,201**
Depreciation and amortization expense	30	12,167	12,121
Less: adjusted with general reserve in accordance with the scheme of arrangement with bharti airtel limited (refer note 42)	30	(510)	(571)
		11,657	11,550
Finance costs (net)	31	(6,542)	(4,285)
Charity and donation		274	214
Profit before share of profit of joint venture and tax		**23,847**	**18,722**
Share of profit of joint venture		11,950	11,069
Profit before tax		**35,797**	**29,791**
Income tax expense :	9	**8,327**	**7,317**
Current tax		8,594	6,351
Deferred tax		(267)	966
Profit for the year		**27,470**	**22,474**
Other comprehensive income ('OCI')			
Items that will not be re-classified to profit and Loss			
Remeasurement of the gain/ (loss) of defined benefit plans(net of tax)		(6)	(2)
Items that will be re-classified to profit and Loss			
Fair Value changes on financial assets through OCI (net of tax)		99	6
Share of Profit/(Loss) in OCI of joint venture		(9)	(22)
Other comprehensive income for the year (net of tax)		**84**	**(18)**
Total comprehensive income for the year (net of tax)		**27,554**	**22,456**
Earnings per share (nominal value of share ₹ 10 each)	32		
Basic		14.728	11.862
Diluted		14.727	11.860

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

For S. R. Batliboi & Associates LLP
Firm Registration Number: 101049W /E300004
Chartered Accountants

per Vineet Kedia
Partner
Membership No: 212230

Place: New Delhi
Date: May 8, 2017

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

Rajan Bharti Mittal
Director

D S Rawat
Managing Director & CEO

Shweta Girotra
Company Secretary

Pankaj Miglani
Chief Financial Officer

Consolidated Statement of Changes in Equity

as at March 31, 2017

A. Equity share capital

	No's in thousands	Amount ₹ Mn's
As at April 1, 2015		
Opening balance	**1,893,769**	**18,938**
Issued during the year (refer note 15)	2,898	29
As at March 31, 2016	**1,896,667**	**18,967**
As at April 1, 2016	**1,896,667**	**18,967**
Shares extinguished pursuant to buy-back (refer note. 15)	(47,059)	(471)
As at March 31, 2017	**1,849,608**	**18,496**

B. Other equity

(₹ Millions)

	Reserves and Surplus						Other comprehensive income	Total equity
	Share premium	Treasury shares	Share based payment reserves	Capital redemption reserve	General reserve	Retained earnings		
As at April 1, 2015	**67,610**	**(624)**	**584**	**-**	**76,573**	**13,409**	**-**	**157,552**
Profit for the year	-	-	-	-	-	22,474	-	22,474
Other comprehensive income	-	-	-	-	-	-	(18)	(18)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**22,474**	**(18)**	**22,456**
Gross compensation for options forfeited/ excercised during the year (refer note 34)	-	-	(481)	-	-	-	-	(481)
Shares issued to employees on exercise of ESOP & Buyback of shares (refer note 47)	-	65	-	-	-	-	-	65
Amount transferred to statement of profit and loss during the period in accordance with the scheme of arrangement with bharti airtel limited (refer note 42)	-	-	-	-	(592)	-	-	(592)
Amount adjusted during the year in accordance with the indus scheme (refer note 42)	-	-	-	-	-	(1,497)	-	(1,497)
Final dividend on equity shares (refer note 15)	-	-	-	-	-	(12,316)	-	(12,316)
Tax on final dividend on equity shares (refer note 15)	-	-	-	-	-	(2,509)	-	(2,509)
Amount transferred to Stock option outstanding during the vesting period (refer note 34)	-	-	20	-	-	-	-	20
Amount transferred from stock options outstanding & premium on exercise of ESOP's * (refer note 34)	756	-	-	-	-	-	-	756
As at March 31, 2016	**68,366**	**(559)**	**123**	**-**	**75,981**	**19,561**	**(18)**	**163,454**

Consolidated Statement of Changes in Equity

as at March 31, 2017

(₹ Millions)

	Reserves and Surplus						Other comprehensive income	Total equity
	Share premium	Treasury shares	Share based payment reserves	Capital redemption reserve	General reserve	Retained earnings		
As at April 1, 2016	**68,366**	**(559)**	**123**	**-**	**75,981**	**19,561**	**(18)**	**163,454**
Profit for the year	-	-	-	-	-	27,470	-	27,470
Other comprehensive income	-	-	-	-	-	-	84	84
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**27,470**	**84**	**27,554**
Gross compensation for options forfeited/ excercised during the year (refer note 34)	-		(103)	-	5	-	-	(98)
Utilisation for premium on buyback (refer note 47)	(19,528)	-	-	-	-	-	-	(19,528)
Utilisation for buyback expenses (net of tax) (refer note 47)	-	-	-	-	(31)	-	-	(31)
Transfer to capital redemption reserve pursuant to buyback (refer note 47)	-	-	-	471	(471)	-	-	-
Shares issued to employees on exercise of ESOP & Buyback of shares (refer note 34)	-	235	-	-	-	-	-	235
Amount transferred to Stock option outstanding during the vesting period (refer note 34)	-	-	31	-	-	-	-	31
Premium on exercise of ESOP's * (refer note 34)	-	-	-	-	(63)	-	-	(63)
Amount transferred to statement of profit and loss during the period in accordance with the scheme of arrangement with bharti airtel limited (refer note 42)	-	-	-	-	(515)	-	-	(515)
Final dividend on equity shares (refer note 15)	-	-	-	-	-	(5,545)	-	(5,545)
Tax on final dividend on equity shares (refer note 54)	-	-	-	-	(1,130)	-	-	(1,130)
Amount adjusted during the period in accordance with the indus scheme (refer note 42)	-	-	-	-	-	(1,163)	-	(1,163)
Interim dividend on equity shares (refer note 21)	-	-	-	-	-	(22,185)	-	(22,185)
Tax on Interim dividend on equity shares (refer note 54)	-	-	-	-	(4,519)	-	-	(4,519)
As at March 31, 2017	**48,838**	**(324)**	**51**	**471**	**69,257**	**18,138**	**66**	**136,497**

* Represents the cost of purchase price in excess of fair value of grant recognised w.r.t shares vested during this period (net of forfeiture).

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

For S. R. Batliboi & Associates LLP
Firm Registration Number: 101049W /E300004
Chartered Accountants

per Vineet Kedia
Partner
Membership No: 212230

Place: New Delhi
Date: May 8, 2017

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

Rajan Bharti Mittal
Director

D S Rawat
Managing Director & CEO

Shweta Girotra
Company Secretary

Pankaj Miglani
Chief Financial Officer

Consolidated Statement of Cash flows

for the year ended March 31, 2017

(₹ Millions)

Particulars	Year ended March 31,2017	Year ended March 31,2016
Cash flows from operating activities		
Profit before tax	**35,797**	**29,791**
Adjustments for -		
Depreciation and amortization expense	11,657	11,550
Finance income	(6,936)	(4,615)
Finance costs	365	330
Dividend income	9,510	-
Share of profits in joint venture	(11,950)	(11,069)
Gain/loss on disposal of property,plant & equipment	(581)	(651)
Provision for doubtful trade receivables	36	106
Provision for obsolescence of capital work in progress/services	(8)	7
Others	(250)	(481)
Operating profit before changes in assets and liabilities	**37,640**	**24,968**
Changes in trade receivables	404	1,331
Changes in trade payables	(51)	(409)
Changes in other current liabilities	888	395
Changes in other non current assets	(144)	660
Changes in other long term financial liabilities	124	276
Changes in long term provisions	(118)	23
Changes in short term provisions	15	13
Changes in other financial assets	(1,621)	(1,731)
Changes in other long term financial assets	58	(141)
Changes in other non current liabilities	88	215
Changes in other current assets	(660)	443
Cash generated from operations	**36,623**	**26,043**
Income tax paid (net of refunds)	(7,961)	(6,928)
Net cash flow from operating activities (A)	**28,662**	**19,115**
Cash flows from investing activities		
Purchase of property, plant & equipment	(10,088)	(9,061)
Proceeds from sale of property,plant & equipment	1,028	1,072
Investments in bank deposits (having original maturity of more than three months)	-	(2,642)
Purchase of bonds	-	(3,214)

Consolidated Statement of Cash flows

for the year ended March 31, 2017

(₹ Millions)

Particulars	Year ended March 31,2017	Year ended March 31,2016
Purchase of government securities	(68,501)	-
Purchase of commercial paper	(475)	-
Purchase of corporate deposits	(3,946)	-
Purchase of investment in mutual funds	(124,613)	(950)
Proceeds from fixed deposit	11,462	-
Proceeds from sale of investments	168,999	31,154
Proceeds from government securities	15,430	-
Proceeds from sale of bonds	1,217	-
Proceeds from sale of corporate deposits	5,394	(2,846)
Interest received	1,659	1,970
Net cash flow from /(used in) investing activities (B)	**(2,434)**	**15,483**
Cash flows from financing activities		
Proceeds from exercise of stock options	62	307
Buyback of shares	(20,031)	-
Dividend paid	(5,549)	(12,327)
Tax on dividend paid	(1,130)	(2,509)
Net cash flow (used in) financing activities (C)	**(26,648)**	**(14,529)**
Net increase in cash and cash equivalents during the year (A+B+C)	**(420)**	**20,069**
Cash and cash equivalents at the beginning of the year	20,133	64
Cash and cash equivalents at the end of the year (refer note 12)	**19,713**	**20,133**

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

For S. R. Batliboi & Associates LLP
Firm Registration Number: 101049W /E300004
Chartered Accountants

per Vineet Kedia
Partner
Membership No: 212230

Place: New Delhi
Date: May 8, 2017

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

Rajan Bharti Mittal
Director

D S Rawat
Managing Director & CEO

Shweta Girotra
Company Secretary

Pankaj Miglani
Chief Financial Officer

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

1. Corporate information

Bharti Infratel Limited ('the Company' or 'BIL') was incorporated on November 30, 2006 with the object of, inter-alia, setting up, operating and maintaining wireless communication towers. The Company received the certificate of commencement of business on April 10, 2007 from the Registrar of Companies. The Registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

Bharti Infratel Limited is a subsidiary of Bharti Airtel Limited ('BAL') and BAL holds 50.33% shares in the Company. Nettle Infrastructure Investments Limited, Wholly owned Subsidiary of BAL is also holding 11.32% shares in the Company as on March 31, 2017.

The Company is publicly traded on National Stock Exchange of India (NSE) and Bombay Stock Exchange Limited.

The Company had entered into a joint venture agreement with Vodafone India Limited and Aditya Birla Telecom Limited to provide passive infrastructure services in 15 Telecom circles of India and formed Indus Towers Limited for such purpose which is a Company incorporated in India. The Company and Vodafone India Limited are holding approximately 42% each in Indus Towers Limited, 11.15% is held by Aditya Birla Telecom Limited and the balance 4.85% is held by P5 Asia Holding Investment (Mauritius) Limited.

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

The Company incorporated a Trust named Bharti Infratel Employees' Welfare Trust on January 07, 2015 with the object of acquiring shares through secondary acquisitions, hold them in trust for employees eligible to receive shares, and transfer such shares in accordance with ESOP Schemes.

The wholly owned subsidiary, Bharti Infratel Services Limited, had applied during FY 2015-16 to the Registrar of Companies to strike off the name of the Company from the Register of the Companies under Fast Track Exit Mode. During the year, name of Bharti Infratel Services Limited was striked off by the Registrar of the Companies.

The Group's parent Company is Bharti Airtel Limited ('BAL') as at March 31, 2017.

The consolidated financial statements were authorised for issue in accordance with resolution of the directors on May 8, 2017.

2. Basis of preparation

a. Statement of compliance

These Consolidated financial statements ("financial statements") have been prepared to comply in all material aspects with the Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

b. Basis of preparation

These consolidated financial statements are covered by Ind AS 101: First Time Adoption of Indian Accounting Standards (Ind AS), being first Ind AS annual financial statements for the year ended March 31, 2017 and are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. The Ind AS Accounting policies have been applied consistently to all years presented in the consolidated financial statements.

For all periods up to and including the year ended March 31, 2016, the Group prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The transition was carried out from the accounting principles generally accepted in India (Indian GAAP) which is considered as previous GAAP, as defined in Ind AS 101. An explanation of how the transition to Ind AS has impacted the Group equity and profits is provided in Note 44.

The financial statements have been prepared on accrual and going concern basis and the historical cost convention, except for the certain financial assets, financial liabilities and certain other items which have been measured at fair value as required under relevant Ind AS.

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

c. Basis of Consolidation

The Consolidated financial statements comprises the financial statements of the Group, its subsidiaries, joint venture and its directly controlled entity which are as follows:-

Entity	Coutry of Incorporation	Principal Service	Relationship	Shareholding as at March 31,2017	Shareholding as at March 31, 2016	Shareholding as at April 1, 2015
Indus Towers Limited	India	Passive Infrastructure Services	Joint Venture	42%	42%	42%
Bharti Infratel Services Limited*	India	Active and Passive Infrastructure Services	Subsidiary	-	-	100%
Smartx Services Limited*	India	Optical Fibre Service	Subsidiary	100%	100%	-

Details of Controlled Trust

Name of Trust	Country of Incorporation
Bharti Infratel Employee Welfare Trust	India

* Refer note 1

Accounting for Subsidiaries:

A subsidiary is an entity controlled by the Group. Control exists when the parent has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Subsidiaries are fully consolidated from the date on which Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies and accounting period in line with those used by the Group. All intra-Group transactions, balances, income and expenses and cash flows are eliminated on consolidation.

Interest in Joint Venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its joint ventures are accounted for using the equity method. Under the equity method, investments in joint ventures are carried in the consolidated Balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint ventures, less any impairment in the value of the investments. Additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the joint venture.

The joint venture are accounted for from the date on which Group obtains joint control over Joint

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Venture for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

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 (Mn) except per share data and unless stated otherwise.

3. Summary of significant accounting policies

a. Property, Plant and Equipment

Property, plant and equipment including Capital work in progress is stated at cost, except assets acquired under Schemes of Arrangement, which are stated at fair values as per the Schemes, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognizes such parts as separate component of assets with specific useful lives and provides depreciation over their useful life. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance costs are recognised in the Consolidated Statement of Profit and Loss as incurred.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer note 4 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is derecognised.

Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives. Estimated useful lives of the assets are as follows:

	Useful lives
Office Equipment	2 years / 5 years
Computer	3 years
Vehicles	5 years
Furniture and Fixtures	5 years
Plant & Machinery	3 to 20 Years
Leasehold Improvement	Period of Lease or useful life whichever is less

The existing useful lives of tangible assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Group believes that this is the best estimate on the basis of technical evaluation and actual usage period.

The existing realizable values of tangible assets are different from 5% as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Group believes that this is the best estimate on the basis of actual realization.

The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for impairment, and adjusted prospectively.

b. Intangible Assets

Intangible assets are recognized when the entity controls the asset, it is probable that future economic benefits attributed to the asset will flow to the entity and the cost of the asset can be reliably measured.

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

At initial recognition, the separately acquired intangible assets are recognised at cost. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the Consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Software is capitalized at the amounts paid to acquire the respective license for use and is amortised over the period of license, generally not exceeding three years. Acquired telecom license is initially recognised at cost and subsequently measured at cost less accumulated amortisation and impairment losses, if any. Amortisation is recognised over the unexpired period of license.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss within other income when the asset is derecognised.

c. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses, if any, are recognized in Consolidated Statement of Profit and Loss as a component of depreciation and amortisation expense.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited to the extent the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the Consolidated Statement of Profit and Loss when the asset is carried at the revalued amount, in which case the reverse is treated as a revaluation increase.

d. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

e. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of an arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Consolidated Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group policy on the borrowing costs.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term and escalation in the contract, which are structured to compensate expected general inflationary increase are not straight lined. Contingent rents are recognized as expense in the period in Consolidated Statement of Profit and Loss in which they are incurred.

Group as a Lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Groups net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases where the Group does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Lease rentals under operating leases are recognized as income on a straight-line basis over the lease term and escalation in the contract,

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

which are structured to compensate expected general inflationary increase are not straight lined. Contingent rents are recognized as revenue in the year in which they are earned.

f. Share-based payments

The Group issues equity-settled and cash-settled share-based options to certain employees. These are measured at fair value on the date of grant.

The fair value determined at the grant date of the equity-settled share-based options is expensed over the vesting period, based on the Group's estimate of the shares that will eventually vest.

The fair value determined on the grant date of the cash settled share based options is expensed over the vesting period, based on the Group's estimate of the shares that will eventually vest. At the end of the each reporting period, until the liability is settled, and at the date of settlement, the fair value of the liability is recognized, with any changes in fair value pertaining to the vested period recognized immediately in Consolidated Statement of Profit and Loss.

At the vesting date, the Group's estimate of the shares expected to vest is revised to equal the number of equity shares that ultimately vest.

Fair value is measured using Black-Scholes framework and is recognized as an expense, together with a corresponding increase in equity/ liability as appropriate, over the period in which the options vest using the graded vesting method. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations. The expected volatility and forfeiture assumptions are based on historical information.

Where the terms of a share-based payments are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it is vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options if any is reflected as additional share dilution in the computation of diluted earnings per share.

g. Cash and Cash equivalents

Cash and cash equivalents in the consolidated balance sheet comprises cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Groups cash management are included as a component of cash and cash equivalents for the purpose of the consolidated Statement of Cash Flows.

h. Treasury shares

The Group has formed Bharti Infratel Employee Welfare Trust, for administration of ESOP Schemes of the Group. The Trust bought shares of the Group from the market, for giving shares to employees. The Group treats Trust as its extension and shares held by Trust are treated as treasury shares.

Own equity instruments ("treasury shares") which are reacquired through Bharti Infratel Employees Welfare Trust are recognized at cost and deducted from equity. No gain or loss is recognized in the Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in the share premium. Share options exercised during the reporting period are satisfied with treasury shares.

i. **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through Profit and Loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt Instruments at Amortised Cost

The category applies to the Group's trade receivables, unbilled revenue, other bank balances, security deposits,etc.

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

This category is most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The accretion of EIR is recorded as a finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent solely payment of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals in the Consolidated Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Consolidated Statement of Profit and Loss.

Interest earned whilst holding FVTOCI debt instrument is reported as interest income.

The Group has classified Investment in bonds, commercial paper, corporate deposits etc within this category.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or at FVTOCI, is classified at FVTPL.

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated Statement of Profit and Loss. This category applies to the Group investment in mutual funds and government securities.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as FVTPL.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS-103 applies are classified as at FVTPL. There are no such investments in the Group.

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or
- The Group has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Financial assets that are debt instruments and are initially measured at fair value with subsequent measurement at amortised cost e.g Trade receivables, unbilled revenue etc.

The Group follows 'simplified approach' for recognition of impairment loss allowance for trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade payables, security deposits, etc.

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for the year ended March 31, 2017

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in Other Comprehensive Income. These gains/ loss are not subsequently transferred to Consolidated Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Consolidated Statement of Profit and Loss.

Financial Liabilities at Amortised Cost

This Category includes Security deposit received, trade payables etc. After initial recognition, such liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

Reclassification of Financial Assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

j. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received/ receivable, excluding discounts, rebates, and VAT, service tax or duty. The Group assesses its revenue arrangements against specific criteria, i.e., whether it has

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exposure to the significant risks and rewards associated with the rendering of services, in order to determine if it is acting as principal or as an agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

Service revenue

Service revenue includes rental revenue for use of sites and energy revenue for the provision of energy for operation sites. Rental revenue and energy revenue is recognized as and when services are rendered on a monthly basis as per the contractual terms under agreements entered with customer.

The Group has ascertained that the lease payment received are structured to increase in line with expected inflationary increase in cost and therefore not straight-lined.

Unbilled revenue represents revenues recognized from the last invoice raised to customer to the period end. These are billed in subsequent periods based on the rates specified in the master service agreement with the operators. The Group collects service tax on behalf of the government and therefore, it is not an economic benefit flowing to the Group, hence it is excluded from revenue.

Finance income

Finance income comprises interest income on funds invested and changes in the fair value of financial assets at fair value through profit or loss, and that are recognised in Consolidated Statement of Profit and Loss. Interest income is recognised as it accrues in Consolidated Statement of Profit and Loss, using the effective interest rate (EIR) which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Dividend Income

Dividend income is recognised in Consolidated Statement of Profit and Loss on the date that the Group's right to receive payment is established.

k. Taxes

Current tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax liability is provided on temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill, if any or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit / (tax loss).

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit / (tax loss).

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

l. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

m. Dividend Payments

Provision for dividend is recognized, when it is approved by the shareholders and the distribution is no longer at the discretion of the Group. However, Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

n. Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

o. Retirement and other employee benefits

Short term employee benefits are recognised in the period during which the services have been rendered.

The Group post employment benefits include defined benefit plan and defined contribution plans. The Group also provides other benefits in the form of deferred compensation and compensated absences.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have

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no legal or constructive obligation to pay further amounts. The Group contributions to defined contribution plans are recognized in Consolidated Statement of Profit and Loss when the services have been rendered. The Group has no further obligations under these plans beyond its periodic contributions.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under the defined benefit retirement plan, the Group provides retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to eligible employees at retirement or termination of employment based on respective employee salary and years of experience with the Group.

The cost of providing benefits under this plan is determined on the basis of actuarial valuation carried out quarterly as at the reporting date by an independent qualified actuary using the projected unit credit method. Actuarial gains and losses are recognised in full in the year in which they occur in the Consolidated Statement of Profit and Loss.

The obligation towards the said benefit is recognised in the consolidated balance sheet as the difference between the fair value of the plan assets and the present value of the plan liabilities. Scheme liabilities are calculated using the projected unit credit method and applying the principal actuarial assumptions as at the date of consolidated Balance Sheet. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies.

All expenses excluding remeasurements of the net defined benefit liability (asset), in respect of defined benefit plans are recognized in the profit or loss as incurred. Remeasurements, comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)), are recognized immediately in the consolidated Balance Sheet with a corresponding debit or credit through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The Group provides other benefits in the form of compensated absences and long term service awards. The employees of the Group are entitled to compensated absences based on the unavailed leave balance. The Group records liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave encashment liability as a current liability in the balance sheet, since the Group does not have an unconditional right to defer its settlement for more than 12 months after the reporting date.

Under the long term service award plan, a lump sum payment is made to an employee on completion of specified years of service. The Group records the liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the Consolidated Statement of Profit and Loss and are not deferred.

The amount charged to the Consolidated Statement of Profit and Loss in respect of these plans is included within operating costs.

p. Provision

(i) General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks

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specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e., unwinding of discount) is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

(ii) Contingent Assets/ Liabilities

Contingent assets are not recognised. However, when realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Contingent liabilities are disclosed in notes to accounts when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(iii) Asset Retirement Obligations

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Group has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease.

Asset retirement obligation are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the site restoration obligation. The unwinding of the discount is expensed as incurred and recognized in the Consolidated Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

q. Earnings per share (EPS)

The Group Basic Earnings per share is determined based on the net profit attributable to the shareholders of the parent. Basic Earnings Per Share is computed using the weighted average number of Equity shares outstanding during the year excluding shares purchased by the Group and held as treasury shares.

Diluted EPS is computed using the weighted average common and dilutive common equivalents shares outstanding during the year including shares options except where the result would be anti dilutive.

r. Fair Value Measurement

The Group measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which

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sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e derived from prices)
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value measurements. Other fair value related disclosures are given in the relevant notes.

s. Foreign Currency

Functional and presentation currency

The Group financial statements are presented in INR, which is also the Group's functional currency. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. All the financial information presented in Indian Rupees (INR) has been rounded to the nearest of million rupees, except where otherwise stated.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in Consolidated Statement of Profit and Loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

t. Corporate social responsibility expenditure

Pursuant to the requirements of section 135 of the Act and rules thereon and guidance note on "Accounting for expenditure on Corporate Social Responsibility activities" issued by ICAI, with effect from April 1, 2015, CSR expenditure is recognized as an expense in the Consolidated Statement of Profit and Loss in the period in which it is incurred.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Group financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the acCompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Notes to Consolidated Financial Statements

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Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Operating lease commitments – Group as lessor

The Group has assessed that its master service agreement ("MSA") with operators contains lease of its tower sites and plant and equipment and has determined, based on evaluation of the terms and conditions of the arrangements such as various lessees sharing the same tower sites with specific area, the fair value of the asset and all the significant risks and rewards of ownership of these properties retained by the Group, that such contracts are in the nature of operating lease and has accounted for as such.

The Group has ascertained that the annual escalations in the lease payment received under the MSA are structured to compensate the expected inflationary increase in cost and therefore has not been straight-lined.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(b) Impairment of non-financial assets

The carrying amounts of the Group non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are Grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Groups of assets ('CGU').

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized, if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount and are recognised in Consolidated Statement of Profit and Loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of goodwill, if any, allocated to the units and then to reduce the carrying amounts of the other assets in the unit (Group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(c) Property, plant and equipment

Refer Note 3(a) for the estimated useful life of Property, plant and equipment.

Notes to Consolidated Financial Statements

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Property, plant and equipment also represent a significant proportion of the asset base of the Group. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Consolidated Statement of Profit and Loss.

The useful lives and residual values of Group assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life, such as changes in technology.

During the FY 2014-15, the Group had re-assessed the useful life and residual value of all its assets, accordingly, effective April 1, 2014, it has revised the useful life of certain class of shelters from 15 years to 10 years and revised the residual value of certain plant and machineries (batteries and DG sets) from Nil and 5% to 25% and 10%, respectively. Set out below is the impact of above change on future period depreciation:

(₹ Millions)

Particulars	Year Ending March 31, 2018	Year Ending March 31, 2019	After March 31, 2019
Increase/Decrease in Depreciation	(105)	(592)	(1,886)

(d) Allowance of doubtful trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or Grouped into homogeneous Groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

(e) Asset Retirement obligation

The Group uses various leased premises to install its tower assets. A provision is recognised for the cost to be incurred for the restoration of these premises at the end of the lease period, which is estimated based on actual quotes, which are reasonable and appropriate under these circumstances. It is expected that these provisions will be utilised at the end of the lease period of the respective sites as per respective lease agreements.

(f) Share based payment

The Group initially measures the cost of cash-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the Profit and Loss. This requires a reassessment of the estimates used at the end of each reporting period.

(g) Contingencies

Refer note 36 for details of contingencies.

5. Recent accounting pronouncements issued but not yet effective upto the date of issuance of financial statement

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the group from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

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6. Property, plant and equipment and Intangible asset

(₹ Millions)

Particulars	Land	Plant and equipment	Office furniture and equipment	Vehicles	Computers	Leasehold improvements	Tangible assets total	Computer software	License fee	Intangible assets total
Cost										
As at April 1, 2015	**2**	**124,441**	**171**	**6**	**698**	**265**	**125,583**	**374**	**-**	**374**
Additions	-	9,757	27	3	34	13	9,833	38	-	38
Disposals/adjustment	-	(6,667)	(2)	-	(1)	(1)	(6,671)	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-
Transfer/ Adjustment under the Scheme of arrangement	-	-	-	-	-	-	-	-	-	-
As at March 31, 2016	**2**	**127,531**	**196**	**9**	**731**	**277**	**128,744**	**412**	**-**	**412**
Additions	-	9,557	28	0	154	60	9,801	96	28	124
Disposals/adjustment	-	(3,165)	(6)	-	(2)	(15)	(3,187)	(3)	-	(3)
As at March 31, 2017	**2**	**133,924**	**218**	**9**	**883**	**322**	**135,357**	**505**	**28**	**533**
Depreciation										
As at April 1, 2015	**-**	**61,426**	**104**	**5**	**661**	**176**	**62,372**	**281**	**-**	**281**
Charge for the year	-	11,969	41	-	25	27	12,062	60	-	60
Disposals	-	(6,244)	(3)	-	(3)	-	(6,250)	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-
Transfer/ Adjustment under the Scheme of arrangement	-	-	-	-	-	-	-	-	-	-
As at March 31, 2016	**-**	**67,151**	**142**	**5**	**683**	**203**	**68,184**	**341**	**-**	**341**
Charge for the year	-	11,954	51	1	59	41	12,105	61	-	61
Disposals	-	(2,722)	(6)	0	(1)	(15)	(2,743)	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-
Transfer/ Adjustment under the Scheme of arrangement	-	-	-	-	-	-	-	-	-	-
As at March 31, 2017	**-**	**76,383**	**187**	**6**	**741**	**229**	**77,546**	**402**	**-**	**402**
Net block										
As at April 1, 2015	**2**	**63,015**	**67**	**1**	**37**	**89**	**63,211**	**93**	**-**	**93**
As at March 31, 2016	**2**	**60,381**	**54**	**4**	**48**	**75**	**60,560**	**71**	**-**	**71**
As at March 31, 2017	**2**	**57,541**	**31**	**3**	**142**	**93**	**57,811**	**103**	**28**	**131**

(i) “Plant and equipment” comprise of assets given on operating lease. For details, refer note 35(b).
(ii) Depreciation charge for the year includes ₹ 804 Mn (FY 2015-16 ₹ 707 Mn) being the amount provided for asset obsolescence with respect to assets not in active use.
(iii) Disposal/adjustment includes cost and accumulated depreciation for assets sold and the assets for which insurance claims are made by the Company.
(iv) Net book value of computers of ₹ 108 mn (March 31, 2016: ₹ 47 mn, April 1, 2015: ₹ 20 mn) are under finance lease.

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7. Investment

a) Non current investments

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investment carried at fair value through profit and loss			
Mutual funds (quoted)	306	25,044	31,262
Government securities (quoted)	38,784	-	-
Investment carried at fair value through OCI			
Bonds (quoted)	2,131	3,222	-
	41,221	**28,266**	**31,262**

b) Current investments

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investment carried at fair value through profit and loss			
Mutual funds (quoted)	-	13,302	34,972
Government securities (quoted)	13,088	-	-
Investment carried at fair value through OCI			
Corporate deposit (quoted)	1,425	2,846	-
Commercial paper (quoted)	477	-	-
	14,990	**16,148**	**34,972**
Aggregate value of quoted Investment (cost)	56,851	37,662	58,822
Aggregate market value of quoted Investment	56,211	44,414	66,234

Non current investments

Details of investments in mutual funds are provided below:

(₹ Millions)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Unit No.	Amount	Unit No.	Amount	Unit No.	Amount
Birla Sun Life Income Plus - Growth Regular Plan	-	-	81,531,569	5,388	81,531,569	5,144
Birla Sun Life Short Term Opportunities Fund - Growth-Regular Plan	-	-	-	-	86,393,736	1,976
DSP Black Rock Strategic Bond Fund-Institutional Plan-Growth	-	-	1,082,504	1,922	1,745,815	2,917
HDFC Income Fund Growth	-	-	104,051,219	3,517	104,051,219	3,334
Franklin India Income Opportunities Fund	-	-	50,660,486	867	-	-
ICICI Prudential Income -Regular Plan - Growth	-	-	45,694,326	2,120	45,694,326	2,006
BOI AXA Corporate Credit Spectrum Fund - Regular Plan	25,000,000	306	25,000,000	275	-	-

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for the year ended March 31, 2017

(₹ Millions)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Unit No.	Amount	Unit No.	Amount	Unit No.	Amount
IDFC Super Saver Income Fund-Investment Plan-Growth-(Regular Plan)	-	-	85,232,890	3,055	85,232,890	2,913
JPMorgan India Active Bond Fund Retail Plan Growth Option	-	-	-	-	47,044,600	714
Kotak Bond Scheme Plan A-Growth - Regular Plan	-	-	36,212,982	1,523	36,212,982	1,446
Reliance Income Fund Growth Plan - Growth Option	-	-	65,982,324	3,165	65,982,324	3,006
Templeton India Income Builder Account Plan A - Growth	-	-	-	-	48,224,495	2,337
UTI Bond Fund - Growth	-	-	41,865,468	1,843	74,936,438	3,141
BOI AXA Corporate Credit Spectrum Fund - Regular Plan	-	-	-	-	25,000,000	252
Reliance Regular Savings Fund - Debt Plan - Growth Plan - Growth Option	-	-	-	-	66,227,040	1,259
Franklin India Income Builder Account - Plan A	-	-	26,698,497	1,369	50,660,486	817
	25,000,000	**306**	**564,012,265**	**25,044**	**818,937,920**	**31,262**

Details of investments in bonds are provided below:

(₹ Millions)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Units	Amount	Units	Amount	Units	Amount
Power Finance Corporation Ltd	-	-	350	351	-	-
Rural Electrification Corporation Ltd	-	-	150	149	-	-
Housing Dvelopment Finance Corporation Limited	-	-	70	697	-	-
National Highway Authority of India	500	526	500	501	-	-
NTPC Limited	300	320	300	304	-	-
Housing and Urban Development Corporation Limited	200,000	228	200,000	216	-	-
Indian Railiway Finance Corporation Limited	1,000	1,057	1,000	1,004	-	-
	201,800	**2,131**	**202,370**	**3,222**	**-**	**-**

Details of investments in Government Securities are provided below:

(₹ Millions)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Units	Amount	Units	Amount	Units	Amount
6.97% Govt Stock 2026	52,000,000	5,300	-	-	-	-
7.59% Govt Stock 2026	319,500,000	33,484	-	-	-	-
	371,500,000	**38,784**	**-**	**-**	**-**	**-**

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Current investments

Details of investments in mutual funds are provided below:

(₹ Millions)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Unit No.	Amount	Unit No.	Amount	Unit No.	Amount
Birla Sun Life Income Plus-Growth Regular Plan	-	-	23,775,009	1,571	58,818,759	3,711
HDFC Income Fund Growth	-	-	46,967,635	1,587	68,876,846	2,208
HDFC Short Term Plan-Dividend	-	-	-	-	18,306,435	505
Birla Sun Life Treasury Optimizer Plan - Growth Regular Plan	-	-	-	-	2,909,807	506
HDFC HIF STP - Growth	-	-	-	-	43,115,259	1,190
UTI Short Term Income Fund Institutional Option - Growth	-	-	-	-	30,042,480	505
ICICI Prudential Short Term - Regular Plan - GROWTH	-	-	96,811,536	4,493	17,618,475	504
Religare Invesco Short Term Fund - Growth	-	-	-	-	631,432	1,177
Religare Invesco Ultra Short Term Fund - Growth	-	-	-	-	263,235	507
SBI Magnum Income Fund - Regular Plan - Growth	-	-	-	-	32,485,568	1,099
Sundaram Ultra Short Term Fund Regular Growth	-	-	-	-	10,541,073	202
ICICI Prudential Money Market Fund - Direct Plan - Growth	-	-	-	-	2,068,170	400
ICICI Prudential Liquid - Direct Plan - Growth	-	-	-	-	5,315,317	1,101
IDFC Dynamic Bond Fund - Growth Regular Plan	-	-	-	-	29,627,698	503
IDFC Dynamic Bond Fund - Growth Regular Plan	-	-	-	-	52,199,311	885
IDFC Super Saver Income Fund-Investment Plan-Growth - Regular Plan	-	-	34,149,368	1,224	34,149,368	1,167
Kotak Liquid Scheme Plan A - Direct Plan - Growth	-	-	-	-	387,765	1,101
Reliance Liquid Fund - Cash Plan - Growth Option - Growth Plan	-	-	-	-	181,226	403
Reliance Liquid Fund - Treasury Plan - Direct Plan - Growth Plan - Growth Option	-	-	-	-	308,049	1,051
Reliance Money Manager Fund - Growth Plan Growth Option	-	-	-	-	265,208	508

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for the year ended March 31, 2017

(₹ Millions)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Unit No.	Amount	Unit No.	Amount	Unit No.	Amount
ICICI Prudential Flexible Income - Regular Plan - Growth	-	-	-	-	1,534,000	404
Birla Sun Life Floating Rate Fund Short Term Plan - Growth Direct Plan.	-	-	-	-	5,909,931	1,101
AXIS Banking Debt Fund - Growth (BD-GP)	-	-	-	-	197,482	252
Kotak Bond Scheme Plan A-Growth - Regular Plan	-	-	82,688,429	3,476	118,736,484	4,740
SBI Dynamic Bond Fund-Regular Growth	-	-	-	-	137,780,607	2,366
Franklin India Income Opportunities Fund	-	-	-	-	50,465,370	814
ICICI Prudential Income Regular Plan-Growth	-	-	-	-	115,575,705	5,073
ICICI Prudential Short Term - Regular Plan - Growth	-	-	-	-	30,176,155	864
JM High Liquidity Fund - Growth Option	-	-	-	-	1,582,314	60
Principal Cash Management Fund - Regular Plan Growth	-	-	-	-	47,708	65
ICICI Prudential Money Market Fund - Growth	-	-	4,546,492	951	-	-
Total	**-**	**-**	**288,938,469**	**13,302**	**870,117,237**	**34,972**

Details of investments in Government Securities are provided below:

(₹ Millions)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Units	Amount	Units	Amount	Units	Amount
7.68% Govt Stock 2023	100,000,000	10,416	-	-	-	-
8.27% Govt Stock 2020	25,500,000	2,672	-	-	-	-
	125,500,000	**13,088**	-	-	-	-

Details of investments in corporate deposit are provided below:

(₹ Millions)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Unit No.	Amount	Unit No.	Amount	Unit No.	Amount
HDFC Bank Limited	-	-	18,500	1,847	-	-
AXIS Bank Limited	5,000	474	10,000	999	-	-
Yes Bank Limited	10,000	951	-	-	-	-
	15,000	**1,425**	**28,500**	**2,846**	**-**	**-**

Notes to Consolidated Financial Statements
for the year ended March 31, 2017

Details of investments in commercial paper are provided below:

(₹ Millions)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Unit No.	Amount	Unit No.	Amount	Unit No.	Amount
Housing Development Finance Corporation Ltd	1,000	477	-	-	-	-
	1,000	**477**	**-**	**-**	**-**	**-**

8. Other financial assets

a) Non current

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Security deposits			
Unsecured, considered good	1,148	1,221	1,080
Unsecured, considered doubtful	257	64	61
Less: Provision for doubltful deposit	(257)	(64)	(61)
	1,148	**1,221**	**1,080**
Others- Fixed deposits for more than one year	15	-	-
	1,163	**1,221**	**1,080**

Security Deposit' includes ₹ 3 Mn (March 31, 2016 ₹ 3 Mn, April 1, 2015 - Nil) given to related parties. For details, refer note 41.

b) Current

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unbilled revenue	3,584	1,963	1,114
Interest accrued on investments	977	893	11
	4,561	**2,856**	**1,125**

"Unbilled revenue" is net of provisions considered for penalties, deductions etc and includes amount receivable from related parties amounting to ₹ 2,224 Mn as at March 31, 2017 (March 31, 2016 ₹ 1,849 Mn, April 1, 2015 ₹ 1,289 Mn). For detail, refer note 41

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

9. Taxes

(a) Income tax expense

The major components of income tax expense are:

(i) Profit and loss

(₹ Millions)

	Year ended March 31,2017	Year ended March 31,2016
Current tax	8,594	6,351
Deferred tax	(267)	966
Income tax expense	**8,327**	**7,317**

(ii) Other Comprehensive Income

(₹ Millions)

	Year ended March 31,2017	Year ended March 31,2016
Deferred tax on re-measeurements of defined benefits plan	3	1
Fair Value changes of Financial Assets at FVTOCI	(10)	(3)
Income tax charged to OCI	**(7)**	**(2)**

b) Current tax asset (net)

(₹ Millions)

	As at March 31,2017	As at March 31,2016	As at April 1,2015
Current tax assets	31,018	23,070	16,142
Current tax liabilities	(29,384)	(20,802)	(14,452)
Current tax asset (net)	**1,634**	**2,268**	**1,690**

(c) Reconciliation of effective tax rate:

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

(₹ Millions)

	Year ended March 31,2017	Year ended March 31,2016
Net income before taxes	35,797	29,791
Enacted tax rate in India	34.61%	34.61%
Computed tax expense	12,388	10,310
Increase/(reduction) in taxes on account of:		
Share of (profits)/losses in associates and joint ventures (Tax rate gap)	(4,136)	(3,831)
Tax on undistributed earnings of joint venture	2,020	1,869

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

(₹ Millions)

	Year ended March 31,2017	Year ended March 31,2016
Tax effect of long term capital loss/gain or MTM loss/gain on non current government securities/mutual funds	(50)	(31)
Special rate of tax on MTM on non current government securities/Mutual funds	152	(772)
Adjustment in respect to current income tax of previous years	16	(384)
Adjustment in respect to deferred tax of previous years	(16)	398
Tax effect of LTCG on sale of non-current mutual funds/bonds	(2,070)	(259)
Others	23	17
Income tax expense recorded in the consolidated statement of profit and loss	**8,327**	**7,317**

The applicable Indian statutory tax rate for financial year 2016-17 and 2015-16 is 34.61%.

(d) Deferred tax assets/ (liabilities)

(₹ Millions)

	As at March 31,2017	As at March 31,2016	As at April 1,2015
Deferred tax liability in relation to:			
Property, plant and equipment & intangible asset (excluding ARO)	1,432	1,986	2,043
Investment carried at Fair value through P&L/ OCI	39	1,562	2,563
Security deposit received measured at amortised cost	114	110	101
Gain on disposal of subsidiary	115	115	115
DDT on undistributed profit of joint venture	2,172	2,088	220
Total Deferred tax liability	**3,872**	**5,861**	**5,042**
Deferred Tax Assets in relation to:			
Asset retirement obligation	530	451	379
Investment carried at Fair value through P&L/ OCI	136	-	-
Security deposit paid measured at amortised cost	46	25	23
Provision for doubtful debts and advance	436	441	496
Provison for employee benefits	94	75	63
Employee Stock option plans	119	112	194
Others	76	127	224
Total Deferred tax assets	**1,438**	**1,231**	**1,379**
Net deferred tax asset/(liabilities)	**2,434**	**4,630**	**3,663**

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

The Company recognises dividend distribution tax (DDT) on undistributed profits of the Joint venture as deferred tax liability (DTL). DTL relating to dividend tax paid on actual distribution of dividend by the Joint venture company is adjusted with the carrying amount of Investment . Accordingly, ₹ 1,936 mn of DTL being DDT on amount distributed as dividend adjusted during the year has been adjusted with the carrying amount of Investment.

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Current tax expense includes tax expense ₹ 16 Mn (March 31, 2016 - reversal of ₹ 384 Mn) and deferred tax expense includes reversal of ₹ 16 Mn (March 31, 2016 - tax expense of ₹ 398 Mn), respectively relating to earlier periods.

The Reconciliation of Net deferred tax asset/liability is follows:

(₹ Millions)

	Year ended March 31,2017	Year ended March 31,2016
Opening balance	(4,630)	(3,663)
Tax expense during the year recognised in consolidated statement of Profit and loss	2,196	(967)
Closing balance	**(2,434)**	**(4,630)**

During the year ended March 31, 2017 and March 31, 2016, the group has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities. The group believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

10. Other Non-Current Assets

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital advances			
Unsecured, considered good	23	15	14
Unsecured, considered doubtful	20	20	34
Less: Provision for doubltful advances	(20)	(20)	(34)
	23	15	14
Others			
Considered good	2,397	2,251	2,921
Considered doubtful	18	18	18
Less: Provision	(18)	(18)	(18)
	2,397	2,251	2,921
Deferred Lease -security deposit	36	43	34
Advance fringe benefit tax (net of provision)	-	2	2
	2,456	**2,311**	**2,971**

“Others” comprise of payments made under protest to the Government authorities. For details, refer note 36(b).

11. Trade Receivables

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured, considered good	1,515	1,955	3,392
Unsecured, considered doubtful	1,223	1,255	1,195
Less: Allowance for doubtful receivables	(1,223)	(1,255)	(1,195)
	1,515	**1,955**	**3,392**

Notes to Consolidated Financial Statements
for the year ended March 31, 2017

Includes receivables from related parties amounting to ₹ 1,251 Mn (March 31, 2016 ₹ 1,315 Mn, April 1, 2015 ₹ 2,121 Mn), respectively. For details, refer note 41.Trade receivables are non-interest bearing and due after 15 days from the date of invoice.

12. Cash and Cash Equivalents

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with banks			
on current accounts	22,495	271	64
Deposits with original maturity of less than three months	-	19,851	-
Cheques on hand	3	11	-
	22,498	**20,133**	**64**

Cash and cash equivalents as at March 31, 2017 includes earmarked bank balances for ₹ 22,195 mn (March 31, 2016 - Nil, April 1, 2015 - Nil) on account of unpaid interim dividend kept in separate bank account.

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise of following:-

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Cash & Cash equivalent as per balance sheet	22,498	20,133	64
Bank overdraft	(2,785)	-	-
	19,713	**20,133**	**64**

13. Other Bank Balances

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Fixed deposits with original maturity less than twelve months	-	11,462	8,820
	-	**11,462**	**8,820**

14. Other Current Assets

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance to supplier	2,429	1,828	1,922
Other taxes recoverable	1,008	1,062	1,101
Prepaid expenses	56	61	56
Others	61	(51)	207
	3,554	**2,900**	**3,286**

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

15. Share Capital

a. Equity share capital:

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorized shares			
3,500,000,000 equity shares of ₹ 10 each (3,500,000,000 equity shares as at March 31, 2016 and April 1, 2015)	35,000	35,000	35,000
Issued, subscribed and fully paid up shares			
1,849,608,246 equity shares of ₹ 10 each fully paid-up (1,896,667,069 equity shares as at March 31, 2016 and 1,893,769,293 equity shares as at April 1, 2015)	18,496	18,967	18,938
	18,496	**18,967**	**18,938**

b. Terms/ rights attached to equity shares:

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

On May 8, 2017, the Board of Directors have proposed a dividend of ₹ 4 per equity share (FY 2015-16 ₹ 3 per equity share) to all the existing shareholders for the year ended March 31, 2017. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing general meeting.

The Board of directors of the Company at its meeting held on March 22, 2017 has approved an interim dividend of ₹ 12 per equity share for FY 2016-17.

c. Shares held by holding Company:

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No.	₹ Millions	No.	₹ Millions	No.	₹ Millions
Equity shares of ₹ 10 each fully paid						
Bharti Airtel Limited	930,898,728	9,309	1,360,000,000	13,600	1,360,000,000	13,600

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

d. Details of shareholders holding more than 5% shares in the Company:

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No.	% holding	No.	% holding	No.	% holding
Equity shares of ₹ 10 each fully paid						
Bharti Airtel Limited	930,898,728	50.33%	1,360,000,000	71.70%	1,360,000,000	71.81%
Nettle Infrastructure Investments Limited	209,416,643	11.32%	-	-	-	-
Silverview Portfolio Investments Pte. Ltd.	130,803,065	7.07%	-	-	-	-
Total	**1,271,118,436**	**68.72%**	**1,360,000,000**	**71.70%**	**1,360,000,000**	**71.81%**

e. Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

During the year ended March 31, 2013, the Company further allotted 1,161,605,820 equity shares as fully paid bonus shares by capitalization of securities premium account.

During the year ended March 31, 2016, the Company allotted 2,897,776 equity shares (2014-15, 2013-14 and 2012-13 - 4,468,180, 558,059 and 100,212 equity shares respectively) of ₹ 10 each to its employees on exercise of stock options under the Employee Stock Option Plan 2008 wherein part consideration was received in form of employee services. (refer note 34).

f. Aggregate number and class of shares bought back during the period of five years immediately preceding the reporting date:

During the year ended March 31, 2017, the Company brought back 47,058,823 equity shares of ₹ 10 each by way of tender offer through stock exchange mechanism for cash at price of ₹ 425 per equity share.

g. Shares reserved for issue under options:

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 34.

16. Other Financial Liabilities, Non-Current

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Security deposits	2,373	2,033	1,756
	2,373	**2,033**	**1,756**

The above security deposit is the fair value of total security deposit at transaction value for ₹ 4,034 Mn as at March 31, 2017 (March 31, 2016 ₹ 3,743 Mn, April 1, 2015 ₹ 3,507 Mn)

Security deposits" include transaction value of ₹ 2,019 Mn (March 31, 2016 ₹ 1,936 Mn, April 1, 2015 ₹ 1,949 Mn) amounts received from related parties. For details, refer note 41.

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

17. Provisions

a) Long term provisions

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Asset retirement obligation (ARO)	2,102	1,899	1,712
Gratuity (refer note 33)	125	98	76
Long term service award	16	12	11
	2,243	**2,009**	**1,799**

The Group uses various premises on lease to install plant and equipment. A provision is recognised for the costs to be incurred for the restoration of these premises at the end of the lease period. It is expected that this provision will be utilized at the end of the lease period of the respective sites as per the respective lease agreements. The movement of Provision in accordance with Ind AS 37 on 'Provisions, Contingent liabilities and Contingent Assets', is given below:

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016
Opening Balance	1,899	1,712
Provision during the year	54	48
Unwinding of discount on ARO	149	139
Closing Balance	**2,102**	**1,899**

b) Short term provisions

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Gratuity (refer note 33)	48	44	40
Leave encashment	86	75	66
	134	**119**	**106**

18. Other non-current liabilities

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unearned revenue	301	303	242
Deferred lease-security deposit	1,332	1,393	1,460
Liability for cash settled options (refer note 34)	-	77	67
	1,633	**1,773**	**1,769**

Notes to Consolidated Financial Statements

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19. Borrowings

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Bank Overdraft (unsecured)	2,785	-	-
	2,785	**-**	**-**

The Company has availed bank overdraft facility at the interest rate of 8.15% per annum.

20. Trade payables

a) Trade Payable include ₹ 92 Mn, (March 31, 2016 ₹ 290 Mn, April 1, 2015 ₹ 350 Mn) payable to parent and fellow subsidiary Company. For details, refer note 41.

b) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
Principal amount due to micro and small enterprises	15	2	22
Interest due on above	-	-	-
	15	**2**	**22**
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period/ year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	30	22	19
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-	-

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21. Other financial liabilities

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Unpaid interim dividend	22,185	-	-
	22,185	**-**	**-**

The Board of directors of the Company at its meeting held on March 22, 2017 has approved an interim dividend of ₹ 12 per equity share for FY 2016-17.

22. Other Current Liabilities

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Equipment supply payables	1,503	1,998	2,050
Accrued expenses	11,765	11,033	9,801
Dues to employees	219	204	215
Other taxes payable	92	27	159
Others	169	119	105
Unearned revenue	21	21	21
Corporate dividend tax on interim dividend	4,519	-	-
Liability for Cash Settled options (refer note 34)	26	-	-
	18,314	**13,402**	**12,351**

“Other” includes ₹ 60 Mn (March 31, 2016 ₹ 60 Mn, April 1, 2015 ₹ 60 Mn) received from related parties and “Accrued expenses” include ₹ 176 Mn (March 31, 2016 ₹ 117 Mn; April 1, 2015 ₹ 345 Mn) payable to related parties. For details, refer note 41.

23. Revenue From Operations

(₹ Millions)

	Year ended March 31,2017	Year ended March 31,2016
Sale of services		
Rent	37,968	34,615
Energy (including recoveries for rates and taxes)	22,879	20,968
	60,847	**55,583**

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

24. Other income

(₹ Millions)

	Year ended March 31,2017	Year ended March 31,2016
Interest income (others)	60	-
Profit on sale of property plant and equipment	581	651
Termination charges for contract cancellation (refer note 52)	-	22
Miscellaneous income	70	431
	711	**1,104**

25. Power and Fuel

(₹ Millions)

	Year ended March 31,2017	Year ended March 31,2016
Network	21,118	19,875
Others	25	26
	21,143	**19,901**

26. Rent

(₹ Millions)

	Year ended March 31,2017	Year ended March 31,2016
Network	3,031	2,673
Others	153	125
	3,184	**2,798**

27. Employee benefit expenses

(₹ Millions)

	Year ended March 31,2017	Year ended March 31,2016
Salaries, wages and bonus	2,454	2,249
Contribution to provident fund	79	73
Employee settled/cash settled option expense	32	82
Staff welfare expenses	108	98
Others	73	76
	2,746	**2,578**

"Salaries, wages and bonus" includes gratuity and other post employment benefits. For details, refer note 33. Further, for details of employee stock/cash option expense, refer note 34

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

28. Repairs and Maintenance

(₹ Millions)

	Year ended March 31,2017	Year ended March 31,2016
Repair and maintenance		
- Plant and machinery	3,006	2,727
- Building	6	9
- Others	1,072	1,184
	4,084	**3,920**

29. Other expenses

(₹ Millions)

	Year ended March 31,2017	Year ended March 31,2016
Insurance	50	57
Travelling and conveyance	148	151
Communication expenses	105	86
Legal and professional	426	402
IT expenses	207	239
Provision for doubtful debts and advances (net)	36	106
Provision for capital work in progress (net)	(8)	(7)
Miscellaneous expenses		
- Network	127	143
- Others	74	112
	1,165	**1,289**

30. Depreciation and amortization expense

(₹ Millions)

	Year ended March 31,2017	Year ended March 31,2016
Depreciation	12,104	12,061
Amortization	63	60
	12,167	12,121
Less: adjusted with general reserve in accordance with the scheme of arrangement with bharti airtel limited (refer note 42)	(510)	(571)
	11,657	**11,550**

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

31. Finance Costs (net)

(₹ Millions)

	Year ended March 31,2017	Year ended March 31,2016
Finance income		
Net gain on sale of investment	12,673	2,997
Interest on bonds	279	118
Interest on security deposit paid	40	43
Interest income on others	-	121
Interest on bank deposit	627	2,018
Interest on Government Securities	777	-
Mark to market gain/loss on investment	(7,460)	(682)
	6,936	**4,615**
Finance costs		
Interest on cash credit facility	20	-
Bank charges	9	6
Unwinding of discount on security deposit received	216	185
Unwinding of discount on asset retirement obligation	149	139
	394	**330**
Finance cost (net)	**(6,542)**	**(4,285)**

32. Earnings per Share (EPS)

	Year ended March 31, 2017	Year ended March 31, 2016
Nominal value of equity shares (₹)	10	10
Profit attributable to equity shareholders for computing Basic and Dilutive EPS (A) (₹ Million)	27,470	22,474
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	1,865,170,386	1,894,570,744
Dilutive effect on weighted average number of equity shares outstanding during the year	115,903	369,926
Weighted average number of equity shares and equity equivalent shares for computing Diluted EPS (C)	1,865,286,288	1,894,940,670
Basic earnings per share (A/B) (₹)	14.728	11.862
Diluted earnings per share (A/C) (₹)	14.727	11.860

Notes to Consolidated Financial Statements
for the year ended March 31, 2017

33. Employee benefits
The Group has recognised the following amounts in the consolidated statement of profit and loss:

Defined contribution plan

(₹ Millions)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Employer's contribution to Provident Fund	79	73
	79	**73**

Defined benefit plan
Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each reporting period. The plan is not funded by the Group. Such liability is included in salaries, wages and bonus (refer note 27).

Gratuity
i. Amount charged to the consolidated statement of profit and loss:

(₹ Millions)

Particulars	Gratuity	
	Year ended March 31, 2017	Year ended March 31, 2016
Service cost	31	32
Interest cost	11	10
	42	**42**

ii. The assumptions used to determine the benefit obligation are as follows:-

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Discount rate	7.40%	8.00%	8.50%
Expected rate of increase in compensation levels	10.00%	10.00%	10.00%
Expected average remaining working lives of employees (years)	23.13	23.63	24.02

Notes to Consolidated Financial Statements
for the year ended March 31, 2017

iii. Reconciliation of opening and closing balances of defined benefit obligation:

(₹ Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Projected benefit obligation at beginning of year	141	114
Current service cost	31	32
Interest cost	11	10
Benefits paid	(19)	(14)
Actuarial (gain)/ loss	9	3
Acquistion Adjustment	(1)	(4)
Projected benefit obligation at end of year	**172**	**141**

iv. Amount recognised in Other Comprehensive Income :

(₹ Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Opening net cumulative unrecognised	(3)	-
Acturial gain/(loss)	(9)	(3)
Unrecognised acturial gain/(loss) at the end of year	**(12)**	**(3)**

v. The discount rate is based on the average yield on government bonds at the reporting date with a term that matches that of the liabilities.

vi. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

vii. Estimated amounts of benefits payable within next year are ₹ 43 Mn (2015-16 ₹ 38 Mn).

viii. The table below discloses maturity profile of defined benefit obligation is as follows:-

(₹ Millions)

Period	Amount
April 2017- March 2018	48
April 2018- March 2019	18
April 2019- March 2020	15
April 2020- March 2021	13
April 2021 onwards	79

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

ix. Sensitivity analysis:-

(₹ Millions)

Particulars	Change in Assumption Year ended March 31, 2017	March 31, 2016	Impact on Gratuity Year ended March 31, 2017	March 31, 2016
Discount rate	+1%	+1%	(7)	(6)
	-1%	-1%	8	7
Salary Growth rate	+1%	+1%	8	7
	-1%	-1%	(7)	(6)

The above sensitivity analysis is based on a change in an assumption by a percentage while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. While calculating the sensitivity of the defined benefit obligation to significant actuarial assumption, same method i.e Projected Unit Credit method has been applied as when calculating the gratuity liability recognized within the Balance sheet.

34. Employee stock/cash option plans

Pursuant to the board resolution dated July 22, 2008 and the resolution of the shareholders in extraordinary general meeting dated August 28, 2008, the Company instituted the Employee Stock Option Scheme 2008 (the 2008 Scheme).

During FY 2013-14 & 2014-15, the Company had announced performance unit plan (cash settled plan) for its employees.

During the year ended March 31, 2017 and March 31, 2016, the Company had announced grants under Long term incentive plan (LTIP) 2015 for its employees.

The following table provides an overview of all existing stock/cash option plans of the Group:

Scheme	Plan	Stock options outstanding (in thousands)	Vesting period (years)	Contractual term (years)	Weighted average exercise price (₹)	Classification/ accounting treatment
Equity settled plans						
Infratel plan	2008 Plan	158	1 - 5	7	110	Equity settled
Infratel plan	Long term incentive plan (LTIP)	2	1 - 3	7	10	Equity settled
Infratel plan	Long term incentive plan (LTIP) 2015 (Grant 2015)	68	1 - 3	7	10	Equity settled
Infratel plan	Long term incentive plan (LTIP) 2015 (Grant 2016)	105	1 - 3	7	10	Equity settled
Cash settled plans						
Infratel	Performance Unit Plan	75	1 - 3	7	-	Cash settled

Notes to Consolidated Financial Statements
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The following table provides details of vesting schedule (graded vesting) of all the existing stock/cash option plans of the Group:-

	Vesting period from the grant date	Vesting schedule
Company		
1. ESOP Scheme 2008 (including LTIP)		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
For options with a vesting period of 48 months:		
	On completion of 12 months	15%
	On completion of 24 months	20%
	On completion of 36 months	30%
	On completion of 48 months	35%
For options with a vesting period of 60 months:		
	On completion of 12 months	20%
	On completion of 24 months	20%
	On completion of 36 months	20%
	On completion of 48 months	20%
	On completion of 60 months	20%
2. Performance Unit Plan (cash settled plan)		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
3. Long term incentive plan (LTIP) 2015 (Grant 2015)		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
4. Long term incentive plan (LTIP) 2015 (Grant 2016)		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%

Information concerning the movement in stock options during the year and outstanding at the year end is as follows:

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of stock options (In '000)	Exercise price (₹)	Number of stock options (In '000)	Exercise price (₹)
Company				
Plan 2008				

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of stock options (In '000)	Exercise price (₹)	Number of stock options (In '000)	Exercise price (₹)
Outstanding at beginning of the year	732	110	3,834	110
Granted	-	-	-	-
Forfeited	(10)	110	(24)	110
Exercised	(564)	110	(3,078)	110
Outstanding at the year end	158	110	732	110
Exercisable at end of the year	158	110	732	110
LTI Plan (Part of 2008 plan)				
Outstanding at beginning of the year	4	10	6	10
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	(2)	10	(2)	10
Outstanding at the year end	2	10	4	10
Exercisable at end of the year	2	10	4	10
Cash settled Plan				
Outstanding at beginning of the year	183	NA	238	NA
Granted	-	NA	-	NA
Forfeited	(3)	NA	(4)	NA
Exercised	(105)	NA	(51)	NA
Outstanding at the year end	75	NA	183	NA
Exercisable at end of the year	25	NA	37	NA
LTI Plan 2015 (Grant 2015)				
Outstanding at beginning of the year	90	10	-	-
Granted	-	-	90	10
Forfeited	(5)	10	-	-
Exercised	(17)	10	-	-
Outstanding at the year end	68	10	90	10
Exercisable at end of the year	9	10	-	-
LTI Plan 2015 (Grant 2016)				
Outstanding at beginning of the year	-	-	-	-
Granted	105	10	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Outstanding at the year end	105	10	-	-
Exercisable at end of the year	-	-	-	-

The weighted average share price at the exercise date was ₹ 348.64 per share for options exercised under the 2008 Scheme & LTI plan, ₹ 364.88 per share for options exercised under cash settled plan & ₹ 341.41 per share for options exercised under the LTIP Scheme 2015 during the year ended March 31, 2017.

Notes to Consolidated Financial Statements

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The weighted average fair value of the options granted during the year March 31, 2017 is ₹ 382.44 per share (FY 2015-16 ₹ 497.29 per share). The fair value of the options granted during the year was estimated using the Black Scholes method of valuation with the following assumptions:

Company	As at March 31, 2017 LTIP Plan 2015 (Grant 2016)	As at March 31, 2016 LTIP Plan 2015 (Grant 2015)
Risk free interest rates	6.32% to 7.10%	7.20% to 7.87%
Vesting period	36 months	36 months
Weighted average share price (₹)	318.70	414.41
Weighted average remaining contractual life	6.33 years	6.33 years
Volatility	38.94%	37.23%
Dividend yield	1.83%	1.44%

Total employee stock/cash options expense recognised for the year ended March 31, 2017 and March 31, 2016 is ₹ 32 Mn and ₹ 82 Mn, respectively.

Notes:

(i) Bharti Airtel Limited has given stock option to certain employees of the Company. Bharti Airtel Limited has not charged the compensation cost relating to the stock option granted to the Company's employee. Besides this, the Company has also given stock options to certain employees of Bharti Airtel Limited and has considered the related compensation cost in its books.

(ii) The Company has decided to issue equity shares on exercise of ESOPs through ESOP trust. The loan has been given to ESOP trust to purchase the Equity Shares of the Company from open market as permitted by SEBI (Share Based Employee Benefits) Regulations, 2014.

(iii) During FY 2014-15, Bharti Infratel Employee Welfare Trust (a trust set up for administration of Employee Stock Option Plan ('ESOP') of the Company) has acquired 1,652,000 equity shares of the Company from the open market at an average price of ₹ 377.72 per share. As of March 31, 2017, Bharti Infratel Employee Welfare Trust ('the Trust') holds 852,656 shares (Face Value of ₹ 10 each) (March 31, 2016 1,470,439 equity shares) of the Company.

Particulars	As at March 31, 2017	As at March 31,2016	As at March 31, 2017	As at March 31, 2016
	Number of Shares		(₹ Millions)	
Opening Balance	1,470,439	1,652,000	559	624
Issued during the year	(586,612)	(181,561)	(222)	(65)
Buyback	(31,171)	-	(13)	-
Closing Balance	**852,656**	**1,470,439**	**324**	**559**

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

35. Leases

(a) Operating lease: Group as a lessee

The lease rentals paid under non-cancelable leases relating to rentals of building premises and cell sites as per the agreements with escalation rates ranging from 0% to 25% per annum and maximum obligation on long-term non-cancelable operating leases are as follows:

(₹ Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Lease rental charged to statement of profit and loss	3,184	2,798
Obligation on non-cancelable lease:		
Not Later than one year	3,167	2,902
Later than one year but not later than five years	11,294	10,720
Later than five years	16,225	15,820
Total	**30,686**	**29,442**

(b) Operating lease: Group as a lessor

The Group has given sites on operating lease to telecom operators. As per the agreements with the operators the escalation rates range from 0% to 2.5% per annum. The service charges recognised as income during the year for non-cancellable arrangements relating to provision for passive infrastructure sites as per the agreements is ₹ 37,433 Mn and ₹ 34,367 Mn for the year ended March 31, 2017 and March 31, 2016 respectively.

(₹ Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Future minimum lease payments:		
Not Later than one year	38,481	36,494
Later than one year but not later than five years	145,920	137,952
Later than five years	59,356	75,463
Total	**243,757**	**249,909**

36. Contingencies

a. Guarantees

The financial bank guarantees have been issued to regulatory authorities.

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total guarantees issued by banks and financials institutions on behalf of the Group	101	3	426
Total	**101**	**3**	**426**

Notes to Consolidated Financial Statements

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b. Claims against the Group not acknowledged as debt

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Taxes, duties and other demands (under adjudication / appeal / dispute)@			
- Sales tax (refer to a below)#	458	458	1,556
- Stamp duty (refer to b below)	192	192	192
- Entry tax (refer to c below)	2,230	1,849	1,618
- Municipal taxes (refer to d below)	1,147	985	741
- Service tax (refer to e below)	16,115	15,809	15,529
b) Other claims under legal cases including arbitration matters (refer to f below)	127	135	110
c) Income tax matters (refer to g below)#	2,590	1,262	1,264
Total	**22,859**	**20,690**	**21,010**

@ the amount includes demand amount and interest till the date of demand.
# Includes ₹ 2,955 Mn (March 31, 2016 ₹ 1,627 Mn and April 1, 2015 ₹ 2,727 Mn) for which the possibility of tax demand materializing is remote, based on internal assessment of the Group

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

(a) Sales Tax

The claims for sales tax as of March 31, 2017 comprise of the case relating to levy of penalty for the year 2008-09 in right to use litigation wherein the main demand has already been quashed by Hon'ble High Court ('HC') of Indore. The Group has filed Writ petition against the penalty before HC which is pending for hearing on merits. Further the department has filed an appeal before Hon'ble Supreme Court ('SC') against the favorable order of HC. Hon'ble SC has issued notice in this matter to file a reply.

(b) Stamp Duty

The Group has received demand in certain states for stamp duty on execution of Leave and License Agreement of Cell Sites.

(c) Entry tax

Hon'ble Apex Court on November 11, 2016 while upholding the constitutional validity of entry tax levied by few States wherever its applicable, referred all the cases back to regular benches of the Court/s to decide all existing cases on merits while testing inter alia that whether the present levies in each such case/ State is discriminatory in nature or not.

Accordingly, all the said cases were listed before the regular bench of Supreme Court wherein after taking up all pending cases on State by State basis court have found that prime facie inter alia discrimination issues still exists and all the listed petitions have been remanded back to the respective High courts for decision after taking consideration all the grounds as laid down in the judgement of nine judges bench.

Pending disposition of each case by the High Courts, the Company has decided to maintain 'Status Quo' on its position/ assessment and continued to disclose it as contingent liability.

Notes to Consolidated Financial Statements

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(d) Municipal taxes

The Group based on its assessment of the applicability and tenability of certain municipal levies, which is an industry wide phenomenon, does not consider the impact of such levies to be material.

Further, in the event these levies are confirmed by the respective government authorities, the Group would recover these amounts from its customers in accordance with terms of Master Service Agreement.

(e) Service Tax

The service tax department has issued certain orders for the disallowance of cenvat credit availed on Inputs, Capital Goods and Input Services for the period starting from August, 2007 to March, 2014 The Company has filed an appeal before Hon'ble High Court of Delhi against the Larger Bench CESTAT decision while the appeal is pending before Division Bench, Chandigarh on merits. Writ petition listed for hearing on Apri 19, 2017 which is further adjourned to July 6 & 7, 2017 for final hearing.

In separate proceeding before Directorate General of Central Excise Intelligence, the department has issued order for disallowance of Cenvat credit on items sold as scrap. The Company has filed appeal before CESTAT against such order.

(f) Others mainly include site related legal disputes.

(g) Income tax

This mainly includes tax demands for assessment years 2011-12 to 2014-15.

37. Capital commitment

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Estimated amount of contracts to be executed on capital account and not provided for in the financial statements (net of capital advances)	1,980	1,583	3,472
	1,980	**1,583**	**3,472**

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38. Fair Value of Financial Assets and Liabilities

The carrying value and fair value of the Group's financial instruments by categories as at March 31, 2017; March 31,2016 & April 1, 2015 were as follows:

(₹ Millions)

	Carrying Amount			Fair Value		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Financial Assets						
At fair value through profit or loss						
Investments in Government Securities	51,872	-	-	51,872	-	-
Investments in Mutual Funds	306	38,346	66,234	306	38,346	66,234
At fair value through other comprehensive income						
Investments in Bonds	2,131	3,222	-	2,131	3,222	-
Investments in Corporate Deposits	1,425	2,846	-	1,425	2,846	-
Investments in Commercial Paper	477	-	-	477	-	-
At amortised cost						
Cash and cash equivalents	22,498	20,133	64	22,498	20,133	64
Other bank balance	-	11,462	8,820	-	11,462	8,820
Trade receivables	1,515	1,955	3,392	1,515	1,955	3,392
Other financial assets	5,724	4,077	2,205	5,724	4,077	2,205
	85,948	**82,041**	**80,715**	**85,948**	**82,041**	**80,715**
Financial Liabilities						
At amortised cost						
Borrowings	2,785	-	-	2,785	-	-
Trade payables	534	645	1,342	534	645	1,342
Other financial liabilities	24,558	2,033	1,756	24,558	2,033	1,756
	27,877	**2,678**	**3,098**	**27,877**	**2,678**	**3,098**

The following methods / assumptions were used to estimate the fair values:

i. The carrying value of cash and cash equivalent, other bank balances, certificate of deposits, trade receivables and trade payables approximate their fair value mainly due to the short-term maturities of these instruments.

ii. The fair values of quoted mutual funds, government securities is based on quoted market price/ net assets value at the reporting date.

iii. The fair value of other financial assets and other financial liabilities is estimated by discounting future cash flows using rates applicable to instruments with similar terms, currency, credit risk and remaining maturities. The fair values of other financial assets and other financial liabilities are assessed by the management to be same as their carrying value and is not expected to be significantly different if estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

iv. The fair value of financial asset classified as FVTOCI like Investment in quoted bonds, commercial paper, corporate deposit are derived from / net assets value at the reporting date.

There are no significant unobservable inputs used in the fair value measurement

Notes to Consolidated Financial Statements

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39. Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e derived from prices)
- Level 3 : Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents the financial instruments measured at fair value, by level within the fair value measurement hierarchy:

(₹ Millions)

Financial Assets	Level	As at March 31,2017	As at March 31,2016	As at April 1,2015
Fair Value through Profit and loss				
Investment in Mutual Funds	Level 1	306	38,346	66,234
Investment in Governement Securities		51,872	-	-
Fair Value through OCI				
Investment in Bonds	Level 1	2,131	3,222	-
Investments in Corporate Deposit	Level 1	1,425	2,846	-
Investments in Commercial Paper	Level 1	477	-	-
		56,211	**44,414**	**66,234**

During the year ended March 31, 2017, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

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40. Pursuant to Initial Public Offer (IPO), the Group raised ₹ 31,657 Mn (net of selling shareholder's proceeds), details of utilization of IPO proceeds are as follows:-

Particulars	Total Planned Utilization as per prospectus	Amount pending Utilisation as on December 31, 2015	Detail of Estimated Planned Utiisation of IPO proceeds pursuant to the variation as approved by the members of the company on March 21, 2016 (Refer note b)				Q4' 2015-16	HY1' 2016-17 (refer note c)	HY2' 2016-17	Amount Pending Utilization as on March 31, 2017
			FY 2015-16	FY 2016-17 or earlier	FY 2017-18 (upto September 30,2017) or earlier	Total				
			A	B	C	D=A+B+C	E	F	G	H=D-E-F-G
Installation of 4,813 new towers	10,864	5,329	400	800	300	1,500	525	975	-	-
Upgradation and replacement of existing towers	12,141	-	2,500	4,000	1,000	7,500	3,225	3,503	772	-
Green Initiatives at tower sites	6,394	4,074	100	200	103	403	130	272	1	-
General Corporate purposes (Including Share issue expenses in excess of 2% retained in Escrow)	2,257	-	-	-	-	-	-	-	-	-
Total	**31,657**	**9,403**	**3,000**	**5,000**	**1,403**	**9,403**	**3,879**	**4,751**	**773**	**-**

Note:-

a) The Company has fully utilized the IPO Proceeds towards the Objects to the Issue as stated in the prospectus and/ or as approved by the shareholders through postal ballot dated March 21, 2016.

b) Variation to the objects and schedule of deployment as disclosed in the prospectus dated December 19, 2012 issued by the Group for its IPO was approved by the shareholders of the Group through postal ballot on March 21, 2016.

c) Amount of ₹ 263 Mn has been utilized against "installation of new towers" adjusted from "Upgradation and replacement of existing towers" in line with the approval referred to in (a & b) above.

41. Related party Disclosure

In accordance with the requirements of Ind AS 24 "Related Party Disclosures", the names of the related parties where control exists and/ or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are as below:

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A. List of related parties

1. Key management personnel (KMP)

Akhil Kumar Gupta,	Chairman
D.S. Rawat,	Managing Director and Chief Executive Officer
Pankaj Miglani,	Chief Financial Officer
Shweta Girotra,	Company Secretary

2. Related parties where control exists irrespective of whether transactions have occurred or not

Parent Company	Bharti Airtel Limited
Subsidiary Company	Bharti Infratel Services Limited (refer note 1)
Subsidiary Company	Smartx Services Limited (w.e.f. September 21, 2015)

3. Other related parties with whom transactions have taken place during the year

Name of related party	Relationship
Bharti Hexacom Limited	Fellow Subsidiary
Bharti Telemedia Limited	Fellow Subsidiary
Nxtra Data Limited	Fellow Subsidiary
Nettle Infrastructure Investments Limited	Fellow Subsidiary
Indus Towers Limited	Joint Venture
Bharti Enterprises Limited	Entity having significant influence/ Group Company
Centum Learning Limited	Entity having significant influence/ Group Company
Bharti Foundation	Entity having significant influence/ Group Company
Bharti Axa General insurance Co. Ltd. (Bharti Axa)	Entity having significant influence/ Group Company
Bharti Infratel Employees Welfare Trust	Entity having significant influence/ Group Company
Bharti Realty Holdings Limited	Entity having significant influence/ Group Company
Telesonic Network Limited	Entity having significant influence/ Group Company
Bharti Retail Limited	Entity having significant influence/ Group Company
Bharti Realty Limited	Entity having significant influence/ Group Company

B. Related Party Transactions during the year:

Related party transactions represent transactions entered into by the Group with parent Company of the Group, entities having significant influence over the Group, joint venture and fellow subsidiary. The transactions with these related parties for the period ended March 31, 2017 and March 31, 2016 and balances as at March 31, 2017 & March 31, 2016 are described below:

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

(₹ Millions)

Relationship	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
Nature of transaction	Parent Company		Entity having significant influence/ Group Company		Fellow subsidiary		Joint venture	
Buy Back of Shares	(12,368)	-	-	-	-	-	-	-
Revenue from operations	34,324	31,708	-	-	2,608	2,660	-	-
Claim Received	-	-	-	74	-	-	-	-
Expenses (other than employee related) incurred on behalf of Company	-	-	(245)	(217)	-	-	-	-
Reimbursement of expenses	(45)	(55)	-	-	-	-	20	-
Employee related expenses incurred on behalf of Company	-	-	-	-	(5)	(6)	-	-
Procurement of services	(127)	(116)	(22)	(22)	(32)	(30)	-	-
Security deposit received	(23)	(50)	-	-	(2)	(4)	-	-
Security deposit refunded	3	6	-	-	-	-	-	-
Security deposit paid	-	-	3	3	-	-	-	-
Commission paid	-	-	-	-	-	-	(99)	(88)
Dividend received	-	-	-	-	-	-	-	-
Dividend paid/declared	(15,163)	(8,840)	-	(11)	(2,513)	-	-	-
Donation given	-	-	(201)	(200)	-	-	-	-
Gratuity Transfer of Employees	-	-	-	(1)	-	(1)	-	-
	6,601	**22,653**	**(465)**	**(374)**	**56**	**2,619**	**(79)**	**(88)**

* Inclusive of service tax

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

(₹ Millions)

Relationship	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	Parent Company		Entity having significant influence/ Group Company		Fellow subsidiary		Joint venture	
Trade payables and Other current liabilities	(69)	(106)	-	(20)	(9)	(9)	(190)	(293)
Other long-term liabilities	-	-	-	-	-	-	-	-
Short-term loans and advances	-	-	-	-	-	-	-	23
Other current assets	2,111	1,747	1	-	113	102	-	-
Trade receivables	1,144	1,203	-	-	108	111	-	-
Long-term loans and advances	-	-	3	3	-	-	-	-
Other deposits	(60)	(60)	-	-	-	-	-	-
Security deposits received	(1,871)	(1,851)	-	-	(148)	(145)	-	-
	1,255	**933**	**5**	**(16)**	**63**	**59**	**(190)**	**(270)**

Figures in bracket indicate liability and figures without bracket indicates assets.

Payments made to Key management personnel/ non executive directors were as follows:

(₹ Millions)

	Year ended March 31 2017	Year ended March 31 2016
Short-Term employee benefits	105	101
(including salary and sitting fee)		
Post-Employment benefits	14	17
	119	**118**

Amount received from KMP for ESOP exercised ₹ 7 Mn during the year ended March 31, 2017 (March 31, 2016 ₹ 300 Mn).

42. In absence of any specific guidance under Ind AS with respect to merger under court scheme, the Company has continued to apply the accounting prescribed under the scheme as applied under Indian GAAP. Accordingly, depreciation charged on the excess of fair value over the original book values is charged to general reserve.

(a) Scheme accounting ("Bharti Airtel Scheme")

During the year ended March 31, 2008, pursuant to the Scheme of Arrangement with Bharti Airtel Limited ('BAL Scheme') under sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of Bharti Airtel Limited was transferred to the Company. Pursuant to the Scheme, the depreciation charged by the Company on the excess of the fair values over the original book values of the assets transferred by Bharti Airtel Limited is being off-set against General Reserve.

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

(b) Scheme accounting ("Indus Scheme")

The Scheme of Arrangement ('Indus Scheme') under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities, as defined in Indus scheme, from Bharti Infratel Ventures Limited (BIVL), erstwhile wholly owned subsidiary Group, to Indus Towers Limited (Indus), was approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 and filed with the Registrar of Companies on June 11, 2013 with appointed date April 1, 2009 i.e. effective date of Indus Scheme and accordingly, effective June 11, 2013, the erstwhile subsidiary Group has ceased to exist and has become part of Indus. The Group was carrying investment in BIVL at ₹ 59,921 Mn.

Pursuant to Indus Scheme, the Group has additionally got 504 shares in Indus in lieu of transfer of its investment in BIVL to Indus and recorded these additional shares at their fair value of ₹ 60,419 Mn in accordance with the requirements of Previous GAAP. The resultant gain of ₹ 385 Mn (net of taxes ₹ 116 Mn) has been disclosed as adjustment to carry forward balance of Consolidated Statement of Profit and Loss as at April 1, 2009.

43. Segment Information

The Consolidated segment information has been prepared in line with the review of operating results by the chief operating decision maker (CODM) which includes review of the results of the joint venture, both, separately and on proportionate consolidation basis. The results of the joint venture which were hitherto consolidated and/or accounted under proportionate consolidation method under the previous GAAP but have now been accounted for under equity method of accounting under Ind AS. The Company, however, considers joint venture as "Operating Segment" as defined under Ind AS 108 based on review by CODM and accordingly presented segment information for two segments i.e. Infratel (including subsidiaries) and Indus (proportionate share). The total segment revenue and segment results have also been reconciled with the amount reported in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Segment Consolidated Balance Sheet Information as at March 31, 2017

(₹ Millions)

Particulars	Infratel (including subsidiaries) (A)		Proportionate share of JV (B)		Eliminations/ Adjustment* (C)		Total Reportable Segments D = (A+B+C)		Reversal of Proportionate share including elimination (+) Equity accounting (E)		Total (F)	
	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
SEGMENT ASSETS												
Non-current assets												
Property, plant and equipment	57,811	60,560	78,253	79,208	(130)	(158)	135,934	139,610	(78,123)	(79,050)	57,811	60,560
Capital work-in-progress	585	701	1,983	1,545	-	-	2,568	2,246	(1,983)	(1,545)	585	701
Intangible assets	131	71	261	93	-	-	392	164	(261)	(93)	131	71
Investment in joint ventures	60,419	60,419	-	-	(60,419)	(60,419)	-	-	55,509	56,180	55,509	56,180
Financial assets												
Investment	41,221	28,265	-	-	-	-	41,221	28,265	-	-	41,221	28,265
Other Financial Assets	1,163	1,221	3,042	2,898	-	-	4,205	4,119	(3,042)	(2,898)	1,163	1,221
Current tax recoverable	1,634	2,268	2,464	2,550	-	-	4,098	4,818	(2,464)	(2,550)	1,634	2,268
Other non - Current assets	2,456	2,311	1,088	910	-	-	3,544	3,221	(1,088)	(910)	2,456	2,311
Current assets												
Financial assets												
Investment	14,990	16,148	-	1,135	-	-	14,990	17,283	(0)	(1,135)	14,990	16,148
Trade receivables	1,515	1,955	762	90	(98)	(129)	2,179	1,916	(664)	39	1,515	1,955
Cash and cash equivalents	22,498	20,133	472	316	-	-	22,970	20,449	(472)	(316)	22,498	20,133
Other Bank Balances	-	11,462	-	-	-	-	-	11,462	-	-	-	11,462
Other Financial Assets	4,561	2,856	4,783	4,182	-	-	9,344	7,038	(4,783)	(4,182)	4,561	2,856
Other Current Assets	3,554	2,901	1,673	1,296	-	(10)	5,227	4,187	(1,673)	(1,286)	3,554	2,901
Total Assets	**212,537**	**211,271**	**94,782**	**94,223**	**(60,647)**	**(60,718)**	**246,672**	**244,777**	**(39,044)**	**(37,745)**	**207,628**	**207,032**

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Segment Consolidated Balance Sheet Information as at March 31, 2017

(₹ Millions)

Particulars	Infratel (including subsidiaries) (A)		Proportionate share of JV (B)		Eliminations/ Adjustment* (C)		Total Reportable Segments D = (A+B+C)		Reversal of Proportionate share including elimination (+) Equity accounting (E)		Total (F)	
	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
SEGMENT LIABILTIES												
Equity												
Equity Share capital	18,496	18,967	1	1	(1)	(1)	18,496	18,967	-	-	18,496	18,967
Other Equity	143,578	169,781	55,511	56,179	(62,720)	(62,665)	136,369	163,295	128	159	136,497	163,454
Equity attributable to equity holders of the parent	**162,074**	**188,748**	**55,512**	**56,180**	**(62,721)**	**62,666)**	**154,865**	**182,262**	**128**	**159**	**154,993**	**182,421**
Non-current liabilities												
Financial Liabilities												
Other Financial Liabilities	2,373	2,033	2,526	2,709	-	-	4,899	4,742	(2,526)	(2,709)	2,373	2,033
Long-term borrowings	-	-	4,447	10,746	-	-	4,447	10,746	(4,447)	(10,746)	-	-
Long Term Provisions	2,243	2,009	3,586	3,260	-	-	5,829	5,269	(3,586)	(3,260)	2,243	2,009
Deferred tax liability	262	2,542	4,716	4,571	2,172	2,088	7,150	9,201	(4,716)	(4,571)	2,434	4,630
Other non - Current liabilities	1,633	1,773	1,897	1,264	-	-	3,530	3,037	(1,897)	(1,264)	1,633	1,773
Current liabilities												
Financial Liabilities												
Short-term borrowings	2,785	-	10,118	6,300	-	-	12,903	6,300	(10,118)	(6,300)	2,785	-
Trade payables	534	645	6,271	5,071	(12)	(90)	6,793	5,627	(6,259)	(4,981)	534	645
Other financial liabilities	22,185	-	-	-	-	-	22,185	-	-	-	22,185	-
Other Current Liabilities	18,314	13,402	5,567	3,999	(86)	(50)	23,795	17,351	(5,481)	(3,949)	18,314	13,402
Provisions	134	119	142	123	-	-	276	242	(143)	(123)	134	119
Total liabilities	**212,537**	**211,271**	**94,782**	**94,223**	**(60,647)**	**(60,718)**	**246,672**	**244,777**	**(39,044)**	**(37,745)**	**207,628**	**207,032**

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Segment Consolidated Profit and Loss Information for the year ended March 31, 2017

(₹ Millions)

Particulars	Infratel (including subsidiaries) (A)		Proportionate share of JV (B)		Eliminations/ Adjustment* (C)		Total Reportable Segments D = (A+B+C)		Reversal of Proportionate share including elimination (+) Equity accounting (E)		Total (F)	
	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
Income												
Revenue from operations - External												
Rent	37,935	34,578	46,392	43,527	-	-	84,327	78,105	(46,392)	(43,527)	37,935	34,578
Energy (including rates and taxes)	22,879	20,968	27,031	24,241	-	-	49,910	45,209	(27,031)	(24,241)	22,879	20,968
Intersegment revenue	33	37	-	-	(33)	(37)	-	-	33	37	33	37
Other income	10,222	1,104	743	943	(9,510)	-	1,455	2,047	(743)	(943)	712	1,104
Total Income	**71,069**	**56,687**	**74,166**	**68,711**	**(9,543)**	**(37)**	**135,692**	**125,361**	**(74,133)**	**(68,674)**	**61,559**	**56,687**
Expenses												
Power and fuel	21,143	19,901	25,390	22,696	-		46,533	42,597	(25,390)	(22,696)	21,143	19,901
Rent	3 5	2,798	8,443	7,524	-		11,628	10,322	(8,443)	(7,524)	3,185	2,798
Employee expenses	2,746	2,578	1,933	1,703	-		4,679	4,281	(1,933)	(1,703)	2,746	2,578
Repairs and maintenance	4,084	3,920	5,073	5,143	-		9,157	9,063	(5,073)	(5,143)	4,084	3,920
Other expenses	1,165	1,289	1,655	1,284	-	-	2,820	2,573	(1,655)	(1,284)	1,165	1,289
Intersegmental expense	-	-	34	37	(34)	(37)	-	-	-	-	-	-
Total Expense	**32,323**	**30,486**	**42,528**	**38,387**	**(34)**	**(37)**	**74,817**	**68,835**	**(42,494)**	**(38,350)**	**32,323**	**30,486**
Profit/(Loss) before share of profit of a joint venture, Depreciation, Finance cost and tax	**38,746**	**26,201**	**31,638**	**30,324**	**(9,509)**	**-**	**60,875**	**56,526**	**(31,639)**	**(30,324)**	**29,236**	**26,201**
Finance Costs (Net)	(6,542)	(4,285)	2,128	2,437	-		(4,414)	(1,848)	(2,128)	(2,437)	(6,542)	(4,285)
Depreciation and Amortization Expense	11,657	11,550	10,969	10,686	-		22,626	22,236	(10,969)	(10,686)	11,657	11,550

Segment Consolidated Profit and loss Information For the year ended March 31, 2017

(₹ Millions)

Particulars	Infratel (including subsidiaries) (A)		Proportionate share of JV (B)		Eliminations/ Adjustment* (C)		Total Reportable Segments D = (A+B+C)		Reversal of Proportionate share including elimination (+) Equity accounting (E)		Total (F)	
	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
Charity & Donation	274	214	177	157	-		451	371	(177)	(157)	274	214
Profit/(Loss) before share of profit of a joint venture and tax	33,357	18,722	18,364	17,044	(9,509)	-	42,211	35,766	(18,365)	(17,044)	23,846	18,722
Share of profits in Joint Venture	-	-	-		-		-		11,950	11,069	11,950	11,069
Profit before tax	**33,357**	**18,722**	**18,364**	**17,044**	**(9,509)**	**-**	**42,211**	**35,766**	**(6,415)**	**(5,975)**	**35,796**	**29,791**
Taxation	6,307	5,449	6,415	5,975	2,020	1,869	14,742	13,292	(6,415)	(5,975)	8,327	7,317
Profit for the year	27,050	13,274	11,949	11,069	(11,529)	(1,869)	27,470	22,474	-	-	27,470	22,474
Other comprehensive income	93	4	(9)	(22)	-		84	(18)	-	-	84	(18)
Total comprehensive income for the year	**27,143**	**13,278**	**11,940**	**11,047**	**(11,529)**	**(1,869)**	**27,554**	**22,456**	**-**	**-**	**27,554**	**22,456**

* Elimination represents elimination of transaction between BIL and Indus on proportionate consolidation basis and Adjustments represents provision for DDT on undistributed profit of Joint Venture included under taxation line item above.

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

44. First-time adoption of Ind AS

As stated in note 2(b), the Group has prepared its first annual Ind AS financial statements for the year ended March 31, 2017. These financial statements for the year ended March 31, 2017 has been prepared in accordance with Ind AS. The preparation of these financial statements resulted in changes to the accounting policies as compared to most recent annual financial statements prepared under Indian GAAP ("Previous GAAP"). Accounting policies have been applied consistently to all periods presented in the consolidated financial statements. They have also been applied in preparing the Ind AS opening balance sheet as at April 1, 2015 for the purpose of transition to Ind AS and as required by Ind AS 101: First time adoption of Indian Accounting Standards.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions in view of the smooth transition to Ind AS:

(a) Deemed cost exemption

The Group has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and used it as its deemed cost at at the date of transition.

The Group, in its separate financial statements, has elected to record its investment in Joint Venture at previous GAAP carrying value by considering the same as deemed cost.

(b) Merger Accounting:

The Group has continued to follow the accounting treatment pursuant to the Merger Scheme prescribed by the Hon'ble High Court under Ind AS which is in line with Previous GAAP. Use of the accounting as mandated by the merger scheme means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. The Group did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

Impact of transition to Ind AS

The following is a summary of the effects of the differences between Ind AS and Indian GAAP on the Group's total equity and profit for the period or periods previously reported under Indian GAAP following the date of transition to Ind AS.

Reconciliation of Equity as at April 1, 2015 (date of transition to Ind AS)

Net Ind-AS transition adjustments of ₹ 3,330 Mn (Other than proposed dividend and DDT) in the opening balance sheet as at April 1, 2015 has been adjusted from General Reserve (created as per provisions of Companies (Transfer of profit to reserves) rules, 1975 upon declaration of dividend as per companies Act, 1956) and Retained Earnings as on April 1, 2015 by ₹ 1,925 Mn and ₹ 1,405 mn, respectively.

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

(₹ Millions)

Particulars	Footnote	IGAAP	Adjustments	IND AS
Assets				
Non-current assets				
Property, plant and equipment	44 (b)	147,919	(84,708)	63,211
Capital Work in Progress		2,260	(1,579)	681
Intangible assets		202	(109)	93
Investment in joint venture	44 (a)	-	46,629	46,629
Financial assets				
Investments	44 (g)	27,382	3,880	31,262
Other Financial Assets	44 (h)	4,192	(3,112)	1,080
Current tax recoverable		4,606	(2,916)	1,690
Other non-current assets	44 (c),(h)	27,637	(24,666)	2,971
		214,198	**(66,581)**	**147,617**
Current assets				
Financial assets				
Investments	44 (h)	31,440	3,532	34,972
Trade receivables		3,532	(140)	3,392
Cash and cash equivalents		285	(221)	64
Other bank balances		8,835	(15)	8,820
Other Financial Assets		6,151	(5,026)	1,125
Other current assets		7,106	(3,820)	3,286
		57,349	**(5,690)**	**51,659**
Total assets		**271,547**	**(72,271)**	**199,276**
Equity and liabilities				
Equity				
Equity share capital		18,938	-	18,938
Other equity		151,262	6,290	157,552
Equity attributable to equity holders of the parent		**170,200**	**6,290**	**176,490**
Non-current liabilities				
Financial Liabilities				
Other Financial Liabilities	44 (i)	6,688	(4,932)	1,756
Long term borrowings		15,663	(15,663)	-
Long Term Provisions	44 (b)	11,101	(9,302)	1,799
Deferred tax liability	44 (j)	12,247	(8,584)	3,663
Other non - Current liabilities	44 (d), (i)	4,954	(3,185)	1,769
Current liabilities		**50,653**	**(41,666)**	**8,987**
Financial Liabilities				
Trade Payables		1,342	-	1,342
Short term borrowings		1,468	(1,468)	-
Other Current Liabilities		32,052	(19,701)	12,351
Provisions	44 (e)	15,832	(15,726)	106
		50,694	**(36,895)**	**13,799**
Total liabilities		**101,347**	**(78,561)**	**22,786**
Total equity and liabilities		**271,547**	**(72,271)**	**199,276**

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Reconciliation of Equity as at March 31, 2016

(₹ Millions)

Particulars	Footnote	IGAAP	Adjustments	IND AS
Assets				
Non-current assets				
Property, plant and equipment	44 (b)	144,704	(84,144)	60,560
Capital Work in Progress		2,245	(1,544)	701
Intangible assets		164	(93)	71
Investment in joint venture	44 (a)	-	56,180	56,180
Financial assets				
Investments	44 (g)	23,967	4,299	28,266
Other Financial Assets	44 (h)	4,536	(3,315)	1,221
Current tax recoverable		4,822	(2,554)	2,268
Other non-current assets	44 (c),(h)	26,507	(24,196)	2,311
		206,945	**(55,367)**	**151,578**
Current assets				
Financial assets				
Investments	44 (h)	14,844	1,304	16,148
Trade receivables		1,916	39	1,955
Cash and cash equivalent		20,437	(304)	20,133
Other bank balances		11,479	(17)	11,462
Other Financial Assets		7,038	(4,182)	2,856
Other current assets		6,530	(3,630)	2,901
		62,244	**(6,790)**	**55,455**
Total assets		**269,189**	**(62,157)**	**207,033**
Equity and liabilities				
Equity				
Equity share capital		18,967	-	18,967
Other equity		164,512	(1,058)	163,454
Total equity		**183,479**	**(1,058)**	**182,421**
Non-current liabilities				
Financial Liabilities				
Other Financial Liabilities	44 (i)	7,088	(5,055)	2,033
Long term borrowings		10,767	(10,767)	-
Long Term Provisions	44 (b)	11,663	(9,654)	2,009
Deferred tax liability	44 (j)	12,249	(7,619)	4,630
Other non - Current liabilities	44 (d), (i)	5,346	(3,573)	1,773
		47,113	**(36,668)**	**10,445**
Current liabilities				
Financial Liabilities				
Trade Payables		855	(210)	645
Other Current Liabilities		28,809	(15,407)	13,402
Provisions	44 (e)	8,933	(8,814)	119
		38,597	**(24,431)**	**14,166**
Total liabilities		**85,710**	**(61,009)**	**24,611**
Total equity and liabilities		**269,189**	**(62,157)**	**207,032**

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Reconciliation of Consolidation profit and loss for the year ended March 31, 2016

(₹ Millions)

Particulars	Footnote	IGAAP	Adjustments	IND AS
Revenue from operations	44 (c), (i)	123,084	(67,501)	55,583
Other income		2,012	(908)	1,104
Total Income		**125,096**	**(68,409)**	**56,687**
Power and Fuel		42,597	(22,696)	19,901
Rent	44 (d)	10,548	(7,750)	2,798
Employee benefits expense	44 (f)	4,316	(1,738)	2,578
Repairs and maintenance		9,061	(5,141)	3,920
Other expenses		2,531	(1,242)	1,289
Total expense		**69,053**	**(38,567)**	**30,486**
Profit before Finance Cost (net), Depreciation and amortisation, Share of JV and tax		**56,043**	**(29,842)**	**26,201**
Finance costs (net)	44 (b),(g) & (i)	(3,228)	(1,057)	(4,285)
Depreciation and amortization expense		22,693	(11,143)	11,550
Charity and donation		371	(157)	214
Profit before Finance Cost (net), Depreciation and amortisation, Share of JV and tax		**36,207**	**(17,485)**	**18,722**
Share of profit in Joint Venture		-	11,069	11,069
Current tax		12,385	(6,034)	6,351
Deferred tax		2	964	966
Income tax expense		**12,387**	**(5,070)**	**7,317**
Profit for the year		**23,820**	**(1,346)**	**22,474**
Other comprehensive income		-	(18)	(18)
Total comprehensive income for the year, net of tax		**23,820**	**(1,364)**	**22,456**

Footnotes to the reconciliation of equity as at April 1, 2015, March 31, 2016 and reconciliation of consolidated profit and loss for the year ended March 31, 2016

a) Equity Accounting of Joint Venture

The Group is holding investment of 42% in Joint venture 'Indus Towers Limited'. Under Indian GAAP, Joint Ventures are required to be consolidated as per proportionate consolidation by way of line by line addition for like items of Assets, liabilities, equity, Income and Expenses.

Ind AS 28: Investment in Associates and Joint ventures requires consolidation of such Joint venture as per Equity method. Under equity method, Share of Profit or loss and Share of other comprehensive income in joint venture is recognised in Consolidated Statement of Profit and Loss and it will impact Investment and Reserves and Surplus of the Investor in the Consolidated Balance Sheet.

The change in method i.e proportionate consolidation to equity method accounting will result in reversal of all balances consolidated for all like items under Indian GAAP and equity accounting as per Ind AS as given below.

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Impact on Ind AS Consolidated Balance Sheet as at April 01, 2015 and March 31, 2016

(₹ Millions)

Particulars	Proportionate reversal (net of elimination) in IGAAP (+) Equity Method accounting as per Ind AS 28	
	As at Apr 1, 2015	As at Mar 31, 2016
Assets		
Non-current assets		
Property, plant and equipment	(83,311)	(82,837)
Capital work-in-progress	(1,579)	(1,544)
Intangible assets	(109)	(93)
Investment in a joint venture	46,629	56,180
Financial assets		
Other Financial Assets	(3,073)	(3,263)
Current tax recoverable	(2,916)	(2,554)
Other non - Current assets	(10,164)	(9,117)
	(54,523)	**(43,228)**
Current assets		
Financial assets		
Investments	-	(1,134)
Trade receivables	(140)	39
Cash and cash Eqvivalent	(223)	(316)
Other Bank Balance	(15)	(17)
Other Financial Assets	(5,026)	(4,182)
Other Current Assets	(3,195)	(3,069)
	(8,599)	**(8,679)**
Total Assets	**(63,122)**	**(51,908)**
Equity and Liabilities		
Equity		
Equity	-	-
Other Equity	(4,574)	(4,074)
	(4,574)	**(4,074)**
Non-current liabilities		
Financial Liabilities		
Other Financial Liabilities	(3,181)	(3,345)
Long term borrowings	(15,663)	(10,767)
Long Term Provisions	(7,591)	(8,019)
Deferred tax liability	(7,057)	(4,933)
Other non -Current liabilities	(2,976)	(3,187)
	(36,468)	**(30,251)**

Notes to Consolidated Financial Statements
for the year ended March 31, 2017

(₹ Millions)

Particulars	Proportionate reversal (net of elimination) in IGAAP (+) Equity Method accounting as per Ind AS 28	
	As at Apr 1, 2015	As at Mar 31, 2016
Current liabilities		
Financial Liabilities		
Trade Payables	-	(210)
Short term borrowings	(1,468)	-
Other Current liabilities	(19,701)	(15,407)
Provisions	(911)	(1,966)
	(22,080)	**(17,583)**
Total equity and liabilities	**(63,122)**	**(51,908)**

Impact on Consolidated Statement of Profit and Loss for the period ended March 31, 2016

(₹ Millions)

Particulars	Proportionate reversal (net of elimination) in IGAAP (+) Equity Method accounting as per Ind AS 28
Revenue from Operations	(67,501)
Other Income	(908)
Total income	**(68,409)**
Expenses	
Power and fuel	(22,696)
Rent expenses	(7,750)
Employee benefit expenses	(1,738)
Other expenses	(1,399)
Total expense	**(33,583)**
Profit before Finance Cost, Depreciation & amortisation, Share of Joint Venture and tax	**(34,826)**
Finance costs (Net)	(1,057)
Depreciation and amortization expense	(11,143)
Profit before Share of Joint Venture and tax	**(22,626)**
Share of Profit in Joint Venture	11,069
Tax expense	(3,910)
Profit after tax for the year	**(7,647)**
Share of profit in Other comprehensive Income	(18)
Total comprehensive income	**(7,665)**

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

b) Asset Retirement obligation

Under Indian GAAP, Asset Retirement obligation (ARO) is capitalized when it is probable that an outflow of resources will be required to settle the obligation and reliable estimate can be made. The ARO Liability is stated at Historical cost till the extinguishment of liability or expiry of the contractual period. The capitalized portion of the cost is depreciated over the useful life of the asset.

Under Ind AS, Asset Retirement obligation is provided at the present value of expected cost to settle the obligation and is recognized as part of Property, Plant and Equipment and liability. The estimated future cash outflows are discounted at a current pre tax rate that reflects the risk specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the Consolidated Statement of Profit and Loss as finance cost. Changes in the estimated future cost or in the discount rate applied are added to or deducted from the cost of the asset.

The financial impact on transition date for ARO adjustment amounted to decrease in ARO Asset (Property, Plant and Equipment) and Provision for ARO (Long Term provisions) by ₹ 1,397 mn and ₹ 1,711 mn respectively. The impact as at March 31, 2016 amounted to decrease in ARO asset (Property, Plant and Equipment) and Provision for ARO (Long Term provisions) by ₹ 1,307 mn and ₹ 1,635 mn respectively. The impact of such adjustment in statement of profit and loss for year ended March 31, 2016 is reduction in depreciation by ₹ 154 mn and increase in Finance cost due to unwinding of discount by ₹ 139 mn.

c) Revenue Equalisation

Under Indian GAAP, Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the Consolidated Statement of Profit and Loss.

Under Ind AS, the Group has ascertained that the increase is on account of general inflation. Hence, revenue equalisation reserve relating to general inflation increase has been reversed.

The reversal of Revenue equalisation on April 1, 2015 has been adjusted in general reserve & retained earnings and Other Non-Current Assets has been decreased by ₹ 14,538 mn. As at March 31, 2016 other non-current assets have been reduced by ₹ 15,122 mn respectively. In Statement of profit and loss for the year ended March 31, 2016, Revenue equalisation has been reversed and revenue from operation is decreased by ₹ 585 mn.

d) Lease Equalisation

Under Indian GAAP, Operating lease payments are recognized as an expense in the Consolidated Statement of Profit and Loss on a straight line basis over the non-cancellable lease term.

Under Ind AS, the Group has ascertained that the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected general inflationary cost increases. Hence lease equalisation reserve has been reversed.

The reversal of Lease equalisation on April 1, 2015 impacts as decrease in other long term liabilities and such transition impact is adjusted in general reserve & retained earnings by ₹ 1,669 mn. As at March 31, 2016, other long term liabilities have been reduced by ₹1,778 mn.

In Consolidated Statement of Profit and Loss for year ended March 31, 2016, Lease equalisation has been reversed and Rental expense is decreased by ₹ 109 mn.

e) Proposed dividend

Under Indian GAAP, proposed dividends including dividend distribution tax (DDT) are recognised as a liability in the period to which they relate, irrespective of when they are declared.

Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Group (usually when approved by shareholders in a general meeting) or paid.

The final dividend are declared and approved post the period to which it relates to, therefore, the liability of ₹ 14,815 mn for the year ended on March 31,2015 recorded for dividend including dividend distribution tax has been derecognised against retained earnings on April 1,2015. The proposed dividend for the year ended on March 31, 2016 of ₹ 6,847 mn recognized under Indian GAAP was reduced from Short term provisions and with a corresponding impact in the retained earnings.

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

f) **Define benefit plan on Retirement benefits**

Both under Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is impacted by ₹ 3 Mn and Remeasurement gains/ losses on defined benefit plans has been recognized in the Other Comprehensive Income (net of tax) for year ended March 31, 2016.

g) **Financial Assets at Fair Value through profit or loss**

Under Indian GAAP, current investments are accounted for at cost or market price whichever is lower. Difference between the cost and market price is recognised in the Consolidated Statement of Profit and Loss.

The long term investments in mutual funds required to be measured at cost less provision for diminution, other than temporary in the value of investments.

Under Ind AS, Such investments have been designated at Financial Assets at Fair value through Profit and Loss. These are accounted for at fair value and any difference with the cost is recognised as gain or loss in the Consolidated Statement of Profit and Loss.

The impact of financial assets at FVTPL measured at fair value as at April 1, 2015 resulted in increase in general reserve & retained earnings by ₹ 7,413 mn and increase in Non Current Investment and Current Investment by ₹ 3,881 and ₹ 3,532, respectively. As at March 31, 2016, there is increase in Non Current Investment and Current Investment by ₹ 4,299 mn and ₹ 2,438 mn, respectively. The Finance cost for year ended March 31, 2016 is increased by ₹ 682 mn on account of MTM gain reversed/ recognised earlier on fair value of such Investments.

h) **Financial Assets at Amortised Cost**

This category generally applies to trade and other receivables, security deposit etc. Under Indian GAAP these kind of financial assets are stated at transaction value.

Under Ind AS, financial assets which are non derivative with fixed or determinable payments that are not quoted in an active market and recognised initially at Fair value. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Consolidated Statement of profit and loss. The losses arising from impairment are recognised in the consolidated profit or loss.

Such financial assets are classified at Amortised cost which needs to be initially recognised at Fair value. Under Ind AS, The corresponding fair value impact on April 1, 2015 is recognised in general reserve & retained earnings and security deposit paid is decreased by ₹ 6 mn and ₹ 9 mn, respectively as at April 1, 2015 and March 31, 2016.

The impact of amortization of deferred lease expense and finance income for the year ended March 31, 2016 as increase in rental expense by ₹ 18 Mn and finance income of ₹ 15 Mn.

i) **Financial Liabilities at Amortised cost**

This category applies to security deposit, trade payables etc. Under Indian GAAP these kind of financial liabilities are stated at transaction value.

Under Ind AS Financial liabilities at amortised cost are non derivative financial liabilities with fixed or determinable payment that are not quoted in an active market and recognised initially at fair value. After initial measurement, such liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method. The EIR amortisation is included in finance cost in the consolidated statement of profit or loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Such financial assets are classified at Amortised cost which needs to be initially recognised at Fair value under Ind AS. The corresponding fair value impact on such financial assets on April 1, 2015 resulted in increase of general reserve & retained earnings and decrease of Security deposit received by ₹ 291 mn and ₹ 317 mn, respectively on April 1, 2015 and March 31, 2016.

The impact of amortization of deferred income on security deposit received resulted in increase in revenue from operation by ₹ 211 mn and unwinding of discount resulting in increase in finance cost by ₹ 185 mn, during the year ended March 31, 2016 respectively.

j) **Deferred Tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires accounting of deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences which the Group has to account for deferred tax on account of Undistributed Profit of Joint Venture which has also been recognised in Calculating DTA/DTL consolidated statement of Profit & Loss such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. The net impact on deferred tax liabilities/ assets as on April 1, 2015 and March 31, 2016 is of ₹ 1,747 mn and ₹ 4,775 mn, respectively.

k) **Consolidation of Bharti Infratel Employee Welfare Trust**

Ind AS 110 – Consolidated Financial Statements defines control and establishes control as the main basis for consolidating the entities. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee, in light of which the Group is required to consolidate Bharti Infratel Employee welfare trust.

The Group has incorporated a Trust "Bharti Infratel Employee Welfare Trust" in January 2015 for allotment of shares to Employees as a part of Employee stock option plan. Such Trust were not required to be consolidated under Previous GAAP. On transition date under Ind AS, the Group has consolidated previously unconsolidated subsidiaries in Indian GAAP.

This has resulted in decrease in equity by ₹ 559 mn and ₹ 624 mn as at March 31 2016 and April 1, 2015 respectively.

l) **Other Comprehensive Income**

Under Indian GAAP, the Group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

m) **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 venture (Equity Vs. Proportionate consolidation) under these two GAAPs.

45. Interest in Joint Venture

The Group has a 42% interest in Indus Towers Limited, a joint venture involved in establishing, operating and maintining wireless communication towers in India. The Group's interest in Indus Towers Limited is accounted for using the equity method in the consolidated financial statements.

Summarised financial information of Indus Towers Limited based on its Ind AS financial statements and reconciliation with the carrying amount of the investment in consolidated financial statements is as follows:-

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

Summarised information on Balance sheet

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Assets			
Non Current Assets	**207,357**	**207,634**	**209,213**
Current Assets			
Cash and cash equivalents	1,121	752	533
Other current assets (excluding cash and cash equivalents)	17,182	15,956	17,922
Total current assets	**18,303**	**16,709**	**18,455**
Liabilities			
Non current liabilities			
Non current financial liabilities (other than trade and other payables and provisions) - Loans and borrowings	10,589	25,585	37,203
Other non current liabilities	30,294	28,104	26,908
Total non current liabilities	**40,884**	**53,689**	**64,111**
Current liabilities			
Current financial liabilities (other than trade and other payables and provisions) - Loans and borrowings	24,090	14,999	24,186
Other current liabilities	28,522	21,891	28,349
Total current liabilities	**52,612**	**36,890**	**52,535**
Equity	**132,165**	**133,763**	**111,022**
Percentage of group's ownership interest	42%	42%	42%
Interest in joint venture	55,509	56,180	46,629
Carrying amount of investment	**55,509**	**56,180**	**46,629**

Summarised information on statement of profit and loss

(₹ Millions)

	Year ended March 31, 2017	Year ended March 31, 2016
Revenue	174,817	161,353
Other Income	1,769	2,244
Power and fuel	60,452	54,037
Rent	20,103	17,914
Employee expenses	4,604	4,050
Repairs and maintenance	12,077	12,245
Other expenses	4,445	3,520
Depreciation and amortisation	26,116	25,442
Finance cost	5,064	5,806
Income tax expense	15,273	14,227
Profit for the year	**28,451**	**26,355**
Percentage of group's ownership interest	42%	42%
Group's share in joint venture's profit for the year	11,950	11,069
Dividend received from joint venture	**9,510**	**-**

Notes to Consolidated Financial Statements
for the year ended March 31, 2017

46. Additional information, as required under Schedule III to the companies act, 2013 for entities consolidated as subsidiaries, Controlled trust and joint ventures

(₹ Millions)

Name of the entity	2017								2016							
	Net assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income		Net assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent																
Bharti Infratel Limited	75%	162,371	69%	27,050	111%	93	69%	27,143	77%	189,296	55%	13,274	(24%)	4	55%	13,278
Subsidiaries																
Smartx Service Limited	0%	30	0%	-	0%	-	0%	-	0%	30	0%	-	0%	-	0%	-
Joint Venture (as per equity method)																
-Indian																
Indus Towers Limited	26%	55,509	31%	11,950	(11%)	(9)	31%	11,941	23%	56,180	45%	11,069	124%	(22)	45%	11,047
Controlled Trust																
Bharti Infratel Employee Welfare Trust	0%	(297)	0%	16	0%	-	0%	16	0%	(548)	0%	11	0%	-	0%	11
Adjustment arising out of consolidation	-	(62,620)	-	(11,547)	-	-	-	(11,547)	-	62,537)	-	(1,880)	-	-	-	(1,880)
	100%	**154,993**	**100%**	**27,470**	**100%**	**84**	**100%**	**27,554**	**100%**	**182,421**	**100%**	**22,474**	**100%**	**(18)**	**100%**	**22,456**

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

47. Buy Back of equity shares

In accordance with Section 68, 69, 70 and other applicable provisions of the Companies Act, 2013 and SEBI regulations and pursuant to the public announcement for buy back made by the Group, the Group initiated a buy back by way of tender offer through stock exchange mechanism for cash at price of ₹ 425 per equity share for an aggregate amount of ~₹ 20,000 Mn.

Date of Board Meeting approving the Buy Back	April 26, 2016
Date of Public Announcement	June 13, 2016 published on June 14, 2016
Record Date	June 16, 2016
Number of shares purchased (in Mn)	47
Face value of share purchased	10
Consideration paid towards buy back (in Mn)	~20,000
Share capital reduction (in Mn)	471
Securities premium utilised (in Mn)	19,529
General reserve utilised for CRR (inclusive of expenses incurred for Buyback) (in Mn)	501
Amount transferred to Capital redemption reserve (CRR) on extinguishment of share capital (in Mn)	471

48. On April 26, 2016, Board of Directors had proposed a dividend of ₹ 3.00 per equity share to all the existing shareholders for the year ended March 31, 2016. The dividend proposed by the Board of Directors has been approved by shareholders in the annual general meeting dated August 10, 2016 and paid subsequently.

49. The Parent Company (concessionaire) has entered into a service concession agreement as a lead member with Bhopal Smart City Development Corporation Limited (BSCDL/ grantor) along with other consortium members for implementation and maintenance of "Bhopal Smart City project" (the project) vide agreement dated October 28, 2016. As per the terms of the agreement, the Parent Company along with the consortium members has to work on Build, Own, Operate and Transfer (BOOT) model on Public Private Partnership (PPP) basis. Smartx Services Limited is one of the Consortium members of the project.

The concession period granted as per the agreement is 15 years (excluding implementation period of 1 year) further extendable by another 15 years based on mutually agreed terms and conditions.

The title of interest, ownership and rights with regard to project implemented by the Group along with fixtures/ fittings provided therein shall rest with the Group until the expiry/ termination of the agreement and the rights related to the land allotted by the BSCDCL shall vest with the BSCDCL, except that, these will be operated and maintained by the Group at its own cost and expenses as agreed in the concession agreement. These project facilities and assets constructed shall be transferred to BSCDCL at zero cost on expiry/ termination of the agreement.

On obtaining the Completion Certificate from the specified authority, The Group shall be exclusively entitled to demand and collect revenue from the project assets in any manner.

The Concessionaire shall pay a fixed quarterly revenue share, as specified by the terms of agreement, to BSCDCL over the concession period.

As of March 31, 2017 the group has incurred a capex cost of ₹ 17 Mn which is recognised in capital work in progress in the balance sheet.

50. The Company was required to spend ₹ 326 Mn towards CSR expenditure as per the requirement of the Companies Act 2013. During the year ₹ 171 Mn

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were spent towards ongoing long term CSR projects basis approval from the board. The disbursement of committed funds was based on the individual project work plans and milestones achieved over the year. All projects are being monitored and evaluated on the progress made and impact created during the routine course of the business.

The Company also contributed as charity/donation to Bharti Foundation for Satya Bharti School Program (₹ 50 Mn); Brooking Institution India Centre (₹ 2.5 Mn) and Bharti Foundation towards promotion of formal education in rural areas (₹ 0.5 Mn via Airtel Delhi Half Marathon).

51. Charity and donation includes ₹ 50 Mn (FY 2015-16 – Nil) paid to Satya electoral trust.

52. During the year ended March 31, 2016, the company has re-classified the termination charges w.r.t. cancellation of contracts by operators of ₹ 47 Mn, from 'Other income' to 'revenue from operations' w.e.f July 1, 2015 and has not reclassified prior period comparative on the basis of materiality.

53. Financial risk management objectives and policies

The Group's principal financial liabilities comprise trade payables, security deposits, short term borrowings, etc. The main purpose of these financial liabilities is to manage finances for the Group's operations. The Group's principal financial assets include Investment in Mutual Funds, Bonds and Government Securities, trade and other receivables, unbilled revenue, cash and cash equivalents, security deposits, etc. that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance frame work for the Group are accountable to the Board Audit Committee. This process provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and Group risk appetite. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, foreign currency risk and price risk. Financial instruments affected by market risk include interest bearing investment in bonds, government securities and fixed deposits.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2017 and March 31, 2016.

The Group's exposure to financial risks is to a variety of financial risks, including the effect of changes in foreign currency exchange rates, if any. The Group uses derivative financial instruments such as foreign exchange contracts to manage its exposures and foreign exchange fluctuations, if any.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Indian Rupee is the Group's functional currency. As a consequence, the Group's results are presented in Indian Rupee and exposures are managed against Indian Rupee accordingly. The Group has very limited foreign currency exposure mainly due to incurrence of some expenses. The Group may use foreign exchange option contracts or forward contracts towards operational exposures resulting from changes in foreign currency exchange rates exposure. These foreign exchange contracts, carried at fair value,

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may have varying maturities depending upon the primary host contract requirement.

The Group manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by the Board as per established risk management policy.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has invested in Government securities and bonds which will fetch a fixed rate of interest, hence, the income and operating cash flows are substantially independent of changes in market interest rates.

(iii) Price risk

The Group invests its surplus funds mainly in government securities, taxable and tax free quoted debt bonds, liquid schemes of mutual funds (liquid investments) and higher duration short term debt funds and income funds (duration investments).These are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. The Group manages the price risk through diversification from time to time.

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 15 days credit term. Outstanding customer receivables are regularly monitored. The ageing analysis of trade receivables as of the reporting date is as follows:

(₹ Millions)

	Within due date	Less than 30 days	30 to 60 days	60 to 90 days	above 90 days	Total
Trade receivables as at March 31, 2017	67	97	315	200	2,059	2,738
Trade receivables as at March 31, 2016	990	98	141	84	1,896	3,210
Trade receivables as at April 1, 2015	915	571	279	190	2,632	4,587

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by Group's treasury in accordance with the board approved policy. Investment of surplus funds are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. The Group monitors ratings, credit spreads and financial strength on at least quarterly basis. Based on its on-going assessment of counterparty risk, the

Notes to Consolidated Financial Statements
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Group adjusts its exposure to various counterparties. The Group's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2017, March 31, 2016 and April 1, 2015 is the carrying amounts as illustrated in Note 38.

(c) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The groups principal sources of liquidity are cash and cash equivalents and the cash flow generated from operations. The Group closely monitors its liquidity position and deploys a robust cash management system.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:-

(₹ Millions)

	As at March 31, 2017					
	Carrying Amount	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Bank Overdraft	2,785	2,785	-	-	-	2,785
Trade payables	534	534	-	-	-	534
Unpaid Interim dividend	22,195	22,195	-	-	-	22,195
Other Financial liabilities	2,373	-	-	-	2,373	2,373
Total	**27,887**	**25,514**	**-**	**-**	**2,373**	**27,887**

	As at March 31, 2016					
	Carrying Amount	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Bank Overdraft	-	-	-	-	-	-
Trade payables	645	645	-	-	-	645
Unpaid Interim dividend	-	-	-	-	-	-
Other Financial liabilities	2,033	-	-	-	2,033	2,033
Total	**2,678**	**645**	**-**	**-**	**2,033**	**2,678**

	As at April 1, 2015					
	Carrying Amount	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Bank Overdraft	-	-	-	-	-	-
Trade payables	1,342	1,342	-	-	-	1,342
Unpaid Interim dividend	-	-	-	-	-	-
Other Financial liabilities	1,756	-	-	-	1,756	1,756
Total	**3,098**	**1,342**	**-**	**-**	**1,756**	**3,098**

Notes to Consolidated Financial Statements

for the year ended March 31, 2017

(d) Capital management

Capital includes equity attributable to the equity holders of the parent. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. During the current year, the Company has availed Bank overdraft facility for ₹ 2,785 mn (Mar 31, 2016 - Nil, April 1, 2015 - Nil) which is integral part of cash management and the cash and cash equivalent amounting to ₹ 22,498 mn as at March 31, 2017 (March 31, 2016 - ₹ 20,133 mn and April 1, 2015 - ₹ 64 mn). The Cash and Cash equivalent net of Bank overdraft is ₹ 19,713 mn. Hence Capital gearing ratio as at March 31, 2017, March 31, 2016 and April 1, 2015 is not required to be disclosed.

54. During Q4' 2017, dividend distribution tax (DDT) of ₹ 4,519 mn on Interim dividend and DDT of ₹ 1,130 Mn on final dividend paid in the current year has been adjusted and reclassified from surplus in profit & loss account, respectively, to the general reserve under the demerger scheme as referred in Note 42.

55. The Board of Directors, in its meeting held on April 26, 2016, proposed a final dividend of ₹ 3 per equity share and the same was approved by the shareholders at the Annual General Meeting held on August 10, 2016.

56. General reserve include general reserve under scheme for ₹ 69,244 Mn as at March 31, 2017 (March 31, 2016 ₹ 75,430 Mn, March 31, 2015 ₹ 76,056 Mn), General reserve for Dividend as at March 31, 2017 Nil (March 31, 2016 ₹ 501 Mn, March 31, 2015 ₹ 501 Mn) and Others as at March 31, 2017₹ 13 Mn (March 31, 2016 -₹ 50 Mn, March 31, 2015 ₹ 16 Mn)

57. Previous year's/period's figures in the financial statements, including the notes thereto, have been reclassified wherever required to conform to the current year's/period's presentation/classification. These do not affect the previously reported net profit or equity.

Standalone Financial Statements with Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To
The Members of Bharti Infratel Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Bharti Infratel Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. 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 of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors 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 of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 36 to the standalone Ind AS financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

      iv. As per books of accounts of the Company and as represented by the management of the Company, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and has no cash dealings during this period

For S.R. Batliboi & Associates LLP
ICAI Firm Registration Number: 101049W/ E300004
Chartered Accountants

per Vineet Kedia
Partner
Membership Number: 212230

Place: New Delhi
Date: May 8, 2017

Annexure 1 referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date

Re: Bharti Infratel Limited ("the Company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a physical verification program of covering all fixed assets once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, during the year, planned physical verification of certain fixed assets and capital work in progress has been conducted by the management and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

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

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

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.

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

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

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

Name of the statute	Nature of dues	Amount (Rs. in Mn)	Period to which amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	2,589	FY 2010-11- FY 2013-14	CIT(Appeals)
Income Tax Act, 1961	Income Tax	1	FY 2008-09- FY 2014-15	Assessing Officer (TDS)
Bihar Entry Tax Act, Jammu and Kashmir Entry Tax Act, Madhya Pradesh Entry Tax Act, Himachal Pradesh Entry Tax Act, Nagaland Entry Tax Act, Mizoram Entry Tax Act,	Entry Tax	1,302	FY 2007-08 - FY 2016-17	Hon'ble High Court
Assam Entry Tax Act, Madhya Pradesh Entry Tax Act, Orissa Entry Tax Act, Rajasthan Entry Tax Act, Chhattisgarh Entry Tax Act	Entry Tax	603	FY 2007-08 - FY 2016-17	Hon'ble High Court (fresh petition to be filed)
Rajasthan Entry Tax Act	Entry Tax	26	FY 2007-08 - FY 2012-13	Assistant Commissioner
Chhattisgarh Entry Tax Act, Madhya Pradesh Entry Tax Act, Orissa Entry Tax Act	Entry Tax	89	FY 2007-08 - FY 2012-13	Tribunal
Bihar Entry Tax Act	Entry Tax	4	FY 2007-08	Joint Commissioner, Appeal
Uttar Pradesh Entry Tax Act, Rajasthan Entry Tax Act	Entry Tax	2	FY 2008-09 to FY 2014-15	Deputy Commissioner, Appeal
The Madhya Pradesh VAT Act, 2002	Sales Tax	457	FY 2008-09	MP (Indore) High Court
Uttar Pradesh Value Added Tax Act, 2007	Sales Tax	1	FY 2009-10- FY 2014-15	UP Commercial Tax Appellate Authority
Finance Act,1994	Service Tax	15,532	FY 2007-08 - FY 2012-13	High Court, Delhi
Finance Act,1994	Service Tax	583	FY 2013-14 – FY 2014-15	CESTAT

Of the above mentioned cases, total amount deposited against income tax, entry tax and service tax is Rs. 589 mn, Rs 1,474 mn and Rs. 342 mn, respectively.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.

(ix) In our opinion and according to information and explanations given by the management, the Company has utilised the monies raised by way of initial public offer (IPO) in earlier year were applied during the year for the purpose for which the monies were raised.

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

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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

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

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and hence not commented upon.

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the Company has complied with requirements of section 192 for the non-cash transactions with directors in respect of ESOP transactions.

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

For S.R. Batliboi & Associates LLP
ICAI Firm Registration Number: 101049W/ E300004
Chartered Accountants

per Vineet Kedia
Partner
Membership Number: 212230

Place: New Delhi
Date: May 8, 2017

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF BHARTI INFRATEL 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 Infratel Limited

We have audited the internal financial controls over financial reporting of Bharti Infratel Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP
ICAI Firm Registration Number: 101049W/ E300004
Chartered Accountants

per Vineet Kedia
Partner
Membership Number: 212230
Place: New Delhi
Date: May 8, 2017

Balance Sheet

as at March 31, 2017

(₹ Millions)

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Assets				
Non-current assets				
Property, plant and equipment	6	57,811	60,560	63,211
Capital work-in-progress		585	701	681
Intangible assets	6	103	71	93
Investment in joint venture		60,419	60,419	60,419
Financial assets				
Investment	7	41,251	28,296	31,263
Other financial assets	8	1,163	1,221	1,080
Current tax assets (net)	9	1,635	2,268	1,690
Other non-current assets	10	2,455	2,311	2,971
		165,422	**155,847**	**161,408**
Current assets				
Financial assets				
Investment	7	14,990	16,148	34,972
Trade receivables	11	1,515	1,955	3,392
Cash and cash equivalents	12	22,494	20,091	62
Other bank balance	13	-	11,462	8,820
Other financial assets	8	4,561	2,856	1,125
Other current assets	14	3,862	3,460	3,911
		47,422	**55,972**	**52,282**
Total assets		**212,844**	**211,819**	**213,690**
Equity and liabilities				
Equity				
Equity share capital	15	18,496	18,967	18,938
Other equity		143,875	170,329	172,185
		162,371	**189,296**	**191,123**
Non-current liabilities				
Financial liabilities				
Other financial liabilities	16	2,373	2,033	1,756
Long term provisions	17	2,243	2,009	1,799
Deferred tax liabilities (net)	9	263	2,542	3,444
Other non - current liabilities	18	1,633	1,773	1,769
		6,512	**8,357**	**8,768**
Current liabilities				
Financial liabilities				
Borrowings	19	2,785	-	-
Trade payables	20			
Total outstanding dues of micro enterprises and small enterprises		15	2	22
Total outstanding dues other than micro enterprises and small enterprises		519	643	1,320
Other financial liabilities	21	22,195	-	-
Other current liabilities	22	18,313	13,402	12,351
Provisions	17	134	119	106
		43,961	**14,166**	**13,799**
Total liabilities		**50,473**	**22,523**	**22,567**
Total equity and liabilities		**212,844**	**211,819**	**213,690**

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

For S. R. Batliboi & Associates LLP
Firm Registration Number: 101049W / E300004
Chartered Accountants

per Vineet Kedia
Partner
Membership No: 212230

Place: New Delhi
Date: May 8, 2017

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

Rajan Bharti Mittal
Director

D S Rawat
Managing Director & CEO

Shweta Girotra
Company Secretary

Pankaj Miglani
Chief Financial Officer

Statement of Profit and Loss

for the year ended March 31, 2017

(₹ Millions, except share data)

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations	23	60,847	55,583
Other income	24	10,221	1,104
Total Income		**71,068**	**56,687**
Expenses			
Power and fuel	25	21,143	19,901
Rent	26	3,184	2,798
Employee benefit expenses	27	2,746	2,578
Repairs and maintenance	28	4,084	3,919
Other expenses	29	1,164	1,289
Total Expenses		**32,321**	**30,485**
Profit before depreciation and amortization, finance cost (net), charity and donation and tax		**38,747**	**26,202**
Depreciation and amortization expense	30	12,167	12,121
Less: adjusted with general reserve in accordance with the Scheme of arrangement with Bharti Airtel Limited (refer note 43)		(510)	(571)
		11,657	11,550
Finance costs (net)	31	(6,541)	(4,285)
Charity and donation		274	214
Profit before tax		**33,357**	**18,723**
Income tax expense:		**6,307**	**5,449**
Current tax	9	8,594	6,351
Deferred tax	9	(2,287)	(902)
Profit for the year		**27,050**	**13,274**
Other comprehensive income ('OCI')			
Items that will not be re-classified to Profit and Loss			
Remeasurements gains/(loss) of defined benefit plans (net of tax)		(6)	(2)
Items that will be re-classified to Profit and Loss			
Fair value changes on financial assets through OCI (net of tax)		99	6
Other comprehensive income for the year, net of tax		**93**	**4**
Total comprehensive income for the year, net of tax		**27,143**	**13,278**
Earnings per share (Nominal Value of share ₹ 10 each)			
Basic	32	14.494	7.001
Diluted	32	14.494	7.001

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

For S. R. Batliboi & Associates LLP
Firm Registration Number: 101049W / E300004
Chartered Accountants

per Vineet Kedia
Partner
Membership No: 212230

Place: New Delhi
Date: May 8, 2017

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

Rajan Bharti Mittal
Director

D S Rawat
Managing Director & CEO

Shweta Girotra
Company Secretary

Pankaj Miglani
Chief Financial Officer

Statement of Changes in Equity

as at March 31, 2017

A. Equity Share Capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	No's in thousands	Amount ₹ in Mn's
As at April 1, 2015	**1,893,769**	**18,938**
Issued during the year (refer note 15)	2,898	29
As at March 31, 2016	**1,896,667**	**18,967**
As at April 1, 2016	1,896,667	18,967
Shares extinguished pursuant to Buy-back (refer note 15)	(47,059)	(471)
As at March 31, 2017	**1,849,608**	**18,496**

B. Other Equity

(₹ Millions)

	Reserves and Surplus						
	Share Premium	Share Based Payment Reserves	General Reserve	Capital Redemption Reserve	Retained Earnings	Other Comprehensive Income	Total Equity
As at April 1, 2015	**67,610**	**584**	**76,573**	**-**	**27,418**	**-**	**172,185**
Profit for the year	-	-	-	-	13,274	-	13,274
Other comprehensive income	-	-	-	-	-	4	4
Total comprehensive income	**-**	**-**	**-**	**-**	**13,274**	**4**	**13,278**
- Gross compensation for options forfeited/ exercised during the year (refer note 34)	-	(481)	-	-	-	-	**(481)**
- Amount transferred to statement of profit and loss during the period in accordance with the Scheme of arrangement with Bharti Airtel Limited (refer note 43)	-	-	(592)	-	-	-	**(592)**
- Amount transferred to stock options outstanding during the vesting period (refer note 34)	-	20	-	-	-	-	**20**
- Amount transferred from stock options outstanding & premium on exercise of ESOP's * (refer note 34)	756	-	-	-	-	-	**756**
- Final dividend on equity shares	-	-	-	-	(12,328)	-	**(12,328)**
- Tax on Final dividend on equity shares	-	-	-	-	(2,509)	-	**(2,509)**
As at March 31, 2016	**68,366**	**123**	**75,981**	**-**	**25,855**	**4**	**170,329**

Statement of Changes in Equity

as at March 31, 2017

(₹ Millions)

	Reserves and Surplus						
	Share Premium	Share Based Payment Reserves	General Reserve	Capital Redemption Reserve	Retained Earnings	Other Comprehensive Income	Total Equity
As at April 1, 2016	**68,366**	**123**	**75,981**	**-**	**25,855**	**4**	**170,329**
Profit for the year	-	-	-	-	27,051	-	**27,051**
Other comprehensive income	-	-	-	-	-	93	**93**
Total comprehensive income	-	-	-	-	27,051	93	**27,144**
- Gross compensation for options forfeited/ exercised during the year.	-	(103)	5	-	-	-	**(98)**
- Utilisation for premium on buyback (refer note 45)	(19,529)	-	-	-	-	-	**(19,529)**
- Utilisation for buyback expenses (net of tax)	-	-	(31)	-	-	-	**(31)**
- Transfer to capital redemption reserve pursuant to buyback (refer note 45)		-	(471)	-	-	-	**(471)**
- Transfer from General Reserve pursuant to buyback (refer note 45)	-	-	-	471	-	-	**471**
- Amount transferred to statement of profit and loss during the period in accordance with the Scheme of arrangement with Bharti Airtel Limited (refer note 43)	-	-	(515)	-	-	-	**(515)**
- Amount transferred to stock options outstanding during the vesting period (refer note 34)	-	31	-	-	-	-	**31**
- Premium on exercise of ESOP's * (refer not 34)	-	-	(63)	-	-	-	**(63)**
- Final dividend on equity shares (refer note 15)	-	-	-	-	(5,549)	-	**(5,549)**
- Tax on Final dividend on equity shares (refer note 52)	-	-	(1,130)	-		-	**(1,130)**
- Interim dividend on equity shares (refer note 21)	-	-	-	-	(22,195)	-	**(22,195)**
- Tax on Interim dividend on equity shares (refer note 52)	-	-	(4,519)	-		-	**(4,519)**
As at March 31, 2017	**48,837**	**51**	**69,257**	**471**	**25,162**	**97**	**143,875**

* Represents the cost of purchase price in excess of fair value of grant recognised w.r.t shares vested during this period (net of forfeiture).

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

For S. R. Batliboi & Associates LLP
Firm Registration Number: 101049W / E300004
Chartered Accountants

per Vineet Kedia
Partner
Membership No: 212230

Place: New Delhi
Date: May 8, 2017

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

Rajan Bharti Mittal
Director

D S Rawat
Managing Director & CEO

Shweta Girotra
Company Secretary

Pankaj Miglani
Chief Financial Officer

Statements of Cash flows

for the year ended March 31, 2017

(₹ Millions)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Cash flows from operating activities		
Profit before taxation	**33,357**	**18,723**
Adjustments for -		
Depreciation and amortization expense	11,657	11,550
Finance income	(6,935)	(4,615)
Finance Costs	365	330
Dividend income	(9,510)	-
Gain/loss on disposal of property, plant & equipment	(581)	(651)
Provision for doubtful trade receivables	36	106
Provision for obsolescence of capital work in progress	(8)	(7)
Others	(250)	(481)
Operating profit before changes in assets and liabilities	**28,131**	**24,955**
Changes in Other Long Term Financial Assets	58	(141)
Changes in Other Non Current Assets	(144)	660
Changes in Trade Receivables	404	1,331
Changes in Other Current Assets	(661)	433
Changes in Other Financial Assets	(1,621)	(1,731)
Changes in Other Long Term Financial Liabilities	124	277
Changes in Long Term Provisions	(118)	23
Changes in Other Non Current Liabilities	87	215
Changes in Trade Payables	(51)	(409)
Changes in Other Current Liabilities	888	1,103
Changes in Short Term Provisions	15	13
Cash generated from operations	**27,112**	**26,729**
Income tax paid (net of refunds)	(7,960)	(6,929)
Net cash flow from operating activities (A)	**19,152**	**19,800**
Cash flows from investing activities		
Purchase of Property,Plant & Equipment	(10,078)	(9,756)
Proceeds from sale of Property,Plant & Equipment	1,028	1,071
Investments in bank deposits (having original maturity of more than three months)	-	(2,642)
Purchase of Mutual Funds	(124,613)	(950)
Purchase of Government securities	(68,501)	-

Statements of Cash flows

for the year ended March 31, 2017

(₹ Millions)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Purchase of Corporate deposit	(3,946)	(2,846)
Purchase of Commercial Paper	(475)	-
Investment in Subsidiary	-	(30)
Purchase of Bonds	-	(3,214)
Proceeds from Fixed Deposit (net)	11,462	-
Proceeds from sale of Mutual Funds	168,999	31,154
Proceeds from sale of Government securities	15,430	-
Proceeds from sale of Corporate Deposit	5,394	-
Proceeds from sale of Bonds	1,217	-
Interest received	1,658	1,970
Dividend received	9,510	-
Net cash flow from /(used in) investing activities (B)	**7,085**	**14,757**
Cash flows from financing activities		
Proceeds from exercise of stock options	62	308
Buyback of Shares	(20,031)	-
Loan repaid by trust	28	-
Dividend paid	(5,549)	(12,327)
Tax on Dividend paid	(1,130)	(2,509)
Net cash flow (used in) financing activities (C)	**(26,620)**	**(14,526)**
Net increase in cash and cash equivalents during the year (A+B+C)	**(382)**	**20,029**
Cash and cash equivalents at the beginning of the year	20,091	62
Cash and cash equivalents at the end of the year (refer note 12)	**19,709**	**20,091**

The accompanying notes form an integral part of these financial statements

For S. R. Batliboi & Associates LLP
Firm Registration Number: 101049W / E300004
Chartered Accountants

per Vineet Kedia
Partner
Membership No: 212230

Place: New Delhi
Date: May 8, 2017

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

Rajan Bharti Mittal
Director

D S Rawat
Managing Director & CEO

Shweta Girotra
Company Secretary

Pankaj Miglani
Chief Financial Officer

Notes to financial statements

for the year ended March 31, 2017

1. Corporate information

Bharti Infratel Limited ('the Company' or 'BIL') was incorporated on November 30, 2006 with the object of, inter-alia, setting up, operating and maintaining wireless communication towers. The Company received the certificate of commencement of business on April 10, 2007 from the Registrar of Companies. The Registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

Bharti Infratel Limited is a subsidiary of Bharti Airtel Limited ('BAL') and BAL holds 50.33% shares in the Company. Nettle Infrastructure Investments Limited, Wholly owned Subsidiary of BAL is also holding 11.32% shares in the Company as on March 31, 2017.

The Company is publicly traded on National Stock Exchange of India (NSE) and BSE Limited.

The Company had entered into a joint venture agreement with Vodafone India Limited and Aditya Birla Telecom Limited to provide passive infrastructure services in 15 Telecom circles of India and formed Indus Towers Limited for such purpose which is a Company incorporated in India. The Company and Vodafone India Limited are holding approximately 42% each in Indus Towers Limited,11.15% is held by Aditya Birla Telecom Limited and the balance 4.85% is held by P5 Asia Holding Investment (Mauritius) Limited.

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

The wholly owned subsidiary, Bharti Infratel Services Limited, had applied during F.Y 2015-16 to the Registrar of Companies to strike off the name of the Company from the Register of the Companies under Fast Track Exit Mode. During the year, name of Bharti Infratel Services Limited was striked off by the Registrar of the Companies.

The financial statements were authorised for issue in accordance with resolution of the directors on May 08, 2017.

2. Basis of preparation

a) Statement of compliance

These Standalone financial statements ("financial statements") have been prepared to comply in all material aspects with the Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

b) Basis of preparation

These financial statements are covered by Ind AS 101: First time adoption of Indian Accounting Standards (Ind AS) being first Ind AS annual financial statements for the year ended March 31, 2017 and are prepared in accordance with Indian Accounting Standards(Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended. The Ind AS accounting policies as compared to most recent annual financial statements prepared under Indian GAAP ("Previous GAAP"). Accounting policies have been applied consistently to all periods presented in the financial statements.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The transition was carried out from the accounting principles generally accepted in India (Indian GAAP) which is considered as previous GAAP, as defined in Ind AS 101. An explanation of how the transition to Ind AS has impacted the Company's equity and profits is provided in Note 44.

The financial statements have been prepared on accrual and going concern basis and the historical cost convention, except for the certain financial assets, financial liabilities and certain other items which have been measured at fair value as required under relevant Ind AS.

Notes to financial statements

for the year ended March 31, 2017

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or '₹'), and are rounded to the nearest million (Mn) except per share data and unless stated otherwise.

3. Summary of significant accounting policies

a) Property, Plant and Equipment

Property, plant and equipment including Capital work in progress is stated at cost, except assets acquired under Schemes of Arrangement, which are stated at fair values as per the Schemes, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the Property, plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognizes such parts as separate component of assets with specific useful lives and provides depreciation over their useful life. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer note 4 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives. Estimated useful lives of the assets are as follows:

Useful lives	
Office Equipment	2 years / 5 years
Computer	3 years
Vehicles	5 years
Furniture and Fixtures	5 years
Plant & Machinery	3 to 20 Years
Leasehold Improvement	Period of Lease or useful life, whichever is less

The existing useful lives of tangible assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Company believes that this is the best estimate on the basis of technical evaluation and actual usage period.

The existing realizable values of tangible assets are different from 5% as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Company believes that this is the best estimate on the basis of actual realization.

The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for impairment, and adjusted prospectively.

b) Intangible Assets

Intangible assets are recognized when the entity controls the asset, it is probable that future economic benefits attributed to the asset will flow to the entity and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognised at cost. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Notes to financial statements

for the year ended March 31, 2017

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Software is capitalized at the amounts paid to acquire the respective license for use and is amortised over the period of license, generally not exceeding three years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

c) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses, if any, are recognized in Statement of Profit and Loss as a component of depreciation and amortisation expense.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited to the extent the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss when the asset is carried at the revalued amount, in which case the reverse is treated as a revaluation increase.

d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle

Notes to financial statements
for the year ended March 31, 2017

- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

e) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of an arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Company as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's policy on the borrowing costs.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term and escalation in the contract, which are structured to compensate expected general inflationary increase are not straight-lined. Contingent rents are recognized as expense in the period in Statement of Profit and Loss in which they are incurred.

Company as a Lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases where the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Lease rentals under operating leases are recognized as income on a straight-line basis over the lease term and escalation in the contract, which are structured to compensate expected general inflationary increase are not straight lined. Contingent rents are recognized as revenue in the period in which they are earned.

Notes to financial statements

for the year ended March 31, 2017

f) Share-based payments

The Company issues equity-settled and cash-settled share-based options to certain employees. These are measured at fair value on the date of grant.

The fair value determined at the grant date of the equity-settled share-based options is expensed over the vesting period, based on the Company's estimate of the shares that will eventually vest.

The fair value determined on the grant date of the cash settled share based options is expensed over the vesting period, based on the Company's estimate of the shares that will eventually vest. At the end of the each reporting period, until the liability is settled, and at the date of settlement, the fair value of the liability is recognized, with any changes in fair value pertaining to the vested period recognized immediately in the Statement of Profit and Loss.

At the vesting date, the Company's estimate of the shares expected to vest is revised to equal the number of equity shares that ultimately vest.

Fair value is measured using Black-Scholes framework and is recognized as an expense, together with a corresponding increase in equity/ liability as appropriate, over the period in which the options vest using the graded vesting method. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations. The expected volatility and forfeiture assumptions are based on historical information.

Where the terms of a share-based payments are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it is vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options if any, is reflected as additional share dilution in the computation of diluted earnings per share.

g) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

h) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through Profit & Loss (FVTPL)

Notes to financial statements
for the year ended March 31, 2017

- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt Instruments at Amortised Cost
The category applies to the Company's trade receivables, unbilled revenue, other bank balances, security deposits etc.

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instrument at FVTOCI
A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss.

Interest earned whilst holding FVTOCI debt instrument is reported as interest income.

The Company has classified investment in bonds and Investment in commercial paper and corporate deposits within this category.

Debt instrument at FVTPL
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or at FVTOCI, is classified at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. This category applies to the Company's investment in mutual funds and Government securities.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument at FVTPL.

Equity investments
All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. There are no such investments in the Company.

De-recognition:- A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

Notes to financial statements
for the year ended March 31, 2017

a) The contractual rights to receive cash flows from the asset have expired, or

b) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets
In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Financial assets that are debt instruments and are initially measured at fair value with subsequent measurement at amortised cost e.g Trade receivables, unbilled revenue etc.

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Financial Liabilities

Initial Recognition and Measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, security deposits, etc.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit or Loss.

Financial Liabilities at Amortised cost
This category includes security deposit received, trade payables etc After initial recognition, such liabilities are subsequently measured at amortised

Notes to financial statements

for the year ended March 31, 2017

cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

i) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company assesses its revenue arrangements against specific criteria, i.e., whether it has exposure to the significant risks and rewards associated with the rendering of services, in order to determine if it is acting as principal or as an agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized.

Service revenue

Service revenue includes rental revenue for use of sites and energy revenue for the provision of energy for operation sites. Rental revenue and energy revenue is recognized as and when services are rendered on a monthly basis as per the contractual terms under agreements entered with customer.

The Company has ascertained that the lease payment received are structured to increase in line with expected general inflationary increase in cost and therefore not straight-lined.

Unbilled revenue represents revenues recognized from the last invoice raised to customer to the period end. These are billed in subsequent periods based on the rates specified in the master service agreement with the operators. The Company collects service tax on behalf of the government and therefore, it is not an economic benefit

Notes to financial statements
for the year ended March 31, 2017

flowing to the Company, hence it is excluded from revenue.

Finance income
Finance income comprises interest income on funds invested and changes in the fair value of financial assets at fair value through profit or loss, and that are recognised in Statement of Profit and Loss. Interest income is recognised as it accrues in Statement of Profit and Loss, using the effective interest rate (EIR) which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Dividend Income
Dividend Income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

j) Taxes
Current tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill, if any or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit / loss.

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit /loss.

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient

Notes to financial statements
for the year ended March 31, 2017

taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

k) Dividend Payments

Final dividend is recognized, when it is approved by the shareholders and the distribution is no longer at the discretion of the Company. However, Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

m) Retirement and other employee benefits

Short term employee benefits are recognised in the period during which the services have been rendered.

The Company post employment benefits include defined benefit plan and defined contribution plans. The Company also provides other benefits in the form of deferred compensation and compensated absences.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts. The Company contributions to defined contribution plans are recognized in Statement of Profit & Loss when the related services are rendered. The Company has no further obligations under these plans beyond its periodic contributions.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under the defined benefit retirement plan, the Company provides retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to eligible employees at retirement or termination of employment based on respective employee salary and years of experience with the Company.

The cost of providing benefits under this plan is determined on the basis of actuarial valuation carried out quarterly as at the reporting date by an independent qualified actuary using the projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in the Statement of Profit and Loss.

The obligation towards the said benefit is recognised in the balance sheet as the difference between the fair value of the plan assets and the present value of the plan liabilities. Scheme liabilities are calculated using the projected unit credit method and applying the principal actuarial assumptions as at the date of Balance Sheet. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies.

All expenses excluding remeasurements of the net defined benefit liability (asset), in respect of defined benefit plans are recognized in the profit or loss as incurred. Remeasurements, comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)), are recognized immediately in the Balance Sheet with a corresponding debit or credit through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The Company provides other benefits in the form of compensated absences and long term service awards. The employees of the Company are entitled to compensated absences based on the unavailed leave balance. The Company records liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the entire leave encashment liability as a current liability in the balance sheet, since the Company does not have an unconditional right to defer its settlement for more than 12 months after the reporting date.

Under the long term service award plan, a lump sum payment is made to an employee on completion of specified years of service. The Company records the liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred. The amount charged to the Statement of Profit and Loss in respect of these plans is included within operating costs.

n) Provisions

(i) General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e unwinding of discount) is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

(ii) Contingent Assets/ Liabilities

Contingent assets are not recognised. However, when realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Contingent liabilities are disclosed in notes to accounts when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(iii) Asset Retirement Obligations

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Company has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease.

ARO are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the site restoration obligation. The unwinding of

Notes to financial statements

for the year ended March 31, 2017

the discount is expensed as incurred and recognized in the Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

o) Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

p) Fair Value Measurement

The Company measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

I. Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.

II. Level 2- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e derived from prices)

III. Level 3- Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Notes to financial statements
for the year ended March 31, 2017

This note summarises accounting policy for fair value measurement. Other fair value related disclosures are given in the relevant notes.

q) Foreign Currency

Functional and presentation currency

The Company's financial statements are presented in INR, which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. All the financial information presented in Indian Rupees (INR) has been rounded to the nearest of million rupees, except where otherwise stated.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in Statement of Profit or Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

r) Corporate social responsibility expenditure

Pursuant to the requirements of section 135 of the Act and rules thereon and guidance note on "Accounting for expenditure on Corporate Social Responsibility activities" issued by ICAI, with effect from April 1, 2015, CSR expenditure is recognized as an expense in the Statement of Profit and Loss in the period in which it is incurred.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

(a) Operating lease commitments – Company as lessor

The Company has assessed that its master service agreement ("MSA") with operators contains lease of its tower sites and plant and equipment and has determined, based on evaluation of the terms and conditions of the arrangements such as various lessees sharing the same tower sites with specific area, the fair value of the asset and all the significant risks and rewards of ownership of these properties retained by the Company, that such contracts are in the nature of operating lease and has accounted for as such.

The Company has ascertained that the annual escalations in the lease payment received under the MSA are structured to compensate the expected inflationary increase in cost and therefore has not been straight-lined.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company

Notes to financial statements
for the year ended March 31, 2017

has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(b) Impairment of non-financial assets
The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized, if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount and are recognised in Statement of Profit and Loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of goodwill, if any, allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(c) Property, plant and equipment
Refer Note 3(a) for the estimated useful life of Property, plant and equipment.

Property, plant and equipment also represent a significant proportion of the asset base of the Company. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Profit and Loss.

The useful lives and residual values of Group assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life, such as changes in technology.

During the FY 2014-15, the Company had re-assessed the useful life and residual value of all its assets, accordingly, effective April 1, 2014, it has revised the useful life of certain class of shelters from 15 years to 10 years and revised the residual value of certain plant and machineries (batteries and DG sets) from Nil and 5% to 25% and 10%, respectively. Set out below is the impact of above change on future period depreciation:-

Notes to financial statements

for the year ended March 31, 2017

(₹ Millions)

Particulars	Year Ending March 31, 2018	Year Ending March 31, 2019	After March 31, 2019
Increase/ Decrease in Depreciation	(105)	(592)	(1,886)

(d) Allowance of doubtful trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

(e) Asset retirement obligation

The Company uses various leased premises to install its tower assets. A provision is recognised for the cost to be incurred for the restoration of these premises at the end of the lease period, which is estimated based on actual quotes, which are reasonable and appropriate under these circumstances. It is expected that these provisions will be utilised at the end of the lease period of the respective sites as per respective lease agreements.

(f) Share based payment

The Company initially measures the cost of cash-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the profit or loss. This requires a reassessment of the estimates used at the end of each reporting period.

(g) Contingencies

Refer note 36 for details of contingencies.

5. Recent accounting pronouncement issued but not yet effective upto the date of issuance of financial statements

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

Notes to financial statements
for the year ended March 31, 2017

6. Property, Plant and Equipment and Intangible Asset

(₹ Millions)

Particulars	Land	Plant and equipment	Office furniture and equipment	Vehicles	Computers	Leasehold improvements	**Tangible assets Total**	Computer Software	**Intangible asset Total**
Cost or valuation									
As at April 1, 2015	**2**	**124,552**	**171**	**6**	**698**	**265**	**125,694**	**374**	**374**
Additions	-	9,756	27	2	35	13	9,832	38	38
Disposals/Adjustment	-	(6,667)	(2)	-	(1)	(1)	(6,671)	-	-
Other adjustments	-	-	-	-	-	-	-	-	-
Transfer/ Adjustment under the Scheme of arrangement	-	-	-	-	-	-	-	-	-
As at March 31, 2016	**2**	**127,641**	**196**	**8**	**732**	**277**	**128,855**	**412**	**412**
Additions	-	9,557	28	0	154	60	9,801	96	96
Disposals/Adjustment	-	(3,165)	(6)		(2)	(15)	(3,187)	(3)	(3)
Other adjustments	-	-	-	-	-	-	-	-	-
Transfer/ Adjustment under the Scheme of arrangement	-	-	-	-	-	-	-	-	-
As at March 31, 2017	**2**	**134,033**	**218**	**8**	**884**	**322**	**135,469**	**505**	**505**
Depreciation									
As at April 1, 2015	**-**	**61,537**	**104**	**5**	**661**	**176**	**62,483**	**281**	**281**
Charge for the year	-	11,969	41	-	25	27	12,062	60	60
Disposals	-	(6,244)	(3)	-	(3)	-	(6,250)	-	-
Other adjustments	-	-	-	-	-	-	-	-	-
Transfer/ Adjustment under the Scheme of arrangement	-	-	-	-	-	-	-	-	-
As at March 31, 2016	**-**	**67,262**	**142**	**5**	**683**	**203**	**68,295**	**341**	**341**
Charge for the year	-	11,954	51	1	59	41	12,106	61	61
Disposals	-	(2,722)	(6)	0	(1)	(15)	(2,743)	-	-
Other adjustments	-	-	-	-	-	-	-	-	-
Transfer/ Adjustment under the Scheme of arrangement	-	-	-	-	-	-	-	-	-
As at March 31, 2017	**-**	**76,494**	**187**	**6**	**741**	**229**	**77,658**	**402**	**402**
Net block									
As at April 1, 2015	**2**	**63,015**	**67**	**1**	**37**	**89**	**63,211**	**93**	**93**
As at March 31, 2016	**2**	**60,379**	**54**	**3**	**49**	**74**	**60,560**	**71**	**71**
As at March 31, 2017	**2**	**57,539**	**31**	**2**	**143**	**93**	**57,811**	**103**	**103**

(i) “Plant and equipment” comprise of assets given on operating lease. For details, refer note 35(b).
(ii) Depreciation charge for the year includes ₹ 804 Mn (FY 2015 - 16 - ₹ 707 Mn) being the amount provided for asset obsolescence with respect to assets not in active use.
(iii) Disposal/adjustment includes cost and accumulated depreciation for assets sold and the assets for which insurance claims are made by the Company.
(iv) Net book value of computers of ₹ 108 mn (March 31, 2016: ₹ 47 mn, April 1, 2015: ₹ 20 mn) are under finance lease.

Notes to financial statements
for the year ended March 31, 2017

7. Investment

a) Non Current Investment

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investment in subsidiary (Unquoted)			
Smartx Services Limited: 3,000,000 (March 31, 2016- 3,000,000, April 1, 2015- Nil) equity shares of ₹ 10 each fully paid up	30	30	-
Bharti Infratel Services Limited: Nil (March 31, 2016- Nil, April 1, 2015- 50,000) equity shares of ₹ 10 each fully paid up	-	-	1
Investments carried at fair value through profit and loss			
Mutual funds (quoted)	306	25,044	31,262
Government securities (quoted)	38,784	-	-
Investments carried at fair value through OCI			
Bonds (quoted)	2,131	3,222	-
	41,251	**28,296**	**31,263**

b) Current Investment

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investments carried at fair value through profit and loss			
Mutual funds (quoted)	-	13,302	34,972
Government securities (quoted)	13,088	-	-
Investments carried at fair value through OCI			
Corporate deposit (quoted)	1,425	2,846	-
Commercial paper (quoted)	477	-	-
	14,990	**16,148**	**34,972**

Aggregate value of unquoted Investments (cost)	30	30	1
Aggregate value of quoted Investments (cost)	56,851	37,662	58,822
Aggregate market value of quoted Investments	56,211	44,414	66,234

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Non Current Investments

Details of investments in mutual funds are provided below:

(₹ Millions)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Unit No.	Amount	Unit No.	Amount	Unit No.	Amount
Birla Sun Life Income Plus - Growth Regular Plan	-	-	81,531,569	5,388	81,531,569	5,144
Birla Sun Life Short Term Opportunities Fund - Growth-Regular Plan	-	-	-	-	86,393,736	1,976
DSP Black Rock Strategic Bond Fund-Institutional Plan-Growth	-	-	1,082,504	1,922	1,745,815	2,917
HDFC Income Fund Growth	-	-	104,051,219	3,517	104,051,219	3,334
Franklin India Income Opportunities Fund	-	-	50,660,486	867	-	-
ICICI Prudential Income -Regular Plan - Growth	-	-	45,694,326	2,120	45,694,326	2,006
BOI AXA Corporate Credit Spectrum Fund - Regular Plan	25,000,000	306	25,000,000	275	-	-
IDFC Super Saver Income Fund-Investment Plan-Growth-(Regular Plan)	-	-	85,232,890	3,055	85,232,890	2,913
JPMorgan India Active Bond Fund Retail Plan Growth Option	-	-	-	-	47,044,600	714
Kotak Bond Scheme Plan A-Growth - Regular Plan	-	-	36,212,982	1,523	36,212,982	1,446
Reliance Income Fund Growth Plan - Growth Option	-	-	65,982,324	3,165	65,982,324	3,006
Templeton India Income Builder Account Plan A - Growth	-	-	-	-	48,224,495	2,337
UTI Bond Fund - Growth	-	-	41,865,468	1,843	74,936,438	3,141
BOI AXA Corporate Credit Spectrum Fund - Regular Plan	-	-	-	-	25,000,000	252
Reliance Regular Savings Fund - Debt Plan - Growth Plan - Growth Option	-	-	-	-	66,227,040	1,259
Franklin India Income Builder Account - Plan A	-	-	26,698,497	1,369	50,660,486	817
Total	**25,000,000**	**306**	**564,012,265**	**25,044**	**818,937,920**	**31,262**

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for the year ended March 31, 2017

Details of investments in Government securities are provided below:

(₹ Millions)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Units	Amount	Units	Amount	Units	Amount
6.97% Govt Stock 2026	52,000,000	5,300	-	-	-	-
7.59% Govt Stock 2026	319,500,000	33,484	-	-	-	-
	371,500,000	**38,784**	**-**	**-**	**-**	**-**

Details of investments in bonds are provided below:

(₹ Millions)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Units	Amount	Units	Amount	Units	Amount
Power Finance Corporation Ltd	-	-	350	351	-	-
Rural Electrification Corporation Ltd	-	-	150	149	-	-
Housing Dvelopment Finance Corporation Limited	-	-	70	697	-	-
National Highway Authority of India	500	526	500	501	-	-
NTPC Limited	300	320	300	304	-	-
Housing and Urban Development Corporation Limited	200,000	228	200,000	216	-	-
Indian Railiway Finance Corporation Limited	1,000	1,057	1,000	1,004	-	-
	201,800	**2,131**	**202,370**	**3,222**	**-**	**-**

Current Investments

Details of investments in mutual funds are provided below:

(₹ Millions)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Unit No.	Amount	Unit No.	Amount	Unit No.	Amount
Birla Sun Life Income Plus-Growth Regular Plan	-	-	23,775,009	1,571	58,818,759	3,711
HDFC Income Fund Growth	-	-	46,967,635	1,587	68,876,846	2,208
HDFC Short Term Plan-Dividend	-	-	-	-	18,306,435	505
Birla Sun Life Treasury Optimizer Plan - Growth Regular Plan	-	-	-	-	2,909,807	506
HDFC HIF STP - Growth	-	-	-	-	43,115,259	1,190
UTI Short Term Income Fund Institutional Option - Growth	-	-	-	-	30,042,480	505

Notes to financial statements
for the year ended March 31, 2017

(₹ Millions)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Unit No.	Amount	Unit No.	Amount	Unit No.	Amount
ICICI Prudential Short Term - Regular Plan - GROWTH	-	-	96,811,536	4,493	17,618,475	504
Religare Invesco Short Term Fund - Growth	-	-	-	-	631,432	1,177
Religare Invesco Ultra Short Term Fund - Growth	-	-	-	-	263,235	507
SBI Magnum Income Fund - Regular Plan - Growth	-	-	-	-	32,485,568	1,099
Sundaram Ultra Short Term Fund Regular Growth	-	-	-	-	10,541,073	202
ICICI Prudential Money Market Fund - Direct Plan - Growth	-	-	-	-	2,068,170	400
ICICI Prudential Liquid - Direct Plan - Growth	-	-	-	-	5,315,317	1,101
IDFC Dynamic Bond Fund - Growth Regular Plan	-	-	-	-	29,627,698	503
IDFC Dynamic Bond Fund - Growth Regular Plan	-	-	-	-	52,199,311	885
IDFC Super Saver Income Fund-Investment Plan-Growth - Regular Plan	-	-	34,149,368	1,224	34,149,368	1,167
Kotak Liquid Scheme Plan A - Direct Plan - Growth	-	-	-	-	387,765	1,101
Reliance Liquid Fund - Cash Plan - Growth Option - Growth Plan	-	-	-	-	181,226	403
Reliance Liquid Fund - Treasury Plan - Direct Plan - Growth Plan - Growth Option	-	-	-	-	308,049	1,051
Reliance Money Manager Fund - Growth Plan Growth Option	-	-	-	-	265,208	508
ICICI Prudential Flexible Income - Regular Plan - Growth	-	-	-	-	1,534,000	404
Birla Sun Life Floating Rate Fund Short Term Plan - Growth Direct Plan.	-	-	-	-	5,909,931	1,101
AXIS Banking Debt Fund - Growth (BD-GP)	-	-	-	-	197,482	252
Kotak Bond Scheme Plan A-Growth - Regular Plan	-	-	82,688,429	3,476	118,736,484	4,740
SBI Dynamic Bond Fund-Regular Growth	-	-	-	-	137,780,607	2,366
Franklin India Income Opportunities Fund	-	-	-	-	50,465,370	814

Notes to financial statements

for the year ended March 31, 2017

(₹ Millions)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Unit No.	Amount	Unit No.	Amount	Unit No.	Amount
ICICI Prudential Income Regular Plan-Growth	-	-	-	-	115,575,705	5,073
ICICI Prudential Short Term - Regular Plan - Growth	-	-	-	-	30,176,155	864
JM High Liquidity Fund - Growth Option	-	-	-	-	1,582,314	60
Principal Cash Management Fund - Regular Plan Growth	-	-	-	-	47,708	65
ICICI Prudential Money Market Fund - Growth	-	-	4,546,492	951	-	-
	-	**-**	**288,938,469**	**13,302**	**870,117,237**	**34,972**

Details of Corporate deposits are provided below:

(₹ Millions)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Unit No.	Amount	Unit No.	Amount	Unit No.	Amount
HDFC Bank Limited	-	-	18,500	1,847	-	-
AXIS Bank Limited	5,000	474	10,000	999	-	-
Yes Bank Limited	10,000	951	-	-	-	-
	15,000	**1,425**	**28,500**	**2,846**	**-**	**-**

Details of Commercial paper are provided below:

(₹ Millions)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Unit No.	Amount	Unit No.	Amount	Unit No.	Amount
Housing Development Finance Corporation Ltd	1,000	477	-	-	-	-
	1,000	**477**	**-**	**-**	**-**	**-**

Details of investments in Government securities are provided below:

(₹ Millions)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Units	Amount	Units	Amount	Units	Amount
7.68% Govt Stock 2023	100,000,000	10,416	-	-	-	-
8.27% Govt Stock 2020	25,500,000	2,672	-	-	-	-
	125,500,000	**13,088**	**-**	**-**	**-**	**-**

Notes to financial statements
for the year ended March 31, 2017

8. Other financial assets

a) Non current

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Security deposit			
Unsecured, considered good	1,148	1,221	1,080
Unsecured, considered doubtful	257	64	61
Less :- Provisions	(257)	(64)	(61)
Others- Fixed deposits for more than one year	15	-	-
	1,163	**1,221**	**1,080**

"Security deposit" includes ₹ 3 Mn given to related parties (March 31, 2016- ₹ 3 Mn, April 1, 2015- Nil). For details, refer note 40.

b) Current

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unbilled revenue	3,584	1,963	1,114
Interest accrued on Investments	977	893	11
	4,561	**2,856**	**1,125**

"Unbilled revenue" is net of provisions considered for penalties, deductions etc and includes amount receivable from related parties amounting to ₹ 2,224 Mn as at March 31, 2017 (March 31, 2016 - ₹ 1,849 Mn, April 1, 2015 - ₹ 1,289 Mn). For details refer note 40

9. Taxes

(a) Income tax expense

The major components of income tax expense are:

(i) Profit and loss

(₹ Millions)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Current tax	8,594	6,351
Deferred tax	(2,287)	(902)
Income tax expense	**6,307**	**5,449**

(ii) Other Comprehensive Income

(₹ Millions)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Deferred tax on re-measeurements of defined benefits plan	3	1
Fair Value changes of financial assets at FVTOCI	(10)	(3)
Income tax charged to OCI	**(7)**	**(2)**

Notes to financial statements
for the year ended March 31, 2017

(b) Current tax assets (net)

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current tax assets	31,018	23,070	16,142
Current tax liabilities	(29,383)	(20,802)	(14,452)
	1,635	**2,268**	**1,690**

(c) Reconciliation of effective tax rate:

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(₹ Millions)

Particulars	Year ended March 31,2017	Year ended March 31,2016
Net income before taxes	33,357	18,724
Enacted tax rate in India	34.61%	34.61%
Computed tax expense	11,544	6,480
Increase/(reduction) in taxes on account of:		
Tax effect on exempted income under Income tax act	(3,341)	(31)
Tax effect of long-term capital (loss)/gain on MTM loss/(gain) on non-current Government securities/mutual funds	152	(772)
Adjustment in respect to deferred tax of previous years	(16)	398
Adjustment in respect to current income tax of previous years	16	(384)
Tax effect of LTCG on loss/(gain) on sale of non current mutual funds/ bonds	(2,070)	(259)
Others	22	17
Income tax expense recorded in the statement of profit and loss	**6,307**	**5,449**

The applicable Indian statutory tax rate for financial year 2016-17 and financial year 2015-16 is 34.61%.

(d) Deferred tax assets/ (liabilities)

The components that gave rise to deferred tax assets and liabilities are as follows:

(₹ Millions)

Particulars	As at March 31,2017	As at March 31,2016	As at April 1,2015
Deferred tax liability in relation to:			
Property, plant and equipment & intangible asset (excluding ARO)	1,434	1,986	2,043
Investment carried at Fair value through P&L/ OCI	39	1,562	2,563
Security deposit received measured at amortised cost	114	110	101
Gain on disposal of subsidiary	115	115	115
Total deferred Tax liability	**1,702**	**3,773**	**4,822**

Notes to financial statements
for the year ended March 31, 2017

(₹ Millions)

Particulars	As at March 31,2017	As at March 31,2016	As at April 1,2015
Deferred Tax Assets in relation to:			
Asset retirement obligation	530	451	379
Investment carried at Fair value through P&L/ OCI	136	-	-
Security deposit paid measured at amortised cost	46	25	23
Provision for doubtful debts and advance	436	441	496
Provison for employee benefits	94	75	63
Employee Stock option plans	119	112	194
Others	78	127	223
Total deferred tax assets	**1,439**	**1,231**	**1,378**
Net deferred tax asset/(liabilities)	**263**	**2,542**	**3,444**

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

Current tax expense includes tax expense of ₹ 16 Mn (March 31, 2016 – reversal of ₹ 384 Mn) and deferred tax expense includes reversal of ₹ 16 Mn (March 31, 2016 – tax expense of ₹ 398 Mn), respectively relating to earlier periods.

The Reconciliation of Net deferred tax liability is follows:

(₹ Millions)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening balance	2,542	3,444
Tax expense during the year recognised in Statement of profit and loss	(2,279)	(902)
Closing balance	**263**	**2,542**

10. Other non-current assets

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital advances			
Unsecured, considered good	23	15	14
Unsecured, considered doubtful	20	20	34
Less: provision for capital advances	(20)	(20)	(34)
	23	15	14
Others			
Considered good	2,397	2,251	2,921
Considered doubtful	18	18	18
Less - provision	(18)	(18)	(18)
	2,397	2,251	2,921
Deferred lease - security deposit	35	43	34
Advance fringe benefit tax (net of provision)	-	2	2
	2,455	**2,311**	**2,971**

Notes to financial statements

for the year ended March 31, 2017

"Others" comprise of payments made under protest to the Government authorities. For details, refer note 36(b).

11. Trade receivables

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured, considered good	1,515	1,955	3,392
Unsecured, considered doubtful	1,223	1,255	1,195
Less: Allowance for doubtful receivables	(1,223)	(1,255)	(1,195)
	1,515	**1,955**	**3,392**

Includes receivables from related parties amounting to ₹ 1,251 Mn (March 31, 2016 - ₹ 1,315 Mn, April 1, 2015 - ₹ 2,121 Mn), respectively. For details, refer note 40. Trade receivables are non-interest bearing and due after 15 days from the date of invoice.

12. Cash and cash equivalents

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balance with banks			
On current accounts	22,491	258	62
Deposits with original maturity of less than three months	-	19,822	-
Cheques on hand	3	11	-
	22,494	**20,091**	**62**

Cash and cash equivalents as at March 31, 2017 includes earmarked bank balances for ₹ 22,195 mn (March 31, 2016 - Nil, April 1, 2015 - Nil) on account of unpaid interim dividend kept in separate bank account.

For the purpose of statement of cash flows, cash and cash equivalents comprise of following:-

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Cash and cash equivalents as per balance sheet	22,494	20,091	62
Bank Overdraft	(2,785)	-	-
	19,709	**20,091**	**62**

13. Other Bank Balances

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Fixed deposits with original maturity less than twelve months	-	11,462	8,820
	-	**11,462**	**8,820**

Notes to financial statements
for the year ended March 31, 2017

14. Other Current Assets

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Loans and advance to related parties (refer note 40)	308	560	625
Advance to supplier	2,429	1,692	1,731
Other taxes recoverable	1,008	1,062	1,101
Prepaid expenses	56	61	56
Others	61	85	398
	3,862	**3,460**	**3,911**

15. Share capital

a. Equity share capital:

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Authorized Shares			
3,500,000,000 equity shares of ₹ 10 each (3,500,000,000 equity shares as at March 31, 2016 and April 1, 2015)	35,000	35,000	35,000
Issued, subscribed and fully paid-up shares			
1,849,608,246 equity shares of ₹ 10 each fully paid-up (March 31, 2016-1,896,667,069 equity shares, April 1, 2015-1,893,769,293 equity shares)	18,496	18,967	18,938
	18,496	**18,967**	**18,938**

b. Terms/ rights attached to equity shares:

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

On May 8, 2017, the Board of Directors have proposed a dividend of ₹ 4 per equity share (FY 2015-16 - ₹ 3 per equity share) to all the existing shareholders for the year ended March 31, 2017. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing general meeting.

The Board of directors of the Company at its meeting held on March 22, 2017 has approved an interim dividend of ₹ 12 per equity share for FY 2016-17.

Notes to financial statements

for the year ended March 31, 2017

c. Shares held by holding Company:

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No.	₹ Millions	No.	₹ Millions	No.	₹ Millions
Equity shares of ₹ 10 each fully paid						
Bharti Airtel Limited	930,898,728	9,309	1,360,000,000	13,600	1,360,000,000	13,600

d. Details of shareholders holding more than 5% shares in the Company:

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No.	% holding	No.	% holding	No.	% holding
Equity shares of ₹ 10 each fully paid						
Bharti Airtel Limited	930,898,728	50.33%	1,360,000,000	71.70%	1,360,000,000	71.81%
Nettle Infrastructure Investments Limited	209,416,643	11.32%	-	-	-	-
Silverview Portfolio Investments Pte. Ltd.	130,803,065	7.07%	-	-	-	-
Total	**1,271,118,436**	**68.72%**	**1,360,000,000**	**71.70%**	**1,360,000,000**	**71.81%**

e. Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

During the year ended March 31, 2013, the Company allotted 1,161,605,820 equity shares as fully paid bonus shares by capitalization of securities premium account.

During the year ended March 31, 2016, the Company allotted 2,897,776 equity shares (F.Y 2014-15, 2013-14 and 2012-13 - 4,468,180, 558,059 and 100,212 equity shares respectively) of ₹ 10 each to its employees on exercise of stock options under the Employee Stock Option Plan 2008 wherein part consideration was received in form of employee services. (refer note 34).

f. Aggregate number and class of shares bought back during the year:

During the year ended March 31, 2017, the Company brought back 47,058,823 equity shares of ₹ 10 each by way of tender offer through stock exchange mechanism for cash at price of ₹ 425 per equity share.

g. Shares reserved for issue under options:

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 34.

Notes to financial statements
for the year ended March 31, 2017

16. Other financial liabilities , non-current

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Security deposits	2,373	2,033	1,756
	2,373	**2,033**	**1,756**

The above security deposit is the fair value of total security deposit at transaction value for ₹ 4,034 as at March 31, 2017 (March 31, 2016 ₹ 3,743 Mn, April 1, 2015 ₹ 3,507 Mn)

"Security deposits" includes transaction value of ₹ 2,019 Mn (March 31, 2016 - ₹ 1,936 Mn, April 1, 2015 - ₹ 1,949 Mn) amounts received from related parties. For details, refer note 40.

17. Provisions

a) Long Term Provisions

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Asset retirement obligation (ARO)	2,102	1,899	1,712
Gratuity (refer note 33)	125	98	76
Long-term service award	16	12	11
	2,243	**2,009**	**1,799**

The Company uses various premises on lease to install plant and equipment. A provision is recognised for the costs to be incurred for the restoration of these premises at the end of the lease period. It is expected that this provision will be utilized at the end of the lease period of the respective sites as per the respective lease agreements. The movement of Provision in accordance with Ind AS 37 on 'Provisions, Contingent liabilities and Contingent Assets' is given below:

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016
Opening Balance	1,899	1,712
Provision during the year	54	48
Unwinding of discount	149	139
Closing Balance	**2,102**	**1,899**

b) Short Term Provisions

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Gratuity (refer note 33)	48	44	40
Leave encashment	86	75	66
	134	**119**	**106**

Notes to financial statements
for the year ended March 31, 2017

18. Other non-current liabilities

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred lease- security deposit	1,332	1,393	1,460
Liability for cash settled option (refer note 34)	-	77	67
Unearned revenue	301	303	242
	1,633	**1,773**	**1,769**

19. Borrowings

(₹ In Million)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Bank Overdraft (unsecured)	2,785	-	-
	2,785	**-**	**-**

The bank overdraft is repayable on demand and carries interest rate of 8.15% per annum.

20. Trade payables

a) Trade Payable include ₹ 92 Mn (March 31, 2016 - ₹ 290 Mn, April 1, 2015 - ₹ 350 Mn) payable to Parent company and fellow subsidiary Company. For details, refer note 40.

b) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
Principal amount due to micro and small enterprises	15	2	22
Interest due on above	-	-	-
	15	**2**	**22**
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period/ year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	30	22	19
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-	-

Notes to financial statements
for the year ended March 31, 2017

21. Other financial liabilities

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unpaid Interim dividend	22,195	-	-
	22,195	**-**	**-**

The Board of directors of the Company at its meeting held on March 22, 2017 has approved an interim dividend of ₹ 12 per equity share for FY 2016-17.

22. Other Current Liabilities

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Equipment supply payables	1,502	1,998	2,050
Accrued expenses	11,764	11,033	9,801
Dues to employees	219	204	215
Other taxes payable	92	27	159
Unearned revenue	21	21	21
Corporate dividend tax on interim dividend	4,519	-	-
Liability for cash settled option (refer note 34)	26	-	-
Others	170	119	105
	18,313	**13,402**	**12,351**

"Other" includes ₹ 60 Mn (March 31, 2016- ₹ 60 Mn, April 1, 2015- ₹ 60 Mn) on account of security deposit received from related parties and "Accrued expense" include ₹ 176 (March 31, 2016- ₹ 117 Mn, April 1, 2015- ₹ 345 Mn) payable to related parties. For details, refer note 40.

23. Revenue From Operations

(₹ Millions)

	Year ended March 31, 2017	Year ended March 31, 2016
Sale of services		
Rent	37,968	34,615
Energy (Including recoveries for rates and taxes)	22,879	20,968
	60,847	**55,583**

Notes to financial statements
for the year ended March 31, 2017

24. Other income

(₹ Millions)

	Year ended March 31, 2017	Year ended March 31, 2016
Interest income (others)	60	-
Dividend income from joint venture	9,510	-
Profit on sale of property, plant and equipment	581	651
Termination charges for contract cancellation (refer note 50)	-	22
Miscellaneous income	70	431
	10,221	**1,104**

25. Power and Fuel

(₹ Millions)

	Year ended March 31, 2017	Year ended March 31, 2016
Network	21,118	19,875
Others	25	26
	21,143	**19,901**

26. Rent

(₹ Millions)

	Year ended March 31, 2017	Year ended March 31, 2016
Network	3,031	2,673
Others	153	125
	3,184	**2,798**

27. Employee benefit expenses

(₹ Millions)

	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, wages and bonus	2,454	2,249
Contribution to provident fund	79	73
Equity settled/cash settled option expense	32	82
Staff welfare expenses	108	98
Others	73	76
	2,746	**2,578**

"Salaries, wages and bonus" includes gratuity and other post employment benefits. For details, refer note 33.
Further, for details of employee stock/cash option expense, refer note 34

Notes to financial statements
for the year ended March 31, 2017

28. Repairs and Maintenance

(₹ Millions)

	Year ended March 31, 2017	Year ended March 31, 2016
Repair and maintenance		
- Plant and machinery	3,006	2,726
- Building	6	9
- Others	1,072	1,184
	4,084	**3,919**

29. Other expenses

(₹ Millions)

	Year ended March 31, 2017	Year ended March 31, 2016
Insurance	50	57
Travelling and conveyance	148	151
Communication expenses	105	86
Legal and professional	425	402
IT expenses	207	239
Provision for doubtful debts and advances (net)	36	106
Provision for capital work in progress (net)	(8)	(7)
Miscellaneous expenses		
- Network	127	143
- Others	74	112
	1,164	**1,289**

Payment to auditor (net of service tax)

(₹ Millions)

	Year ended March 31, 2017	Year ended March 31, 2016
Audit fee	7	7
Reimbursement of expenses	1	1
	8	**8**

30. Depreciation and amortization expense

(₹ Millions)

	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation	12,104	12,061
Amortization	63	60
	12,167	**12,121**
Less: adjusted with general reserve in accordance with the Scheme of arrangement with Bharti Airtel Limited (refer note 43)	(510)	(571)
	11,657	**11,550**

Notes to financial statements
for the year ended March 31, 2017

31. Finance Costs (net)

(₹ Millions)

	Year ended March 31, 2017	Year ended March 31, 2016
Finance Income		
Interest on bank deposit	626	2,018
Interest on bonds	279	118
Net gain on sale of investments	12,673	2,997
Mark to market gain/(loss) on investment	(7,460)	(682)
Interest on government securities	777	-
Interest income on others	-	121
Interest on security deposit paid	40	43
	6,935	**4,615**

(₹ Millions)

	Year ended March 31, 2017	Year ended March 31, 2016
Finance costs		
Interest on cash credit	20	-
Bank charges	9	6
Unwinding of discount on asset retirement obligation	149	139
Unwinding of discount on security deposit received	216	185
	394	**330**
	(6,541)	**(4,285)**

32. Earnings per Share (EPS)

	Year ended March 31, 2017	Year ended March 31, 2016
Nominal value of equity shares (₹)	10	10
Profit attributable to equity shareholders for computing Basic and Dilutive EPS (A) (₹ Millions)	27,050	13,275
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	1,866,368,923	1,896,182,081
Dilutive effect on weighted average number of equity shares outstanding during the Year	-	-
Weighted average number of equity shares and equity equivalent shares for computing Diluted EPS (C)	1,866,368,923	1,896,182,081
Basic earnings per share (A/B) (₹)	14.494	7.002
Diluted earnings per share (A/C) (₹)	14.494	7.002

Notes to financial statements
for the year ended March 31, 2017

33. Employee benefits

The Company has recognised the following amounts in the statement of profit and loss:

Defined contribution plan

(₹ Millions)

	Year ended March 31, 2017	Year ended March 31, 2016
Employer's contribution to provident fund	79	73
Total	**79**	**73**

Defined benefit plan

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each reporting period. The plan is not funded by the Company. Such liability is included in salaries, wages and bonus (refer note 27).

Gratuity

i. Amount charged to the statement of profit and loss:

(₹ Millions)

	Year ended March 31, 2017	Year ended March 31, 2016
Service cost	31	32
Interest cost	11	10
	42	**42**

ii. The assumptions used to determine the benefit obligation are as follows:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Discount rate	7.40%	8.00%	8.50%
Expected rate of increase in compensation levels	10.00%	10.00%	10.00%
Expected average remaining working lives of employees (years)	23.13	23.63	24.02

iii. Reconciliation of opening and closing balances of defined benefit obligation:

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016
Present value of benefit obligation at beginning of year	141	114
Service cost	31	32
Interest cost	11	10
Benefits paid	(19)	(14)
Actuarial (gain)/ loss	9	3
Acquistion Adjustment	(1)	(4)
Present value of benefit obligation at end of year	**172**	**141**

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for the year ended March 31, 2017

iv. Amount recognised in Other Comprehensive Income

(₹ Millions)

	As at March 31, 2017	As at March 31, 2016
Opening Net Cummulative unrecognized	(3)	-
Actuarial Gain / (Loss) on PBO	(9)	(3)
Actuarial Gain / (Loss) on plan assets		
Unrecognized Actuarial Gain/(Loss) at the end of year	(12)	(3)

v. The discount rate is based on the average yield on government bonds at the reporting date with a term that matches that of the liabilities.

vi. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

vii. Estimated amounts of benefits payable within next year are ₹ 43 Mn (March 31, 2016– ₹ 38 Mn).

viii. The Maturity profile of defined benefit obligation is as follows:

(₹ Millions)

Period	Amount
April 2017- March 2018	48
April 2018- March 2019	18
April 2019- March 2020	15
April 2020- March 2021	13
April 2021 onwards	79

ix. Sensitivity analysis

(₹ Millions)

Particulars	Change in Assumption		Impact on Gratuity	
	Year ended Mar 31, 2017	Year ended Mar 31, 2016	Year ended Mar 31, 2017	Year ended Mar 31, 2016
Discount rate	+1%	+1%	(7)	(6)
	-1%	-1%	8	7
Salary Growth rate	+1%	+1%	8	7
	- 1%	-1%	(7)	(6)

The above sensitivity analysis are based on a change in an assumption by a percentage while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. While calculating the sensitivity of the defined benefit obligation to significant actuarial assumption, same method i.e Projected Unit Credit method has been applied as when calculating the gratuity liability recognized within the Balance sheet

34. Employee stock/cash settled option plans

Pursuant to the board resolution dated July 22, 2008 and the resolution of the shareholders in extraordinary general meeting dated August 28, 2008, the Company instituted the Employee Stock Option Scheme 2008 (the 2008 Scheme).

In FY 2013-14 & 2014-15, the Company had announced new performance unit plan (cash settled option plan) for its employees.

Notes to financial statements

for the year ended March 31, 2017

During the year ended March 31, 2017 and March 31, 2016, the Company had announced grants under Long term incentive plan (LTIP) 2015 for its employees.

The following table provides an overview of all existing stock/cash option plans of the Company:

Scheme	Plan	Stock options outstanding (in thousands)	Vesting period (years)	Contractual term (years)	Weighted average exercise price (₹)	Classification/ accounting treatment
Equity settled Plans						
Infratel Plan	2008 Plan	158	1 - 5	7	110	Equity settled
Infratel Plan	Long term incentive plan (LTIP)	2	1 - 3	7	10	Equity settled
Infratel Plan	Long term incentive plan (LTIP) 2015 (Grant 2015)	68	1 - 3	7	10	Equity settled
Infratel Plan	Long term incentive plan (LTIP) 2015 (Grant 2016)	105	1 - 3	7	10	Equity settled
Cash settled Plans						
Infratel Plan	Performance Unit Plan	75	1 - 3	7	-	Cash settled

The following table provides details of vesting schedule (graded vesting) of all the existing stock/cash settled option plans of the Company:-

	Vesting period from the grant date	Vesting schedule
1. ESOP Scheme 2008 (including LTIP)		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
For options with a vesting period of 48 months:		
	On completion of 12 months	15%
	On completion of 24 months	20%
	On completion of 36 months	30%
	On completion of 48 months	35%
For options with a vesting period of 60 months:		
	On completion of 12 months	20%
	On completion of 24 months	20%
	On completion of 36 months	20%
	On completion of 48 months	20%
	On completion of 60 months	20%
2. Performance Unit Plan (Cash settled plan)		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%

Notes to financial statements

for the year ended March 31, 2017

	Vesting period from the grant date	Vesting schedule
3. Long term incentive plan (LTIP) 2015 (Grant 2015)		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
4. Long term incentive plan (LTIP) 2015 (Grant 2016)		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%

Information concerning the movement in stock options during the year and outstanding at the year end is as follows:

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of stock options (In '000)	Exercise price (₹)	Number of stock options (In '000)	Exercise price (₹)
Company				
Plan 2008				
Outstanding at beginning of the year	732	110	3,834	110
Granted	-	-	-	-
Forfeited	(10)	110	(24)	110
Exercised	(564)	110	(3,078)	110
Outstanding at the year end	158	110	732	110
Exercisable at end of the year	158	110	732	110
LTI Plan (Part of 2008 plan)				
Outstanding at beginning of the year	4	10	6	10
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	(2)	10	(2)	10
Outstanding at the year end	2	10	4	10
Exercisable at end of the year	2	10	4	10
Cash settled Plan				
Outstanding at beginning of the year	183	NA	238	NA
Granted	-	NA	-	NA
Forfeited	(3)	NA	(4)	NA
Exercised	(105)	NA	(51)	NA
Outstanding at the year end	75	NA	183	NA
Exercisable at end of the year	25	NA	37	NA
LTI Plan 2015 (Grant 2015)				
Outstanding at beginning of the year	90	10	-	-

Notes to financial statements

for the year ended March 31, 2017

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of stock options (In '000)	Exercise price (₹)	Number of stock options (In '000)	Exercise price (₹)
Granted	-	-	90	10
Forfeited	(5)	10	-	-
Exercised	(17)	10	-	-
Outstanding at the year end	68	10	90	10
Exercisable at end of the year	9	10	-	-
LTI Plan 2015 (Grant 2016)				
Outstanding at beginning of the year	-	-	-	-
Granted	105	10	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Outstanding at the year end	105	10	-	-
Exercisable at end of the year	-	-	-	-

The weighted average share price at the exercise date was ₹ 348.64 per share for options exercised under the 2008 Scheme & LTI plan, ₹ 364.88 per share for options exercised under cash settled plan & ₹ 341.41 per share for options exercised under the LTIP Scheme 2015 during the year ended March 31, 2017.

The weighted average fair value of the options granted during the year March 31, 2017 is ₹ 382.44 per share (FY 2015 -16 – ₹ 497.29 per share). The fair value of the options granted during the year was estimated using the Black Scholes, method of valuation with the following assumptions:

	LTIP Plan 2015 (Grant 2016) As at March 31, 2017	LTIP Plan 2015 (Grant 2015) As at March 31, 2016
Risk free interest rates	6.32% to 7.10%	7.20% to 7.87%
Vesting period	36 months	36 months
Weighted average share price (₹)	318.7	414.41
Weighted average remaining contractual life	6.33 years	6.33 years
Volatility	38.94%	37.23%
Dividend yield	1.83%	1.44%

Total employee stock/cash options expense recognised for the year ended March 31, 2017and March 31, 2016 is ₹ 32 Mn and ₹ 82 Mn respectively.

Notes:

(i) Bharti Airtel Limited has given stock option to certain employees of the Company. Bharti Airtel Limited has not charged the compensation cost relating to the stock option granted to the Company's employee. Besides this, the Company has also given stock options to certain employees of Bharti Airtel Limited and has considered the related compensation cost in its books.

Notes to financial statements
for the year ended March 31, 2017

(ii) The Company has decided to issue equity shares on exercise of ESOPs through ESOP trust. The loan of ₹ 625 Mn has been given to ESOP trust during F.Y 2014-15 to purchase the Equity Shares of the Company from open market as permitted by SEBI (Share Based Employee Benefits) Regulations, 2014.

(iii) During the FY 2014-15 Bharti Infratel Employee Welfare Trust (a trust set up for administration of Employee Stock Option Plan ('ESOP') of the Company) has acquired 1,652,000 equity shares of the Company from the open market at an average price of ₹ 377.72 per share. As of March 31, 2017, Bharti Infratel Employee Welfare Trust ('the Trust') holds 852,656 shares (of Face Value of ₹ 10 each) (March 31, 2016- 1,470,439 equity shares) of the Company.

Particulars	As at Mar 31, 2017	As at Mar 31, 2016	As at Mar 31, 2017	As at Mar 31, 2016
	Number of Shares		**(₹ Millions)**	
Opening Balance	1,470,439	1,652,000	559	624
Issued during the year	(586,612)	(181,561)	(222)	(65)
Buyback	(31,171)	-	(13)	-
Closing Balance	**852,656**	**1,470,439**	**324**	**559**

35. Leases

(a) Operating lease: Company as a lessee
The lease rentals paid under non-cancelable leases relating to rentals of building premises and cell sites as per the agreements with escalation rates ranging from 0% to 25% per annum and maximum obligation on long-term non-cancelable operating leases are as follows:

(₹ Millions)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Lease rental charged to statement of profit and loss	3,184	2,798
Obligation on non-cancelable lease:		
Not Later than one year	3,167	2,902
Later than one year but not later than five years	11,294	10,720
Later than five years	16,225	15,820
Total	**30,686**	**29,442**

(b) Operating lease: Company as a lessor
The Company has given sites on operating lease to telecom operators. As per the agreements with the operators the escalation rates range from 0% to 2.5% per annum. The service charges recognised as income during the year for non-cancellable arrangements relating to provision for passive infrastructure sites as per the agreements is ₹ 37,433 Mn and ₹ 34,367 Mn for the year ended March 31, 2017 and March 31, 2016 respectively.

(₹ Millions)

Particulars	As at March 31, 2017	As at March 31, 2016
Future minimum lease payment receivable:		
Not Later than one year	38,481	36,494
Later than one year but not later than five years	145,920	137,952
Later than five years	59,356	75,463
Total	**243,757**	**249,909**

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for the year ended March 31, 2017

36. Contingencies

a. Guarantees

(₹ Millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Total guarantees issued by banks and financials institutions on behalf of the Company	5	3	426
Total	**5**	**3**	**426**

b. Claims against the Company not acknowledged as debt

(₹ Millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(i) Taxes, duties and other demands (under adjudication / appeal / dispute)@			
- Sales tax (refer to a below)#	458	458	1,556
- Stamp duty (refer to b below)	192	192	192
- Entry tax (refer to c below)	2,230	1,849	1,618
- Municipal taxes (refer to d below)	1,147	985	741
- Service tax (refer to e below)	16,115	15,809	15,529
(ii) Other claims under legal cases including arbitration matters (refer to f below)	127	135	110
(iii) Income tax matters (refer to g below)#	2,590	1,262	1,264
Total	**22,859**	**20,690**	**21,010**

@ the amount includes demand amount and interest till the date of demand.

Includes ₹ 2,955Mn (March 31, 2016 - ₹ 1,627 Mn , April 1, 2015 – ₹ 2,727 Mn) for which the possibility of tax demand materializing is remote, based on internal assessment of the Company.

Notes to financial statements

for the year ended March 31, 2017

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

a) Sales Tax

The claims for sales tax as of March 31, 2017 comprise of the case relating to levy of penalty for the year 2008-09 in right to use litigation wherein the main demand has already been quashed by Hon'ble High Court ('HC') of Indore. The Company has filed Writ petition against the penalty before Hon'ble High Court which is pending for hearing on merits. Further the department has filed an appeal before Hon'ble Supreme Court ('SC') against the favorable order of Hon'ble High Court. Hon'ble SC has issued notice in this matter to file a reply.

(b) Stamp Duty

The Company has received demand in certain states for stamp duty on execution of Leave and License Agreement of Cell Sites.

(c) Entry tax

Hon'ble Apex Court on November 11, 2016 while upholding the constitutional validity of entry tax levied by few States wherever its applicable, referred all the cases back to regular benches of the Court/s to decide all existing cases on merits while testing inter alia that whether the present levies in each such case/ State is discriminatory in nature or not.

Accordingly, all the said cases were listed before the regular bench of Supreme Court wherein after taking up all pending cases on State by State basis court have found that prime facie inter alia discrimination issues still exists and all the listed petitions have been remanded back to the respective High courts for decision after taking consideration all the grounds as laid down in the judgement of nine judges bench.

Pending disposition of each case by the High Courts, the Company has decided to maintain 'Status Quo' on its position/assessment and continued to disclose it as contingent liability.

(d) Municipal taxes

The Company based on its assessment of the applicability and tenability of certain municipal levies, which is an industry wide phenomenon, does not consider the impact of such levies to be material.

Further, in the event these levies are confirmed by the respective government authorities, the Company would recover these amounts from its customers in accordance with terms of Master Service Agreement.

(e) Service Tax

The service tax department has issued certain orders for the disallowance of cenvat credit availed on Inputs, Capital Goods and Input Services for the period starting from August, 2007 to March, 2014 The Company has filed an appeal before Hon'ble High Court of Delhi against the Larger Bench CESTAT decision while the appeal is pending before Division Bench, Chandigarh on merits. Writ petition listed for hearing on April 19, 2017 which is further adjourned to July 6 & 7, 2017 for final hearing.

In separate proceeding before Directorate General of Central Excise Intelligence, the department has issued order for disallowance of Cenvat credit on items sold as scrap. The Company has filed appeal before CESTAT against such order.

(f) Others mainly include site related legal disputes.

(g) Income tax

This mainly includes tax demands for Assessment years 2011-12 to 2014-15.

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for the year ended March 31, 2017

37. Capital Commitment

(₹ Millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Estimated amount of contracts to be executed on capital account and not provided for in the financial statements (net of capital advances)	1,980	1,583	3,472
Total	**1,980**	**1,583**	**3,472**

38. Fair Values

Set out below is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements.

(₹ Millions)

	Carrying Amount			Fair Value		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Financial Assets						
- At fair value through profit or loss						
- Investments in Mutual Funds	306	38,346	66,234	306	38,346	66,234
- Investments in Government securities	51,872	-	-	51,872	-	-
- At fair value through other comprehensive income						
- Investments in Bonds	2,131	3,222	-	2,131	3,222	-
- Investments in Corporate Deposit	1,425	2,846	-	1,425	2,846	-
- Investments in Commercial Paper	477	-	-	477	-	-
- At amortised cost						
Cash and Cash equivalents	22,494	20,091	62	22,494	20,091	62
Other Bank Balances	-	11,462	8,820	-	11,462	8,820
Trade receivables	1,515	1,955	3,392	1,515	1,955	3,392
Other financial assets	5,724	4,077	2,205	5,724	4,077	2,205
	85,944	**81,999**	**80,714**	**85,944**	**81,999**	**80,714**
Financial Liabilities						
- At amortised cost						
Borowings	2,785	-	-	2,785	-	-
Trade payables	534	645	1,342	534	645	1,342
Other financial liabilities	24,568	2,033	1,756	24,568	2,033	1,756
	27,887	**2,678**	**3,098**	**27,887**	**2,678**	**3,098**

Notes to financial statements

for the year ended March 31, 2017

The following methods / assumptions were used to estimate the fair values:

i. The carrying value of cash and cash equivalent, other bank balances, certificate of deposits, trade receivables and trade payables approximate their fair value mainly due to the short-term maturities of these instruments.

ii. The fair values of financial assets classified as FVTPL like investment in quoted mutual funds and Government securities is based on quoted market price/ net assets value at the reporting date.

iii. The fair value of other financial assets and other financial liabilities is estimated by discounting future cash flows using rates applicable to instruments with similar terms, currency, credit risk and remaining maturities. The fair values of other financial assets and other financial liabilities are assessed by the management to be same as their carrying value and is not expected to be significantly different if estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

iv. The fair value of financial asset classified as FVTOCI like Investment in Commercial papers, corporate deposits and quoted bonds etc are derived from quoted price/net assets value at the reporting date.

There are no significant unobservable inputs used in the fair value measurement.

39. Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e derived from prices)

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents the financial instruments measured at fair value, by level within the fair value measurement hierarchy:

(₹ Millions)

Financial Assets	Level	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
- At fair value through profit or loss				
- Investments in Mutual Funds	Level 1	306	38,346	66,234
- Investments in Government ecurities	Level 1	51,872	-	-
- At fair value through other comprehensive income				
- Investments in Bonds	Level 1	2,131	3,222	-
- Investments in Corporate Deposit	Level 1	1,425	2,846	-
- Investments in Commercial Paper	Level 1	477	-	-
Total		**56,211**	**44,414**	**66,234**

During the year ended March 31, 2017, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers in to and out of Level 3 fair value measurements

Notes to financial statements

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40. Related party Disclosures

In accordance with the requirements of Ind AS - 24 “Related Party Disclosures”, the names of the related parties where control exists and/ or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are as below:

A. List of related parties

1. Key management personnel (KMP)

Akhil Kumar Gupta,	Chairman
D.S. Rawat,	Managing Director and Chief Executive Officer
Pankaj Miglani,	Chief Financial Officer
Shweta Girotra,	Company Secretary

2. Related parties where control exists irrespective of whether transactions have occurred or not

Parent Company	Bharti Airtel Limited
Subsidiary Company	Bharti Infratel Services Limited (refer note 1)
Subsidiary Company	Smartx Services Limited (w.e.f. September 21, 2015)

Name of related party	Relationship
Bharti Hexacom Limited	Fellow Subsidiary
Bharti Telemedia Limited	Fellow Subsidiary
Nxtra Data Limited	Fellow Subsidiary
Nettle Infrastructure Investments Limited	Fellow Subsidiary
Indus Towers Limited	Joint Venture
Bharti Enterprises Limited	Entity having significant influence/ Group Company
Centum Learning Limited	Entity having significant influence/ Group Company
Bharti Foundation	Entity having significant influence/ Group Company
Bharti Axa General insurance Co. Ltd. (Bharti Axa)	Entity having significant influence/ Group Company
Bharti Infratel Employees Welfare Trust	Entity having significant influence/ Group Company
Bharti Realty Holdings Limited	Entity having significant influence/ Group Company
Telesonic Network Limited	Entity having significant influence/ Group Company
Bharti Retail Limited	Entity having significant influence/ Group Company
Bharti Realty Limited	Entity having significant influence/ Group Company

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for the year ended March 31, 2017

B. Related Party Transactions during the year:

Related party transactions represent transactions entered into by the Company with parent Company, entities having significant influence over the Company, joint venture and fellow subsidiary. The transactions with these related parties for the year ended March 31, 2017 and March 31, 2016 and balances as at March 31, 2017 & March 31, 2016 are described below:

Relationship	Year ended March 31,		Year ended March 31		Year ended March 31,		Year ended March 31,		Year ended March 31,	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	Parent Company		Subsidiary Company		Entity having significant influence/Group Company		Fellow subsidiary		Joint venture	
Nature of transaction										
Loan repaid	-	-	-	-	(15)	-	-	-	-	-
Buy Back of Shares	(12,368)	-	-	-	(13)	-	-	-	-	-
Revenue from operations	34,324	31,708	-	-	-	-	2,608	2,660	-	-
Claim Received	-	-	-	-	-	74	-	-	-	-
Expenses (other than employee related) incurred on behalf of Company	-	-	-	-	(245)	(217)	-	-	-	-
Reimbursement of expenses	(45)	(55)	-	-	-	-	-	-	20	-
Employee related expenses incurred on behalf of Company	-	-	-	-	-	-	(5)	(6)	-	-
Procurement of services	(127)	(116)	-	-	(22)	(22)	(32)	(30)	-	-
Security deposit received	(23)	(50)	-	-	-	-	(2)	(4)	-	-
Security deposit refunded	3	6	-	-	-	-	-	-	-	-
Security deposit paid	-	-	-	-	3	3	-	-	-	-
Commission paid	-	-	-	-	-	-	-	-	(99)	(88)
Dividend received	-	-	-	-	-	-	-	-	9,510	-
Dividend paid/declared	(15,163)	8,840)	-	-	(14)	(11)	(2,513)	-	-	-
Donation given	-	-	-	-	(201)	(200)	-	-	-	-
Investment in Subsidiary Company	-	-	-	30	-	-	-	-	-	-
Gratuity Transfer of Employees	-	-	-	-	-	(1)	-	(1)	-	-
	6,601	**22,653**	**-**	**30**	**(507)**	**(374)**	**56**	**2,619**	**9,431**	**(88)**

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for the year ended March 31, 2017

(₹ Millions)

Relationship	As at March 31,		As at March 31		As at March 31,		As at March 31,		As at March 31,	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	Parent Company		Subsidiary Company		Entity having significant influence/Group Company		Fellow subsidiary		Joint venture	
Trade payables and Other current liabilities	(69)	(106)	-	-	0	(20)	(9)	(9)	(190)	(293)
Other long-term liabilities	-	-	-	-	-	-	-	-	-	-
Short-term loans and advances	-	-	-	-	308	560	-	-	0.03	23
Other current assets	2,111	1,747	-	-	1	-	113	102	0.10	-
Trade receivables	1,144	1,203	-	1	-	-	107	111	-	0.12
Long-term loans and advances	-	-	-	-	3	3	-	-	-	-
Other deposits	(60)	(60)	-	-	-	-	-	-	-	-
Security deposits received	(1,871)	(1,851)	-	-	-	-	(148)	(145)	-	-
	1,255	**933**	**-**	**1**	**312**	**543**	**63**	**59**	**(190)**	**(270)**

Figures in bracket indicate liability and figures without bracket indicates assets.

Payments made to Key management personnel/ non executive directors:

(₹ Millions)

	Year ended March 31,	
	2017	2016
Short-Term employee benefits (including salary and sitting fee)	105	101
Post-Employment benefits	14	17
	119	**118**

Amount received from KMP for ESOP exercised ₹ 7 Mn during the year ended March 31, 2017 (March 31, 2016 ₹ 300 mn).

Terms and conditions of transactions with related parties The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

41. Pursuant to Initial Public Offer (IPO), the Company raised ₹ 31,657 Mn (net of selling shareholder's proceeds), details of utilization of IPO proceeds are as follows:-

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for the year ended March 31, 2017

Particulars	Total Planned Utilization as per prospectus	Amount pending Utilisation as on December 31, 2015	Detail of Estimated Planned Utiisation of IPO proceeds pursuant to the variation as approved by the members of the company on March 21, 2016 (Refer note b)				Q4' 2015-16	HY1' 2016-17 (refer note c)	HY2' 2016-17	Amount Pending Utilization as on March 31, 2017
			FY 2015-16	FY 2016-17 or earlier	FY 2017-18 (upto September 30,2017) or earlier	Total				
			A	B	C	D=A+B+C	E	F	G	H=D-E-F-G
Installation of 4,813 new towers	10,865	5,329	400	800	300	1,500	525	975	-	-
Upgradation and replacement of existing towers	12,141	-	2,500	4,000	1,000	7,500	3,224	3,504	772	-
Green Initiatives at tower sites	6,394	4,074	100	200	103	403	130	272	1	-
General Corporate purposes (Including Share issue expenses in excess of 2% retained in Escrow)	2,257	-	-	-	-	-	-	-	-	-
Total	**31,657**	**9,403**	**3,000**	**5,000**	**1,403**	**9,403**	**3,879**	**4,751**	**773**	**-**

Note :-

(a) The Company has fully utilized the IPO Proceeds towards the Objects to the Issue as stated in the prospectus and/ or as approved by the shareholders through postal ballot dated March 21, 2016.

(b) Variation to the objects and schedule of deployment as disclosed in the prospectus dated December 19, 2012 issued by the Company for its IPO was approved by the shareholders of the Company through postal ballot on March 21, 2016.

(c) Amount of ₹ 263 Mn has been utilized against installation of new towers adjusted from “Upgradation and replacement of existing towers” in line with the approval referred in (b) above.

Notes to financial statements

for the year ended March 31, 2017

42. The Company was set-up with the object of, interalia, establishing, operating and maintaining wireless communication towers. This is the only activity performed and is thus also the main source of risks and returns. The Company's segments as reviewed by the Chief Operating Decision Maker (CODM) does not result in to identification of different ways/ sources in to which they see the performance of the Company. Accordingly, the Company has a single reportable segment as far as standalone reporting is concerned. Further, as the Company does not operate in more than one geographical segment hence the relevant disclosures as per Ind AS 108 – Operating Segments are not applicable to the Company on a Standalone basis.

43. In absence of any specific guidance under Ind AS with respect to merger under court scheme, the Company has continued to apply the accounting prescribed under the scheme as applied under Indian GAAP. Accordingly, depreciation charges on the excess of fair value over the original book values is charged to general reserve.

A) Scheme accounting – Bharti Airtel Scheme

During the year ended March 31, 2008, pursuant to the Scheme of Arrangement with Bharti Airtel Limited ('BAL Scheme') under sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of Bharti Airtel Limited was transferred to the Company. Pursuant to the Scheme, the depreciation charged by the Company on the excess of the fair values over the original book values of the assets transferred by Bharti Airtel Limited is being off-set against General Reserve.

B) Scheme accounting – The Indus Scheme

The Scheme of Arrangement ('Indus Scheme') under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities, as defined in Indus scheme, from Bharti Infratel Ventures Limited (BIVL), erstwhile wholly owned subsidiary Company, to Indus Towers Limited (Indus), was approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 and filed with the Registrar of Companies on June 11, 2013 with appointed date April 1, 2009 i.e. effective date of Indus Scheme and accordingly, effective June 11, 2013, the erstwhile subsidiary Company has ceased to exist and has become part of Indus. The Company was carrying investment in BIVL at ₹ 59,921 Mn. Pursuant to Indus Scheme, the Company has additionally got 504 shares in Indus in lieu of transfer of its investment in BIVL to Indus and recorded these additional shares at their fair value of ₹ 60,419 Mn in accordance with the scheme. The resultant gain of ₹ 385 Mn (net of taxes ₹ 116 Mn) has been disclosed as adjustment to carry forward balance of Statement of Profit and Loss as at April 1, 2009.

44. First-time adoption of Ind AS

As stated in note 2(b), the Company has prepared its first annual Ind AS financial statements for the year ended March 31, 2017. These financial statements for the year ended March 31, 2017 have been prepared in accordance with Ind AS. The preparation of these financial statements resulted in changes to the accounting policies as compared to most recent annual financial statements prepared under Indian GAAP ("Previous GAAP"). Accounting policies have been applied consistently to all periods presented in the financial statements. They have also been applied in preparing the Ind AS opening balance sheet as at April 1, 2015 for the purpose of transition to Ind AS and as required by Ind AS 101: First Time adoption of Indian Accounting Standards.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions with respect to transition to Ind AS:

a. Deemed cost exemption

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and used it as its deemed cost at the date of transition.

The Company, in its separate financial statements, has elected to record its investment in Joint Venture at previous GAAP carrying value by considering the same as deemed cost.

b. Merger Accounting

The Company has continued to follow the accounting treatment pursuant to the Merger Scheme prescribed by the Hon'ble High Court under Ind AS which is in line

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with Previous GAAP. Use of the accounting as mandated by the merger scheme means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. The Company did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

Impact of transition to Ind AS

Net Ind-AS transition adjustments of ₹ 3,330 Mn (Other than proposed dividend and DDT) in the opening balance sheet as at April 1, 2015 has been adjusted from General Reserve (created as per provisions of Companies (Transfer of profit to reserves) rules, 1975 upon declaration of dividend as per companies Act, 1956) and Retained Earnings as on April 1, 2015 by ₹ 1,925 Mn and ₹ 1,405 mn, respectively.

The following is a summary of the effects of the differences between Ind AS and Indian GAAP on the Company's total equity and profit for the period or periods previously reported under Indian GAAP following the date of transition to Ind AS:

Reconciliation of Equity as at April 1, 2015 (date of transition to Ind AS)

(₹ Millions)

Particulars	Foot note	IGAAP	Adjustments	Ind AS
		(A)	(B)	(A+B)
Assets				
Non-current assets				
Property, plant and equipment	44.1	64,608	(1,397)	63,211
Capital Work in Progress		681	-	681
Other Intangible assets		93	-	93
Investment in joint venture		60,419	-	60,419
Financial assets		-	-	-
Investments	44.6	27,382	3,881	31,263
Other Financial Assets	44.7	1,119	(39)	1,080
Current tax recoverable		1,690	-	1,690
Other non-current assets	44.2 & 44.7	17,473	(14,502)	2,971
		173,465	**(12,057)**	**161,408**
Current assets				
Financial assets				
Investments	44.6	31,440	3,532	34,972
Trade receivables		3,392	-	3,392
Cash and cash Equivalent		62	-	62
Other Bank Balance		8,820	-	8,820
Other Financial Assets		1,125	-	1,125
Other Current Assets		3,911	-	3,911
		48,750	**3,532**	**52,282**
Total assets		**222,215**	**(8,525)**	**213,690**
Equity and liabilities				
Equity				
Equity share capital		18,938	-	18,938
Other equity		160,697	11,488	172,185
Total equity		**179,635**	**11,488**	**191,123**
Non-current liabilities				

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for the year ended March 31, 2017

(₹ Millions)

Particulars	Foot note	IGAAP	Adjustments	Ind AS
Financial Liabilities				
Other Financial Liabilities	44.8	3,507	(1,751)	1,756
Long Term Provisions	44.1	3,510	(1,711)	1,799
Deferred tax liability	44.9	4,971	(1,527)	3,444
Other non - Current liabilities	44.3 & 44.8	1,978	(209)	1,769
		13,966	**(5,198)**	**8,768**
Current liabilities				
Financial Liabilities				
Trade Payables		1,342	-	1,342
Other Current Liabilities		12,351	-	12,351
Provisions	44.4	14,921	(14,815)	106
		28,614	**(14,815)**	**13,799**
Total liabilities		**42,580**	**(20,013)**	**22,567**
Total equity and liabilities		**222,215**	**(8,525)**	**213,690**

Reconciliation of Equity as at March 31, 2016

(₹ Millions)

Particulars	Foot notes	IGAAP	Adjustments	Ind AS
		(A)	(B)	(A+B)
Non-current assets				
Property, plant and equipment	44.1	61,867	(1,307)	60,560
Capital Work in Progress		701	-	701
Other Intangible assets		71	-	71
Investment in an joint venture		60,419	-	60,419
Financial assets			-	-
Investments	44.6	23,997	4,299	28,296
Other Financial Assets	44.7	1,273	(52)	1,221
Current tax recoverable		2,268	-	2,268
Other non-current assets	44.2 & 44.7	17,390	(15,079)	2,311
		167,986	**(12,139)**	**155,847**
Current assets				-
Financial assets				
Investments	44.6	13,710	2,438	16,148
Trade receivables		1,955	-	1,955
Cash and cash Equivalent		20,091	-	20,091
Other Bank Balance		11,462	-	11,462
Other Financial Assets		2,856	-	2,856
Other Current Assets		3,460	-	3,460
		53,534	**2,438**	**55,972**
Total assets		**221,520**	**(9,701)**	**211,819**

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for the year ended March 31, 2017

(₹ Millions)

Particulars	Foot notes	IGAAP	Adjustments	Ind AS
Equity and liabilities				
Equity share capital		18,967	-	18,967
Other equity		166,765	3,564	170,329
Total equity		**185,732**	**3,564**	**189,296**
Non-current liabilities				
Financial Liabilities				
Other Financial Liabilities	44.8	3,743	(1,710)	2,033
Long Term Provisions	44.1	3,644	(1,635)	2,009
Other non - Current liabilities	44.9	5,229	(2,687)	2,542
Other non-current liabilities	44.3 & 44.8	2,159	(386)	1,773
		14,775	**(6,418)**	**8,357**
Current liabilities				
Financial Liabilities				
Trade Payables		645	-	645
Other Current Liabilities		13,402	-	13,402
Provisions	44.4	6,966	(6,847)	119
		21,013	**(6,847)**	**14,166**
Total liabilities		**35,788**	**(13,265)**	**22,523**
Total equity and liabilities		**221,520**	**(9,701)**	**211,819**

Reconciliation of profit and loss for the year ended March 31, 2016

(₹ Millions)

	Foot notes	IGAAP	Adjustments	Ind AS
Revenue from operations	44.2 & 44.8	55,957	(374)	55,583
Other income		1,104		1,104
Total Income		**57,061**	**(374)**	**56,687**
Power and Fuel		19,901		19,901
Rent	44.3 & 44.7	2,889	(91)	2,798
Employee benefits expense	44.5	2,581	(3)	2,578
Repairs and maintenance		3,919		3,919
Other expenses		1,289		1,289
Total expense		**30,579**	**(94)**	**30,485**
Depreciation and Amortization Expense	44.1	12,275	(154)	12,121
Less: adjusted with general reserve in accordance with the Scheme of Arrangement with Bharti Airtel Limited		(571)		(571)
		11,704	(154)	11,550
Finance Costs (Net)	44.1,44.6, 44.7 & 44.8	(5,277)	992	(4,285)
Charity and donation		214		214
		6,641	838	7,479
Profit before tax		**19,841**	**(1,118)**	**18,724**
Current tax		6,351	-	6,351

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(₹ Millions)

	Foot notes	IGAAP	Adjustments	Ind AS
Deferred tax		258	(1,160)	(902)
Income tax expense		6,609	(1,160)	5,449
Profit for the year		**13,232**	**40**	**13,275**
Other comprehensive income		-	4	4
Total comprehensive income for the year, net of tax		**13,232**	**44**	**13,279**

Footnotes to the reconciliation of equity as at April 1, 2015, March 31, 2016 and reconciliation of profit and loss for the year ended March 31, 2016.

44.1 Asset Retirement obligation

Under Indian GAAP, Asset Retirement obligation (ARO) is capitalized when it is probable that an outflow of resources will be required to settle the obligation and reliable estimate can be made. The ARO Liability is stated at Historical cost till the extinguishment of liability or expiry of the contractual period. The capitalized portion of the cost is depreciated over the useful life of the asset.

Under Ind AS, Asset Retirement obligation is provided at the present value of expected cost to settle the obligation and is recognized as part of Property, Plant and Equipment and liability. The estimated future cash outflows are discounted at a current pre tax rate that reflects the risk specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the Statement of Profit and Loss as finance cost. Changes in the estimated future cost or in the discount rate applied are added to or deducted from the cost of the asset.

The financial impact on transition date for ARO adjustment amounted to decrease in Property, Plant and Equipment (ARO Asset) and Provision for ARO (Long Term provisions) by ₹ 1,397 mn and ₹ 1,711 mn respectively. The impact as at March 31, 2016 amounted to decrease in Property, Plant and Equipment (ARO asset) and Provision for ARO (Long Term provisions) by ₹ 1,307 mn and ₹ 1,635 mn, respectively. The impact of such adjustment in Statement of Profit and Loss for year ended March 31, 2016 is reduction in depreciation by ₹ 154 mn and increase in Finance cost due to unwinding of discount by ₹ 139 mn.

44.2 Revenue Equalisation

Under Indian GAAP, Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement of Profit and Loss.

Under Ind AS, the Company has ascertained that the increase is on account of general inflation. Hence, revenue equalisation reserve relating to general inflation increase has been reversed.

The reversal of Revenue equalisation on April 1, 2015 has been adjusted in general reserve & retained earnings and Other Non-Current Assets has been decreased by ₹ 14,538 mn. As at March 31, 2016 other non current assets have been reduced by ₹ 15,122 mn respectively. In Statement of Profit and Loss for the year ended March 31, 2016, Revenue equalisation has been reversed and revenue from operation is decreased by ₹ 585 mn.

44.3 Lease Equalisation

Under Indian GAAP, Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight line basis over the non-cancellable lease term.

Under Ind AS, the Company has ascertained that the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected general inflationary cost increases. Hence lease equalisation reserve has been reversed.

The reversal of Lease equalisation on April 1, 2015 impacts as decrease in other long term liabilities and such transition impact is adjusted in general reserve & retained earnings by ₹ 1,669 mn. As at March 31, 2016, other long term liabilities have been reduced by ₹ 1,778 mn.

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for the year ended March 31, 2017

In Statement of Profit and Loss for the year ended March 31, 2016, Lease equalisation has been reversed and Rental expense is decreased by ₹ 109 mn.

44.4 Proposed dividend

Under Indian GAAP, proposed dividends including Dividend distribution tax (DDT) are recognised as a liability in the period to which they relate, irrespective of when they are declared.

Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid.

The final dividend are declared and approved post the period to which it relates to, therefore, the liability of ₹ 14,815 mn for the year ended on March 31, 2015 recorded for dividend including dividend distribution tax has been derecognised against retained earnings on April 1, 2015. The proposed dividend for the year ended on March 31, 2016 of ₹ 6,847 mn recognized under Indian GAAP was reduced from Short term provisions and with a corresponding impact in the retained earnings.

44.5 Define benefit plan on Retirement benefits

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is impacted by ₹ 3 Mn and remeasurement gains/ losses on defined benefit plans has been recognized in the other comprehensive income (net of tax) for the year ended March 31, 2016.

44.6 Financial Assets at Fair Value through profit or loss

Under Indian GAAP, Current investments are accounted for at cost or market price whichever is lower. Difference between the cost and market price is recognised in the Statement of Profit and Loss.

The long term investments in mutual funds required to be measured at cost less provision for diminution, other than temporary in the value of investments.

Under Ind AS, such investment have been designated at Financial Assets at Fair value through profit and loss. These are accounted for at fair value and any difference with the cost is recognised as gain or loss in the Statement of Profit and Loss.

The impact of financial assets at FVTPL measured at fair value as at April 1, 2015 resulted in increase in general reserve & retained earnings by ₹ 7,413 mn and increase in Non Current Investment and current Investment by ₹ 3,881 mn and ₹ 3,532 mn respectively. As at March 31, 2016, there is increase in Non Current Investment and Current Investment by ₹ 4,299 mn and ₹ 2,438 mn respectively. The Finance cost for the year ended March 31, 2016 increased by ₹ 682 mn on account of MTM gain reversed/ recognised earlier on fair value of such Investments.

44.7 Financial Assets at Amortised Cost

This category generally applies to trade and other receivables, Security deposit etc. Under Indian GAAP these kind of financial assets are stated at transaction value.

Under Ind AS, financial assets which are non derivative with fixed or determinable payments that are not quoted in an active market and recognised initially at Fair value. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Such financial assets are classified at Amortised cost which needs to be initially recognised at Fair value under Ind AS. The corresponding fair value impact on April 1, 2015 is recognised in general reserve & retained earnings and security deposit paid is decreased by ₹ 6 mn and ₹ 9 mn, respectively as at April 1, 2015 and March 31, 2016.

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for the year ended March 31, 2017

The impact of amortization of deferred lease expense and finance income for the year ended March 31, 2016 as increase in rental expense by ₹ 18 Mn and finance income of ₹ 15 Mn.

44.8 Financial Liabilities at Amortised cost

This category applies to Security deposit received, Trade payables etc. Under Indian GAAP, these kind of financial liabilities are stated at transaction value.

Under Ind AS Financial liabilities at amortised cost are non derivative financial liabilities with fixed or determinable payment that are not quoted in an active market and recognised initially at fair value. After initial measurement, such liability are subsequently measured at amortised cost using the effective interest rate (EIR) method. The EIR amortisation is included in finance cost in the Statement of Profit or Loss.

Such financial assets are classified at Amortised cost which needs to be initially recognised at Fair value under Ind AS. The corresponding fair value impact on such financial assets on April 1, 2015 resulted in increase in general reserve & retained earnings and decrease of Security deposit received by ₹ 291 mn and ₹ 317 mn, respectively on April 1 ,2015 and March 31, 2016.

The impact of amortization of deferred income on security deposit received resulted in increase in revenue from operation by ₹ 211 mn and unwinding of discount resulting in increase in finance cost by ₹ 185 mn during the year ended March 31, 2016, respectively.

44.9 Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. The net impact on deferred tax liabilities/ assets as on April 1, 2015 and March 31, 2016 is of ₹ 1,527 mn and ₹ 2,687 mn respectively.

44.10 Other Comprehensive Income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

44.11 Statement of Cash Flows

The impact of transition from Indian GAAP to Ind AS on the Statement of Cash Flows is due to various reclassification adjustments recorded under Ind AS in Balance Sheet and Statement of Profit and Loss. The transition from Indian GAAP to Ind AS has not had a material impact on the Statement of Cash Flows.

45. Buyback of Shares

In accordance with Sec 68, 69, 70 and other applicable provisions of the Companies Act, 2013 and SEBI regulations and pursuant to the public announcement for buy back made by the Company, the Company initiated a buy back by way of tender offer through stock exchange mechanism for cash at price of ₹ 425 per equity share for an aggregate amount of ~₹ 20,000 Mn.

Date of Board Meeting approving the Buy Back	April 26, 2016
Date of Public Announcement	June 13, 2016 published on June 14, 2016
Record Date	June 16, 2016
Number of shares purchased (in Mn)	47
Face value of share purchased	10
Consideration paid towards buy back (in Mn)	~20,000
Share capital reduction (in Mn)	471
Securities premium utilised (in Mn)	19,529
General reserve utilised for CRR (inclusive of expenses incurred for Buyback) (in Mn)	501
Amount transferred to Capital redemption reserve (CRR) on extinguishment of share capital (in Mn)	471

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46. On April 26, 2016, Board of Directors had proposed a dividend of ₹ 3.00 per equity share to all the existing shareholders for the year ended March 31, 2016. The dividend proposed by the Board of Directors has been approved by shareholders in the annual general meeting dated August 10, 2016 and paid subsequently.

47. The Company (concessionaire) has entered into a service concession agreement as a lead member with Bhopal Smart City Development Corporation Limited (BSCDL/ grantor) along with other consortium members for implementation and maintenance of "Bhopal Smart City project"(the project) vide agreement dated October 28, 2016. As per the terms of the agreement, the Company along with the consortium members has to work on Build, Own, Operate and Transfer (BOOT) model on Public Private Partnership (PPP) basis.

The concession period granted as per the agreement is 15 years (excluding implementation period of 1 year) further extendable by another 15 years based on mutually agreed terms and conditions.

The title of interest, ownership and rights with regard to project implemented by the Company along with fixtures/ fittings provided therein shall rest with the Company until the expiry/ termination of the agreement and the rights related to the land allotted by the BSCDCL shall vest with the BSCDCL, except that, these will be operated and maintained by the Company at its own cost and expenses as agreed in the concession agreement.

These project facilities and assets constructed shall be transferred to BSCDCL at zero cost on expiry/ termination of the agreement. On obtaining the Completion Certificate from the specified authority, the Company shall be exclusively entitled to demand and collect revenue from the project assets in any manner.

The Concessionaire shall pay a fixed quarterly revenue share, as specified by the terms of agreement,to BSCDCL over the concession period. As of March 31, 2017, the Company has incurred capex cost of ₹ 17 Mn and recognized in capital work in progress.

48. The Company was required to spend ₹ 326 Mn towards CSR expenditure as per the requirement of the Companies Act 2013. During the year ₹ 171 Mn were spent towards ongoing long term CSR projects basis approval from the board. The disbursement of committed funds was based on the individual project work plans and milestones achieved over the year. All projects are being monitored and evaluated on the progress made and impact created during the routine course of the business. Besides the above, the Company also contributed as charity/donation to Bharti Foundation for Satya Bharti School Program (₹ 50 Mn); Brooking Institution India Centre (₹ 2.5 Mn) and Bharti Foundation towards promotion of formal education in rural areas (₹ 0.5 Mn via Airtel Delhi Half Marathon)

49. Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade payables, security deposits, short term borrowings etc. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's principal financial assets include Investment in Mutual Funds, Bonds and Government Securities, trade and other receivables, unbilled revenue, cash and cash equivalents, security deposits, etc. that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance frame work for the Company are accountable to the Board Audit Committee. This process provides assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and Company's risk appetite. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees

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policies for managing each of these risks which are summarised below:

- Market Risk
  Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, foreign currency risk and price risk. Financial instruments affected by market risk include interest bearing Investment in bonds, Government Securities and fixed deposits etc.

  The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2017 and March 31, 2016.

  The Company's exposure to financial risks is to a variety of financial risks, including the effect of changes in foreign currency exchange rates, if any. The Company uses derivative financial instruments such as foreign exchange contracts to manage its exposures and foreign exchange fluctuations, if any.

- Foreign currency risk
  Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

  The Indian Rupee is the Company's functional currency. As a consequence, the Company's results are presented in Indian Rupee and exposures are managed against Indian Rupee accordingly. The Company has very limited foreign currency exposure mainly due to incurrence of some expenses. The Company may use foreign exchange option contracts or forward contracts towards operational exposures resulting from changes in foreign currency exchange rates exposure. These foreign exchange contracts, carried at fair value, may have varying maturities depending upon the primary host contract requirement.The Company manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by the Board as per established risk management policy.

- Interest rate risk
  Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

  The Company has invested in Government securities and bonds which will fetch a fixed rate of interest, hence, the income and operating cash flows are substantially independent of changes in market interest rates.

- Price risk
  The Company invests its surplus funds in various Government securities, taxable and tax free quoted debt bonds, liquid schemes of mutual funds (liquid investments) and higher duration short term debt funds and income funds (duration investments).

  These are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. The Company manages the price risk through diversification from time to time.

- Credit risk
  Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

- Trade receivables
  Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 15 days credit term. Outstanding customer receivables are regularly monitored. The ageing analysis of trade receivables as of the reporting date is as follows:

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(₹ Millions)

	Within due date	Less Than 30 days	30 to 60 days	60 to 90 days	above 90 days	Total
Trade receivables as at March 31, 2017	67	97	315	200	2,059	2,738
Trade receivables as at March 31, 2016	990	98	141	84	1,896	3,209
Trade receivables as at April 1, 2015	915	571	279	190	2,632	4,587

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by Company's treasury in accordance with the board approved policy. Investment of surplus funds are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. The Company monitors ratings, credit spreads and financial strength on at least quarterly basis. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2017, March 31, 2016 and April 1, 2015 is the carrying amounts as illustrated in Note 38.

- Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company principal sources of liquidity are cash and cash equivalents and the cash flow generated from operations. The Company closely monitors its liquidity position and deploys a robust cash management system.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:-

(₹ Millions)

	As at March 31, 2017					
	Carrying Amount	Less than 6 Months	6 to 12 months	1 to 2 years	> 2 years	Total
Bank Overdraft	2,785	2,785	-	-	-	2,785
Trade payables	534	534	-	-	-	534
Unpaid Interim dividend	22,195	22,195	-	-	-	22,195
Other financial liabilities	2,373	-	-	-	2,373	2,373
Total	**27,887**	**25,514**	**-**	**-**	**2,373**	**27,887**

(₹ Millions)

	As at March 31, 2016					
	Carrying Amount	Less than 6 Months	6 to 12 months	1 to 2 years	> 2 years	Total
Bank Overdraft	-	-	-	-	-	-
Trade payables	645	645	-	-	-	645
Unpaid Interim dividend	-	-	-	-	-	-
Other financial liabilities	2,033	-	-	-	2,033	2,033
Total	**2,678**	**645**	**-**	**-**	**2,033**	**2,678**

Notes to financial statements
for the year ended March 31, 2017

(₹ Millions)

	As at April 1, 2015					
	Carrying Amount	Less than 6 Months	6 to 12 months	1 to 2 years	> 2 years	Total
Bank Overdraft	-	-	-	-	-	-
Trade payables	1,342	1,342	-	-	-	1,342
Unpaid Interim dividend	-	-	-	-	-	-
Other financial liabilities	1,756	-	-	-	1,756	1,756
Total	**3,098**	**1,342**	**-**	**-**	**1,756**	**3,098**

- Capital management

  Capital includes equity attributable to the equity holders of the parent. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

  The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. During the current year, the Company has availed Bank overdraft facility for ₹ 2,785 mn (Mar 31, 2016 - Nil, April 1, 2015 - Nil) which is integral part of cash management and the cash and cash equivalent amounting to ₹ 22,494 mn as at March 31, 2017 (March 31, 2016 - ₹ 20,091 mn and April 1, 2015 - ₹ 62 mn). The Cash and Cash equivalent net of Bank overdraft is ₹ 19,709 mn. Hence Capital gearing ratio as at March 31, 2017, March 31, 2016 and April 1, 2015 is not required to be disclosed.

50. During the year ended March 31, 2016, the company has re-classified the termination charges w.r.t. cancellation of contracts by operators of ₹ 47 Mn, from 'Other income' to 'revenue from operations' w.e.f July 1, 2015 and has not reclassified prior period comparative on the basis of materiality.

51. Charity and donation includes ₹ 50 Mn (FY 2015-16 - Nil) paid to Satya electoral trust.

52. During Q4' 2017, dividend distribution tax (DDT) of ₹ 4,519 mn on Interim dividend and DDT of ₹1,130 Mn on final dividend paid in the current year has been adjusted and reclassified from surplus in profit & loss account, respectively, to the general reserve under the demerger scheme as referred in Note 43.

53. The Board of Directors, in its meeting held on April 26, 2016, proposed a final dividend of ₹ 3 per equity share and the same was approved by the shareholders at the Annual General Meeting held on August 10, 2016.

54. General reserve include general reserve under scheme for ₹ 69,244 Mn as at March 31, 2017 (March 31, 2016 - ₹ 75,430 Mn, March 31, 2015 - ₹ 76,056 Mn), General reserve for Dividend as at March 31, 2017 - Nil (March 31, 2016 - ₹ 501 Mn, March 31, 2015 - ₹ 501 Mn) and Others as at March 31, 2017- ₹ 13 Mn (March 31, 2016 - ₹ 50 Mn, March 31, 2015 - ₹ 16 Mn)

55. Previous year's figures in the financial statements, including the notes thereto, have been reclassified wherever required to conform to the current year's presentation/classification. These do not affect the previously reported net profit or equity.

Glossary

Company Related Terms	
4 Overlapping circles	Represent the telecommunication circles of Haryana, Rajasthan, Uttar Pradesh (East) and Uttar Pradesh (West) wherein Bharti Infratel and Indus Towers have overlapping operations. Bharti Infratel is not permitted to roll out any new towers in these telecommunications Circles, although it continues to own and operate its existing telecommunications towers in these Circles, and add additional sharing operators to these towers. New tower rollout in these telecommunication circles is done by Indus.
7 Circles	Represents the telecommunications circles of Bihar, Madhya Pradesh and Chhattisgarh, Odisha, Jammu and Kashmir, Himachal Pradesh, Assam and North East states wherein Bharti Infratel operates on exclusive basis.
11 Circles	Represents the 7 telecommunications circles of Bihar, Madhya Pradesh and Chhattisgarh, Odisha, Jammu and Kashmir, Himachal Pradesh, Assam and North East states wherein Bharti Infratel operates on exclusive basis and the 4 common circles of Haryana, Rajasthan, Uttar Pradesh (East) and Uttar Pradesh (West) wherein Bharti Infratel and Indus Towers have overlapping operations.
15 Circles	Represents the 11 telecommunication circles of Andhra Pradesh, Delhi, Gujarat, Karnataka, Kerala, Kolkata, Maharashtra & Goa, Mumbai, Punjab, Tamil Nadu (including Chennai) and West Bengal wherein Indus operates on exclusive basis and the 4 common telecommunication circles of Haryana, Rajasthan, Uttar Pradesh (East) and Uttar Pradesh (West) wherein Bharti Infratel and Indus Towers have overlapping operations.
Adjusted Fund from Operations (AFFO)	It is not an Ind AS measure and is defined as EBITDA adjusted for Maintenance and General Corporate Capex, revenue equalisation and lease rent equalisation (which represents straight lining of revenue and expense).
Average Co-locations	Average co-locations are derived by computing the average of the Opening and Closing co-locations at the end of relevant period.
Average Sharing Factor	Average Sharing factor is calculated as the average of the opening and closing number of co-locations divided by average of the opening and closing number of towers for the relevant period.
Average Towers	Average towers are derived by computing the average of the opening and closing towers at the end of relevant period.
BISL	Bharti Infratel Services Limited
BIVL	Bharti Infratel Ventures Limited
Bn	Billion
Capex	It includes investment in gross fixed assets and capital work in progress for the relevant period.
Capital Employed	Capital Employed is defined as sum of equity attributable to equity shareholders and Net Debt/ (Net Cash).

Company Related Terms

Cash Profit from operations	It is not an Ind AS measure and is defined as operating income adjusted for depreciation and amortisation, revenue equalisation, lease rent equalisations and finance costs.
Circle(s)	22 service areas that the Indian telecommunications market has been segregated into
Closing sharing factor	Closing sharing factor is calculated as the closing number of co-locations divided by closing number of towers as at the end of relevant period.
Co-locations	Co-location is the total number of sharing operators at a tower, and where there is a single operator at a tower; 'co-location' refers to that single operator. Co-locations as referred to are revenue-generating co-locations.
Consolidated Financial statements	The Consolidated financial statements of the company till FY 2012-13 represent the financials of Bharti Infratel Ltd Standalone taken together with its wholly owned subsidiary Bharti Infratel Ventures Ltd and Bharti Infratel's 42% equity interest in Indus Towers Ltd. accounted for by proportionate consolidation. Consequent to Indus Merger, the financial statements of Indus have been prepared after giving effect to the Merger Scheme. Accordingly the Consolidated Financial Results of the Company from quarter ended June 2013 and onwards represent the financials of Bharti Infratel Ltd. Standalone taken together with its 42% equity interest in Indus Towers Ltd. accounted for by proportionate consolidation and consolidating the subsidiary Bharti Infratel Services Ltd. & Smartx Services Ltd. till March 31, 2016 under Indian GAAP. Post transition to Ind AS, the Consolidated financial results of the Company represent financials of Bharti Infratel Ltd. Standalone taken together with its 42% interest in Indus Towers Ltd accounted for under Equity method and consolidation of subsidiary Smartx Services Ltd. and controlled trust Bharti Infratel Employee Welfare Trust.
Cumulative Investments	Cumulative Investments comprises of gross property, plant & equipment (including Capital Work In Progress).
Earnings per Share (EPS) (Basic)	It is computed by dividing net profit or loss attributable for the period to equity shareholders by the weighted average number of equity shares outstanding during the period.
Earnings per Share (EPS)-(Diluted)	Diluted earnings per share is calculated by adjusting net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period for the effects of all dilutive potential equity shares.
EBIT	Earnings before interest, taxation excluding other income for the relevant period.
EBIT (Including Other Income)	Earnings before interest, taxation including other income for the relevant period.
EBITDA	Earnings before interest, taxation, depreciation and amortisation and charity and donations excluding other income for the relevant period. It is defined as operating income and does not include depreciation and amortisation expense, finance cost and tax expense.

Company Related Terms	
EBITDA (Including Other Income)	Earnings before interest, taxation, depreciation and amortisation and charity and donations including other income for the relevant period.
Enterprise Value (EV)	Calculated as sum of Market Capitalisation plus Net Debt/ (Net Cash) as at the end of the relevant period.
EV / EBITDA (times) (LTM)	Computed by dividing Enterprise Value as at the end of the relevant period (EV) by EBITDA for the preceding (last) 12 months from the end of the relevant period.
Future Minimum Lease Payment Receivable	The Company has entered into long term non-cancellable agreements to provide infrastructure services to telecom operators. Future Minimum Lease Payment Receivable represents minimum amounts receivable in future under the above long term non-cancellable agreements.
GAAP	Generally Accepted Accounting Principle
Green Site	Sites wherein there is minimal diesel consumption to ensure DG's performance (approx 1 litre or 30 min running per day tracked quarterly)
Ind AS	Indian Accounting Standards
IGAAP	Indian Generally Accepted Accounting Principle
Indus Merger	During the quarter ended June 30, 2013, the Scheme of Arrangement (Scheme) under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities as defined in the Scheme from Bharti Infratel Ventures Limited (BIVL), wholly owned subsidiary of the Company, Vodafone Infrastructure Limited (formerly known as Vodafone Essar Infrastructure Limited), and Idea Cellular Tower Infrastructure Limited (collectively referred to as 'The Transferor companies') to Indus Towers Limited (Indus) was sanctioned by the Hon'ble High Court of Delhi vide its order dated on April 18, 2013 subject to the final order in another appeal pending before the Division Bench of Delhi High Court and any other orders in any further proceedings thereafter. The Scheme had become operative from June 11, 2013 upon filing of certified copy of the order with the Registrar of Companies with an appointed date of April 1, 2009 i.e. effective date of scheme and accordingly effective June 11, 2013 the transferor companies have ceased to exist and have become part of Indus Towers Ltd. Pursuant to the Indus Merger the IRU agreements between the Transferor Companies and Transferee Company Ceases to exist.
Indus Consolidation	Indus Consolidation represents consolidation of Bharti Infratel's 42% proportionate shareholding in Indus Towers Ltd and 100% of BIVL till FY end 31st March 2013 net of IRU eliminations. W.e.f quarter ending June'13 and onwards Indus Consolidation represents consolidation of Bharti Infratel's 42% proportionate shareholding in Indus Towers Ltd under Indian GAAP. Post transition to Ind-AS, Indus consolidation represents consolidation of Bharti Infratel's 42% equity interest in Indus Towers Ltd accounted as per Equity Method.

Company Related Terms	
Intangibles	Comprises of acquisition cost of software.
∞	Not ascertainable (infinite)
Interest Coverage Ratio (LTM)	It is computed by dividing EBITDA for the preceding (last) 12 months from the end of relevant period by interest on borrowing for the preceding (last) 12 months.
IRU	Indefeasible right to use
Lease Rent Equalisation	It represents the effect of fixed escalations (as per the terms of lease agreements with landlords) recognised on straight line basis over the fixed, non-cancellable term of the agreement, as applicable
LTM	Last Twelve months
Market Capitalisation	Number of issued and outstanding shares as at end of the period multiplied by closing market price (NSE) as at end of the period.
Mn	Million
MSA	Master Service Agreement
Maintenance & General Corporate Capex	Represents the capital expenditure undertaken by the company for general maintenance, upkeep and replacement of equipments installed at the towers which is undertaken on the end of their useful life as well as General Corporate related capital expenditure such as on office/ facilities and information technology.
Net Debt/ (Net Cash)	It is not an Ind AS measure and is defined as the long-term borrowing, short-term borrowings and current portion of long-term borrowings minus cash and cash equivalents, current and non-current investments, fixed deposits included in other non-current assets with maturity for more than 12 months and short term loan to the parent company adjusted for unpaid dividend declared and adjusted in equity as at the end of the relevant period.
Net Debt / (Net Cash) to EBITDA (LTM)	It is computed by dividing Net Debt/ (Net Cash) as at the end of the relevant period by EBITDA for preceding (last) 12 months from the end of the relevant period.
Net Debt / (Net Cash) to Funded Equity Ratio	It is computed by dividing Net Debt/ (Net Cash) as at the end of the relevant period by equity attributable to equity shareholders as at the end of the relevant period.
Operating Free Cash flow	It is not an Ind AS measure and is defined as EBITDA adjusted for Capex, revenue equalisation and lease rent equalisation.
PE Ratio	Price to Earnings ratio is calculated as closing market price (NSE) as at the end of relevant period, divided by diluted annual earnings per share. Annual Diluted Earnings per share is calculated by adding the preceding last four quarters diluted Earnings per share
ROC	Registrar of Companies

Company Related Terms	
Return on Capital Employed (ROCE) Pre Tax - (LTM):	ROCE is computed by dividing the sum of EBIT for the period by average (of opening and closing) capital employed
Green Site	Sites wherein there is minimal diesel consumption to ensure DG's performance (approx 1 litre or 30 min running per day tracked quarterly)
Return on Equity (ROE) (LTM)	ROE is computed by dividing the sum of Profit after tax for the period by average (of opening and closing) equity shareholders' funds
Revenue per Employee per month	It is computed by dividing the Total Revenues (net of inter-segment eliminations) by the average number of on – roll employees in the business unit and number of months in the relevant period
Revenue Equalisation	It represents the effect of fixed escalations (as per the terms of service agreements with customers) recognised on straight line basis over the fixed, non-cancellable term of the agreement, as applicable.
SHA	Shareholders Agreement
SLA	Service Level Agreements
Sharing Operator	A party granted access to a tower and who has installed active infrastructure at the tower
Sharing Revenue	It represents service revenue accrued during the relevant period and includes revenue equalisation net of service level credits.
Sharing revenue per Sharing Operator per month	Is calculated on the basis of sharing revenues accrued during the relevant period divided by the average number of co-locations for the period, determined on the basis of opening and closing number of co-locations for the relevant period.
Sharing revenue per Tower per month	Is calculated on the basis of sharing revenues accrued during the relevant period divided by the average number of towers for the period, determined on the basis of opening and closing number of towers for the relevant period
Towers	Infrastructure located at a site which is permitted by applicable law to be shared, including, but not limited to, the tower, shelter, diesel generator sets and other alternate energy sources, battery banks, air conditioners and electrical works. Towers as referred to are revenue generating towers
Tower and related infrastructure	Infrastructure Located at site which is permitted by applicable law to be shared, including, but not limited to, the tower, shelter, diesel generator sets and other alternate energy sources, battery banks, air conditioners and electrical works.

Company Related Terms

Regulatory Terms

CSR	Corporate social responsibility
BSE	The Bombay Stock Exchange Ltd
DoT	Department of Telecommunications
IP1	Infrastructure Provider Category 1
IPO	Initial Public Offering
ISP license	Internet Service Provider license by DoT
NLD license	National Long Distance license by DoT
NSE	National Stock Exchange
SEBI	Securities and Exchange Board of India
TEC	Telecom Engineering Center
TRAI	Telecom Regulatory Authority of India

Industry Specific & Other Terms

AGM	Annual General Meeting
BTS	Base Transceiver Station
CII	Confederation of Indian Industry
DG	Diesel Generator
EMF	Electro Magnetic Field
FCU	Free Cooling Unit
GBT	Ground Based Tower
IPMS	Integrated Power Management System
Li-Ion	Lithium Ion Battery
NCU	Natural Cooling Unit
PAN	Presence across Nation
PPC	Plug and Play Cabinet
RESCO	Renewable Energy Service Company
RET	Renewable Energy Technology
RTT	Roof Top Tower
TAIPA	Tower and Infrastructure Providers Association
VRLA	Valve-Regulated Lead-Acid Battery
Wi-fi	Wireless Fidelity
Company, We, Our	Bharti Infratel Limited

Notes

Notes

Notes

Circle Offices

Bihar & Jharkhand
Alankar Business Centra, 2nd Floor,
East Boring Canal Road, Budha
Colony, Patna - 800001, Bihar

Haryana & Himachal Pradesh
8th Floor (South Side), Anantraj
Technology Park, Plot No. 1,
Sector 22, IT Park Panchkula,
Haryana - 134109

Jammu & Kashmir
3rd Floor, 29- GMC, TRG Complex,
Opp Bahu Plaza, Jammu - 180012
Jammu & Kashmir

Madhya Pradesh & Chhattisgarh
H-3, 4th Floor, Metro Tower,
Scheme No.54, A.B. Road,
Indore - 452010, Madhya Pradesh

Odisha
IDCO Plot No. C-3/2, Chandaka
Industrial Area, Chandrasekharpur,
Bhubaneswar - 751021, Odisha

North East States and Assam
6th Floor, Bijay Cresent,
Above Reliance Trends,
Near HDFC Bank, Rukminigaon,
Guwahati-781022, Assam

Rajasthan
6th Floor, Plot No. 8 & 9
Corporate Park, Gopal Bari,
Azmer Road,
Jaipur - 302006, Rajasthan

Uttar Pradesh (East)
BBD Viraj Tower, 5th Floor, Vibhuti
Khand, Shaheed Path Gomti Nagar,
Lucknow - 226010, Uttar Pradesh

Uttar Pradesh (West)
Knowledge Boulevard,
A-8-A, The 3C Building, 9th Floor,
Sector - 62, Noida - 201301,
Uttar Pradesh

concept, content and design at aicl [info@aicl.in]

Bharti Infratel Limited

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www.bharti-infratel.com

BHARTI INFRATEL LIMITED
CIN: L64201DL2006PLC156038
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Tel.: +91-11-4666 6100 **Fax**: +91-11-4166 6137
Email id: compliance.officer@bharti-infratel.in
Website: www.bharti-infratel.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Eleventh Annual General Meeting (AGM) of the members of Bharti Infratel Limited, will be held on Saturday, July 22, 2017 at 4:00 p.m. at Air Force Auditorium, Subroto Park, New Delhi- 110010 to transact the following business(es):

Ordinary Business(es)

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

1. **To receive, consider and adopt the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2017**

   "Resolved that the audited standalone financial statements of the Company for the financial year ended March 31, 2017 as per Ind-AS including reports of the Board and Auditors' thereon and audited consolidated financial statements of the company for the financial year ended March 31, 2017 as per Ind-AS including report of Auditors' thereon be and are hereby received, considered and adopted."

2. **To confirm interim dividend and declaration of final dividend on equity shares**

   "Resolved that an interim dividend of ₹ 12 per equity share of ₹ 10/- each fully paid up, paid to the members for the financial year 2016-17 as per the resolution passed by the Board of Directors at its meeting held on March 22, 2017 be and is hereby confirmed.

   Resolved further that a final dividend of ₹ 4 per equity share of ₹ 10/- each fully paid up for the financial year 2016-17, as recommended by the Board, be and is hereby approved and declared."

3. **Re-appointment of Rajan Bharti Mittal (DIN: 00028016) as a Director liable to retire by rotation**

   "Resolved that Rajan Bharti Mittal (DIN 00028016), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

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

   "Resolved that pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Gurgaon (Registration no. 117366W/ W-100018), be and are hereby appointed as the Statutory Auditors of the Company (in place of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, Gurgaon, (Registration no. 101049W) Statutory Auditors of the Company retiring at the conclusion of this AGM) for a period of five years i.e. from the conclusion of this 11th AGM till the conclusion of 16th AGM of the Company, subject to annual ratification by the members at every AGM.

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

Special Business(es)
To consider and, if thought fit, to pass, the following resolutions as Ordinary Resolutions:

5. Appointment of Sanjay Omprakash Nayar (DIN: 00002615) as a Director, liable to retire by rotation

"Resolved that pursuant to the provisions of Section 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof), Sanjay Omprakash Nayar (DIN 00002615), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. May 8, 2017, and who holds office till the date of this AGM in terms of Section 161(1) of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. Appointment of Tao Yih Arthur Lang (DIN: 07798156) as a Director, liable to retire by rotation

"Resolved that pursuant to the provisions of Section 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof), Tao Yih Arthur Lang (DIN 07798156), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. conclusion of the Board Meeting dated May 8, 2017, and who holds office till the date of this AGM in terms of Section 161(1) of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. Re-appointment of Devender Singh Rawat (DIN: 06798626) as Managing Director & Chief Executive Officer of the Company

"Resolved that pursuant to the provisions of Section 196, 197, 198 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule V of the Companies Act, 2013 or any other law for the time being in force, consent of the Company, be and is hereby accorded for re-appointment of Devender Singh Rawat (DIN 06798626) as Managing Director & Chief Executive Officer (MD & CEO) of the Company for a further period of three years with effect from April 1, 2017 on the following remuneration:

Fixed Pay (inclusive of salary, perquisites, allowance and other benefits):

Such sum as may be determined by the Board from time to time provided that the total fixed pay shall not exceed INR 25.00 Million per annum.

Variable Pay (Performance Linked Incentive and other pay-outs):

Such sum as may be determined by the Board from time to time provided that the total variable pay shall not exceed 100% of the fixed pay in any financial year.

In addition to the above, Devender Singh Rawat will be entitled to the following:

Employees Stock Options
Such number of options as may be granted to him under any ESOP Scheme as applicable from time to time.

Retirement / Other benefits
Gratuity, leave encashment and other benefits as per the applicable Company policy and rules.

Reimbursements
Devender Singh Rawat will also be entitled to reimbursement of all legitimate expense incurred by him while performing his duties and such reimbursement will not form part of his remuneration.

The aggregate remuneration inclusive of fixed pay, variable pay (Performance Linked Incentives), perquisites, allowances and other benefits payable to Devender Singh Rawat as MD & CEO shall not exceed the overall ceilings laid down in Section 197 and other applicable provisions of the Companies Act, 2013 or any other law for the time being in force, if any.

Minimum Remuneration
Where in any financial year during the tenure of Devender Singh Rawat as MD & CEO, the Company incurs losses or its profits are inadequate, the Company shall pay to Devender Singh Rawat, the above remuneration by way of fixed pay, variable pay (Performance Linked Incentives), perquisites, allowances and other benefits as minimum remuneration, subject to the approval of Central Government, if applicable.

Resolved further that the Board of Directors of the Company, be and is hereby authorized to vary, alter and modify the terms and conditions of re-appointment including designation, remuneration / remuneration structure of Devender Singh Rawat within the limits prescribed above.

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

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

Shweta Girotra
Company Secretary
Membership No. F7313

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

Registered Office:
Bharti Infratel Limited
Bharti Crescent
1, Nelson Mandela Road,
Vasant Kunj, Phase – II,
New Delhi - 110 070, India.
CIN: L64201DL2006PLC156038
Email id: compliance.officer@bharti-infratel.in

Place: New Delhi
Date: May 8, 2017

Notes:

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

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

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

4. The notice of AGM will be sent to those members / beneficial owners whose name will appear in the register of members / list of beneficiaries received from the depositories as on Friday, June 16, 2017.

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

6. The copy of Annual Report 2016-17, notice of the 11th AGM, instruction for e-voting, along with attendance slip, route map with prominent landmark details and proxy form and dividend intimation etc. are being sent through electronic mode to all the members whose e-mail addresses are registered with Company/ depository participant (DPs) / Company's Registrar and Transfer Agent (RTA) and members whose e-mail id is not registered with the Company will be sent physical copies of such documents at their registered address through permitted mode.

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

   Members whose e-mail ids are registered with the Company and who wish to receive printed copy of the Annual Report may send their request to the Company at its registered office address or to the RTA, Karvy Computershare Private Limited, at Karvy Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad- 500032.

7. Annual Report and Notice of the 11th AGM and related documents will also be available under the Investor Relations section on the website of the Company www.bharti-infratel.com.

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

   - For equity shares held in physical form - those shareholders whose names will appear in the Register of Members on the close of day on Friday, July 21, 2017, being the record date for the purpose of dividend.

   - For equity shares held in dematerialized form - those beneficiaries, whose names are furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owner on the close of day on Friday, July 21, 2017, being the record date for the purpose of dividend.

9. Members who hold equity shares in physical form and desirous of availing Electronic Clearance Scheme (ECS) facility for direct credit of dividend to their bank account, may submit their request to the Company's RTA. The ECS mandate, in order to be effective, should be submitted to the RTA on or before Monday, July 10, 2017. Any query related to dividend should be directed to the RTA of the Company.

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

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

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

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

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

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

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

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

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

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

16. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment, Rules, 2016, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting through electronic voting service facility. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ("remote e-voting").

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

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

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

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

21. The Board has appointed Sanjay Grover, Managing Partner at M/s. Sanjay Grover & Associates, Company Secretaries, New Delhi as Scrutinizer to scrutinize the voting at AGM venue and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same purpose.

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

Commencement of remote e-voting	: From 9:00 a.m. (IST) on July 19, 2017
End of remote e-voting	: Upto 5:00 p.m. (IST) on July 21, 2017

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

23. The voting rights of Members for remote e-voting and for voting at AGM venue shall be in proportion to the paid up value of their shares in the equity share capital of the Company as on cut-off date i.e. Saturday, July 15, 2017.

24. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Saturday, July 15, 2017 only shall be entitled to avail the facility of remote e-voting / voting at AGM venue. Any person who is not a member on the cut-off date should treat the Notice for information purpose only.

25. Any person who becomes member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. Saturday, July 15, 2017 may obtain the User Id and password in the manner as mentioned below:

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

       Example for NSDL :
       MYEPWD<SPACE>IN12345612345678

       Example for CDSL :
       MYEPWD<SPACE>1402345612345678

       Example for Physical:
       MYEPWD<SPACE> XXXX1234567890

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

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

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

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

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

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

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

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

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

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

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

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

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

35. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website https://evoting.karvy.com. In case of any other queries / grievances connected to remote e-voting, you may contact Ravi Shankar Shukla of Karvy Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad- 500032 at telephone number: 040- 67161522 or at email: evoting@karvy.com.

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

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

Item No. 5

Sanjay Omprakash Nayar (DIN: 00002615) was appointed as an Additional Director on the Board of the Company w.e.f. May 8, 2017. Pursuant to the provisions of section 161(1) of the Companies Act, 2013, Sanjay Omprakash Nayar will hold office upto the date of this Eleventh AGM. The Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Sanjay Omprakash Nayar as Director of the Company, liable to retire by rotation, along with the prescribed deposit of ₹ 100,000/-.

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

Sanjay Omprakash Nayar is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to be appointed as a Director. Keeping in view his rich and varied experience, the Board recommends the appointment of Sanjay Omprakash Nayar as a Director, liable to retire by rotation as set out in Item no. 5 of the notice as an Ordinary Resolution.

Brief profile of Sanjay Omprakash Nayar is enclosed and detailed profile is available on www.bharti-infratel.com.

Item No. 6

Tao Yih Arthur Lang (DIN: 07798156) was appointed as an Additional Director on the Board of the Company w.e.f. conclusion of the Board Meeting dated May 8, 2017. Pursuant to the provisions of section 161(1) of the Companies Act, 2013, Tao Yih Arthur Lang will hold office upto the date of this Eleventh AGM. The Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing candidature of Tao Yih Arthur Lang as Director of the Company, liable to retire by rotation, along with the prescribed deposit of ₹ 100,000/-.

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

Tao Yih Arthur Lang is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to be appointed as a Director. Keeping in view his rich and varied experience, the Board recommends the appointment of Tao Yih Arthur Lang as a Director, liable to retire by rotation as set out in Item no. 6 of the notice as an Ordinary Resolution.

Brief profile of Tao Yih Arthur Lang is enclosed and detailed profile is available on www.bharti-infratel.com.

Item No. 7

In terms of the provisions of Section 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, re- appointment of the Managing Director & Chief Executive Officer (MD & CEO) requires approval of the shareholders by way of ordinary resolution.

Devender Singh Rawat, was appointed as the MD & CEO of the Company w.e.f. April 1, 2014 for a period of 3 years i.e. upto March 31, 2017 vide resolution passed by the Shareholders, through Postal Ballot on March 21, 2014.

Upon recommendation of the HR, Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on January 23, 2017, subject to the approval of shareholders in this Annual General Meeting, had re-appointed Devender Singh Rawat for a further term of 3 years i.e. from April 1, 2017 to March 31, 2020. Devender Singh Rawat has been instrumental to the growth of the Company. The Board of Directors is of the opinion that it will be in the best interest of the Company that he continues as the MD & CEO of the Company. The Board proposes the re-appointment of Devender Singh Rawat, on the terms and remuneration as stated in the resolution set out at Item no. 7, for approval of shareholders as an ordinary resolution.

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

Save and except Devender Singh Rawat and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item no. 7.

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

Brief profile of Devender Singh Rawat is enclosed and detailed profile is available on www.bharti-infratel.com.

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

Registered Office:
Bharti Infratel Limited
Bharti Crescent
1, Nelson Mandela Road,
Vasant Kunj, Phase – II,
New Delhi - 110 070, India.
CIN: L64201DL2006PLC156038
Email id: compliance.officer@bharti-infratel.in

Date: May 8, 2017
Place: New Delhi

Shweta Girotra
Company Secretary
Membership No. F7313

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

Information of Directors to be appointed and the Directors seeking re-appointment at the forthcoming Annual General Meeting pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 including Secretarial Standard-2, as on the date of the Notice

Name	**Rajan Bharti Mittal**
DIN	00028016
Date of Birth	05/01/1960
Age	57 years
Original date of appointment	27/01/2016
Qualifications	Graduate from Punjab University and an Alumnus of Harvard Business School
Experience and expertise in specific functional area	Marketing and Management
Terms and conditions of appointment and remuneration	As per the Policy on Nomination, Remuneration and Board Diversity (annexed to Board's Report)
Remuneration last drawn	As mentioned in the Corporate Governance Report
No. of Board Meetings attended during the year	As mentioned in the Corporate Governance Report
Shareholding in Bharti Infratel Limited	Nil
Relationship with other Directors, Managers and Other Key Managerial Personnel	Nil
Directorships held in other companies in India	• Bharti Telecom Limited
	• Cedar Support Services Limited
	• Bharti Realty Holdings Limited
	• Indus Towers Limited
	• Future Retail Limited
	• Bharti Enterprises (Holding) Private Limited
	• Bharti Management Private Limited
	• Bharti Overseas Private Limited
	• Bharti (RBM) Holdings Private Limited
	• Bharti (RBM) Resources Private Limited
	• Bharti (RBM) Services Private Limited

Name	Rajan Bharti Mittal
	• Bharti (RBM) Trustees Private Limited • Bharti (Satya) Trustees Private Limited • Bharti RBM Trustees S1 Private Limited • Bharti RBM Trustees S2 Private Limited
Membership/Chairmanship of committees in other public limited companies in India	Bharti Telecom Limited – Chairman - Stakeholders Relationship Committee Member - Audit Committee Future Retail Limited – Member - Stakeholders' Relationship Committee

Name	Sanjay Omprakash Nayar
DIN	00002615
Date of Birth	13/10/1960
Age	56 years
Original date of appointment	08/05/2017
Qualifications	B. Sc. (Hons) from Delhi College of Engineering PGDM (Finance)-Indian Institute of Management, Ahmedabad
Experience and expertise in specific functional area	Banking and Private Equity
Terms and conditions of appointment and remuneration	As per the Policy on Nomination, Remuneration and Board Diversity (annexed to Board's Report)
Remuneration last drawn	As mentioned in the Corporate Governance Report
No. of Board Meetings attended during the year	As mentioned in the Corporate Governance Report
Shareholding in Bharti Infratel Limited	Nil
Relationship with other Directors, Managers and Other Key Managerial Personnel	Nil
Directorships held in other companies in India	• Pratham Education Foundation* • Valleyview Probuild Private Limited • Indian School of Business* • KKR India Advisors Private Limited • KKR India Financial Services Private Limited • Heritage View Developers Private Limited • Grameen Capital India Private limited • Pratham Institute for Literacy Education and Vocational Training* • Grameen Capital Investment Advisors Private Limited • Sea View Probuild Private Limited • Sealink View Probuild Private Limited • Seynse Technologies Private Limited • Avendus Capital Private Limited • Epimoney Private Limited • USIBC Global Private Limited • Magma Fincorp Limited • Apollo Hospitals Enterprise Limited • Gland Pharma Limited • Max Financial Services Limited • Coffee Day Enterprises Limited • Coffee Day Global Limited
Membership/Chairmanship of committees in other public limited companies in India	Magma Fincorp Limited Member- Audit Committee

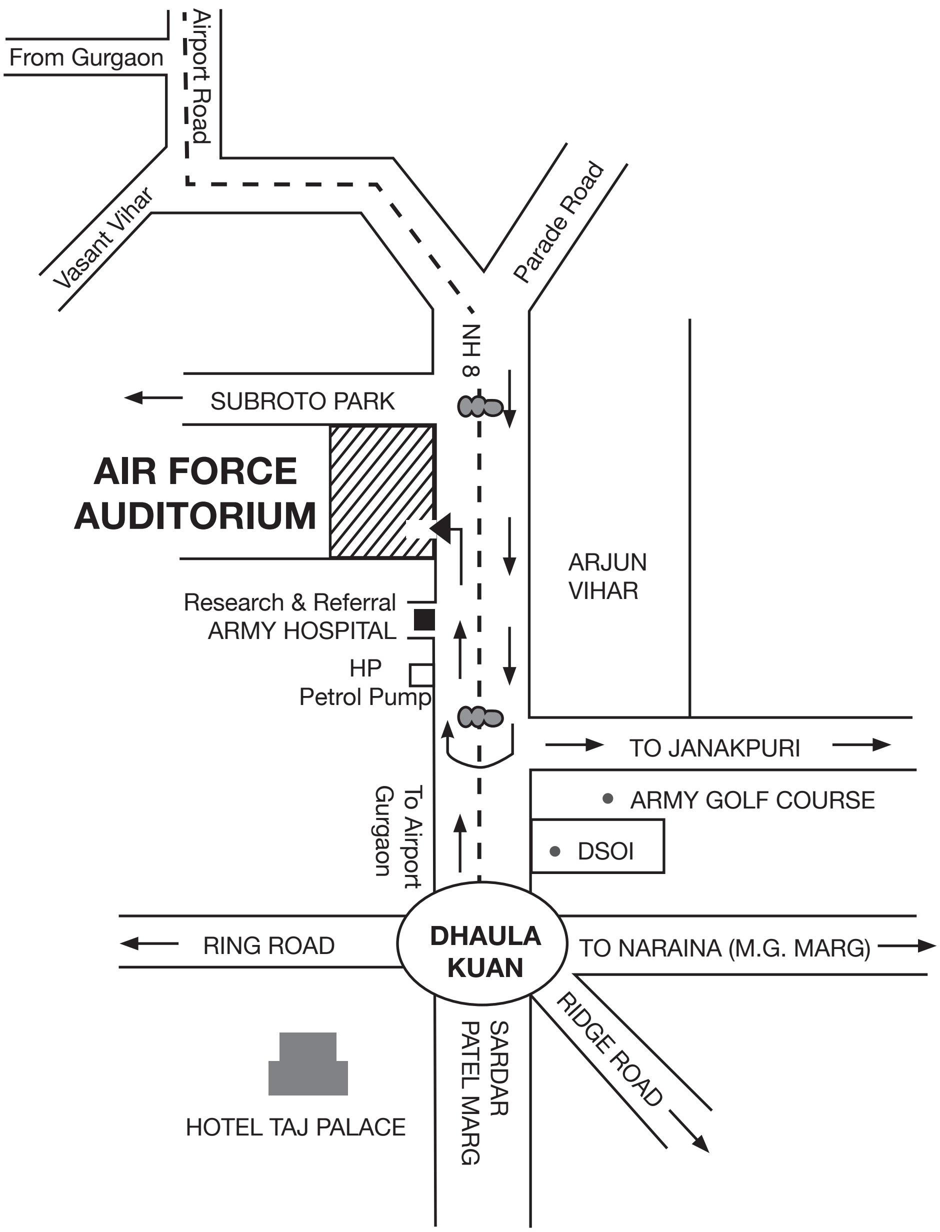
*Section 8 Companies under Companies Act, 2013

Name	Tao Yih Arthur Lang
DIN	07798156
Date of Birth	06/01/1972
Age	45 years
Original date of appointment	08/05/2017#
Qualifications	Masters in Business Administration, Harvard University Bachelor of Arts in Economics (Magna cum laude), Harvard University
Experience and expertise in specific functional area	Technology and General Management
Terms and conditions of appointment and remuneration	As per the Policy on Nomination, Remuneration and Board Diversity (annexed to Board's Report)
Remuneration last drawn	As mentioned in the Corporate Governance Report
No. of Board Meetings attended during the year	As mentioned in the Corporate Governance Report
Shareholding in Bharti Infratel Limited	Nil
Relationship with other Directors, Managers and Other Key Managerial Personnel	Nil
Directorships held in other companies in India	Nil
Membership/Chairmanship of committees in other public limited companies in India	Nil

#w.e.f conclusion of the Board Meeting dated May 8, 2017.

Name	Devender Singh Rawat
DIN	06798626
Date of Birth	07/07/1968
Age	48 Years
Original date of appointment	1/4/2014
Qualifications	Bachelors' degree in Engineering (Electronics and Communication) from Osmania University, Hyderabad
Experience and expertise in specific functional area	General Management
Terms and conditions of appointment and remuneration	As per the Policy on Nomination, Remuneration and Board Diversity (annexed to Board's Report)
Remuneration last drawn	As mentioned in the Corporate Governance Report
No. of Board Meetings attended during the year	As mentioned in the Corporate Governance Report
Shareholding in Bharti Infratel Limited	82,695 shares
Relationship with other Directors, Managers and Other Key Managerial Personnel	Nil
Directorships held in other public limited companies in India	Smartx Services Limited
Membership/Chairmanship of committees in other public limited companies in India	Nil

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



Venue: Air Force Auditorium, Subroto Park, New Delhi – 110 010

Landmark: Adjacent to Research & Referral, Army Hospital

BHARTI INFRATEL LIMITED

CIN: L64201DL2006PLC156038
Regd. Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070
Tel.: +91-11-4666 6100 **Fax**: +91-11-4166 6137
Email id: compliance.officer@bharti-infratel.in **Website**: www.bharti-infratel.com

ADMISSION SLIP

11TH ANNUAL GENERAL MEETING

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

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

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

____

____

I / we hereby record my / our presence at the Eleventh Annual General Meeting of the Company being held on Saturday, July 22, 2017 at 4:00 p.m. at Air Force Auditorium, Subroto Park, New Delhi- 110010.

Please (√) in the box

☐ MEMBER ☐ PROXY

____

Signature of Member/Proxy

*Applicable for member holding shares in physical form.

BHARTI INFRATEL LIMITED

CIN: L64201DL2006PLC156038
Regd. Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070
Tel.: +91-11-4666 6100 **Fax**: +91-11-4166 6137
Email id: compliance.officer@bharti-infratel.in **Website**: www.bharti-infratel.com

Form No. MGT-11

PROXY FORM

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

CIN: L64201DL2006PLC156038

Name of the Company: Bharti Infratel Limited

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

Name of the member(s):………

Registered address: ………

E-mail ID:………

DP ID & Client ID/Regd. Folio No:……………………………………………………………………………………………

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

1. Name: .... Address...
   E-Mail... Signature...or failing him.
2. Name: .... Address...
   E-Mail... Signature...or failing him.
3. Name: .... Address...
   E-Mail... Signature...

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Eleventh Annual General Meeting of the Company scheduled to be held on Saturday, July 22, 2017 at 4:00 p.m. at Air Force Auditorium, Subroto Park, New Delhi- 110010, India or / and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	For	Against
Ordinary Business(es)			
1.	To receive, consider and adopt the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2017		
2.	To confirm interim dividend and declaration of final dividend on equity shares		
3.	Re-appointment of Rajan Bharti Mittal (DIN: 00028016) as a Director liable to retire by rotation		
4.	Appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Gurgaon (Registration no. 117366W/ W- 100018) as the Statutory Auditors of the Company		
Special Business(es)			
5.	Appointment of Sanjay Omprakash Nayar (DIN 00002615) as a Director, liable to retire by rotation		
6.	Appointment of Tao Yih Arthur Lang (DIN 07798156) as a Director, liable to retire by rotation		
7.	Reappointment of Devender Singh Rawat (DIN:06798626) as Managing Director & Chief Executive Officer of the Company		

Signed this ……………..................Day of …………......2017

Signature of shareholder ………………………….............

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

Affix the revenue stamp of ₹ 1/-

Note:

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

ECS MANDATE FORM

[APPLICABLE FOR SHARES HELD IN PHYSICAL FORM ONLY]

To

Karvy Computershare Private Limited

Unit: Bharti Infratel Limited
Karvy Selenium Tower B, Plot No. 31 & 32,
Financial District, Nanakramguda,
Gachibowli Hyderabad- 500032

Name of the First/Sole Member	
Folio No.	

PAN/Email information

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

Particulars of the Bank Account

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

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

Signature of the 1st Registered Holder/Sole Holder

BHARTI INFRATEL LIMITED

CIN: L64201DL2006PLC156038

Regd. Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070

Tel.: +91-11-4666 6100 Fax: +91-11-4166 6137

Email id: compliance.officer@bharti-infratel.in **Website:** www.bharti-infratel.com

Name of the member including Joint holder(s), if any	
Registered address of the sole / first named member	
DP ID & Client ID No. / Registered Folio No.	
No. of shares held	

Dear Member(s),

Sub: Voting through electronic means

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide facility to its members to exercise their right to vote on resolutions proposed to be passed in the 11th Annual General Meeting (AGM) of the Company scheduled to be held on Saturday, July 22, 2017 at 4:00 p.m., by electronic means (remote e-voting).

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

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

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

Commencement of remote e- voting	From 09:00 am (IST) on July 19, 2017
End of remote e- voting	Upto 05:00 pm (IST) on July 21, 2017

The cut-off date for the purpose of remote e-voting is July 15, 2017.

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

This communication forms an integral part of the notice dated May 8, 2017 for the 11th AGM scheduled to be held on July 22, 2017. Please read the instructions printed overleaf before exercising the vote.

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

Thanking you

For **Bharti Infratel Limited**

Shweta Girotra
Company Secretary
Membership No. F7313

Date: May 8, 2017
Place: New Delhi

Registered Office:
Bharti Crescent
1, Nelson Mandela Road,
Vasant Kunj, Phase – II,
New Delhi - 110 070, India.
CIN: L64201DL2006PLC156038

Email id: compliance.officer@bharti-infratel.in

Bharti Infratel Limited

CIN: L64201DL2006PLC156038

Regd. Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070

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

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

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

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

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

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

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

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

(vii) On the voting page enter the number of shares (which represents the number of votes) as on the cut- off date under each of the heading of the resolution and cast your vote by choosing the "FOR/AGAINST" option or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date i.e. Saturday, July 15, 2017. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head. Option "FOR" implies assent to the resolution and "AGAINST" implies dissent to the resolution.

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

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

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

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

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

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

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

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

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

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

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

6. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date i.e. July 15, 2017.

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

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

9. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories at the close of business hours on July 15, 2017 shall be entitled to avail the facility of remote E-voting/ voting at AGM venue.

10. Any person who becomes member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. July 15, 2017 may obtain the User Id and password in the manner as mentioned below:

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

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

Example for NSDL: MYEPWD<SPACE>IN12345612345678

Example for CDSL: MYEPWD<SPACE>1402345612345678

Example for Physical: MYEPWD<SPACE> XXXX1234567890

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

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

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

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

12. The Results on resolutions shall be declared on or before closing business hours on Monday, July 24, 2017 and the resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the Resolutions.

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