



**32ND ANNUAL REPORT
2016-2017**

BHARTI TELECOM LIMITED

BOARD OF DIRECTORS

CHAIRMAN

Mr. Sunil Bharti Mittal

DIRECTORS

Ms. Chua Sock Koong
Mr. Devendra Khanna – Managing Director
Mr. Rajan Bharti Mittal
Mr. Tao Yih Arthur Lang

COMPANY SECRETARY

Mr. Rohit Krishan Puri

STATUTORY AUDITORS

S. R. Batliboi & Associates LLP,
Chartered Accountants

SECRETARIAL AUDITORS

Chandrasekaran Associates,
Company Secretaries

REGISTERED OFFICE

Airtel Centre, Plot No. 16,
Udyog Vihar, Phase – IV,
Gurgaon, Haryana – 122001,
India.

CORPORATE OFFICE

Bharti Crescent, 1, Nelson Mandela Road, Vasant
Kunj, Phase – II,
New Delhi – 110070,
India.

CORPORATE IDENTIFICATION NUMBER

U32039HR1985PLC032091

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BOARD'S REPORT

Dear Members,

The Directors have pleasure in presenting the 32nd Board's Report on the Company's business and operations, together with audited financial statements and accounts for the financial year ended March 31, 2017.

Financial performance, results of operations and Company overview

Standalone

(₹`000)

Particulars	For the year ended March 31	
	2017	2016
Gross income	3,696,117	4,638,481
Profit/(loss) before finance expenses, depreciation and tax	3,687,666	4,634,867
Profit/(loss) before tax	3,687,664	4,634,863
Less: Tax expenses	431,098	264,488
Profit/(loss) after tax	3,256,566	4,370,375

Consolidated

(₹`000)

Particulars	For the year ended March 31	
	2017	2016
Gross income	3,696,117	4,638,481
Profit/(loss) before finance expenses, depreciation and tax	3,687,666	4,634,867
Profit/(loss) before tax	3,687,664	4,634,863
Less: Tax expenses	431,098	264,488
Profit/(loss) after tax (before consolidation)	3,256,566	4,370,375
Profit/(loss) after tax (after consolidation)	20,537,696	31,768,778

The Company holds investment in Bharti Airtel Limited. During the year, the Company received a sum of ₹ 2,451.15 Mn. as dividend from such investments. The aggregate holding of the Company in Bharti Airtel Limited is 1,817,987,269 (45.48%) equity shares of ₹ 5/- each as on March 31, 2017.

Indian Accounting Standards

The Ministry of Corporate Affairs (MCA), vide its notification dated February 16, 2015, notified the Indian Accounting Standards (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.

Pursuant to the aforesaid notification, w.e.f. April 01, 2016, the Company has transitioned to Ind AS and the transition date being April 1, 2015. The transition is carried out from accounting principles generally accepted in India being the previous GAAP. Accordingly, basis the accounting policies and Ind AS 101 exemptions, the impact of transition has been provided in the opening equity as at April 01, 2015 and figures for the previous year have been adjusted accordingly.

The reconciliation and explanation of the effect of transition to Ind AS are given in detail in note 28 of the standalone financial statements and note 29 of the consolidated financial statements.

Dividend

The Board of directors does not recommend any dividend for the financial year 2016-17.

Share capital

The authorised share capital and paid-up share capital of the Company as on March 31, 2017 was ₹ 50,000 Mn. divided into 5,000,000,000 Equity Shares of ₹ 10/- each and ₹ 25,253.24 Mn. divided into 2,525,324,176 equity shares of ₹ 10/- each respectively. There had been no change in the paid-up share capital of the Company during the financial year.

Deposits

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

General Reserve

The Company has not transferred any amount to the General Reserve for the financial year ended March 31, 2017.

Directors and Key Managerial Personnel

MCA vide its Notification dated July 05, 2017, has exempted certain class of companies from the requirement of having independent directors on the Board. In line with the said notification, Mr. Ravinder Arora and Mr. Sunil Kumar Goyal, independent directors have stepped down from the Board w.e.f. July 25, 2017. The Board placed on record its appreciation for the contribution made by them during their tenure as an independent directors.

In compliance with the provisions of Section 152 of the Companies Act, 2013, Ms. Chua Sock Koong, Director of the Company will retire by rotation at the ensuing annual general meeting (AGM) and being eligible has offered herself for re-appointment. The Board recommends her re-appointment.

Mr. Tao Yih Arthur Lang was appointed as an Additional Director on the Board w.e.f. May 10, 2017 and will hold the office till the date of the ensuing annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier. The Company has received requisite notice from a member under Section 160 of the Companies Act, 2013, proposing the appointment of Mr. Tao Yih Arthur Lang as the Company's Director, liable to retire by rotation. Accordingly, the Board recommends his appointment.

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

The Company's "Nomination and Remuneration Policy" including criteria for determining qualifications, positive attributes and independence of a director and other matters as provided under section 178(3) of the Companies Act, 2013 is annexed as **Annexure A** to this report.

The Company has received declarations from all independent directors of the Company confirming that they meet the criteria of independence as prescribed under section 149 of the Companies Act, 2013, for the financial year 2016-17.

Mr. Sanjay Berry resigned from the position of Chief Financial Officer w.e.f. from December 14, 2016. The Board placed on record its appreciation for the contribution made by him during his tenure. The Board in its meeting held on January 24, 2017 had appointed Ms. Vidya Raman Soares as Chief Financial Officer of the Company w.e.f. January 24, 2017.

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

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of the Board's Report.

Board Evaluation

In compliance with the provisions of the Companies Act, 2013, the Nomination and Remuneration Committee has approved the process, format, attributes and criteria for the performance evaluation of the Board, Board Committees and Individual Directors including the Chairman and the Managing Director. The process provides that the performance evaluation shall be carried out on an annual basis. During the year, the Directors had completed the evaluation process, which included evaluation of the Board as a whole, the Board Committees and individual Directors including the Chairman and the Managing Director.

The directors actively participated in the evaluation process. All the directors were subjected to peer evaluation. The result of evaluation was discussed in the independent director's meeting, respective committee meetings and in the board meeting held on May 09, 2017. Recommendations arising from the evaluation process will be considered by the Board to optimise its effectiveness.

Board and Committee Meetings

The Composition of the Board of Directors of the Company is in conformity with all the requirements under the Companies Act, 2013. The Board of Directors met four times during the financial year 2016-17, i.e. on April 27, 2016, July 27, 2016, October 25, 2016 and January 24, 2017. The requisite details regarding composition of the Board, number of board meetings held and attended by each director are provided in the **Annexure B** to this report.

Audit Committee

In compliance with the requirements of Section 177 of the Companies Act, 2013, the Company has a committee of the Board known as the Audit Committee. All recommendations made by the Committee were accepted by the Board. During the financial year 2016-17, the Committee met four times i.e. on April 27, 2016, July 27, 2016, October 25, 2016 and January 24, 2017. The composition and the attendance of the members at the meeting are provided in the **Annexure B** to this report.

Nomination and Remuneration Committee

In compliance with the requirements of Section 178 of the Companies Act, 2013, the Company has a committee of the Board known as the Nomination and Remuneration Committee. During the financial year 2016-17, the Committee met three times i.e. on April 27, 2016, July 27, 2016 and January 24, 2017. The composition and the attendance of the members at the meeting are provided in the **Annexure B** to this report.

Stakeholders' Relationship Committee

In compliance with the requirements of Section 178 of the Companies Act, 2013, the Company has a committee of the Board known as the Stakeholders' Relationship Committee. During the financial year 2016-17, the Committee met ten times i.e. on April 04, 2016, April 27, 2016, June 06, 2016, July 18, 2016, July 27, 2016, September 20, 2016, October 25, 2016, December 19, 2016, January 24, 2017 and February 16, 2017. The composition and the attendance of the members at the meeting are provided in the **Annexure B** to this report.

Corporate Social Responsibility (CSR) Committee

In compliance with the requirements of Section 135 of the Companies Act, 2013, the Company has a committee of the Board known as Corporate Social Responsibility Committee. During the financial year 2016-17, the Committee met two times i.e. on April 27, 2016 and January 24, 2017. The composition and the attendance of the members at the meetings are provided in the **Annexure B** to this report.

During the financial year 2016-17, the Company has spent ₹ 06 Mn. towards the CSR activities under Section 35AC of the Income Tax Act, 1961. The said contributions amounting ₹ 06 Mn. by the Company are as prescribed under Schedule VII of the Companies Act, 2013 and represents 0.83% of the net profit before tax of the Company for last three financial years. The Company was in the process of evaluating the focus areas / locations of intervention for CSR activities to cater to the pressing needs of society and deliver optimal impact. As a socially responsible company, your Company is committed to increase its CSR impact and spend over the coming years, with the aim of playing a larger role in India's sustainable development by embedding wider economic, social and environmental objectives.

The Report on Corporate Social Responsibility for the financial year 2016-17 u/s 135 of the Companies Act, 2013 is annexed as **Annexure C** to this report.

BTL Committee of Directors

The Company has a committee known as BTL Committee of Directors. During the financial year 2016-17, the Committee met once i.e. on April 27, 2016. The composition and the attendance of the members at the meeting are provided in the **Annexure B** to this report.

Extract of Annual Return

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

Particulars of loans, guarantees or investments

Particulars of loans, guarantees or investments forms part of notes to the financial statements provided in note 8 of the Annual Report.

Related Party Transactions

All arrangements / transactions entered by the Company with related parties during the year were in ordinary course of business and on arm's length basis. Details of such transactions have been included in the Notes to Accounts section of the Annual Report.

During the year, the Company has not entered into any arrangement / transaction with related parties which could be considered material, accordingly, the disclosure of Related Party Transactions in Form AOC-2 is not applicable.

Subsidiary / Joint Venture / Associate Companies

As on March 31, 2017, your Company has one associate namely Bharti Airtel Limited. During the financial year there was no change in

the subsidiary / joint venture or associate companies.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts of Companies) Rules, 2014, a statement containing salient features of financial statements including details of performance and financial position of Bharti Airtel Limited in form AOC-1 is annexed herewith as **Annexure E** to this report.

The audited financial statements of Bharti Airtel Limited is available for inspection at the Company's registered office as well as the corporate office and also at the registered office of Bharti Airtel Limited. The annual report of Bharti Airtel Limited can also be viewed online by using the following link <http://www.airtel.in/wps/wcm/connect/about-bharti/equity/results>.

Auditors and Auditor's Report

Statutory Auditor

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 32nd AGM.

On the recommendation of the Audit Committee, the Board, in its meeting held on May 09, 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 32nd AGM till the conclusion of 37th AGM, 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 Board has duly examined the Statutory Auditors' Report to the accounts, which is self-explanatory. Clarifications, wherever necessary, have been included in the Notes to Accounts section of the annual report. The Report does not contain any qualification, reservation, disclaimer or adverse remark.

Secretarial Auditor

The Board had appointed Chandrasekaran Associates, Company Secretaries, to conduct its Secretarial Audit for the financial year ended March 31, 2017. The Secretarial Auditors have submitted their report, confirming compliance by the Company of all provisions of applicable corporate laws. The Report does not contain any qualification, reservation, disclaimer or adverse remark. The Secretarial Audit Report is annexed as **Annexure F** to this report.

The Board has reappointed Chandrasekaran Associates, Company Secretaries, as Secretarial Auditor of the Company for the financial year 2017-18.

Risk Management

The management of the Company keeps evaluating the risks to which the Company is exposed to on a continuous basis, to ensure consistent, efficient and effective assessment of risks and its timely mitigation. The management provides an update to the Board on the risks which are critical for the operation of the Company, if any.

The Board of Directors of the Company is ultimately responsible for the risk management process and focus on the most significant risks that may affect the Company viz. Strategic, Operational, Reputational, Financial, and Legal & Compliance.

Internal Financial Controls

The internal financial controls with reference to the Financial Statements were commensurate with the size and nature of business of the Company.

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.

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

The Company does not carry on any manufacturing activity and accordingly the provisions to furnish information, as per Section 134 of the Companies Act, 2013, read with Rule 8 of Companies (Accounts) Rules, 2014, relating to Conservation of Energy and Technology

Absorption are not required to be complied with.

During the year under review, there were nil Foreign Exchange Earnings and Outgo.

Prevention of Sexual harassment

The Company is committed to provide a protective environment at workplace to all its women employees, to ensure that every woman employee is treated with dignity and respect.

During the year, since there were no women employees on the role of Company, there was no complaint regarding sexual harassment.

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:

1. In the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards read with requirements sets out in Schedule III to the Act, have been followed and there are no material departures from the same;
2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended on that date;
3. The Directors have 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;
4. The Directors have prepared the annual accounts on a 'going concern basis';
5. The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
6. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

Acknowledgement

Your directors express their gratitude for the co-operation and support received from various agencies / departments of the Government of India, State Governments, Company's Bankers and Financial Institutions.

On behalf of the Board

Place: New Delhi
Date: July 25, 2017

Sunil Bharti Mittal
Chairman

Annexure A**Bharti Telecom Limited – Nomination & Remuneration Policy****Preamble**

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

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 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.
- To provide for rewards linked directly to their effort, performance, dedication and achievement of Company's targets.

Attributes, qualifications and diversity**Directors and Key Managerial Personnel**

The Committee shall be responsible for identifying suitable candidate for appointment as directors or as KMPs 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 Telecom Limited, subject to compliance with the provisions of the Companies Act, 2013, Articles of Association of the Company and the Shareholders Agreement. The Board shall strive to have an appropriate combination of Executive, Non-Executive and Independent Directors.

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 and functional expertise, educational and professional background, personal accomplishment, age, experience, understanding of the 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.
- 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 other applicable laws.
- 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 reappointment / extension of term of any board members shall be on the basis of their performance evaluation.

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.

Remuneration Policy

The overall limits of remuneration of the board members including executive board members (i.e. managing director, whole-time director, executive directors etc.), if paid, will be 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, except the payment of sitting fees, 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

- i. Profit-linked commission – NIL**
- ii. Sitting Fees –** An independent director will be entitled to INR 25,000 for every board meeting and all committee meetings (including meetings attended through video conferences) held in a single day.

The Board, upon recommendation of the Nomination and Remuneration Committee, may revise the sitting fees / commission payable to all or any one of the independent directors.

Executive Board Members

The remuneration (including revision in the remuneration) of executive board members, if any, shall be approved by the Board on the basis of the recommendation of the Nomination & Remuneration Committee.

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

The remuneration of Key Managerial Personnel (other than managing director and whole time director) shall be decided on case to case basis.

Disclosures by the Company

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

General

The Managing Directors and the Company Secretary are jointly and severally authorized to amend the Policy to give effect to any changes / amendments notified by Ministry of Corporate Affairs w.r.t. any matter covered by this policy.

The amended policy shall be placed before the Board for noting and ratification.

Annexure B
Composition, meetings and attendance of the Board and Board Committees
Board Meetings

Name	Category	Number of Meetings attended (held during their tenure)
Mr. Sunil Bharti Mittal	Chairman	4 (4)
Mr. Devendra Khanna	Managing Director	3 (4)
Ms. Chua Sock Koong ¹	Non-Executive Director	3 (4)
Mr. Mark Chong Chin Kok ²	Non-Executive Director	3 (4)
Mr. Rajan Bharti Mittal	Non-Executive Director	3 (4)
Mr. Ravinder Arora ³	Independent Director	4 (4)
Mr. Sunil Kumar Goyal ⁴	Independent Director	3 (4)
Mr. Tao Yih Arthur Lang ⁵	Non-Executive Director	N.A.

- One meeting attended by Ms. Tan Yong Choo, alternate director.
- Ceased to be director w.e.f. May 09, 2017.
- Ceased to be director w.e.f. July 25, 2017.
- Ceased to be director w.e.f. July 25, 2017.
- Appointed as an additional director w.e.f. May 10, 2017.

Corporate Social Responsibility Committee Meetings

Name	Category	Number of meetings attended (held during their tenure)
Mr. Rajan Bharti Mittal	Chairman	1 (2)
Mr. Devendra Khanna	Managing Director	2 (2)
Mr. Ravinder Arora ¹	Independent Director	2 (2)
Mr. Tao Yih Arthur Lang ²	Non-Executive Director	N.A.

- Ceased to be member of the Committee w.e.f. July 25, 2017.
- Appointed as a member of the Committee w.e.f. July 25, 2017.

BTL Committee of Directors Meetings

Name	Category	Number of meetings attended (held during their tenure)
Mr. Rajan Bharti Mittal	Chairman	0 (1)
Mr. Devendra Khanna	Managing Director	1 (1)
Mr. Mark Chong Chin Kok ¹	Non-Executive Director	1 (1)
Mr. Ravinder Arora ²	Independent Director	1 (1)
Mr. Tao Yih Arthur Lang ³	Non-Executive Director	N.A.

- Ceased to be member of the Committee w.e.f. May 09, 2017.
- Ceased to be member of the Committee w.e.f. July 25, 2017.
- Appointed as a member of the Committee w.e.f. May 10, 2017.

Audit Committee Meetings

Name	Category	Number of meetings attended (held during their tenure)
Mr. Sunil Kumar Goyal	Chairman	3 (4)
Mr. Rajan Bharti Mittal	Non-Executive Director	3 (4)
Mr. Ravinder Arora	Independent Director	4 (4)

Stakeholders' Relationship Committee Meetings

Name	Category	Number of meetings attended (held during their tenure)
Mr. Rajan Bharti Mittal	Chairman	9 (10)
Mr. Devendra Khanna	Managing Director	9 (10)
Mr. Ravinder Arora ¹	Independent Director	10 (10)
Mr. Tao Yih Arthur Lang ²	Non-Executive Director	N.A.

- Ceased to be member of the Committee w.e.f. July 25, 2017.
- Appointed as a member of the Committee w.e.f. July 25, 2017.

Nomination and Remuneration Committee Meetings

Name	Category	Number of meetings attended (held during their tenure)
Mr. Ravinder Arora	Chairman	3 (3)
Mr. Mark Chong Chin Kok ¹	Non-Executive Director	3 (3)
Mr. Sunil Kumar Goyal	Independent Director	2 (3)
Mr. Tao Yih Arthur Lang ²	Non-Executive Director	N.A.

- Ceased to be member of the Committee w.e.f. May 09, 2017.
- Appointed as a member of the Committee w.e.f. May 10, 2017.

Annexure C

The Annual Report on Corporate Social Responsibility (CSR) Activities

1. Brief Outline of Company's CSR Policy

At Bharti Telecom, business success is not just about profits and shareholder returns. We believe in pursuing wider socio-economic and cultural objectives and have always endeavored to not just live up to it, but to try and exceed the expectations of the communities in which we operate.

At Bharti Telecom, the CSR and welfare activities centers around the following areas:

- I. Promoting education including special education, employment enhancing vocation skills especially among children and livelihood enhancement projects;
- II. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- III. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.

2. Composition of CSR Committee

Name	Designation
Rajan Bharti Mittal, Chairman	Non-Executive Director
Ravinder Arora	Independent Director
Devendra Khanna	Managing Director

3. Average net profit before tax of the Company for last three financial years 719.6 Mn.

4. Prescribed CSR Expenditure (2% of the amount as above) 14.38 Mn.

5. Details of CSR spent during the year

- a) Total amount to be spent for the financial year 14.38 Mn.
- i. Amount spend towards CSR activities NIL
 - ii. Amount spent towards other charitable activities 06 Mn.
- b) Amount Unspent 14.38* Mn.

*The Company has contributed INR 06 Mn. under Section 35AC of Companies Act, 1961, has it been considered as CSR the contribution of the Company towards CSR activities during the financial year 2016-17 would be 0.83% of net profit of last three years.

c) Manner in which amount spent during the financial year:

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Mn.)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: (Mn.)	Cumulative expenditure up to the reporting period (Mn.)	Amount spent: Direct or through implementing agency
Eligible CSR Programs/ Projects							
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Other Contributions							
1.	Satya Bharti School Program	Promotion of education	Specified below*	06.0	06.0	07.0	Bharti Foundation
Total				06.0	06.0	07.0	

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

6. Reason for not spending the prescribed 2% amount

On the recommendation of the CSR Committee and the Board, the Company has contributed ₹ 06 Mn. to Bharti Foundation for promotion of education of underprivileged children under Section 35AC of the Income Tax Act, 1961. The said contributions amounting ₹ 06 Mn. by the Company is as prescribed under Schedule VII of the Companies Act, 2013 and represents 0.83% 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 Company was in the process of evaluating the focus areas / locations of intervention for CSR activities to cater to the pressing needs of society and deliver optimal impact. As a socially responsible company, your Company is committed to increase its CSR impact and spend over the coming years, with the aim of playing a larger role in India's sustainable development by embedding wider economic, social and environmental objectives.

7. Responsibility statement of the CSR Committee

The Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

Devendra Khanna
Managing Director

Rajan Bharti Mittal
Chairman
CSR Committee

Annexure D

**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:

CIN	U32039HR1985PLC032091
Registration Date	July 29, 1985
Name of the Company	Bharti Telecom Limited
Category of the Company	Limited by shares
Sub-Category of the Company	Indian Non - Government Company
Address of the Registered office and contact details	Airtel Centre, Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana-122001, India Phone: +91 124 4222222
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agents	Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot number 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032, India Phone : +91 040 6716 2222

II. Principal business activities of the Company

Businesses contributing 10% or more of the total turnover of the company are given below:-

Sl. No.	Name and Description of main products/services	NIC Code of the product/service*	% to total turnover of the company
1	Investment	643	94.45

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

III. Particulars of holding, subsidiary and associate companies

Sl. No.	Name and address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of the Companies Act, 2013
1.	Bharti Airtel Limited Bharti Crescent, 1 Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070, India	L74899DL1995PLC070609	Associate	45.48	2(6)

IV. Share holding pattern (Equity share capital breakup as percentage of total equity)

i) Category-wise Share Holding

Sl. No.	Category of shareholder	No. of shares held at the beginning of the year i.e. April 01, 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	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	Promoter									
(1)	Indian									
(a)	Individual /HUF	-	-	-	-	-	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	1,305,587,259	400	1,305,587,659	51.70	1,305,662,949	-	1,305,662,949	51.70	0.00
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total A(1) :	1,305,587,259	400	1,305,587,659	51.70	1,305,662,949	-	1,305,662,949	51.70	0.00

(2)	Foreign									
(a)	Individuals (NRIs/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	-	-	-	-	-	-	-	-	-
	Total A=A(1)+A(2)	1,305,587,259	400	1,305,587,659	51.70	1,305,662,949	-	1,305,662,949	51.70	0.0
(B)	Public Shareholding									
(1)	Institution									
(a)	Mutual Funds	-	1,600	1,600	0.00	-	1,600	1,600	0.00	0.00
(b)	Financial Institutions /Banks	-	300	300	0.00	-	300	300	0.00	0.00
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	-	100	100	0.00	-	100	100	0.00	0.00
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total B(1) :	-	2,000	2,000	0.00	-	2,000	2,000	0.00	0.00
(2)	Non-Institution									
(a)	Bodies Corporate	2,318,779	318,023	2,636,802	0.10	2,569,667	199,343	2,769,010	0.11	0.01
(b)	Individuals									
(i)	Individuals holding nominal share capital upto ₹ 1 lakh	1,423,307	825,192	2,248,499	0.09	1,882,648	645,539	2,528,187	0.10	0.01
(ii)	Individuals holding nominal share capital in excess of ₹ 1 lakh	14,145,491	6,184,481	20,329,972	0.81	15,060,718	4,734,268	19,794,986	0.78	0.02
(c)	Others (specify)									
	Foreign Bodies	176,150,408	-	176,150,408	6.98	362,768,424	-	362,768,424	14.37	7.39
	Foreign Companies	1,011,067,839	3,985,140	1,015,052,979	40.19	824,449,823	3,985,140	828,434,963	32.81	(7.39)
	Non Resident Indians	744,939	261,242	1,006,181	0.04	175,906	249,342	425,248	0.02	(0.02)
	Non Resident Indians (Non - Repatriation)	-	-	-	-	605,633	-	605,633	0.02	0.02
	Trusts	2,309,676	-	2,309,676	0.09	2,332,776	-	2,332,776	0.09	0.00
	Sub-Total B(2) :	1,208,160,439	11,574,078	1,219,734,517	48.30	1,209,845,595	9,813,632	1,219,659,227	48.30	0.00
	Total B=B(1)+B(2) :	1,208,160,439	11,576,078	1,219,736,517	48.30	1,209,845,595	9,815,632	1,219,661,227	48.30	0.00
	Total (A+B) :	2,513,747,698	11,576,478	2,525,324,176	100.00	2,515,508,544	9,815,632	2,525,324,176	100.00	0.00
(C)	Shares held by custodians for ADR's and GDR's	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C) :	2,513,747,698	11,576,478	2,525,324,176	100.00	2,515,508,544	9,815,632	2,525,324,176	100.00	0.00

ii) Shareholding of Promoters

Sl. no.	Name of the Shareholder	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% change in shareholding#
		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 Infotel Private Limited	925,409,372	36.65	Nil	Nil	Nil	Nil	(36.65)
2	Bharti Enterprises (Holding) Private Limited	380,178,287	15.05	Nil	1,305,662,949	51.70	Nil	36.65
	Total	1,305,587,659	51.70	Nil	1,305,662,949	51.70	Nil	36.65

#During the financial year 2016-17 there was no transaction in the shares of the Company by the Promoters. Pursuant to the order of the Hon'ble High Court of Delhi, Bharti Infotel Private Limited has been merged into Bharti Enterprises (Holding) Private Limited w.e.f. September 29, 2016 and pursuant to the Scheme of amalgamation, 925,409,372 shares of the Company held by Bharti Infotel Private Limited stands transferred to Bharti Enterprises (Holding) Private Limited.

iii) Change in Promoters' Shareholding

Sl. No.	Name of the Promoter	Shareholding at the beginning of the Year		Date	Increase/ Decrease during the year	Reasons	Cumulative Shareholding during the year / Shareholding at the end of the Year #	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Bharti Infotel Private Limited	925,409,372	36.65		Nil		Nil	Nil
2	Bharti Enterprises (Holding) Private Limited	380,178,287	15.05	April 08, 2016 April 15, 2016 May 06, 2016 June 17, 2016 June 30, 2016 August 12, 2016 September 29, 2016	14,903 19,092 30,000 (24,265) 30,000 5,560 925,409,372	Market Purchase Off Market Sale Market Purchase Transfer of shares of the Company from Bharti Infotel Private Limited to Bharti Enterprises (Holding) Private Limited pursuant to scheme of amalgamation.	380,193,190 380,212,282 380,242,282 380,218,017 380,248,017 380,253,577 1,305,662,949	15.06 15.06 15.06 15.06 15.06 15.06 51.70

#During the financial year 2016-17 there was no transaction in the shares of the Company by the Promoters. Pursuant to the order of the Hon'ble High Court of Delhi, Bharti Infotel Private Limited has been merged into Bharti Enterprises (Holding) Private Limited w.e.f. September 29, 2016 and pursuant to the Scheme of amalgamation 925,409,372 shares of the Company held by Bharti Infotel Private Limited stands transferred to Bharti Enterprises (Holding) Private Limited.

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

Sl. No.	Name of the Shareholder	Shareholding		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Pastel Limited				
	At the beginning of the year	828,434,416	32.81	828,434,416	32.81
	Bought during the year	Nil	Nil	828,434,416	32.81
	Sold during the year	Nil	Nil	828,434,416	32.81
2	Macritchie Investments Pte Ltd*				
	At the beginning of the year	186,618,016	7.39	186,618,016	7.39
	Bought during the year	Nil	7.39	186,618,016	7.39
	Sold during the year	186,618,016	7.39	186,618,016	7.39
3	Magenta Investments Limited*				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Bought during the year	186,618,016	7.39	186,618,016	7.39
	Sold during the year	Nil	Nil	186,618,016	7.39
4	SingTel International Investments Limited				
	At the beginning of the year	176,150,408	6.98	176,150,408	6.98
	Bought during the year	Nil	Nil	176,150,408	6.98
	Sold during the year	Nil	Nil	176,150,408	6.98
5	Pannalal Bhansali				
	At the beginning of the year	2,395,366	0.09	2,395,366	0.09
	Bought during the year	35,000	0.00	2,430,366	0.10
	Sold during the year	60,000	0.00	2,370,366	0.09
6	Rasila Mehta				
	At the beginning of the year	1,950,076	0.08	1,950,076	0.08
	Bought during the year	23,100	0.00	1,973,176	0.08
	Sold during the year	Nil	Nil	1,973,176	0.08

7	PFIL Securities Limited	986,000	0.04	986,000	0.04
	At the beginning of the year	Nil	Nil	986,000	0.04
	Bought during the year	Nil	Nil	986,000	0.04
	Sold during the year	986,000	0.04	986,000	0.04
8	Sri Parasram commodities Private Limited				
	At the beginning of the year	175,103	0.01	175,103	0.01
	Bought during the year	118,680	0.00	293,783	0.01
	Sold during the year	Nil	Nil	293,783	0.01
9	Archana R Kasat				
	At the beginning of the year	269,700	0.01	269,700	0.01
	Bought during the year	Nil	Nil	269,700	0.01
	Sold during the year	147,500	0.01	122,200	0.00
10	Anil Arya				
	At the beginning of the year	261,000	0.01	261,000	0.01
	Bought during the year	Nil	Nil	261,000	0.01
	Sold during the year	Nil	Nil	261,000	0.01
11	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIE				
	At the beginning of the year	243,600	0.01	243,600	0.01
	Bought during the year	Nil	Nil	243,600	0.01
	Sold during the year	Nil	Nil	243,600	0.01
12	ICICI PRUDENTIAL NIFTY INDEX FUND				
	At the beginning of the year	221,212	0.01	221,212	0.01
	Bought during the year	Nil	Nil	221,212	0.01
	Sold during the year	Nil	Nil	221,212	0.01
	At the end of the year	221,212	0.01	221,212	0.01

*Macritchie Investments Pte. Ltd. has transferred its entire shareholding in the Company to Magenta Investments Limited w.e.f. November 17, 2016.

Note: The details of shareholding are maintained by respective Depositories and it is not feasible to provide daily change in the shareholding of top ten shareholders. Therefore, consolidated changes during the year 2016-17 has been provided.

v) Shareholding of Directors and Key Managerial Personnel

		Shareholding at the beginning of the Year					Cumulative Shareholding during the year / Shareholding at the end of the Year	
Sl. No.	Name of the Directors or KMPs	No. of Shares	% of total shares of the Company	Date	Increase/ Decrease during the year	Reasons	No. of Shares	% of total shares of the Company
Key Managerial Personnel								
1	Rohit Krishan Puri	1	0.00	April 01, 2016	Nil	N.A.	1	0.00

No Director and any other KMP held any share of the Company during the financial year 2016-17.

V. Indebtedness : Nil

VI. Remuneration of Directors and Key Managerial Personnel

- A. Remuneration to Managing director, Whole-time Directors and / or Manager : Nil
- B. Remuneration to Non-Executive Directors including Independent Directors:
 - Remuneration to Non-Executive Directors: Nil

- Remuneration to Independent Directors:

(₹` 000)

Independent Directors	Fee for attending board / committee meetings	Commission	Total
Sunil Kumar Goyal	75	Nil	75
Ravinder Arora	250	Nil	250
TOTAL	325	Nil	325
Ceiling as per the Act	₹ 36,876.64 thousands (being 1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		
Total Managerial Remuneration	₹ 325 thousands		
Total ceiling as per the Act (11%)	₹ 4,05,643.04 thousands (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

C. Remuneration to Key Managerial Personnel other than Managing Director / Whole-time Director / Manager: Nil

VII. Penalties/ Punishment/ Compounding of Offences : Nil

Annexure E

Form AOC 1

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies	
Name of Associate	Bharti Airtel Limited
1. Latest audited Balance Sheet Date	March 31, 2017
2. Date on which the Associate was associated or acquired	July 07, 1985
3. Shares of Associate held by the company on the year end	
No.	1,817,987,269
Amount of Investment in Associates	₹ 42,536.16 Mn
Extent of Holding (in percentage)	45.48%
4. Description of how there is significant influence	% of share capital
5. Reason why the associate is not consolidated	N.A.
6. Net worth attributable to shareholding as per latest audited Balance Sheet	₹ 448,884 Mn
7. Profit/Loss for the year	
i. Considered in Consolidation	₹ (45,141) Mn
ii. Not Considered in Consolidation	₹ (54,115) Mn

- Names of associates or joint ventures which are yet to commence operations: N.A.
- Names of associates or joint ventures which have been liquidated or sold during the year: N.A.

Annexure F**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

The Members,
Bharti Telecom Limited
Airtel Centre, Plot No. 16,
Udyog Vihar, Phase - IV,
Gurgaon -122001
Haryana

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bharti Telecom 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; Not Applicable
- (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'):- Not Applicable
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - 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 in which it operates. The management has confirmed that the Company is a Core Investment Company (CIC) pursuant to the Regulatory Framework for Core Investment Companies (CICs) issued by the Reserve Bank of India.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
- ii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Not Applicable

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

We further report that,

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

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or 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 no specific events / actions took place having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Date: 01.05.2017

Place: Delhi

Chandrasekaran Associates
Company Secretaries

Dr. S. Chandrasekaran
Senior Partner
Membership No.: FCS 1644
Certificate of Practice No.: 715

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

Annexure-A to the Secretarial Audit Report

The Members,
Bharti Telecom Limited
Airtel Centre, Plot No. 16,
Udyog Vihar, Phase - IV,
Gurgaon -122001
Haryana

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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 01.05.2017
Place: Delhi

Chandrasekaran Associates
Company Secretaries

Dr. S. Chandrasekaran
Senior Partner
Membership No.: FCS 1644
Certificate of Practice No.: 715

INDEPENDENT AUDITOR'S REPORT

To the Members of Bharti Telecom Limited

Report on the Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Bharti Telecom 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 financial position, 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 Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs. 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 Indian Accounting Standards specified under section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs;
- (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 does not have any pending litigations which would impact its financial position;
 - 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 represented by the management, the disclosure requirement as envisaged in Notification G.S.R 308(E) dated 30th March 2017 is not applicable to the Company - Refer Note 24 to the standalone Ind AS financial statements.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Nilangshu Katriar

Partner

Membership Number: 58814

Place: New Delhi
Date: May 9, 2017

Annexure 1**Annexure referred to in paragraph 1 of our report of even date****Re: [Bharti Telecom Limited] ('the Company')**

- (i) The Company has no fixed assets and therefore the provisions of clause 3(i) of the Order are not applicable on 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) 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 sections 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 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 prescribed maintenance of cost records under clause 148(1) of the Companies Act, 2013 for the services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues relating to income tax, service tax and cess. The provisions relating to provident fund, employee's state insurance, sales-tax, duty of customs, duty of excise and value added tax are not applicable to the Company.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, service tax, cess and other undisputed 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 information and explanations given to us, there are no dues of income tax, service tax and cess which have not been deposited on account of any dispute.
- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (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 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 provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (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, not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Nilangshu Katriar

Partner

Membership Number: 58814

Place: New Delhi
Date: May 9, 2017

Annexure 2

Annexure to the Independent Auditor's Report of even date on the Standalone Financial Statements of Bharti Telecom Limited

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

We have audited the internal financial controls over financial reporting of Bharti Telecom 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**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Nilangshu Katriar**

Partner

Membership Number: 58814

Place: New Delhi
Date: May 9, 2017

BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Notes	As at March 31, 2017 (₹'000)	As at March 31, 2016 (₹'000)	As at April 01, 2015 (₹'000)
ASSETS				
Non-current assets				
Investments in an Associate	6	42,536,164	37,657,091	19,729,732
Deferred Tax Assets (MAT credit)		118,664	-	-
		42,654,828	37,657,091	19,729,732
Current Assets				
Financial Assets				
- Investments	8	13,216,576	-	6,330,573
- Cash and Cash Equivalents	9	3,090,034	16,113,996	332
- Other financial assets	10	414	1,655,788	-
		16,307,024	17,769,784	6,330,905
Total Assets		58,961,852	55,426,875	26,060,637
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	11	25,253,242	25,253,242	217,700
Other Equity		33,412,137	30,155,571	25,801,007
		58,665,379	55,408,813	26,018,707
Liabilities				
Non-Current liabilities				
Provision for Income Tax (Net)	12	14,185	16,857	13,235
		14,185	16,857	13,235
Current liabilities				
Financial Liabilities				
- Trade payables	13	475	932	942
Other current liabilities	14	63	273	107
Deferred Tax Liabilities		281,750	-	27,646
		282,288	1,205	28,695
Total Liabilities		296,473	18,062	41,930
Total Equity and Liabilities		58,961,852	55,426,875	26,060,637
Summary of significant accounting policies	3			

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

per Nilangshu Katriar

Partner

Membership No: 58814

For and on behalf of the Board of Directors of

Bharti Telecom Limited

Rajan Bharti Mittal

Director

DIN - 00028016

Devendra Khanna

Managing Director

DIN - 01996768

Rohit Krishan Puri

Company Secretary

Vidya Raman Suares

Chief Financial Officer

Place : New Delhi

Date : May 09, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Notes	For the year ended March 31, 2017 (₹'000)	For the year ended March 31, 2016 (₹'000)
Income			
Revenue from Operations	15	3,696,117	4,638,481
		<u>3,696,117</u>	<u>4,638,481</u>
Expense			
Administrative and Other Expenses	16	8,451	3,614
Finance Expenses	17	2	4
		<u>8,453</u>	<u>3,618</u>
Profit before tax		<u>3,687,664</u>	<u>4,634,863</u>
Tax expense			
Current tax		268,012	292,134
MAT Credit		(118,664)	-
Deferred tax		281,750	(27,646)
Profit for the year		<u>3,256,566</u>	<u>4,370,375</u>
Other comprehensive income		-	-
Other comprehensive gain/(loss) for the year		-	-
Total comprehensive income for the year		<u>3,256,566</u>	<u>4,370,375</u>
Profits for the year attributable to:			
Equity holders of the parent		3,256,566	4,370,375
Total Comprehensive income for the year attributable to:			
Equity holders of the parent		3,256,566	4,370,375
Earnings per equity share (In ₹)			
Basic and Diluted		1.29	14.26
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

per Nilangshu Katriar

Partner

Membership No: 58814

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

Rajan Bharti Mittal

Director

DIN - 00028016

Devendra Khanna

Managing Director

DIN - 01996768

Rohit Krishan Puri

Company Secretary

Vidya Raman Suares

Chief Financial Officer

Place : New Delhi

Date : May 09, 2017

STANDALONE STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2017

	Share Capital		Other Equity			Total Equity
	No of shares (in ₹ '000)	Amount (in '000)	Share premium (in ₹ '000)	Retained earnings (in ₹ '000)	Total (in ₹ '000)	(in ₹ '000)
As at April 1, 2015	21,770	217,700	10,647,415	15,153,592	25,801,007	26,018,707
Issued during the year	2,503,554	25,035,542	-	-	-	25,035,542
Profit for the year	-	-	-	4,370,375	4,370,375	4,370,375
Less: Share Issue expenses			(15,811)	-	(15,811)	(15,811)
Other comprehensive Profit/(loss)	-	-	-	-	-	-
Total comprehensive income	2,503,554	25,035,542	(15,811)	4,370,375	4,354,564	29,390,106
As at March 31, 2016	2,525,324	25,253,242	10,631,604	19,523,967	30,155,571	55,408,813
Profit for the year	-	-	-	3,256,566	3,256,566	3,256,566
Other comprehensive Profit/(loss)	-	-	-	-	-	-
Total comprehensive income	-	-	-	3,256,566	3,256,566	3,256,566
As at March 31, 2017	2,525,324	25,253,242	10,631,604	22,780,533	33,412,137	58,665,379

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

per Nilangshu Katriar

Partner

Membership No: 58814

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

Rajan Bharti Mittal

Director

DIN - 00028016

Devendra Khanna

Managing Director

DIN - 01996768

Rohit Krishan Puri

Company Secretary

Vidya Raman Suares

Chief Financial Officer

Place : New Delhi

Date : May 09, 2017

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2017

PARTICULARS	For the year ended March 31, 2017 (₹'000)	For the year ended March 31, 2016 (₹'000)
A. Cash flow from operating activities:		
Net profit before tax	3,687,664	4,634,863
Adjustments for:		
Profit on sale of current Investment	(214,758)	(224,467)
Mark to market (gain)/loss on mutual fund	(814,118)	79,880
Dividend Received	(2,451,153)	(3,902,459)
Interest Income	(216,088)	(591,435)
Operating profit before working capital changes	(8,453)	(3,618)
Adjustments for changes in working capital :		
(Increase)/Decrease in Other financial assets	1,655,374	(1,655,788)
Increase/(Decrease) in Trade Payables	(457)	(10)
Increase/(Decrease) in Other Current Liabilities	(210)	166
Cash generated from operations	1,646,254	(1,659,250)
Taxes Paid	(270,684)	(280,143)
Net cash flow from operating activities	1,375,570	(1,939,393)
B. Cash flow from Investing activities:		
Adjustments for changes in :		
Dividend received	2,451,153	3,902,459
Investment in Associates	(4,879,073)	(17,927,359)
Proceeds from sale of current Investment	6,889,500	24,198,826
Purchase of current Investment	(19,077,200)	(17,723,665)
Interest Received	216,088	591,435
Net cash flow from investing activities	(14,399,532)	(6,958,304)
C. Cash flow from financing activities:		
Issue of Right Shares	-	25,011,361
Net cash flow from in financing activities	-	25,011,361
Net Increase/(Decrease) in Cash & Cash Equivalents	(13,023,962)	16,113,664
Opening Cash and Cash Equivalents	16,113,996	332
Closing cash and cash equivalents	3,090,034	16,113,996
Cash and cash equivalents comprise		
Cash in hand	-	-
Balance with Banks in Current Accounts	3,090,034	16,113,996

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

per Nilangshu Katriar

Partner

Membership No: 58814

For and on behalf of the Board of Directors of

Bharti Telecom Limited

Rajan Bharti Mittal

Director

DIN - 00028016

Devendra Khanna

Managing Director

DIN - 01996768

Rohit Krishan Puri

Company Secretary

Vidya Raman Suares

Chief Financial Officer

Place : New Delhi

Date : May 09, 2017

Notes to the standalone financial statements for the year ended March 31, 2017**1. Corporate information**

Bharti Telecom Limited ("the Company") having its Registered Office at Plot No.16, Udyog Vihar, Phase-IV, Gurgaon-122001 is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. It is a part of Bharti Group with its primary activity being holding investment in Bharti Airtel Limited.

2. Significant Accounting Policies**2.1 Basis of preparation**

These standalone financial statements ("financial statements") have been prepared to comply in all material respects with the Indian Accounting standards ("Ind AS") as specified under the section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs.

The transition to Ind AS has been carried out from accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('IGAAP'), which is considered as the Previous GAAP, for purposes of Ind AS 101.

The financial statements are authorized for issue by the Company's Board of Directors on May 09, 2017.

The preparation of the said financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Company's accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in Notes.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013. Further, for the purpose of clarity, various items are aggregated in the statement of profit and loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the financial statements, where applicable or required.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Company, to all the periods presented in the said financial statements.

The financial statements are presented in Indian Rupees which is the functional and presentation currency of the Company.

All the amounts included in the financial statements are reported in thousands of Indian Rupees ('Rupees' or '₹') and are rounded to the nearest thousands, except per share data and unless stated otherwise.

2.2 Basis of measurement

The financial statements have been prepared on the accrual and going concern basis, and the historical cost convention except where the Ind AS requires a different accounting treatment. The principal variations from the historical cost convention relate to financial instruments classified as fair value through profit or loss.

Fair Value Measurement

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants. The Company's accounting policies require, measurement of certain financial/non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

The Company is required to classify the fair valuation method of the financial/non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

The three levels of the fair-value-hierarchy are described below:

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets

Level 2: Significant inputs to the fair value measurement are directly or indirectly observable

Level 3: Significant inputs to the fair value measurement are unobservable

2.3 Basis of transition to Ind AS

The adoption of Ind AS is carried out in accordance with Ind AS 101, on April 1, 2015 being the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective, or issued and early adopted (if any) for the first Ind AS financial statements for the year ending March 31, 2017 be applied retrospectively and consistently for all financial years presented.

However, in preparing these financial statements, the Company has availed of certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognized directly in equity at the transition date.

In these financial statements, the Company has presented three Balance Sheets - as at March 31, 2017, March 31, 2016 and April 1, 2015. The Company also has presented two Statements of Profit and Loss, two Statements of Changes in Equity and two Statements of Cash Flows for the financial year ended March 31, 2017 and 2016 along with the necessary and related notes.

Ind AS 101 allows first time adopters certain optional exemptions and mandatory exceptions from the retrospective application of certain requirements under Ind AS.

Exceptions / Exemptions from full retrospective application

(i) Mandatory exceptions:

The following mandatory exceptions from retrospective application of Ind AS have been applied by the Company:

- (a) **Estimates exception** - On an assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS (except for adjustments to reflect any difference in accounting policies), as there is no objective evidence that those estimates were in error. However, estimates, that were required under Ind AS but not required under Previous GAAP, are made by the Company for the relevant reporting dates, reflecting conditions existing as at that date without using any hindsight.
- (b) **De-recognition of financial assets and liabilities exception** - Financial assets and liabilities de-recognized before transition date are not re-recognized under Ind AS.

(ii) Optional exemptions

The Company has elected to apply the following optional exemptions from full retrospective application of Ind AS:

- (a) **Investment in Associates:** The Company has considered the carrying value of investment as per IGAAP as deemed cost of investments under Ind AS.

Reconciliations and explanations of the significant effect of the transition from Previous GAAP to Ind AS on the Company's equity, statement of profit and loss and statement of cash flow are provided in Note 28.

3. Summary of Significant Accounting Policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- expected to be realized or intended to sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realized 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 classified as current when:

- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets (MAT Credit) are classified as non current assets and deferred tax liabilities are classified as current liabilities.

(b) 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 recognized initially at transaction costs that are attributable to the acquisition of the financial asset, in the case of financial assets not recorded at transaction cost, at fair value through Profit & loss account.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- o Debt instruments at amortized cost
- o Debt instruments at fair value through other comprehensive income (FVTOCI)
- o Debt instruments, derivatives and equity instruments at fair value through Profit and Loss (FVTPL)
- o Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt Instruments at Amortized Cost

The category applies to the Company's cash and cash equivalents, short term loans and advances security deposits, etc.

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- o The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and
- o Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized 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 an income/expense in Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

Debt instruments at FVTOCI

The Company does not have any financial assets within this category.

Equity instruments measured at FVTOCI

There are no such investments in the Company.

Investments measured at Fair Value through Profit and Loss (FVTPL)

FVTPL is a residual category for debt instruments. This category applies to the Company's investment in mutual funds. These investments are held for trading and they are measured at FVTPL.

Financial Liabilities

Initial Recognition and Measurement

At initial recognition, all financial liabilities are classified as financial liabilities at fair value.

The Company's financial liabilities include trade payables.

Subsequent Measurement

For purposes of subsequent measurement, financial liabilities i.e. trade payables have been valued at fair value.

Derecognition

The financial liabilities are de-recognized from the balance sheet when the under-lying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The financial assets are de-recognized from the balance sheet when the rights to receive cash flows from the financial assets have expired, or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

(c) Taxation

The income tax expense comprises of current and deferred income tax. Income tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognized in the other comprehensive income or directly in equity, in which case the related income tax is also recognized accordingly.

Current tax

Current income tax assets and liabilities 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, at the reporting date in the country where the Company operates and generates taxable income.

Any interest / penalties, related to accrued liabilities for potential tax assessments are not included in Income tax charge or (credit), but are rather recognized within finance costs.

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). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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 is not recognised when it 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 or loss.

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 re-assessed 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 year 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.

Income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation authority and where there is an intention to settle the current income tax balances on net basis.

(d) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and any deposits with original maturities of three months or less (that are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of change in value).

For the purpose of the statement of cash flows, in addition to above items, any bank overdrafts/cash credits that are integral part of the Company's cash management, are also included as a component of cash and cash equivalent.

(e) Share Capital

Ordinary shares are classified as Equity when the Company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect.

(f) Provisions**General**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(g) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the entity and the revenue can be reliably measured, regardless of when the payment is being made. 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.

Interest income

The interest income is recognized using the Effective Interest Rate method.

Dividend income

Dividend income is recognized when the Company's right to receive the payment is established.

(h) Earnings per share (EPS)

The Company presents the basic and diluted EPS data.

Basic EPS is calculated by dividing the net profit for the year attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

4. Critical accounting estimates, assumptions and judgements

The estimates and judgements used in the preparation of the said financial statements are continuously evaluated by the Company, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions under-lying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognized in the financial statements in the year in which they become known.

There are no significant estimates, assumptions and judgement in preparation of these financial statement.

5. Standards issued but not yet effective up to the date of issuance of the Company's financial statements

Ind AS 102 'Share based payments'

In March 2017, MCA issued amendments to Ind AS 102 pertaining to measurement of cash-settled share based payments, classification of share-based payments settled net of tax withholdings and accounting for modification of a share based payment from cash-settled to equity-settled method.

The amendments are applicable to annual periods beginning on or after April 1, 2017 with early adoption permitted. The group does not expect that the adoption of the amendments will not have any significant impact on the said financial statements.

IND AS 7 'Statement of cash flows'

In March 2017, MCA issued amendments to Ind AS 7 which require certain additional disclosures to be made for changes in liabilities arising from financial activities on account of non-cash transaction to improve information provided to users of financial statements about an entity's financing activities.

The amendments are applicable to annual periods beginning on or after April 1, 2017, with early adoption permitted. The company does not expect that the adoption of the amendments will have any significant impact on the standalone financial statements.

PARTICULARS	As at March 31, 2017 (₹ '000)	As at March 31, 2016 (₹ '000)	As at April 1, 2015 (₹ '000)
6. INVESTMENT IN AN ASSOCIATE			
Investment in equity instruments (quoted)			
1,817,987,269 (March 31, 2016: 1,802,318,492, April 1, 2015: 1,747,545,460) equity shares of ₹ 5 each fully paid-up in Bharti Airtel Limited	42,536,164	37,657,091	19,729,732
	<u>42,536,164</u>	<u>37,657,091</u>	<u>19,729,732</u>
Aggregate cost of quoted investments	42,536,164	37,657,091	19,729,732
Aggregate market value of quoted investments	636,386,444	632,253,169	687,309,629

7. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The category wise details as to the carrying value and fair value of the Company's financial instruments are as follows:

	Carrying value as at			Fair value as at		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Financial Assets						
FVTPL						
Investments	13,216,576	-	6,330,573	13,216,576	-	6,330,573
Amortised Cost						
Cash and Cash Equivalents	3,090,034	16,113,996	332	3,090,034	16,113,996	332
Other financial assets	414	1,655,788	-	414	1,655,788	-
	<u>16,307,024</u>	<u>17,769,784</u>	<u>6,330,905</u>	<u>16,307,024</u>	<u>17,769,784</u>	<u>6,330,905</u>
Financial Liabilities						
Amortised Cost						
Trade Payables	475	932	942	475	932	942
	<u>475</u>	<u>932</u>	<u>942</u>	<u>475</u>	<u>932</u>	<u>942</u>

The following methods / assumptions were used to estimate the fair values:

- The carrying value of trade payables, short term loans and advances approximate their fair value mainly due to the short-term maturities of these instruments.
- Fair value of unquoted financial instruments is based on unquoted market price at the reporting date.

PARTICULARS	As at March 31, 2017 (₹ '000)	As at March 31, 2016 (₹ '000)	As at April 1, 2015 (₹ '000)
8. INVESTMENTS			
Investment in Mutual Funds at Fair Value through Profit & Loss			
Liquid mutual funds			
AXIS Liquid Fund - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 401, 255 units)	-	-	401,379
Birla Sun Life Cash Plus Mutual Fund- Nil units (March 31, 2016 - Nil units, April 1, 2015 - 527,117 units)	-	-	52,814
DWS Insta Cash Plus Fund - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 3,007,941 units)	-	-	301,708

PARTICULARS	As at March 31, 2017 (₹ '000)	As at March 31, 2016 (₹ '000)	As at April 1, 2015 (₹ '000)
ICICI Prudential Money Market Fund - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 81,894 units)	-	-	8,200
IDFC Cash Fund - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 8,186 units)	-	-	8,189
JM High Liquidity Fund - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 49,586,703 units)	-	-	517,199
Kotak Liquid Scheme Plan - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 2,150 units)	-	-	2,629
Reliance Liquid Fund - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 54,555 units)	-	-	54,583
Religare Invesco Liquid Fund - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 516,482 units)	-	-	517,064
TATA Money Market Fund - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 145,290 units)	-	-	145,510
UTI Liquid Cash Plan - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 5,313 units)	-	-	5,416
- Growth Mutual Funds			
AXIS Liquid Fund - 912,655 units (March 31, 2016 - Nil units, April 1, 2015 - Nil units)	1,640,969	-	-
Birla Sun Life Cash Plus Mutual Fund- 2,601,061 units (March 31, 2016 - Nil units, April 1, 2015 - Nil units)	562,449	-	-
Birla Sun Life Cash Manager Mutual Fund - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 1,525,207 units)	-	-	512,275
Birla Sun Life Floating Rate Short Term Coll - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 109,839 units)	-	-	20,440
ICICI Prudential Flexible Income - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 2,694,082 units)	-	-	710,000
IDFC Cash Fund - 756,178 units (March 31, 2016 - Nil units, April 1, 2015 - 26,272,923 units)	1,490,372	-	513,465
JM High Liquidity Fund - 9,322,365 units (March 31, 2016 - Nil units, April 1, 2015 - 159,625 units)	413,581	-	6,091
Kotak Liquid Scheme Plan - 220,769 units (March 31, 2016 - Nil units, April 1, 2015 - Nil units)	726,470	-	-
Reliance Money Manager Fund - 415,037 units (March 31, 2016 - Nil units, April 1, 2015 - 268,023 units)	1,641,049	-	512,913
Reliance Money Manager Fund - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 259,497 units)	-	-	500,980
Religare Invesco Ultra Short Term Fund - 1,200,677 units (March 31, 2016 - Nil units, April 1, 2015 - 266,348 units)	2,680,387	-	512,899
TATA Floater Fund - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 244,384 units)	-	-	513,357

PARTICULARS	As at March 31, 2017 (₹ '000)	As at March 31, 2016 (₹ '000)	As at April 1, 2015 (₹ '000)
TATA Liquid Regular Plan Fund - 159,815 units (March 31, 2016 - Nil units, April 1, 2015 - Nil units)	477,831	-	-
TATA Money Market Fund - 432,577 units (March 31, 2016 - Nil units, April 1, 2015 - Nil units)	1,104,709	-	-
UTI Treasury Advantage Fund - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 270,622 units)	-	-	513,462
UTI Liquid Cash Plan Fund - 933,039 units (March 31, 2016 - Nil units, April 1, 2015 - Nil units)	2,478,759	-	-
Carrying amount of Investment in Mutual Funds	13,216,576	-	6,330,573
Aggregate cost of unquoted investments (Liquid Mutual Fund)	-	-	2,014,692
Aggregate cost of unquoted investments (Growth Mutual Fund)	13,216,576	-	4,315,881
Aggregate cost of unquoted investments (Liquid Mutual Fund + Growth Mutual Fund)	13,216,576	-	6,330,573
9. CASH AND CASH EQUIVALENTS			
Balances with banks:			
On current accounts	534	96	332
On Deposits with original maturity less than 3 months	3,089,500	16,113,900	-
	3,090,034	16,113,996	332
10. OTHER FINANCIAL ASSETS			
(Unsecured, considered good unless stated otherwise)			
Interest Accrued on Investment	335	150,608	-
Others	-	1,505,000	-
Trade Advances	79	180	-
	414	1,655,788	-
11. EQUITY SHARE CAPITAL			
Authorised Shares			
5,000,000,000 (March 31, 2016- 5,000,000,000 , April 1, 2015- 40,000,000) Equity Shares of ₹ 10 each	50,000,000	50,000,000	400,000
Issued, Subscribed and Paid up Shares			
2,525,324,176 (March 31, 2016- 2,525,324,176 , April 1, 2015- 21,770,036) Equity shares of ₹ 10 each	25,253,242	25,253,242	217,700
	25,253,242	25,253,242	217,700

a) Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No.	(₹'000)	No.	(₹'000)	No.	(₹'000)
At the beginning of the year	2,525,324,176	25,253,242	21,770,036	217,700	21,770,036	217,700
Issued during the year	-	-	2,503,554,140	25,035,542	-	-
Outstanding at the end of the year	2,525,324,176	25,253,242	2,525,324,176	25,253,242	21,770,036	217,700

b) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Bharti Infotel Private Limited*	-	-	925,409,372	36.65%	7,977,667	36.65%
Pastel Limited	828,434,416	32.81%	828,434,416	32.81%	7,141,676	32.81%
Bharti Enterprises (Holding) Private Limited*	1,305,662,949	51.70%	380,177,887	15.05%	3,025,709	13.90%
Magenta Investment Limited**	186,618,016	7.39%	-	-	-	-
Macritchie Investments Pte Ltd.**	-	-	186,618,016	7.39%	1,608,776	7.39%
Singtel International Investments Private Limited (formerly Cyan Private Limited)	176,150,408	6.98%	176,150,408	6.98%	1,518,538	6.98%

*Bharti Infotel Private Limited merged with Bharti Enterprises (Holding) Private Limited vide Court Order dated August 12, 2016.

**Macritchie Investments Pte Ltd. has been taken over by Magenta Investment Limited on November 17, 2016.

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

c) 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. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

12. NON CURRENT LIABILITIES

PARTICULARS	As at March 31, 2017 (₹ '000)	As at March 31, 2016 (₹ '000)	As at April 1, 2015 (₹ '000)
PROVISION FOR INCOME TAX			
Provision for taxation [Net of advance tax/TDS receivable of ₹ 736,031 thousand (March 31, 2016 : 465,347 thousand, April 1, 2015 : 185,204 thousand)]	14,185	16,857	13,235
	14,185	16,857	13,235

13. FINANCIAL LIABILITIES
Trade Payable

total outstanding dues of creditors other than micro enterprises and small enterprises
[Refer Note 23]

475	932	942
475	932	942

14. OTHER CURRENT LIABILITIES**PARTICULARS**

Statutory liability payable

As at March 31, 2017 (₹ '000)	As at March 31, 2016 (₹ '000)	As at April 1, 2015 (₹ '000)
63	273	107
63	273	107

PARTICULARS**15. REVENUE FROM OPERATIONS**

Profit on Sale of Current Investments

Mark To Market gain/(loss) on mutual fund

Interest Income on

Bank Fixed Deposits

Inter Corporate Deposits (ICD)

Dividend income on

Non Current Investments

Current Investments

For the year ended March 31, 2017 (₹'000)	For the year ended March 31, 2016 (₹'000)
---	---

214,758

814,118

10,875

205,213

2,451,153

-

3,696,117

224,467

(79,880)

227,590

363,845

3,886,362

16,097

4,638,481**16. ADMINISTRATIVE AND OTHER EXPENDITURE**

Legal and Professional

Communication Expenses

Printing and Stationery

Meetings and Conferences

Board Meeting & Sitting Fees

Charity & Donation *

Auditors Remuneration (Refer Note 20 below)

As Auditor

937

157

183

91

402

6,000

681

8,451

1,601

128

130

195

314

1,000

246

3,614

* Paid to Bharti foundation for the year ended March 31, 2017 and March 31, 2016

17. FINANCE COSTS

Bank Charges

2

2

4

4**18. INCOME TAX**

The major components of Income Tax are:

Current Income Tax

- for the year

Deferred Tax*

- Origination & Reversal of temporary differences

Income tax expenses**For the Year ended**

March 31, 2017 (₹ in '000)	March 31, 2016 (₹ in '000)
--------------------------------	--------------------------------

268,012

268,012

163,086

163,086**431,098**

292,134

292,134

(27,646)

(27,646)**264,488**

* Includes tax credit recoverable on account of minimum alternate tax (MAT) of ₹ 118,664 and ₹ Nil during the year ended March 31, 2017 and March 31, 2016, respectively.

The reconciliation between the amount computed by applying the statutory income tax rate to the profit before tax and the income tax charge is summarised below:

	For the Year ended	
	March 31, 2017 (₹ in '000)	March 31, 2016 (₹ in '000)
Profit before tax	3,687,664	4,634,863
Tax expenses @ company's domestic rate of 34.608%	1,276,227	1,604,033
Effect of:		
Deferred tax	281,750	-
Income not taxable under normal provisions of tax	(1,130,045)	(1,350,563)
Inadmissible expenses	2,925	8,764
Donations u/s 35 AC	(2,076)	(346)
Others	2,317	2,600
Income tax expenses	431,098	264,488

The analysis of deferred tax assets and liabilities is as follows:

	As of		
	March 31, 2017 (₹ in '000)	March 31, 2016 (₹ in '000)	April 01, 2015 (₹ in '000)
Deferred tax Asset (Net)			
Deferred Tax Assets (MAT credit)	118,664	-	-

	As of		
	March 31, 2017	March 31, 2016	April 01, 2015
Deferred tax Liabilities (Net)			
Mark to Market gain on Investments	281,750	-	27,646

	For the Year ended	
	March 31, 2017	March 31, 2016
Deferred Tax (expenses) / Income		
Mark to market on mutual fund investments	281,750	-
Reversal of mark to market	-	(27,646)
Net deferred tax (expense) / income	281,750	(27,646)

19. Contingent liabilities & Commitments

(i) Claims against the Company not acknowledged as debts: ₹ Nil (March 31, 2016-₹ Nil, April 1, 2015-₹ Nil)

20. Auditors' Remuneration

Particulars	Year Ended	Year Ended
	March 31, 2017 (In ₹'000)	March 31, 2016 (In ₹'000)
Audit Fees*	550.00**	200.00
Reimbursement of Expenses*	41.25**	15.00
Total	591.25	215.00

*Excluding Service Tax

**Includes Audit Fees of ₹ 250.00 for Consolidation for FY 2015-16

21. Earnings per Share (Basic and Diluted):

Particulars		Year Ended March 31, 2017	Year Ended March 31, 2016
<u>Basic and Diluted Earnings Per Share:</u>			
a) Profit/(Loss) attributable to equity shareholders (₹'000)	(A)	3,256,566	4,370,375
b) Weighted average number of equity shares outstanding during the year	(B)	2,525,324,176	306,564,933
c) Nominal value of equity shares (₹)		10	10
d) Basic and Diluted earnings per share (₹)	(A/B)	1.29	14.26

22. Segment Reporting

Since the Company's business activity falls within a single business and geographical segment of holding investments, there are no additional disclosure to be provided under Indian Accounting Standard (Ind AS)-108 'Operating segments' other than those already provided in financial statements.

23. Based on the information available with the Company, none of the suppliers have confirmed that they are registered under The Micro, Small and Medium Enterprise Development Act, 2006 ('MSMED'), as at March 31, 2017, March 31, 2016 and April 1, 2015. Hence, the Company is not required to give disclosures specified under the Act.

24. The Company does not have cash balance as on November 8, 2016 and December 30, 2016 and have no cash dealings during this period.

25. Financial risk management objectives and policies

The Company's financial liabilities, comprise trade payables. 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 and cash and short-term deposits that arise 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 of Directors. 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 policies and Company risk appetite

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:-

- **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity risk. Financial instruments affected by market risk include, investments.

- **Credit risk**

Credit risk is the risk that a counter party 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 financing activities, including deposits with banks, mutual funds and financial institutions, other financial instruments.

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. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. 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 as of March 31, 2017, March 31, 2016 and April 1, 2015 is the carrying amounts as disclosed in Note 7.

- **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 closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from both domestic and international banks at an optimized cost. It also enjoys strong access to domestic and international capital markets across debt, equity and hybrids.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:-

	(₹ `000)						
	Carrying Amount	On Demand	Less than 6	6 to 12 Months	1 to 12 Years	>2 Years	Total
As of March 31, 2017	475	-	475	-	-	-	475
As of March 31, 2016	932	-	632	-	-	-	932
As of April 1, 2015	942	-	942	-	-	-	942

26. 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 an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

No changes were made in the objectives, policies or processes during the year ended March 31, 2017 and March 31, 2016.

27. Related Party Disclosures:

In accordance with the requirement of Indian Accounting Standard (Ind AS) -24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationship, as identified and certified by the management are:

Name of the Related Party	Relationship
Bharti Enterprises (Holding) Private Limited	Holding Company
Bharti Infotel Private Limited	Associate Company**
Bharti Airtel Limited	Associate Company
Bharti Insurance Holdings Private Limited	Group Company*
Nile Tech Limited	Group Company*
Bharti Venture Limited	Group company*
Bharti Foundation	Trust

Nature of Transaction	Amount for the year ended					Amount for the year ended				
	March 31, 2017 (₹'000)					March 31, 2016 (₹'000)				
	Bharti Airtel Limited	Bharti Infotel (Pvt.) Limited	Bharti Insurance Holdings Private Limited	Nile Tech Limited	Bharti Foundation	Bharti Airtel Limited	Bharti Infotel (Pvt.) Limited	Bharti Insurance Holdings Private Limited	Nile Tech Limited	Bharti Foundation
Opening balance	-	-	1,508,734	-	-	-	-	-	-	-
ICD given	-	-	1,140,000	260,000	-	-	-	7,515,000	-	-
Repayment of ICD	-	-	2,645,000	260,000	-	-	-	6,010,000	-	-
Interest Income	-	-	204,796	416	-	-	-	363,845	-	-
Dividend Income	2,451,153	-	-	-	-	3,886,362	-	-	-	-
Security Deposit given	100	-	-	-	-	100	(200)	-	-	-
Refund of security deposit	100	-	-	-	-	100	(200)	-	-	-
CSR Donation	-	-	-	-	(6,000)	-	-	-	-	(1,000)
Closing balance	-	-	-	-	-	-	-	1,508,734	-	-
ICD Receivable outstanding	-	-	-	-	-	-	-	1,505,000	-	-
Interest Receivable	-	-	-	-	-	-	-	3,734	-	-

* "Group Company" though not 'Related Parties' as per the definition under Ind AS 24, have been included by way of a voluntary disclosure, following the best corporate governance practices

**Bharti Infotel Private Limited merged with Bharti Enterprises (Holding) Private Limited vide Court Order dated August 12, 2016.

28. Reconciliation from previous GAAP

The following reconciliations provide a quantification of the effect of differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101 whereas the notes explain the significant differences thereto.

- I. Balance sheet reconciliations as at:
 - a. April 1, 2015
 - b. March 31, 2016.
- II. Reconciliations of statement of profit and loss for the period ended March 31, 2016
- III. Notes to the balance sheet and statement of profit and loss reconciliations
- IV. Explanation of material adjustments to statement of cash flows

I(a) . Balance sheet reconciliation as at April 01, 2015

Particulars	Notes	Regrouped IGAAP (₹'000)	Ind AS Adjustments (₹'000)	Ind AS (₹'000)
ASSETS				
Non-current assets				
Investments in an Associate	1	19,729,732	-	19,729,732
		19,729,732	-	19,729,732
Current Assets				
Financial Assets				
Current investments	2	6,250,693	79,880	6,330,573
Cash and Cash equivalents		332	-	332
		6,251,025	79,880	6,330,905
Total Assets		25,980,757	79,880	26,060,637
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		217,700	-	217,700
Other Equity	2,4	25,748,773	52,234	25,801,007
		25,966,473	52,234	26,018,707
Liabilities				
Non-Current liabilities				
Provision for Income Tax (Net)		13,235	-	13,235
		13,235	-	13,235
Current liabilities				
Financial Liabilities				
Trade payables		942	-	942
Other current liabilities		107	-	107
Deferred tax liabilities	4	-	27,646	27,646
		1,049	27,646	28,695
Total Liabilities		14,284	27,646	41,930
Total Equity and Liabilities		25,980,757	79,880	26,060,637

1(b).Balance Sheet Reconciliation as at March 31, 2016

Particulars	Notes	Regrouped IGAAP (₹'000)	Ind AS Adjustments (₹'000)	Ind AS (₹'000)
ASSETS				
Non-current assets				
Investments in an Associate	1	37,657,091	-	37,657,091
		37,657,091	-	37,657,091
Current Assets				
Financial Assets				
Cash and Cash equivalents		16,113,996	-	16,113,996
Short term loans and advances		1,655,788	-	1,655,788
		17,769,784	-	17,769,784
Total Assets		55,426,875	-	55,426,875
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		25,253,242	-	25,229,062
Other Equity		30,155,571	-	30,179,751
		55,408,813	-	55,408,813
Liabilities				
Non-Current liabilities				
Provision for Income Tax (Net)		16,857	-	16,857
		16,857	-	16,857
Current liabilities				
Financial Liabilities				
Trade payables		932	-	932
Other current liabilities		273	-	273
		1,205	-	1,205
Total Liabilities		18,062	-	18,062
Total Equity and Liabilities		55,426,875	-	55,426,875

II. Reconciliations of statement of profit and loss for the period March 31, 2016

Particulars	Notes	Regrouped IGAAP (₹'000)	Ind AS Adjustments (₹'000)	Ind AS (₹'000)
Income				
Revenue from Operations	2	4,718,361	(79,880)	4,638,481
		4,718,361	(79,880)	4,638,481
Expense				
Administrative and Other Expenses	3	27,794	(24,180)	3,614
Finance Expenses	4	4	-	4
		27,798	(24,180)	3,618
Profit before tax		4,690,563	(55,700)	4,634,863
Tax expense				
Current tax		283,765	8,369	292,134
Deferred tax	4	-	(27,646)	(27,646)

Profit for the year	4,406,798	(36,423)	4,370,375
Other comprehensive income	-	-	-
Other comprehensive gain/(loss) for the year	-	-	-
Total comprehensive income for the year	4,406,798	(36,423)	4,370,375
Profits for the year attributable to:			
Equity holders of the parent	4,406,798	(36,423)	4,370,375
Total Comprehensive income for the year attributable to:			
Equity holders of the parent	4,406,798	(36,423)	4,370,375

III. Notes to the balance sheet and statement of profit and loss reconciliations

As the presentation requirements under IGAAP differ from Ind AS, the IGAAP information has been regrouped for ease and facilitation of reconciliation with Ind AS.

1. Investment in associates – deemed cost exemption

Under previous GAAP, investments in associates were measured at cost. Under Ind AS, the Company has elected to continue the carrying value of investments under previous GAAP, basis Ind AS 101, First Time Adoption of Indian Accounting Standards for deriving the carrying value of these Investments ('deemed cost').

2. Investments

Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets are classified as FVTPL and the changes in fair value are recognised in statement of profit and loss. On the transition date, these financial assets have been measured at their fair value which is higher than its cost as per previous GAAP, resulting in an increase in carrying value of the investments with corresponding increase being recognised in equity.

3. Equity transaction cost

Under Previous GAAP, transactions cost of equity has been charged off in the profit and loss account. Under Ind AS, transaction cost of equity is shown as an adjustment to other equity. Accordingly, transaction cost has been netted off with share premium in financial year 2015-16 and corresponding decrease in Profits and Loss.

4. Deferred Tax/current tax

Under Ind AS, the Company has recognized the consequential deferred tax implications on the impact on account of adjustments explained above.

IV. Explanation of material adjustments to Statement of Cash Flows

There were no material differences between the statements of cash flows presented under Ind AS and the Previous GAAP except definition of cash and cash equivalents under these two GAAPs.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

per Nilangshu Katriar

Partner

Membership No: 58814

Place : New Delhi

Date : May 09, 2017

For and on behalf of the Board of Directors of

Bharti Telecom Limited

Rajan Bharti Mittal

Director

DIN - 00028016

Rohit Krishan Puri

Company Secretary

Devendra Khanna

Managing Director

DIN - 01996768

Vidya Raman Suares

Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of Bharti Telecom Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Bharti Telecom Limited (hereinafter referred to as "the Holding Company") and its associate, 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 its Associate 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, and Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate 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. 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 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, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associate as at March 31, 2017, their consolidated profit including other comprehensive loss, 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 the other financial information of associate, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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;
- (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, and Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its associate company incorporated in India, none of the directors of the Group's companies, its associate 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 associate company incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate – Refer Note 19 to the consolidated Ind AS financial statements;
 - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts, however, share of net profits of its associate's includes material foreseeable losses, if any, on long-term contracts including derivative contracts under applicable law or accounting standards and have been considered in these consolidated financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its associate incorporated in India during the year ended March 31, 2017.
 - iv. As per books of accounts of the Holding Company, incorporated in India, and as represented by the management, the Holding Company, did not have cash balance as on November 8, 2016 and December 30, 2016 and have no cash dealings during this period. However, its associates dealing with cash and required disclosure has been given in the financial statement. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Group including its associates as produced to us by the Management of the Holding Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Sanjay Bachchani

Partner

Membership No: 400419

Place: New Delhi
Date: July 25, 2017

ANNEXURE 1**Annexure to the independent auditor's report of even date on the consolidated financial statement of Bharti Telecom Limited****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of Bharti Telecom Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Bharti Telecom Limited (hereinafter referred to as the "Holding Company") and its associate 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 of the Holding Company, its associate 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, 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 associate 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.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Place: New Delhi
Date: July 25, 2017

per Sanjay Bachchani

Partner

Membership No: 400419

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Notes	As at March 31, 2017 (₹'000)	As at March 31, 2016 (₹'000)	As at March 31, 2015 (₹'000)
ASSETS				
Non-current assets				
Investments in an Associate	6	317,048,314	309,044,420	275,675,461
Deferred Tax Assets (MAT credit)		118,664	-	-
		317,166,978	309,044,420	275,675,461
Current Assets				
Financial Assets				
- Investments	8	13,216,576	-	6,330,573
- Cash and Cash Equivalents	9	3,090,034	16,113,996	332
- Other financial assets	10	414	1,655,788	-
		16,307,024	17,769,784	6,330,905
Total Assets		333,474,002	326,814,204	282,006,366
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	11	25,253,242	25,253,242	217,700
Other Equity		307,924,287	301,542,900	281,746,736
		333,177,529	326,796,142	281,964,436
Liabilities				
Non-Current liabilities				
Provision for Income Tax (Net)	12	14,185	16,857	13,235
		14,185	16,857	13,235
Current liabilities				
Financial Liabilities				
- Trade payables	13	475	932	942
Other current liabilities	14	63	273	107
Deferred Tax Liabilities		281,750	-	27,646
		282,288	1,205	28,695
Total Liabilities		296,473	18,062	41,930
Total Equity and Liabilities		333,474,002	326,814,204	282,006,366
Summary of significant accounting policies	3			

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

per Sanjay Bachchani

Partner

Membership No: 400419

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

Rajan Bharti Mittal

Director

DIN - 00028016

Devendra Khanna

Managing Director

DIN - 01996768

Rohit Krishan Puri

Company Secretary

Vidya Raman Soares

Chief Financial Officer

Place : New Delhi

Date : July 25, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Notes	For the year ended March 31, 2017 (₹'000)	For the year ended March 31, 2016 (₹'000)
Income			
Revenue from operations	15	3,696,117	4,638,481
		3,696,117	4,638,481
Expense			
Administrative and other expenses	16	8,451	3,614
Finance expenses	17	2	4
		8,453	3,618
Profit before tax		3,687,664	4,634,863
Tax expense			
Current tax	18	268,012	292,134
MAT credit	18	(118,664)	-
Deferred tax	18	281,750	(27,646)
Profit after tax before share of profits of an associate		3,256,566	4,370,375
Share of net profit of an associate		17,281,130	27,398,403
Profit for the year		20,537,696	31,768,778
Share of other comprehensive income of an associate		(22,127,898)	(5,400,183)
Total Comprehensive income for the year:		(1,590,202)	26,368,594
Profits for the year attributable to:			
Equity holders of the parent		20,537,696	31,768,778
Total Comprehensive income for the year attributable to:			
Equity holders of the parent		(1,590,202)	26,368,594
Earnings per equity share (In ₹)			
Basic and Diluted		8.13	103.63
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

per Sanjay Bachchani

Partner

Membership No: 400419

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

Rajan Bharti Mittal

Director

DIN - 00028016

Devendra Khanna

Managing Director

DIN - 01996768

Rohit Krishan Puri

Company Secretary

Vidya Raman Soares

Chief Financial Officer

Place : New Delhi

Date : July 25, 2017

STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2017

	Share Capital		Other Equity				Total equity	
	No of shares (in ₹ '000)	Amount (in ₹ '000)	Share premium (in ₹ '000)	Retained earnings (in ₹ '000)	Other reserve (in ₹ '000)	Capital reserve (in ₹ '000)	Total (in ₹ '000)	(in ₹ '000)
As at April 01, 2015	21,770	217,700	10,647,415	245,569,733	24,242,754	1,286,834	281,746,736	281,964,436
Shares issued during the year	2,503,554	25,035,542					-	25,035,542
Less: Share issue expenses			(15,811)				(15,811)	(15,811)
Profit/Reserves for the year	-	-	-	31,768,778	218,238	(1,286,834)	30,700,181	30,700,181
Other comprehensive income				(5,400,183)			(5,400,183)	(5,400,183)
Other Adjustments				(5,488,022)			(5,488,022)	(5,488,022)
Total comprehensive income	2,503,554	25,035,542	(15,811)	20,880,572	218,238	(1,286,834)	19,796,164	44,831,706
As at March 31, 2016	2,525,324	25,253,242	10,631,604	266,450,305	24,460,991	-	301,542,900	326,796,142
Opening Balance as on Apr-16	2,525,324	25,253,242	10,631,604	266,450,305	24,460,991	-	301,542,900	326,796,142
Profit/Reserves for the year	-	-	-	20,537,696	11,417,551		31,955,248	31,955,248
Other comprehensive income				(22,127,898)			(22,127,898)	(22,127,898)
Other Adjustments	-	-	-	(3,445,962)			(3,445,962)	(3,445,962)
Total comprehensive income	-	-	-	(5,036,164)	11,417,551	-	6,381,387	6,381,387
As at March 31, 2017	2,525,324	25,253,242	10,631,604	261,414,141	35,878,543	-	307,924,287	333,177,529

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

per Sanjay Bachchani

Partner

Membership No: 400419

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

Rajan Bharti Mittal

Director

DIN - 00028016

Devendra Khanna

Managing Director

DIN - 01996768

Rohit Krishan Puri

Company Secretary

Vidya Raman Soares

Chief Financial Officer

Place : New Delhi

Date : July 25, 2017

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2017

PARTICULARS	For the year ended March 31, 2017 (₹'000)	For the year ended March 31, 2016 (₹'000)
A. Cash flow from operating activities:		
Net profit before tax	3,687,664	4,634,863
Adjustments for:		
Profit on sale of current Investment	(214,758)	(224,467)
Mark to market (gain)/loss on mutual fund	(814,118)	79,880
Dividend Received	(2,451,153)	(3,902,459)
Interest Income	(216,088)	(591,435)
Operating profit before working capital changes	(8,453)	(3,618)
Adjustments for changes in working capital :		
(Increase)/Decrease in Other financial assets	1,655,374	(1,655,788)
Increase/(Decrease) in Trade Payables	(457)	(10)
Increase/(Decrease) in Other Current Liabilities	(210)	166
Cash generated from operations	1,646,254	(1,659,250)
Taxes Paid	(270,684)	(280,143)
Net cash flow from operating activities	1,375,570	(1,939,393)
B. Cash flow from Investing activities:		
Adjustments for changes in :		
Dividend received	2,451,153	3,902,459
Investment in Associates	(4,879,073)	(17,927,359)
Proceeds from sale of current Investment	6,889,500	24,198,826
Purchase of current Investment	(19,077,200)	(17,723,665)
Interest Received	216,088	591,435
Net cash flow from investing activities	(14,399,532)	(6,958,304)
C. Cash flow from financing activities:		
Issue of Right Shares	-	25,011,361
Net cash flow from in financing activities	-	25,011,361
Net Increase/(Decrease) in Cash & Cash Equivalents	(13,023,962)	16,113,664
Opening Cash and Cash Equivalents	16,113,996	332
Closing cash and cash equivalents	3,090,034	16,113,996
Cash and cash equivalents comprise		
Cash in hand	-	-
Balance with Banks in Current Accounts	3,090,034	16,113,996

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

per Sanjay Bachchani

Partner

Membership No: 400419

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

Rajan Bharti Mittal

Director

DIN - 00028016

Devendra Khanna

Managing Director

DIN - 01996768

Rohit Krishan Puri

Company Secretary

Vidya Raman Soares

Chief Financial Officer

Place : New Delhi

Date : July 25, 2017

Notes to the Consolidated financial statements for the year ended March 31, 2017

1. Corporate information

Bharti Telecom Limited ("the Company") having its Registered Office at Plot No.16, Udyog Vihar, Phase-IV, Gurgaon-122001 is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. It is a part of Bharti Group with its primary activity being holding investment in Bharti Airtel Limited.

Its associate (namely Bharti Airtel Limited) is a leading telecommunication service provider in India and also has strong presence in Africa and South Asia, and is engaged primarily in the business of rendering services in the telecommunication systems and services, tower infrastructure services and direct to home digital services.

The Company along with its associate, hereinafter collectively referred to "the Group".

2. Significant Accounting Policies

2.1 Basis of preparation

These consolidated financial statements ('financial statements') have been prepared to comply in all material respects with the Indian Accounting standards ("Ind AS") as specified under the section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs ('MCA'). The said financial statements for the year ended March 31, 2017 are the first financial statements of the Group in accordance with Ind AS. Refer Note 2.3 on how the Group has transitioned to Ind AS.

The transition to Ind AS has been carried out from accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('IGAAP'), which is considered as the Previous GAAP, for purposes of Ind AS 101.

The financial statements are authorized for issue by the Company's Board of Directors on July 25, 2017.

The preparation of the said financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Groups's accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in Notes.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013. Further, for the purpose of clarity, various items are aggregated in the statement of profit and loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the financial statements, where applicable or required.

The financial statements are presented in Indian Rupees which is the functional and presentation currency of the Group.

All the amounts included in the financial statements are reported in thousands of Indian Rupees ('Rupees' or '₹') and are rounded to the nearest thousands, except per share data and unless stated otherwise.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Group, to all the periods presented in the said financial statements.

2.2 Basis of measurement

The financial statements have been prepared on the accrual and going concern basis, and the historical cost convention except where the Ind AS requires a different accounting treatment. The principal variations from the historical cost convention relate to financial instruments classified as fair value through profit or loss.

Fair Value Measurement

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants. The Group's accounting policies require, measurement of certain financial/non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

The Group is required to classify the fair valuation method of the financial/non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

The three levels of the fair-value-hierarchy are described below:

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets

Level 2: Significant inputs to the fair value measurement are directly or indirectly observable

Level 3: Significant inputs to the fair value measurement are unobservable

2.3 Basis of transition to Ind AS

The adoption of Ind AS is carried out in accordance with Ind AS 101, on April 1, 2015 being the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective, or issued and early adopted (if any) for the first Ind AS financial statements for the year ending March 31, 2017 be applied retrospectively and consistently for all financial years presented.

However, in preparing these financial statements, the Group has availed of certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and have been recognized directly in equity at the transition date.

In these financial statements, the Group has presented three balance sheets - as of March 31, 2017,

March 31, 2016 and April 1, 2015. The Group has also presented two statements of profit and loss, two statements of changes in equity and two statements of cash flows for the year ended March 31, 2017 and 2016 along with the necessary and related notes.

Ind AS 101 allows first time adopters certain optional exemptions and mandatory exceptions from the retrospective application of certain requirements under Ind AS.

Exceptions / Exemptions from full retrospective application

(i) Mandatory exceptions:

The following mandatory exceptions from retrospective application of Ind AS have been applied by the Group:

- (a) **Estimates exception** - On an assessment of the estimates made under the Previous GAAP financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS (except for adjustments to reflect any difference in accounting policies), as there is no objective evidence that those estimates were in error. However, estimates, that were required under Ind AS but not required under Previous GAAP, are made by the Group for the relevant reporting dates, reflecting conditions existing as at that date without using any hindsight.
- (b) **De-recognition of financial assets and liabilities exception** - Financial assets and liabilities de-recognized before transition date are not re-recognized under Ind AS.

Reconciliations and explanations of the significant effect of the transition from Previous GAAP to Ind AS on the Group's equity, statement of profit and loss and statement of cash flow are provided in Note 29.

2.4 Basis of Consolidation

a) Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Associate is accounted for from the date on which Group starts exercising significant influence over the associate.

b) Method of consolidation

Accounting policies of the associate is aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

The Group's investments in its associate is accounted for using the equity method. Accordingly, the investments are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of investees. Any excess of the cost over the Group's share of net assets in associate at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment. The un-realised gains / losses resulting from transactions with associate are eliminated against the investment to the extent of the Group's interest in the investee. However, un-realised losses are eliminated only to the extent that there is no evidence of impairment.

At each reporting date, the Group determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of investment and its carrying value.

3. Summary of Significant Accounting Policies

(a) Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- expected to be realized or intended to sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realized 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 classified as current when:

- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets (MAT Credit) are classified as non current assets and deferred tax liabilities are classified as current liabilities.

(b) 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 recognized initially at transaction costs that are attributable to the acquisition of the financial asset, in the case of financial assets not recorded at transaction cost, at fair value through Profit & loss account.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- o Debt instruments at amortized cost
- o Debt instruments at fair value through other comprehensive income (FVTOCI)
- o Debt instruments, derivatives and equity instruments at fair value through Profit and Loss (FVTPL)
- o Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt Instruments at Amortized Cost

The category applies to the Group's cash and cash equivalents, short term loans and advances security deposits, etc.

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- o The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and
- o Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized 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 an income/expense in Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

Debt instruments at FVTOCI

The Group does not have any financial assets within this category.

Equity instruments measured at FVTOCI

There are no such investments in the Group.

Investments measured at Fair Value through Profit and Loss (FVTPL)

FVTPL is a residual category for debt instruments. This category applies to the Group's investment in mutual funds. These investments are held for trading and they are measured at FVTPL.

Financial Liabilities

Initial Recognition and Measurement

At initial recognition, all financial liabilities are classified as financial liabilities at fair value.

The Group's financial liabilities include trade payables.

Subsequent Measurement

For purposes of subsequent measurement, financial liabilities i.e. trade payables have been valued at fair value.

Derecognition

The financial liabilities are de-recognized from the balance sheet when the under-lying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The financial assets are de-recognized from the balance sheet when the rights to receive cash flows from the financial assets have expired, or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

(c) Taxation

The income tax expense comprises of current and deferred income tax. Income tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognized in the other comprehensive income or directly in equity, in which case the related income tax is also recognized accordingly.

Current tax

Current income tax assets and liabilities 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, at the reporting date in the country where the Group operates and generates taxable income.

Any interest / penalties, related to accrued liabilities for potential tax assessments are not included in Income tax charge or (credit), but are rather recognized within finance costs.

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). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly 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 on the basis of amounts expected to be paid to the tax authorities.

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 is not recognised when it 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 or loss.

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 re-assessed 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 year 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.

Income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Group currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation authority and where there is an intention to settle the current income tax balances on net basis.

(d) Cash and Cash equivalents

Cash and cash equivalents in the Balance sheet comprise cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of changes in value).

For the purpose of the statement of cash flows, in addition to above items, any bank overdrafts/cash credits that are integral part of the Group's cash management, are also included as a component of cash and cash equivalent.

(e) Share Capital

Ordinary shares are classified as Equity when the Group has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Group and there is no contractual obligation whatsoever to that effect.

(f) Provisions**General**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(g) Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognized and disclosed only where an inflow of economic benefits is probable.

(h) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the entity and the revenue can be reliably measured, regardless of when the payment is being made. 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.

Interest income

The interest income is recognized using the Effective Interest Rate method.

Dividend income

Dividend income is recognized when the Group's right to receive the payment is established.

(i) Earnings per share (EPS)

The Group presents the basic and diluted EPS data.

Basic EPS are calculated by dividing the net profit for the year attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

4. Critical accounting estimates, assumptions and judgements

The estimates and judgements used in the preparation of the said financial statements are continuously evaluated by the Group, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Group believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Although the Group regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions under-lying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognized in the financial statements in the year in which they become known.

4.1 Critical accounting estimates and assumptions

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

a) Impairment reviews (Impairment of Investment in Associate)

Goodwill is tested for impairment at-least on an annual basis and when events that occur / changes in circumstances - indicate that the recoverable amount of the CGU is less than its carrying value. In calculating the value in use, the Group is required to make significant judgements, estimates and assumptions inter-alia concerning the growth in EBITDA, long-term growth rates; discount rates to reflect the risks involved. Also, judgement is involved in determining the CGU /grouping of CGUs for allocation of the goodwill.

b) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority.

Deferred tax assets are recognized for the unused tax losses for which there is probability of utilization against the taxable profit. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments.

5. Standards issued but not yet effective up to the date of issuance of the Group's financial statements

Ind AS 102 'Share based payments'

In March 2017, MCA issued amendments to Ind AS 102 pertaining to measurement of cash-settled share based payments, classification of share-based payments settled net of tax withholdings and accounting for modification of a share based payment from cash-settled to equity-settled method.

The amendments are applicable to annual periods beginning on or after April 1, 2017 with early adoption permitted. The group does not expect that the adoption of the amendments will not have any significant impact on the said financial statements.

IND AS 7 'Statement of cash flows'

In March 2017, MCA issued amendments to Ind AS 7, which requires certain additional disclosures to be made for changes in liabilities / assets arising from financial activities on account of non-cash transaction such as effect of changes in foreign exchange rates, fair values and others.

The amendments are applicable to annual periods beginning on or after April 1, 2017 with early adoption permitted. The Group will be providing the requisite disclosure in its statement of cash flows.

PARTICULARS

6. INVESTMENT IN AN ASSOCIATE

The Group has a 45.4792% (45.0873% as at March 31, 2016, 43.7171% as at April 01, 2015) interest in Bharti Airtel Limited, which is accounted for using the equity method in the consolidated financial statements.

The following table is the summarised financial information of the Group's investment in Bharti Airtel Limited:

	As at March 31, 2017 (₹ '000)	As at March 31, 2016 (₹ '000)	As at April 1, 2015 (₹ '000)
Non-current assets	2,124,351,978	2,028,680,264	1,710,960,918
Current assets	203,150,407	228,551,949	254,774,554
Non-current liabilities	(954,742,068)	(947,953,942)	(646,384,479)
Current liabilities	(629,447,085)	(586,604,269)	(637,147,500)
Equity	743,313,232	722,674,002	682,203,493
Less: Minority interest	(68,749,757)	(54,981,403)	(51,613,250)
Proportion of the Group's ownership	45.4792%	45.0873%	43.7171%
Group share of net assets	306,786,356	301,044,351	275,675,461
Goodwill included in carrying amount of investment	10,261,958	8,000,069	-
Carrying amount of the investment	317,048,314	309,044,420	275,675,461
Profit and Loss Account			
Revenue	955,888,789	966,192,329	
Expenses	(602,704,099)	(626,502,528)	
Finance costs	(76,974,911)	(69,135,480)	
Share of results of joint ventures and associates	10,449,491	10,666,491	
Depreciation and amortisation	(197,729,720)	(174,498,573)	
Profit before exceptional items and tax	88,929,550	106,722,239	
Exceptional items	11,696,689	(21,740,524)	
Profit before tax	77,232,861	128,462,763	
Current tax	21,240,473	44,689,846	
Deferred tax	13,578,886	14,842,552	
Profit after tax	42,413,502	68,930,365	
Other comprehensive Income / (Loss):			
Items to be reclassified subsequently to profit or loss	(50,805,885)	(12,240,093)	
Items not to be reclassified to profit or loss	(62,024)	(107,998)	
Total comprehensive (loss) / gain for the year	(8,454,407)	56,582,274	
Profit attributable to minority interest			
Profit after tax	4,416,159	8,162,872	
Other comprehensive Income / (Loss)	(2,212,968)	(370,911)	
Profit attributable to equity shareholders			
Profit after tax	37,997,841	60,767,494	
Other comprehensive Income / (Loss)	(48,654,941)	(11,977,180)	
Proportion of the Group's ownership	45.4792%	45.0873%	
Group share of total comprehensive income for the year			
Profit after tax	17,281,130	27,398,403	
Other comprehensive Income / (Loss)	(22,127,898)	(5,400,183)	

7. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The category wise details as to the carrying value and fair value of the Company's financial instruments are as follows:

	Carrying value as at			Fair value as at		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Financial Assets						
FVTPL						
Investments	13,216,576	-	6,330,573	13,216,576	-	6,330,573
Amortised Cost						
Cash and Cash Equivalents	3,090,034	16,113,996	332	3,090,034	16,113,996	332
Other financial assets	414	1,655,788	-	414	1,655,788	-
	16,307,024	17,769,784	6,330,905	16,307,024	17,769,784	6,330,905
Financial Liabilities						
Amortised Cost						
Trade Payables	475	932	942	475	932	942
	475	932	942	475	932	942

The following methods / assumptions were used to estimate the fair values:

- The carrying value of trade payables, short term loans and advances approximate their fair value mainly due to the short-term maturities of these instruments.
- Fair value of unquoted financial instruments is based on unquoted market price at the reporting date.

8. INVESTMENTS

Particular	As at March 31, 2017 (₹ '000)	As at March 31, 2016 (₹ '000)	As at April 1, 2015 (₹ '000)
Investment in Mutual Funds at Fair Value through Profit & Loss			
Liquid mutual funds			
AXIS Liquid Fund - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 401,255 units)	-	-	401,379
Birla Sun Life Cash Plus Mutual Fund- Nil units (March 31, 2016 - Nil units, April 1, 2015 - 527,117 units)	-	-	52,814
DWS Insta Cash Plus Fund - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 3,007,941 units)	-	-	301,708
ICICI Prudential Money Market Fund - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 81,894 units)	-	-	8,200
IDFC Cash Fund - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 8,186 units)	-	-	8,189
JM High Liquidity Fund - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 49,586,703 units)	-	-	517,199
Kotak Liquid Scheme Plan - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 2,150 units)	-	-	2,629
Reliance Liquid Fund - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 54,555 units)	-	-	54,583
Religare Invesco Liquid Fund - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 516,482 units)	-	-	517,064

PARTICULARS	As at March 31, 2017 (₹ '000)	As at March 31, 2016 (₹ '000)	As at April 1, 2015 (₹ '000)
TATA Money Market Fund - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 145,290 units)	-	-	145,510
UTI Liquid Cash Plan - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 5,313 units)	-	-	5,416
- Growth Mutual Funds			
AXIS Liquid Fund - 912,655 units (March 31, 2016 - Nil units, April 1, 2015 - Nil units)	1,640,969	-	-
Birla Sun Life Cash Plus Mutual Fund- 2,601,061 units (March 31, 2016 - Nil units, April 1, 2015 - Nil units)	562,449	-	-
Birla Sun Life Cash Manager Mutual Fund - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 1,525,207 units)	-	-	512,275
Birla Sun Life Floating Rate Short Term Coll - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 109,839 units)	-	-	20,440
ICICI Prudential Flexible Income - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 2,694,082 units)	-	-	710,000
IDFC Cash Fund - 756,178 units (March 31, 2016 - Nil units, April 1, 2015 - 26,272,923 units)	1,490,372	-	513,465
JM High Liquidity Fund - 9,322,365 units (March 31, 2016 - Nil units, April 1, 2015 - 159,625 units)	413,581	-	6,091
Kotak Liquid Scheme Plan - 220,769 units (March 31, 2016 - Nil units, April 1, 2015 - Nil units)	726,470	-	-
Reliance Money Manager Fund - 415,037 units (March 31, 2016 - Nil units, April 1, 2015 - 268,023 units)	1,641,049	-	512,913
Reliance Money Manager Fund - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 259,497 units)	-	-	500,980
Religare Invesco Ultra Short Term Fund - 1,200,677 units (March 31, 2016 - Nil units, April 1, 2015 - 266,348 units)	2,680,387	-	512,899
TATA Floater Fund - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 244,384 units)	-	-	513,357
TATA Liquid Regular Plan Fund - 159,815 units (March 31, 2016 - Nil units, April 1, 2015 - Nil units)	477,831	-	-
TATA Money Market Fund - 432,577 units (March 31, 2016 - Nil units, April 1, 2015 - Nil units)	1,104,709	-	-
UTI Treasury Advantage Fund - Nil units (March 31, 2016 - Nil units, April 1, 2015 - 270,622 units)	-	-	513,462
UTI Liquid Cash Plan Fund - 933,039 units (March 31, 2016 - Nil units, April 1, 2015 - Nil units)	2,478,759	-	-
Carrying amount of Investment in Mutual Funds	13,216,576	-	6,330,573
Aggregate cost of unquoted investments (Liquid Mutual Fund)	-	-	2,014,692
Aggregate cost of unquoted investments (Growth Mutual Fund)	13,216,576	-	4,315,881
Aggregate cost of unquoted investments (Liquid Mutual Fund + Growth Mutual Fund)	13,216,576	-	6,330,573

PARTICULARS

9. CASH AND CASH EQUIVALENTS

Balances with banks:

On current accounts

On Deposits with original maturity less than 3 months

	As at March 31, 2017 (₹ '000)	As at March 31, 2016 (₹ '000)	As at April 1, 2015 (₹ '000)
	534	96	332
	3,089,500	16,113,900	-
	3,090,034	16,113,996	332

10. OTHER FINANCIAL ASSETS

(Unsecured, considered good unless stated otherwise)

Interest Accrued on Investment

Others

Trade Advances

	335	150,608	-
	-	1,505,000	-
	79	180	-
	414	1,655,788	-

11. EQUITY SHARE CAPITAL

Authorised Shares

5,000,000,000 (March 31, 2016- 5,000,000,000 ,
April 1, 2015- 40,000,000) Equity Shares of ₹ 10 each

Issued, Subscribed and Paid up Shares

2,525,324,176 (March 31, 2016- 2,525,324,176 , April 1,
2015- 21,770,036) Equity shares of ₹ 10 each

	50,000,000	50,000,000	4,000,000
	25,253,242	25,253,242	217,700
	25,253,242	25,253,242	217,700

a) Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at March 31, 2016		As at March 31, 2016		As at April 01, 2015	
	No.	(₹'000)	No.	(₹'000)	No.	(₹'000)
At the beginning of the year	2,525,324,176	25,253,242	21,770,036	217,700	21,770,036	217,700
Issued during the year	-	-	2,503,554,140	25,035,542	-	-
Outstanding at the end of the year	2,525,324,176	25,253,242	2,525,324,176	25,253,242	21,770,036	217,700

b) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Bharti Infotel Private Limited*	-	-	925,409,372	36.65%	7,977,667	36.65%
Pastel Limited	828,434,416	32.81%	828,434,416	32.81%	7,141,676	32.81%
Bharti Enterprises (Holding) Private Limited*	1,305,662,949	51.70%	380,177,887	15.05%	3,025,709	13.90%
Magenta Investment Limited**	186,618,016	7.39%	-	-	-	0.00%
Macritchie Investments Pte Ltd.**	-	-	186,618,016	7.39%	1,608,776	7.39%
Singtel International Investments Private Limited (formerly Cyan Private Limited)	176,150,408	6.98%	176,150,408	6.98%	1,518,538	6.98%

*Bharti Infotel Private Limited merged with Bharti Enterprises (Holding) Private Limited vide Court Order dated August 12, 2016.

**Macritchie Investments Pte Ltd. has been taken over by Magenta Investment Limited on November 17, 2016.

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

c) 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. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

PARTICULARS	As at March 31, 2017 (₹ '000)	As at March 31, 2016 (₹ '000)	As at April 1, 2015 (₹ '000)
12. NON CURRENT LIABILITIES			
PROVISION FOR INCOME TAX			
Provision for taxation [Net of advance tax/TDS receivable of ₹ 736,031 thousand (March 31, 2016 : 465,347 thousand, April 1, 2015 : 185,204 thousand)]	14,185	16,857	13,235
	14,185	16,857	13,235
13. FINANCIAL LIABILITIES			
Trade Payable			
total outstanding dues of creditors other than micro enterprises and small enterprises [Refer Note 23]	475	932	942
	475	932	942
14. OTHER CURRENT LIABILITIES			
Statutory liability payable	63	273	107
	63	273	107
PARTICULARS	For the year ended March 31, 2017 (₹'000)	For the year ended March 31, 2016 (₹'000)	
15. REVENUE FROM OPERATIONS			
Profit on Sale of Current Investments	214,758	224,467	
Mark To Market gain/(loss) on mutual fund	814,118	(79,880)	
Interest Income on			
Bank Fixed Deposits	10,875	227,590	
Inter Corporate Deposits (ICD)	205,213	363,845	
Dividend income on			
Non Current Investments	2,451,153	3,886,362	
Current Investments	-	16,097	
	3,696,117	4,638,481	
16. ADMINISTRATIVE AND OTHER EXPENDITURE			
Legal and Professional	937	1,601	
Communication Expenses	157	128	
Printing and Stationery	183	130	
Meetings and Conferences	91	195	
Board Meeting & Sitting Fees	402	314	
Charity & Donation*	6,000	1,000	
Auditors Remuneration (Refer Note 20 below)			
As Auditor	681	246	
	8,451	3,614	

* Paid to Bharti foundation for the year ended March 31, 2017 and March 31, 2016

PARTICULARS	For the year ended	For the year ended
	March 31, 2017 (₹'000)	March 31, 2016 (₹'000)
17. FINANCE COSTS		
Bank Charges	2	4
	2	4

18. INCOME TAX

The major components of Income Tax are:

	For the Year ended	
	March 31, 2017 (₹ in '000)	March 31, 2016 (₹ in '000)
Current Income Tax		
- for the year	268,012	292,134
	268,012	292,134
Deferred Tax*		
- Origination & Reversal of temporary differences	163,086	(27,646)
	163,086	(27,646)
Income tax expenses	431,098	264,488

* Includes tax credit recoverable on account of minimum alternate tax (MAT) of ₹ 118,664 and ₹ Nil during the year ended March 31, 2017 and March 31, 2016, respectively.

The reconciliation between the amount computed by applying the statutory income tax rate to the profit before tax and the income tax charge is summarised below:

	For the Year ended	
	March 31, 2017 (₹ in '000)	March 31, 2016 (₹ in '000)
Profit before tax	3,687,664	4,634,863
Tax expenses @ company's domestic rate of 34.608%	1,276,227	1,604,033
Effect of:		
Deferred tax	281,750	-
Income not taxable under normal provisions of tax	(1,130,045)	(1,350,563)
Inadmissible expenses	2,925	8,764
Donations u/s 35 AC	(2,076)	(346)
Others	2,317	2,600
Income tax expenses	431,098	264,488

The analysis of deferred tax assets and liabilities is as follows:

	As of		
	March 31, 2017 (₹ in '000)	March 31, 2016 (₹ in '000)	April 01, 2015 (₹ in '000)
Deferred tax Asset (Net)			
Deferred Tax Assets (MAT credit)	118,664	-	-
Deferred tax Liabilities (Net)			
Mark to Market gain on Investments	281,750	-	27,646

	For the Year ended	
	March 31, 2017	March 31, 2016
Deferred Tax (expenses) / Income		
Mark to market on mutual fund investments	281,750	-
Reversal of mark to market	-	(27,646)
Net deferred tax (expense) / income	281,750	(27,646)

19. Contingent liabilities & Commitments

- (i) Claims against the Company not acknowledged as debts: ₹ Nil (March 31, 2016 - ₹ Nil)
- (ii) In addition to the above, Contingencies and commitments to the extent of proportionate share of investment in associate has been disclosed as below:

Particulars	As on	As on	As on
	March 31, 2017 (₹ In '000)	March 31, 2016 (₹ In '000)	April 01, 2015 (₹ In '000)
1 Capital Commitments	46,392,422	33,393,956	150,325,016
2 Guarantees	58,678,173	47,910,442	49,192,612
3 Contingencies	61,315,057	45,980,479	40,749,975

20. Auditors' Remuneration

Particulars	Year Ended	Year Ended
	March 31, 2017 (In ₹'000)	March 31, 2016 (In ₹'000)
Audit Fees*	550.00**	200.00
Reimbursement of Expenses*	41.25**	15.00
Total	591.25	215.00

*Excluding Service Tax

**Includes Audit Fees of ₹ 250.00 for Consolidation for FY 2015-16

21. Earnings per Share (Basic and Diluted):

Particulars	Year Ended	
	March 31, 2017	March 31, 2016
<u>Basic and Diluted Earnings Per Share:</u>		
a) Profit/(Loss) attributable to equity shareholders (₹'000)	(A) 20,537,696	31,768,778
b) Weighted average number of equity shares outstanding during the year	(B) 2,525,324,176	306,564,933
c) Nominal value of equity shares (₹)	10	10
d) Basic and Diluted earnings per share (₹)	(A/B) 8.13	103.63

22. Segment Reporting

Since the Company's business activity falls within a single business and geographical segment of holding investments, there are no additional disclosure to be provided under Indian Accounting Standard (Ind AS)-108 'Operating segments' other than those already provided in financial statement.

23. Based on the information available with the Company, none of the suppliers have confirmed that they are registered under The Micro, Small and Medium Enterprise Development Act, 2006 ('MSMED'), as at March 31, 2017, March 31, 2016. Hence, the Company is not required to give disclosures specified under the Act.

24. The Holding Company does not have cash balance as on November 8, 2016 and December 30, 2016 and have no cash dealings during this period. However, its associate dealing with cash and the details of specified bank notes held and transacted by an associate during the period November 8, 2016 to December 30, 2016 are provided below:

	Specified Bank notes	Other Denomination notes	Total
Closing cash in hand as at November 8, 2016	43	1	44
(+) Permitted receipts	42	716	758
(-) Permitted payments	-	-	-
(-) Amount Deposited in Banks	85	680	765
Closing cash in hand as at December 30, 2016	-	37	37

25. Financial risk management objectives and policies

The Group's financial liabilities, comprise trade payables. 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 and cash and short-term deposits that arise 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 of Directors. This process provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and Group risk appetite

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:-

- **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity risk. Financial instruments affected by market risk include, investments.

- **Credit risk**

Credit risk is the risk that a counter party 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 financing activities, including deposits with banks, mutual funds and financial institutions, other financial instruments.

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. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. Based on its on-going assessment of counterparty risk, the Group adjusts its exposure to various counterparties. The Group's maximum exposure to credit risk for the components of the Balance sheet as of March 31, 2017, March 31, 2016 is the carrying amounts as disclosed in Note 7.

- **Liquidity risk**

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from both domestic and international banks at an optimized cost. It also enjoys strong access to domestic and international capital markets across debt, equity and hybrids.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:-

Trade Payables	(₹ ` 000)						Total
	Carrying Amount	On Demand	Less than 6	6 to 12 Months	1 to 12 Years	>2 Years	
As of March 31, 2017	475	-	475	-	-	-	475
As of March 31, 2016	932	-	632	-	-	-	932
As of April 1, 2015	942	-	942	-	-	-	942

26. Capital management

Capital includes equity attributable to the equity holders of the Parent. The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

No changes were made in the objectives, policies or processes during the year ended March 31, 2017 and March 31, 2016.

27. Related Party Disclosures:

In accordance with the requirement of Indian Accounting Standard (Ind AS) -24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationship, as identified and certified by the management are:

Name of the Related Party

Bharti Enterprises (Holding) Private Limited
 Bharti Infotel Private Limited
 Bharti Airtel Limited
 Bharti Insurance Holdings Private Limited
 Nile Tech Limited
 Bharti Venture Limited
 Bharti Foundation

Relationship

Holding Company
 Associate Company**
 Associate Company
 Group Company*
 Group Company*
 Group company*
 Trust

Related Party transactions for the year ended March 31, 2017 (₹ in '000)

Nature of Transaction	Amount for the year ended					Amount for the year ended				
	March 31, 2017 (₹'000)					March 31, 2016 (₹'000)				
	Bharti Airtel Limited	Bharti Infotel (Pvt.) Limited	Bharti Insurance Holdings Private Limited	Nile Tech Limited	Bharti Foundation	Bharti Airtel Limited	Bharti Infotel (Pvt.) Limited	Bharti Insurance Holdings Private Limited	Nile Tech Limited	Bharti Foundation
Opening balance	-	-	1,508,734	-	-	-	-	-	-	-
ICD given	-	-	1,140,000	260,000	-	-	-	7,515,000	-	-
Repayment of ICD	-	-	2,645,000	260,000	-	-	-	6,010,000	-	-
Interest Income	-	-	204,796	416	-	-	-	363,845	-	-
Dividend Income	2,451,153	-	-	-	-	3,886,362	-	-	-	-
Security Deposit given	100	-	-	-	-	100	(200)	-	-	-
Refund of security deposit	100	-	-	-	-	100	(200)	-	-	-
CSR Donation	-	-	-	-	(6,000)	-	-	-	-	(1,000)
Closing balance	-	-	-	-	-	-	-	1,508,734	-	-
ICD Receivable outstanding	-	-	-	-	-	-	-	1,505,000	-	-
Interest Receivable	-	-	-	-	-	-	-	3,734	-	-

* "Group Company" though not 'Related Parties' as per the definition under Ind AS 24, have been included by way of a voluntary disclosure, following the best corporate governance practices

**Bharti Infotel Private Limited merged with Bharti Enterprises (Holding) Private Limited vide Court Order dated August 12, 2016.

28. Additional information, as required under Schedule III to the Companies Act, 2013 of the enterprises consolidated as associate:

		2017				2016			
S. No.	Entity Name	Net assets, i.e. total assets minus total liabilities		Share in profit and loss		Net assets, i.e. total assets minus total liabilities		Share in profit and loss	
		As % of Consolidated net assets	Amount	As % of Consolidated profit and loss	Amount	As % of Consolidated net assets	Amount	As % of Consolidated profit and loss	Amount
(A) Parent									
1	Bharti Telecom Limited	18%	58,665,379	16%	3,256,566	17%	55,408,813	14%	4,370,375
(B) Indian Associate									
2	Bharti Airtel Limited	82%	274,512,150	84%	17,281,130	83%	271,387,329	86%	27,398,403
Total(A+B)		100%	333,177,529	100%	20,537,696	100%	326,796,142	100%	31,768,778

29. Reconciliation from previous GAAP

The following reconciliations provide a quantification of the effect of differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101 whereas the notes explain the significant differences thereto.

- I. Balance sheet reconciliations as at April 01, 2015 (a), March 31, 2016 (b)
- II. Reconciliations of statement of profit and loss for the period ended March 31, 2016
- III. Notes to the balance sheet and statement of profit and loss reconciliations
- IV. Explanation of material adjustments to statement of cash flows

I(a) . Balance sheet reconciliation as at April 01, 2015

Particulars	Notes	Regrouped IGAAP (₹'000)	Ind AS Adjustments (₹'000)	Ind AS (₹'000)
ASSETS				
Non-current assets				
Investments in an associate	1	173,893,315	101,782,146	275,675,461
		173,893,315	101,782,146	275,675,461
Current assets				
Financial assets				
Current investments	2	6,250,693	79,880	6,330,573
Cash and Cash equivalents		332	-	332
		6,251,025	79,880	6,330,905
Total Assets		180,144,340	101,862,026	282,006,366
EQUITY AND LIABILITIES				
Equity				
Equity share capital		217,700	-	217,700
Other equity	2,4	179,912,356	101,834,380	281,746,736
		180,130,056	101,834,380	281,964,436
Liabilities				
Non-Current liabilities				
Provision for income tax (net)		13,235	-	13,235
		13,235	-	13,235
Current liabilities				
Financial Liabilities				
Trade payables		942	-	942
Other current liabilities		107	-	107
Deferred tax liabilities	4	-	27,646	27,646
		1,049	27,646	28,695
Total Liabilities		14,284	27,646	41,930
Total Equity and Liabilities		180,144,340	101,862,026	282,006,366

1(b).Balance Sheet Reconciliation as at March 31, 2016

Particulars	Notes	Regrouped IGAAP (₹'000)	Ind AS Adjustments (₹'000)	Ind AS (₹'000)
ASSETS				
Non-current assets				
Investments in an associate	1	201,775,004	107,269,416	309,044,420
		201,775,004	107,269,416	309,044,420
Current Assets				
Financial Assets				
Cash and cash equivalents		16,113,996	0	16,113,996
Other financial assets		1,655,788	0	1,655,788
		17,769,784	0	17,769,784
Total Assets		219,544,788	107,269,416	326,814,204
EQUITY AND LIABILITIES				
Equity				
Equity share capital		25,253,242	-	25,253,242
Other equity		194,273,484	107,269,416	301,542,900
		219,526,726	107,269,416	326,796,142
Liabilities				
Non-Current liabilities				
Provision for income tax (net)		16,857	(0)	16,857
		16,857	(0)	16,857
Current liabilities				
Financial Liabilities				
Trade payables		932	0	932
Other current liabilities		273	(0)	273
		1,205	0	1,205
Total Liabilities		18,062	0	18,062
Total Equity and Liabilities		219,544,788	107,269,416	326,814,204

II. Reconciliations of statement of profit and loss for the period March 31, 2016

Particulars	Notes	Regrouped IGAAP (₹'000)	Ind AS Adjustments (₹'000)	Ind AS (₹'000)
Income				
Revenue from operations	2	4,718,361	(79,880)	4,638,481
		4,718,361	(79,880)	4,638,481
Expense				
Administrative and other expenses	3	27,794	(24,180)	3,614
Finance expenses	4	4	-	4
		27,798	(24,180)	3,618
Profit before tax		4,690,563	(55,700)	4,634,863

Tax expense

Current tax		283,765	8,369	292,134
Deferred tax	4	-	(27,646)	(27,646)
Profit after tax before share of profits of an associate		4,406,798	(36,423)	4,370,375
Share of net profit of an associate		20,093,276	7,305,127	27,398,403
Profit after tax after share of profits of an associate		24,500,074	7,268,704	31,768,778
Share of other comprehensive income of an associate		-	(5,400,183)	(5,400,183)
Total comprehensive income for the year		24,500,074	1,868,521	26,368,594
Profits for the year attributable to:				
Equity holders of the parent		24,500,074	7,268,704	31,768,778
Total Comprehensive income for the year attributable to:				
Equity holders of the parent		24,500,074	1,868,521	26,368,594

III. Notes to the balance sheet and statement of profit and loss reconciliations

As the presentation requirements under IGAAP differ from Ind AS, the IGAAP information has been regrouped for ease and facilitation of reconciliation with Ind AS.

1. Investment in associate – deemed cost exemption

Under previous GAAP, investments in associate were measured at cost. Under Ind AS, the Group has elected to continue the carrying value of investments under previous GAAP, basis Ind AS 101, First Time Adoption of Indian Accounting Standards for deriving the carrying value of these Investments ('deemed cost').

2. Investments

Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets are classified as FVTPL and the changes in fair value are recognised in statement of profit and loss. On the transition date, these financial assets have been measured at their fair value which is higher than its cost as per previous GAAP, resulting in an increase in carrying value of the investments with corresponding increase being recognised in equity.

3. Equity transaction cost

Under Previous GAAP, transactions cost of equity has been charged off in the profit and loss account. Under Ind AS, transaction cost of equity is shown as an adjustment to other equity. Accordingly, transaction cost has been netted off with share premium in financial year 2015-16 and corresponding decrease in Profits and Loss.

4. Deferred Tax/current tax

Under Ind AS, the Group has recognized the consequential deferred tax implications on the impact on account of adjustments explained above.

IV. Explanation of material adjustments to Statement of Cash Flows

There were no material differences between the statements of cash flows presented under Ind AS and the Previous GAAP except definition of cash and cash equivalents under these two GAAPs.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

per Sanjay Bachchani

Partner

Membership No: 400419

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

Rajan Bharti Mittal

Director

DIN - 00028016

Devendra Khanna

Managing Director

DIN - 01996768

Rohit Krishan Puri

Company Secretary

Vidya Raman Soares

Chief Financial Officer

Place : New Delhi

Date : July 25, 2017



BHARTI TELECOM LIMITED

Registered Office :

Airtel Centre, Plot No. 16,
Udyog Vihar, Phase - IV, Gurgaon,
Haryana - 122 001, India.

Corporate Office :

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

BOOK POST



BHARTI TELECOM LIMITED

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