



August 11, 2016

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

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

Ref: Bharti Infratel Limited (534816 / INFRATEL)

Sub: 10th Annual General Meeting ('AGM') and voting results.

Dear Sir/Madam,

The 10th Annual General Meeting ('AGM') of the Company was held on August 10, 2016 and the business(es) mentioned in the Notice dated April 26, 2016 were transacted.

In this regard, Please find enclosed the following-

1. Summary of proceedings of AGM as required under Regulation 30, Part-A of Schedule -III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations as Annexure – I.
2. Voting results as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations.
3. Report of Scrutinizer dated August 11, 2016, Pursuant to Section 108 of the Companies Act, 2013 and Rule 20(4) (xii) of the Companies (Management and Administration) Rules, 2014.
4. Annual Report for the financial year 2015-16 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

Kindly take the same on record.

Thanking you,

Yours faithfully,

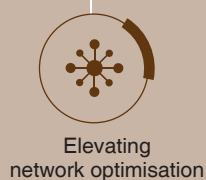
For Bharti Infratel Limited


Shweta Girotra
Company Secretary





SOWING THE SEEDS FOR
Digital India



Forward Looking Statement

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

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

What's inside



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Corporate Information

Board of Directors

Mr. Akhil Gupta
Chairman

Mr. Bharat Sumant Raut

Mr. D S Rawat
Managing Director & CEO

Mr. Jitender Balakrishnan

Ms. Leena Srivastava

Mr. Mark Chin Kok Chong

Mr. N Kumar

Mr. Rajan Bharti Mittal

Mr. R P Singh

**Company Secretary and
Compliance Officer**

Ms. Shweta Girotra

Statutory Auditors

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

Internal Auditors

M/s KPMG
M/s Price Waterhouse & Co. LLP

Secretarial Auditors

M/s Chandrasekaran Associates
Company Secretaries

Registered Office

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

Head Office

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

Corporate Identification Number (CIN)

L64201DL2006PLC156038

Website

www.bharti-infratel.com

Digital India is an articulation of the nation's aspirations to connect for empowerment.

A connected society evolves smarter ways of planning and implementation across the social spectrum, touching every aspect of life.

From the realms of education, healthcare, trade and commerce, employment, media and entertainment, efficiencies to better governance and controls, turning digital has many rewards.

Every second, three more Indians experience the internet for the first time; and by 2030 over 1 billion of them will be online. Add to the fact that India has the world's fastest growing economy, and the biggest population of millennials; and it's not hard to imagine the opportunities unleashed by the country's rapidly expanding digital landscape. The rollout of 3G and 4G services are going to accelerate the process further.

The grand vision of digital India is supported by vital infrastructure; and we act as an enabler in the entire ecosystem by providing tower and related infrastructure



sharing services. As one of the leading tower infrastructure providers, we are present at the remotest corners of India, enabling millions of people to connect to a better quality of life.

We have also partnered with Renewable Energy Service Companies (RESCOs) to power our towers using renewable energy, along with community power development in rural areas.

We are driving innovation, nurturing talent, fostering partnerships, reducing environmental footprint and empowering the community.

We are doing all this and more to sow the seeds of a digital future for all.

88,808

Total tower base

2.20

Closing sharing factor

195,035

Co-locations

3,070

Solar powered towers

33,750+

Green sites

38%

Green network

22


Telecom circles across India

2,346+

On roll employees

As on March 31, 2016 on a consolidated basis





Bharti Infratel is India's leading provider of tower and related infrastructure and it deploys, owns and manages telecom tower communication structures, for various mobile operators.

We provide access to our towers primarily to wireless telecommunication service providers on a shared basis, under long contracts.

We have a nationwide presence with operations in all 22 telecommunication circles in India. We help telecom operators maximise their reach in a short period of time – by providing them compelling capex saving opportunities, enabling them to channelise their investment in reaching out to more and more people across the country.

Making India digital ready

Our Vision

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

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

Our Value Drivers

Comprehensive Scale

We have 42% stake in Indus Towers enabling pan-India presence across 22 telecom circles.

Robust Architecture

We have state-of-the-art 'Tower Operations Center', integrated IT systems and best-in-class processes facilitating seamless operation.

Enduring Relationship

We have partnered all telecom operators for a long-term arrangement.

Environment First

Our Company has initiated ZEN – Zero Emission Network programme based on seven ideas aimed at minimising dependency on diesel and thereby, carbon footprint reduction.

Our DNA



Drive for Innovation

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



Drive for Result

- Proactive approach to exceed challenging goals and customer expectations



Commercial Thinking

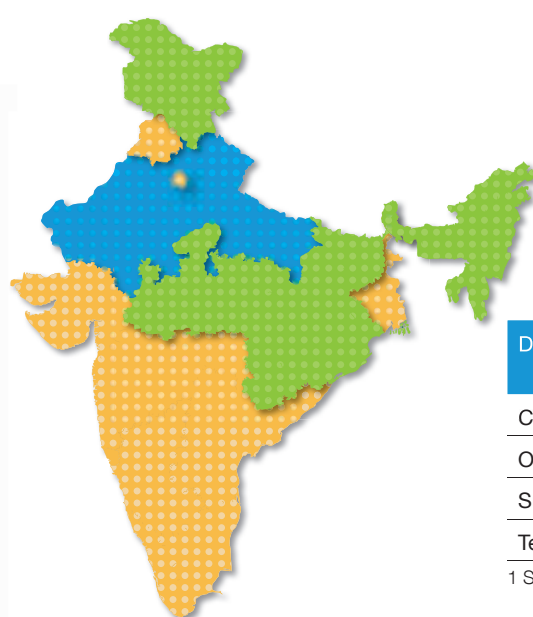
- Make decisions based on cost impact and execute to add value



Develop People and Partnership

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

Pan-India Coverage

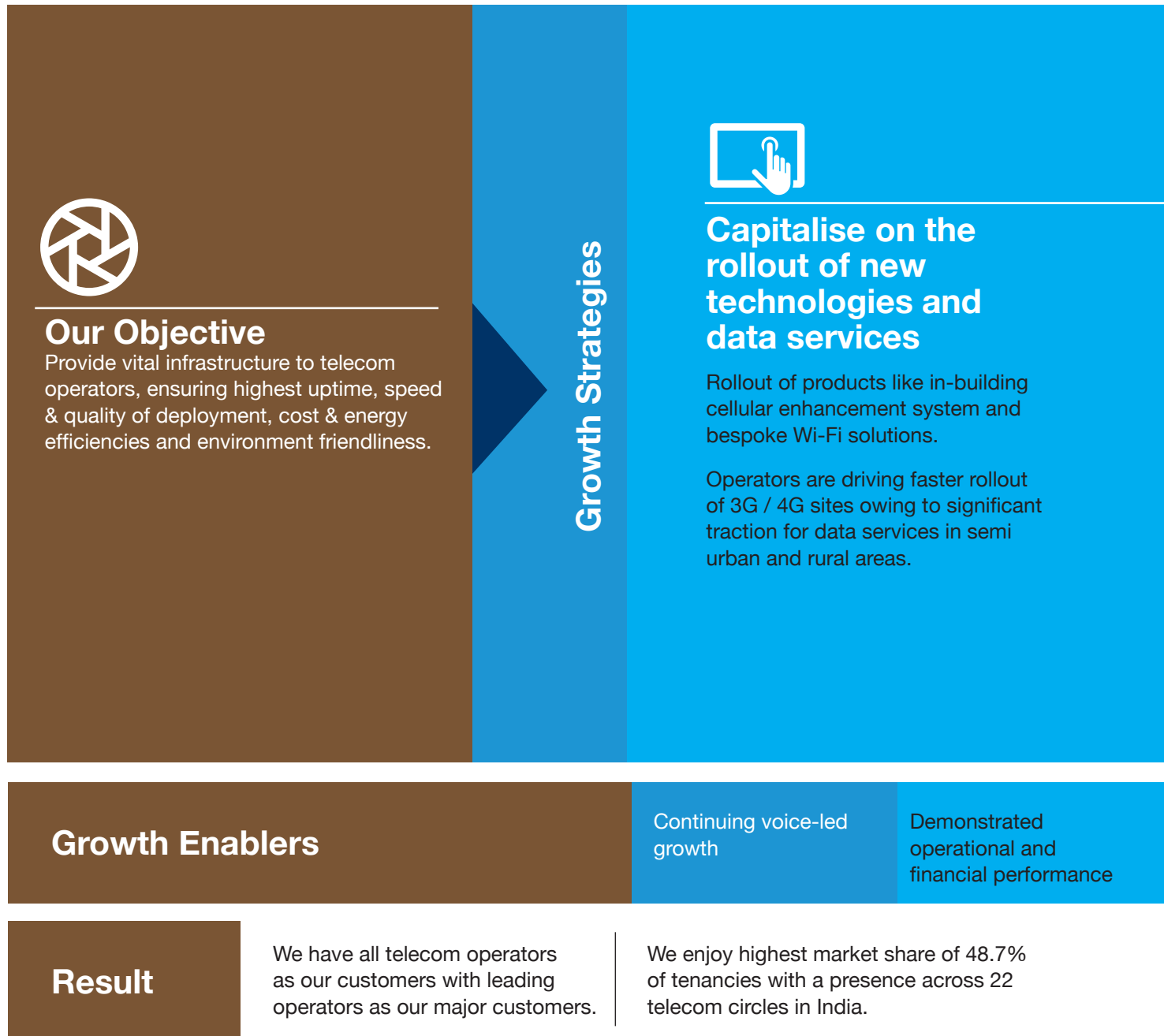


■ Bharti Infratel Circles
■ Overlapping Circles ■ Indus Towers Circles

Details	Bharti Infratel Circles	Indus Towers Circles	Overlapping Circles
Circles	7	11	4
Operators	6-10	8-10	8-10
Subs(m) ¹	214.6	581.8	230.3
Teledensity (%) ¹	75.20	114.46	77.60

¹ Source: TRAI as of February 29, 2016

Our Value Creation Model





Increase revenue and capital productivity

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



Achieve cost efficiencies across tower portfolio

We have been deploying alternate solutions to reduce our energy cost per co-location year-on-year; and also help reduce our environmental impact.

We are enhancing capital efficiency with lower costs and higher revenues per tower by reengineering tower design, reducing capital expenditure and improving efficiency.

Operator agnostic

Supportive regulatory environment

High standards of corporate governance

Experienced management team

We have achieved a closing sharing factor of 2.20 in FY 2015-16 compared to the 2.12 in FY 2014-15.

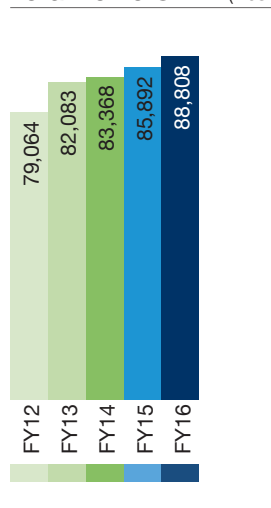
We have successfully been able to deploy 3 times cabinet expansions in FY 2015-16 compared to FY 2014-15.

Performance at a Glance

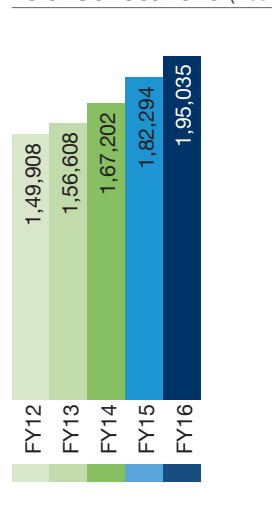
Particulars	Units	Full Year Ended ⁶				
		2012	2013	2014	2015	2016
Consolidated Operating Highlights						
Total Towers	Nos	79,064	82,083	83,368	85,892	88,808
Total Co-locations	Nos	1,49,908	1,56,608	1,67,202	1,82,294	1,95,035
Average Sharing factor	Times	1.85	1.90	1.96	2.06	2.16
Closing Sharing factor	Times	1.90	1.91	2.01	2.12	2.20
Sharing Revenue per Tower per month	₹	64,931	66,034	66,273	70,169	74,294
Sharing Revenue per Sharing Operator per month	₹	35,025	34,717	33,862	33,983	34,397
Consolidated Financials						
Revenue ^{1&3}	₹ Mn	94,521	1,02,720	1,08,267	1,16,683	1,23,084
EBITDA ¹	₹ Mn	35,269	38,103	44,118	50,108	54,031
EBIT ¹	₹ Mn	13,830	15,852	22,742	28,194	30,967
Cash profit from operations ¹	₹ Mn	29,069	32,036	37,742	45,817	51,948
Profit before Tax	₹ Mn	11,282	15,307	23,232	30,515	36,207
Profit after Tax	₹ Mn	7,491	10,025	15,179	19,924	23,820
Capex	₹ Mn	14,103	21,470	15,268	20,809	22,106
-of Which Maintenance & General Corporate Capex ⁵	₹ Mn	-	3,916	4,071	5,116	4,753
Operating Free Cash Flow ^{1&4}	₹ Mn	19,039	17,833	26,471	27,910	32,040
Adjusted Fund From Operations (AFFO) ^{1&5}	₹ Mn	-	32,064	37,668	43,603	49,393
Total Capital Employed	₹ Mn	1,57,652	1,51,738	1,47,089	1,42,910	1,38,619
Net Debt / (Net Cash)	₹ Mn	12,411	(20,187)	(33,294)	(27,290)	(44,860)
Shareholder's Equity	₹ Mn	1,45,241	1,71,925	1,80,382	1,70,200	1,83,479
Key Ratios						
EBITDA Margin ²	%	37.3	37.1	40.7	42.9	43.9
EBIT Margin ²	%	14.6	15.4	21.0	24.2	25.2
Net Profit Margin ²	%	7.9	9.8	14.0	17.1	19.4
Net Debt / (Net Cash) to EBITDA (LTM)	Times	0.35	(0.53)	(0.75)	(0.54)	(0.83)
Interest Coverage ratio (LTM)	Times	8.66	9.66	11.04	17.27	24.58
Return on Capital Employed (LTM)	%	8.5	10.2	15.2	19.4	22.0
Return on Shareholder's Equity (LTM)	%	5.3	6.3	8.6	11.4	13.5
Valuation Indicators						
Market Capitalisation	₹ Bn	N.A	338	384	729	724
Enterprise Value	₹ Bn	N.A	318	351	702	680
EV / EBITDA (LTM)	Times	N.A	8.34	7.96	14.01	12.58
EPS (Diluted)	₹	4.29	5.61	8.02	10.53	12.56
PE Ratio	Times	N.A	31.89	25.37	36.57	30.41

1. Revenue, EBITDA, EBIT, Cash profit from operations, Operating free cash flow and Adjusted Fund from Operations (AFFO) are excluding other income.
2. EBITDA, EBIT and Net profit margin have been computed on revenue excluding other income.
3. Revenue for the full year ended March 31, 2012 and 2013 includes un-eliminated IRU income, the accrual of which discontinued post Indus Towers Merger.
4. Operating free cash flow for full year ended March 31, 2013 have been adjusted for change in estimate of site restoration obligation.
5. Reporting for these key parameters started from year ended March 31, 2013.
6. Previous periods' figures have been regrouped/ rearranged wherever necessary to confirm to current period's classifications.

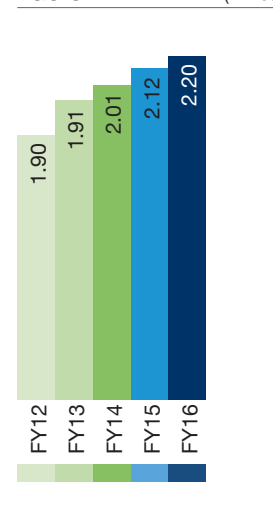
Key Performance Indicators

Total Towers (Nos.)


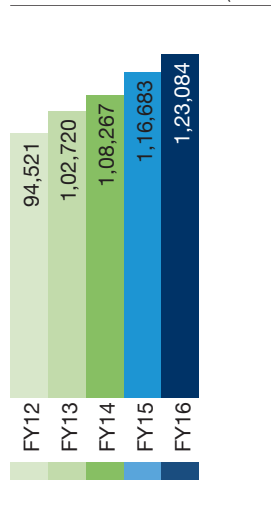
We have consistently increased our tower infrastructure and 2015-16 was no exception.

Total Co-locations (Nos.)


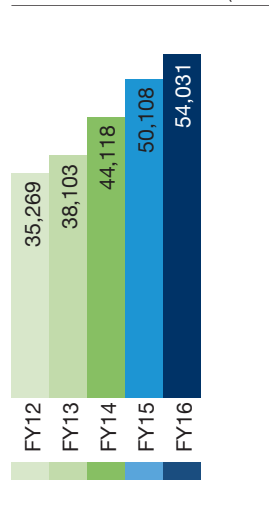
Network rollouts for both voice and data have led to the growth in co-locations over the years.

Closing Sharing Factor (Times)


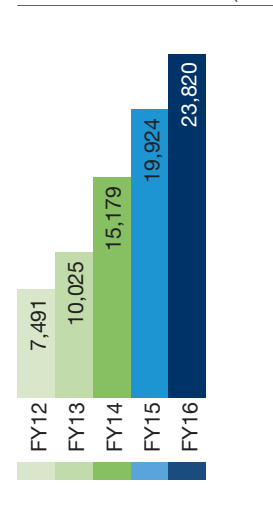
By increasing the co-locations faster than the towers, we are able to utilise the same assets many-fold and derive efficiencies from the same.

Revenue¹ (₹ Mn)


In 2015-16, our revenues grew owing to more towers, more tenancies and growing scale of operations pan-India.

EBITDA¹ (₹ Mn)


In 2015-16, our EBITDA escalated on account of judicious management of operational costs.

Profit after Tax (₹ Mn)


In 2015-16, PAT grew owing to efficient cost efficiencies and higher realisation from operators.

1. Revenue and EBITDA are excluding other income

2. Revenue for the full year ended March 31, 2012 and 2013 includes uneliminated IRU income, the accrual of which discontinued post Indus Towers Merger.

Chairman's Message



As on March 31, 2016, over 33,750 towers (approximately 38% of total portfolio) are green towers with zero-diesel consumption.

Dear Shareholders,

As the fastest growing major economy in the world, India turned out to be a rare bright spot during the year in the midst of a weak global environment. Aided by key macro-economic factors like low global crude prices and moderate domestic inflation, the economy managed to regain its lost momentum. Thanks to the pro-reform initiatives of the Government, India emerged as the world's most sought after FDI destination in 2015.

Backed by a robust economic performance, an overall optimistic outlook and a keen desire to realise its full potential, India has adopted the mission of 'Digital India'. In simple terms, Digital India would represent a connected India, where every citizen would be connected to the Internet, which would be transformational and open up significant opportunities for

employment, efficiencies and better governance and controls.

Telecommunication has a crucial role to play for Digital India by providing networks for broadband connectivity across the length and breadth of the country, to every town and village. The only way to do so is through wireless networks. Telecom networks already cover approximately 95% of the population and 90% geography of India for voice with over 500,000 towers and over a million base stations. However, for mobile broadband, the penetration is still low with 3G networks on only 40-50% of towers. For 4G, where rollout started only last year, it is significantly lower.

With investments of over 50 Bn USD by operators in spectrum over last six years, the operators are rapidly rolling out mobile broadband networks across the country. We expect the

voice coverage to be replicated for 3G within the next few years. This means a significant rollout in the coming years. In addition, the operators have also now started rolling out 4G networks, which we expect over time to follow the same trend, as 4G ecosystem grows. The rollouts by operators are also being complemented by rapidly growing penetration of smartphones in India, which as per an Ericsson estimate is likely to grow from 13% in 2014 to 58% by 2020. According to IDC, India is expected to overtake the US to become the second-largest smartphone market globally, by 2017.

These developments augur very well for companies like us, providing critical infrastructure support to telecom companies for network rollouts. Telecom industry is also witnessing consolidation, which would result in spectrum becoming available to operators who have

the resources to rollout networks. We accordingly expect further acceleration in data network rollouts by all operators in the coming years; and are fully prepared to meet the demand.

Due to our superior network, execution capabilities and strong relationship with operators, we have been continuously gaining market share. As per a Deloitte report in June 2015, Indus Towers and Bharti Infratel combined has close to 41% tower market share and close to 50% tenancy market share in India, compared to 38% tower market share and 42% tenancy market share in December 2012 (Analysys Mason Report).

The Company's financial and operational performance continues to be healthy. Our average sharing ratio per tower for the year stood at 2.16; and we ended the year with a ratio of 2.20, up from 2.12 at the beginning of the year. The Company's financial performance during the year was strong with a consolidated EBITDA of over ₹ 5,400 Crores and net profit of nearly ₹ 2,400 Crores, an increase of around 20% over previous year. The Board of Directors have proposed a dividend of ₹ 3.0 per equity share for the year ended March 31, 2016. In addition, the Board of Directors also approved a buyback of equity shares up to a maximum of ₹ 2,000 Crores. Total cash outgo for the dividend and buyback for the full year, inclusive of tax on dividend would amount to ₹ 2,685 Crores, ~203% of the standalone PAT.

The investors reposed their faith in the robustness of the business model and the Foreign Institutional

ownership touched an all-time high of 25.73% on December 31, 2015, compared to 8.65% at the time of IPO in December 2012. The Company has been included in MSCI (Morgan Stanley Composite Index) India Index with effect from May 29, 2015; and in the list of stocks eligible for Futures & Options Trading, Bharti Infratel also made it to the flagship NIFTY 50 index with effect from April 01, 2016.

People and Partners continued to be the key pillars of business excellence at Bharti Infratel. The Company has diligently built a cohesive and employee-friendly work culture. As a result of our sustained efforts through the year on people development, Aon Hewitt recognised Bharti Infratel for the second time in a row as one of the 'Best Employer' in FY 2015-16.

During the year, we continued our efforts to drive our Green Towers P7 Programme relentlessly and made further investments to enhance our green footprint. I am pleased to report that as on March 31, 2016, over 33,750 towers (approximately 38% of total portfolio) are green towers with zero-diesel consumption. We believe that our environment-friendly initiatives will have long-term benefits to our customers and the society at large. Improvement in grid supply as promised by the Government will further help our initiatives.

Our commitment as a socially conscious and responsible corporate citizen has been increasing with every passing year. We are helping build an empowered society through education, community development and environment sustainability. We have also reached out to young

underprivileged girls and women living across several cities by providing them with opportunities for skill-based training and dignified employment. Our initiatives target disadvantaged and vulnerable sections of society. During last year, collectively the Company has spent close to ₹ 20 Crores on various CSR initiatives.

The Company's Board went through multiple changes during the year, while Vinod Dhall and Rakesh Bharti Mittal departed after long association; R P Singh and Rajan Bharti Mittal joined the Board. I take this opportunity to express my sincere gratitude to Vinod Dhall and Rakesh Bharti Mittal for their valuable services to the Board during their association with the Company and welcome R P Singh and Rajan Bharti Mittal to the Board.

Overall, 2015-16 proved to be yet another constructive and satisfying year. We believe the infrastructure requirement for telecom operators is set to undergo a transformation of sorts as operators upgrade and expand their networks to cater to the aspirations of a rapidly expanding economy. We believe that with strong relationship with all operators and our execution and management strengths, we will be able to continue garnering a dominant share of new business. In the current year, we would also be closely watching developments on potential new businesses like smart cities and transmission opportunities.



Akhil Gupta
Chairman

Message from Managing Director & CEO



We are keeping a close watch on the opportunities presented by the Government's Digital India campaign and Smart Cities. This will require a huge amount of communication infrastructure and we can be at the forefront of this opportunity.

Dear Shareholders,

The year 2015-16 was a year of positivity and growth.

Data has been the key driver of this growth. It has been led by widening uptake of applications, surging m-commerce, media content, increasing connectivity and availability of smartphones at lowest prices. These opportunities have translated into encouraging outcomes: non-voice revenues of operators now account for 28% of their revenues, up from 24% last year.

Given the strong data uptake and the need to monetise spectrum investment, the leaders are showing aggression on data rollouts. The anticipated

launch of a new operator has further weighed on investment sentiment. All operators have expedited their 3G / 4G launches across geographies. Airtel has announced Project Leap with a capital commitment to spend ₹ 60 Bn over a period of three years. Idea has been expanding its capital expenditure guidance as well. As a result, we recorded three times growth on 3G / 4G data rollout during the year compared to last year. We believe this is the first phase and the next phase wherein the demand will be full co-location, will begin soon. The operators' quest to provide best quality services, along with the push by the regulator to address the call drop concern should

drive further investment. Clearly, investment cycle is on an upswing.

On the regulatory front, the roadmap on key issues was made clear by the regulator, restoring confidence in the sector for all stakeholders. Spectrum sharing and trading guidelines have triggered indirect M&A and paved the way for better utilisation of unutilised spectrum.

The year ahead will see operators consolidate and Leap. Airtel's acquisition of Videocon and Airtel's spectrums will further strengthen Airtel's market leadership. Likewise, RCom's merger with MTS and Airtel will help consolidate RCom's position. This in totality will have a positive



We continue to drive efforts particularly on energy cost reduction and turning Green. I am extremely pleased to report that around 38% of our network is green today.

impact as operators would emerge stronger, resulting in faster rollouts. In the tower industry as well, ATC announced acquisition of a majority stake in Viom. We believe this shall mean healthy competition in the sector.

We are keeping a close watch on the opportunities presented by the Government's Digital India campaign and Smart Cities. This will require a huge amount of communication infrastructure and we can be at the forefront of this opportunity. We believe we are best positioned to play a partnering role for such vital infrastructure with all customers on a non-discriminatory basis.

On a consolidated basis, we have added over 2,916 towers and 12,741 co-locations during the year along with multi-fold growth in cabinet expansions. Our closing sharing factor is 2.20 times, with 88,808 towers and 195,035 co-locations. Overall, the demand for new towers remains in the range of 3-4% while co-locations grew by 7-8%. We expect the positive momentum to continue.

We are proud to have lived our vision of being known for providing the highest uptime throughout the year. The efforts put in by our people during tough times helped us restore vital communication in quick time and earn special praise from our customers, especially during J&K floods and similar catastrophes. On the energy conservation front, we continue to drive efforts particularly on energy cost reduction and turning Green. I am extremely pleased to report that around 38% of our network is green today.

People continue to be one of the most important contributing factors to our growth story. We continue to focus on building long-term commitment, making jobs more challenging, enabling managers to be more employee focused, being customer centric and collaborative. We are pleased to report that we have been recognised as the 'Best Employer' by Aon Hewitt for the second time in a row.

During the year, we were also conferred with Global Award for Excellence in Quality Management and Leadership 2015 for Quality Excellence and Firm of the Year Award 2015 in the Infrastructure Category at the ICICI Lombard & CNBC TV18 India Risk Management Awards. These awards are a testimony of quality focus and robust risk management framework at Bharti Infratel.

Our presence has been well recognised by investors and the market. Our stock was included in MSCI Index, F&O trading list and NIFTY 50 club.

I take this opportunity to express my sincere gratitude to all our



We continue to focus on building long-term commitment, making jobs more challenging, enabling managers to be more employee focused, being customer centric and collaborative.

shareholders, customers, partners and employees for their continued enthusiasm, trust and support in making 2015-16 yet another successful year.

The year ahead looks promising as data surge momentum continues along with rural expansion. As a Company, we are confident to be a major beneficiary of the opportunities coming our way and will continue to surpass the benchmarks set by us.

D S Rawat
Managing Director and
Chief Executive Officer

Board of Directors



C4 C3

Mr. Akhil Gupta

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

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



C1

Mr. Bharat Sumant Raut

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



C3 C4 C5

Mr. D S Rawat

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

Mr. Rawat is an engineering graduate in electronics & communications, and comes from a defence services background. He spent his initial years as an officer with the Indian Air Force. He has also done an Advanced Management Programme at the Wharton University of Pennsylvania. He holds over 25 years of in-depth experience in handling P&L, technology, rollouts and regulatory interfaces – both from operator and supplier perspective. He has worked across various capacities in leading telecom companies like Ericsson and Huawei.



C1

Mr. Jitender Balakrishnan

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



C2 C5

Ms. Leena Srivastava

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



C2

Mr. Mark Chin Kok Chong

Mark Chin Kok Chong is a Non-Independent and Non-Executive Director of the Company. He has been the Chief Executive Officer, International, at Singtel Group since January, 2013. He is responsible for the growth of Singtel Group's international affiliates, strengthening the Group's relationships with overseas partners and driving regional initiatives for scale and synergies. Prior to this, he was the Chief Operating Officer of the Group's associate in Thailand, Advanced Info Service Plc (AIS, where he was in charge of sales and marketing products, network operations, IT solutions, customers and services management). Mr. Chong joined Singtel in 1997 and has held various executive positions in the Company. As the Executive Vice President of Networks, he managed Singtel's fixed, wireless and international networks, including rolling out the NextGen Nationwide Broadband Network. Before Singtel, he was a member of the Singapore Administrative Service from 1990 to 1997. He has also represented Singtel on the Boards of public listed companies such as, Globe Telecom and CSLox (Thailand) and also other non-listed companies such as OpenNet.

Board of Directors (Contd.)



C2 C5

Mr. N Kumar

N Kumar is an Independent and Non-Executive Director of the Company and Chairman of HR, Nomination and Remuneration Committee and Corporate Social Responsibility (CSR) Committee. He is an electronics engineer and a fellow member of the Indian National Academy of Engineering. He is also a fellow life member of The Institution of Electronics and Telecommunication Engineers. He is the Vice Chairman of The Sanmar Group, Chennai and is the Honorary Consul General of Greece in Chennai. Mr. Kumar is on the Board of various public companies and has over four decades of experience in technology, management and finance. He is the Chairman of National Accreditation Board for Certification Bodies, which is a constituent of Quality Council of India.

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



C3 C2 C4 C5

Mr. Rajan Bharti Mittal

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

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



C1

Mr. R P Singh

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

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

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

Board Committees**Chairman****Member**

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

Simple approach. Sound strategies.



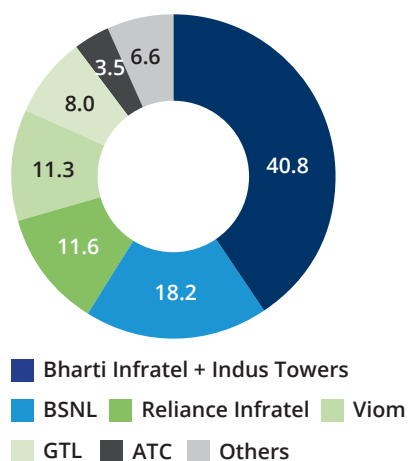
At Infratel, we have evolved an uncomplicated, competitive and value-accretive model of doing business in India. We are strengthening our operational strategies and risk governance; which is why, even in a volatile macro environment our performance has been encouraging and industry leadership remains unrivalled.

Industry Leadership

Bharti Infratel and Indus Towers together have a market share of 40.8% and 48.6% for towers and co-locations, respectively; a recent report ('Indian Tower Industry: The Future is Data – June 2015') by Deloitte suggests.

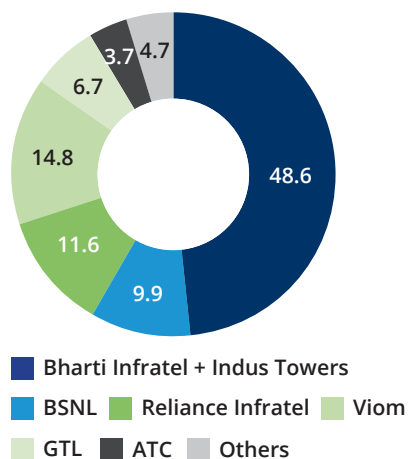
Share of Towers

(%)



Share of Co-locations

(%)



Long-term Contracts

We have entered into long-term contracts or Master Service Agreements (MSAs) with our customers. The MSAs have set out the terms on which access is provided to Bharti Infratel's and Indus's Towers. All service providers are offered similar terms and they receive equal treatment at towers, where they have installed their active infrastructure. Under the MSAs, Bharti Infratel and Indus Towers entered into service contracts in respect of individual towers. The MSAs and service contracts govern Bharti Infratel's and Indus's relationship with their customers, the services to be provided; and the applicable charges with annual escalation clauses.

Visibility of Revenue and Cash Flows

Bharti Infratel has good visibility of future revenues and cash flows because of the following key competitive strengths:

- A leading telecommunication infrastructure operator in India, with large-scale, nationwide operations in an industry with entry barriers
- Extensive presence in all telecommunication circles with high-growth potential
- Long-term contracts with leading wireless telecommunication service providers in India
- On a consolidated basis, the estimated weighted average remaining life of service contracts, entered into with telecommunication service providers, as on March 31, 2016 is 5.38 years

- Comprehensive deployment and operational experience supported by well-developed processes, systems and IT infrastructure

Unique India-centric business

Bharti Infratel has key features in the MSA, which are unique to India:

- Disarming the operators: It is not economically rewarding for operators to build new towers themselves
- Creating natural entry barriers: Sliding scale of rent and sharing energy costs with increasing tenancies on a particular site has created a competitive paradigm

Infratel Advantage

Low Capital Investment

As new infrastructure need not be created exclusively for customers, benefiting them as well as the Company.

Faster Time-to-Market

As these towers have a large geographic footprint, and cover existing, high-revenue telecom circles.

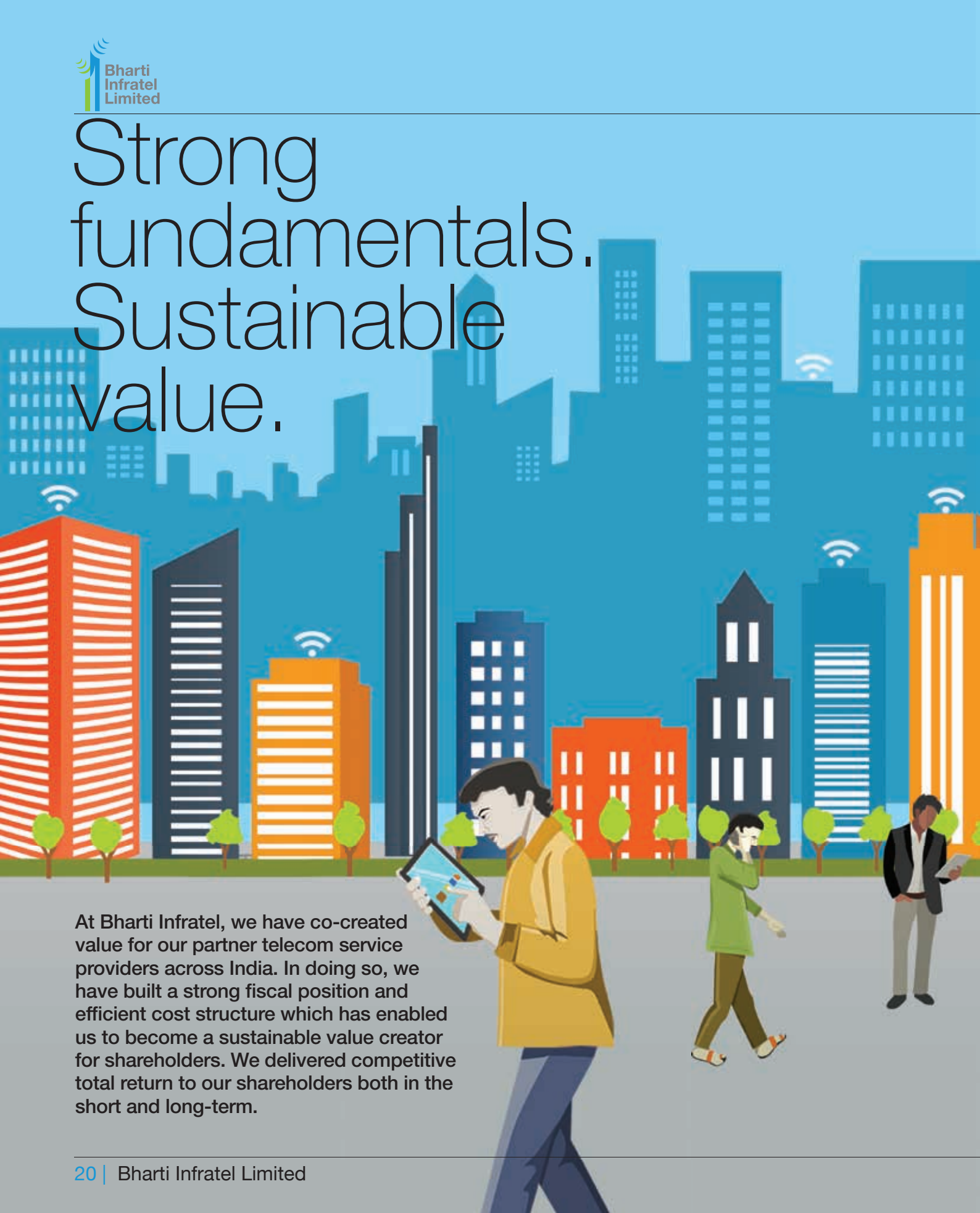
Operational Efficiencies

As best practices adopted by the market leader automatically benefit the industry as a whole.

Revenue Maximisation

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

Strong fundamentals. Sustainable value.



At Bharti Infratel, we have co-created value for our partner telecom service providers across India. In doing so, we have built a strong fiscal position and efficient cost structure which has enabled us to become a sustainable value creator for shareholders. We delivered competitive total return to our shareholders both in the short and long-term.

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

Pursuit of viable value accretive inorganic growth

- ▶ We are focused on identifying opportunities for inorganic growth that are value accretive and feasible

Leverage diversified customer base to capitalise on data growth

- ▶ We benefit from a pick of data growth across the industry, diversification of customer base allows us to benefit from data growth in the Indian telecom sector, no matter which operator achieves dominance

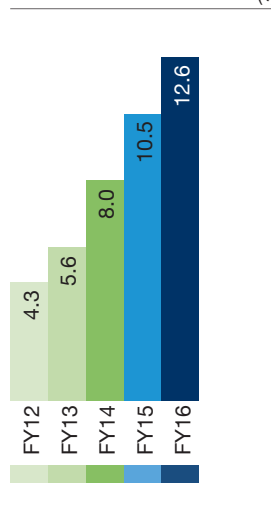
Explore opportunities to return cash to shareholders

- ▶ Aside from its dividend policy, the Company is considering various opportunities to return excess cash to shareholders*

* Subject to adequate liquidity for planned business activities and capital expenditure and other uses including debt servicing requirements, acquisitions and ensuring an acceptable credit rating

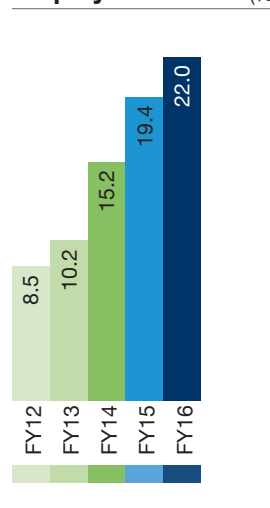
Earnings Per Share

(₹)



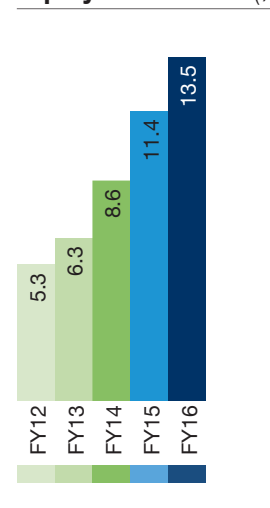
Return on Capital Employed

(%)



Return on Equity

(%)



Earnings Per Share

The operating leverage is inherent to the business model. There is a disproportionate increase in profitability as we have increased towers and tenancy ratio and are able to sweat the assets many-fold.

Return on Capital Employed and Return on Equity

We elevated our operational capabilities, through our non-discriminatory offering. We continue to increase the number of customers on our towers and also expand our tower portfolio. Besides, we streamlined operations to match international standards, optimised operational cost and strengthened business profitability.

Industry Recognition



Global Award for Excellence in Quality Management & Leadership

Bharti Infratel has won 'Global Award for Excellence in Quality Management & Leadership – 2015' under the category of 'Quality Excellence Award for Best in Class Infrastructure Company'.



Best Employer Award 2015

Bharti Infratel has been recognised as one of 11 best employers in India according to Aon Hewitt's list for the second time in a row. Besides, the Company has also received a special category award for 'Commitment to Engagement'.



6th Asia Best Awards

Bharti Infratel has won the prestigious titles of 'CEO of the Year 2015', 'Business Super Achiever Award 2015' at the 6th Asia Best Employer Brand (ABEB) Awards 2015. Besides, the Company was honoured with the 'Best Corporate Social Responsibility Practices' award at the 5th Asia Best CSR Practices Award 2015.



Golden Peacock Awards

Bharti Infratel has been awarded the Golden Peacock Award 2015 by the Institute of Directors for its unique initiatives and significant contributions towards corporate social responsibility. The award is a testimony to our commitment towards making a difference to the society at large.



National Quality Excellence Award 2015

Bharti Infratel has won the 'CEO of the Year' and the 'Best Telecom Network Infra' awards at the National Awards for Excellence 2015 in 'Telecom' category. The Company has been awarded for its robust telecom infrastructure management for telecom operators.



Amity Telecom National Awards for Excellence

Bharti Infratel has been felicitated with the 'Top Telecom Tower Company of the Year 2015' award at Amity Telecom National Awards for Excellence.



5th Global Solar EPC Summit 2015

Bharti Infratel has won 'Developer of the Year - Off Grid Projects' award at the 5th Global Solar EPC Summit 2015. The Company was recognised for its pioneering efforts in expanding solar-powered sites across India, creating a positive impact on the environment by reducing carbon footprints.



Dun & Bradstreet Infra Awards 2015

Bharti Infratel has won two awards at the 'Dun & Bradstreet Infra Awards 2015' under 'Best Growing Infrastructure Company' and 'Telecom Infrastructure Development' categories. These awards recognised the Company's strong business leadership within its sector and its world-class service delivery.



Top Risk Management Award 2015

ICICI Lombard and CNBC TV18 have recognised Bharti Infratel with an award under 'Infrastructure' category.

Harnessing People Potential

At Bharti Infratel, our workforce is fundamental to the business strategy and its success. We venture to offer an encouraging, empowering and engaging environment where employees are ardent towards achieving customer excellence and realising the vision of the Company.

We commenced FY 2015-16 with an endeavour to fortify our stature as 'Employer of Choice'. In order to deliver on this agenda, we undertook various initiatives.

In order to satisfy our jobs with continuous improvement, we have redefined the concept of Infratel DNA, to provide our leadership a direction towards achieving the corporate vision. This DNA forms the anchor of our Talent Acquisition, Performance Management, Leadership Development and our Succession planning processes.

A second initiative was the launch of the Applause Online program, which aims at recognising teams and individuals who deliver superior performance with imbibed Infratel values. This portal provides real time recognition to our human resources.

A major aspect of our success is also from the initiative of iLearn. This is wrapped around the theme of "Own Your Development", where employees have a marketplace for all their learning needs. This builds a culture where the workforce is responsible for their career, development and a holistic growth.

To ensure relentlessly exceeding business targets, we introduced the 360° Feedback, to provide a holistic feedback to our middle and senior management. To foster the culture of safety and to ensure compliance



B Bharti Infratel Executive Committee Members interacting with teachers of Satya Bharti School in Mohie village, Ludhiana

of safety norms, we also launched the Consequence Management Guidelines.

Finally, to take Workforce diversity to a new high, we not only organised an 'Annual Women in Business Conclave', but also introduced the initiative of Bits n Bytes. This platform provides high women connect network in all circles. We also conducted the Gender Sensitisation Workshop for all our employees, to ensure employee integrity, at every level.

Employee Engagement

Employee participation in social development initiatives is promoted by Bharti Infratel to ensure that our

community engagement benefits the community as well as employees. Our CSR initiatives are now being implemented in several locations across our circles.

Seeing Impact at the Grassroots

The Bharti Infratel Executive Committee (EC) members travelled to rural Ludhiana in November 2015 to witness the implementation of the Satya Bharti School Program and Satya Bharti Abhiyan on ground, meet with the beneficiaries; and to understand the impact being created through these interventions.

Sensitising Young Talent

The objective of Graduate Engineer Trainee (GET) programme is to infuse



▶ Graduate Engineer Trainees (GETs) at Satya Bharti School in Gumansingh Pura, Jodhpur, Rajasthan

young talent in the organisation and develop them to take up entry level management roles on the completion of development programme. In 2015-16, Bharti Infratel hired 13 GETs which included four women trainees, who were allocated different roles in various circle offices.

Upon completion of on-the-job-trainings for GETs, they are engaged with CSR initiative for a week. In November 2015, these GETs were placed at Satya Bharti Schools in Jodhpur to sensitise them on the social outreach programs supported by Bharti Infratel and infuse the idea of social inclusion.



▶ Independence Day celebration at Satya Bharti School in village Dabarwas, Neemrana, Rajasthan

Other Initiatives of Employee Participation

Overseeing Examination

Bharti Foundation carries out an annual Teacher Subject Knowledge Test (TSKT) to test the competencies of Satya Bharti School teachers across India. For TSKT-8 (session 2015-16), a team from Bharti Infratel Head Office, volunteered to be a part of flying superintendents/centre invigilator team to oversee the examinations in Neemrana, Rajasthan.

Organising Interactive Sessions

Bharti Infratel HPH (Himachal Pradesh & Haryana) Circle Office organised an interaction session at Satya Bharti School at Bir Kalwa

Village in Shahbad, Haryana. The session focused on the importance of education and to motivate the children to continue their education. The team also interacted with community members including the parents and guardians of the students.

Celebrating Independence Day

Team from different departments visited Satya Bharti School in Neemrana, Rajasthan to celebrate Independence Day. The school students presented several colourful performances to celebrate the day with the team.

Harnessing People Potential (Contd.)



➤ NESA Circle Team spending time with children of Shishu Sarothi on Women's Day

Celebrating Republic Day

The Rajasthan circle team celebrated the Republic Day with the children and teachers of Satya Bharti School, Baniyawala village. During this event the circle team interacted with students and participated in the school event and distributed gifts to students.

Advocating Education for All

In May 2015, several members of our Rajasthan circle team visited the local communities near the Satya Bharti Schools in Harvar Ki Dhani and Bodiya Ki Dhani in Jaipur. The aim was to support Bharti Foundation in creating awareness about the importance of education and regular attendance at schools among the local community members.

Teaching the Importance of Hygiene and Sanitation

Several employees of Uttar Pradesh (East) circle along with field employees of Bareilly and Moradabad zones visited the Satya Bharti School in Gadhiya Rangeen and Marena Wangar village. Employees had discussion on the importance of hygiene and sanitation and participated in several engagement games with the students.

Inauguration of Learning Centre

Bharti Infratel representatives from MPCG (Madhya Pradesh & Chhattisgarh) circle participated in the inauguration of the Satya Bharti Learning Centres (SBLC) at Meghnagar, Jhabua district in

Madhya Pradesh in May 2015. The SBLC project is being implemented in Jhabua and Barwani districts to identify, train and mainstream out-of-school children of the villages into local government schools.

Celebrating Women's Day

The highlight of the day's celebration was a visit to the Shishu Sarothi in Guwahati where the women employees from NESA (North East States & Assam) circle engaged and interacted with children with disabilities, played, sang, danced and cheered for them.

Supporting Initiatives of other Non-Profits Organisations

India Meets India

We partnered with India Meets India, a social enterprise which supports NGOs in providing them a platform where the products manufactured by underprivileged women, people with disabilities and unemployed youth



➤ MPCG Circle and Bharti Foundation Team inaugurating the Satya Bharti Learning Centre in Jhabua District of Madhya Pradesh



◆ Bharti Infratel employees during the Airtel Delhi Half Marathon 2015

are sold to the general population; to ensure that they keep earning a decent living. Bharti Infratel also organised a series of exhibitions to provide an opportunity for its employees to support the cause and encourage the initiative.

Antarchakshu -

The Eye Within 2016

'Antarchakshu- The Eye Within' was a unique event organised by the Xavier's Resource Centre for the Visually Challenged (XRCVC) to sensitise and create awareness about the lives of persons with visual impairment. Several Bharti Infratel Head Office employees participated in this sensitisation programme.

Creating Livelihood Opportunities

Bharti Infratel has been promoting direct and indirect employability among the rural populace. It ensures that the technicians for our tower maintenance are indirectly hired from the local community. The organisation also trains them to improve their technical and work safety skills. Indirect hiring of the local youth has helped improve the economic situation of several families.

ACT - A Caring Touch

ACT is a platform where our employees contribute towards several social causes via different non-profit organisations.

Airtel Delhi Half Marathon 2015

We participate in the Airtel Delhi Half Marathon (ADHM) every year as the Corporate Challenge Team to support the cause of quality education through the Satya Bharti School Program.

Corporate Social Responsibility

We believe that we can create a positive social impact by doing our business in a well-integrated manner. We are helping build an empowered society through education, community development and environment sustainability.

At Bharti Infratel, we undertake multiple need-based development initiatives; and this year we have expanded our CSR interventions across several states of India. Our initiatives target disadvantaged and vulnerable sections of society. Our programmes on education, sanitation, skill development and disaster relief, among others encourage the participation of community members and relevant members of the stakeholder fraternity.

Since inception, we have expanded our social intervention to multiple locations to promote and create a sustainable impact, emphasising on key areas



Education and skill
development



Provision of
sanitation facilities



Contribution towards
relief operations



Environmental
sustainability



Rural
development



A quick read on our CSR Projects

Key Projects



Satya Bharti School Program



Bharti Infratel Scholarship Program



Satya Bharti Abhiyan



Facilitating Learning
on WASH (FLOW)

Objective	Impacts
Quality education to the disadvantaged and marginalised children in rural areas.	<ul style="list-style-type: none">Over 40,000 students are provided free quality education through 254 schools across six states of India.Over 1,600 teachers from the local community are employed.In Satya Bharti Schools 49% and 54% of students and teachers are females, respectively.
Scholarship for students with disabilities for higher education (Undergraduate and above).	100 underprivileged students with disabilities will be aided financially in the Northeastern region of India to pursue higher education.
Provision of sanitation facilities and awareness on its sustainability.	In FY 2015-16, 12,723 individual household toilets and 14 toilet blocks in 14 Government schools were constructed in rural Ludhiana.
Safe water provision and awareness on WASH (water, sanitation and hygiene) in the marginalised urban schools.	Facility of safe water in 60 marginalised schools and awareness on water, sanitation and hygiene amongst school students, teachers and the community impacting 5 Lakh people.

A quick read on our CSR Projects (Contd.)

Key Projects



Aaghaaz



Livelihood Restoration – A post J&K flood response



Movement towards Zero Emission Network (ZEN)

Governance

In 2014, Bharti Infratel established an internal governance mechanism for CSR implementation. A dedicated Board-Level Committee and a full time CSR team are involved in attaining the set objectives related to CSR. The Committee also promotes regular dialogue with the Company's CSR project implanting partners. It is chaired by a Non-Executive Independent Director and comprises three other Board members:

Chairman

Mr. N Kumar, Non-Executive Independent Director

Members

Mr. Rajan Bharti Mittal, Non-Executive Director

Ms. Leena Srivastava, Non-Executive Independent Director

Mr. D S Rawat, Managing Director and CEO

In FY 2015-16, the CSR Committee met four times (once in each quarter) to discuss the progress of its on-going projects, deliberate on new/proposed projects and share concerns related to CSR and its implementation.

Objective	Impacts
Empowerment of women through vocational/ technical skills training and employment.	Create livelihood opportunities for over 3,000 marginalised women living in urban slums across five cities.
Economic empowerment of carpet weavers in Kashmir affected by flood.	40 weavers provided with the necessary raw materials and tools to restart their business.
Reduction of carbon footprint and investment in alternate sources of energy.	Over 33,750 towers (on a consolidated basis) operate diesel-free.

Broadening CSR Partnerships

At Bharti Infratel, we have been actively promoting social development programmes/projects through various national and state level implementing agencies:

- Bharti Foundation
- The Energy and Resources Institute (TERI)
- VSO India Trust and the state partners - Bharatiya Kisan Sangh, Jharkhand; Jan Jagaran Sansthan, Patna; Berojgar Mahila Seva Samiti, Raipur; Pratham, Uttar Pradesh; Social Welfare and Research Group, Bhubaneswar
- Shishu Sarothi
- Oxfam India



Satya Bharti School Program

Right to Free and Compulsory Education (RTE) Act, which makes education a constitutional right for its citizens has paved the path for underprivileged children to pursue education. The government's flagship programmes like the Sarva Shiksha Abhiyan (SSA) and Rashtriya Madhyamik Shiksha Abhiyan (RMSA) have also created a positive movement in the field of education. Despite these programs, the challenge of providing access to quality education to underprivileged children in rural India remains critical.

Our continuous support to Bharti Foundation aims at providing access to quality education to thousands of children (especially female children) in rural India through the Satya Bharti School Program (launched in 2006). This year the support included expansion of school infrastructure as per the RTE norms; and to provide a better facility to the students enrolled in Satya Bharti Schools. We are also proud to participate in the Foundation's on-going celebrations of 10 successful years of the Satya Bharti School Program.

Through this program, free quality education is provided to underprivileged children in rural areas of six states, including Haryana, Punjab, Uttar Pradesh, Rajasthan, West Bengal and Tamil Nadu. The program aims to transform students into educated, confident, responsible and self-reliant employable citizens of India with a deep social commitment. It also encourages active involvement of the rural community/parents of students and like-minded organisations to usher in long-lasting and sustainable impact on the community.

The program was initiated with Greenfield schools and expanded by adopting government schools as well as setting up schools under the Public Private Partnership model. At present, 254 schools, which include primary, elementary and senior secondary schools, are being run under the Satya Bharti School Program.

40,000+

Children were provided free education in 254 schools

Key Impacts of Satya Bharti School Program

Access to free and quality education in rural areas

Employment opportunities in schools for educated rural youth as teachers

Empowering girl children

Sensitising communities on the importance of education

Instilling greater confidence among students through innovative learning methods

Promoting the involvement of students and teachers in community development campaigns



Special Focus on Girl Child

Satya Bharti School Program – Salient Features

Free quality education	Pre-primary to class XII	Focus on girl child
Vocational education	Trained teachers and volunteers	Focus on English and computers
Pedagogic supervision and support to teachers	Stringent ongoing quality checks and audit processes	Activity-based learning
Healthy and nutritious mid-day meals	Large spacious classrooms	Separate toilets for boys and girls



► Infrastructure expansion in Satya Bharti School

Project Intervention during the year

Satya Bharti Schools were designed to optimally use the infrastructure by running morning shift for junior classes (Pre-Primary to Class II) and afternoon shift for rest of the classes (Class III to V). Though elementary sections were provided with their own independent rooms, primary classes were meant to run in shifts. Student numbers grew as they were graduating to higher classes and as enrolments were also increasing, need for extra classrooms was felt.

It was also inconvenient for parents to organise transportation to school for their children in case they had more than one ward enrolled in different shifts at the school.

We supported the Foundation's School infrastructure expansion program to enhance and increase the number of teaching spaces in Satya Bharti Schools; also adhering to the rules laid down under the RTE Act, 2009 along with the rules applicable in each state.

In FY 2015-16, the Foundation completed building additional rooms in 36 identified schools apart from ongoing construction in 112 more schools. The additional infrastructures built in these schools include classrooms, head teacher/staff room, store/girls common room, resource rooms and boundary walls/fencing.

Year 2015-16: An Overview

6 States	254 Schools	40,676 Students	49% Girl Students
75% SC/ST/OBC Students	1,619 Teachers	54% Female Teachers	



Bharti Infratel Scholarship Program

At Bharti Infratel, we invest in interventions which promote equal participation for all. We believe, inclusion of persons with disabilities in the mainstream is only possible when enabling conditions are created for them.

As per 2011 census, India has 2.68 Crore persons with disabilities. However, even with such high numbers, there are very few amenities and opportunities which enable a disabled person to lead a normal life.

In India, access to basic social services of education, health and livelihood opportunities for the disabled people is extremely poor. Additionally, accessibility to public and private spaces further exacerbates the conditions in which one lives in especially in region like the Northeast.

To promote inclusion of persons with disabilities in the mainstream, the Bharti Infratel Scholarship Program was launched in Northeastern region of the country. The cost of accessing education of their choice often proves to be the primary deterrent for them. We have partnered with Shishu Sarothi, an NGO based in Guwahati to identify deserving students with disabilities from the region and implement the scholarship program by supporting them financially to pursue higher education (undergraduate or above) of their choice.

This support will help them complete their education without worrying about funding it, get employment ready and become self-reliant. The scholarship program is designed

to benefit 100 students each year across all eight states of the Northeast viz: Assam, Manipur, Mizoram, Nagaland, Sikkim, Arunachal Pradesh, Tripura and Meghalaya. This program will address and provide the much needed support to deserving students and encourage them to realise their dreams and aspirations.





Satya Bharti Abhiyan

India accounts for about 60% of the world's open defecation. With about 70% of the population living in rural areas, open defecation is a common phenomenon in these areas*. The attitudinal and economic barrier towards access to proper sanitation facilities as well as the maintenance and upkeep, hinders the process of change towards a better and healthy lifestyle in rural areas.



• Toilet for Girls in Government Schools

Under the Satya Bharti Abhiyan, we adopted rural areas of Ludhiana district (Punjab), to improve its sanitation facilities by providing individual household latrines (IHHLs) to residents across villages and bring in the much-needed behavioural change towards health and wellness of the community. The Foundation has also been working in association with relevant government departments; to provide separate toilet blocks for girls in schools, where none exists.

These toilets are being constructed through various vendors with proven track record in building individual and public toilets. Toilets vary in design and specification based on the location and need on ground.

Satya Bharti Abhiyan: An Overview

12,723

Number
of IHHLs
Constructed

14

Number of
Girls' Toilets
Constructed

559

Number
of Villages
Impacted

63,050

Number of
Beneficiaries

(*Source: UNICEF and World Bank)

Satya Bharti Abhiyan – Developing Sanitation Facilities

Hygienic and technically appropriate	Socio-culturally acceptable
Affordable and easy to construct	Require minimal water
Easy and cost effective to operate and maintain	Eliminates health hazards
Have longer de-sludging interval	Generates rich fertiliser and soil conditioner

Impact – Satya Bharti Abhiyan

Individual toilets will be available to rural households; girls toilets in government schools selected by Government authorities	Reduction in open defecation
Improvement in health, including the long-term impact of improvement in child mortality rate	Improvement in learning levels as there will be a reduction in children missing school due to ill health
Regularity and continued attendance of girl children with the provision of separate toilet for girls	Increase in productivity of rural population, due to reduced absence caused by ill health
Healthier, happier nation	

Stories from the field - Satya Bharti Abhiyan

Paramjeet Kaur and her husband Atma Singh, live with their three daughters in a small house in the village of Mandiani in district Ludhiana. The husband and wife work together as Sewadars (support staff) at a cooperative society of the village. In 2003, Paramjeet lost her eyesight due to an infection caused during her pregnancy. With the advent of blindness in adulthood, Paramjeet was forced to depend on others for her daily rituals of hygiene. The absence of a toilet within the household added insult to injury. The couple constantly also worried about their teenage daughters and their safety as they and Paramjeet walked long distances to relieve themselves every morning. Paramjeet says “Due to shrinking open space and deteriorating social conditions, it gets extremely difficult for the young girls to defecate in open while also tending to my needs. When we heard that Bharti Foundation was constructing toilets for the needy, we rushed to get ourselves registered. Now, with a toilet in our house, we have more time, safety and security for girls and comfort for me. We are happy to have received this facility and my family and I will together ensure its continued usage and maintenance.”



Helping Provide Safe Water Infrastructure

Facilitating Learning on WASH (FLOW)

Water is one of the pillars of sustainable development. Access to potable water and maintaining adequate hygiene and sanitation facilities can strengthen economic growth, environmental sustainability and aid poverty reduction.



▶ TERI and HPH Circle Team during the School Safe Water System Assessment in Shimla

India is one of the world's most water-challenged countries. Groundwater levels are falling as wells and aquifers are drained by agricultural, commercial and industrial sector. The country's huge and growing population is also one of the primary reasons behind exhaustion of country's natural resource and whatever water is available is often severely contaminated by sewage and agricultural runoff.

The World Bank estimates that 21% of communicable diseases in India are related to the use of unsafe water. In India, diarrhoea alone causes over 1,600 deaths daily, coupled with unhygienic practices. Therefore, access to safe water and adequate sanitation services is an imperative to improve human health.

Keeping this in mind, we have launched a project FLOW – Facilitating Learning on WASH, partnering with The Energy and Resources Institute (TERI). FLOW emphasises on providing safe water infrastructure (including rainwater harvesting systems) for schools in the marginalised sections of the society and sensitisation of the school and the local communities (students, teachers, parents) on the importance of safe water and sanitation hygiene.

Over 60 schools were identified across seven cities - Bhubaneswar (Odisha), Ranchi (Jharkhand), Indore (Madhya Pradesh), Jammu, Srinagar (Jammu and Kashmir), Shimla (Himachal Pradesh) and Guwahati (Assam), which will benefit from this intervention.

Community engagement initiatives are a major component of this project, which include establishment of School WASH Committees. These committees will comprise members from the school management, parent teacher association and local government. They will create ownership and ensure smooth functioning of the infrastructure installed in all the schools in the long run.

▶ Driving Women Empowerment

AAGHAAZ (The Beginning)

With 32% of its population living in urban areas and a further 10% expected in the next 15 years, India is rapidly urbanising (World Bank report, 2013). However, with rapid urbanisation comes rapid increase in urban poverty.



▶ Aaghaaz training session on Bedside Assistance in progress in Lucknow

Women empowerment and gender equality are key to promoting a more equitable and sustainable socioeconomic development of India. 'Aaghaaz' would ensure that the barriers to the women's wellbeing and empowerment are identified and addressed.

Rural migrants who relocate to urban centres for better employment opportunities and livelihood options are often hard-pressed to find formal, high-paying jobs. As cities are unable to plan for and cope with these high levels of urbanisation, the gap between the demand and supply for essential infrastructure and basic services has widened, with poor rural migrants often forced to settle in slums and squatter settlements. According to the 2011 Census, over 6.54 Crore people in India live in slums, accounting for over 20% of the population.

Urban poverty is unique, characterised by issues that range from unemployment to lack of access to basic services, inhabitable living

conditions and exploitation and high levels of violence against women. Due to low skills, loss of social capital and high competition in the labour market, many poor urban dwellers turn to informal jobs characterised by poor job security, gruelling working conditions and low wages. This situation is highly aggravated for women; who face a comparative disadvantage due to embedded socio-cultural discriminatory gender norms. Traditionally, families attach little importance and economic value to investing in girls' education as they are not perceived to be the primary breadwinner. Therefore, poor female urban slum-dwellers enter the labour market with comparatively lower skills; and are often considered to be less productive than their male

counterparts. Therefore, they are more vulnerable for exploitation (physical, emotional and economic) in the workplace.

Project 'Aaghaaz', implemented in partnership with VSO India Trust, aims to provide skill-based training and employment opportunities for women slum-dwellers. This project aims to provide skills training and job placement to women across five cities - Patna in Bihar, Ranchi in Jharkhand, Raipur in Chhattisgarh, Lucknow in Uttar Pradesh and Bhubaneswar in Odisha; support their integration in the mainstream economy and challenge the low social values attached to girls and their education.



Livelihood Restoration – A Post J&K Flood Response

Soon after the J&K flood in September 2014, we supported the provision of safe water in four villages in Pulwama and Anantnag district in Kashmir (phase I). In phase II, to understand the diverse livelihood recovery need of the flood affected urban and rural community, a detailed livelihood assessment was conducted by our project implementing partner, Oxfam India. Based on the assessment recommendation, intervention on livelihood restoration was started. It targeted the most vulnerable flood affected communities in the valley.



▶ J&K Circle Team visiting carpet weavers in Kashmir

Carpet weavers were identified as one of the income groups that were severely affected by the flood. In a livelihood assessment done in 22 hamlets of Dal Lake area in Srinagar and two villages (Arigutnoo and Kelamgund) of Kulgam district, it was found that over 60% of the households were engaged in carpet weaving.

During the flood a majority of them lost their raw materials, especially silk and cotton threads. Several women involved in this business

also lost their livelihood due to the damage in entire market chain. During community level consultations, it was found that the weavers were not getting the raw materials from the supplier due to their financial constraints; and therefore were unable to restart work in period immediately after the floods. Of the identified 100 most vulnerable carpet weavers from Dal-Lake area and Kulgam, we supported 40 weavers by providing them with the required raw materials and tools to restart their business.



▶ Raw material distribution to female carpet weavers in Dal Mohalla Srinagar, J&K



▶ Carpet weaving material distribution in Kelamgund & Arigutnoo in Kashmir



Encouraging Environment Friendliness and Movement towards Zero Emission Network (ZEN)

Since inception, we always aimed at being an eco-friendly organisation. Over time, ambitions matured, and so did our efforts. Today, we have a total of over 33,750 green sites across our circles.



► Moving towards ZEN

33,750+

Green Sites (on a consolidated basis) across our circles

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

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

Strategically, we focus on the following for reducing our carbon footprint

- Alternate energy sources
- Abandoning air-conditioners
- Improving energy efficiency
- Increasing energy storage

Alternate Energy Sources

- Use of alternate energy sources like solar and wind, which are also known as clean energy solutions, decrease diesel consumption significantly, hence reducing carbon-dioxide emissions
- With our unique RESCO model of using renewable energy, we are ensuring community development by providing surplus power in rural areas. Currently, over 5,000 rural families are being supported through this model. Since solar powered telecom towers do not require frequent monitoring, site visits see a sharp decline, hence saving time and reducing carbon-dioxide emissions
- Alternate energy sources further benefit by lowering the operational expenses and reducing our dependence on diesel, while increasing uptime

Abandoning Air-conditioners

- Traditionally, air-conditioners are deployed on-site to cool off the operator equipment placed indoors

- ‘Abandoning air-conditioner’ involves incentivising the operators for shifting their equipment outdoors for a natural ambient air cooling or providing them with alternate solution based on ambient air, thereby reducing carbon-dioxide emissions
- Various options used are Free Cooling Unit (FCU), Natural Cooling Unit (NCU) and Hybrid Chillers

Improving Energy Efficiency

- With our state-of-the-art technology-led efficiency measures and advanced analytics, there has been considerable reduction in diesel consumption by 25% over the last 2 years
- Deployment of variable speed power generators and smart logics based equipment have reduced carbon-dioxide emissions substantially
- High efficiency integrated power management solutions helps us maximise power utilisation

Increasing Energy Storage

- Advanced battery technologies have significantly brought down the diesel requirements
- We have deployed a mix of battery solutions based on our requirements viz. VRLA and lithium ion, subsequently reducing energy cost and reducing environmental footprint

Business Responsibility Report

▶ Section A: General Information about the Company

1. Corporate Identity Number (CIN)	L64201DL2006PLC156038
2. Name of the Company	Bharti Infratel Limited
3. Registered address	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070
4. Website	www.bharti-infratel.com
5. Email id	compliance.officer@bharti-infratel.in
6. Financial year reported	2015-2016
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Telecom Tower Infrastructure Sharing Services

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

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

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

► Section B: Financial Details of the Company

1. Paid-up capital (₹): ₹ 18,967 Mn
2. Total turnover (₹): ₹ 55,957 Mn*
3. Total profit after taxes (₹): ₹ 13,234 Mn**
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 1.58%
5. List of activities in which expenditure in four above was incurred:
 - 1) Education of the underprivileged children - Satya Bharti School Program
 - 2) Scholarship for students with disabilities – Bharti Infratel Scholarship Program
 - 3) Sanitation facilities in rural Ludhiana – Satya Bharti Abhiyan
 - 4) Safe water provision and awareness in the marginalised urban schools – Facilitating Learning on WASH (FLOW)
 - 5) Empowering women living in urban slums through skill-based employability – Aaghaaz
 - 6) Livelihood restoration of carpet weavers affected by floods in Kashmir – A post J&K Flood Relief

* On Standalone basis, excluding other income

**On Standalone basis.

► Section C: Other Details

1. Does the Company have any Subsidiary Company / Companies?
Yes.
2. Does the subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).
No.
3. Does any other entity / entities (e.g. suppliers, distributors etc.), that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]
Few initiatives were undertaken by the Company's supplier/s, as per common practice, however, there is nothing significant to report.

► Section D: BR Information

1. **Details of Director / Directors responsible for BR**
 - a) Details of the Director / Directors responsible for the implementation of the BR policy / policies:

DIN Number	: 06798626
Name	: D S Rawat
Designation	: Managing Director & CEO
 - b) Details of the BR head:

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

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

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

Principle ▶

1

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

Principle ▶

2

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

Principle ▶

3

Businesses should promote the wellbeing of all employees

Principle ▶

4

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

Principle ▶

5

Businesses should respect and promote human rights

Principle ▶

6

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

Principle ▶

7

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

Principle ▶

8

Businesses should support inclusive growth and equitable development

Principle ▶

9

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

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

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

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

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

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

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

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

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

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

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

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

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

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or the CEO assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year.
The Managing Director & CEO assesses the BR performance of the Company on annual basis.

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

Yes, the first Sustainability Report was published for FY 2014-15 and the next one is currently being drafted. The same shall be published on yearly basis. The link for sustainability report is http://www.bharti-infratel.com/cps-portal/web/pdf/SR_27-may%20final%20change.pdf

▶ Section E: Principle-wise Performance

▶ Principle 1

Ethics, Transparency and Accountability

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

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?
Bharti Infratel Ltd.'s commitment towards compliance to the highest governance standard is backed by an independent and fully informed board, comprehensive processes, policies and communication. The Company adheres to the highest level of ethical business practices as articulated by its Code of Conduct to achieve its performance with integrity. Policy relating to ethics, bribery and corruption is duly covered under Bharti Code of Conduct. This policy extends to the entire Bharti Group and covers employees, suppliers and contractors, service providers and their employees. Additionally, the Company's Consequence Management Policy prescribes the action to be initiated in all confirmed cases of violation.
2. How many stakeholder complaints were received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so.
In FY 2015-16, 29 cases of allegations of bribery / corruption were received. Post investigations, the allegations were substantiated only in 5 cases, in which actions were initiated according to the Consequence Management Policy.

▶ Principle 2

Product Lifecycle Sustainability

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

1. List three of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.
 - i) Installed solar powered sites as an alternate energy resource.
 - ii) Introduced free cooling units to replace existing air-conditioners at few sites for reducing the energy consumption.
 - iii) Introduced additional initiatives towards reducing energy consumption viz. battery bank hybrids, lithium ion batteries, indoor to outdoor conversion of BTS at sites.
2. For each such product, provide the following details in respect of resource use (energy, water, raw material and so on) per unit of product (optional):
 - a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

The Company has reduced energy and transportation costs as a result of the aforesaid initiatives.
 - b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

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

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

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

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

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

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

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

► Principle 3

Employee Wellbeing

Businesses should promote the wellbeing of all employees.

- Total number of employees.**
As on March 31, 2016, the strength of Bharti Infratel Ltd.'s on roll workforce stands at a total of 1,250.
- Total number of employees hired on temporary / contractual / casual basis**
As on March 31, 2016, the strength of Bharti Infratel Ltd.'s workforce on temporary basis stands at a total of 4,342.
- Total number of permanent women employees.**
As on March 31, 2016, the strength of Bharti Infratel Ltd.'s permanent women employees stands at a total of 76.

4. **Total number of permanent employees with disabilities.**
As on March 31, 2016, the number of permanent employees with disabilities associated with Bharti Infratel Limited is less than 1%.

5. **Do you have an employee association that is recognised by the Management?**
No.

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

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**
No pending complaints in any category mentioned above.

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

Category	%
Permanent employees (includes classroom and e-learning)	92.8
Permanent women employees	84.2
Casual / temporary / contractual employees	80.9
Employees with disabilities	NA

► Principle 4

Stakeholder Engagement

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

- Has the Company mapped its internal and external stakeholders? Yes / No**
Yes, the Company has mapped its stakeholders as a part of its stakeholder engagement process. Key categories are:
 - Customers
 - Shareholders / Investors
 - Partners (Suppliers / Vendors / Landlords)

- 4) Employees
- 5) Regulatory Bodies
- 6) Industry forum
- 7) Community at large including the disadvantages groups and vulnerable sections like children / women and the civil society

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

Yes, the Company has identified the disadvantaged, vulnerable and marginalised stakeholders, through its association with Bharti Foundation, The Energy and Resources Institute (TERI), Shishu Sarothi, VSO India Trust and Oxfam India. All its beneficiaries through the social development projects implemented by the above mentioned organisations are centered around the marginalised, economically weak and disadvantaged sections of the society, especially the girl child, underprivileged women and persons with disabilities. The Company's community initiatives are being implemented in both rural and urban areas.

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

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

Bharti Infratel has always believed in building a business that has a positive impact on the society and caring for the community that it operates in is well integrated with its business strategy. It has adopted a multi-fold approach in this regard focusing on its internal and external environment, social sustainability. It has also defined a clear CSR vision of building an empowered society through education, community development and environment sustainability. The Company has a CSR Policy which is in the public domain, defining its focus areas of social intervention and the governance

system to be followed in delivering the maximum impact through such interventions.

Since the past few years, Bharti Infratel has been focused on promoting education of the underprivileged children, promoting access to proper sanitation facilities and supporting issues on the community's health and wellbeing. This year it expanded its role in the community engagement arena by focusing on women-centric skill development initiatives and urban development projects.

Some of the Company's major development projects on education and sanitation are being implemented in association with Bharti Foundation, the philanthropic arm of Bharti Group. Through the Satya Bharti School Program, which is being implemented by the Foundation, over 40,000 students are provided quality education through 254 schools across 6 states of India (Haryana, Punjab, Rajasthan, West Bengal, Tamil Nadu and Uttar Pradesh). This programme has also created employment opportunity for over 1,650 teachers from the surrounding communities. The education and other facilities like mid-day meals, books, uniforms and more are provided free. Also, several community-based initiatives are organised to change the behaviours of the rural community regarding education and other social concerns specific to their region. This programme focuses on bringing about sustainable changes through the use of technology by these underprivileged children. In Satya Bharti Schools, 49% of the students are girls and 54% of the teachers are females. In 2015, the Company launched the Bharti Infratel Scholarship Program with an aim to provide financial support for education to 100 top performing underprivileged students with disabilities in the Northeastern region of India.

The Company supports Bharti Foundation in improving the sanitation practices in the country, till the end of last financial year; 12,723 individual household latrines (IHHL) were constructed and handed over to the identified families in rural areas of district Ludhiana, Punjab through the Satya Bharti Abhiyan. Several awareness programmes organised by Satya Bharti

School students have ensured acceptance of the behavioural change required to make this project a success and beneficiaries take ownership of the service provided to them. This project has also led to protecting the dignity of women / girls and reduced the incidents of unwanted and unwelcome attention. In September 2015, Facilitating Learning on WASH (FLOW) initiative was implemented, which aims to provide safe water facilities and create awareness on Water, Sanitation and Hygiene in 60 marginalised schools across seven cities – Indore, Bhubaneswar, Guwahati, Shimla, Jammu, Srinagar and Ranchi.

In February 2016, project Aaghaaz was launched, which aims to create livelihood opportunities for 3,150 marginalised women living in urban slums through technical and interpersonal skill development across five cities – Patna, Raipur, Lucknow, Ranchi and Bhubaneswar. In May 2015, Bharti Infratel also supported the livelihood restoration work post J&K Flood for carpet weavers in Kashmir who lost their raw materials especially silk and cotton threads during the J&K Floods. Forty carpet weavers were provided with livelihood inputs including tools and the raw weaving material to restart their work.

► Principle 5

Human Rights

Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?
Bharti Infratel Ltd. does not have a specific policy only on human rights. However, aspects of the same have been covered in Bharti's Code of Conduct, which extends to all employees and contractors, group companies, joint ventures and suppliers.
2. How many stakeholder complaints were received in the past financial year and what percent was satisfactorily resolved by the Management?
No stakeholder complaint was received in FY 2015-16.

► Principle 6

Environmental Management

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

1. Does the policies related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?
The safety policy as of now is covering only the Company, its employees and contractors.
2. Does the Company have strategies / initiatives to address global environmental issues, such as climate change, global warming, and others? If yes, please give hyperlink for webpage etc.
Yes. The Company has proactively taken several initiatives to create positive impact on the environment. Refer to CSR section of the report for complete details.
3. Does the Company identify and assess potential environmental risks? Y / N
Yes.
4. Project(s) related to Clean Development Mechanism.
Currently, the Company is not undertaking any project related to Clean Development Mechanism.
5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy and so on? If yes, please give hyperlink to web page and others.
Yes, the Company has taken multiple initiatives towards energy efficiency and use of renewable energy at its site. Refer to CSR section of the report.
6. Are the emissions / waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?
The Company in most of the cases is well within the permissible limits.
7. Number of show cause / legal notices received from CPCB / SPCB, which are pending (i.e. not resolved to satisfaction) as on the end of the financial year.
There have been 24 (twenty four) show cause / legal notices received from CPCB / SPCB by the Company in FY 2015-16, which were duly replied and are near closure.

▶ Principle 7

Public Advocacy

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

1. Does the Company represent in any trade and chambers / association? If yes, name only those major ones that the Company deals with.

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

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

2. Has the Company advocated / lobbied through the above associations for the advancement or improvement of public good? If yes, specify the broad areas (drop box: governance and administration, economic reforms, inclusive development policies, energy security, water, food security, sustainable business principles and others)

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

▶ Principle 8

Inclusive Growth

Businesses should support inclusive growth and equitable development.

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

As a responsible Corporate, the Company's business process greatly value and include wherever possible the element of inclusion. It ensures that its people and communities at large are included and empowered through sustainable economic growth by:

- Building telecommunication infrastructure in the remotest of the places including Naxalite areas, and thereby connecting the unconnected.
- Generating employment on equal opportunity basis and business opportunities directly as well as indirectly, especially in rural areas - Including the element of environment protection for the benefit of all communities that the Company operates in

In addition, the Company also contributes towards social development through its Corporate Social Responsibility (CSR) projects on different social concerns including education, sanitation and skill development through numerous non-profit organisations. The programmes that are implemented also provide opportunities to its various stakeholders / beneficiaries to grow and learn in life by:

- Advocating for the importance of education, especially of the girl child in rural communities
- Training and recruiting local youth including females belonging to the marginalised sections of the society as teachers
- Employing mothers of the children who study in Satya Bharti Schools as Mid-Day Meal vendors
- Providing access to funds for students with disabilities to pursue education and lead an empowered and dignified life
- Providing need based skills and livelihood opportunities to the marginalised women and small time artisans in urban areas for their economic empowerment
- Looking after health and wellbeing of the marginalised school students and teachers in urban areas by providing safe water and sanitation services, and creating awareness about how it benefits them. It has helped in making

them self-sufficient in sustaining the safe water and sanitation facilities provided through various programmes.

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

Bharti Infratel has been active in implementing environmental and social development programmes / projects through various channels / implementing agencies, consisting in-house teams /owned foundation/ external NGO/ government structures. Education and sanitation programmes at Bharti Infratel are being implemented through Bharti Foundation, TERI and Shishu Sarothi. Skill development and livelihood programmes are implemented in association with VSO India Trust and Oxfam India. Other agencies that are being supported by the Company and its employees include SOS Village of India, Helpage India, National Association of Blind and Child Rights and You (CRY).

3. **Has the Company done any impact assessment for its initiative(s)?**

Yes, the impact assessment is done by Bharti Foundation on each project and a report on the same is shared with the Company. Other implementing partners including TERI, Shishu Sarothi and VSO India Trust will also share impact report after completion of their respective project timelines.

4. **What is the Company's direct contribution to community development projects (Amount in ₹ and the details of the projects undertaken)?**

During FY 2015-16, Bharti Infratel Ltd. has contributed ₹ 209 Mn towards various social development projects.

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

All the Company's social development programmes are implemented based on the need within the community. Its programmes on education, sanitation, skill development, disaster relief and more have ensured involvement and sustained participation from the community members. They are involved for better

implementation of the projects in their respective areas. Various government departments including education, health, rural development, public relations and civil administration have also come forward to join hands with the Company in these projects. Bharti Infratel's social initiative continuously focuses on benefiting both individual and the community at large.

► Principle 9

Value for Customers

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

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

While there are 12 (Twelve) consumer cases pending before different forums against the Company, none of these are maintainable, as the complainants do not fall within the definition of consumers.

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

N.A.

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

Nil.

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

Bharti Infratel Ltd. values its customer's voice, and had actively engaged an external independent agency who has already carried out Customer Satisfaction Survey across all customers for FY 2015-16.

Board's Report

Dear Members,

Your Directors are pleased to present the Tenth Board's Report on the business and operations of the Company together with the audited financial statements for the financial year ending March 31, 2016.

Business Overview

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

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

As of March 31, 2016, Bharti Infratel owned and operated 38,458 towers with 81,632 co-locations in 11 telecommunication circles while Indus Towers operated 119,881 towers with 270,006 co-locations in 15 telecommunication circles. With Bharti Infratel's towers and its 42% interest in Indus Towers, we have an economic interest in the equivalent of 88,808 towers and 195,035 co-locations in India as of March 31, 2016.

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

customers, the services provided, the applicable charges and incorporate annual escalation clauses in respect of the applicable charges. This provides stability to our business and provides visibility with regard to future revenues.

Financial Highlights

A. Consolidated financial results as per Indian Generally Accepted Accounting Principles

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Revenue ¹	123,084	116,683
EBITDA ¹	54,031	50,108
Profit before Tax	36,207	30,515
Profit after Tax	23,820	19,924

¹Revenue & EBITDA are excluding other income

B. Standalone financial results as per Indian Generally Accepted Accounting Principles

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Revenue ¹	55,957	53,889
EBITDA ¹	25,378	24,007
Profit before Tax	19,843	32,737
Profit after Tax	13,234	27,252

¹Revenue & EBITDA are excluding other income

Share Capital

During the year, the Company has allotted 2,897,776 equity shares under the ESOP Scheme 2008. Thus, the paid up share capital of the Company has increased from ₹ 18,937,692,930 to ₹ 18,966,670,690 represented by 1,896,667,069 equity shares of ₹ 10 each fully paid up as on March 31, 2016.

Transfer to Reserves

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

Dividend

The Board has recommended a dividend of ₹ 3 per equity share of ₹ 10 each fully paid up (30% of face value) for FY 2015-16 amounting to ₹ 5,690 Mn (excluding tax on dividend).

The payment of dividend is subject to the approval of the shareholders at the ensuing annual general meeting of the Company.

Material Changes and Commitment Affecting the Financial Position Between the End of the Financial Year and Date of Report of the Balance Sheet

Buy-Back of Equity Shares

The Board of Directors, at its meeting held on April 26, 2016, approved the Buy-back of fully paid-up equity shares of the Company ('Equity Shares') at a price not exceeding ₹ 450/- per Equity Share payable in cash for a total consideration not exceeding ₹ 2,000 Crores (Rupees Two Thousand Crores Only) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc., which is 19.3% of the total paid-up equity capital and free reserves as per the audited financial statement of the Company for the financial year ended March 31, 2016, through the Tender Offer route.

The Buy-back is subject to regulatory and other approvals, if any, including the shareholders' approval by way of special resolution through Postal Ballot.

The Board has authorised the Committee of Directors to finalise the terms of Buy-back and administer the Buy-back procedure.

Deposits

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

Details of Utilisation of IPO Proceeds

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

through Postal Ballot for variation in terms of the Objects of the Issue.

For details of utilisation of IPO proceeds subsequent to approval of the shareholders', please refer note no. 39 of the standalone financial statements for the year ended March 31, 2016 on page 224.

Directors and Key Managerial Personnel

Inductions, Re-appointments, Retirements & Resignations

In line with the Company's policy on Independent Directors, Mr. Vinod Dhall has retired from the Board w.e.f. September 2, 2015. Further, during the previous financial year, Mr. Rakesh Bharti Mittal, Non-Executive Director resigned from the Board w.e.f. January 27, 2016. The Board placed on record its' sincere appreciation for help, guidance and contribution made by the outgoing Directors during their tenure on the Board.

Mr. Rajan Bharti Mittal was appointed as a Non-Executive Additional Director on the Board w.e.f. January 27, 2016. The Company has received requisite notice from a member under Section 160 of the Companies Act, 2013, along with deposit of ₹ 1,00,000/- proposing the appointment of Mr. Rajan Bharti Mittal as the Company's Non-Executive Director, liable to retire by rotation at the ensuing AGM.

Pursuant to the provisions of the Companies Act, 2013, Mr. Mark Chin Kok Chong, Director of the Company, is liable to retire by rotation at the forthcoming AGM and being eligible, has offered himself for re-appointment.

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

During the year, Mr. R P Singh was appointed as an Independent Director on the Board w.e.f. July 15, 2015 and his tenure was fixed by the members at the last AGM held on August 11, 2015.

Mr. Anupam Garg, Company Secretary has resigned w.e.f. July 22, 2015. The Directors placed on record their appreciation for the contribution made by him during his tenure. The Board in its meeting held on July 22, 2015 has appointed Ms. Shweta Girotra as the Company Secretary and Compliance Officer of the Company w.e.f. July 23, 2015.

Declaration by Independent Directors

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

Policy on Nomination, Remuneration and Board Diversity

The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board, among others, will enhance the quality of decisions by utilising different skills, qualifications, professional experience and knowledge of the Board members necessary for achieving sustainable and balanced development. Accordingly, the Board has adopted a Policy on Nomination, Remuneration and Board Diversity, which sets out the criteria for determining qualifications, positive attributes and independence of a Director. The detailed policy is available on the Company's website at www.bharti-infratel.com and is annexed as Annexure A to this report.

Annual Board Evaluation and Familiarisation Programme for Board Members

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

Board Meetings

During FY 2015-16, the Board of Directors met 4 (four) times on April 27, 2015; July 22, 2015; October 23, 2015 and January 27, 2016. The period between any two consecutive meetings of the Board of Directors of the Company was not more than 120 days.

The details regarding composition, number of board meetings held and attendance of the Directors during FY 2015-16 are set out in the Report on Corporate Governance, which forms part of this Annual Report.

Board Committees

The Company has several Committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes. As on March 31, 2016, the Board has 5 Committees, namely, Audit and Risk Management Committee; HR, Nomination and Remuneration Committee; Corporate Social Responsibility (CSR) Committee; Stakeholders' Relationship Committee and Committee of Directors. The details with respect to the compositions, powers, roles, terms of reference, no. of meetings etc. of the Committees held during the FY 2015-16 and attendance of the Directors at each meeting is provided in the Report on Corporate Governance which forms part of this Annual Report.

Subsidiary / Associate and Joint Venture Company

During the FY 2015-16, Smartx Services Limited was incorporated as a wholly owned subsidiary Company. Bharti Infratel Services Limited, another wholly owned subsidiary Company has applied to the Registrar of Companies for striking-off its name from the register of Companies.

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

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

Audited financial statements of Smartx Services Limited for FY 2015-16 and Statement of Accounts of Bharti Infratel Services Limited as on March 30, 2016 have been placed

on the website of the Company, www.bharti-infratel.com. The audited financial statements of the subsidiaries are available for inspection at the Company's registered office and registered office of respective companies. Shareholders interested in obtaining a copy of the audited financial statements of subsidiaries may write to the Company Secretary at the Company's registered office.

Human Resources

At Bharti Infratel, our workforce is fundamental to the business strategy and its success. We venture to offer an encouraging, empowering and engaging environment where employees are ardent towards achieving customer excellence and realising the vision of the Company.

We commenced FY 2015-16 with an endeavour to fortify our stature as 'Employer of Choice'. In order to deliver on this agenda, we undertook various initiatives.

In order to satisfy our jobs with continuous improvement, we launched the concept of 'Infratel DNA', to provide our leadership a direction towards achieving the corporate vision. This DNA forms the anchor of our Talent Acquisition, Performance Management, Leadership Development and our Succession planning processes.

A second initiative was the launch of the 'Applause Online' program, which aims at recognising teams and individuals who deliver superior performance with imbibed Infratel values. This portal provides real time recognition to our human resources.

A major aspect of our success is also from the initiative of iLearn. This is wrapped around the theme of 'Own Your Development', where employees have a marketplace for all their learning needs. This builds a culture where the workforce is responsible for their career, development and a holistic growth.

To ensure relentlessly exceeding business targets, we introduced the '360° Feedback', to provide a holistic feedback to our middle and senior management. To foster the culture of safety and to ensure compliance of safety norms, we also launched the 'Consequence Management Guidelines'.

Finally, to take workforce diversity to a new high, we not only organised a 'Women in Business' Conclave, but also

introduced the initiative of 'Bits n Bytes'. This platform provides high women connect network in all circles. We also conducted the Gender Sensitisation Workshop for all our employees, to ensure employee integrity, at every level.

Employees Stock Option Plan

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

During FY 2015-16, the Company has allotted 2,897,776 equity shares pursuant to exercise of stock options under ESOP Scheme, 2008.

In accordance with the ESOP Regulations, 2014, the Company had set up Bharti Infratel Employees' Welfare Trust (ESOP Trust) for the purpose of implementation of employees' stock option schemes. Since October, 2015, both the ESOP schemes are administered through ESOP Trust, whereby shares held by the Trust are transferred to the employee, upon exercise of stock options as per the terms of the Scheme. In terms of ESOP Regulations, neither the ESOP Trust nor any of its trustees shall exercise voting rights in respect of the shares of the Company held by the ESOP Trust.

During the year, Company has formulated LTI Plan - 2015 under ESOP Scheme, 2014 and has granted 90,261 stock options under the said Plan. A detailed report with respect to options exercised, vested, lapsed, exercise price, vesting period etc. under ESOP Scheme, 2008 and ESOP Scheme, 2014 is disclosed on the website of the Company at <http://www.bharti-infratel.com/cps-portal/web/shares.html>.

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

Auditors and Auditors' Report

Statutory Auditors

In terms of the provisions of Section 139 of the Companies Act, 2013, M/s S. R. Batliboi & Associates LLP, were appointed as the Statutory Auditors of the Company by the shareholders in the 8th AGM held on August 4, 2014 for a period of three years i.e. up to the conclusion of the 11th AGM of the Company.

The said appointment is subject to ratification by the members at every AGM. Accordingly, the Board has recommended ratification of appointment of M/s S. R. Batliboi & Associates LLP, Chartered Accountants, by the shareholders at the forthcoming AGM. The Company has received a letter from M/s S. R. Batliboi & Associates LLP, Chartered Accountants, confirming their consent and eligibility under Section 139 and 141 of the Companies Act, 2013.

Auditors' Report

The Board has duly examined the Statutory Auditor's Report to the accounts, which is self-explanatory. The report does not contain any observations, disclaimer, qualification or adverse remarks.

Secretarial Auditors & Their Report

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

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

Corporate Social Responsibility (CSR)

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

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

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

During FY 2015-16, the Company has spent ₹ 209.4 Mn. towards the CSR activities and a balance of ₹ 45.6 Mn was left unspent. The Company had increased/ scaled up the intervention for CSR activities as prescribed in the Company's CSR policy and there was an increase of approx 22% in the total CSR spend vis-à-vis last year i.e. from ₹ 173 Mn in financial year 2014-15 to ₹ 209.4 Mn this year. As a socially responsible company, our Company is committed to increase its CSR impact and spend over the coming years, with its aim of playing a larger role in India's sustainable development by embedding wider economic, social and environmental objectives. As the Company has added new projects and scaled up the existing ones, there will be increased CSR spend in coming years.

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

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

Business Responsibility Report

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

Management Discussion and Analysis

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

Corporate Governance

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

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

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

Risk Management

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

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

The Internal Audit function is responsible to assist the Audit and Risk Management Committee on an independent basis with a full status of the risk assessment and management. Detailed discussion on Risk Management has been given as a part of Management Discussion & Analysis under the

section “Risks and Concerns”, which forms part of this Annual Report.

Internal Finance Control

The Company has in place a robust and comprehensive internal financial control system for all the major financial transactions to ensure orderly and efficient conduct of its business, including adherence to Company’s policies and procedures, the safeguarding of its assets, the prevention and detection of frauds and errors and reliability of financial reporting. The Internal financial controls of the Company have been further discussed in detail in the Management Discussion and Analysis section.

Vigil Mechanism

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

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

Quality Control

The Company has established well-structured quality processes and systems at every stage of the Company’s work, from designs, materials, and workmanship at site, operations and maintenance throughout the lifecycle. The Company also undertake validation of passive assets, factory testing and regular quality checks. The Company is empowering quality team with PDA Tablets to ensure real time information and proper documentation for effective quality control.

The Company has adopted the following quality assurance practices stage-wise:

1. Pre-dispatch inspection of all major material such as tower components, DG sets, battery banks, power interface equipment;
2. On-site inspection during installation work in progress;
3. Quality audits post completion of work to ensure process completion;

4. Preventive maintenance audits during operation and maintenance of sites to ensure timely maintenance of equipment and basic site hygiene; and
5. Maintenance of tower and civil structures to ensure optimised utilisation of assets throughout their design life.

The Company has a Standard Quality Process and Guidelines for civil, tower and electrical works and a Quality Assurance Plan ("QAP") for pre-dispatch inspection for effective material verification at vendor premises. Regular project reviews, governance meetings and third party audits are conducted on a regular basis in order to encourage maintenance of quality and ensure that tower assets are strictly in accordance with Company's approved specifications.

These quality assurance practices enable us to maintain high performance standards across the network, resulting in key long-term advantages:

- a. Good asset life as per specifications and designs;
- b. High network uptime for customers, with fewer network outages; and
- c. High levels of customer satisfaction due to hassle-free active infrastructure installation.

Other Statutory Disclosures

Related Party Transactions

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

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

Names of Related Parties and details of transactions with them have been included in Note no. 35 of the standalone financial statements for the year ended March 31, 2016 under Accounting Standard 18 on page 218.

The Policy on the Related Party Transactions is available on the Company's website at www.bharti-infratel.com.

Significant and Material Orders

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

Particulars of Loans, Guarantees or Investments

The details of loans given, investments made or guarantees given are provided in the standalone financial statement in Note no. 12, 13, 15 and 18.

Particulars of Employees

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

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

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The details of energy conservation, technology absorption and foreign exchange earnings and outgo as required under Section 134(3) of the Companies Act, 2013, read with the Rule 8 of Companies (Accounts of Companies) Rules, 2014 is annexed as Annexure I 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 Companies (Management and Administration) Rules, 2014, the extracts of Annual Return of the Company in form MGT-9 is annexed as Annexure J to this report.

Directors' Responsibility Statement

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

- I. In the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards had been followed and there is no material departure from the same;

- II. The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2016 and of the profit of the Company for the year ended on that date;
- III. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. The Directors had prepared the annual accounts on a 'going concern basis';
- V. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- VI. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

Acknowledgements

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

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

For and on behalf of the Board

Akhil Gupta

Chairman

DIN: 0028728

Date : April 26, 2016

Place: Gurgaon

Annexure - A

Policy on Nomination, Remuneration and Board Diversity

Preamble

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

Objectives

The main objectives of this Policy are:

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

A. Attributes, Qualifications and Diversity

Directors and Key Managerial Personnel

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

The Board shall consist of such number of Directors as is necessary to effectively manage the Company of the size and nature as of Bharti Infratel, subject to a minimum of 3 and maximum of 15, including

woman Directors. The Board shall have an appropriate combination of Executive, Non-Executive and Independent Directors. The Company shall appoint a Chairman, and a Managing Director or CEO. The role of the Chairman, and Managing Director or Chief Executive Officer shall not be exercised by the same individual.

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

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

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

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

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

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

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

Senior Management

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

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

B. Remuneration Policy

Board Members

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

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

Non-Executive Directors including Independent Directors

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

- (i) Non-Executive Directors: Profit linked commission of ₹ 750,000/- per annum.
- (ii) Independent Directors: Profit linked commission of ₹ 1,500,000/- per annum.
- (iii) Chairman of Audit and Risk Management Committee - Additional profit linked commission of ₹ 500,000/- per annum.
- The commission is payable annually after approval of the financial results for the year.
- The payment of commission is prorated to the number of meetings attended by the Directors in which quarterly results are considered and approved.

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

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

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

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

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

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

Disclosures by the Company

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

General

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

Annexure - B

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part "A": Subsidiaries

1. Sl. No.	1 (One)	2 (Two)
2. Name of the subsidiary	Bharti Infratel Services Limited	Smartx Services Limited
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2015 to March 30, 2016	September 21, 2015 to March 31, 2016
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	NA
5. Share capital	Nil	₹ 30 Mn
6. Reserves & surplus	Nil	₹ 0.07 Mn
7. Total assets	Nil	₹ 30.40 Mn
8. Total Liabilities	Nil	₹ 0.33 Mn
9. Investments	Nil	Nil
10. Turnover	Nil	Nil
11. Profit before taxation	Nil	₹ 0.15 Mn
12. Provision for taxation	Nil	₹ 0.08 Mn
13. Profit after taxation	Nil	₹ 0.07 Mn
14. Proposed Dividend	Nil	Nil
15. % of shareholding	Nil	100%

1. Names of subsidiaries which are yet to commence operations: Smartx Services Limited

2. Names of subsidiaries which have been liquidated or sold during the year: - Bharti Infratel Services Limited, wholly owned subsidiary is under the process of striking off from the register of Companies.

Part "B": Associates and Joint Ventures

Name of Associates / Joint Ventures	Indus Towers Limited
1. Latest audited Balance Sheet Date	March 31, 2016
2. Shares of Associate / Joint Ventures held by the Company on March 31, 2016	
(i) No.	500,504 equity shares
(ii) Amount of Investment in Associates /Joint Venture	₹ 60,419 Mn
(iii) Extend of Holding %	42%
3. Description of how there is significant influence	Bharti Infratel Limited holds 42% equity stake in Indus Towers Limited
4. Reason why the associate/joint venture is not consolidated	Not Applicable
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	₹ 48,816 Mn (42% share of total Net worth)
6. Profit / Loss for the year	
(i) Considered in Consolidation	₹ 10,587 Mn (42% share)
(ii) Not Considered in Consolidation	Nil

1. Names of associates or joint ventures which are yet to commence operations: NIL

2. Names of associates or joint ventures which have been liquidated or sold during the year: NIL

For and on behalf of the board

Akhil Gupta
Chairman

D S Rawat
Managing Director & CEO

Date: April 26, 2016
Place: Gurgaon

Shweta Girotra
Company Secretary

Pankaj Miglani
Chief Financial Officer

Annexure - C

Secretarial Audit Report For the Financial Year Ended March 31, 2016

The Members,

Bharti Infratel Limited

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised 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, 2016 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, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, being effective from 01.07.2015.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 being effective from 01.12.2015.

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

We further report that

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

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

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

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

We further report that during the audit period the Company has obtained shareholders' approval by passing special resolution through Postal Ballot for variation in terms of Objects of the Public Issue. The said event is deemed to have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Dr. S. Chandrasekaran

Senior Partner

Chandrasekaran Associates

Company Secretaries

Date: April 18, 2016

Place: New Delhi

Membership No. FCS No.: 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 to this report and form forms an integral part of this report.

**Annexure-A to the
Secretarial Audit Report**

The Members,

Bharti Infratel Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on 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.

Dr. S. Chandrasekaran

Senior Partner

Chandrasekaran Associates

Company Secretaries

Date: April 18, 2016

Place: New Delhi

Membership No. FCS No.: 1644

Certificate of Practice No.: 715

Annexure - D

Annual Report on Corporate Social Responsibility (FY 2015-16)

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>Bharti Infratel's CSR vision is "To build an empowered society through education, community development and environment sustainability".</p> <p>The CSR Policy of the Company focuses on promoting:</p> <ul style="list-style-type: none"> • Education amongst underprivileged section of the society, skill development initiatives • Rural development • Setting up of sanitation facilities • Environmental sustainability • Contribution to relief activities and the government approved relief funds <p>Web-Links</p> <p>a. CSR Policy of the Company http://www.bharti-infratel.com/cps-portal/web/corporate_gov.html#4</p> <p>b. Programmes and partners</p> <p>i. Satya Bharti School Program - Bharti Foundation http://www.bhartifoundation.org/wps/wcm/connect/bhartifoundation/BhartiFoundation/Home/Satya+Bharti%20School%20Program/About%20the%20Satya%20Bharti%20School%20Program/PG_about_bharti_program</p> <p>ii. Satya Bharti Abhiyan - Bharti Foundation http://www.bhartifoundation.org/wps/wcm/connect/bhartifoundation/BhartiFoundation/Home/OurPrograms/Satya%20Bharti%20Abhiyan/PG_Satya_Bharti_Abhiyan</p> <p>iii. Facilitating Learning on WASH (FLOW) - The Energy and Resources Institute (TERI) http://www.teriin.org/index.php?option=com_ongoing&task=details&pcode=2015EA10&Itemid=145</p> <p>iv. Bharti Infratel Scholarship Program - Shishu Sarothi http://www.shishusarothi.org/bharti-infratel-scholarship-program/</p> <p>v. Aaghaaz - VSO India Trust http://www.vsoindiatriust.org/get-involved/corporate-partnerships/bharti-infratel</p>
2. The Composition of the CSR Committee.	<p>a) Mr. N. Kumar (Independent Director) - Chairman</p> <p>b) Mr. D S Rawat (Managing Director & CEO)</p> <p>c) Ms. Leena Srivastava (Independent Director)</p> <p>d) Mr. Rajan Bharti Mittal (Non- Executive Director)</p>

3. Average net profit of the Company for last three financial years ₹ 12,754 Mn

4 Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) ₹ 255 Mn

5 Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: ₹ 255 Mn

(b) Amount unspent: ₹ 45.6 Mn

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

(1) Sl. No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	(5) Amount outlay (budget) project or programs wise (in ₹ Mn)	(6) Amount spent on the projects or programs subheads ⁵ : (1) Direct expenditure on projects or programs (2) Overheads: (in ₹ Mn)	(7) Cumulative expenditure up to the reporting period (in ₹ Mn)	(8) Amount spent: Direct or implementing agency
i)	Satya Bharti School Program	Education	Specified below*	100	100	100	Implementing Agency – Bharti Foundation 1st Floor, C-Wing, Airtel Center, Plot No. 16, Udyog Vihar Phase IV, Gurgaon – 122015 Tel.: 0124-4823500
ii)	Satya Bharti Abhiyan	Sanitation	Ludhiana	100	100	100	Implementing Agency – Bharti Foundation 1st Floor, C-Wing, Airtel Center, Plot No. 16, Udyog Vihar Phase IV, Gurgaon – 122015 Tel.: 0124-4823500
iii)	FLOW – Facilitating Learning on WASH#	Sanitation	Odisha- District Khorda (Bhubaneswar) Jharkhand- District Ranchi Madhya Pradesh- District Indore Himachal Pradesh- District Shimla Jammu & Kashmir- Districts Srinagar and Jammu Assam- District Kamrup Metropolitan (Guwahati)	5.6	1.6	1.6	Implementing Agency - The Energy and Resources Institute (TERI) Darbari Seth Block, IHC Complex, Lodhi Road, New Delhi -03 Phone: +91-11- 46444500, 24339606,

(1) Sl. No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	(5) Amount outlay (budget) project or programs wise (in ₹ Mn)	(6) Amount spent on the projects or programs subheads ⁵ : (1) Direct expenditure on projects or programs (2) Overheads: (in ₹ Mn)	(7) Cumulative expenditure up to the reporting period (in ₹ Mn)	(8) Amount spent: Direct or implementing agency
iv)	Bharti Infratel Scholarship Program#	Education	Assam, Meghalaya, Mizoram, Nagaland, Tripura, Sikkim, Manipur and Arunachal Pradesh	0.4	0.4	0.4	Implementing Agency – Shishu Sarothi Centre for Rehabilitation & Training for Multiple Disability, Off Ramakrishna Mission Road, Birubari, Guwahati – 781016, Assam Tel.: 0361-2470990 / 2478912
v)	Aaghaaz#	Skill Development / Livelihood Creation	Odisha- District Khorda (Bhubaneswar) Jharkhand- District Ranchi Chattisgarh- District Raipur Uttarpradesh- District Lucknow Bihar- Districts Patna	3.4	0.14	0.14	Implementing Agency – VSO India Trust E-4, Clarion Collection The Qutab Hotel Complex Shaheed Jeet Singh Marg New Delhi - 110016 Tel.: +91-11-46681501-04
vi)	Brookings Institution India Center [@]	Research on Energy and Environment, Development Challenges, and Foreign Policy	Pan India and Overseas	4.0	4.0	4.0	Implementing Agency Brookings Institution India Centre D-64, 2nd Floor, Defence Colony New Delhi – 110 024 Telephone: +91 11 4155941-42

- 6 In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.
- The Company had increased/ scaled up the intervention for CSR activities as prescribed in the Company's CSR policy and there was an increase of approx 22% in the total CSR spend vis-à-vis last year i.e. from ₹ 173 Mn in FY 2014-15 to ₹ 209.4 Mn during this year. However, out of the total CSR allocation of ₹ 255 Mn in FY15-16, a balance of ₹ 45.6 Mn remained unspent during the year. As a socially responsible Company, our Company is committed to increase its CSR impact and spend over the coming years, with its aim of playing a larger role in India's sustainable development by embedding wider economic, social and environmental objectives. As the Company added new projects and scaled up the existing one, there will be increased CSR spend in coming years.
- 7 A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.
- Bharti Infratel CSR Committee certifies that all the CSR projects implemented/funded by the Company in FY15-16 adhere to the objectives set in its CSR policy. The selection, implementation and monitoring of the CSR projects was also done in line with the CSR Policy.

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

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

@ As a part of its ongoing CSR programs, Company had contributed ₹ 4 Mn as corpus to Brookings Institution India Center for CSR initiatives viz. research on energy and environment, development challenges, and foreign policy aimed at long term sustainability of eco system. The contribution is not covered under Schedule VII of the Companies Act, 2013 and accordingly it is not included in the CSR spent under Section 135 of the Companies Act, 2013.

\$ Contribution in all the programs are direct expenditure.

For Bharti Infratel Limited

N Kumar
Chairman of CSR Committee

D S Rawat
Managing Director & CEO

Annexure - E

Auditors' Certificate

To

The Members of Bharti Infratel Limited

We have examined the compliance of conditions of corporate governance by Bharti Infratel Limited, for the year ended on March 31, 2016, as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchanges.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S. R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W

per **Vineet Kedia**

Partner

Membership No: 212230

Date: April 26, 2016

Place: Gurgaon

Annexure - F

Form No. AOC-2

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

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

1. Details of Contracts or Arrangements or Transactions not at Arm's Length Basis

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2016, which were not at arm's length basis.

2. Details of Material Contracts or Arrangement or Transactions at Arm's Length Basis

(a) Name(s) of the related party and nature of relationship	Bharti Airtel Limited (Holding Company)
(b) Nature of contracts / arrangements / transactions	<ul style="list-style-type: none"> ► To provide passive infrastructure services ► To avail various telecom services such as landline, mobile, leased line broadband facility, SIM charges, USB Dongles etc. ► To use and allow usage of each other's passive infrastructure assets; ► Rental / Reimbursement of charges towards usage of offices / properties and availing related services.
(c) Duration of the contracts / arrangements / transactions	<p>All the contracts / arrangements / transactions are ongoing basis except as under:-</p> <ul style="list-style-type: none"> ► 10/15 years for providing of passive infrastructure services to Bharti Airtel Limited for each co location by Bharti Infratel Limited pursuant to Master Service Agreement executed between Bharti Airtel Limited & Bharti Infratel Limited. ► 10 years for use of certain passive infrastructure assets of Bharti Airtel Limited by Bharti Infratel Limited from April 1, 2008 ► 10 years for use of certain passive infrastructure assets of Bharti Infratel Limited by Bharti Airtel Limited from October 1, 2009
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	<ul style="list-style-type: none"> ► To provide passive infrastructure services <p>Bharti Infratel Limited has entered into Master Service Agreements (MSA) with Bharti Airtel Limited in December 2007. The MSA executed between the parties sets out the terms and conditions relevant to sharing of passive infrastructure at sites and provision for related operation and maintenance services; and corresponding obligations of both the parties on a non-exclusive basis. Further, the MSA includes the SLA applicable to both the parties' w.r.t. their respective obligations under the MSA.</p>

The MSA also captures the tower sharing process, site selection, acquisition and deployment timelines, the service levels and uptimes to be maintained, site electrification requirements, the governance process and applicable charges including standard charges, annual increment, various site level premiums, additional charges determined basis the installed active equipments of the sharing operator etc. Further the parties have arrived at arrangement under which the energy consumed is charged at fixed rates. The parties have also entered into joint energy initiative arrangements and have implemented multiple energy efficient and environment friendly solutions.

Overall monetary value of the transaction depends upon the number of sites provided, site location, number of co-location etc. and vary from time to time. The net value of such transaction for FY 2015-16 amounts to ₹ 27,981 Mn. (Excluding Service Tax)

- To avail various telecom services such as landline, mobile, leased line broadband facility, SIM charges, USB Dongles etc.

Bharti Airtel Limited is engaged in the business of providing various telecommunication services. The Company avails many of these telecom services such as landline, mobile, leased line broadband facility, SIM charges, USB Dongles etc. from Bharti Airtel on arm's length basis.

Overall monetary value of the transaction depends upon the number / volume of services availed and the applicable rates of such services at the relevant time. The net value of such transaction for FY 2015-16 amounts to ₹ 143 Mn.

- To use and allow usage of each other's passive infrastructure assets;

The Company and Bharti Airtel use certain passive infrastructure assets of each other. Both Companies under mutual agreement have agreed to charge each other @ 10% p.a. of the Gross value of the assets for 10 years. Accordingly during the year Bharti Airtel Ltd. paid ₹ 95 Mn to Bharti Infratel Ltd. for use of Infratel Assets by Airtel. Similarly Bharti Infratel Ltd. paid ₹ 21 Mn to Bharti Airtel Ltd. for use of Airtel's assets during FY 2015-16.

The net monetary value for the said transactions for the FY 2015-16 amounts to ₹ 74 Mn. (Excluding Service Tax)

- Rental / Reimbursement of charges towards usage of offices / properties and availing related services.

Bharti Infratel has been occupying space in some offices and properties of Bharti Airtel and availing related facilities at such locations. Bharti Infratel reimburses charges for such usage and related services.

Overall monetary value of the transaction depends upon the number / volume of services availed and the charges applicable at the relevant time. The value of such transaction incurred during FY 2015-16 amounts to ₹ 28 Mn.

- | | |
|--|-----------------|
| (d) Date(s) of approval by the Board, if any | April 27, 2015* |
| (e) Amount paid as advances, if any | NIL |

Note:

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

* Initial approval of Board - April 27, 2015 ; subsequently approved by the Shareholders in the AGM held on August 11, 2015.
The related party transactions are placed before the Board on quarterly basis for their review.

For and on behalf of the Board

Akhil Gupta

Chairman

DIN: 0028728

Date : April 26, 2016

Place: Gurgaon

Annexure - G

Details Pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 Read With Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i)	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2015-16	The median remuneration of employees is ₹ 589,319 per annum. Please refer Table A for the ratios.	
(ii)	The percentage increase in remuneration of each Director, CFO, CEO, CS or Manager in FY 2015-16	Please refer Table A	
(iii)	The percentage increase in the median remuneration of employees in the financial year	6%	
(iv)	The number of permanent employees on the rolls of the Company as on March 31, 2016.	1,250	
(v)	The explanation on the relationship between average increase in remuneration and company performance	Total Revenue*, EBITDA* and PBT* of the Company (on standalone basis) has increased 3.84%, 5.71% and 5.26% respectively for FY 2015-16 as compared to FY 2014-15, whereas the average increase in remuneration of employees is 10.7%	
(vi)	Comparison of the remuneration of the KMPs against the performance of the Company	Please refer Table A	
(vii)	Change in market capitalisation	As on March 31, 2015 ₹ 729 Bn	As on March 31, 2016 ₹ 724 Bn
	Increase in price earnings ratio (on Standalone Basis)	As on March 31, 2015 26.69	As on March 31, 2016 54.73
	Percentage increase in the price of share in comparison of last public offer**	Stock price of the Company has increase by 73.61% since the last public offer of the Company.	
(viii)	Average percentage increase already made in the salaries of employees other than the managerial personnel in FY 2015-16 and its comparison with the percentage increase in the managerial remuneration	Average percentage increased in the salaries of employees other than managerial personnel is 10.7%, whereas managerial remuneration has increased by 2.93% which is line with the remuneration of employees.	
(ix)	Comparison of the each remuneration of the KMP against the performance of the Company	Please refer Table A	
(x)	The key parameters for any variable component of remuneration availed by the Directors	Operational and Financial indicators are key parameters for variable component of remuneration of Chairman and MD & CEO.	
(xi)	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year	No employee of the Company gets remuneration in excess of highest paid Director	
(xii)	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, remuneration paid is as per the remuneration policy of the Company	

* Total Revenue, EBITDA and PBT are excluding other income.

** Price on March 31, 2016 – ₹ 381.95 per share. Compared to IPO price of ₹ 220 per share.

Table A

Sl. No.	Name of Director / KMP and Designation	Remuneration of Director / KMP for FY 2015-16 (In ₹)	% increase in remuneration in FY 2015-16 ^g	Ratio of remuneration of each Director to median remuneration of employees ^{g, h}	Comparison of the remuneration of the KMP against the performance of the Company	
Executive Directors						
1	Mr. Akhil Gupta (Chairman)	88,404,207*	(3.93)	150	Total Revenue, EBITDA and PBT of the Company (on standalone basis) has increased 3.84%, 5.71% and 5.26% respectively for FY 2015-16 as compared to FY 2014-15.	
2	Mr. D S Rawat (Managing Director & CEO)	28,253,566 [#]	7.65 [#]	48		
Non-Executive Directors						
3	Mr. Rajan Bharti Mittal	187,500 ^{a^}	NA	1.27	Total Revenue, EBITDA and PBT of the Company (on standalone basis) has increased 3.84%, 5.71% and 5.26% respectively for FY 2015-16 as compared to FY 2014-15	
4	Mr. Rakesh Bharti Mittal	562,500 ^{b^}	NA	1.27		
5	Mr. Mark Chin Kok Chong	750,000 [^]	NA	1.27		
Independent Directors						
6	Mr. Bharat Sumant Raut	2,000,000 [^]	NA	3.39		
7	Mr. Jitendra Balakrishnan	1,500,000 [^]	NA	2.55	Total Revenue, EBITDA and PBT of the Company (on standalone basis) has increased 3.84%, 5.71% and 5.26% respectively for FY 2015-16 as compared to FY 2014-15	
8	Ms. Leena Srivastava	1,500,000 [^]	NA	2.55		
9	Mr. N Kumar	1,125,000 [^]	NA	2.55		
10	Mr. R P Singh	1,125,000 ^{c^}	NA	2.55		
11	Mr. Vinod Dhall	750,000 ^{d^}	NA	2.55		
Key Managerial Personnel other than Executive Directors						
12	Mr. Pankaj Miglani (Chief Financial Officer)	14,899,854 [@]	0.61	NA	Total Revenue, EBITDA and PBT of the Company (on standalone basis) has increased 3.84%, 5.71% and 5.26% respectively for FY 2015-16 as compared to FY 2014-15	
13	Mr. Anupam Garg (Company Secretary)	1,748,680 ^e	7.40	NA		
14	Ms. Shweta Girotra (Company Secretary)	1,559,727 ^f	NA	NA		

Notes:

a. From January 27, 2016 to March 31, 2016

b. From April 1, 2015 to January 27, 2016

c. From July 15, 2015 to March 31, 2016

d. From April 1, 2015 to September 2, 2015

e. From April 1, 2015 to July 22, 2015

f. From July 23, 2015 to March 31, 2016

g. Based on Annualised Remuneration

h. Remuneration of Employee and KMPs does not include perquisite value of stock options exercised during the year 2015-16.

[^] In terms of remuneration policy, Independent Directors are entitled for profit based commission of ₹ 1,500,000 per annum and Non-Executive Directors ₹ 750,000 per annum. Chairman of Audit & Risk Management Committee is entitled for an additional commission of ₹ 500,000 per annum. The payment of commission is based on attending the board meeting in which quarterly results are adopted. There is no change in the commission paid to Independent Directors and Non-Executive Directors during the year. Company has not paid any sitting fees for FY 2015-16.

* The remuneration of Mr. Akhil Gupta has marginally increased during the year, however, due to change in the remuneration mix i.e. fixed pay: variable pay ratio from 70:30 to 80:20 and actual payout of variable pay during the year, a decrease in his remuneration is being reflected. This does not include perquisite value on exercise of ESOPs as mentioned in Form MGT-9 annexed with Board's Report.

[#] The remuneration of Mr. D S Rawat does not include perquisite value on exercise of ESOPs as mentioned in Form MGT-9 annexed with Board's Report and payout of ₹ 4,979,421 under performance based long term incentive plan of the Company. This includes arrears of Performance Linked Incentive of previous year amounting to ₹ 1,855,038 paid to Mr. D S Rawat during FY 2015-16. For effective comparison, the percentage increase is computed after adjusting the arrears of Performance Linked Incentive.

[@] This does not include perquisite value on exercise of ESOPs as mentioned in Form MGT-9 annexed with Board's Report.

Annexure - H

Statement of particulars under section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration) Rules, 2014 for the year ended March 31, 2016

Sl. No.	Name	Designation	Nature of Employment, whether contractual or otherwise	Nature of duties of the employee	Qualification(s)	Age (in years)	Date of Commencement of Employment	Total experience (in years)	Gross Remuneration (in ₹)	Previous Employment / Designation
(A) Employed throughout The Financial Year										
1	Akhil Gupta	Chairman	Permanent	General Management Operations	CA	60	01-Aug-08	31	88,404,207	Bharti Airtel Limited / Jt. Managing Director
2	Abhay Kumar Singh	Circle Business Head	Permanent	Operations	B.E / B. Tech	52	12-Dec-08	29	12,445,886	Nokia Siemens Network / National Infra Manager
3	Ajay Gupta	Chief Supply Chain Officer	Permanent	SCM	PGDBM	48	01-Nov-12	24	6,427,466	Inox Wind Ltd.
4	B. Krishna Mohan	Circle Operations Head	Permanent	Operations	C.A	47	09-Feb-09	20	6,883,646	Datacom Solutions Pvt.Ltd. / General Manager
5	Bhaskar Rai	Circle Business Head	Permanent	Operations	B.E / B. Tech	46	07-Jul-08	22	7,773,728	Manpower Services India Pvt Ltd/ Business Manager
6	Biswajit Patnaik	Chief Sales & Marketing Officer	Permanent	Sales & Marketing	PGDSM	43	20-Oct-08	23	19,466,444	TVS InterconnectSystems Ltd /
7	D S Rawat	Managing Director & CEO	Permanent	CEO's Office	B.E	48	28-Jul-10	27	33,232,987	Genral Manager - Sales& Marketing P Ltd / Executive Director
8	Dhananjay Joshi	Chief Operating Officer	Permanent	COO's Office	B Tech	56	26-Feb-14	29	15,949,987	Huawei Telecommunications (I) Co. P Ltd / VP & CU Head
9	Dipak Roy	Chief Human Resource Officer	Permanent	HR	MPM	49	01-Jun-13	25	21,839,590	Bharti Airtel Ltd / Head HR- Consumer Business Operations
10	Pankaj Miglani	Chief Financial Officer	Permanent	Finance	CA/ CS/ ICWA	46	08-Aug-11	21	22,434,654	Bharti Airtel Limited / Head - Global Voice
11	Prashant Jagdish Keole	Chief Deployment Officer	Permanent	Deployment	B.E / B. Tech	47	01-Oct-07	22	9,290,648	Bharti Airtel Ltd./ DGM - Commercial
12	Prashant Veer Singh	Chief Information Officer	Permanent	Technology Services	BE/ MBA	46	01-Apr-10	23	14,945,433	Bharti Airtel Limited/ Vice President - IT & Innovation
13	Rajiv Avora	Chief - Legal- Regulatory & Corp Affrs	Permanent	Legal- Regulatory & /DLL Corp Affrs	LLB /PGDHRM	45	01-Oct-07	20	19,412,258	Bharti Airtel Ltd / Genral Manager
14	Ravikant Parvati	Chief O&M Officer	Permanent	O&M	BE	44	03-Nov-14	19	6,167,624	Tech Mahindra / Global Managed Services Head
15	Ravinder Bansal	VP - FR & Consol	Permanent	Finance	C.A	41	02-Sep-13	17	6,038,647	Bharti Airtel Tanzania LT/Financial controller
16	S.t Rizvi	Circle Business Head	Permanent	Operations	Graduation	43	25-May-09	21	8,077,316	TVS InterconnectSystems Ltd / Head Business Development
17	Sanjeev Bhatia	Head - Finance Operations	Permanent	Finance	CPA	43	16-Oct-08	22	7,009,998	Motorola India Pvt Ltd/Manager Corporate Finance
18	Sridhar V	Circle Business Head	Permanent	Operations	PG Diploma	44	20-Jul-09	23	12,895,484	Procall Pvt. Ltd./Zonal Business Head
(B) Employed for Part of The Financial Year										
1	Ramneek Teng	Circle Operations Head	Permanent	Operations	B.E / B. Tech	39	01-Apr-08	16	5,996,902	L.G Electronics / Assistant Manager

Notes:

- Gross Remuneration comprises of Salary, Taxable Allowances & Perquisites and Company's contribution to Provident Fund
- The employee would qualify for being included in Category (A) or (B) on the following basis:
For (A) if the aggregate remuneration drawn by him during the year was not less than ₹ 60,00,000 p.a.
For (B) if the aggregate remuneration drawn by him during the part of year was not less than ₹ 5,00,000 p.m.
- None of the employees mentioned above is a relative of any Director of the Company
- None of the employees mentioned above holds 2% or more share capital of the Company
- The employees are governed by the general terms and conditions of employment and the policies of the Company.
- Gross remuneration of Mr. Akhil Gupta and Mr. D S Rawat does not include the perquisite value as mentioned in Form MGT-9 annexed with Board's Report with respect to exercise of stock options granted to them in FY 2008-09 and FY 2010-11 under ESOP Scheme 2008.

Annexure - I

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

Bharti Infratel Limited has always aimed to be an environment-friendly company. Our constant pursuit of being a green organisation goes back to year 2006, when the Company was incorporated. Over time, ambitions matured, and so did our efforts. Today, we feel proud in saying that we have a total of 12,560 (on standalone basis) green sites pan India.

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

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

A. Conservation of Energy

- (i) **During the year under review, several steps were taken for conservation of energy, some of which are listed below:**

Improving Energy Efficiency

- ▶ With our state-of-the-art technology-led efficiency measures, and advanced analytics we have been able to cut the diesel consumption considerably;
- ▶ The deployment of variable speed power generators and smart logics based equipment, where there is insufficient grid connectivity has also helped us drop the carbon-dioxide emissions by over 19%;
- ▶ High efficiency integrated power management solutions helps us maximise power utilisation.

Increasing Energy Storage

- ▶ Advanced battery technologies have significantly brought down the diesel requirements;
- ▶ We have deployed a mix of battery solutions based on our requirements viz. VRLA, and Lithium Ion;
- ▶ Results have been excellent helping in reduction of diesel consumption and subsequently reducing energy cost.

Abandoning Air-conditioner

- ▶ Traditionally, air conditioners are deployed on-site to cool off the operator equipment placed indoors;
- ▶ 'Abandoning Air-conditioner' involves incentivising the operators for shifting their equipment outdoors for a natural ambient air cooling or providing them with alternate solution based on ambient air thereby reducing carbon-dioxide emissions;
- ▶ Various options used are Free Cooling Unit (FCU), Natural Cooling Unit (NCU), Hybrid Chillers.

(ii) **The following initiatives have been undertaken by the Company, to utilise alternate source of energy:**

- ▶ Alternate energy sources like solar and the wind are clean energy solutions, considered to be potential replacement of conventional sources of energy. Our initiative to use alternate energy sources helps us decrease the diesel consumption significantly, which in turn lowers the carbon-dioxide emissions for a greener environment;
- ▶ With our unique RESCO model of using renewable energy, we are ensuing community development by providing surplus power in rural areas. Currently over 5,000 rural families are being supported through this Model. We aim to fulfil our community service goals, alongside becoming green;
- ▶ Since solar powered telecom towers do not require frequent monitoring, site visits see a sharp decline, which helps save time and carbon-dioxide emissions;

- ▶ Alternate energy sources further benefit by lowering the operational expenses and reducing our dependence on diesel while also increasing uptime.

(iii) Future plan of action

- ▶ Bharti Infratel is constantly evaluating measures aimed at improving electrification across its tower portfolio. At present, a significant number of our towers suffer from inadequate grid power supply. We plan to increase the number of solar powered towers and at the same time evaluate new alternate energy sources;
- ▶ We are also expanding our collaboration with our partners for research and trials associated with the advancement in battery technologies and alternative energy solutions, which are economical to use while having better performance characteristics and low environmental impact;
- ▶ Similarly, our initiative on enabling the community with low-cost solar power is slated for further expansion keeping in line with our CSR vision;
- ▶ We have also been making efforts to coordinate with the operators to adopt more energy efficient alternatives for their equipment. This would help us lower our carbon emissions and further increase our green tower footprint.

(iv) The Capital investment on energy conservation equipment

(₹ Millions)

S. No.	Capex on Energy Conservation	Standalone	Consolidated
1	During the FY 2015-16	371	860
2	Cumulative as on March 31, 2016	2,671	4,082

The energy conservation measures have brought over 25% reduction in diesel consumption per co-location during the last 2 years.

B. Technology Absorption

This Section is not applicable to the Company.

C. Foreign Exchange Earnings and Outgo

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

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

- (ii) Total foreign exchange used and earned

(a) Total Foreign Exchange Earning: NIL

(b) Total Foreign Exchange Outgo: ₹ 5 Mn

Annexure - J

Form No. MGT-9

Extract of Annual Return as on the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details

i)	CIN	L64201DL2006PLC156038
ii)	Registration Date	November 30, 2006
iii)	Name of the Company	Bharti Infratel Limited
iv)	Category/ Sub- Category of the Company	Company limited by shares
v)	Address of the registered office of the Company and contact details	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi- 110070 Tel: +91-11-4666 6100 Fax: +91-11-4166 6137 Email ID: compliance.officer@bharti-infratel.in Website: www.bharti-infratel.com
vi)	Whether listed company	YES
vii)	Name, Address and contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No. 31 & 32 Financial District, Nanakramguda, Gachibowli Hyderabad- 500032 Contact Person: Ravi Shankar Shukla Tel: 040-67162222 Email: einward.ris@karvy.com Website: www.karvycomputershare.com

II. Principal Business Activities of the Company

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

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

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

III. Particulars of Holding, Subsidiary and Associate Companies

S. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Bharti Airtel Limited Bharti Crescent, 1 Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi	L74899DL1995PLC070609	Holding Company	71.70%	2(46)
2	Bharti Infratel Services Limited* Bharti Crescent, 1 Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi	U64200DL2013PLC253495	Subsidiary Company	100.00%	2(87)
3	Smartx Services Limited Bharti Crescent, 1 Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi	U64202DL2015PLC285515	Subsidiary Company	100.00%	2(87)
4	Indus Towers Limited Bharti Crescent, 1 Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi	U92100DL2007PLC170574	Associate Company	42.00%	2(6)

*Bharti Infratel Services Limited is under the process of striking off from register of Companies.

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

i) Category-wise Share Holding

Category Code	Category of Shareholder	No. of shares held at the beginning of the year i.e. April 1, 2015				No. of shares held at the end of the year i.e. March 31, 2016				% change during the year**
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	Promoter and Promoter Group									
(1)	Indian									
(a)	Individual / HUF	-	-	-	-	-	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	1,360,000,000	-	1,360,000,000	71.81%	1,360,000,000	-	1,360,000,000	71.70%	(0.11%)
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1) :	1,360,000,000	-	1,360,000,000	71.81%	1,360,000,000	-	1,360,000,000	71.70%	(0.11%)
(2)	Foreign									
(a)	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-

Category Code	Category of Shareholder	No. of shares held at the beginning of the year i.e. April 1, 2015				No. of shares held at the end of the year i.e. March 31, 2016				% change during the year**
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	-	-	-	-	-	-	-	-	-
	Total A=A(1)+A(2)	1,360,000,000	-	1,360,000,000	71.81%	1,360,000,000	-	1,360,000,000	71.70%	(0.11%)
(B)	Public Shareholding									
(1)	INSTITUTIONS									
(a)	Mutual Funds / UTI	7,062,471	-	7,062,471	0.37%	3,472,202	-	3,472,202	0.18%	(0.19%)
(b)	Financial Institutions / Banks	9,023,756	-	9,023,756	0.48%	10,561,348	-	10,561,348	0.56%	0.08%
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	425,096,411	-	425,096,411	22.45%	484,006,637	-	484,006,637	25.52%	3.07%
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	Sub-Total B(1) :	441,182,638	-	441,182,638	23.30%	498,040,187	-	498,040,187	26.26%	2.96%
(2)	NON-INSTITUTIONS									
	Bodies Corporate									
(a)	i) Indian	6,571,835	-	6,571,835	0.35%	6,502,940	-	6,502,940	0.34%	(0.01%)
	ii) Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	3,612,352	850	3,613,202	0.19%	3,380,796	1,144	3,381,940	0.18%	(0.01%)
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh*	4,512,983	-	4,512,983	0.24%	3,088,912	-	3,088,912	0.16%	(0.08%)

Category Code	Category of Shareholder	No. of shares held at the beginning of the year i.e. April 1, 2015				No. of shares held at the end of the year i.e. March 31, 2016				% change during the year**
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(c)	Others									
	Foreign Bodies	75,814,401	-	75,814,401	4.00%	21,893,782	-	21,893,782	1.15%	(2.85%)
	Clearing Members	1,404,222	-	1,404,222	0.07%	1,831,845	-	1,831,845	0.10%	0.03%
	Trusts*	-	-	-	0.00%	1,507,248	-	1,507,248	0.08%	0.08%
	Non resident Indians	670,012	-	670,012	0.04%	420,215	-	420,215	0.02%	(0.02%)
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	Sub-Total B(2) :	92,585,805	850	92,586,655	4.89%	38,625,738	1,144	38,626,882	2.04%	(2.85%)
	Total B=B(1)+B(2):	533,768,443	850	533,769,293	28.19%	536,665,925	1,144	536,667,069	28.30%	0.11%
	Total (A+B) :	1,893,768,443	850	1,893,769,293	100.00%	1,896,665,925	1,144	1,896,667,069	100%	0.00%
(C)	Shares held by custodians, against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C) :	1,893,768,443	850	1,893,769,293	100.00%	1,896,665,925	1,144	1,896,667,069	100%	-

* Shares held by Employee Welfare Trust reported in previous year has been regrouped from Individuals to Trust.

** During the FY 2015-16, the paid up Share Capital of the Company increased from ₹ 18,937.69 Mn to ₹ 18,966.66 Mn due to allotment of shares on exercise of stock options by employees. As a result, the shareholding in various categories may have got diluted proportionately. Accordingly, there was no change in shareholding of Bharti Airtel Limited during the year but there is % change in its shareholding.

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year i.e. April 1, 2015			Shareholding at the end of the year i.e. on March 31, 2016			% change in share holding during the year
		No. of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Bharti Airtel Limited	1,360,000,000	71.81	0.00%	1,360,000,000	71.70	0.00%	0.11
	Total	1,360,000,000	71.81	0.00%	1,360,000,000	71.70	0.00%	0.11

iii) Change in Promoters' Shareholding

There is no change in the Shareholding of Promoter during the year.

Note : During FY 2015-16, the paid up share capital of the Company increased from ₹ 18,937.69 Mn to ₹ 18,966.66 Mn due to allotment of shares on exercise of stock options by employees. As a result, the % shareholding of Bharti Airtel Limited got diluted proportionately.

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

Sl. No.	Name of the Share Holder	Shareholding		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Merrill Lynch Capital Markets Espana S.A. S.V.				
	At the beginning of the year	31,785,789	1.68	31,785,789	1.68
	Bought during the year	29,544,995	1.56	61,330,784	3.23
	Sold during the year	17,609,188	0.93	43,721,596	2.31
	At the end of the year	43,721,596	2.31	43,721,596	2.31
2	KKR Towers Company Mauritius Limited				
	At the beginning of the year	20,381,759	1.08	20,381,759	1.07
	Bought during the year	-	-	20,381,759	1.07
	Sold during the year	20,381,759	1.08	-	-
	At the end of the year	-	-	-	-
3	Millennium Mauritius 1 Limited				
	At the beginning of the year	18,027,840	0.95	18,027,840	0.95
	Bought during the year	-	-	18,027,840	0.95
	Sold during the year	-	-	18,027,840	0.95
	At the end of the year	18,027,840	0.95	18,027,840	0.95
4	Fidelity Investment Trust - Fidelity Diversified International Fund				
	At the beginning of the year	14,300,000	0.75	14,300,000	0.75
	Bought during the year	314,013	0.02	14,614,013	0.77
	Sold during the year	-	-	14,614,013	0.77
	At the end of the year	14,614,013	0.77	14,614,013	0.77
5	Abu Dhabi Investment Authority				
	At the beginning of the year	-	-	-	-
	Bought during the year	15,976,308	0.84	15,976,308	0.84
	Sold during the year	1,508,288	0.08	14,468,020	0.76
	At the end of the year	14,468,020	0.76	14,468,020	0.76
6	Fidelity Investment Trust Fidelity International Discovery Fund				
	At the beginning of the year	12,744,464	0.67	12,744,464	0.67
	Bought during the year	-	-	12,744,464	0.67
	Sold during the year	96,730	0.01	12,647,734	0.67
	At the end of the year	12,647,734	0.67	12,647,734	0.67
7	Comgest Growth Plc Comgest Growth Emerging Markets				
	At the beginning of the year	14,350,000	0.76	14,350,000	0.76
	Bought during the year	2,081,042	0.11	16,431,042	0.87

Sl. No.	Name of the Share Holder	Shareholding		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
	Sold during the year	3,840,232	0.20	12,590,810	0.66
	At the end of the year	12,590,810	0.66	12,590,810	0.66
8	Morgan Stanley Asia (Singapore) Pte.				
	At the beginning of the year	29,333,119	1.55	29,333,119	1.55
	Bought during the year	8,388,633	0.44	37,721,752	1.99
	Sold during the year	26,696,512	1.41	11,025,240	0.58
	At the end of the year	11,025,240	0.58	11,025,240	0.58
9	Fidelity Investment Trust Fidelity Series Emerging Market Fund				
	At the beginning of the year	13,903,698	0.73	13,903,698	0.73
	Bought during the year	4,324,016	0.23	18,227,714	0.96
	Sold during the year	7,407,280	0.39	10,820,434	0.57
	At the end of the year	10,820,434	0.57	10,820,434	0.57
10	Life Insurance Corporation of India				
	At the beginning of the year	8,982,869	0.47	8,982,869	0.47
	Bought during the year	1,289,619	0.07	10,272,488	0.54
	Sold during the year	-	-	-	-
	At the end of the year	10,272,488	0.54	10,272,488	0.54
11	Magellan				
	At the beginning of the year	14,160,000	0.75	14,160,000	0.75
	Bought during the year	-	-	14,160,000	0.75
	Sold during the year	4,282,689	0.23	9,877,311	0.52
	At the end of the year	9,877,311	0.52	9,877,311	0.52
12	DB International (Asia) Ltd				
	At the beginning of the year	15254611	0.81	15254611	0.81
	Bought during the year	1,111,073	0.06	16,365,684	0.86
	Sold during the year	7,301,940	0.38	9,063,744	0.48
	At the end of the year	9,063,744	0.48	9,063,744	0.48
13	Compassvale Investments Pte. Ltd				
	At the beginning of the year	30,046,400	1.59	30,046,400	1.59
	Bought during the year	-	-	30,046,400	1.58
	Sold during the year	26,180,458	1.38	3,865,942	0.20
	At the end of the year	3,865,942	0.20	3,865,942	0.20

Notes:

The details of top 10 shareholders at any point of time during the FY 2015-16 has been provided.

The details of shareholding are maintained by respective depositories and it is not feasible to provide daily change in the shareholding of top 10 shareholders. Therefore, Consolidated changes during the year 2015-16 has been provided.

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding at the beginning of the year / end of the year		Date	Increase / Decrease in shareholding	Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
Directors								
1	Mr. Akhil Gupta (Chairman)	2,175,000	0.11	April 1, 2015		Opening Balance	2,175,000	0.11
				April 29, 2015	(180,000)	Market Sale	1,995,000	0.11
				April 30, 2015	(300,000)	Market Sale	1,695,000	0.09
				May 4, 2015	(20,000)	Market Sale	1,675,000	0.09
				May 5, 2015	(135,000)	Market Sale	1,540,000	0.08
				May 6, 2015	(200,000)	Market Sale	1,340,000	0.07
				May 7, 2015	(210,000)	Market Sale	1,130,000	0.06
				May 8, 2015	(300,000)	Market Sale	830,000	0.04
				May 11, 2015	(400,000)	Market Sale	430,000	0.02
				May 12, 2015	(82,100)	Market Sale	347,900	0.02
				May 13, 2015	(217,900)	Market Sale	130,000	0.01
				May 14, 2015	(130,000)	Market Sale	-	-
				May 20, 2015	2,505,553	ESOP Allotment	2,505,553	0.13
				September 3, 2015	167,781	ESOP Allotment	2,673,334	0.14
				December 21, 2015	(143,693)	Market Sale	2,529,641	0.13
				December 22, 2015	(316,307)	Market Sale	2,213,334	0.12
				December 23, 2015	(40,000)	Market Sale	2,173,334	0.11
				March 31, 2016		Closing balance	2,173,334	0.11
2	Mr. D S Rawat (Managing Director & CEO)	56,082	0.00			Opening Balance	56,082	0.00
				November 2, 2015	10,000	ESOP allotment	66,082	0.00
				December 23, 2015	(45,000)	Market Sale	21,082	0.00
				January 12, 2016	57,543	ESOP allotment	78,625	0.00
				March 31, 2016		Closing Balance	78,625	0.00
No other Director held any shares of the Company during the year.								
Key Managerial Personnel other than Executive Directors								
1	Mr. Pankaj Miglani (Chief Financial Officer)	0	0.00			Opening Balance	0	0.00
				March 14, 2016	30,000	ESOP Allotment	30,000	0.00
				March 22, 2016	(6,905)	Maret Sale	23,095	0.00
				March 31, 2016		Closing Balance	23,095	0.00
2				Mr. Anupam Garg* (Company Secretary)	100	0.00		
	March 31, 2016		Closing Balance				100	0.00

* Mr. Anupam Garg resigned w.e.f July 22, 2015.

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

V. The Company has not availed any loan during the year and is a debt-free company.

VI. Remuneration of Directors and Key Managerial Personnel

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

(in ₹)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mr. Akhil Gupta (Chairman)	Mr. D S Rawat (Managing Director & CEO)	
	Gross Salary			
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax act ,1961	81,789,828	32,022,363	113,812,191
	(b) Value of perquisites u/s 17(2) of Income tax Act, 1961			
	(i) Perquisite value of Car	39,600	-	39,600
	(ii) Perquisite value of ESOPs exercised during the year	755,906,156	20,120,644	776,026,800
	(iii) others	-	-	-
	(c) Profit In lieu of salary under section 17(3) of Income tax Act, 1961	-	-	-
2	Stock Option			
	- Granted	-	-	-
	- Exercised (perquisite value)	-	-	-
3	Sweat Equity			
	- Granted	-	-	-
	- Exercised (perquisite value)	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others (Company's contribution to PF)	6,574,779	1,210,624	7,785,403
	Total(A)	844,310,363	53,353,631	897,663,994
	Ceiling as per the Companies Act, 2013			2,084,916,399

B. Remuneration to Other Directors

(in ₹)

Particulars of Remuneration	Name of Director									Total Amount
	Mr. Bharat Sumant Raut	Mr. Jitender Balakrishnan	Ms. Leena Srivastava	Mr. N Kumar	Mr. R P Singh ^s	Mr. Vinod Dhall [^]	Mr. Rakesh Bharti Mittal [#]	Mr. Mark Chin Kok Chong	Mr. Rajan Bharti Mittal [#]	
	Independent Director				Non-Executive Director					
Fee for attending board/ committee meetings	-	-	-	-	-	-	-	-	-	-
Commission*	2,000,000	1,500,000	1,500,000	1,125,000	1,125,000	750,000	562,500	750,000	187,500	9,500,000
Others Please specify	-	-	-	-	-	-	-	-	-	-
Total (B)	2,000,000	1,500,000	1,500,000	1,125,000	1,125,000	750,000	562,500	750,000	187,500	9,500,000
Ceilling as per the Companies Act, 2013										208,491,640
Total Managerial Remuneration (A+B)										907,163,994
Overall Ceiling as per the Companies Act, 2013										2,293,408,039

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

^s Mr. R P Singh was appointed w.e.f. July 15, 2015.

[^] Mr. Vinod Dhall ceased to be director w.e.f. September 02, 2015.

[#] Mr. Rakesh Bhati Mittal ceased to be Director and Mr. Rajan Bharti Mittal was appointed as Director w.e.f. January 27, 2016.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(in ₹)

Sl No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. Pankaj Miglani (Chief Financial Officer)	Mr. Anupam Garg* (Company Secretary)	Ms. Shweta Girotra** (Company Secretary)	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax act, 1961	14,190,174	1,675,814	1,416,555	17,282,543
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961				
	(i) Perquisite value of Car	-	10,800	24,300	35,100
	(ii) Perquisite value of ESOPs exercised during the year	7,534,800	-	-	7,534,800
	(iii) others	-	1,427	-	1,427
	(c) Profit In lieu Of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option				
	- Granted	-	-	-	-
	- Exercised (perquisite value)	-	-	-	-
3	Sweat Equity				
	- Granted	-	-	-	-
	- Exercised (perquisite value)	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others (Company's contribution to PF)	709,680	60,639	118,872	889,191
	Total	22,434,654	1,748,680	1,559,727	25,743,061

* Mr. Anupam Garg resigned w.e.f. July 22, 2015.

** Ms. Shweta Girotra appointed w.e.f. July 23, 2015.

VII. There were no penalties / punishment / compounding of offences for the year ending March 31, 2016.

Management Discussion & Analysis

Economic Overview

India is among the world's fastest-growing major economy. As per the recent report by The World Bank, India ranks seventh globally in terms of GDP at current prices and is expected to grow at 7.5% in FY 2016-17. The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, RBI's inflation focus supported by benign global commodity prices.

The steps taken by the government in recent times have shown positive results and Indian economy expanded on account of healthy expansion in private consumption and fixed investment, as well as robust growth in manufacturing. Buoyed by measures to enhance foreign direct investment—including raising the ceiling for investment in several important sectors such as broadcasting and defense, as well as rationalising and simplifying procedures—net flows of foreign direct investment surged to an estimated US\$ 32 Bn, nearly 26% higher than in the previous year.

According to a Goldman Sachs report released in September 2015, India could grow at a potential 8% on average during from fiscal 2016 to 2020 powered by greater access to banking, technology adoption, urbanisation and other structural reforms.

The Government has lined up massive investments to create the jobs, housing, and infrastructure to meet soaring aspirations. A revival of private investment and rural consumption is critical for growth in coming years. Budgetary support for programs aimed to improve agricultural productivity and funding of the government employment scheme for poor rural families should boost rural incomes and spending. Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. These initiatives are expected to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors.

India is expected to continue moving on growth path due to improved investor confidence, lower food and commodity prices and better policy reforms.



Indian Telecom Industry overview

India is currently the world's second-largest telecommunications market and has registered strong growth in the past decade and half. The Indian mobile economy is growing rapidly and will contribute substantially to India's gross domestic product (GDP), according to report prepared by GSM Association (GSMA).

2015 was a defining year for Indian telecom as we entered a new phase of telecom growth. We witnessed a data driven growth, beginning of broadband rollout, increased smart

phone uptake and more applications / content. We saw free Over-the-Top (OTT) applications redefine the market and the public reacting strongly towards net neutrality with greater awareness across various platforms. Successful auction of spectrum in early 2015 led telecom operators to aggressively rollout 3G networks that further facilitated the growth of data.

Over the last decade, the wireless segment of the telecommunications sector has grown exponentially both in terms of reach and functionality. The mobile subscriber base rose to around 1.03 Bn at the end of February 2016 (source – TRAI) from 99 Mn at the end of 2005-2006. India is also rapidly transforming from a 'voice centric' market to a 'data dominant' market. This provides a huge opportunity for telecom tower industry, especially given the low penetration of telephony in rural India, as well as the off take of data services in urban India.

Driven by strong adoption of data consumption on handheld devices, the total mobile services market revenue in India is expected to touch US\$ 37 Bn in 2017, according to research firm IDC. As per the latest NSN MBiT Index the overall data usage grew from 26 Petabyte for Calendar Year 2012 to 128 Petabyte for Calendar Year 2015; a growth of ~ 392% over the period of 4 years. 3G has been the driver of growth in overall mobile data consumption in India and 3G data consumption grew at 86% while 2G was able to achieve 12% growth for the year ended on December 31, 2015. This is further augmented by the fact that a 3G subscriber consumes close to 750MB of data which 3.5 times more data than his 2G counterpart does.

We believe that Telecom sector in general and mobile broadband in particular will continue to witness robust growth in years to come. Key trends in 2016 will be:

- Continuous development of 4G ecosystem and new 3G & 4G launches by various operators;
- Large scale data plus voice rollouts;
- Focus on quality;
- Focus on capacity building.

The ongoing expansion of the mobile ecosystem, coupled with demand for high-bandwidth applications and services

The Company was included in the flagship NIFTY 50 index with effect from April 1, 2016.

such as video and gaming, is keeping pressure on the industry to increase the availability and quality of broadband connectivity. All this will lead to an acceleration in rollout of infrastructure which bodes well for tower industry.

Highlights of the Year

- The investors reposed their faith in the robustness of the business model and the Foreign Institutional ownership touched an all-time high of 25.73% on December 31, 2015 as compared to 8.65% at the time of IPO in December 2012;
- During FY 2014-15, Infratel was included in the list of stocks eligible for F&O trading on stock exchanges;
- The stock was added to MSCI India Index with effect from May 29, 2015;
- The Company was included in the flagship NIFTY 50 index with effect from April 1, 2016.

Regulatory Changes in the Sector

Key regulatory developments during FY 2015-16 were as follows:

Direction Issued by Central Pollution Control Board (CPCB)

CPCB, vide its direction dated March 7, 2016, stipulated that "Stand-alone DG Sets having total capacity 1 MVA or less and equipped with acoustic enclosures along with adequate stack height may be exempted from the purview of Consent management." This could be of immense assistance to our industry. The State Pollution Control Board / Pollution Control Committees have been directed by CPCB to adopt the same.

Amendment in Unified License Agreement by Department of Telecommunications (DoT)

The DoT, vide its letter date February 11, 2016, amended the TSPs Agreements. It now provides that "sharing of Active infrastructure amongst Service Providers based on

the mutual agreements entered amongst them is permitted. Active Infrastructure sharing will be limited to antenna, feeder cable, Node B, Radio Access Network (RAN) and transmission system only”.

Telecom Tower Standards

DoT, vide letter dated February 24, 2016, has decided that instead of mandatory use of Telecom Tower standards i.e Generic Requirements (GRs) issued by TEC for all telecom towers erected / used by TSPs, it is left to the industry to follow TEC GRs as one of the options for designs and deployment.

Department of Telecommunications release the guidelines on Spectrum Sharing

On September 24, 2015, Department of Telecommunications (DoT) issued the guidelines on Spectrum Sharing. Highlights are as under:

- Spectrum sharing will be allowed only for the access service providers holding Cellular Mobile Telephone Service (CMTS) / Unified Access Service License (UASL) / Unified License (Access Services) (UL (AS)) / Unified License (UL) with authorisation of Access Service in a Licensed Service Area (LSA), where both the licensees are having spectrum in the same band;
- Both the licensees shall ensure that they fulfil the specified roll-out obligations and specified Quality of Service (QoS) norms.

Opportunities & Threats

Opportunities

[Roll out of New Technologies / Spectrum Auctions / High QoS demand by Government](#)

The Indian wireless market is experiencing a rapid increase in demand for mobile data services, driven by India’s strong demographics and availability of wide variety of affordable

handsets. The growth in mobile data has also been fuelled by virtual non- existence of fixed line broadband networks. There has been a multiplication effect in data usage as the number of users are increasing through increased smartphone penetration and per user data usage is also increasing with proliferation of relevant applications and rich content.

Operators have spent over ₹ 2,900 Bn on the spectrum licenses since 2010 and are now intensely focused on growing the data story. During the recent times, most of the big players have acquired spectrum in a way to offer data services in maximum number of circles through 3G or 4G. The strategy has been to acquire more spectrum through auctions or through spectrum trading deals to enable data services in all the circles. The top 3 operators (our anchor customers) have also increased their spectrum holding in select circles. In 14 circles, fresh 2100 Mhz has been bought by the operators, which will be used for 3G network rollouts. In recent spectrum trading deals, Airtel has acquired spectrum from Videocon and Aircel and the same will be used for rollout of 4G services.

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

[Low Rural Penetration Levels](#)

Indian telecom market has a huge untapped potential in the rural areas. With rural tele-density still at 51% (as in February 2016, Source – TRAI), there is significant headroom for growth in voice services currently and in data services over time in the untapped areas.

The high cost of providing services and the ability to quickly deploy state of the art networks will translate into growth opportunities for the Company. Already, Bharti Infratel has a wide footprint in the Category B and C circles enabling the expansion of networks in rural markets.

Our consolidated revenue from operations for the year ended March 31, 2016 was ₹ 123,084 Mn, a growth of 5.5% compared to year ended March 31, 2015.

Entry of Reliance Jio as New Telecom Operator

The entry of Reliance Jio with pan India Unified License in the telecom business is positive news for tower companies. Reliance Jio aims to be a pan India 4G player with mobile data as a primary product. To cover the same geographical area, 4G technology requires a much higher number of towers than 3G and 2G. We have got some orders from Jio and all these orders are primarily for data co-locations.

New Revenue Streams

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

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

- IBS installations - We are deploying IBS network installations for our customers at high footfall locations on trial basis;
- Wi-Fi Hotspots - The Company is looking to foray into rollout of wi-fi hotspots and offer B2B wi-fi to all the operators on a non-discriminatory basis. A proof of concept for outdoor WiFi has already been demonstrated in Odisha on behalf of Airtel;
- 'Smart Cities' - 'Digital India' is one of the biggest focus areas of the Government of India. Development of 'Smart Cities' is a key initiative under the 'Digital India' Program and the Government has already announced the creation of 100 'Smart Cities'. Communication backbone is the key to a smart city and this will entail setting up of telecom infrastructure which will include tower setup, micro site and fiberised backhaul network. Tower companies are well positioned to capitalise on this opportunity. We are engaging with the

Government to explore all the possibilities of telecom infrastructure deployments in Smart Cities. Possibility of offering transmission backhaul through optical fibre connectivity at towers, subject to favorable regulatory changes, as well as providing first level maintenance services in relation to customers' active infrastructure installed at towers.

We continue to look for such opportunities across the country and are prepared to meet the customer's needs to deploy additional data networks and share it with everyone on a non-discriminatory basis. We shall assess all the available



opportunities and businesses that are in accordance with the Company philosophy and are value accretive. All such businesses will be taken up in consultation with the Board of Directors.

Clarity in Regulatory Environment

After continuous regulator uncertainty in the past, the last 2 years have been better. Clarity emerged on spectrum pricing with successful auctions in February 2014 and March 2015. The spectrum available is for 20 years and technology neutral, also major renewals for top 3 operators are already done. The outlook for the operators is much better than what it was couple of years back and this will prove to be a catalyst for accelerated network rollouts in future. This year, spectrum sharing and trading guidelines were also put in place. The spectrum trading guidelines in particular are helpful and leading to consolidation in the industry as it has provided exit route to smaller operators and the spectrum thus acquired by the bigger operators will be put to better use and rollout services in newer areas.

The quest for quality, profitability and viability on the operator side is a welcome sign for long-term growth of the tower industry.

Threats

General Economic Conditions in India

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

Bharti Infratel's business and growth prospects mainly depend on demand from wireless telecommunications service providers in India and any disruption to a fair, transparent and sustainable telecom regime will affect the Company adversely.

EMF Radiation Norms

EMF radiations are the invisible electric and magnetic forces arising from the active infrastructure installed at telecom towers. In the recent past some people have raised concerns around the radiations and its ill effects due to

The Company reported a net income of ₹ 23,820 Mn for the full year ended March 31, 2016 i.e. 19.4% of our consolidated revenues, registering Y-o-Y growth of 19.6%.

which securing a site for new tower addition has become difficult in few pockets. This might affect tower company business adversely if proper information is not disseminated to general public.

The EMF radiation norms in India are even tougher than Europe and non-adherence can invite hefty fines from the regulator. Also, there has been no conclusive evidence of the ill effect of radiations on human health. DoT has recognised this issue and has started educating people through various campaigns and media articles. Also, DoT has set up 'TERM Cells' to monitor the radiations and certify the locations.

The Government of India has acknowledged the fact that misinformation about EMF is leading to difficulty in securing new tower sites especially in Metros and the Government has been working closely with the operators and tower companies to dispel rumors around EMF radiations and its ill effects.

Operator Consolidation

The Telecom market in India was fragmented with more than 14 players at one point of time. The Average Revenue per User (ARPU) in India is lowest in the world and the industry went through a phase of hyper competition in recent years. Today, the operators are in much better shape and have been able to stop the price decline. The consolidation of operators may lead to co-location churn for tower companies due to consolidation and rationalisation of networks. Bharti Infratel is largely insulated from this as more than 85% of the revenues come from the top three players in the industry and these three players are expected to be acquirers rather than being targets. In the long run, we believe that consolidation is good for the industry.

Financial Results & Operations

Bharti Infratel has put up a healthy performance in FY 2015-16.

On a consolidated basis, the Company added 2,916 towers and 12,741 net co-locations during the year. As on March 31, 2016, average sharing factor stood at 2.19 times, on a consolidated basis (with a closing sharing factor of 2.20)

Our consolidated revenue from operations for the year ended March 31, 2016 was ₹ 123,084 Mn, a growth of 5.5% compared to year ended March 31, 2015. Our consolidated revenue comprises of primarily revenues from co-locations of Bharti Infratel and 42% economic Interest in Indus Towers and their energy billings. As on March 31, 2016, Bharti Infratel and Indus Towers had average sharing factors of 2.11 (with closing sharing factor of 2.12) and 2.25 (with closing sharing factor of 2.25) per tower, respectively.

The Company had an EBITDA of ₹ 54,031 Mn witnessing a growth of 7.8% year on year. The EBITDA margin for the financial year ended March 31, 2016 was 43.9%. The Company reported a net income of ₹ 23,820 Mn for the full year ended March 31, 2016, registering Y-o-Y growth of 19.6%.

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which fair valuation is carried out. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

The Company had an EBITDA of ₹ 54,031 Mn witnessing a growth of 7.8% year on year. The EBITDA margin for the financial year ended March 31, 2016 was 43.9%.

Risks & Concerns

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

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

Changes in Regulatory Environment

Despite huge improvements, the regulatory environment in India continues to be challenging. Regulatory developments will have significant implications on the future of telephony as well as India's global competitiveness. Any adverse regulatory change may affect the profitability outlook of the operators, which in turn will affect us as we derive our revenues from telecom operators in India who are our customers.

Natural Disasters Damaging Telecom Networks

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

During the floods in Chennai, the Company was able to demonstrate its operational excellence and disaster management skills. Our people's efforts and robust processes helped us restore operations promptly, thus ensuring vital telecom connectivity at all times. The

Aon Hewitt recognised Bharti Infratel for the 2nd time in a row as one of the 'Best Employers' in FY 2015-16.

Company's commitment towards service excellence even in times of crisis has been well appreciated by all customers and establishes robustness of our business continuity plans.

Technological Changes Affecting the Tower Demand

The potential future demand for towers could be affected by technological changes and advancements. There have been some trials in the past like Google Project Loon and other related technologies which can provide mobile broadband access by placing some balloons or low orbit satellites in the air thus bypassing the need for towers.

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

Internal Control Systems

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are accountable for financial controls, measured by objective metrics on accounting hygiene and audit scores. The Company deploys a robust system of internal controls that facilitates the accurate and timely compilation of financial statements and management reports, ensures regulatory and statutory compliance, and safeguards investor interest by ensuring the highest level of governance and periodic communication with investors.

The Audit Committee reviews the effectiveness of the internal control system across the Company and also invites the senior management / functional heads to provide an update on their functions from time to time. A CEO and CFO Certificate included in the Corporate Governance Report confirms the existence of effective internal control systems and procedures in the Company. The Company's Internal Assurance Group also conducts periodic assurance reviews to assess the adequacy of internal control systems and reports to the Audit Committee of the Board.

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

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

Material Developments in Human Resources

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

Hiring Best Talent

We continue to hire talent educated from premier institutes and with previous work experience in reputed organisations for lateral hires. We have the 'Quality of Hire' parameters in order to attract & hire quality talent.

The Company has hired 13 young talents from premier technical institutes like NITs as a part of our Graduate Engineer Trainee (GET) program focusing mainly on institutes from the North East. These young recruits are going through a rigorous development program aimed at accelerating their career and for developing young leaders of tomorrow. Our trainees from previous batches have taken up mid-management roles in our Operations team post completion of the development program.

Diversity

During FY 2015-16, we moved ahead with our Diversity vision for the Company. Our vision was to promote a diverse and inclusive environment by building a diversity enabling culture through education, inclusiveness, collaboration, and respect. We conducted the 'Women in Business' conclave wherein eminent personalities from different industries interacted and shared ideas with all women employees.

This year improving gender diversity remained a key focus area and gender diversity hiring has improved from 12% to 15% and the diversity ratio has increased from 5.5% to 6% in FY 2015-16.

Career Framework and Career Plans

We have developed functional career paths and career plans in form of the 'RISE' program for all eligible employees. We strengthened the internal job posting process in order to provide larger roles to our talent across geographies. The internal job postings have been made online to provide visible opportunities of growth. There has been a huge focus on driving career conversations between managers and employees to capture career aspiration of employees. This year, we were able to provide numerous role changes within and across circles and functions as part of the career planning.

Talent Development

Competency development of our people is focused towards increasing performance at current role and preparing for future roles. We have designed and implemented a new leadership competency framework called 'Infratel DNA', which defines the behaviours critical for success at Infratel. Our process is focused on differentiation of employees based on potential and developing a proposition for high potential talent. All our learning offers have been designed to develop the Infratel DNA in our people. The complete learning and development has moved online with the launch of i-Learn, our new Learning Management System where the ownership of an employee's development is in their own hands. This is an online platform where an employee can explore a plethora of learning opportunities and nominate himself for programs of interest. The focus is on developing leaders for tomorrow.

Employee Recognition

This year our focus was to enhance employee recognition on an online platform. We reintroduced our recognition scheme 'Applause' online linked to the intranet. This was well received and employees were recognised at all levels for key achievements and for displaying the Infratel DNA. We also highlighted the top recognisers and awardees on the portal. This has led to real time rewards and recognition opportunity across the organisation.

Safety

This year safety has been a pivotal people agenda and one of the organisation level strategic projects. Safety governance takes place at the highest levels in the organisation.

Throughout the year, we had theme based employee communication forums & safety awareness campaigns to build and grow a culture of safety in the organisation. New initiatives like Consequence Management Process, conversion of Safety Manual to Hindi and Group term Life Insurance for all off roll employees were rolled out during FY 2015-16.

As a result of all the focused efforts through the year, Aon Hewitt recognised Bharti Infratel for the 2nd time in a row as one of the 'Best Employer' in FY 2015-16.

Summary & Outlook

Telecommunication is at the forefront of Internet revolution and the advent of internet has radically transformed the world of communications, information exchange, entertainment and business. India has the third largest Internet user base in the world out of which more than 50% are mobile-only Internet users and growing fast. The key factors that would lead to this growth are initiatives by the government, availability of Mobile Internet ecosystem at affordable prices and innovative content and service offerings from mobile based services players. Increase in smartphone penetration and increasing demand for Internet based services such as chat, social media, video and music through the mobile medium suggest a paradigm shift in content consumption preferences which in turn, would accelerate the growth in Mobile Internet usage.

Telecom Tower Infrastructure is vital for running the mobile networks. As telecom operators are focusing on increasing market penetration with limited capital expenditure, the telecom tower companies through leasing and sharing have helped operators rollout networks in record time at fraction of cost and thus allowing telecom operators to focus on core marketing activities. The data proliferation is translating into accelerated rollout opportunity for the tower companies in terms of Loading and new tenancies. Bharti Infratel and Indus Towers are the preferred partners of all the major telecom operators and we hope to keep on gaining the market share and cater to all the network requirements of the operators, both in terms of coverage as well as capacity.

Report on Corporate Governance

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

Governance Philosophy

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

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

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

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

- Well-experienced and diverse Board of Directors;
- Adoption of transparent procedures and practices and arriving at decision on the strength of adequate information;

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

Governance Structure

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

- Strategic Supervision and Direction – by the Board of Directors, who exercise independent judgement in

overseeing management performance on behalf of the shareowners and other stakeholders and hence, play a vital role in the oversight and management of the Company;

- Control and implementation – by the Infratel Executive Committee, chaired by the Managing Director and CEO. This team owns and drives company-wide processes, systems and policies and meets on a monthly basis to review execution of business strategy and ensure that operational synergies are achieved. This team also functions as a role model for leadership development and as a catalyst for imbibing customer centricity and meritocracy in the culture of the Company;
- Operations management – by the Circle Executive Committee, headed by the Circle Business Head, for day-to-day management and decision making, focused on enhancing the efficiency and effectiveness of the circle business indicators; and
- Risk Steering Committee which monitors the effectiveness of the risk management policy, and reviews the progress on the risk mitigation steps being taken by the Company.

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

Board of Directors

Board Diversity and Structure

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

The Company has a broad-based Board of Directors, constituted in compliance with the Companies Act, 2013,

Listing Regulations entered with the stock exchange(s) and in accordance with the best practices in Corporate Governance. The Board functions either as a full Board or through various committees constituted to oversee specific areas. Policy formulation, setting up of goals, evaluation of performance and control functions vest with the Board.

Composition of the Board

The Board of Directors, along with its committees, provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The Company's Board is an optimum mix of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As on March 31, 2016, the Board comprises of 9 members with an Executive Chairman, Managing Director & CEO besides 2 Non-Executive Non Independent Directors and 5 Non-Executive Independent Directors.

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

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

Independent Directors

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

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

At the time of appointment and thereafter at the beginning of each financial year, the Independent Directors submit a self-declaration, confirming their independence and compliance with various eligibility criteria laid down by the Company, among other disclosures and the Company also ensures

that its Directors meet the above eligibility criteria. All such declarations are placed before the Board for information.

Lead Independent Director

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

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

Meeting of Independent Directors

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

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

During FY 2015-16, the Independent Directors met 4 times on April 27, 2015; July 22, 2015; October 23, 2015 and January 27, 2016.

Familiarisation Programme

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

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

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

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

Board Meeting Schedules and Agenda

The calendar for the Board and Committee meetings, in which the financial results would be considered in the ensuing year are fixed in advance for the whole year. The Board Calendar has been disclosed later in the report and has also been uploaded on the Company's Website. The Board meetings are held within 45 days from the end

of the quarter in the manner that it coincides with the announcement of quarterly results. Time gap between two consecutive meetings does not exceed 120 days. In case of an urgent necessity additional Board meeting is called.

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

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

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

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

Information available to the Board

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

- Annual operating plans, capital budgets and updates therein;
- Quarterly and annual consolidated and standalone results & financial statements for the Company;

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

Number of Board Meetings

During FY 2015-16, the Board met 4 times i.e. on April 27, 2015; July 22, 2015; October 23, 2015 and January 27, 2016. The Board approved 2 matters by passing resolution by circulation during FY 2015-16 and the same were presented in the next meeting for its noting.

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

Name of Director	Category	Number of other directorships ¹ and committee ² memberships and chairmanships			No. of Meetings held during his tenure and attended		Whether attended last AGM
		Directorships	Committees		Held	Attended	
			Chairman	Member			
Mr. Akhil Gupta (DIN No. 00028728)	Chairman	13	NIL	1	4	4	Yes
Mr. Bharat Sumant Raut (DIN No. 00066080)	Independent Director	8	2	1	4	4	Yes
Mr. D S Rawat (DIN No. 06798626)	Managing Director & CEO	2	NIL	NIL	4	4	Yes
Mr. Jitender Balakrishnan (DIN No. 00028320)	Independent Director	10	2	3	4	4	No
Ms. Leena Srivastava (DIN No. 00005737)	Independent Director	3	NIL	NIL	4	4	Yes
Mr. Mark Chin Kok Chong (DIN No. 06638569)	Non-Executive Director	1	NIL	NIL	4	4	No
Mr. N Kumar (DIN No. 00007848)	Independent Director	14	3	3	4	3	No
Mr. Rajan Bharti Mittal ³ (DIN No. 00028016)	Non-Executive Director	12	1	1	1	1	No
Mr. R P Singh ⁴ (DIN No. 02943155)	Independent Director	2	NIL	NIL	3	3	Yes
Mr. Rakesh Bharti Mittal ⁵ (DIN No. 00042494)	Non-Executive Director	N.A	N.A	N.A	3	3	Yes
Mr. Vinod Dhall ⁶ (DIN No. 02591373)	Independent Director	N.A	N.A	N.A	2	2	No

1. The directorships, held by Directors, as mentioned above, do not include the directorships held in foreign companies / body corporates and Bharti Infratel Limited.
2. Committees considered for the purpose are those prescribed under the Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies other than Bharti Infratel Limited. Committee memberships details provided do not include chairmanship of committees as it has been provided separately.
3. Mr. Rajan Bharti Mittal was appointed as Additional Director w.e.f. January 27, 2016.
4. Mr. R P Singh was appointed as Additional Director w.e.f. July 15, 2015 and regularised by the shareholder in the Annual General Meeting held on August 11, 2015.
5. Mr. Rakesh Bharti Mittal ceased to be Director w.e.f. January 27, 2016.
6. Mr. Vinod Dhall ceased to be Director w.e.f. September 02, 2015.

Notes:

- 1. There are no inter-se relationships between our Board members.
- 2. As on March 31, 2016, apart from Mr. Akhil Gupta, Chairman and Mr. D S Rawat, Managing Director & CEO who holds 2,173,334 and 78,625 equity shares respectively, no other Director of the Company holds shares in the Company.

Remuneration of Directors

The details of the remuneration paid to Directors during FY 2015-16 is given below:

(Amount in ₹)

Name of Director	Salary and allowances ¹	Performance linked incentive	Perquisites ²	Commission ³	Total
Executive Directors					
Mr. Akhil Gupta	61,364,607	27,000,000	39,600	-	88,404,207
Mr. D S Rawat	22,154,363	11,078,624 ⁴	-	-	33,232,987
Non-Executive Directors					
Mr. Bharat Sumant Raut	--	--	--	2,000,000	2,000,000
Mr. Jitender Balakrishnan	--	--	--	1,500,000	1,500,000
Ms. Leena Srivastava	--	--	--	1,500,000	1,500,000
Mr. Mark Chin Kok Chong	--	--	--	750,000	750,000
Mr. N. Kumar	--	--	--	1,125,000	1,125,000
Mr. Rajan Bharti Mittal	--	--	--	187,500	187,500
Mr. R P Singh	--	--	--	1,125,000	1,125,000
Mr. Rakesh Bharti Mittal	--	--	--	5,62,500	5,62,500
Mr. Vinod Dhall	--	--	--	750,000	750,000
Total	83,518,970	38,078,624	39,600	9,500,000	131,137,194

1 The salary and allowance includes the Company's contribution to the Provident Fund

2 This does not include perquisite value as mentioned in Annexure J annexed with the Board's Report with respect to exercise of stock options granted to Mr. Akhil Gupta and Mr. D S Rawat in FY 2008-09 and FY 2010-11 under ESOP scheme 2008.

3 Provision for profit based commission for FY 2015-16

4 Performance Linked incentive paid to Mr. D S Rawat during FY 2015-16 includes ₹ 1,855,038 as arrears of previous year.

Notes:

① The value of the perquisites is calculated as per the provisions of the Income Tax Act, 1961.

② During the year, Mr. D S Rawat was granted 15,991 Stock options effective August 1, 2015 under ESOP Scheme 2014 at an exercise price of ₹ 10 per option, with vesting period spread over 3 years. The options can be converted into equity shares either in full or in tranches at any time upto seven years from the date of vesting. The unexercised vested options can be carried forward throughout the exercise period. The options which are not exercised will lapse after the expiry of the exercise period.

③ No other Director has been granted any stock option during the year.

④ No notice period or severance fee is payable to any Director.

⑤ Performance Linked Incentive (PLI) is based on the actual payout made during the year.

⑥ There were no other pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company.

⑦ During FY 2015-16, the Company did not pay any sitting fees to the Directors.

Nomination, Remuneration & Board Diversity

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

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

The detailed Nomination, Remuneration and Board Diversity Policy is annexed as **Annexure A** to the Board's Report. The Company affirms that the remuneration paid to the Directors is as per terms laid out in the Nomination, Remuneration and Board Diversity Policy of the Company.

Board Committees

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

Audit and Risk Management Committee

As on March 31, 2016, Audit and Risk Management Committee comprises of 3 Directors, all of whom are Independent. The Chairman of the Committee, Mr. Bharat Sumant Raut, Independent Director has sound financial knowledge, as well as many years of experience in general management. All members of Audit and Risk Management Committee, including the Chairman, have accounting and financial management expertise. The composition of the Audit and Risk Management Committee meets the requirements of Section 177 of the Companies Act, 2013 and the Listing Regulations.

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

The Chairman of the Audit and Risk Management Committee was present at the last AGM held on August 11, 2015.

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

- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommend to the Board in respect of the appointment (including the filling of a casual vacancy), resignation or dismissal, remuneration and terms of appointment of the statutory auditor, internal auditors;
- Pre-approve limits in respect of non-audit services provided by the statutory auditor;
- Discuss with the statutory auditor, before the audit commences, the nature and scope of the audit to be conducted; also conduct post-audit discussion to ascertain any areas of concern;
- Review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' responsibility statement, included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgement by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of all related party transactions;
 - Qualifications in the draft audit report;
 - Management discussion and analysis of financial condition and results of operations;

- ❶ Statement of significant related party transactions with specific details of the transactions, which are not in the normal course of business or the transactions which are not at arms' length price;
- ❶ Quarterly compliance certificates confirming compliance with laws and regulations, including any exceptions to these compliances;
- ❶ Management letter / letters of internal control weaknesses issued by the statutory auditors;
- ❶ Internal audit reports relating to internal control weaknesses;
- ❶ The financial statements, in particular the investments, if any, made by unlisted subsidiary companies.
- ❶ Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- ❶ Review the Company's financial and risk management policies; and implementation of treasury policies & strategies, and status of investor relation activities;
- ❶ To oversee the functioning of the Vigil / Whistle Blower mechanism;
- ❶ Review the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
- ❶ Approve the appointment, re-appointment and removal of Chief Financial Officer of the Company after assessing the qualifications, experience and background, etc. of the candidate;
- ❶ Ensure that the internal audit function is effective, adequately resourced, and to review coordination between internal and statutory auditors and (where relevant) the risk management department;
- ❶ Review the state and adequacy of internal controls with key members of the management, statutory auditors and internal auditors;
- ❶ Discuss with the internal auditor the coverage and frequency of internal audits as per the annual audit plan;
- ❶ Review & monitor the statutory and internal auditor's independence, performance & effectiveness of audit process;
- ❶ Review the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board;
- ❶ Scrutiny of inter-corporate loan & investments;
- ❶ Monitoring and reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter;
- ❶ Valuation of undertakings or assets of the Company, wherever it is necessary;
- ❶ Appointment of a registered valuers;
- ❶ Evaluation of internal financial controls and risk management systems;
- ❶ Approval or any subsequent modification of transactions of the Company with related parties;
- ❶ Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the listing agreement and the Companies Act, 1956 / Companies Act, 2013;
- ❶ To formulate and review risk management policy;
- ❶ To implement, monitor and review the risk management framework, the risk management plan and related matters; and
- ❶ To delegate above said authorities to sub-committees, whenever required.

Powers of the Audit and Risk Management Committee

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice;
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Meetings, Attendance and Composition of the Audit and Risk Management Committee

During FY 2015-16, the Committee met 4 times i.e. on April 27, 2015; July 22, 2015; October 23, 2015 and January 27, 2016.

The Committee approved 1 matter by passing a resolution by circulation during FY 2015-16 and the same was presented in the next meeting for its noting.

All recommendations made by the Audit and Risk Management Committee were accepted by the Board.

The composition of the Committee as on March 31, 2016 and the attendance of members at the meetings held during FY 2015-16, are given below:

Name of Director(s)	Category	No. of Meetings held during his tenure and attended	
		Held	Attended
Bharat Sumant Raut – Chairman	Independent Director	4	4
Jitender Balakrishnan	Independent Director	4	4
R P Singh ¹	Independent Director	2	2
Vinod Dhall ²	Independent Director	2	2

1 Mr. R P Singh was appointed as a member of Audit and Risk Management Committee in the Board Meeting held on July 22, 2015 subsequent to the meeting of Audit and Risk Management Committee

2 Mr. Vinod Dhall ceased to be a member w.e.f. September 02, 2015

HR, Nomination and Remuneration Committee

As on March 31, 2016, the HR, Nomination and Remuneration Committee comprises of 4 Non-Executive Directors, of whom 2 members, including, the Chairman are Independent Directors. The composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and the Listing Regulations. The Company Secretary acts as the secretary of the Committee. The Group Director- HR and Chief Human Resource Officer are permanent invitees to the Committee meetings. Other senior management members are also invited to the meeting to present reports relating to the items being discussed at the meeting.

Key Responsibilities of the HR, Nomination and Remuneration Committee, inter-alia, include

HR Related

- Attraction and Retention strategies for employees;
- Formulation and recommendation to the Board, a policy relating to remuneration of Directors, key managerial personnel and other employees;
- Determine the compensation (including salaries and salary adjustments, incentives / benefits, bonuses) and Performance targets of the Chairman and of the Managing Directors & CEO's;
- Review employee development strategies;
- Assess the learning and development needs of the Directors and recommend learning opportunities which can be used by Directors to meet their needs for development;
- Review its Terms of Reference on an annual basis and recommend any changes to the Board;
- Review all human resource related issues including succession plan of key personnel;
- Approve the remuneration payable to managerial persons in case of no profit or inadequate profit taking into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration while bringing objectivity in determining the remuneration

package while striking a balance between the interest of the Company and the shareholders.

ESOP Related

- Formulation of ESOP plans and decide on future grants from time to time;
- Formulation of terms and conditions on following under the present ESOP Schemes of the Company with respect to:
 - Quantum of options to be granted under ESOP Scheme(s) per employee and in the aggregate under a plan;
 - Performance conditions attached to any ESOP Plan;
 - Conditions under which options vested in employees may lapse in case of termination of employment for misconduct;
 - Exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
 - Specified time period within which the employee must exercise the vested options in the event of termination or resignation of an employee;
 - Right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
 - Procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
 - Grant, vest and exercise of option in case of employees who are on long leave; and the procedure for cashless exercise of options;
 - Any other matter which may be relevant for administration of ESOP schemes from time to time.
- Other key issues as may be referred by the Board.

Nomination Related

- Formulate the criteria / policy for appointment of Directors, senior management. The criteria / policy to include qualifications, positive attributes and independence of a Director;
- Review and recommend the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and Board Committees;
- Identify and recommend to the Board, persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and their removal thereof;
- Evaluate the balance of skills, knowledge, experience and diversity on the Board for description of the role and capabilities required for particular appointment;
- Review succession planning for Executive and Non-Executive Directors and other senior executives particularly the Chairman, Managing Directors and CEO's;
- Recommend suitable candidate for the role of Lead Independent Director;
- Recommend the appointment of any Director to executive or other employment / place of profit in the Company;
- Conduct an annual evaluation of overall effectiveness of the Board, the committees of the Board and the performance of each Director.

The HR Committee shall also consider any other key issues / matters as may be referred by the Board or as may be necessary in view of the Listing Regulations or any other statutory provisions.

Meetings, Attendance and Composition of HR, Nomination and Remuneration Committee

During the FY 2015-16, the Committee met 4 times i.e. on April 27, 2015; July 22, 2015; October 23, 2015 and January 27, 2016.

The Committee approved 1 matter by passing a resolution by circulation during FY 2015-16 and the same was presented in the next meeting for its noting.

Name	Category	No. of Meetings held during his/ her tenure and attended	
		Held	Attended
Mr. N. Kumar – Chairman	Independent Director	4	3
Ms. Leena Srivastava	Independent Director	4	4
Mr. Mark Chin Kok Chong	Non-Executive Director	4	4
Mr. Rajan Bharti Mittal ¹	Non-Executive Director	0	0

¹ Mr. Rajan Bharti Mittal was appointed as a member of the HR Nomination and Remuneration Committee in the Board Meeting held on January 27, 2016 subsequent to the meeting of HR, Nomination and Remuneration Committee

Board Evaluation

In compliance with the provisions of the Companies Act, 2013 and the Listing Regulations, HR, Nomination and Remuneration Committee has approved the process, attributes, criteria and format for the performance evaluation of the Board, Committees of the Board and Individual Directors including the Chairman and Managing Director & CEO.

The process provides that the performance evaluation shall be carried out on an annual basis. During the year, the evaluation process was completed by the Company which included evaluation of the Board as a whole, Board Committees and individual Directors including the Chairman and MD & CEO. The evaluation process was facilitated by an independent leading consulting firm.

Performance of the Board and Board Committees were evaluated on various parameters such as structure, composition, quality, diversity, experience, competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness.

Performance of individual Directors was evaluated on parameters such as attendance at the meetings, participation and contribution, responsibility towards stakeholders and independent judgement.

Chairman and MD & CEO were evaluated on certain additional parameters such as performance of the Company, leadership, relationships and communications.

Some of the performance indicators based on which the Independent Directors were evaluated include:

- Devotion of sufficient time and attention towards professional obligations for independent decision and acting in the best interest of the Company;
- Provides strategic guidance to the Company and determine important policies with a view to ensure long term viability and strength;
- Bringing external expertise and independent judgement that contributes to the objectivity of the Board's deliberation, particularly on issues of strategy, performance and conflict management.

All Directors participated in the evaluation survey and review was carried out through a peer-evaluation excluding the Director being evaluated. The result of evaluation was discussed in the Independent Director's meeting, respective Committees meetings and in the Board Meeting. The Board members noted the suggestions / inputs of Independent Directors, HR, Nomination and Remuneration Committee and respective Committee Chairman and also discussed various initiatives to further strengthen Board effectiveness.

Stakeholders' Relationship Committee

In compliance with requirements of the Listing Regulations and provisions of Section 178 of the Companies Act, 2013, the Company has a Stakeholders' Relationship Committee. As on March 31, 2016, the Committee comprises 3 members of whom 2 are Executive Directors and 1 Non-Executive Director. Mr. Rajan Bharti Mittal, Non-Executive Director is the Chairman of the Committee. The Company Secretary acts as a Secretary to the Committee.

Key Responsibilities of the Stakeholders' Relationship Committee, inter-alia, include

The key responsibilities of the Stakeholders' Relationship Committee include the following:

- Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

- Consider and resolve the complaints / grievances of security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend;
- Dematerialise or rematerialise the share certificates;
- Approve the transmission of shares or other securities arising as a result of death of the sole / anyone joint shareholder;
- Sub-divide, consolidate and / or replace any share or other securities certificate(s) of the Company;
- Issue duplicate share / other securities, certificate(s) in lieu of the original share / security(ies) certificate(s) of the Company;
- Approve, register, and refuse to register transfer / transmission of shares and other securities;
- To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s);
- Oversee & review, all matters connected with the transfer of securities of the Company;
- Oversee the performance of Registrar and Share Transfer Agent of the Company;
- Recommend methods to upgrade the standard of services to the investors;
- To deal with the unclaimed / undelivered shares of the Company;
- To do all such acts, deeds and things as may be necessary in this regard.

The meetings of the Committee are generally held as and when deemed necessary, to review and ensure that all investor requests / grievances are redressed within a stipulated time period.

Meetings, Attendance and Composition of Stakeholders' Relationship Committee

During FY 2015-16, the Stakeholders' Relationship Committee met 10 times i.e. on April 1, 2015; April 16, 2015;

May 19, 2015; June 10, 2015; August 07, 2015; September 09, 2015, October 23, 2015; November 27, 2015; January 4, 2016 and January 27, 2016.

The composition of the Committee as on March 31, 2016 and the attendance of members at the meetings held during the FY 2015-16, are given below:

Name	Category	Number of meetings held during his / her tenure and attended	
		Held	Attended
Mr. Rajan Bharti Mittal – Chairman ¹	Non- Executive Director	1	1
Mr. Akhil Gupta	Executive Director	10	10
Mr. D S Rawat	Executive Director	10	6
Mr. Rakesh Bharti Mittal ²	Non- Executive Director	9	9

1 Mr. Rajan Bharti Mittal was appointed as Chairman w.e.f January 27, 2016

2 Mr. Rakesh Bharti Mittal ceased to be the Chairman w.e.f. January 27, 2016

Compliance Officer

Mr. Anupam Garg, Company Secretary, acted as the Company's Compliance Officer up to July 22, 2015. The Board in its meeting held on July 22, 2015, had appointed Ms. Shweta Girotra as the Company Secretary and Compliance Officer of the Company w.e.f July 23, 2015 for complying with the requirements of the Listing Regulations and applicable laws.

Nature of Complaints and Redressal Status

During FY 2015-16, the complaints and queries received by the Company were general in nature, which include issues relating to non-receipt of dividend warrants, shares, Annual Reports and others, which were resolved to the satisfaction of the shareholders.

Details of the investors' complaints received during FY 2015-16 are as follows:

Complaints pending as on April 01, 2015	Number of complaints received during FY 2015-16	Complaints redressed during FY 2015-16	Complaints pending as on March 31, 2016
NIL	04	04	NIL

To redress investor grievances, the Company has a dedicated e-mail id, compliance.officer@bharti-infratel.com to which investors may send their grievances.

Committee of Directors

To cater to various day-to-day requirements and to facilitate seamless operations, the Company has formed a functional Committee known as the Committee of Directors. The Committee meets as and when deem necessary to cater to the day to day requirements of the Company.

As on March 31, 2016, the Committee comprises of 3 members of whom 2 are Executive Directors and 1 Non-Executive Director. Mr. Akhil Gupta, Executive Director is the Chairman of the Committee. The Company Secretary acts as a Secretary to the Committee.

Key Responsibilities of the Committee of Directors (within the limit approved by the Board), inter-alia, include

Investment Related

- To make loans to anybody corporate / entity within the overall limits approved by the Board of Directors;
- To give guarantee(s) in connection with loan made to anybody corporate / entity within the overall limits approved by the Board of Directors;
- To negotiate, finalise, amend, modify, approve and accept the terms and conditions with respect to aforesaid loans and / or Guarantee(s) from time to time;
- To purchase, sell, acquire, subscribe, transfer, sell or otherwise deal in the shares / securities of any company, body corporate or other entities within the limits approved by the Board;

Treasury Related

- To borrow such sum of money and such other credit facilities as may be required by the Company from time to time provided that the money already borrowed, together with the money to be borrowed by the Company does not exceed the limits i.e. upto the paid up capital and free reserve of the Company;
- To create security / charge(s) on all or any of the assets of the Company for the purpose of securing credit facility (ies) of the Company;
- To deal in government securities, units of mutual funds, fixed income and money market instruments (including commercial papers, ICDs and short term deposits of corporate), fixed deposits & certificate of deposit program of banks and other instruments / securities / treasury products of banks & financial institutions etc. as per treasury policy of the Company;
- To deal in foreign exchange and financial derivatives linked to foreign exchange and interest rates including, but not limited to foreign exchange spot, forwards, options, currency swaps and interest rates swaps;
- To open, operate, close, change in authorisation for any Bank account, Subsidiary General Ledger (SGL) Account, Dematerialisation / Depository Account;
- To approve, finalise and authorise the execution of any deed, document, letter or writing in connection with the aforesaid activities including borrowing / credit facilities, creation of charge etc.

Allotment of Shares

- Allotment of shares of the Company from time to time, in one or more tranches, as per the terms of the ESOP Schemes for the time being in force;
- To seek listing of shares issued as above on one or more Stock Exchanges in India and all such shares being pari-passu with the existing equity shares of the Company in all respects;
- To do all such acts, deeds and things, as may be necessary and incidental to allotment and listing of shares.

General Authorisations

- To open, shift, merge, close any branch office, circle office etc;
- To approve for participation into any tender, bid, auction etc. by the Company;
- To register the Company with any Central / State Government authorities, Semi-Government authorities, local authorities, tax authorities including sales tax, service tax, value added tax authorities, labour law authorities, administrative authorities, business associations and other bodies;
- To purchase, sell, take on lease / license, transfer or otherwise deal with any property;
- To apply for and surrender any electricity, power or water connection;
- To appoint any Merchant Banker, Chartered Accountant, Advocate, Company Secretary, Engineer, Technician, Consultants and / or Professionals for undertaking any assignment for and on behalf of the Company;
- To constitute, reconstitute, modify, and dissolve any trust or association with regard to the administrative matters or employee related matters and to appoint, reappoint, remove, replace the trustees or representatives;
- To authorise one or more employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s) jointly or severally to represent the Company before Central Government, State Governments, Judicial, Quasi-judicial and other statutory / administrative authorities or any other entity;
- Negotiate, finalise, execute, modify, sign, accept, and withdraw all deed, agreements, undertakings, certificates, applications, confirmations, affidavits, indemnity bonds, surety bonds, and all other documents and papers;
- Affix common seal of the Company;
- Enter into, sign, execute and deliver all contracts for and on behalf of the Company;
- To do all such acts, deeds and things as may be required for the smooth conduct of the operations of the Company and which does not require the specific approval of the Board of Directors of the Company or which has specifically been delegated by the Board of Directors to any other committee of the Board or any officer, employee or agent of the Company;
- To perform such other functions as may be authorised / delegated by the Board of Directors or as might have been authorised / delegated to the erstwhile Borrowing and Investment Committee;
- To authorise / delegate any or all of its power to any person, officer, representative.

Meetings, Attendance and Composition of Committee of Directors

During FY 2015-16, the Committee met 10 times i.e. on April 1, 2015, May 20, 2015, June 11, 2015, July 13, 2015, July 22, 2015, August 7, 2015, September 3, 2015, October 23, 2015, November 27, 2015, March 29, 2016.

The composition of the Committee as on March 31, 2016 and the attendance of members at the meetings held during FY 2015-16, are given below:

Name of Director(s)	Category	Number of meetings held during his/her tenure and attended	
		Held	Attended
Mr. Akhil Gupta	Executive	10	10
Chairman	Director		
Mr. D S Rawat	Executive	10	8
	Director		
Mr. Rajan Bharti Mittal ¹	Non-Executive	1	1
	Independent		
	Director		
Mr. Rakesh Bharti Mittal ²	Non-Executive	9	9
	Director		

1 Mr. Rajan Bharti Mittal was appointed as a member w.e.f January 27, 2016

2 Mr. Rakesh Bharti Mittal ceased to be a member w.e.f. January 27, 2016

Corporate Social Responsibility Committee

In compliance with the requirements of the Companies Act, 2013, the Company has constituted the Corporate Social Responsibility Committee.

As on March 31, 2016, the Committee comprises of 4 members of whom 2 are Independent Directors, 1 Non-Executive Director and 1 Executive Director. Mr. N Kumar, Independent Director, is the Chairman of the Committee. The Company Secretary acts as a secretary to the Committee.

Key Responsibilities of the CSR Committee

- Formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate activities to be undertaken by the Company;
- Recommend the amount of expenditure to be incurred on the activities undertaken;
- Monitor the Corporate Social Responsibility Policy of the Company from time to time;
- Review the performance of the Company in the area of CSR;
- Evaluate social impact of the Company's CSR Activities;
- Review the Company's disclosure of CSR matters including any annual social responsibility report;
- Review the following, with the management, before submission to the Board for approval:
 - a) The Business Responsibility Report and Sustainability Report
 - b) CSR Report
- Institute a transparent monitoring mechanism for implementation of the CSR Project or programs or activities;
- Approve the appointment or re-appointment of Directors responsible for Business Responsibility;
- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the Listing Regulations and the Companies Act, 2013.

On the recommendation of the CSR Committee, the Board had approved the Corporate Social Responsibility Policy (CSR Policy) of the Company. The CSR Policy intends to strive for economic development that positively impacts the society at large with minimal resource footprints. The Policy is posted on the website of the Company and can be accessed at www.bharti-infratel.com.

Meetings, Attendance and Composition of CSR Committee

During the FY 2015-16, the Committee met 4 times i.e. on April 27, 2015, July 22, 2015; October 23, 2015 and January 27, 2016.

The composition of the Committee as on March 31, 2016 and the attendance of members at the meetings held during the FY 2015-16, are given below:

Name of Director(s)	Category	Number of meetings held during his / her tenure and attended	
		Held	Attended
Mr. N. Kumar – Chairman	Independent Director	4	3
Mr. D S Rawat	Executive Director	4	4
Ms. Leena Srivastava	Independent Director	4	4
Mr. Rajan Bharti Mittal ¹	Non-Executive Director	0	0

¹ Mr. Rajan Bharti Mittal was appointed as a member of CSR Committee in the Board Meeting held on January 27, 2016 subsequent to the meeting of CSR Committee

Corporate Social Responsibility Committee Report for the year ended March 31, 2016

The CSR report for the year ended March 31, 2016 is annexed as Annexure D to the Board's Report.

General Body Meeting

The details of last three Annual General Meetings (AGMs) are as follows:

Financial Year	Time, Day, Date & Location	Summary of Special Resolutions
2014-15	10:30 A.M. IST August 11, 2015 Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003	<ul style="list-style-type: none"> Adoption of new Articles of Association of Company as per Companies Act, 2013 To approve Related Party Transactions with Bharti Airtel Limited
2013-14	10:30 A.M. IST August 4, 2014 Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003	<ul style="list-style-type: none"> Amendment in the exercise period under Employee Stock Option Plan 2008 (ESOP Scheme) Amendment in the vesting schedule under Employee Stock Option Plan 2008 (ESOP Scheme)
2012-13	11.30 A.M. IST July 3, 2013 Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003	<ul style="list-style-type: none"> Re-appointment of Mr. Akhil Gupta as Managing Director Payment of Commission to Non- Executive Director(s) of the Company Amendment of Articles of Association of the Company.

No special resolution is proposed to be passed at the ensuing AGM.

Postal Ballot

The Company had passed Special Resolution through postal ballot / e-voting for Variation in terms of Objects of the Issue, on Monday, March 21, 2016:

Person Conducting the Postal Ballot / E-voting

Mr. D S Rawat, Managing Director & CEO and Ms. Shweta Girotra, Company Secretary were appointed as persons responsible for postal ballot / e-voting process. Mr. Sanjay Grover of M/s Sanjay Grover & Associates, Company Secretaries, New Delhi (CP No. 3850) was appointed as scrutiniser for conducting the postal ballot / e-voting process in a fair and transparent manner. Mr. Sanjay Grover conducted the postal ballot / e-voting process and submitted his report to the Company.

Procedure Followed for Postal Ballot / E-voting

- I. In compliance with the Listing Regulations and Section 108, 110 and other applicable provisions of the Companies Act, 2013, read with the rules made thereunder, the Company provided electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engaged the services of Karvy Computershare Pvt. Ltd. (Karvy) for the purpose of providing e-voting facility. The members had the option to vote either by physical ballot or e-voting.
- II. The Company dispatched the postal ballot notice, dated January 27, 2016, containing draft resolutions together with the explanatory statements, postal ballot forms and self-addressed envelopes to the members whose names appeared in the register of members / list of beneficiaries as on cut-off date i.e. Friday, February 5, 2016. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and applicable rules.
- III. Members were advised to carefully read the instructions printed on the postal ballot form before casting their vote and return the duly completed form in the attached self-addressed business reply envelope so as to reach the scrutiniser on or before the close of business hours on Monday, March 21, 2016 in case of members desiring to exercise their votes by physical postal ballot forms. Members voting through electronic mode were requested to follow the instructions for e-voting and could vote from 9:00 am on February 21, 2016 till 5:00 pm on March 21, 2016.

- IV. After due scrutiny of all the postal ballot forms / e-voting received upto the close of working hours on Monday, March 21, 2016, scrutiniser submitted his report on Tuesday, March 22, 2016
- V. The result of the postal ballot / e-voting was declared on Wednesday, March 23, 2016. In terms of provisions of Secretarial Standard-2, the last day for receipt of postal ballot form / e-voting has been taken as the date of passing the resolution.
- VI. The result of postal ballot / e-voting was published in the newspapers within 48 hours of the declaration of the results and is also placed at the website of the Company at www.bharti-infratel.com, besides being communicated to Stock Exchanges and Registrar and Share Transfer Agent.

Details of Voting Pattern

Based on the Scrutinisers' Report, the details of voting pattern in respect of the Special Resolution is as under:

Details of Resolution	Number of valid votes	Votes cast in favour of the resolution (no & % age)	Votes cast against the resolution (no & % age)
Variation in Terms of Objects of Issue	1,674,064,042	1,674,062,065 (99.99%)	1,977 (0.01%)

Special Resolution Proposed to be Conducted through Postal Ballot

The Board in its meeting held on April 26, 2016 has approved the Buy-back of Equity Shares of the Company subject to approval of shareholders through Postal Ballot. Details of the timelines and the procedure followed will be reported in the Corporate Governance Report for the FY 2016-17.

Disclosures and Policies

Disclosure on Materially Significant Related Party Transactions that may have Potential Conflict with the Interest of Company at large

All transactions entered into with related parties as defined under the Companies Act, 2013 and the Listing Regulations during the financial year were in the ordinary course of business and on an arm's length pricing basis.

None of the transactions with any of the related parties were in conflict with the interest of the Company rather, they synchronise and synergise with the Company's operations. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 35 of the Standalone Financial Statements, forming part of the Annual Report.

The required statements / disclosures, with respect to the Related Party Transactions, are placed before the Audit & Risk Management Committee as well as to the Board of Directors, on quarterly basis in terms of the Listing Regulations and other applicable laws for approval / information. Prior omnibus approval is obtained for Related Party Transactions which are repetitive in nature.

In terms of the Listing Regulations, Company shall obtain approval of shareholders by way of special resolution for material related party transactions i.e. the transaction / transactions or series of transactions with a related party in any financial year exceeds 10% of the consolidated turnover of the Company. Accordingly, Company has obtained approval of shareholders in the 9th Annual General Meeting held on August 11, 2015 for all the material Related Party Transactions entered / to be entered between the Company and its Holding Company, Bharti Airtel Limited.

The Board of Directors has formulated a Policy on dealing with Related Party Transactions pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties. The Policy is posted on the website of the Company at http://www.bharti-infratel.com/cps-portal/web/corporate_gov.html#4

Prevention of Sexual Harassment

Bharti Infratel's commitment towards creating a workplace that is free from any form of harassment and discrimination is exemplified by its 'zero-tolerance' approach towards any act of sexual harassment. The Company has a comprehensive

policy which is in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been constituted. The Committee's constituents include a senior-level woman chairperson, one member from the legal team, an external NGO representative and one member from the Ombudsperson's office. All such investigations are conducted as per the tenets of the law and the Company policy. The list of ICC members has been prominently displayed across all offices in publicly accessible areas. Further, awareness and training sessions about the Prevention of Sexual harassment at workplace are conducted for all employees, including our associates.

Details of Non-compliance with regard to Capital Markets during the last three years

There have been no instances of non-compliances by the Company and no penalties and / or strictures have been imposed by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

Insider Trading

In compliance with the SEBI regulation on prevention of insider trading, the Company has established systems and procedures to prohibit insider trading activity and has formulated a Code on Insider Trading activity for designated persons, who may have access to the Company's price sensitive information. The Code lays down procedures to be followed and disclosures to be made, while trading in the Company's shares.

The Company follows highest standards of transparency and fairness in dealing with all stakeholders and ensures that no insider shall use his or her position with or without knowledge of the Company to gain personal benefit or to provide benefit to any third party.

Whistle Blower Policy

Bharti Infratel has a robust and independent vigil mechanism that is administered through the office of the Ombudsperson. It outlines the method and process for stakeholders to voice genuine concerns about unethical conduct that may be in breach with the employees' Code of Conduct.

The policy aims to ensure that genuine complainants can raise their concerns in full confidence, without any fear of retaliation or victimisation. The Ombudsperson administers a formal process to review and investigate any concerns raised. It also undertakes all appropriate actions required to resolve the reported matter. Instances of serious misconduct dealt with by the Ombudsperson are reported to the Audit and Risk Management Committee. All employees of the Company as well as external stakeholders that has a grievance has full access to the Ombudsperson through phones, emails or even meetings in person. During the year under review, no employee was denied access to the Audit and Risk Management Committee.

Code of Conduct

In compliance with the Listing Regulations and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct for all Directors and Senior Management personnel. The code is available on the Company's website www.bharti-infratel.com. The Code is applicable to all Board members and Senior Management executives who directly report to the Chairman, the Managing Director & CEO. The Code is circulated to all Board members and Senior Management Personnel and its compliance is affirmed by them annually.

Besides, the Company also procures a quarterly confirmation of material financial and commercial transactions entered into by Senior Management personnel with the Company that may have a potential conflict of interest.

A declaration signed by the Managing Director & CEO, regarding affirmation of the compliance with the Code of Conduct by Board Members and Senior Management for the financial year ended March 31, 2016, is annexed as [Annexure A](#) to this report.

Along with the Code of Conduct for the Board members and Senior Management, the Company has also laid down a Code of Conduct for its employees. As a process, an annual confirmation is also sought from all employees. All employees are expected to confirm compliance to the Code annually.

Regular training programmes are conducted across locations to explain and reiterate the importance of adherence to the code.

CEO and CFO Certification

The certificate required under Regulation 17(8) of the Listing Regulations, duly signed by the Managing Director & CEO and CFO was placed before the Board. The same is annexed as Annexure B to this report.

Auditors' Certificate on Corporate Governance

As required under Regulation 34 of the Listing Regulations, the auditors' certificate on Corporate Governance is annexed as Annexure to the Board's Report.

Subsidiary Companies

The Company monitors performance of subsidiary Companies, inter alia, by the following means:

- Financial Statements, in particular investments made by unlisted subsidiary companies, are reviewed quarterly by Company's Audit and Risk Management Committee;
- Minutes of Board Meeting of unlisted subsidiary companies are placed before the Company's Board regularly;
- A statement containing significant transactions and arrangements entered into by unlisted subsidiary companies is placed before the Company's Board.

The Company does not have any material non-listed Indian subsidiary in terms of the provisions of Listing Regulations. The Board of Directors have formulated a Policy for determining material subsidiaries pursuant to the provisions of the Listing Regulations. The same is posted on the Company's website at www.bharti-infratel.com.

Compliance with the Mandatory Requirements as Specified in Regulations 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations

The Board of Directors periodically review the compliance of all applicable laws. The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated under the Listing Regulations. It has obtained a certificate affirming the compliances from M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, Gurgaon, the Company's Statutory Auditors and the same is attached to the Board's Report.

Details of Compliances with the Non-mandatory Requirements of Regulation 27 of the Listing Regulations

In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements in terms of the Listing Regulations:

Shareholders' Rights and Auditors' Qualification

The Company has a policy of announcement of the audited quarterly results. The results, as approved by the Board of Directors (or Committee thereof) are first submitted to the Stock Exchanges within 15 minutes / 30 minutes as applicable of the approval of the results. Once taken on record by the Stock Exchanges, the same are disseminated in the media through press release. The quarterly financial results are published in newspapers and uploaded on Company's website www.bharti-infratel.com.

On the same day / next day of the announcement of the quarterly results, an earnings call is organised where the management responds to the queries of the investors / analysts. These calls are webcast live and transcripts posted on the website.

Audit Qualifications

Company's financial statements are unqualified.

Separate posts of Chairman and CEO

The positions of the Chairman of the Board and the Managing Director & Chief Executive Officer of the Company are held by separate individuals.

Reporting of Internal Auditor

The Internal Auditors directly reports to the Audit and Risk Management Committee.

Compliance with the ICSI Secretarial Standards

The relevant Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) has been complied by the Company.

Green Initiatives by MCA

In compliance with the provisions of Section 20 of the Companies Act, 2013 and as a continuing endeavour towards the 'Go Green' initiative, the Company proposes to send all correspondences / communications through email to those shareholders, who have registered their email id

with their depository participant's / Company's registrar and share transfer agent. In case the shareholders desire to receive printed copy of such communications, they may send requisition to the Company. The Company will forthwith send a printed copy of the communication to the respective shareholder.

Status of Dividend Declared

Status of the unclaimed / unpaid dividend amount is as under:

Financial Year	Dividend	Rate of Dividend per equity share of ₹ 10 each	Total Dividend Amount	Amount unpaid to the shareholders
2012-13	Interim	₹ 2.50	₹ 4,356 Mn	Nil
	Final	₹ 3.00	₹ 5,666 Mn	₹ 0.20 Mn
2013-14	Final	₹ 4.40	₹ 8,313 Mn	₹ 0.15 Mn
2014-15	Interim	₹ 4.50	₹ 8,509 Mn	₹ 0.14 Mn
	Final	₹ 6.50	₹ 12,309 Mn	₹ 0.11 Mn

The Company constantly endeavours to reduce the unpaid dividend amount. The shareholders, who have not claimed their dividend for the above financial years are requested to contact the Company or its Share Transfer Agent.

Status of Unclaimed / Unpaid IPO Refund Amount

As on March 31, 2016, your Company has ₹ 645,500/- lying as unclaimed amount in the IPO refund account with HDFC Bank Limited, details of which are available on www.bharti-infratel.com under Investor Relations section. The applicants of the IPO, who have not claimed their refund amount are requested to contact the Company or its Share Transfer Agent.

Equity Shares in the Suspense Account

In terms of Regulation 34 of the Listing Regulations, the details in respect of shares lying in the demat account 'Bharti Infratel Limited- Unclaimed Suspense Account' as on March 31, 2016 are as under:

Particulars	Number of Shareholders	Number of equity shares
Number of shareholders and aggregate number of shares as transferred to the Unclaimed Suspense Account outstanding as on April 01, 2015	1	50
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	Nil	Nil
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2016	1	50

The voting rights on the shares in the suspense accounts as on March 31, 2016 shall remain frozen till the rightful owners of such shares claim the shares.

Means of Communication

Quarterly Results: The Company's Quarterly Audited Results are published in prominent daily newspapers, viz. Mint (English daily) and Hindustan (vernacular newspaper) and are also uploaded on the Company's website at www.bharti-infratel.com.

News releases, presentations: Official news releases and official media releases are sent to the Stock Exchanges and posted on Company's website www.bharti-infratel.com.

Earning Calls & Presentations to Institutional Investors / Analysts: The Company organises an earnings call with analysts and investors on the same / next day of announcement of results, which is also broadcast live on the Company's website. The transcript is posted on the website soon after. Any specific presentation made to the analysts / others is also uploaded on the website www.bharti-infratel.com.

NSE Electronic Application Processing System (NEAPS)

/ BSE Corporate Compliance & Listing Centre: The NEAPS / BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance fillings, like shareholding pattern, Corporate Governance Report, media releases and other material information is also filed electronically on the designated portals.

Website: Up-to-date financial results, annual reports, shareholding patterns, official news releases, financial analysis reports, latest presentation made to the institutional investors and other general information about the Company are available on the Company's website www.bharti-infratel.com.

Since the time of listing of shares, Bharti Infratel Limited adopted a practice of releasing a quarterly report, which contains financial and operating highlights, key industry and Company developments, results of operations, stock market highlights, ratio analysis, summarised financial statements and so on. The quarterly reports are posted on the Company's website and are also submitted to the Stock Exchanges, where the Company's shares are listed.

General Shareholder Information

10th Annual General Meeting

Date : August 10, 2016
Day : Wednesday
Time : 10:30 a.m.
Venue : Sri Sathya Sai International Centre,
Pragati Vihar, Lodhi Road,
New Delhi-110003

Financial Calendar

(Tentative Schedule, subject to change)

Financial year : April 1 to March 31

Results for the quarter ending

June 30, 2016 : July 26, 2016, (Tuesday)

September 30, 2016 : October 24, 2016, (Monday)

December 31, 2016 : January 23, 2017, (Monday)

March 31, 2017 : April 24, 2017 (Monday)

Dividend and Dividend Pay-out Date

The Board has recommended a dividend of ₹ 3/- per equity share of ₹ 10/- each fully paid up for FY 2015-16, which shall be paid on or after August 10, 2016 (within the statutory time limit of 30 days i.e. up to September 9, 2016), subject to the approval of the shareholders.

Equity Shares Listing, Stock Code and Listing Fee Payment

Name and address of the Stock Exchange, Scrip code
Status of fee paid for FY 2016-17

Name and Address of the Stock Exchange	Scrip code	Status of fee paid for FY 2016-17
National Stock Exchange of India Limited Exchange Plaza' 'C-1 Block G Bandra Kurla Complex, Bandra ©, Mumbai – 400001	INFRATEL	Paid
The BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001	534816	Paid

Stock Market Data

The monthly high & low during each month, in last financial year, is as below:

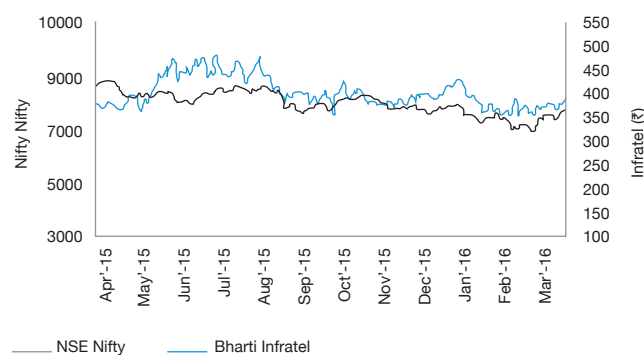
(Amount in ₹)

Month	NSE		BSE	
	High	Low	High	Low
Apr-15	422.00	355.55	421.60	356.15
May-15	490.60	364.40	505.00	364.90
Jun-15	486.90	414.05	484.45	414.05
Jul-15	485.00	408.10	481.50	411.60
Aug-15	499.65	366.20	500.00	368.00
Sep-15	429.00	341.35	428.45	341.60
Oct-15	436.75	360.00	436.80	360.70
Nov-15	411.20	366.95	411.50	367.50
Dec-15	436.50	385.05	436.40	364.00
Jan-16	434.00	349.75	433.60	349.50
Feb-16	393.90	345.20	393.65	345.00
Mar-16	394.00	352.20	395.10	358.40

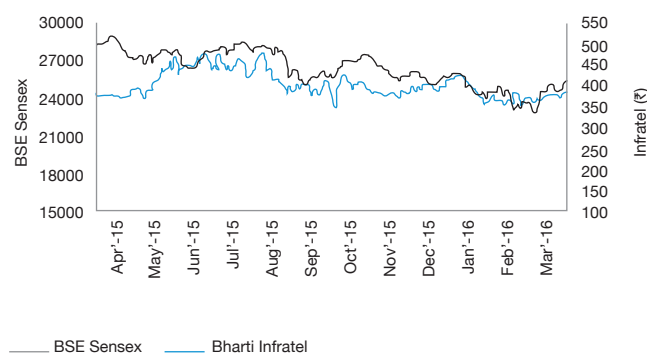
Source: www.nseindia.com

Source: www.bseindia.com

Share Price performance in comparison to broad based indices such as BSE Snsx, and NSE NIFTY is as under:

Bharti Infratel Vs NSE Nifty

Source: www.nseindia.com

Bharti Infratel Vs BSE Sensex

Source: www.bseindia.com

Registrar and Transfer Agent

Karvy Computer Share Private Limited is the Company's Registrar and Transfer Agent for handling the work related to share registry, both in physical and electronic form.

Share Transfer System

Approximately 100% of the Company's equity shares are in electronic format. Transfer of shares in physical form is processed within 15 days from the date of receipt, provided the documents are complete in all respects. All transfers are first processed by the Transfer Agent and are submitted

thereafter to the Company for approval. The Transfer Agent has been authorised to transfer minor shareholding up to 50 shares without the Company's involvement.

Pursuant to the Listing Regulations, we obtain certificates from a practicing Company Secretary on a half-yearly basis to the effect that all the transfers are completed within the statutory stipulated period. A copy of the certificates so received is submitted to both Stock Exchanges, where the shares of the Company are listed.

Distribution of Shareholding

By number of shares held as on March 31, 2016

Sl. no.	Category (by no. of shares)	No. of shareholders	% to holders	No. of shares	% of shares
1	1 – 5000	24530	92.29	2,202,698	0.12%
2	5001 – 10000	987	3.71	771,673	0.04%
3	10001 – 20000	183	0.69	270,656	0.01%
4	20001 – 30000	58	0.22	147,621	0.01%
5	30001 – 40000	36	0.14	130,707	0.01%
6	40001 – 50000	27	0.10	124,711	0.01%
7	50001 – 100000	61	0.23	463,264	0.02%
8	100001 – above	697	2.62	1,892,555,739	99.78%
Total		26,579	100.00	1,896,667,069	100.00

By category of holders as on March 31, 2016

S. no.	Category	No. of shares	%age of holding
I	Promoter and promoter group		
(i)	Indian promoters	1,360,000,000	71.70
	Total promoters shareholding	1,360,000,000	71.70
II	(A) Institutions		
(i)	Mutual Funds	3,472,202	0.18
(ii)	Financial institutions / Banks	10,561,348	0.56
(iii)	Foreign Portfolio Investors including Foreign Institutional Investors	484,006,637	25.52
	(B) Non-Institutions		
(i)	Bodies Corporate (Indian)	6,362,540	0.34
(ii)	Bodies Corporate (Foreign)	21,893,782	1.15
(iii)	Individuals	6,470,852	0.34
(iv)	NBFC registered with RBI	140,400	0.01
(v)	Others		
	• NRIs / OCBs / Foreign Nationals / QFI	420,215	0.02
	• Clearing members	1,831,845	0.10
	• Trusts	36,809	0.00
	Total Public Shareholding	535,196,630	28.22
III	Non Promoter- Non Public		
	Shares held by Employee Trust	1,470,439	0.08
	Total Shareholding	1,896,667,069	100.00

Dematerialisation of Shares and Liquidity

The shares of the Company are compulsorily traded in dematerialised form and are available for trading with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders can hold the Company's shares with any of the depository participants, registered with these depositories. ISIN for the Company's shares is INE121J01017. As on March 31, 2016, 1,896,665,925 representing approx. 100% of the total issued and paid up capital are in demat form with the depositories.

The Company's equity shares are frequently traded at the BSE Limited and the National Stock Exchange of India Limited.

Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company does not have any outstanding GDRs / ADRs / Warrants or any Convertible instruments as on date.

Commodity price risk or foreign exchange risk and hedging activities

The nature of the business of the Company is such that it does not involve any material risk on account of foreign exchange and commodity prices. Therefore, the Company has not undertaken any hedging activities during the year.

Plant Locations

Being a service provider company, Bharti Infratel Limited has no plant locations. The Company's Circle Office addresses are provided at the end of the Annual Report.

Communication Addresses

	Contact	Email	Address
For Corporate Governance and Other Secretarial related matters	Ms. Shweta Girotra Company Secretary and Compliance Officer	compliance.officer@bharti-infratel.in	Bharti Infratel Limited Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi 110 070 Telephone no. +91 11 46666100 Fax no. +91 11 46666137 Website: www.bharti-infratel.com
For queries relating to Financial Statements	Mr. Harjeet Kohli Group Treasurer & Chief Investor Relations Officer	ir@bharti-infratel.in	
For Corporate Communication related matters	Mr. Raza Khan Head – Group Corporate Communications	corporate. communications@bharti.in	
Registrar & Transfer Agent	Karvy Computershare Pvt. Ltd.	einward.ris@karvy.com	Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal Hyderabad – 500032 Ph No. 040-67162222 Fax No. 040-23420814 Website: www.karvy.com Toll Free No. 18003454001

Annexure A

Declaration

I hereby confirm that Company has received from all members of the Board and Senior Management, for the financial year ended March 31, 2016, a confirmation that they are in compliance with the Company's Code of Conduct.

For **Bharti Infratel Limited**

D S Rawat

Managing Director & CEO

Date: April 26, 2016

Place: Gurgaon

Annexure B

Certification

We, D S Rawat, Managing Director & CEO and Pankaj Miglani, Chief Financial Officer of Bharti Infratel Limited, to the best of our knowledge and belief hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2016 and that to the best of our knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit and Risk Management Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit and Risk Management Committee :
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

D S Rawat

Managing Director & CEO

Pankaj Miglani

Chief Financial Officer

Date: April 26, 2016

Place: Gurgaon

Consolidated Financial Statements with Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To

The Members of Bharti Infratel Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Bharti Infratel Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entity, comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated 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 financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of

the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 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 and the audit evidence obtained by the other auditor in terms of their report referred to in paragraph Other Matter below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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

Report on Other Legal and Regulatory Requirements

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

- (a) We / the other auditor whose report we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of account, as required by law relating to preparation of the aforesaid consolidation of the financial statements, have been kept so far as it appears from our examination of those books and report of the other auditor;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of

the Holding Company and the report of the auditor who are appointed under Section 139 of the Act, of its subsidiary companies and jointly controlled company incorporated in India, none of the directors of the Group's companies, and jointly controlled company incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies and jointly controlled 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 financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, and jointly controlled entity – Refer Note 39 to the consolidated financial statements;
 - ii. The Group and jointly controlled entity did not have any material foreseeable losses in long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and jointly controlled company incorporated in India.

Other Matter

The accompanying consolidated financial statements include total assets of Rs. 108,099 million as at March 31, 2016, total revenues and net cash outflows of Rs. 68,175 million and Rs. 92 million, respectively, for the year ended on that date, in respect of the jointly controlled entity of the

Company, which have been audited by other auditor, which financial statements, other financial information and auditor's report have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entity, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entity, is based solely on the report of such other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the report of

the other auditor and the financial statements and other financial information certified by the Management.

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

per **Vineet Kedia**
Partner
Membership No: 212230

Place: Gurgaon
Date: April 26, 2016

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BHARTI INFRATEL LIMITED

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

To
The Members of Bharti Infratel Limited

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

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and jointly controlled company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over

Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility

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

Opinion

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

Other Matter

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

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

per **Vineet Kedia**
Partner
Membership No: 212230

Place: Gurgaon
Date: April 26, 2016

Consolidated Balance Sheet

as at March 31, 2016

(₹ Millions)

	Notes	As at March 31, 2016	As at March 31, 2015
Equity and Liabilities			
Shareholders' funds			
Share capital	3	18,967	18,938
Reserves and surplus	4	164,512	151,262
		183,479	170,200
Non-current liabilities			
Long-term borrowings	5	10,767	15,663
Deferred tax liabilities (net)	6	12,249	12,247
Other long-term liabilities	7	12,434	11,642
Long-term provisions	8	11,663	11,101
		47,113	50,653
Current liabilities			
Short-term borrowings	9	-	1,468
Trade payables	10		
- Total Outstanding dues of micro enterprises and small enterprises		2	41
- Total Outstanding dues of Creditors other than micro enterprises and small enterprises		957	1,301
Other current liabilities	11	28,705	32,052
Short-term provisions	12	8,933	15,832
		38,597	50,694
Total equity and liabilities		269,189	271,547
Assets			
Non-current assets			
Fixed assets	13		
Tangible assets		144,704	147,919
Intangible assets		164	202
Capital work-in-progress		2,245	2,260
Non-current investments	14	23,967	27,382
Long-term loans and advances	15	9,390	8,833
Other non-current assets	16	26,475	27,602
		206,945	214,198
Current assets			
Current investments	17	14,844	31,440
Trade receivables	18	1,916	3,532
Cash and bank balances	19	31,916	9,120
Short-term loans and advances	20	4,703	5,288
Other current assets	21	8,865	7,969
		62,244	57,349
Total assets		269,189	271,547

Summary of significant accounting policies

2.1

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

For S. R. Batliboi & Associates LLP

Firm Registration Number: 101049W

Chartered Accountants

per **Vineet Kedia**

Partner

Membership No: 212230

Place: Gurgaon

Date: April 26, 2016

For and on behalf of the board

Akhil Gupta

Chairman

Shweta Girotra

Company Secretary

D S Rawat

Managing Director & CEO

Pankaj Miglani

Chief Financial Officer

Consolidated

Consolidated Statement of Profit and Loss

for the year ended March 31, 2016

(₹ Millions, except per share data)

	Notes	Year ended March 31, 2016	Year ended March 31, 2015
Income			
Revenue from operations	22	123,084	116,683
Other income	23	7,438	5,223
		130,522	121,906
Expenses			
Power and fuel	24	42,597	41,950
Rent	25	10,548	9,460
Employee expenses	26	4,316	3,997
Repairs and maintenance	27	9,061	9,071
Other expenses	28	2,531	2,097
		69,053	66,575
Earnings before finance cost, tax, depreciation and amortization and charity and donation		61,469	55,331
Depreciation and amortization expense	29	24,758	24,414
Less: adjusted with general reserve in accordance with the Scheme of Arrangement (refer notes 43 and 44)		(2,065)	(2,567)
		22,693	21,847
Finance cost	30	2,198	2,902
Charity and donation (refer note 49)		371	67
		25,262	24,816
Profit before tax		36,207	30,515
Tax expense			
Current tax	6	12,385	9,592
Deferred tax charge	6	2	999
Total tax expense		12,387	10,591
Profit for the year		23,820	19,924
Earnings per equity share (nominal value of share ₹ 10 each)	31		
Basic		12.562	10.539
Diluted		12.562	10.529

Summary of significant accounting policies

2.1

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

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

per Vineet Kedia
Partner
Membership No: 212230

Place: Gurgaon
Date: April 26, 2016

For and on behalf of the board

Akhil Gupta
Chairman

Shweta Girotra
Company Secretary

D S Rawat
Managing Director & CEO

Pankaj Miglani
Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended March 31, 2016

(₹ Millions)

	Year ended March 31, 2016	Year ended March 31, 2015
Cash flows from operating activities		
Profit before tax	36,207	30,515
Adjustments for -		
Depreciation and amortization expense	22,693	21,847
Interest income	(2,397)	(137)
Dividend income	-	(479)
Interest expense	2,181	2,946
Amortization of loan origination fee	12	35
Net gain on sale of current investments	(3,030)	(1,608)
Employee stock compensation expense	38	65
Revenue equalization	(182)	(1,641)
Rent equalization	297	252
Provision for doubtful debts and advances (net)	201	(55)
Provision for capital work in progress (net)	109	93
Liabilities no longer required written back	(105)	-
Profit on sale of fixed assets (net)	(1,161)	(1,863)
Operating profit before changes in assets and liabilities	54,863	49,970
Increase / (Decrease) in trade payables	(382)	(552)
Increase / (Decrease) in other current liabilities	(1,423)	702
Increase / (Decrease) in short-term provisions	17	21
Increase / (Decrease) in other long-term liabilities	495	(4,603)
Increase / (Decrease) in long-term provisions	61	34
(Increase) / Decrease in trade receivables	1,588	(211)
(Increase) / Decrease in short-term loans and advances	486	(1,174)
(Increase) / Decrease in other current assets	664	246
(Increase) / Decrease in long-term loans and advances	(399)	4,735
(Increase) / Decrease in other non-current assets	(477)	(548)
Cash generated from operations	55,494	48,620
Income tax paid (net of refunds)	(11,547)	(8,420)
Contribution towards CSR	-	(305)
Net cash flow from operating activities (A)	43,947	39,895
Cash flows from investing activities		
Purchase of tangible assets	(21,250)	(20,781)
Proceeds from sale of fixed assets	1,817	2,637
Investments in bank deposits (having original maturity of more than three months)	(2,642)	(8,820)
Advance to ESOP trust	-	(625)
Purchase of Bonds	(3,214)	-
Purchase of investments	(26,394)	(125,086)
Purchase of Corporate Deposit	(2,846)	-
Disposal of Subsidiary	(1)	-
Proceeds from sale of investments	55,495	142,674
Interest received	1,513	148
Dividend received	-	479
Net cash flow (used in) investing activities (B)	2,478	(9,374)

(₹ Millions)

	Year ended March 31, 2016	Year ended March 31, 2015
Cash flows from financing activities		
Proceeds from exercise of stock options	338	490
Repayment of borrowings	(19,159)	(12,849)
Proceeds from borrowings	10,404	5,248
Interest paid	(2,180)	(3,010)
Dividend paid	(12,326)	(16,822)
Tax on dividend paid	(3,350)	(4,933)
Net cash flow (used in) financing activities (C)	(26,273)	(31,876)
Net increase in cash and cash equivalents during the year (A+B+C)	20,152	(1,355)
Cash and cash equivalents at the beginning of the year	285	1,640
Cash and cash equivalents at the end of the year (refer note 19)	20,437	285
Components of cash and bank balances		
Cash and cash equivalents		
Balances with banks		
- on current accounts	324	279
- Deposits with original maturity of less than three months	20,102	-
Cheques on hand	11	6
Total cash and cash equivalents	20,437	285
Other bank balances		
Fixed deposits		
- Deposits with remaining maturity for less than 12 months	11,479	8,835
Total cash and cash equivalents	31,916	9,120

Summary of significant accounting policies 2.1

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

Notes:

- The above consolidated cash flow statement has been prepared under the indirect method set out in AS-3 'Cash Flow Statements' notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.
- Figures in brackets indicate cash outflow.
- Also, refer note 44(A) (6).

As per our report of even date

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

Chartered Accountants

per Vineet Kedia

Partner

Membership No: 212230

Place: Gurgaon

Date: April 26, 2016

For and on behalf of the board

Akhil Gupta

Chairman

Shweta Girotra

Company Secretary

D S Rawat

Managing Director & CEO

Pankaj Miglani

Chief Financial Officer

Notes

to the consolidated financial statements for the year ended March 31, 2016

1. Corporate Information

Bharti Infratel Limited ('the Company' or 'BIL') incorporated on November 30, 2006 with the object of, inter-alia, setting up, operating and maintaining wireless communication towers. The Company received the certificate of commencement of business on April 10, 2007 from the Registrar of Companies. The Registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company has entered into a joint venture agreement with Vodafone India Limited and Aditya Birla Telecom Limited to provide passive infrastructure services in 15 telecom circles of India and formed Indus Towers Limited for such purpose. The Company and Vodafone India Limited are holding approximately 42% each in Indus Towers Limited and the balance 16% is held by Aditya Birla Telecom Limited. Indus Towers Limited is incorporated in India. Bharti Infratel Limited is publically traded on the National Stock Exchange and BSE India.

The wholly owned subsidiary, Bharti Infratel Services Limited, was incorporated on June 4, 2013 with the object of providing operation and management services of all kinds in the field of telecom infrastructure (both active and passive), telecom equipments, wireless communication towers either on its own or in alliance with any other Person/Body/Bodies Corporate incorporated in India or abroad. The Company was evaluating various business opportunities, but due to various reasons remained inoperative since

incorporation. In view of this, Board of Directors at their meeting held on March 29, 2016 has agreed to initiate the process of striking off the name of the Company from the Register of Registrar of Companies under Fast Track Exit Mode.

A wholly owned subsidiary, Smartx Services Limited, has been incorporated on September 21, 2015 with the object of transmission through Optic Fibre Cables and setting up Wi-Fi hotspots for providing services to telecom operators and others on sharing basis.

The Company together with its wholly owned subsidiaries and joint venture is hereinafter referred to as 'the Group'. The Group is a leading telecom passive infrastructure service provider in India.

2. Basis of Preparation

These consolidated financial statements have been prepared under the historical cost convention on the accrual basis of accounting and reporting requirements of Accounting Standard ('AS-21') 'Consolidated Financial Statements' and ('AS-27') 'Financial Reporting of Interest in Joint Venture' notified under section 133 of the Companies Act 2013 (the 'Act'), read together with paragraph 7 of the Companies (Accounts) Rules 2014, and other accounting principles generally accepted in India. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which fair valuation is carried out. The accounting policies as presented in paragraph 2.1 below have been consistently applied by the Group and are consistent with those used in the previous year except as mentioned in 2.1(r) below.

These financial statements represent consolidated accounts of the Company and its subsidiary and joint venture:

Entity	Country of Incorporation	Principal Service	Relationship	Shareholding as at March 31 2016	Shareholding as at March 31 2015
Indus Towers Limited	India	Passive Infrastructure Services	Joint Venture	42%	42%
Bharti Infratel Services Limited*	India	Active and Passive Infrastructure Services	Subsidiary	-	100%
Smartx Services Limited*	India	Optical Fibre Service	Subsidiary	100%	100%

* Refer Note 1

Notes

to the consolidated financial statements for the year ended March 31, 2016

The Group's interests in jointly controlled entities are accounted for by proportionate consolidation. The Group combines its share of the joint ventures' individual income, expenses, assets and liabilities on a line-by-line basis with similar items as well as disclosures in the Group's financial statements.

Inter-Company balances have been eliminated on consolidation for subsidiary. Elimination of transaction between joint venture and the Company is done to the extent of proportionate share. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

2.1 Summary of Significant Accounting Policies

a. Use of Estimates

The preparation of consolidated financial statements is in conformity with Indian GAAP and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b. Tangible Fixed Assets

Tangible assets are stated at cost of acquisition, except for assets acquired under Schemes of Arrangement (refer notes 43 and 44), which are stated at fair values at the date of acquisition as per Schemes net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises cost of acquisition, including taxes and duties (net of CENVAT credit), freight and other incidental expenses related to acquisition and installation.

Site restoration cost obligations arising from site acquisition are capitalised when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Subsequent expenditure related to an item of tangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

c. Depreciation on Tangible Fixed Assets

Depreciation on tangible assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Group has used the following lives to provide depreciation on its fixed assets:

	Useful lives
Plant and machinery	3 to 20 years
Furniture and fixtures	5 years
Vehicles	5 years
Office equipments	2 years/ 5 years
Computers	3 to 5 years
Leasehold improvements	Period of lease or useful life, whichever is less

The existing useful lives of tangible assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Group believes that this is the best estimate on the basis of technical evaluation and actual usage period.

The existing realisable values of tangible assets are different from 5% as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Group believes that this is the best estimate on the basis of actual realisation.

Notes

to the consolidated financial statements for the year ended March 31, 2016

The site restoration cost obligation capitalised as a part of plant and machinery is depreciated over the useful life of the related asset. Also, refer note 46 below.

d. Intangible Assets and Amortisation Expense

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Software is capitalised at the amounts paid to acquire the respective license for use and is amortised over the period of licence, generally not exceeding three years.

Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful economic lives of intangible assets from the date they are available for use. The amortisation period and the amortisation method are reviewed at each balance sheet date. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

e. Leases

Where the Group is lessee

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased asset, are capitalised at the inception of the lease term at the lower of the fair value of the leased asset and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges

are recognised as finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset and the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the non-cancellable lease term.

Where the Group is lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the non cancellable lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss.

f. Borrowing Costs

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Notes

to the consolidated financial statements for the year ended March 31, 2016

g. Impairment of Tangible and Intangible Assets

The carrying amounts of assets are reviewed at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets' fair value less costs to sell and value in use. Impairment losses are recognised in the statement of profit and loss under the caption depreciation and amortisation expense.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

h. Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried in the consolidated financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

i. Revenue Recognition and Receivables

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenues

Revenues include revenue from the use of sites and energy charges received from customers. Revenue is recognised as and when services are rendered. If the payment terms in the service agreements include fixed escalations, the effect of such increases is recognised on a straight-line basis over the fixed, non-cancellable term of the agreement, as applicable.

Unbilled receivables represent revenues recognised from the last invoice raised to customer to the period end. These are billed in subsequent periods based on the terms of agreement with the customers. The Group collects service tax on behalf of the Government of India and therefore, it is not an economic benefit flowing to the Group. Hence it is excluded from revenue.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividend

Dividend income is recognised when the Group's right to receive dividend is established by the reporting date.

Provision for doubtful debts

As per the policy, the Group provides for amount outstanding for more than 105 days from the invoice date in case of site sharing operators other than from the parent Company or in specific cases where management is of the view that the amounts for certain customers are not recoverable.

j. Foreign Currency Transactions and Balances

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the

Notes

to the consolidated financial statements for the year ended March 31, 2016

reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences

Exchange differences arising on settlement of monetary items or on restatement of the Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous consolidated financial statements, are taken to the statement of profit and loss.

k. Retirement and Other Employee Benefits

Short term employee benefits are recognised in the year during which the services have been rendered.

All employees of the Group are entitled to receive benefits under the provident fund, which is a defined contribution plan. Contribution to provident fund is recognised as and when services are rendered. Both the employee and the employer make monthly contributions to the plan at a predetermined rate of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. In addition, some employees of the Group are covered under the employees' state insurance schemes, which are also defined contribution schemes recognised and administered by the Government of India.

The Group's contributions to both these schemes are expensed in the statement of profit and loss. The Group has no further obligations under these plans beyond its monthly contributions.

The Group provides for gratuity obligations through a defined benefit retirement plan covering all employees. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each reporting period end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses are recognised in full in the year in which they occur in the statement of profit and loss.

The Group provides other benefits in the form of compensated absences and long term service awards. The employees of the Group are entitled to compensated absences based on the unavailed leave balance. The Group records liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave encashment liability as a current liability in the balance sheet, since the Company does not have an unconditional right to defer its settlement for more than 12 months after the reporting date.

Under the long term service award plan, a lump sum payment is made to an employee on completion of specified years of service. The Group records the liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

l. Income Taxes

Tax expense comprises current and deferred tax.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date. Current income tax relating to items recognised

Notes

to the consolidated financial statements for the year ended March 31, 2016

directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

m. Employee Stock/Cash Option Plan

Employees of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for options to buy equity instruments (equity-settled transactions).

In accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the cost of equity-settled transactions is measured using the Black-Scholes / Lattice Valuation option pricing model and the fair value is recognised as an expense over the period in which the options vest, on a straight line basis, together with a corresponding increase in the "Stock options outstanding account" in reserves. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options to buy equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for a year represents the movement in cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

For cash-settled share-based payments, a liability is recognised for the services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in the consolidated statement of

Notes

to the consolidated financial statements for the year ended March 31, 2016

profit and loss for the year with a corresponding change in liabilities.

n. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss 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.

o. Provisions

A provision is recognised when the Group has a present obligation 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.

p. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence

of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

q. Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and on hand and short-term investments with an original maturity of three months or less.

r. Corporate Social Responsibility Expenditure

Pursuant to the requirements of section 135 of the Act and rules thereon and guidance note on "Accounting for expenditure on Corporate Social Responsibility activities" issued by ICAI, with effect from April 1, 2015, CSR expenditure is recognised as an expense in the Statement of Profit and Loss in the period in which it is incurred.

During previous year, CSR expenditure was accounted for as an appropriation to the Statement of Profit and Loss, pursuant to FAQs on accounting of CSR, as issued by ICAI earlier.

The impact of change in accounting policy is not material in relation to these financial statements and therefore, the same has not been disclosed.

Notes

to the consolidated financial statements for the year ended March 31, 2016

3. Share Capital

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Authorised shares		
3,500,000,000 (March 31, 2015 - 3,500,000,000) equity shares of ₹ 10 each	35,000	35,000
Issued, subscribed and fully paid-up shares		
1,896,667,069 equity shares of ₹ 10 each fully paid-up (March 31, 2015 - 1,893,769,293 equity shares of ₹ 10 each)	18,967	18,938
	18,967	18,938

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2016		As at March 31, 2015	
	No.	₹ Millions	No.	₹ Millions
At the beginning of the year	1,893,769,293	18,938	1,889,301,113	18,893
Issued during the year- ESOP	2,897,776	29	4,468,180	45
Outstanding at the end of the year	1,896,667,069	18,967	1,893,769,293	18,938

b. Terms/ rights attached to equity shares:

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

On April 26, 2016 the Board of Directors have proposed a dividend of ₹ 3 per equity share (FY 2014-15 – ₹ 6.50 per equity share) to all the existing shareholders for the year ended March 31, 2016. The dividend proposed by the Board of Directors is subject to approval by the shareholders in the ensuing general meeting.

c. Shares held by holding company:

Particulars	As at March 31, 2016		As at March 31, 2015	
	No.	₹ Millions	No.	₹ Millions
Equity shares of ₹ 10 each fully paid Bharti Airtel Limited	1,360,000,000	13,600	1,360,000,000	13,600

d. Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

During the year ended March 31, 2013, the Company further allotted 1,161,605,820 equity shares as fully paid bonus shares by capitalisation of securities premium account.

During the year ended March 31, 2016, the Company allotted 2,897,776 equity shares (2014-15, 2013-14 and 2012-13 – 4,468,180, 558,059 and 100,212 equity shares respectively) of ₹ 10 each to its employees on exercise of stock options under the Employee Stock Option Plan 2008 wherein part consideration was received in form of employee services. (refer note 33).

Notes

to the consolidated financial statements for the year ended March 31, 2016

e. Details of shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2016		As at March 31, 2015	
	No.	% Holding	No.	% Holding
Equity shares of ₹ 10 each fully paid Bharti Airtel Limited	1,360,000,000	71.70%	1,360,000,000	71.81%

f. Shares reserved for issue under options:

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 33.

4. Reserves and Surplus

(₹ Millions)

Particulars	Securities premium account	Employee stock options outstanding	General reserve	Capital reserve	Surplus in the statement of profit and loss	Total
As at April 1, 2014	66,449	1,312	68,476	1,905	23,371	161,513
Profit for the year	-	-	-	-	19,924	19,924
Add: amount transferred from stock options outstanding & Premium on exercise of ESOP	1,161	-	-	-	-	1,161
Less: amount transferred to statement of profit and loss during the year in accordance with the BAL Scheme (refer note 43)	-	-	(661)	-	-	(661)
Less: amount transferred to statement of profit and loss during the year in accordance with the Indus Scheme (refer note 44)	-	-	(1,984)	-	-	(1,984)
Less: Appropriations						
Interim dividend on equity shares	-	-	-	-	(8,509)	(8,509)
Tax on interim dividend on equity shares	-	-	-	-	(4,361)	(4,361)
Proposed/ paid final dividend on equity shares	-	-	-	-	(12,309)	(12,309)
Tax on proposed final dividend on equity shares	-	-	-	-	(2,506)	(2,506)
Contribution towards CSR (note 50)	-	-	-	-	(305)	(305)
Add/Less: amount arising under scheme of arrangement (refer note 44)	-	-	28	-	-	28
Less: gross compensation for options forfeited/ exercised during the year	-	(726)	-	-	-	(726)
	67,610	586	65,859	1,905	15,305	151,265
Less: deferred employee stock compensation	-	(3)	-	-	-	(3)
As at March 31, 2015	67,610	583	65,859	1,905	15,305	151,262

Notes

to the consolidated financial statements for the year ended March 31, 2016

(₹ Millions)

Particulars	Securities premium account	Employee stock options outstanding	General reserve	Capital reserve	Surplus in the statement of profit and loss	Total
As at April 1, 2015	67,610	586	65,859	1,905	15,305	151,265
Profit for the year	-	-	-	-	23,820	23,820
Add: amount transferred from stock options outstanding & Premium on exercise of ESOP	756	-	(14)	-	-	742
Add: ESOP granted during the year	-	44	-	-	-	44
Less: amount transferred to statement of profit and loss during the year in accordance with the BAL Scheme (refer note 43)	-	-	(579)	-	-	(579)
Less: amount transferred to statement of profit and loss during the year in accordance with the Indus Scheme (refer note 44)	-	-	(1,496)	-	-	(1,496)
Less: Appropriations						
Proposed/ paid final dividend on equity shares	-	-	-	-	(5,707)	(5,707)
Tax on proposed final dividend on equity shares	-	-	-	-	(3,097)	(3,097)
Add/Less: amount arising under scheme of arrangement (refer note 44)	-	-	28	-	-	28
Less: gross compensation for options forfeited/ exercised during the year	-	(482)	-	-	-	(482)
	68,366	148	63,798	1,905	30,321	164,538
Less: deferred employee stock compensation	-	(26)	-	-	-	(26)
As at March 31, 2016	68,366	122	63,798	1,905	30,321	164,512

5. Long-Term Borrowings

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Term Loan - secured*		
- from banks	10,253	3,865
- from others**	-	11,284
- Unsecured loan others	514	514
	10,767	15,663

* In addition to the amount shown above, an amount ₹ 6,299 Mn (March 31, 2015 - ₹ 8,691 Mn) has been disclosed under 'other current liabilities' as it is repayable within one year.

** Conversion of Financial Institution into bank w.e.f October 1, 2015.

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to the consolidated financial statements for the year ended March 31, 2016

The joint venture has entered into borrowing arrangements with several lenders under rupee term loan agreements. The security interest set out below ranks pari-passu amongst all secured lenders.

The terms and conditions of all the Secured and Unsecured Term loans are similar and are as follows:

As at March 31, 2016	As at March 31, 2015
(a) a first charge by way of hypothecation of the JV Company's entire movable assets plant and machinery, including tower, related equipment and spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future;	(a) a first charge by way of hypothecation of the JV Company's entire movable assets plant and machinery, including tower, related equipment and spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future;
(b) a charge on JV Company's cash flows, receivables, book debts, revenues of whatsoever nature and wherever arising, present and future subject only to prior charge in favour of working capital lenders with working capital facility limits not exceeding ₹ 10,000 Mn (amount in absolute figures) including funded facilities; and	(b) a charge on JV Company's cash flows, receivables, book debts, revenues of whatsoever nature and wherever arising, present and future subject only to prior charge in favour of working capital lenders with working capital facility limits not exceeding ₹ 10,000 Mn (amount in absolute figures) including funded facilities; and
(c) a first charge over the amount in the Debt Service Account opened and maintained by the JV Company in accordance with the terms of this Agreement and the Debt Service Account Agreement;	(c) a first charge over the amount in the Debt Service Account opened and maintained by the JV Company in accordance with the terms of this Agreement and the Debt Service Account Agreement;

Interest rate for secured term loans outstanding as at March 31, 2016 and March 31, 2015

The interest rate varies from approximately 9.25% - 9.50% per annum as at March 31, 2016 (As at March 31, 2015: 9.75%-10.20% per annum) on term loans from banks and other financial institutions.

Repayment of Loan

As at March 31, 2016	As at March 31, 2015
Loan outstanding ₹ 5,746 Mn As per the repayment schedule in the Common loan agreement, the JV Company has to repay loans amounting to ₹ 16,611 Mn availed from other financial institutions in 27 equated quarterly installments, with first date for repayment falling due in February 2014. The JV Company made a prepayment of ₹ 4,221 Mn in October 2013 and ₹ 2,793 Mn during the quarter ended September 2015.	Loan outstanding ₹ 10,096 Mn As per the repayment schedule in the Common loan agreement, the JV Company has to repay loans amounting to ₹ 16,611 Mn availed from other financial institutions in 27 equated quarterly installments, with first date for repayment falling due in February 2014. The JV Company has made a prepayment of ₹ 4,221 Mn in October 2013.
Loan outstanding ₹ 525 Mn As per the repayment schedule in the Common loan agreement, the JV Company has to repay loans amounting to ₹ 10,500 availed from banks in 16 equated quarterly installments which have commenced in November 2012. The JV Company made a prepayment of ₹ 3,588 in March 2013 and ₹ 1,100 in October 2014.	Loan outstanding ₹ 1,575 Mn As per the repayment schedule in the Syndicated Common loan agreement, the JV Company has to repay loans amounting to ₹ 10,500 Mn availed from banks in 16 equated quarterly installments which have commenced in November 2012. The JV Company has made a prepayment of ₹ 3,588 Mn in March 2013 and ₹ 1,100 Mn in October 2014.

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Repayment of Loan (Contd.)

As at March 31, 2016	As at March 31, 2015
<p>Loan outstanding ₹ 1,027 Mn As per the repayment schedule in the Common Loan Agreement, the JV Company has to repay loans amounting to ₹ 4,200 Mn availed from banks and other financial institutions in 19 equated quarterly installments which have commenced in May 2014. The JV Company made a prepayment of ₹ 1,879 Mn in October 2014 and ₹ 223 Mn during October 2015.</p> <p>Loan outstanding Nil As per the repayment schedule in the loan agreement, the JV Company has to repay loans amounting to ₹ 6,300 Mn availed from bank in 19 equated quarterly installments which have commenced in May 2014. The JV Company has made a prepayment of ₹ 2,100 Mn in January 2015. The JV Company made a prepayment of ₹ 2,100 Mn in April 2015. This loan has been repaid in full in October 2015.</p> <p>Loan outstanding ₹ 1,461 Mn As per the repayment schedule in the loan agreement, the JV Company has to repay loans amounting to ₹ 4,200 Mn availed from bank in 19 equated quarterly installments with first date for repayment falling due in March 2015. The JV Company made a prepayment of ₹ 2,100 Mn in April 2015.</p> <p>Loan outstanding ₹ 3,024 Mn As per the repayment schedule in the loan agreement, the JV Company has to repay loans amounting to ₹ 3,780 Mn availed from other financial institutions in 30 equated quarterly installments which have commenced in December 2014.</p> <p>Loan outstanding ₹ 3,500 Mn As per the repayment schedule in the loan agreement, the JV Company has to repay loans amounting to ₹ 4,200 Mn availed from bank in 6 equated quarterly installments commencing from January 2016.</p> <p>Loan outstanding ₹ 1,269 As per the repayment schedule in the loan agreement, the JV Company has to repay loans amounting to ₹ 1,470 availed from bank in 20 quarterly installments which have commenced from November 2015.</p> <p>For all the above loans the JV Company may voluntarily prepay all or any portion of the disbursed loans based on certain specified clauses and subject to the condition laid out in the loan agreement</p>	<p>Loan outstanding ₹ 1,658 Mn As per the repayment schedule in the Common Loan Agreement, the JV Company has to repay loans amounting to ₹ 4,200 Mn availed from banks and other financial institutions in 19 equated quarterly installments which have commenced in May 2014. The JV Company has made a prepayment of ₹ 1,880 Mn in October 2014.</p> <p>Loan outstanding Nil As per the repayment schedule in the Loan Agreement, the JV Company had to repay loans amounting to ₹ 2,520 Mn availed from bank in 14 equated quarterly installments which have commenced in May 2013. During the current year this loan has been prepaid in full during April 2014.</p> <p>Loan outstanding ₹ 3,005 Mn As per the repayment schedule in the loan agreement, the JV Company has to repay loans amounting to ₹ 6,300 Mn availed from bank in 19 equated quarterly installments which have commenced in May 2014. The JV Company has made a prepayment of ₹ 2,100 Mn in January 2015. #</p> <p>Loan outstanding ₹ 3,980 Mn As per the repayment schedule in the loan agreement, the JV Company has to repay loans amounting to ₹ 4,200 Mn availed from bank in 19 equated quarterly installments with first date for repayment falling due in March 2015.</p> <p>Loan outstanding ₹ 3,528 Mn As per the repayment schedule in the loan agreement, the JV Company has to repay loans amounting to ₹ 3,780 Mn availed from other financial institutions in 30 equated quarterly installments which have commenced in December 2014.</p> <p>For all the above loans the JV Company may voluntarily prepay all or any portion of the disbursed loans based on certain specified clauses and subject to the condition laid out in the loan agreement</p>

During the previous year ended March 31, 2015, the JV Company had decided to prepay a part of loan amounting to ₹ 4,200 Mn out of the total outstanding loan of ₹ 6,984 Mn as on March 31, 2015, and accordingly the same had been reclassified to current maturities of long term borrowings as at the previous year ended March 31, 2015. The said amount has been paid off during the quarter ended June 30, 2015.

The above amount represents 42% of the amount of JV Company, which has been consolidated

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6. Deferred Tax Liabilities (Net)

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred tax liability		
Depreciation claimed as deduction under Income Tax Act but chargeable in the financial statements in future years	5,732	5,948
Revenue equalization (net) recognised in financial statements but offered for tax in future years on actual billing basis	7,402	7,414
Unamortised loan origination fees	3	7
Gain on disposal of subsidiary (refer Note 44)	116	116
Gross deferred tax liability	13,253	13,485
Deferred tax asset		
Provision for doubtful debts/ advances charged in financial statements but allowed as deduction under the Income Tax Act in future years	595	608
Expenses allowed as deduction under Sec 35D of Income Tax Act in future years	90	146
Other expenses charged in the financial statements but allowed as deduction under Income Tax Act in future years on actual payment (net)	319	484
Gross deferred tax asset	1,004	1,238
Net deferred tax liability	12,249	12,247

Current tax expense and deferred tax expense includes reversal of ₹ 384 Mn (FY 2014-15 – ₹ 235 Mn) and tax expense of ₹ 398 Mn (FY 2014-15 – ₹ 296 Mn), respectively relating to earlier periods. Deferred tax includes Nil (FY 2014-15 – ₹ 219 Mn) on account of change in tax rate.

7. Other Long-Term Liabilities

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Security deposits received	7,088	6,688
Lease equalization	4,686	4,388
Unearned revenue	572	465
Provision for payment of cash options (refer note 33)	88	101
	12,434	11,642

Security deposits received" include ₹ 3,535 Mn (March 31, 2015 – ₹ 3,490 Mn) amounts received from related parties. For details, refer note 37.

8. Long-Term Provisions

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits (refer note 32)		
Gratuity	177	136
Leave encashment	94	74
Long-term service award	12	11
	283	221
Asset retirement obligation (refer note 35)	11,380	10,880
	11,663	11,101

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to the consolidated financial statements for the year ended March 31, 2016

9. Short-Term Borrowings

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured		
Bank overdraft#	-	1,468
	-	1,468

These borrowings are repayable on demand.

10. Trade Payables

- (a) Trade Payable include ₹ 397 Mn (March 31, 2015 - ₹ 214 Mn) payable to parent and fellow subsidiary Company. For details, refer note 37.
- (b) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	2	31
Interest due on above	-	3
	2	34
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	289	189
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period/ year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	1
The amount of interest accrued and remaining unpaid at the end of each accounting year	22	20
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	1

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to the consolidated financial statements for the year ended March 31, 2016

11. Other Current Liabilities

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Equipment supply payables	5,156	4,686
Dues to employees	429	414
Accrued expenses	15,675	17,058
Book overdraft	134	109
Interest accrued but not due	1	3
Other taxes payable	88	262
Contribution to employee funds	13	11
Unearned revenue	174	115
Current portion of long-term borrowings (refer note 5)	6,299	8,691
Security deposits	469	412
Current portion of cash settled liability	22	25
Other Liabilities	245	266
	28,705	32,052

"Security deposit" includes ₹ 60 Mn (March 31, 2015 - Nil) received from related parties and "Accrued expenses" include ₹ 88 Mn (March 31, 2015 - ₹ 266 Mn) payable to related parties. For details, refer note 37.

12. Short-Term Provisions

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits (refer note 32)		
Gratuity	59	52
Leave encashment	90	80
Proposed Dividend [refer notes 3(b) and 47]	5,690	12,309
Tax on Proposed Dividend*	3,094	3,347
Provision for Income tax	-	44
	8,933	15,832

* Include dividend distribution tax (DDT) on dividend proposed by the JV Company as on March 31, 2016 (FY 2014-15 Nil).

Notes

to the consolidated financial statements for the year ended March 31, 2016

13. Fixed Assets

(₹ Millions)

Particulars	Land	Plant and equipment	Office furniture and equipment	Vehicles	Computers	Leasehold improvements	Tangible assets Total	Computer Software	Intangible assets Total
Cost									
As at April 1, 2014	3	263,878	283	8	889	499	265,560	681	681
Additions	-	19,718	60	-	93	25	19,896	179	179
Disposals	-	(13,418)	(2)	-	(54)	(2)	(13,476)	(22)	(22)
As at March 31, 2015	3	270,178	341	8	928	522	271,980	838	838
Additions	-	21,794	63	3	66	78	22,004	117	117
Disposals/Adjustment	-	(11,252)	(23)	-	(3)	(28)	(11,306)	(38)	(38)
As at March 31, 2016	3	280,720	381	11	991	572	282,678	917	917
Depreciation									
As at April 1, 2014	-	111,166	196	6	825	328	112,521	515	515
Charge for the year	-	24,163	45	1	17	67	24,293	121	121
Disposals	-	(12,750)	(2)	-	-	(1)	(12,753)	-	-
As at March 31, 2015	-	122,579	239	7	842	394	124,061	636	636
Charge for the period	-	24,440	60	-	50	53	24,603	155	155
Disposals/ adjustment	-	(10,636)	(22)	-	(4)	(27)	(10,689)	(38)	(38)
As at March 31, 2016	-	136,383	277	7	888	420	137,975	753	753
Net block									
As at March 31, 2016	3	144,337	104	4	103	152	144,704	164	164
As at March 31, 2015	3	147,599	102	1	86	128	147,919	202	202

Plant and equipment" comprise of assets given on operating lease. For details, refer note 34(b)(i).

Depreciation charge for the year includes ₹ 1,081 Mn (FY 2014-15 - ₹ 1,207 Mn) provided for loss with respect to assets not in active use.

Disposal/adjustment includes cost and accumulated depreciation for assets sold and disposal and adjustments w.r.t. the assets for which insurance claims are made by the Company.

14. Non-Current Investments

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Other Investment -quoted		
Investment in mutual funds (refer note 45)	20,753	27,382
Investments in Bonds	3,214	-
	23,967	27,382
Aggregate Market Value of Quoted Investment	28,094	31,260

Notes

to the consolidated financial statements for the year ended March 31, 2016

Details of Investments in Mutual Funds are provided below:

(₹ Millions)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Unit No.	Amount	Unit No.	Amount
Birla Sun Life Income Plus - Growth Regular Plan	81,531,569	4,488	81,531,569	4,488
Birla Sun Life Short Term Opportunities Fund - Growth-Regular Plan	-	-	86,393,736	1,730
DSP Black Rock Strategic Bond Fund-Institutional Plan-Growth	1,082,504	1,499	1,745,815	2,500
HDFC Income Fund Growth	104,051,219	2,897	104,051,219	2,897
Franklin India Income Opportunities Fund	50,660,486	800	-	-
ICICI Prudential Income -Regular Plan - Growth	45,694,326	1,753	45,694,326	1,753
BOI AXA Corporate Credit Spectrum Fund - Regular Plan	25,000,000	250	-	-
IDFC Super Saver Income Fund-Investment Plan-Growth-(Regular Plan)	85,232,890	2,497	85,232,890	2,497
JPMorgan India Active Bond Fund Retail Plan Growth Option	-	-	47,044,600	623
Kotak Bond Scheme Plan A-Growth - Regular Plan	36,212,982	1,278	36,212,982	1,278
Reliance Income Fund Growth Plan - Growth Option	65,982,324	2,648	65,982,324	2,648
Templeton India Income Builder Account Plan A - Growth	-	-	48,224,495	1,999
UTI Bond Fund - Growth	41,865,468	1,536	74,936,438	2,749
BOI AXA Corporate Credit Spectrum Fund - Regular Plan	-	-	25,000,000	250
Reliance Regular Savings Fund - Debt Plan - Growth Plan - Growth Option	-	-	66,227,040	1,170
Franklin India Income Builder Account - Plan A	26,698,497	1,107	50,660,486	800
Total	564,012,265	20,753	818,937,920	27,382

Details of Investments in Bonds are provided below:

(₹ Millions)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Unit No.	Amount	Unit No.	Amount
Power Finance Corporation Ltd	350	351	-	-
Rural Electrification Corporation Ltd	150	151	-	-
Housing Development Finance Corporation Limited	70	699	-	-
National Highway Authority of India	500	500	-	-
NTPC Limited	300	300	-	-
Housing and Urban Development Corporation Limited	200,000	213	-	-
Indian Railway Finance Corporation Limited	1,000	1,000	-	-
	202,370	3,214	-	-

Notes

to the consolidated financial statements for the year ended March 31, 2016

15. Long-Term Loans and Advances

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good unless otherwise stated		
Capital advances		
Unsecured, considered good	32	35
Unsecured, considered doubtful advances	20	34
Less: Provision for doubtful advances	(20)	(34)
	32	35
Security deposits		
Unsecured, considered good	4,536	4,192
Unsecured, considered doubtful deposits	219	145
Less: Provision for doubtful deposits	(219)	(145)
	4,536	4,192
Advance income-tax [net of provision for taxation of ₹ 36,855 Mn (March 31, 2015 - ₹ 21,233 Mn)]	4,820	4,604
Advance fringe benefit tax (net of provision)	2	2
	9,390	8,833

'Security Deposit' includes ₹ 3 Mn (March 31, 2015 - Nil) given to related parties. For details, refer note 37.

16. Other Non-Current Assets

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good unless otherwise stated		
Revenue equalization	23,819	24,318
Unamortised debt origination cost	4	11
Others		
Considered good	2,652	3,273
Considered doubtful	18	18
Less: Provision	(18)	(18)
	2,652	3,273
	26,475	27,602

"Others" comprise of payments made under protest to the Government authorities. For details, refer note 39(ii).

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to the consolidated financial statements for the year ended March 31, 2016

17. Current Investments

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Current investments (at lower of cost and market value)		
Investments in mutual funds - quoted (refer note 45)	10,864	31,440
Investments in mutual funds - Unquoted	1,134	-
Investments in Corporate Deposit - quoted	2,846	-
	14,844	31,440
Aggregate Value of Unquoted Investment	1,135	-
Aggregate value of quoted investments	13,710	-
Aggregate Market Value of Quoted Investment	16,149	34,972

Details of current investments are provided below:

Investment in Mutual Funds Quoted:

(₹ Millions)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Unit No.	Amount	Unit No.	Amount
Birla Sun Life Income Plus- Growth Regular Plan	23,775,009	1,260	58,818,759	3,117
HDFC Income Fund Growth	46,967,635	1,265	68,876,846	1,856
HDFC Short Term Plan-Dividend	-	-	18,306,435	500
Birla Sun Life Treasury Optimizer Plan - Growth Regular Plan	-	-	2,909,807	500
HDFC HIF STP - Growth	-	-	43,115,259	1,070
UTI Short Term Income Fund Institutional Option - Growth	-	-	30,042,480	500
ICICI Prudential Short Term - Regular Plan - GROWTH	96,811,536	3,587	17,618,475	500
Religare Invesco Short Term Fund - Growth	-	-	631,432	1,070
Religare Invesco Ultra Short Term Fund - Growth	-	-	263,235	500
SBI Magnum Income Fund - Regular Plan - Growth	-	-	32,485,568	1,000
Sundaram Ultra Short Term Fund Regular Growth	-	-	10,541,073	200
ICICI Prudential Money Market Fund - Direct Plan - Growth	-	-	2,068,170	400
ICICI Prudential Liquid - Direct Plan - Growth	-	-	5,315,317	1,100
IDFC Dynamic Bond Fund - Growth Regular Plan	-	-	29,627,698	500
IDFC Dynamic Bond Fund - Growth Regular Plan	-	-	52,199,311	865
IDFC Super Saver Income Fund-Investment Plan-Growth - Regular Plan	34,149,368	1,002	34,149,368	1,001
Kotak Liquid Scheme Plan A - Direct Plan - Growth	-	-	387,765	1,100

Notes

to the consolidated financial statements for the year ended March 31, 2016

(₹ Millions)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Unit No.	Amount	Unit No.	Amount
Reliance Liquid Fund - Cash Plan - Growth Option - Growth Plan	-	-	181,226	400
Reliance Liquid Fund - Treasury Plan - Direct Plan - Growth Plan - Growth Option	-	-	308,049	1,050
Reliance Money Manager Fund - Growth Plan Growth Option	-	-	265,208	500
ICICI Prudential Flexible Income - Regular Plan - Growth	-	-	1,534,000	400
Birla Sun Life Floating Rate Fund Short Term Plan - Growth Direct Plan.	-	-	5,909,931	1,100
AXIS Banking Debt Fund - Growth (BD-GP)	-	-	197,482	250
Kotak Bond Scheme Plan A-Growth - Regular Plan	-	-	118,736,484	4,020
SBI Dynamic Bond Fund- Regular Growth	82,688,429	2,799	137,780,607	2,021
Franklin India Income Opportunities Fund	-	-	50,465,370	666
ICICI Prudential Income Regular Plan-Growth	-	-	115,575,705	4,282
ICICI Prudential Short Term - Regular Plan - Growth	-	-	30,176,155	849
JM High Liquidity Fund - Growth Option	-	-	1,582,314	59
Principal Cash Management Fund - Regular Plan Growth	-	-	47,708	64
ICICI Prudential Money Market Fund - Growth	4,546,492	950	-	-
	288,938,469	10,864	870,117,237	31,440

Investment in Mutual Funds Unquoted:

(₹ Millions)

	As at March 31, 2016		As at March 31, 2015	
	Unit No.	Amount	Unit No.	Amount
Birla Sun life Cash Plus – Growth – Direct Plan	863,916	210	-	-
ICICI Prudential Liquid - Direct Plan – Growth mutual fund	187,423	42	-	-
Reliance Liquid Fund-Treasury Plan – Direct Plan - Growth Plan-Growth Option-LFAG	73,952	273	-	-
Kotak Liquid Scheme Plan A – Direct Plan - Growth	82,064	252	-	-
SBI Premier Liquid Fund – Direct Plan - Growth	35,326	84	-	-
HDFC – Cash Management Fund – Saving Plan – Growth	91,376	273	-	-
	1,334,057	1,134	-	-

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to the consolidated financial statements for the year ended March 31, 2016

Investment in Corporate Deposit

(₹ Millions)

	As at March 31, 2016		As at March 31, 2015	
	Unit No.	Amount	Unit No.	Amount
HDFC Bank Limited	18,500	1,847	-	-
AXIS Bank Limited	10,000	999	-	-
	28,500	2,846	-	-

18. Trade Receivables

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good unless otherwise stated		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	29	600
Unsecured, considered doubtful	981	1,062
Less: Provision for doubtful receivables	(981)	(1,062)
	29	600
Trade receivables		
Unsecured, considered good	1,887	2,932
Unsecured, considered doubtful	286	177
Less: Provision for doubtful receivables	(286)	(177)
	1,887	2,932
	1,916	3,532

Includes receivables from related parties amounting to ₹ 1,658 Mn (March 31, 2015 - ₹ 2,440 Mn), respectively. For details, refer note 37.

19. Cash and Bank Balances

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Cash and cash equivalents		
Balances with banks		
- on current accounts	324	279
- Deposits with original maturity of less than three months	20,102	-
Cheques on hand	11	6
	20,437	285
Other bank balances		
Fixed deposits		
- Deposits with remaining maturity for less than 12 months	11,479	8,835
	31,916	9,120

"Other bank balances" includes margin money of ₹ 2 Mn (March 31, 2015 - ₹ 2 Mn) against various guarantees issued by banks on behalf of the JV Company in favour of sales tax authorities. The amount also includes fixed deposit of ₹ 15 Mn (March 31, 2015 - ₹ 13 Mn) issued in favour of Municipal Corporation of Delhi. These deposits are not available for use by the JV Company.

Notes

to the consolidated financial statements for the year ended March 31, 2016

20. Short-Term Loans and Advances

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good unless otherwise stated		
Loans and advances to related parties (refer note 37)	573	757
Advances recoverable in cash or kind		
Secured, considered good	340	336
Unsecured, considered good	3,790	4,195
Unsecured, considered doubtful	146	196
Less: Provision for doubtful advances	(146)	(196)
	4,130	4,531
	4,703	5,288

"Advances recoverable in cash or kind" are secured to the extent they are backed by bank guarantees.

21. Other Current Assets

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good unless otherwise stated		
Unbilled revenue (net) (refer note 52)	6,145	6,141
Interest accrued	895	11
Revenue equalization	1,780	1,099
Unamortised loan origination fee	4	9
Other receivables	41	709
	8,865	7,969

"Unbilled revenue (net)" is net of provisions considered for penalties, deductions etc.

"Other current assets" includes amount receivable from related parties amounting to ₹ 4,066 Mn as at March 31, 2016 (March 31, 2015 - ₹ 3,393 Mn).

22. Revenue from Operations

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Sale of services		
Rent	77,875	71,261
Energy (Including rates and taxes)	45,209	45,422
	123,084	116,683

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23. Other Income

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest income on:		
- Bank deposits	2,021	41
- Others	376	96
Dividend income	-	479
Net gain on sale of current investments	3,029	1,523
Profit on sale of fixed assets (net)	1,179	1,863
Termination charges for contract cancellation (refer note 51)	38	256
Miscellaneous income (refer notes 48)	795	965
	7,438	5,223

24. Power and Fuel

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Network	42,543	41,901
Others	54	49
	42,597	41,950

25. Rent

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Network	10,328	9,236
Others	220	224
	10,548	9,460

26. Employee Expenses

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Salaries, wages and bonus	3,750	3,443
Contribution to provident fund	126	115
Employee stock/cash option expense	113	140
Staff welfare expenses	173	161
Others	154	138
	4,316	3,997

"Salaries, wages and bonus" includes gratuity and other post employment benefits. For details, refer note 32.
Further, for details of employee stock/cash option expense, refer note 33.

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27. Repairs and Maintenance

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Repair and maintenance		
- Plant and Machinery	6,881	7,016
- Building	33	36
- Others	2,147	2,019
	9,061	9,071

28. Other Expenses

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Insurance	85	85
Traveling and conveyance	309	281
Communication costs	125	150
Legal and professional	516	368
IT expenses	446	295
Provision for doubtful debts and advances (net)	201	(55)
Provision for capital work in progress (net)	109	93
Miscellaneous expenses		
- Network	421	480
- Others	319	400
	2,531	2,097

"Fixed assets written off" for the year ended March 31, 2016 and March 31, 2015 is net of ₹ 10 Mn and ₹ 76 Mn respectively adjusted with General Reserve in accordance with Schemes of arrangement. For details, refer notes 43 & 44.

29. Depreciation and Amortisation Expense

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Depreciation of tangible assets	24,603	24,293
Amortisation of intangible assets	155	121
	24,758	24,414
Less: adjusted with general reserve (refer note 43 and 44)	(2,065)	(2,567)
	22,693	21,847

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30. Finance Costs

(₹ Millions)		
Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest	2,181	2,946
Amortisation of loan origination fee	12	35
Mark to market loss #	(1)	(85)
Bank charges	6	6
	2,198	2,902

MTM loss for the year ended March 31, 2016 amounting to ₹ (1) Mn [FY 2014-15 – ₹ (85) Mn] represents reversal of MTM loss, recognised in previous year on investments.

31. Earnings per Share (EPS)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Nominal value of equity shares (₹)	10	10
Profit attributable to equity shareholders for computing Basic and Dilutive EPS (A) (₹ Million)	23,820	19,924
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	1,896,182,081	1,890,487,450
Dilutive effect on weighted average number of equity shares outstanding during the year*	-	1,883,319
Weighted average number of equity shares and equity equivalent shares for computing Diluted EPS (C)	1,896,182,081	1,892,370,769
Basic earnings per share (A/B) (₹)	12.562	10.539
Diluted earnings per share (A/C) (₹)	12.562	10.529

* Diluted effect on weighted average number of equity shares and profit is on account of Employee Stock Option Plan (ESOP). During the year, the Company has decided to allot Equity Shares on exercise of ESOP options through ESOP Trust. ESOP Trust has acquired the same through Secondary acquisition mode from open market; hence there is no dilutive impact of ESOP in FY 2015-16.

32. Employee Benefits

During the year, the Group has recognised the following amounts in the consolidated statement of profit and loss:

Defined Contribution Plan

(₹ Millions)		
Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Employer's contribution to Provident Fund	126	115
Total	126	115

Defined Benefit Obligation

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each reporting period. The plan is not funded by the group. Such liability is included in salaries, wages and bonus (refer note 26).

Notes

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Gratuity

- i. Amount charged to the consolidated statement of profit and loss:

(₹ Millions)

Particulars	Gratuity	
	Year ended March 31, 2016	Year ended March 31, 2015
Current service cost	46	40
Interest cost	16	13
Actuarial (gain)/ loss	18	11
Net gratuity cost	80	64

- ii. The assumptions used to determine the benefit obligation are as follows:

Particulars	Gratuity	
	Year ended March 31, 2016	Year ended March 31, 2015
Discount rate	8.00%	8.50%
Expected rate of increase in compensation levels	10.00%	10.00%
Expected average remaining working lives of employees (years)	23.63	24.02

Joint Venture

Particulars	As at	
	March 31, 2016	March 31, 2015
Discount rate	8.00%	7.75%
Expected rate of increase in compensation levels	First 2 years- 10% and 7% thereafter	First 2 years- 10% and 7% thereafter

- iii. Reconciliation of opening and closing balances of defined benefit obligations:

(₹ Millions)

Particulars	Gratuity	
	Year ended March 31, 2016	Year ended March 31, 2015
Projected benefit obligation at beginning of year	188	152
Current service cost	46	40
Interest cost	16	13
Benefits paid	(29)	(28)
Actuarial (gain)/ loss	19	11
Acquisition Adjustment	(4)	-
Projected benefit obligation at end of year	236	188

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to the consolidated financial statements for the year ended March 31, 2016

- iv. The discount rate is based on the average yield on government bonds at the accounting date with a term that matches that of the liabilities.
- v. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- vi. Estimated amounts of benefits payable within next year are ₹ 77 Mn (2014-15 – ₹ 67 Mn).
- vii. The table below discloses experience adjustment disclosure as per para 120 (n) (ii) of Accounting Standard 15(R), 'Employee Benefits'.

(₹ Millions)

Particulars	As at March 31, 2016	Gratuity			
		As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Defined benefit obligation	236	189	152	119	87
Surplus/ (deficit)	(236)	(189)	(152)	(119)	(87)
Experience adjustments on plan liabilities (loss)/ gain	3	(7)	(2)	(1)	(2)
Experience adjustments on plan assets (loss)/ gain	-	-	-	-	-

33. Employee Stock/Cash Option Plans

Pursuant to the board resolution dated July 22, 2008 and the resolution of the shareholders in extraordinary general meeting dated August 28, 2008, the Company instituted the Employee Stock Option Scheme 2008 (the 2008 Scheme).

In FY 2013-14 & 2014-15, the Company had announced new performance unit plan (cash settled payment) for its employees.

During the year ended March 31, 2016, the Company had announced Long term incentive plan (LTIP) 2015 for its employees.

On September 1, 2009, the Joint Venture Company announced an employee stock option plan for eligible employees. During the year ended March 31, 2013, the Joint venture Company has cancelled the ESOP Plan 2009 and has announced new Stock Appreciation Rights (SAR) Scheme for its employees.

As per this plan, the employees would be entitled to receive the difference between the fair value of the share at the date of exercise of SAR and the exercise price.

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The following table provides an overview of all existing stock/cash option plans of the Group:

Scheme	Plan	Stock options outstanding (in thousands)	Vesting period (years)	Contractual term (years)	Weighted average exercise price (₹)	Classification/ accounting treatment
Company						
Infratel	2008 Plan	732	1 - 5	7	110	Equity settled
Infratel	Long term incentive plan (LTIP)	4	1 - 3	7	10	Equity settled
Infratel	Performance Unit Plan (cash settled)	183	1 - 3	7	-	Cash settled
Infratel	Long term incentive plan (LTIP) 2015	90	1 - 3	7	10	Equity settled
Joint Venture						
Indus Plan	SAR Plan -1	0.0036	*	7	404,438	Cash settled
Indus Plan	SAR Plan -2	0.0770	1 - 3	7	657,738	Cash settled

* The vesting schedule of SAR Plan1 stipulates vesting as applicable under the Scheme or as determined by the Human Resource and Remuneration Committee and communicated through the award letters.

The following table provides details of vesting schedule (graded vesting) of all the existing stock/cash option plans of the Group:-

	Vesting period from the grant date	Vesting schedule
Company		
1. ESOP Scheme 2008 (including LTIP)		
For options with a vesting period of 36 months:	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
For options with a vesting period of 48 months:	On completion of 12 months	15%
	On completion of 24 months	20%
	On completion of 36 months	30%
	On completion of 48 months	35%
For options with a vesting period of 60 months:	On completion of 12 months	20%
	On completion of 24 months	20%
	On completion of 36 months	20%
	On completion of 48 months	20%
	On completion of 60 months	20%
2. Performance Unit Plan		
For options with a vesting period of 36 months:	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%

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	Vesting period from the grant date	Vesting schedule
--	---------------------------------------	---------------------

3. Long term incentive plan (LTIP) 2015

For options with a vesting period of 36 months:

On completion of 12 months	30%
On completion of 24 months	30%
On completion of 36 months	40%

Joint Venture

SAR Plan 1

SAR Plan 2

As determined by HR and Remuneration committee

The vesting pattern of each of the initial grants made effective from Feb. 1, 2013 and subsequent grants respectively made is as follows:

At the end of 5 months (for initial grants) and 1 year from grant date (for subsequent grants)	30%
At the end of 1 year and 5 months (for initial grants) and 2 year from grant date (for subsequent grants)	30%
At the end of 2 years and 5 months (for initial grants) and 3 year from grant date (for subsequent grants)	40%

Information concerning the movement in stock options during the year and outstanding at the year end is as follows:

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of stock options (In '000)	Exercise price (₹)	Number of stock options (In '000)	Exercise price (₹)
Company				
Plan 2008				
Outstanding at beginning of the year	3,834	110	8,554	110
Forfeited	(24)	110	(257)	110
Exercised	(3,078)	110	(4,463)	110
Outstanding at the year end	732	110	3,834	110
Exercisable at end of the year	732	110	3,607	110
LTI Plan (Part of 2008 plan)				
Outstanding at beginning of the year	6	10	16	10
Forfeited	-	10	(5)	10
Exercised	(2)	10	(5)	10
Outstanding at the year end	5	10	6	10
Exercisable at end of the year	4	10	3	10
Cash settled Plan				
Outstanding at beginning of the year	238	-	171	-
Granted	-	-	138	-
Forfeited	(4)	-	(25)	-
Exercised	(51)	-	(46)	-
Outstanding at the year end	183	-	238	-
Exercisable at end of the year	37	-	2	-

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Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of stock options (In '000)	Exercise price (₹)	Number of stock options (In '000)	Exercise price (₹)
LTI Plan 2015				
Outstanding at beginning of the year	-	-	-	-
Granted	90	10	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Outstanding at the year end	90	10	-	-
Exercisable at end of the year	-	-	-	-
Joint Venture*				
SAR Plan 1				
Outstanding at beginning of the year	0.0546	-	0.1483	-
Forfeited	-	-	(0.0192)	-
Exercised	(0.0511)	-	(0.0745)	-
Outstanding at the year end	0.0036	-	0.0546	-
Exercisable at end of the year	0.0036	-	0.0368	-
SAR Plan 2				
Outstanding at beginning of the year	0.1135	-	0.0655	-
Granted	0.0270	-	0.0639	-
Forfeited	(0.0072)	-	(0.0047)	-
Exercised	(0.0563)	-	(0.0112)	-
Outstanding at the year end	0.0770	-	0.1135	-
Exercisable at end of the year	0.0099	-	0.0226	-

*Represents the Company's share of 42% of the Joint Venture Company.

*The weighted average share price at the exercise date was ₹ 393.89 per share for options exercised under the 2008 Scheme & LTI plan, ₹ 439.11 per share for options exercised under cash settled plan during the year ended March 31, 2016.

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The weighted average fair value of the options granted during the year March 31, 2016 is ₹ 497.29 per share (2014 - 2015 – ₹ 377.70 per share). The fair value of the options granted during the year was estimated using the Black Scholes / Lattice Valuation model with the following assumptions:

Particulars	As at March 31, 2016	As at March 31, 2015
Company		
Risk free interest rates	7.20% to 7.87%	7.80% to 7.65%
vesting period	36 months	36 months
Weighted average share price (₹)	414.41	378
Weighted average remaining contractual life	6.33 years	5.34 years
Volatility	37.23%	32.59%
Dividend yield	1.44%	0.60%
Joint Venture		
SAR Plan 1 & 2		
Risk free interest rates	7.83%	7.94%
Vesting period		
SAR Plan 1	-	-
SAR Plan 2	36 months	36 months
Volatility	31.11%	31.11%
Dividend yield	4.98%	3.65%

The balance of deferred stock compensation plan as on March 31, 2016 is ₹ 26 Mn (March 31, 2015 – ₹ 3 Mn) and total employee stock/cash options expense recognised for the year ended March 31, 2016 and March 31, 2015 is ₹ 113 Mn and ₹ 140 Mn, respectively.

Notes:

- (i) Bharti Airtel Limited has given stock option to certain employees of the Company. Bharti Airtel Limited has not charged the compensation cost relating to the stock option granted to the Company's employee. Besides this, the Company has also given stock options to certain employees of Bharti Airtel Limited and has considered the related compensation cost in its books.
- (ii) The Company has decided to issue equity shares on exercise of ESOPs through ESOP trust. The loan of Nil (FY 2014-15 – ₹ 625 Mn) has been given to ESOP trust to purchase the Equity Shares of the Company from open market as permitted by SEBI (Share Based Employee Benefits) Regulations, 2014.
- (iii) During the FY 2014-15 Bharti Infratel Employee Welfare Trust (a trust set up for administration of Employee Stock Option Plan ('ESOP') of the Company) has acquired 1,652,000 equity shares of the Company from the open market at an average price of ₹ 377.72 per share. As of March 31, 2016, Bharti Infratel Employee Welfare Trust ('the Trust') holds 1,470,439 shares (of Face Value of ₹ 10 each) (March 31, 2015 - 1,652,000 equity shares) of the Company.

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(₹ Millions)

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	Amount	No. of Shares	Amount
Opening Balance	1,652,000	624	-	-
Purchased during the year	-	-	1,652,000	624
Issued during the year	181,561	65	-	-
Closing Balance	1,470,439	559	1,652,000	624

34. Leases

(a) Operating lease: Group as a lessee

The lease rentals paid under non-cancelable leases relating to rent of building premises and cell sites as per the agreements with escalation rates ranging from 0% to 25% per annum and maximum obligation on long-term non-cancelable operating leases are as follows:

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Lease rental charged to statement of profit and loss	10,548	9,460
Obligation on non-cancelable lease:		
Not Later than one year	9,383	8,750
Later than one year but not later than five years	30,950	28,478
Later than five years	39,866	37,222
Total	80,199	74,450

* The lease rentals include rent equalisation of ₹ 297 Mn and ₹ 252 Mn for the year ended March 31, 2016 and March 31, 2015 respectively.

(b) Operating lease: Group as a lessor

The Group has given sites on operating lease to telecom operators. As per the agreements with the operators the escalation rates range from 0% to 2.5% per annum. The service charges recognised as income during the year for non-cancellable arrangements relating to provision for passive infrastructure sites as per the agreements is ₹ 78,029 Mn and ₹ 71,493 Mn for the year ended March 31, 2016 and March 31, 2015 respectively.

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Future minimum lease payment receivable:		
Not Later than one year	82,452	74,291
Later than one year but not later than five years	265,702	276,764
Later than five years	116,590	128,811
Total	464,744	479,866

Revenue includes revenue equalisation of ₹ 182 Mn and ₹ 1,642 Mn for the year ended March 31, 2016 and March 31, 2015 respectively.

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35. Asset Retirement Obligation

The Group uses various premises on lease to install plant and equipment. A provision is recognised for the costs to be incurred for the restoration of these premises at the end of the lease period. It is expected that this provision will be utilised at the end of the lease period of the respective sites as per the respective lease agreements. The movement of Provision in accordance with AS-29 on 'Provisions, Contingent liabilities and Contingent Assets', is given below:

(₹ Millions)

Particulars	2015-16	2014-15
Opening Balance	10,880	10,548
Additions during the year	549	421
Less: Utilised/ adjusted during the year	(49)	(89)
Closing Balance	11,380	10,880

36. Interest in Joint Venture

The Group's share of the assets, liabilities, income and expense of the joint venture Company, which has been proportionately consolidated in the consolidated financial statements, before elimination of transactions between the group and the joint venture are as follows:-

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Equity and liabilities		
Shareholders' funds		
Share capital	1	1
Reserves and surplus	48,815	51,170
	48,816	51,171
Non-current liabilities		
Long-term borrowings	10,767	15,663
Deferred tax liabilities (net)	7,020	7,276
Other long-term liabilities	6,532	6,157
Long-term provisions	8,019	7,592
	32,338	36,688
Current liabilities		
Short-term borrowings	-	1,468
Trade payables	300	503
Other current liabilities	24,966	19,472
Short-term provisions	1,966	912
	27,232	22,355
Total equity and liabilities	108,386	110,214
Assets		
Non-current assets		
Fixed assets		
Tangible assets	82,995	83,498
Intangible assets	93	108
Capital work-in-progress	1,545	1,579
Long-term loans and advances	5,830	6,008
Other non-current assets	9,104	10,145
	99,567	101,338

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(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Current assets		
Current investments	1,134	-
Trade receivables	90	320
Cash and bank balances	333	239
Short-term loans and advances	1,254	1,473
Other current assets	6,007	6,844
	8,818	8,876
Total assets	108,386	110,214

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Income		
Revenues	67,152	62,822
Other income	1,095	1,676
	68,247	64,498
Expenses		
Power and fuel	22,696	22,107
Rent	7,659	6,729
Employee benefits expenses	1,736	1,553
Repairs and maintenance	5,142	5,080
Other expenses	1,311	1,252
	38,544	36,721
Earnings before finance cost, tax, depreciation and amortization and charity and donation	29,703	27,777
Depreciation and amortization expense	10,989	10,625
Finance costs	2,193	2,967
Charity and donation	157	-
	13,339	13,592
Profit before tax	16,364	14,185
Tax expenses		
Current tax	6,033	4,749
Deferred tax	(256)	357
Total tax expense	5,777	5,106
Profit for the year	10,587	9,079
Capital commitments	1,623	1,213
Contingent liabilities	12,032	9,074

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37. Related Party Disclosures

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

A. List of Related Parties

1. Key Management personnel (KMP)
Akhil Kumar Gupta, Chairman
D.S. Rawat, Managing Director and CEO
2. Related parties where control exists irrespective of whether transactions have occurred or not

Holding Company	Bharti Airtel Limited
Joint Venture Company	Indus Towers Limited
3. Other related parties with whom transactions have taken place during the year

Name of related party	Relationship
Bharti Enterprises Limited	Entity having significant influence/Group Company
Bharti Foundation	Entity having significant influence/Group Company
Bharti Hexacom Limited	Fellow Subsidiary
Bharti Telemedia Limited	Fellow Subsidiary
Centum Learning Limited	Entity having significant influence/Group Company
Indus Towers Limited	Joint Venture
Nxtra Data Limited	Fellow Subsidiary
Bharti Axa General Insurance Co. Ltd. (Bharti Axa)	Entity having significant influence/Group Company
Africa Tower Services (Airtel Africa)	Fellow Subsidiary
Bharti Infratel Employees' Welfare Trust (Trust)	Employee Welfare Trust
Bharti Realty Holdings Limited	Entity having significant influence/Group Company
Telesonic Network Limited	Fellow Subsidiary
Bharti Retail Limited	Entity having significant influence/Group Company
Bharti Realty Limited	Entity having significant influence/Group Company

Notes

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B. Related Party Transactions during the year:

Nature of transaction	(₹ Millions)											
	Bharti Airtel Limited #		Bharti Hexacom Limited		Bharti Telemedia Limited		Bharti Enterprises Limited		Centum Learning Limited		Nextra Data Limited	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Loan given	-	-	-	-	-	-	-	-	-	-	-	-
Amount Provided for ESOP	-	-	-	-	-	-	-	-	-	-	-	-
Loan repaid	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-	-	-	-
Refund of lease rentals for IRU	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
Revenue from operations	53,763	53,104	3,776	3,820	-	-	-	-	-	-	-	-
Consultancy charges	-	-	-	-	-	-	-	-	-	-	-	-
Claim Received	-	-	-	-	-	-	-	-	-	-	-	-
ESOP Amortisation (cash Settled)	-	-	-	-	-	-	-	-	-	-	-	-
Expenses (other than employee related) incurred on behalf of Company	-	-	-	-	-	-	(217)	(108)	-	-	-	-
Reimbursement of expenses	(55)	(72)	-	-	-	-	(0.45)	-	-	-	-	-
Employee related expenses incurred on behalf of Company	-	-	-	-	(6)	(4)	-	-	-	-	-	-
Procurement of services	(116)	(182)	(0.28)	-	-	-	-	(14)	(11)	(30)	(30)	-
Salary	-	-	-	-	-	-	-	-	-	-	-	-
Security deposit received	(100)	(54)	(7)	(7)	-	-	-	-	-	-	-	-
Security deposit refunded	6	149	-	6	-	-	-	-	-	-	-	-
Interest Income - From Group Companies/ Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-
Commission paid	-	-	-	-	-	-	-	-	-	-	-	-
Dividend received	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	(8,840)	(13,350)	-	-	-	-	-	-	-	-	-	-
Donation given	-	-	-	-	-	-	-	-	-	-	-	-
Gratuity Transfer of Employees	-	-	(1)	-	-	-	(0.38)	-	-	-	-	-
Security Deposit paid	-	-	-	-	-	-	-	-	-	-	-	-
Investment in Subsidiary Company	-	-	-	-	-	-	-	-	-	-	-	-
Total	44,658	39,595	3,767	3,819	(6)	(4)	(217)	(108)	(14)	(11)	(30)	(30)
* Inclusive of service tax	-	-	-	-	-	-	-	-	-	-	-	-
Balance outstanding:												
Trade payables and Other current liabilities	(281)	(101)	(15)	(9)	-	-	(18)	-	(0.37)	-	-	-
Other long-term liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Short-term loans and advances	-	-	-	-	-	-	-	-	0.21	-	-	-
Other current assets	3,961	3,206	105	179	-	-	-	-	-	-	-	-
Trade receivables	1,436	2,101	221	338	-	-	-	-	-	-	-	-
Long-term loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
Security deposits received	(3,376)	(3,278)	(219)	(212)	-	-	-	-	-	-	-	-
Total	1,740	1,928	92	296	-	-	(18)	-	(0.16)	-	-	-

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B. Related Party Transactions during the year:

Nature of transaction	Key Management Personnel**		Bharti Foundation		Bharti Infratel Services Limited		Indus Towers Limited*		Bharti Axa		Airtel Africa		ESOP Trust	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Loan given	-	-	-	-	-	-	-	-	-	-	-	-	0	625
Amount Provided for ESOP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan repaid	-	-	-	-	-	-	-	(9,173)	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	296	425	-	-	-	-	-	-	-	-	-	-	-	-
Refund of lease rentals for IRU	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue from operations	-	-	-	-	-	-	-	-	-	-	-	1	-	-
Consultancy charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claim Received	-	-	-	-	-	-	-	-	74	46	-	-	-	-
ESOP Amortisation (cash Settled)	(21)	(6)	-	-	-	-	-	-	-	-	-	-	-	-
Expenses (other than employee related) incurred on behalf of Company	-	-	-	-	-	0.10	-	-	-	-	-	-	-	-
Reimbursement of expenses	-	-	-	-	-	-	(0.38)	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Procurement of services	(118)	(110)	-	-	-	-	-	-	(2)	(52)	-	-	-	-
Salary	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security deposit received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security deposit refunded	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income - From Group Companies/Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commission paid	-	-	-	-	-	-	(88)	(66)	-	-	-	-	-	-
Dividend received	-	-	-	-	-	-	-	16,407	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	(11)	-
Donation given	-	-	(200)	(171)	-	-	-	-	-	-	-	-	-	-
Gratuity Transfer of Employees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security Deposit paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in Subsidiary Company	-	-	-	-	-	0.27	-	-	-	-	-	-	-	-
Total	157	309	(200)	(171)	0.27	0.10	(88)	7,168	72	(6)	1	(11)	625	
* Inclusive of service tax														
Balance outstanding:														
Trade payables and Other current liabilities	-	-	-	-	-	-	(293)	(420)	(0.05)	(125)	-	-	-	-
Other long-term liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term loans and advances	-	-	-	-	-	-	23	227	(0.05)	-	-	-	560	625
Other current assets	-	-	-	-	-	-	-	13	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-	0.12	-	-	-	1	1	-	-
Long-term loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security deposits received	-	-	-	-	-	-	0	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	(270)	(180)	(0.10)	(125)	1	560	625	

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B. Related Party Transactions during the year:

Nature of transaction	₹ Millions)									
	Bharti Realty Holdings Limited		Telesonic Network Limited		Bharti Retail Limited		Bharti Realty Limited		Smartx Services Limited	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Loan given	-	-	-	-	-	-	-	-	-	-
Amount Provided for ESOP	-	-	-	-	-	-	-	-	-	-
Loan repaid	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-	-
Refund of lease rentals for IRU	-	-	-	-	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-	-	-	-	-
Revenue from operations	-	-	-	-	-	-	-	-	-	-
Consultancy charges	-	-	-	-	-	-	-	-	-	-
Claim Received	-	-	-	-	-	-	-	-	-	-
ESOP Amortisation (cash Settled)	-	-	-	-	-	-	-	-	-	-
Expenses (other than employee related) incurred on behalf of Company	-	-	-	-	-	-	-	-	-	-
Reimbursement of expenses	-	-	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of Company	(2)	-	-	-	-	-	(4)	-	-	-
Procurement of services	-	-	-	-	-	-	-	-	-	-
Salary	-	-	-	-	-	-	-	-	-	-
Security deposit received	-	-	-	-	-	-	-	-	-	-
Security deposit refunded	-	-	-	-	-	-	-	-	-	-
Interest Income - From Group Companies/Subsidiaries	-	-	-	-	-	-	-	-	-	-
Commission paid	-	-	-	-	-	-	-	-	-	-
Dividend received	-	-	-	-	-	-	-	-	-	-
Donation given	-	-	-	-	-	-	-	-	-	-
Gratuity Transfer of Employees	(0.50)	-	(0.2)	-	0.32	-	-	-	-	-
Security Deposit paid	-	-	-	-	-	-	3	-	-	-
Investment in Subsidiary Company	-	-	-	-	-	-	-	-	30	-
Total	(2.50)	-	(0.2)	-	(0.32)	-	(1)	-	30	-
* Inclusive of service tax	-	-	-	-	-	-	-	-	-	-
Balance outstanding:	-	-	-	-	-	-	-	-	-	-
Trade payables and Other current liabilities	(0.5)	-	(0.2)	-	(0.32)	-	-	-	-	-
Other long-term liabilities	-	-	-	-	-	-	-	-	-	-
Short-term loans and advances	-	-	-	-	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-	-	-	-	-
Long-term loans and advances	-	-	-	-	-	-	3	-	-	-
Security deposits received	-	-	-	-	-	-	-	-	-	-
Total	(0.5)	-	(0.2)	-	(0.32)	-	3	-	-	-

* Balance outstanding includes provision for leave encashment and gratuity based on actuarial valuation.

** Transactions above have not been proportionated based on the equity holding in the JV Company. Amount due from and due to JV Company are included in the respective line items in the above schedule.

Refer note 44 for details of additional investment in Indus Towers Limited (Indus) on merger of Bharti Infratel Ventures Limited with Indus during the previous year.

Also, refer foot note given in note 33 on Employee Stock/Cash Option Plan.

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38. Capital and Other Commitments

(i) Capital Commitments

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Estimated amount of contracts to be executed on capital account and not provided for in the financial statements (net of capital advances)	3,206	4,685
	3,206	4,685

(ii) Other Commitments

For commitments relating to lease agreements, refer note 34.

39. Contingent Liabilities

(i) Financial Bank Guarantees

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Total guarantees issued by banks and financial institutions on behalf of the Group	3	426
	3	426

(ii) Claims against the Group not Acknowledged as debt

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
a) Taxes, duties and other demands (under adjudication / appeal / dispute)		
- Sales tax (refer to a below)#	3,362	3,211
- Stamp duty (refer to b below)	192	192
- Entry tax (refer to c below)	2,064	1,750
- Municipal taxes (refer to d below)	1,778	1,246
- Service tax (refer to e below)	23,708	22,110
b) Other claims under legal cases including arbitration matters (refer to f below)	302	257
c) Income tax matters (refer to g and h below)#	1,316	1,318
Total	32,722	30,084

Include ₹ 1,627 Mn (March 31, 2015 - ₹ 2,723 Mn) for which the possibility of tax demand materialising is remote based on internal assessment of the Group.

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Certain show cause notices received by JV Company relating to Direct and Indirect tax matters amounting to ₹ 5,771 Mn (March 31, 2015 ₹ 6,306 Mn) have neither been acknowledged as claims nor considered as Contingent liabilities, based on internal assessment and independent advice taken from tax experts, the JV Company is of the view that possibility of any of these tax amount is remote.

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

(a) Sales Tax

The claims for sales tax as of March 31, 2016 comprise of the cases relating to levy of penalty for the year 2008-09 in right to use litigation wherein the main demand has already been quashed by Hon'ble HC of Indore. The Company has filed Writ petition against the demand before HC.

(b) Stamp Duty

The Group has received demand in certain states for stamp duty on execution of Leave and License Agreement of Cell Sites.

(c) Entry Tax

In certain states, entry tax is imposed on entry of goods in the local area for use, consumption or sale therein. The Group has challenged the constitutional validity of the same before respective high courts and also in Hon'ble Supreme Court.

(d) Municipal Taxes

The Group, based on its assessment of the applicability and tenability of certain municipal levies, which is an

industry wide phenomenon, does not consider the impact of such levies to be material.

Further, in the event these levies are confirmed by the respective government authorities, the Company would recover these amounts from its customers in accordance with terms of Master Service Agreement (MSA) and for the JV Company to the extent allowed under the terms of MSA.

(e) Service Tax

The service tax department has issued certain orders for the disallowance of cenvat credit availed on Inputs, Capital Goods and Input Services for the period starting from August, 2007 to March, 2014. The Company is in process of filing an appeal before Delhi HC against the Larger Bench CESTAT decision on question of law while on merits appeal is pending before Division Bench, Chandigarh.

(f) Others

Others mainly include site related legal disputes.

(g) Income Tax

This mainly includes tax demands for assessment years 2011-12 and 2012-13.

(h) The Income Tax Authorities have appointed a Special Auditor to audit Joint Venture Company's accounts for FY 2010-11. The Special Auditor in his report has recommended certain additions in taxable income. While the Income Tax Department has not yet completed the assessment for the specified year, the Joint Venture Company believes that it is unlikely that any material or meaningful demand could be held tenable against the Joint Venture Company on the basis of the said report.

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40. Utilisation of Money Raised Through Public Issue

- (a) Pursuant to Initial Public Offer (IPO) the Company raised ₹ 31,657 Mn (net of selling shareholders' proceeds), details of utilisation of IPO proceeds are as follows-

(₹ Millions)								
Particulars	Total Planned Utilization as per prospectus	Amount pending Utilisation as on December 31, 2015	Detail of Estimated Planned Utilisation of IPO proceeds pursuant to the variation as approved by the members of the company on March 21, 2016 (Refer note a & b)				Amount utilised during the Quarter ending March 31, 2016 (to be read with note c)	Amount Pending Utilisation as on March 31, 2016
			FY 2015-16	FY 2016-17 or earlier	FY 2017-18 (upto September 30,2017) or earlier	Total		
			A	B	C	D=A+B+C	E	F=D-E
Installation of 4,813 new towers	10,865	5,329	400	800	300	1,500	525	975
Upgradation and replacement of existing towers	12,141	-	2,500	4,000	1,000	7,500	3,224*	4,276
Green Initiatives at tower sites	6,394	4,074	100	200	103	403	130	273
General Corporate purposes (Including Share issue expenses in excess of 2% retained in Escrow)	2,257	-	-	-	-	-	-	-
Total	31,657	9,403	3,000	5,000	1,403	9,403	3,879	5,524

* including closing inventory as at March 31, 2016 amounting to ₹ 110 Mn (March 31, 2015 - ₹ 211 Mn)

Note:-

- (a) Variation to the objects and schedule of deployment as disclosed in the prospectus dated December 19, 2012 issued by the Company for its IPO was approved by the shareholders of the Company through postal ballot on March 21, 2016.
- (b) The schedule of deployment as set out in the table above is based on internal management estimates of the Company, assessed in light of current circumstances of the Company's business. The

schedule of deployment is, however, dependent upon various factors beyond the Company's control, such as, change in technology, change in business requirement including orders from operators and general economic conditions. Accordingly, the actual amount to be spent in a particular financial year for the proposed Objects may be different than the amount set out in the table above. Furthermore, to the extent the Company is unable to utilise or over spend any portion of the funds as per the estimated schedule of deployment set out above, such variation in amounts shall be either deployed or appropriated from any of

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the above mentioned objects in the current financial year or subsequent financial years as the case may be. The schedule of deployment and variation terms to this schedule is approved by shareholders as mentioned in (a) above.

- (c) Amount utilised during the quarter ended March 31, 2016 includes Capital expenditure amounting to ₹ 2,073 Mn which was incurred upto December 31, 2015 under the head "Upgradation and replacement of existing towers". This capital expenditure was in excess of planned utilisation of ₹ 12,141 Mn as per prospectus. The

same is within the approval provided by the members of the Company through postal ballot on March 21, 2016.

Actual fund utilisation upto March 31, 2016 has been lower primarily on account of lower capex deployment.

Unspent amount of ₹ 5,524 Mn is lying in investment in mutual funds as shown below –

Particulars	No. of Units	Amount ₹ Millions**
Current	250,242,609	8,912

**The difference in the unutilised issue proceeds and amount invested is on account of dividend accrued, reinvested during the period.

41. (a) Expenditure in Foreign Currency (Cash Basis)

(₹ Millions)		
Particulars	As at March 31, 2016	As at March 31, 2015
Legal and professional	31	29
IT expenses	2	2
Commission	1	-
	34	31

(b) Dividend Remitted in Foreign Currency

(₹ Millions)		
Particulars	As at March 31, 2016	As at March 31, 2015
Number of non - resident shareholders to whom dividend was due	-	1
Number of equity shares held on which dividend was due (in Mn)	-	18
Amount remitted (₹ in Mn)	-	160
Amount remitted (USD in Mn)	-	3

In addition to above, final dividend amounting to ₹ 3,309 Mn (FY 2014-15 - ₹ 3,084 Mn) has been paid to other non-resident shareholders in Indian Rupees.

- (c) Unhedged foreign currency exposure is Nil as at March 31, 2016 (March 31, 2015 – Nil).

- (d) Value of imports calculated on CIF basis Nil as at March 31, 2016 (March 31, 2015 – Nil).

42. Since the Group's business activity falls within a single business and geographical segment of providing passive infrastructure, there are no additional disclosure to be provided under Accounting Standard - 17 'Segment reporting' other than those already provided in the consolidated financial statements.

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43. During the year ended March 31, 2008, pursuant to the Scheme of Arrangement with Bharti Airtel Limited ('the Scheme') under sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of Bharti Airtel Limited was transferred to the Company. Pursuant to the Scheme, the depreciation charged by the Company on the excess of the fair values over the original book values of the assets transferred by Bharti Airtel Limited is being off-set against General Reserve. Had the Company followed generally accepted accounting principles in India, General Reserve as at March 31, 2016 and March 31, 2015 would have been higher by ₹ 8,302 Mn and ₹ 7,724 Mn, respectively. Depreciation for the year ended March 31, 2016 would have been higher by ₹ 571 Mn (March 31, 2015 - ₹ 606 Mn), other expenses for the year ended March 31, 2016 would have been higher by ₹ 7 Mn (March 31, 2015 - ₹ 55 Mn) and profit for the year ended March 31, 2016 would have been lower by ₹ 579 Mn (March 31, 2015 - ₹ 661 Mn), respectively.

44. Merger of Bharti Infratel Ventures Limited with Indus Towers Limited

(A) Accounting as per the Scheme

1) The Scheme of Arrangement (the Scheme or Indus Scheme) under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities as defined in Indus Scheme from Bharti Infratel Ventures Limited (BIVL), wholly owned subsidiary of the Company, Vodafone Infrastructure Limited (formerly known as Vodafone Essar Infrastructure Limited), and Idea Cellular Tower Infrastructure Limited (collectively referred to as 'the transferor companies') to Indus Towers Limited (Indus) was approved by the Hon'ble High Court vide order dated on April 18, 2013 and filed with the Registrar of Companies on June 11, 2013 with appointed date April 1, 2009 i.e. effective date of Scheme and, accordingly, effective June 11, 2013, the transferor companies have ceased to exist and have become part of Indus. The Scheme has, accordingly, been given effect to in the financial statements of Indus and consequently in these consolidated financial statements for the year ended March 31, 2014.

2) The Company in its standalone financial statements was carrying investment in Bharti Infratel Ventures Limited at ₹ 59,921 Mn. Pursuant to the Scheme, the Company has additionally got 504 shares in Indus in lieu of transfer of its investment in Bharti Infratel Ventures Limited to Indus and recorded these additional shares at their fair values of ₹ 60,419 Mn in accordance with the requirements of Accounting Standard-13. The resultant gain of ₹ 385 Mn (net of taxes ₹ 116 Mn) has been disclosed as adjustment to carry forward balance of Statement of Profit and Loss as at April 1, 2009.

3) Indus has given effect of the Scheme and recorded the following in its financial statements:

- The assets and liabilities of the transferor companies and their operating results have been incorporated in the books of Indus with effect from April 1, 2009 i.e. the (appointed date).
- The assets and liabilities and reserves of the transferor companies as on the appointed date, i.e. April 1, 2009, have been recorded at the fair values and book values respectively, with a corresponding credit to general reserve. The general reserve created pursuant to the Scheme is as follows:

	(₹ Millions)
Assets of the transferor companies at their fair value	155,735
Less: Liabilities of the transferor companies at respective book values	(7,419)
Less: Reserves of the transferor companies at respective book values	(74,525)
Less: Equity shares issued to the shareholders of the transferor companies*	-
Amount recognised as General reserve pursuant to merger	73,791

*1,200 equity shares of face value of ₹ 1 each credited as fully paid up have been issued and allotted in terms of the Scheme to equity shareholders of each of the transferor companies, in a manner that the shareholding ratio among the shareholders of Vodafone Infrastructure Limited, BIVL and Idea Cellular Towers Infrastructure Limited remains 42:42:16 respectively in Indus.

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- c) The General reserve created pursuant to the Scheme shall be treated as free reserve for all intents and purposes, as may be decided by the board of directors of Indus, including for amortisation of any merger related expenses or losses, issuance of bonus shares, off-setting any additional or accelerated depreciation related to the fixed assets transferred to the Indus pursuant to the Scheme, lease equalisation reserve, asset retirement obligations, deferred tax assets or liabilities, other expenses, impairment, losses or write-offs and any other permitted purpose and shall form part of the net worth of the Indus. Any impact due to alignment of accounting policies or changes in estimates has been adjusted against the general reserve account created pursuant to the Scheme.
- d) The General reserve created pursuant to the Scheme has been utilised as follows:
- (i) Impact of accounting policy alignment as on April 1, 2009 in respect of asset retirement obligation, lease equalisation reserve, revenue equalisation reserve and consequent deferred tax amounting to ₹ 1,702 Mn, ₹ 964 Mn, ₹ 1,113 Mn and ₹ 2,053 Mn respectively.
 - (ii) Impact of additional depreciation arising between fair value and book value of the assets acquired from transferor companies for the period April 1, 2009 to March 31, 2015 and for the year ended March 31, 2016 amounting to ₹ 28,606 Mn and ₹ 2,785 Mn respectively.
 - (iii) Impact of additional depreciation on scrap/ obsolete tangible fixed assets pertaining to the transferor companies amounting to ₹ 454 Mn for the year ended March 31, 2016 (March 31, 2015 – ₹ 491 Mn). Further, impact of additional depreciation on fixed assets lying on certain sites acquired from transferor companies amounting to ₹ 318 Mn for the year ended March 31, 2016 (March 31, 2015 – ₹ 360 Mn).
- (iv) Deferred tax assets, MAT asset and current tax payable amounting to Nil have been recognised in general reserve for the year ended March 31, 2016 (March 31, 2015 – Nil) on account of tax blocks acquired from transferor companies.
- e) Balance of general reserve transferred from transferor companies as on April 1, 2009 amounting to ₹ 74,656 Mn has been recorded as an adjustment in general reserve account.
- f) Balance of statement of profit and loss transferred from transferor companies as at April 1, 2009 amounting to ₹ 132 Mn (debit balance) and profits of the respective transferor Companies for the period April 1, 2009 till March 31, 2013 amounting to ₹ 12,198 Mn (net off merger related adjustment of ₹ 386 Mn) has been recorded as adjustment in the Statement of Profit and Loss.
- The above adjustment has been recorded by the Company to the extent of its proportionate share as follows:
- i) Balance of statement of profit and loss transferred as on April 1, 2009 (refer 3f) ₹ 5,124 Mn along with the impact of transferring the cumulative statement of profit and loss balance of BIVL of ₹ (466) Mn has been disclosed as surplus in statement of profit and loss arising out of the Scheme.
 - ii) Amount transferred to statement of profit and loss on account of additional depreciation on above fair valued assets ₹ 1,496 Mn (March 31, 2015 - ₹ 1,984 Mn) [refer 3(d)(ii) and 3(d)(iii)].

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- iii) Net impact of ₹ 889 Mn w.r.t. the following had been disclosed in the general reserve as an adjustment during the year ended March 31, 2014:
 - (a) Company's proportionate share in general reserve of Indus of ₹ 52,266 Mn (refer note 3(a-f) above);
 - (b) Reduced by the amount of investment in Indus of ₹ 60,635 Mn; and
 - (c) Net debit balance of reserves and surplus of BIVL of ₹ 7,480 Mn transferred to Indus.
- 4) On December 31, 2011, BIVL had acquired certain assets and liabilities relating to certain specified telecom circles from the Company. The liabilities acquired included amounts payable to Indus of ₹ 4,536 Mn. These assets and liabilities have been recorded by Indus at ₹ 4,695 Mn and ₹ 159 Mn respectively and transferred the amounts payable of ₹ 4,536 Mn (42% share of the Company amounting to ₹ 1905 Mn) to capital reserve.
- 5) In accordance with Scheme of Arrangement approved by the Hon'ble High Court of Delhi and Hon'ble Gujarat High Court of Gujarat on March 29, 2011 and August 27, 2012 respectively, Passive Infrastructure ("PI") assets as at April 1, 2009 were transferred by Vodafone West Limited to its wholly owned subsidiary, Vodafone Infrastructure Limited. Subsequently, Vodafone Infrastructure Limited has amalgamated into Indus Towers Limited with the appointed date of April 1, 2009. The income tax authorities filed a special leave petition with Hon'ble Supreme Court on September 5, 2012 challenging the approval of Hon'ble Gujarat High Court for transfer of PI assets from Vodafone West Limited.

Further, the Income Tax authorities have also filed two appeals before the Division Bench of Hon'ble High Court of Delhi challenging the order dated March 29, 2011 passed by the single judge of Delhi High Court approving

scheme of arrangement for transfer of PI assets from Vodafone South Limited, Vodafone Digilink Limited and Vodafone Mobile Services Limited into Vodafone Infrastructure Limited and from the Company to BIVL. The said appeals are pending for condonation of delay in filing by the Hon'ble Court. Both Vodafone Infrastructure Limited and BIVL have amalgamated into Indus Towers Limited with the appointed date of 1 April, 2009.

The Income Tax authorities have filed appeals on August 21, 2013 before the Division Bench of Hon'ble High Court of Delhi challenging the order dated April 18, 2013 passed by the single judge of Delhi High Court approving scheme of amalgamation of Vodafone Infrastructure Limited, Bharti Infratel Ventures Limited and Idea Cellular Tower Infrastructure Limited into Indus Towers Limited. The said appeals filed by Income Tax Authorities are yet to be admitted by the Hon'ble High Court. Vodafone Infrastructure Limited, Bharti Infratel Ventures Limited and Idea Cellular Tower Infrastructure Limited have already amalgamated into Indus Towers Limited upon filing of certified copy of the aforesaid court order dated April 18, 2013 with Registrar of Companies (RoC) on June 11, 2013 and with the appointed date of April 1, 2009.

- 6) The impact of the Scheme being non-cash transactions has not been considered for disclosure in the cash flow statement for the year ended March 31, 2014.
- (B) Consequent to the Scheme as discussed in note 44 A above, Indus has recorded the assets of transferor companies at their respective fair value. The difference between the fair values of assets, the book value of liabilities and reserves as reduced by the face value of shares issued by Indus, amounting to ₹ 62,293 Mn as of April 1, 2009, has been credited to the general reserve account in these consolidated financial statements instead of crediting capital reserve in preference to relevant Indian Generally Accepted Accounting Principles. Further, as per

Notes

to the consolidated financial statements for the year ended March 31, 2016

the Scheme, the general reserve so recognised is to be treated as free reserve for all intents and purposes, as may be decided by the Board of Directors of Indus. Accordingly, ₹ 1,984 Mn and ₹ 1,496 Mn has been set-off against general reserve for the period up to March 31, 2015 and for the year ended March 31, 2016, respectively towards additional depreciation on excess of fair values over the original book values of the assets transferred and losses pertaining to assets retired from active use of transferor companies instead of being adjusted to the statement of profit and loss for the respective periods.

45. The Company has classified its investments in mutual funds as current and non-current at the time of initial recognition, based on its plan of future utilisation of funds within 12 months and after 12 months, respectively. These investments are reclassified and disclosed as at year end based on balance utilisation period.
46. During the year 2014-15, the Group had re-assessed the useful life and residual value of all its assets, accordingly, effective April 1, 2014, it had revised the useful life of certain class of shelters from 15 years to 10 years and revised the residual value of certain plant and machineries (batteries and DG sets) to 25% and 10%, respectively. The net impact thereof was not material and hence, not disclosed in these financial statements.

During the year ended March 31, 2016, Joint Venture Company has changed the residual value of Air Conditioners from NIL to 5% based on actual net realisable value. The impact thereof has not been considered material and hence, not disclosed in these financial statements.

47. On April 27, 2015, the Board of Directors had proposed a dividend of ₹ 6.50 per equity share to all the existing shareholders for the year ended March 31, 2015. The dividend proposed by the Board of Directors had approved by the shareholders in the annual general meeting held on August 11, 2015 and paid during the financial year March 31, 2016.

48. The Company has recognised write back of over aged liabilities and provisions amounting to ₹ 162 Mn (FY 2014-15 – ₹ 367 Mn), related to fixed assets transferred to Joint Venture Company, equally over the period starting from October 1, 2014 to June 30, 2015 and disclosed under “Miscellaneous Income”.

49. Charity and donation includes Nil (FY 2014-15 – ₹ 60 Mn) paid to Satya Electoral Trust for political purposes.
50. The Company was required to spend ₹ 255 Mn towards CSR expenditure in current year as per the requirement of the Act. During the year, ₹ 269 Mn were committed towards 5 long-term CSR projects basis approval from the Board. The disbursement of committed funds is based on the individual project work plans and milestones achieved over the project duration. All projects are being monitored on the progress made and impact created during the routine course of the business. The CSR fund disbursement in current year was ₹ 209 Mn.

During the year, the JV Company has also made contributions to implementing agencies as per its CSR policy to execute projects and programs in the field of environment, education and home for orphans/ reducing inequalities/preventive health care of ₹ 157 Mn.

51. During the year ended March 31, 2016, the Company has re-classified the termination charges w.r.t. cancellation of contracts by operators of ₹ 60 Mn, from ‘Other income’ to ‘Revenue from operations’. Previous year figures have not been reclassified being not material in relation to these financial statements.
52. During the year ended March 31, 2016, the Joint Venture Company (‘JV’) re-assessed the provision made towards municipal fees and taxes / tower taxes and property taxes in respect of earlier years and accordingly, based on current best estimate, the JV has reversed the excess provision (net of related receivables). The Company has disclosed ₹ 261 Mn, being its share of excess provision written back for earlier years, under ‘Other Income’.

Notes

to the consolidated financial statements for the year ended March 31, 2016

- 53.** Finance cost includes reversal of MTM loss, recognised in previous period on current investments, for the year ended March 31, 2016 amounting to ₹ (1) Mn (March 31, 2015 - ₹ 85 Mn) respectively.
- 54.** The Central Government in consultation with National Advisory Committee on Accounting Standards has amended Companies (Accounting Standards) Rules, 2006 ('principal rules'), vide notification issued by Ministry of Corporate Affairs dated March 30, 2016. The Company believes, that as the original notification dated 7 December 2006 for notifying accounting standards states that 'the Accounting Standards shall come into effect in respect of accounting periods commencing on or after the publication of these Accounting Standards.' Therefore the Company has not applied these amendments during the year.
- 55.** Previous year figures have been regrouped/ reclassified wherever necessary to conform to the current year's classifications.

Standalone Financial Statements with Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To
The Members of Bharti Infratel Limited
Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the

provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 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 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 financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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

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, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts ;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 37 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

per **Vineet Kedia**
Partner
Membership No: 212230

Place of Signature: Gurgaon
Date: April 26, 2016

Annexure 1 referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date

Re: Bharti Infratel Limited ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a physical verification program of covering all fixed assets once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, during the year, planned physical verification of certain fixed assets and capital work in progress has been conducted by the management and material discrepancies were identified on such verification. These have been properly dealt with in the books of accounts.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it. The provisions relating to employees' state insurance are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of dues	Amount (₹ In Mn)	Period to which amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	1,256	FY 2010-11 - FY 2011-12	CIT(Appeals)
Income Tax Act, 1961	Income Tax	6	FY 2008-09	Assessing Officer (TDS)
Bihar, North Eastern States, Himachal Pradesh, Madhya Pradesh, Jammu & Kashmir Entry Tax Act	Entry Tax	1,180	FY 2007-08 - FY 2015-16	Hon'ble High Court
Assam, Madhya Pradesh, Orissa, Chhattisgarh, Rajasthan Entry Tax	Entry Tax	576	FY 2007-08 - FY 2015-16	Hon'ble Supreme Court
Assam, Uttar Pradesh, Rajasthan Entry Tax Act	Entry Tax	8	FY 2007-08 - FY 2015-16	Deputy Commissioner, Appeal
Madhya Pradesh, Chhattisgarh Entry Tax Act	Entry Tax	5	FY 2009-10 - FY 2012-13	Assistant Deputy Commissioner, Appeal
Bihar Entry Tax Act	Entry Tax	4	FY 2007-08 - FY 2010-11	Joint Commissioner, Appeal
Orissa Entry Tax Act	Entry Tax	77	FY 2007-08 - FY 2008-09	Tribunal
The Madhya Pradesh VAT Act, 2002	Sales Tax	457	FY 2008-09	MP (Indore) High Court
Uttar Pradesh Value Added Tax Act, 2007	Sales Tax	1	FY 2009-10 - FY 2014-15	UP Commercial Tax Appellate Authority
Finance Act, 1994	Service Tax	15,809	FY 2007-08 - FY 2013-14	High Court, Delhi (Appeal to be filed)

Of the above mentioned cases, total amount deposited against income tax, entry tax and service tax is ₹ 589 Mn, ₹ 1,327 Mn and ₹ 342 Mn, respectively.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.
- (ix) In our opinion and according to information and explanations given by the management, monies raised by the Company by way of initial public offer (IPO) in earlier year were applied during the year for the purpose for which the monies were raised, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in liquid investments payable on demand. The maximum amount of idle/surplus funds invested during the year was ₹ 16,810 Mn and ₹ 8,912 Mn was outstanding at the end of the year. Variation to the objects and schedule of deployment of this IPO as disclosed in the prospectus dated December

19, 2012 issued by the Company was approved by the shareholders of the Company through postal ballot on March 21, 2016.

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no material fraud on or by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xi) 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, we report that the Company has complied with requirements of section 192 for the non-cash transactions with directors in respect of ESOP transactions.

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

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

per **Vineet Kedia**
Partner
Membership No: 212230

Place: Gurgaon
Date: April 26, 2016

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Bharti Infratel Limited

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

To
The Members of Bharti Infratel Limited

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

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide

reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

per **Vineet Kedia**
Partner
Membership No: 212230

Place: Gurgaon
Date: April 26, 2016

Balance Sheet

as at March 31, 2016

(₹ Millions)

Particulars	Notes	As at March 31, 2016	As at March 31, 2015
Equity and Liabilities			
Shareholders' funds			
Share capital	3	18,967	18,938
Reserves and surplus	4	166,765	160,697
		185,732	179,635
Non-current liabilities			
Deferred tax liabilities (net)	5	5,229	4,971
Other long-term liabilities	6	5,902	5,485
Long-term provisions	7	3,644	3,510
		14,775	13,966
Current liabilities			
Trade payables	8		
- Total Outstanding dues of micro enterprises and small enterprises		2	22
- Total Outstanding dues of Creditors other than micro enterprises and small enterprises		747	993
Other current liabilities	9	13,297	12,679
Short-term provisions	10	6,967	14,920
		21,013	28,614
Total equity and liabilities		221,520	222,215
Assets			
Non-current assets	11		
Fixed assets			
Tangible assets		61,867	64,608
Intangible assets		71	93
Capital work-in-progress		701	681
Non-current investments	12	84,416	87,801
Long-term loans and advances	13	3,560	2,825
Other non-current assets	14	17,371	17,457
		167,986	173,465
Current assets			
Current investments	15	13,710	31,440
Trade receivables	16	1,955	3,392
Cash and bank balances	17	31,553	8,882
Short term loans and advances	18	3,459	3,911
Other current assets	19	2,857	1,125
		53,534	48,750
Total assets		221,520	222,215

Summary of significant accounting policies 2.1
The accompanying notes form an integral part of the financial statements

As per our report of even date

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

per **Vineet Kedia**
Partner
Membership No: 212230

Place: Gurgaon
Date: April 26, 2016

For and on behalf of the board

Akhil Gupta
Chairman

Shweta Girotra
Company Secretary

D S Rawat
Managing Director & CEO

Pankaj Miglani
Chief Financial Officer

Statement of Profit and Loss

for the year ended March 31, 2016

(₹ Millions, except per share data)

Particulars	Notes	Year ended March 31, 2016	Year ended March 31, 2015
Income			
Revenue from operations	20	55,957	53,889
Other income	21	6,388	19,954
		62,345	73,843
Expenses			
Power and fuel	22	19,901	19,843
Rent	23	2,889	2,731
Employee expenses	24	2,581	2,444
Repairs and maintenance	25	3,919	3,991
Other expenses	26	1,289	873
		30,579	29,882
Earnings before finance cost, tax, depreciation and amortisation and charity and donation		31,766	43,961
Depreciation and amortisation expense	27	12,275	11,828
Less: Adjusted with general reserve in accordance with the Scheme of Arrangement (refer note 41)		(571)	(606)
		11,704	11,222
Finance cost	28	5	(65)
Charity and donation (refer note 49)		214	67
		11,923	11,224
Profit before tax		19,843	32,737
Tax expense			
Current tax	5	6,351	4,843
Deferred tax charge	5	258	642
Total tax expense		6,609	5,485
Profit for the year		13,234	27,252
Earnings per equity share (nominal value of share ₹ 10 each)	29		
Basic		6.979	14.415
Diluted		6.979	14.401
Summary of significant accounting policies	2.1		
The accompanying notes form an integral part of the financial statements			

As per our report of even date

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

per **Vineet Kedia**
Partner
Membership No: 212230

Place: Gurgaon
Date: April 26, 2016

For and on behalf of the board

Akhil Gupta
Chairman

Shweta Girotra
Company Secretary

D S Rawat
Managing Director & CEO

Pankaj Miglani
Chief Financial Officer

Cash Flow Statement

for the year ended March 31, 2016

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Cash flows from operating activities		
Profit before taxation	19,843	32,737
Adjustments for -		
Depreciation and amortisation expense	11,704	11,222
Interest income	(2,285)	(63)
Dividend income	-	(16,886)
Finance cost	-	20
Net gain on sale of current investments	(2,997)	(1,437)
Employee stock compensation expense	38	10
Revenue equalisation	(586)	(1,333)
Rent equalisation	109	133
Provision for doubtful debts and advances (net)	106	(60)
Provision for capital work in progress (net)	(7)	(12)
Profit on sale of fixed assets (net)	(651)	(903)
Operating profit before changes in assets and liabilities	25,274	23,428
Increase / (Decrease) in trade payables	(266)	(444)
Increase / (Decrease) in other current liabilities	671	302
Increase / (Decrease) in short-term provisions	14	16
Increase / (Decrease) in other long-term liabilities	308	438
Increase / (Decrease) in long-term provisions	23	7
(Increase) / Decrease in trade receivables	1,377	(488)
(Increase) / Decrease in short-term loans and advances	329	(610)
(Increase) / Decrease in other current assets	(849)	172
(Increase) / Decrease in long-term loans and advances	(145)	(120)
(Increase) / Decrease in other non-current assets	(427)	(297)
Cash generated from operations	26,309	22,404
Income tax paid (net of refunds)	(5,832)	(5,024)
Contribution towards CSR	-	(173)
Net cash flow from operating activities (A)	20,477	17,207
Cash flows from investing activities		
Purchase of fixed assets	(9,896)	(10,757)
Proceeds from sale of fixed assets	1,072	1,360
Investments in bank deposits (having original maturity of more than three months)	(2,642)	(8,820)
Advance to ESOP trust	-	(625)
Disposal of Subsidiary	(1)	-
Investments in Subsidiary	(30)	-
Purchase of investments	(950)	(77,542)
Purchase of Corporate Deposit	(2,846)	-
Purchase of Bonds	(3,214)	-
Proceeds from sale of investments	31,154	90,167
Interest received	1,402	90
Dividend received	-	16,886
Net cash flow from / (used in) investing activities (B)	14,049	10,759

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Cash flows from financing activities		
Repayment of borrowings	-	(9,173)
Proceeds from exercise of stock options	338	490
Interest paid	-	(14)
Dividend paid	(12,326)	(16,822)
Tax on Dividend paid	(2,509)	(2,859)
Net cash flow (used in) financing activities (C)	(14,497)	(28,378)
Net increase in cash and cash equivalents during the year (A+B+C)	20,029	(412)
Cash and cash equivalents at the beginning of the year	62	474
Cash and cash equivalents at the end of the year (Refer Note 17)	20,091	62
Components of cash and bank balances		
Cash and cash equivalents		
Balances with banks		
- on current accounts	258	62
- Deposits with original maturity of less than three months	19,822	-
Cheques on hand	11	-
Total cash and cash equivalents	20,091	62
Other bank balances		
Fixed deposits		
- Deposits with remaining maturity for less than 12 months	11,462	8,820
Total Cash and bank balances	31,553	8,882
Summary of significant accounting policies	2.1	
The accompanying notes are an integral part of the financial statements		

Notes :

- The above cash flow statement has been prepared under the indirect method set out in Accounting Standard-3 'Cash Flow Statements' notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.
- Figures in brackets indicate cash outflow.

As per our report of even date

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

per **Vineet Kedia**
Partner
Membership No: 212230

Place: Gurgaon
Date: April 26, 2016

For and on behalf of the board

Akhil Gupta
Chairman

Shweta Girotra
Company Secretary

D S Rawat
Managing Director & CEO

Pankaj Miglani
Chief Financial Officer

Notes

to financial statements for the year ended March 31, 2016

1. Corporate Information

Bharti Infratel Limited ('the Company' or 'BIL') incorporated on November 30, 2006 with the object of, inter-alia, setting up, operating and maintaining wireless communication towers. The Company received the certificate of commencement of business on April 10, 2007 from the Registrar of Companies. The Registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company has entered into a joint venture agreement with Vodafone India Limited and Aditya Birla Telecom Limited to provide passive infrastructure services in 15 telecom circles of India and formed Indus Towers Limited ('Indus') for such purpose. The Company and Vodafone India Limited are holding approximately 42% each in Indus and the balance 16% is held by Aditya Birla Telecom Limited. The Company's shares are publically traded on National Stock Exchange and BSE India.

The wholly owned subsidiary, Bharti Infratel Services Limited, has been incorporated on June 4, 2013 with the object of providing operation and management services of all kinds in the field of telecom infrastructure (both active and passive), telecom equipments, wireless communication towers, either on its own or in alliance with any other Person/Body/Bodies Corporate incorporated in India or abroad. The company was evaluating various business opportunities, but due to various reasons remained inoperative since incorporation. In view of this, Board of Directors at their meeting held on March 29, 2016 have agreed to initiate the process of striking off the name of the Company from the Register of Registrar of Companies under Fast Track Exit Mode.

A wholly owned subsidiary, Smartx Services Limited, has been incorporated on September 21, 2015 with the object of transmission through Optic Fibre Cables and setting up Wi-Fi hotspots for providing services to telecom operators and others on sharing basis.

2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013 (the 'Act'), read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which fair valuation is carried out. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except as mentioned in para 2.1 (r) below.

2.1 Summary of Significant Accounting Policies

a. Use of Estimates

The preparation of financial statements is in conformity with Indian GAAP and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b. Tangible Fixed Assets

Fixed assets are stated at cost of acquisition, except for assets acquired under Scheme of Arrangement (refer note 41), which are stated at fair values at the date of acquisition as per Schemes net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises cost of acquisition, including taxes and duties (net of CENVAT credit), freight and other incidental expenses related to acquisition and installation.

Site restoration cost obligations arising from site acquisition are capitalised when it is probable that an outflow of resources will be required to

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settle the obligation and a reliable estimate of the amount can be made.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

c. Depreciation on Tangible Fixed Assets

Depreciation on tangible assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Company has used the following lives to provide depreciation on its tangible assets:

	Useful lives
Plant and machinery	3 to 20 years
Furniture and fixtures	5 years
Vehicles	5 years
Office equipments	2 years/ 5 years
Computers	3 years
Leasehold improvements	Period of lease or useful life, whichever is less

The existing useful lives of tangible assets are different from the useful lives as prescribed under Part C of Schedule II to the Act, and the Company believes that this is the best estimate on the basis of technical evaluation and actual usage period.

The existing realisable values of certain tangible assets are different from 5% as prescribed under Part C of Schedule II to the Act, and the Company

believes that this is the best estimate on the basis of actual realisation.

The site restoration cost obligation capitalised as part of plant and machinery is depreciated over the useful life of the related asset.

Also, refer note 44 below.

d. Intangible Assets and Amortisation Expense

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Software is capitalised at the amounts paid to acquire the respective license for use and is amortised over the period of licence, generally not exceeding three years.

Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful economic lives of intangible assets from the date they are available for use. The amortisation period and the amortisation method are reviewed at each balance sheet date. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

e. Leases

Where the Company is lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased asset, are capitalised at the inception of the lease term at the lower of the fair value of the leased asset and present value of minimum lease payments. Lease

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payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset and the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the non-cancellable lease term.

Where the Company is lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the non-cancellable lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss.

f. Borrowing Costs

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period

of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

g. Impairment of Tangible and Intangible Assets

The carrying amounts of assets are reviewed at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets' fair value less costs to sell and value in use. Impairment losses are recognised in the statement of profit and loss under the caption depreciation and amortisation expense.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

h. Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost, except for investment in Indus, which is stated at fair value as per the Scheme of Arrangement (refer note 43). However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

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i. Revenue Recognition and Receivables

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenues

Revenues include revenue from the use of sites and energy charges received from customers. Revenue is recognised as and when services are rendered. If the payment terms in the service agreements include fixed escalations, the effect of such increases is recognised on a straight-line basis over the fixed, non-cancellable term of the agreement, as applicable.

Unbilled receivables represent revenues recognised from the last invoice raised to customer to the year end. These are billed in subsequent periods based on the terms of agreement with the customers. The Company collects service tax on behalf of the Government of India and therefore, it is not an economic benefit flowing to the Company. Hence it is excluded from revenue.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividend

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

Provision for doubtful debts

As per the policy, the Company provides for amount outstanding for more than 105 days from the invoice date in case of site sharing operators other than from Bharti Airtel Limited (Parent Company) or in specific cases where management is of the view that the amounts for certain customers are not recoverable.

j. Foreign Currency Transactions and Balances

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences

Exchange differences arising on settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are taken to the statement of profit and loss.

k. Retirement and Other Employee Benefits

Short term employee benefits are recognised in the year during which the services have been rendered.

All employees of the Company are entitled to receive benefits under the provident fund, which is a defined contribution plan. Contribution to provident fund is recognised as and when the services are rendered. Both the employee and the employer make monthly contributions to the plan at a predetermined rate of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. In addition, some employees of the Company are covered under the employees'

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state insurance schemes, which are also defined contribution schemes recognised and administered by the Government of India.

The Company's contributions to both these schemes are expensed in the statement of profit and loss. The Company has no further obligations under these plans beyond its monthly contributions.

The Company provides for Gratuity obligations through a defined benefit retirement plan covering all employees. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each reporting period end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses are recognised in full in the year in which they occur in the statement of profit and loss.

The Company provides other benefits in the form of compensated absences and long term service awards. The employees of the Company are entitled to compensated absences based on the unavailed leave balance. The Company records liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave encashment liability as a current liability in the balance sheet, since the Company does not have an unconditional right to defer its settlement for more than 12 months after the reporting date.

Under the long term service award plan, a lump sum payment is made to an employee on completion of specified years of service. The Company records the liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

I. Income Taxes

Tax expense comprises current and deferred tax.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent that

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it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

m. Employee Stock/Cash Option Plan

Employees of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for options to buy equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the Black-Scholes / Lattice Valuation option pricing model and the fair value is recognised as an expense over the period in which the options vest, on a straight line basis, together with a corresponding increase in the "Stock options outstanding account" in reserves. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of options to buy equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for a year represents the movement in cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for

any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

For cash-settled share-based payments, a liability is recognised for the services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in the statement of profit and loss for the year with a corresponding change in liabilities.

n. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss 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.

o. Provisions

A provision is recognised when the Company has a present obligation 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.

p. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence

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of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

q. Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and on hand and short-term investments with an original maturity of three months or less.

r. Corporate Social Responsibility Expenditure

Pursuant to the requirements of section 135 of the Act and rules thereon and guidance note on "Accounting for expenditure on Corporate Social Responsibility activities" issued by ICAI, with effect from April 1, 2015, CSR expenditure is recognised as an expense in the Statement of Profit and Loss in the period in which it is incurred.

During previous year, CSR expenditure was accounted for as an appropriation to the Statement of Profit and Loss, pursuant to FAQs on accounting of CSR, as issued by ICAI earlier.

The impact of change in accounting policy is not material in relation to these financial statements and therefore, the same has not been disclosed.

3. Share Capital

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Authorised shares		
3,500,000,000 (March 31, 2015 - 3,500,000,000) equity shares of ₹ 10 each	35,000	35,000
Issued, subscribed and fully paid-up shares		
1,896,667,069 equity shares of ₹ 10 each fully paid-up (March 31, 2015 - 1,893,769,293 equity shares of ₹ 10 each)	18,967	18,938
	18,967	18,938

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2016		As at March 31, 2015	
	No.	₹ Millions	No.	₹ Millions
At the beginning of the year	1,893,769,293	18,938	1,889,301,113	18,893
Issued during the year- ESOP	2,897,776	29	4,468,180	45
Outstanding at the end of the year	1,896,667,069	18,967	1,893,769,293	18,938

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b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

On April 26, 2016, the Board of Directors have proposed a dividend of ₹ 3.00 per equity share (FY 2014-15 – ₹ 6.50 per equity share) to all the existing shareholders for the year ended March 31, 2016. The dividend proposed by the Board of Directors is subject to approval by the shareholders in the ensuing general meeting.

c. Shares held by holding company:

Particulars	As at March 31, 2016		As at March 31, 2015	
	No.	₹ Millions	No.	₹ Millions
Equity shares of ₹ 10 each fully paid Bharti Airtel Limited	1,360,000,000	13,600	1,360,000,000	13,600

d. Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

During the year ended March 31, 2013, the Company further allotted 1,161,605,820 equity shares as fully paid bonus shares by capitalisation of securities premium account.

During the year ended March 31, 2016, the Company allotted 2,897,776 equity shares (2014-15, 2013-14 and 2012-13 – 4,468,180, 558,059 and 100,212 equity shares respectively) of ₹ 10 each to its employees on exercise of stock options under the Employee Stock Option Plan 2008 wherein part consideration was received in form of employee services (refer note 31).

e. Details of shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2016		As at March 31, 2015	
	No.	% of Holding	No.	% of Holding
Equity shares of ₹ 10 each fully paid Bharti Airtel Limited	1,360,000,000	71.70%	1,360,000,000	71.81%

f. Shares reserved for issue under options:

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 31.

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4. Reserves and Surplus

(₹ Millions)

Particulars	Securities premium account	Employee stock options outstanding	General reserve	Surplus in the statement of profit and loss	Total
As at April 1, 2014	66,449	1,313	79,159	11,696	158,617
Profit for the year	-	-	-	27,252	27,252
Less: amount transferred to statement of profit and loss during the year in accordance with the Scheme of arrangement with Bharti Airtel Limited (note 41)	-	-	(661)	-	(661)
Less: Appropriations					
Proposed final dividend on equity shares	-	-	-	(12,309)	(12,309)
Tax on proposed final dividend on equity shares	-	-	-	(2,506)	(2,506)
Interim dividend on equity shares	-	-	-	(8,509)	(8,509)
Tax on interim dividend on equity shares	-	-	-	(1,446)	(1,446)
Contribution towards CSR	-	-	-	(173)	(173)
Add: amount transferred from stock options outstanding & premium on exercise of ESOP's	1,161	-	-	-	1,161
Less: gross compensation for options forfeited/ exercised during the year	-	(726)	-	-	(726)
	67,610	587	78,498	14,005	160,700
Less: deferred employee stock compensation	-	(3)	-	-	(3)
As at March 31, 2015	67,610	584	78,498	14,005	160,697
As at April 1, 2015	67,610	587	78,498	14,005	160,700
Profit for the year	-	-	-	13,234	13,234
Less: amount transferred to statement of profit and loss during the year in accordance with the Scheme of arrangement with Bharti Airtel Limited (note 41)	-	-	(579)	-	(579)
Less: Appropriations					
Proposed/paid final dividend on equity shares	-	-	-	(5,708)	(5,708)
Tax on proposed/paid final dividend on equity shares	-	-	-	(1,161)	(1,161)
Add: amount transferred from stock options outstanding & premium on exercise of ESOP's *	756	-	(13)	-	743
Add: ESOP granted during the year	-	44	-	-	44
Less: gross compensation for options forfeited/ exercised during the year	-	(482)	-	-	(482)
	68,366	149	77,906	20,370	166,791
Less: deferred employee stock compensation	-	(26)	-	-	(26)
As at March 31, 2016	68,366	123	77,906	20,370	166,765

*Represents the cost of purchase price in excess of fair value of grant recognised w.r.t shares vested during this period (net of forfeiture).

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5. Deferred Tax Liabilities (Net)

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred tax liability		
Depreciation claimed as deduction under Income Tax Act but chargeable in the financial statements in future years	1,301	1,466
Revenue equalisation (net) recognised in financial statements but offered for tax in future years on actual billing basis	4,600	4,437
Gain on disposal of subsidiary (refer note 42)	116	116
Gross deferred tax liability	6,017	6,019
Deferred tax asset		
Provision for doubtful debts/ advances charged in financial statements but allowed as deduction under the Income Tax Act in future years	529	553
Expenses allowed as deduction under Sec 35D of Income Tax Act in future years	90	146
Other expenses charged in the financial statements but allowed as deduction under Income Tax Act in future year on actual payment (net)	169	349
Gross deferred tax asset	788	1,048
Net deferred tax liability	5,229	4,971

Current tax expense and deferred tax expense includes reversal of ₹ 384 Mn (FY 2014-15 – ₹ 235 Mn) and tax expense of ₹ 398 Mn (FY 2014-15 – ₹ 296 Mn) respectively relating to earlier periods. Deferred tax includes Nil (FY 2014-15 – ₹ 89 Mn) on account of change in tax rate.

6. Other Long-Term Liabilities

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Security deposits received	3,743	3,507
Lease equalisation	1,779	1,669
Unearned revenue	303	242
Provision for payment of cash options	77	67
	5,902	5,485

"Security deposits received" include ₹ 1,936 Mn (March 31, 2015 - ₹ 1,949 Mn) received from related parties. For details, refer note 35.

7. Long-Term Provisions

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits		
Gratuity (refer note 30)	98	76
Long-term service award (refer note 30)	12	11
	110	87
Asset retirement obligation (refer note 33)	3,534	3,423
	3,644	3,510

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8. Trade Payables

- (a) Trade Payables other than micro enterprises and small enterprises includes ₹ 407 Mn (March 31, 2015 - ₹ 528 Mn) payable to related parties. For details, refer note 35.
- (b) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	2	22
Interest due on above	-	-
	2	22
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period/ year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	22	19
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

9. Other Current Liabilities

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Equipment supply payables	1,998	2,051
Dues to employees	204	215
Accrued expenses	10,929	10,129
Other taxes payable	27	159
Contribution to employee funds	13	11
Unearned revenue	21	21
Security deposit	105	93
	13,297	12,679

"Security deposit" includes ₹ 60 Mn (March 31, 2015 - ₹ Nil) received from related parties and "Accrued expenses" include ₹ 20 Mn (March 31, 2015 - ₹ 125 Mn) payable to related parties. For details, refer note 35.

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10. Short-Term Provisions

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits (refer note 30)		
Gratuity	44	39
Leave encashment	75	66
Proposed dividend [refer notes 3 (b) and 45]	5,690	12,309
Tax on proposed dividend	1,158	2,506
	6,967	14,920

11. Fixed Assets

(₹ Millions)

Particulars	Land	Plant and equipment	Office furniture and equipment	Vehicles	Computers	Leasehold improvements	Tangible assets Total	Computer Software	Intangible assets Total
Cost									
As at April 1, 2014	5	121,399	129	6	701	266	122,506	253	253
Additions	-	9,894	44	-	51	1	9,990	140	140
Disposals	-	(4,458)	(2)	-	(54)	(2)	(4,516)	(21)	(21)
As at March 31, 2015	5	126,835	171	6	698	265	127,980	372	372
Additions	-	9,818	27	2	34	13	9,895	38	38
Disposals/Adjustment	-	(6,667)	(2)	-	(1)	(0)	(6,671)	-	-
As at March 31, 2016	5	129,986	196	8	731	278	131,204	410	410
Depreciation									
As at April 1, 2014	-	54,780	85	4	671	140	55,680	224	224
Charge for the year	-	11,724	21	1	(10)	37	11,773	55	55
Disposals	-	(4,078)	(2)	-	-	(1)	(4,081)	-	-
As at March 31, 2015	-	62,426	104	5	661	176	63,372	279	279
Charge for the year	-	12,122	41	-	25	27	12,215	60	60
Disposals	-	(6,244)	(3)	-	(3)	-	(6,250)	-	-
As at March 31, 2016	-	68,304	142	5	683	203	69,337	339	339
Net block									
As at March 31, 2016	5	61,682	54	3	48	75	61,867	71	71
As at March 31, 2015	5	64,409	67	1	37	89	64,608	93	93

"Plant and equipment" comprise of assets given on operating lease. For details, refer note 32(b).

Depreciation charge for the year includes ₹ 707 Mn (FY 2014-15 - ₹ 857 Mn) provided for loss with respect to assets not in active use.

Disposal/adjustment includes cost and accumulated depreciation for assets sold and disposal and adjustments w.r.t. the assets for which insurance claims are made by the Company.

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12. Non-Current Investments

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade investments - unquoted		
Investment in equity		
Joint venture - Indus Towers Limited: 500,504 (March 31, 2015 - 500,504) equity shares of ₹ 1 each fully paid up (refer note 42)	60,419	60,419
Subsidiary - Bharti Infratel Services Limited: Nil (March 31, 2015 - 50,000) equity shares of ₹ 10 each fully paid up (refer note 1)	-	0.5
Subsidiary - Smartx Services Limited: 3,000,000 (March 31, 2015 - Nil) equity shares of ₹ 10 each fully paid up (refer note 1)	30	-
Other investments - quoted		
Investments in Mutual Funds (refer note 43)	20,753	27,382
Investments in Bonds	3,214	-
	84,416	87,801
Aggregate Value of Unquoted Investment	60,449	60,419
Aggregate Value of Quoted Investment	23,967	27,382
Aggregate Market Value of Quoted Investment	28,267	31,260

Details of investments in mutual funds are provided below:

(₹ Millions)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Unit No.	Amount	Unit No.	Amount
Birla Sun Life Income Plus - Growth Regular Plan	81,531,569	4,488	81,531,569	4,488
Birla Sun Life Short Term Opportunities Fund - Growth-Regular Plan	-	-	86,393,736	1,730
DSP Black Rock Strategic Bond Fund-Institutional Plan-Growth	1,082,504	1,499	1,745,815	2,500
HDFC Income Fund Growth	104,051,219	2,897	104,051,219	2,897
Franklin India Income Opportunities Fund	50,660,486	800	-	-
ICICI Prudential Income -Regular Plan - Growth	45,694,326	1,753	45,694,326	1,753
BOI AXA Corporate Credit Spectrum Fund - Regular Plan	25,000,000	250	-	-
IDFC Super Saver Income Fund-Investment Plan-Growth-(Regular Plan)	85,232,890	2,497	85,232,890	2,497
JPMorgan India Active Bond Fund Retail Plan Growth Option	-	-	47,044,600	623
Kotak Bond Scheme Plan A-Growth - Regular Plan	36,212,982	1,278	36,212,982	1,278
Reliance Income Fund Growth Plan - Growth Option	65,982,324	2,648	65,982,324	2,648
Templeton India Income Builder Account Plan A - Growth	-	-	48,224,495	1,999
UTI Bond Fund - Growth	41,865,468	1,536	74,936,438	2,749
BOI AXA Corporate Credit Spectrum Fund - Regular Plan	-	-	25,000,000	250
Reliance Regular Savings Fund - Debt Plan - Growth Plan - Growth Option	-	-	66,227,040	1,170
Franklin India Income Builder Account - Plan A	26,698,497	1,107	50,660,486	800
Total	564,012,265	20,753	818,937,920	27,382

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Details of investments in Bonds are provided below:

(₹ Millions)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Unit No.	Amount	Unit No.	Amount
Power Finance Corporation Ltd	350	351	-	-
Rural Electrification Corporation Ltd	150	151	-	-
Housing Development Finance Corporation Limited	70	699	-	-
National Highway Authority of India	500	500	-	-
NTPC Limited	300	300	-	-
Housing and Urban Development Corporation Limited	200,000	213	-	-
Indian Railway Finance Corporation Limited	1,000	1,000	-	-
	202,370	3,214	-	-

13. Long-Term Loans and Advances

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good unless otherwise stated		
Capital advances		
Unsecured, considered good	15	14
Unsecured, considered doubtful	20	34
Less: Provision for doubtful advances	(20)	(34)
	15	14
Security deposits		
Unsecured, considered good	1,274	1,119
Unsecured, considered doubtful	64	61
Less: Provision for doubtful deposit	(64)	(61)
	1,274	1,119
Other loans and advances		
Advance income-tax [net of provision for taxation of ₹ 20,802 Mn (March 31, 2015 - ₹ 14,451 Mn)]	2,269	1,690
Advance fringe benefit tax (net of provision)	2	2
	3,560	2,825

"Security deposit" includes ₹ 3 Mn (March 31, 2015 - Nil) given to related parties. For details, refer note 35.

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14. Other Non-Current Assets

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good unless otherwise stated		
Revenue equalisation	15,122	14,537
Others		
Considered good	2,249	2,920
Considered doubtful	18	18
Less: Provision	(18)	(18)
	2,249	2,920
	17,371	17,457

"Others" comprise of payments made under protest to the Government authorities. For details, refer note 37(ii).

15. Current Investments

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Current investments (at lower of cost and market value)		
Investments in mutual funds - quoted (refer note 43)	10,864	31,440
Investments in corporate deposit - quoted	2,846	-
	13,710	31,440
Aggregate Value of Quoted Investment	13,710	31,440
Aggregate Market Value of Quoted Investment	16,148	34,972

Details of current investments are provided below:

Investment in Mutual Funds:

(₹ Millions)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Unit No.	Amount	Unit No.	Amount
Birla Sun Life Income Plus- Growth Regular Plan	23,775,009	1,260	58,818,759	3,117
HDFC Income Fund Growth	46,967,635	1,265	68,876,846	1,856
HDFC Short Term Plan-Dividend	-	-	18,306,435	500
Birla Sun Life Treasury Optimizer Plan - Growth Regular Plan	-	-	2,909,807	500
HDFC HIF STP - Growth	-	-	43,115,259	1,070
UTI Short Term Income Fund Institutional Option - Growth	-	-	30,042,480	500
ICICI Prudential Short Term - Regular Plan - GROWTH	96,811,536	3,587	17,618,475	500
Religare Invesco Short Term Fund - Growth	-	-	631,432	1,070
Religare Invesco Ultra Short Term Fund - Growth	-	-	263,235	500
SBI Magnum Income Fund - Regular Plan - Growth	-	-	32,485,568	1,000
Sundaram Ultra Short Term Fund Regular Growth	-	-	10,541,073	200
ICICI Prudential Money Market Fund - Direct Plan - Growth	-	-	2,068,170	400
ICICI Prudential Liquid - Direct Plan - Growth	-	-	5,315,317	1,100
IDFC Dynamic Bond Fund - Growth Regular Plan	-	-	29,627,698	500

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(₹ Millions)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Unit No.	Amount	Unit No.	Amount
IDFC Dynamic Bond Fund - Growth Regular Plan	-	-	52,199,311	865
IDFC Super Saver Income Fund-Investment Plan-Growth - Regular Plan	34,149,368	1,002	34,149,368	1,001
Kotak Liquid Scheme Plan A - Direct Plan - Growth	-	-	387,765	1,100
Reliance Liquid Fund - Cash Plan - Growth Option - Growth Plan	-	-	181,226	400
Reliance Liquid Fund - Treasury Plan - Direct Plan - Growth Plan - Growth Option	-	-	308,049	1,050
Reliance Money Manager Fund - Growth Plan Growth Option	-	-	265,208	500
ICICI Prudential Flexible Income - Regular Plan - Growth	-	-	1,534,000	400
Birla Sun Life Floating Rate Fund Short Term Plan - Growth Direct Plan.	-	-	5,909,931	1,100
AXIS Banking Debt Fund - Growth (BD-GP)	-	-	197,482	250
Kotak Bond Scheme Plan A-Growth - Regular Plan	82,688,429	2,800	118,736,484	4,020
SBI Dynamic Bond Fund- Regular Growth	-	-	137,780,607	2,021
Franklin India Income Opportunities Fund	-	-	50,465,370	666
ICICI Prudential Income Regular Plan-Growth	-	-	115,575,705	4,282
ICICI Prudential Short Term - Regular Plan - Growth	-	-	30,176,155	849
JM High Liquidity Fund - Growth Option	-	-	1,582,314	59
Principal Cash Management Fund - Regular Plan Growth	-	-	47,708	64
ICICI Prudential Money Market Fund - Growth	4,546,492	950	-	-
Total	288,938,469	10,864	870,117,237	31,440

Investment in Corporate Deposit

(₹ Millions)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Unit No.	Amount	Unit No.	Amount
HDFC Bank Limited	18,500	1,847	-	-
AXIS Bank Limited	10,000	999	-	-
	28,500	2,846	-	-

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16. Trade Receivables

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good unless otherwise stated		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	-	430
Unsecured, considered doubtful	981	1,062
Less: Provision for doubtful receivables	(981)	(1,062)
	-	430
Other receivables		
Unsecured, considered good	1,955	2,962
Unsecured, considered doubtful	274	133
Less: Provision for doubtful receivables	(274)	(133)
	1,955	2,962
	1,955	3,392

"Trade receivables" include receivables from related parties amounting to ₹ 1,315 Mn (March 31, 2015 - ₹ 2,121 Mn), respectively. For details, refer note 35.

17. Cash and Bank Balances

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Cash and cash equivalents		
Balances with banks		
- on current accounts	258	62
- Deposits with original maturity of less than three months	19,822	-
Cheques on hand	11	-
Other bank balances		
Fixed deposits		
- Deposits with remaining maturity for less than 12 months	11,462	8,820
	31,553	8,882

18. Short-Term Loans and Advances

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good unless otherwise stated		
Loans and advances to related parties (refer note 35)	583	852
Advances recoverable in cash or kind		
Secured, considered good	340	336
Unsecured, considered good	2,536	2,723
Unsecured, considered doubtful	136	191
Less: Provision for doubtful advances	(136)	(191)
	2,876	3,059
	3,459	3,911

"Advances recoverable in cash or kind" are secured to the extent they are backed by bank guarantees.

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19. Other Current Assets

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good unless otherwise stated		
Unbilled revenue (net)	1,963	1,114
Interest accrued	894	11
	2,857	1,125

“Unbilled revenue (net)” is net of provisions amounting to ₹ 238 Mn as at March 31, 2016 (March 31, 2015 - ₹ 748 Mn) considered for penalties, deductions etc. and includes revenues from related parties amounting to ₹ 1849 Mn as at March 31, 2016 (March 31, 2015 - ₹ 1,228 Mn). For details, refer note 35.

20. Revenue from Operations

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Sale of services		
Rent	34,989	32,103
Energy (Including rates and taxes)	20,968	21,786
	55,957	53,889

21. Other Income

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest income on:		
- Bank deposits	2,018	41
- Others	267	22
Dividend income:		
- Investment in joint venture (refer note 46)	-	16,407
- Current investments	-	479
Net gain on sale of current investments	2,997	1,352
Profit on sale of fixed assets (net)	651	903
Termination charges for contract cancellation (refer note 50)	22	206
Miscellaneous income (refer note 48)	433	544
	6,388	19,954

22. Power and Fuel

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Network	19,875	19,819
Others	26	24
	19,901	19,843

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23. Rent

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Network	2,769	2,610
Others	120	121
	2,889	2,731

24. Employee Expenses

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Salaries, wages and bonus	2,252	2,113
Contribution to provident fund	73	67
Employee stock/cash option expense	82	85
Staff welfare expenses	98	95
Others	76	84
	2,581	2,444

"Salaries, wages and bonus" includes gratuity and other post employment benefits. For details, refer note 30.

Further, for details of employee stock/cash option expense, refer note 31.

25. Repairs and Maintenance

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Repair and maintenance		
- Plant and Machinery	2,726	2,964
- Building	9	9
- Others	1,184	1,018
	3,919	3,991

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26. Other Expenses

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Insurance	57	56
Traveling and conveyance	151	147
Communication costs	86	111
Legal and professional	401	267
IT expenses	239	108
Provision for doubtful debts and advances (net)	106	(60)
Provision for capital work in progress (net)	(7)	(12)
Fixed assets written off#	-	-
Miscellaneous expenses		
- Network	143	122
- Others	113	134
	1,289	873

Payment to Auditor (Net of Service Tax)

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Audit fee	7	6
Reimbursement of expenses	0.5	0.5
	7.5	6.5

"Fixed assets written off" for the year ended March 31, 2016 and March 31, 2015 is net of ₹ 8 Mn and ₹ 55 Mn respectively adjusted with General Reserve in accordance with the Scheme of arrangement. For details, refer note 41.

27. Depreciation and Amortisation Expense

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Depreciation of tangible assets	12,215	11,773
Amortisation of intangible assets	60	55
	12,275	11,828
Less: adjusted with general reserve in accordance with the Scheme of Arrangement with Bharti Airtel Limited (note 41)	(571)	(606)
	11,704	11,222

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28. Finance Costs

(₹ Millions)		
Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest	-	14
Mark to market loss #	(1)	(85)
Bank charges	6	6
	5	(65)

MTM loss for the year ended March 31, 2016 amounting to ₹ (1) Mn (FY 2014-15 – ₹ (85) Mn) represents reversal of MTM loss, recognised in earlier year on investments.

29. Earnings Per Share (EPS)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Nominal value of equity shares (₹)	10	10
Profit attributable to equity shareholders for computing Basic and Dilutive EPS (A) (₹ Millions)	13,234	27,252
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	1,896,182,081	1,890,487,450
Dilutive effect on weighted average number of equity shares outstanding during the Year*	-	1,883,319
Weighted average number of equity shares and equity equivalent shares for computing Diluted EPS (C)	1,896,182,081	1,892,370,769
Basic earnings per share (A/B) (₹)	6.979	14.415
Diluted earnings per share (A/C) (₹)	6.979	14.401

* Diluted effect on weighted average number of equity shares and profit is on account of Employee Stock Option Plan (ESOP). During the year, the Company has decided to allot Equity Shares on exercise of ESOP options through ESOP Trust. ESOP Trust has acquired the same through Secondary acquisition mode from open market; hence there is no Dilutive impact of ESOP in FY 2015-16.

30. Employee Benefits

During the year, the Company has recognised the following amounts in the statement of profit and loss:

Defined contribution plan

(₹ Millions)		
Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Employer's contribution to provident fund	73	67
Total	73	67

Defined Benefit Obligation

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each reporting period. The plan is not funded by the Company. Such liability is included in salaries, wages and bonus (refer note 24).

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- i. Amount charged to the statement of profit and loss:

(₹ Millions)

Particulars	Gratuity	
	Year ended March 31, 2016	Year ended March 31, 2015
Current service cost	27	24
Interest cost	10	9
Actuarial (gain)/ loss	7	2
Net gratuity cost	44	35

- ii. The assumptions used to determine the benefit obligation are as follows:

Particulars	Gratuity	
	Year ended March 31, 2016	Year ended March 31, 2015
Discount rate	8.00%	8.50%
Expected rate of increase in compensation levels	10.00%	10.00%
Expected average remaining working lives of employees (years)	23.63	24.02

- iii. Reconciliation of opening and closing balances of defined benefit obligation:

(₹ Millions)

Particulars	Gratuity	
	Year ended March 31, 2016	Year ended March 31, 2015
Projected benefit obligation at beginning of year	114	96
Current service cost	27	24
Interest cost	11	9
Benefits paid	(14)	(17)
Actuarial (gain)/ loss	7	2
Acquisition Adjustment	(4)	-
Projected benefit obligation at end of year	141	114

- iv. The discount rate is based on the average yield on government bonds at the accounting date with a term that matches that of the liabilities.
- v. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- vi. Estimated amounts of benefits payable within next year are ₹ 42 Mn (FY 2014-15 – ₹ 39 Mn).

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- vii. The table below illustrates experience adjustment disclosure as per para 120 (n) (ii) of Accounting Standard 15 (R), 'Employee Benefits'.

(₹ Millions)

Particulars	Gratuity				
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Defined benefit obligation	141	114	96	75	53
Plan assets	-	-	-	-	-
Surplus/ (deficit)	(141)	(114)	(96)	(75)	(53)
Experience adjustments on plan liabilities (loss)/ gain	(3)	(8)	(5)	(2)	(5)
Experience adjustments on plan assets (loss)/ gain	-	-	-	-	-

31. Employee Stock/Cash Option Plans

Pursuant to the board resolution dated July 22, 2008 and the resolution of the shareholders in extraordinary general meeting dated August 28, 2008, the Company instituted the Employee Stock Option Scheme 2008 (The 2008 Scheme).

In FY 2013-14 & 2014-15, the Company has announced new performance unit plan (cash settled payment) for its employees.

During the year ended March 31, 2016, the Company has announced Long term incentive plan (LTIP) 2015 for its employees.

The following table provides an overview of existing stock/cash option plans of the Company:-

Entity	Scheme	Plan	Stock options outstanding (in thousands)	Vesting period (years)	Contractual term (years)	Weighted average exercise price (₹)	Classification/ accounting treatment
Company	Equity settled Plans						
	Infratel Plan	2008 Plan	732	1 - 5	7	110	Equity settled
	Infratel Plan	Long term incentive plan (LTIP)	4	1 - 3	7	10	Equity settled
	Infratel Plan	Long term incentive plan (LTIP) 2015	90	1 - 3	7	10	Equity settled
	Cash settled Plans						
	Infratel Plan	Performance Unit Plan	183	1 - 3	7	-	Cash settled

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The following table provides details of vesting schedule (graded vesting) of all existing stock/cash options plans of the Company:-

Vesting period from the grant date	Vesting schedule
1. ESOP Scheme 2008 (including LTIP)	
For options with a vesting period of 36 months:	
On completion of 12 months	30%
On completion of 24 months	30%
On completion of 36 months	40%
For options with a vesting period of 48 months:	
On completion of 12 months	15%
On completion of 24 months	20%
On completion of 36 months	30%
On completion of 48 months	35%
For options with a vesting period of 60 months:	
On completion of 12 months	20%
On completion of 24 months	20%
On completion of 36 months	20%
On completion of 48 months	20%
On completion of 60 months	20%
2. Performance Unit Plan	
For options with a vesting period of 36 months:	
On completion of 12 months	30%
On completion of 24 months	30%
On completion of 36 months	40%
3. Long term incentive plan (LTIP) 2015	
For options with a vesting period of 36 months:	
On completion of 12 months	30%
On completion of 24 months	30%
On completion of 36 months	40%

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Information concerning the movement in stock options during the year and outstanding at the year end is as follows:

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of stock options (In '000)	Weighted average exercise price (₹)	Number of stock options (In '000)	Weighted average exercise price (₹)
Plan 2008				
Outstanding at beginning of the year	3,834	110	8,554	110
Granted	-	-	-	-
Forfeited	(24)	110	(257)	110
Exercised	(3,078)	110	(4,463)	110
Outstanding at the year end	732	110	3,834	110
Exercisable at end of the year	732	110	3,607	110
LTI Plan (Part of 2008 plan)				
Outstanding at beginning of the year	6	10	16	10
Granted	-	-	-	-
Forfeited	-	-	(5)	10
Exercised	(2)	-	(5)	10
Outstanding at the year end	4	10	6	10
Exercisable at end of the year	4	10	3	10
Cash settled Plan				
Outstanding at beginning of the year	238	NA	171	NA
Granted	-	NA	138	NA
Forfeited	(4)	NA	(25)	NA
Exercised	(51)	NA	(46)	NA
Outstanding at the year end	183	NA	238	NA
Exercisable at end of the year	37	NA	2	NA
LTI Plan 2015				
Outstanding at beginning of the year	-	-	-	-
Granted	90	10	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Outstanding at the year end	90	10	-	-
Exercisable at end of the year	-	-	-	-

*The weighted average share price at the exercise date was ₹ 393.89 per share for options exercised under the 2008 Scheme & LTI plan, ₹ 439.11 per share for options exercised under cash settled plan during the year ended March 31, 2016.

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The weighted average fair value of the options granted during the year is ₹ 497.29 per share (FY 2014-15 – ₹ 377.70 per share). The fair value of the options granted has been estimated using the Black Scholes / Lattice Valuation model with the following assumptions:

Particulars	Gratuity	
	Year ended March 31, 2016	Year ended March 31, 2015
Risk free interest rates	7.20% to 7.87%	7.80% to 7.65%
Expected life	36 months	36 months
Weighted average share price (₹)	414.41	378.00
Weighted average remaining contractual life	6.33 years	5.34 years
Volatility	37.23%	32.59%
Dividend yield	1.44%	0.60%

The balance of deferred stock compensation as on March 31, 2016 is ₹ 26 Mn (March 31, 2015 – ₹ 3 Mn) and total employee stock/cash option expense recognised for the year ended March 31, 2016 and March 31, 2015 is ₹ 82 Mn and ₹ 85 Mn, respectively.

Notes:

- (i) Bharti Airtel Limited has given stock option to certain employees of the Company. Bharti Airtel Limited has not charged the compensation cost relating to the stock option granted to the Company's employee. Besides this, the Company has also given stock options to certain employees of Bharti Airtel Limited and has considered the related compensation cost in its books.
- (ii) The Company has decided to issue equity shares on exercise of ESOPs through ESOP trust. The loan of Nil (FY 2014-15 – ₹ 625 Mn) has been given to ESOP trust to purchase the Equity Shares of the Company from open market as permitted by SEBI (Share Based Employee Benefits) Regulations, 2014.
- (iii) During the last year Bharti Infratel Employee Welfare Trust [a trust set up for administration of Employee Stock Option Plan ('ESOP') of the Company] has acquired 1,652,000 equity shares of the Company from the open market at an average price of ₹ 377.72 per share. As of March 31, 2016, Bharti Infratel Employee Welfare Trust ('the Trust') holds 1,470,439 shares (of Face Value of ₹ 10 each) (March 31, 2015 1,652,000 equity shares) of the Company.

Particulars	As on March 31, 2016 Number of Shares	As on March 31, 2015 Number of Shares	As on March 31, 2016 (₹ Millions)	As on March 31, 2015 (₹ Millions)
Opening Balance	1,652,000	-	624	-
Purchased during the year	-	1,652,000	-	624
Issued during the year	181,561	-	65	-
Closing Balance	1,470,439	1,652,000	559	624

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32. Leases

(a) Operating lease: Company as a lessee

The lease rentals paid under non-cancelable leases relating to rent of building premises and sites as per the agreements with escalations rates ranging from 0% to 25 % per annum and the maximum obligation on long-term non-cancellable operating leases are as follows:

(₹ Millions)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Lease rental charged to statement of profit and loss *	2,889	2,731
Obligation on non-cancelable lease:		
Not Later than one year	2,902	2,658
Later than one year but not later than five years	10,720	10,250
Later than five years	15,820	15,990
Total	29,442	28,898

* The lease rentals include rent equalisation of ₹ 109 Mn and ₹ 133 Mn for the year ended March 31, 2016 and March 31, 2015 respectively.

(b) Operating lease: Company as a lessor

The Company has given sites on operating lease to telecom operators. As per the agreements with the operators the escalation rates range from 0% to 2.5% per annum. The service charges recognised as income during the year ended March 31, 2016 and March 31, 2015 for non-cancelable arrangements relating to provision for passive infrastructure sites as per the agreements is ₹ 34,951 Mn and ₹ 32,151 Mn respectively.

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Future minimum lease payment receivable:		
Not Later than one year	36,494	32,692
Later than one year but not later than five years	137,952	132,220
Later than five years	75,463	91,138
Total	249,909	256,050

Revenue includes revenue equalisation of ₹ 585 Mn and ₹ 1,333 Mn for the year ended March 31, 2016 and March 31, 2015 respectively.

33. Asset Retirement Obligation

The Company uses various premises on lease to install plant and equipment. A provision is recognised for the costs to be incurred for the restoration of these premises at the end of the lease period. It is expected that this provision will be utilised at the end of the lease period of the respective sites as per the respective lease agreements. The movement of provision in accordance with AS-29 on 'Provisions, Contingent liabilities and Contingent Assets' is given below:

(₹ Millions)

Particulars	2015-16	2014-15
Opening Balance	3,423	3,294
Net additions during the year	111	129
Closing Balance	3,534	3,423

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34. Interest in Joint Venture

The Company holds 42% interest in Indus Towers Limited, a jointly controlled entity which is involved in providing passive infrastructure to telecom companies.

The Company's share of the assets, liabilities, income and expense of the jointly controlled entity as at and for the year ended March 31, 2016 and March 31, 2015 respectively are as follows:

(₹ Millions)		
Particulars	As at March 31, 2016	As at March 31, 2015
Equity and Liabilities		
Shareholders' funds		
Share capital	0.5	0.5
Reserves and surplus	48,815	51,170
	48,816	51,171
Non-current liabilities		
Long-term borrowings	10,767	15,663
Deferred tax liabilities (net)	7,020	7,276
Other long-term liabilities	6,532	6,157
Long-term provisions	8,019	7,592
	32,338	36,688
Current liabilities		
Short-term borrowings	-	1,468
Trade payables	300	503
Other current liabilities	24,966	19,472
Short-term provisions	1,966	912
	27,232	22,355
Total equity and liabilities	108,386	110,214
Assets		
Non-current assets		
Fixed assets		
Tangible assets	82,995	83,498
Intangible assets	93	108
Capital work-in-progress	1,545	1,579
Long-term loans and advances	5,830	6,008
Other non-current assets	9,104	10,145
	99,567	101,338
Current assets		
Current investments	1,134	-
Trade receivables	90	320
Cash and bank balances	333	239
Short-term loans and advances	1,255	1,473
Other current assets	6,007	6,844
	8,819	8,876
Total assets	108,386	110,214

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(₹ Millions)		
Particulars	Year ended March 31, 2016	Year ended March 31, 2015
INCOME		
Revenues	67,152	62,822
Other income	1,095	1,676
	68,247	64,498
EXPENSES		
Power and fuel	22,696	22,107
Rent	7,659	6,729
Employee benefits expenses	1,736	1,553
Repairs and maintenance	5,142	5,080
Other expenses	1,311	1,252
	38,544	36,721
Earnings before finance cost, tax, depreciation and amortisation and charity and donation	29,703	27,777
Depreciation and amortisation expense	10,989	10,625
Finance costs	2,193	2,967
Charity and donation	157	
	13,339	13,592
Profit before tax	16,364	14,185
Tax expenses		
Current tax	6,033	4,749
Deferred tax	(256)	357
Total tax expense	5,777	5,106
Profit for the year	10,587	9,079
Capital commitments	1,623	1,213
Contingent liabilities	12,032	9,074

35. Related Party Disclosures

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

A. List of Related Parties

1. Key management personnel (KMP)
Akhil Kumar Gupta, Chairman
D.S. Rawat, Managing Director and CEO
2. Related parties where control exists irrespective of whether transactions have occurred or not

Holding company	Bharti Airtel Limited
Subsidiary companies	Bharti Infratel Services Limited (Refer Note-1)
Subsidiary companies	Smartx Services Limited (w.e.f. September 21, 2015)

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3. Other related parties with whom transactions have taken place during the year

Name of related party	Relationship
Bharti Enterprises Limited	Entity having significant influence/Group Company
Bharti Foundation	Entity having significant influence/Group Company
Bharti Hexacom Limited	Fellow Subsidiary
Bharti Telemedia Limited	Fellow Subsidiary
Centum Learning Limited	Entity having significant influence/Group Company
Indus Towers Limited	Joint Venture
Nxtra Data Limited	Fellow Subsidiary
Bharti Axa General Insurance Co. Ltd. (Bharti Axa)	Entity having significant influence/Group Company
Africa Tower Services (Airtel Africa)	Fellow Subsidiary
Bharti Infratel Employees' Welfare Trust (Trust)	Employee Welfare Trust
Bharti Realty Holdings Limited	Entity having significant influence/Group Company
Telesonic Network Limited	Fellow Subsidiary
Bharti Retail Limited	Entity having significant influence/Group Company
Bharti Realty Limited	Entity having significant influence/Group Company

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B. Related Party Transactions during the year:

Nature of transaction	(₹ Millions)											
	Bharti Airtel Limited #	Bharti Hexacom Limited	Bharti Telemedia Limited	Bharti Enterprises Limited	Centum Learning Limited	Nextra Data Limited	Key Management Personnel***	Bharti Foundation	Indus Towers Limited*			
	2016	2016	2016	2016	2016	2016	2016	2016	2016	2015	2015	2015
Amount Provided for ESOP	-	-	-	-	-	-	-	-	-	-	-	-
Loan repaid	-	-	-	-	-	-	-	-	-	-	-	(9,173)
Amount received on exercise of ESOP options	-	-	-	-	-	-	296	425	-	-	-	-
Revenue from operations	31,708	2,659	2,724	-	-	-	-	-	-	-	-	-
Consultancy charges	-	-	-	-	-	-	-	-	-	-	-	-
Claim Received	-	-	-	-	-	-	-	-	-	-	-	-
ESOP Amortisation (cash Settled)	-	-	-	-	-	-	(21)	(6)	-	-	-	-
Expenses (other than employee related) incurred on behalf of Company	-	-	-	(108)	-	-	-	-	-	-	-	-
Reimbursement of expenses	(55)	-	-	-	-	-	-	-	(0.38)	-	-	-
Employee related expenses incurred on behalf of Company	-	-	(4)	(0.45)	-	-	-	-	-	-	-	-
Procurement of services	(116)	(0.28)	-	-	(14)	(30)	(118)	(110)	-	-	-	-
Salary	-	-	-	-	-	-	-	-	-	-	-	-
Security deposit received	(50)	(4)	(6)	-	-	-	-	-	-	-	-	-
Security deposit refunded	6	-	-	-	-	-	-	-	(87.68)	66	-	16,407
Commission paid	-	-	-	-	-	-	-	-	-	-	-	-
Dividend received	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	(8,840)	-	-	-	-	-	-	(200)	-	-	-	-
Donation given	-	-	-	-	-	-	-	-	-	-	-	-
Gratuity Transfer of Employees	-	(1)	-	(0.38)	-	-	-	-	-	-	-	-
Security Deposit paid	-	-	-	-	-	-	-	-	-	-	-	-
Investment in Subsidiary Company	-	-	-	-	-	-	-	-	-	-	-	-
Total	22,653	18,251	2,654	(217.67)	(108)	(30)	157	(200)	(88.06)	309	(171)	7,167
* Inclusive of service tax												
Balance outstanding:**												
Trade payables and Other current liabilities	(106)	(101)	(9)	(18)	(0.37)	-	-	-	(292.98)	-	-	(419)
Short-term loans and advances	-	-	-	-	0.21	0.21	-	-	23.36	-	-	227
Other current assets	1,747	1,144	102	71	-	-	-	-	-	-	-	13
Trade receivables	1,203	1,826	111	295	-	-	-	-	0.12	-	-	-
Long-term loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
Security deposits received	(1,851)	(1,808)	(145)	-	-	-	-	-	0	-	-	-
Total	993	1,061	59	(18)	(0.16)	0.21	-	-	(269.50)	-	-	(179)

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B. Related Party Transactions during the year: (contd.)

Nature of transaction	Bharti Axa		Airtel Africa		"ESOP Trust"		Bharti Realty Holdings Limited		Telecom Network Limited		Bharti Retail Limited		Bharti Realty Limited		Smartx Services Limited	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Amount Provided for ESOP	-	-	-	-	-	625	-	-	-	-	-	-	-	-	-	-
Loan repaid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue from operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Consultancy charges	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-
Claim Received	74	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ESOP Amortisation (cash Settled)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses (other than employee related) incurred on behalf of Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Procurement of services	(2)	(52)	-	-	-	-	(2)	-	-	-	-	(4)	-	-	-	-
Salary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security deposit received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security deposit refunded	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commission paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	(11)	-	-	-	-	-	-	-	-	-	-	-
Donation given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gratuity Transfer of Employees	-	-	-	-	-	-	(0.5)	-	(0.2)	-	(0.3)	-	-	-	-	-
Security Deposit paid	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-	-
Investment in Subsidiary Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30	-
Total	72	(7)	-	1	(11)	625	(2.57)	-	(0.20)	-	(0.32)	-	(1)	-	30	-
* Inclusive of service tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance outstanding:**																
Trade payables and Other current liabilities	(0.05)	(125)	-	-	-	-	(0.50)	-	(0.20)	-	(0.32)	-	-	-	-	-
Short-term loans and advances	(0.05)	-	-	-	560	625	-	-	-	-	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade receivables	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-
Long-term loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-	-
Security deposits received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	(0.10)	(125)	1	1	560	625	(0.50)	-	(0.20)	-	(0.32)	-	3	-	-	-

*Also, refer note 42 for details of additional investment in Indus Towers Limited (Indus) on merger of Bharti Infratel Ventures Limited with Indus during the previous year.

**Balance outstanding includes provision for leave encashment and gratuity based on actuarial valuation.

#Also, refer foot note given in note 31 on Employee Stock/ Cash Option plan.

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36. Capital and Other Commitments

(i) Capital Commitments

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Estimated amount of contracts to be executed on capital account and not provided for in the financial statements (net of capital advances)	1,583	3,472
	1,583	3,472

(ii) Other Commitments

For commitments relating to lease agreements, refer note 32.

37. Contingent Liabilities

(i) Financial Bank Guarantees

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Total guarantees issued by banks and financial institutions on behalf of the Company	3	426
	3	426

(ii) Claims against the Company not acknowledged as debt

(₹ Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
(i) Taxes, duties and other demands (under adjudication / appeal / dispute)		
- Sales tax (refer to a below)#	458	1,556
- Stamp duty (refer to b below)	192	192
- Entry tax (refer to c below)	1,849	1,618
- Municipal taxes (refer to d below)	985	741
- Service tax (refer to e below)	15,809	15,529
(ii) Other claims under legal cases including arbitration matters (refer to f below)	135	110
(iii) Income tax matters (refer to g below)#	1,262	1,264
Total	20,690	21,010

Includes ₹ 1,627 Mn (March 31, 2015 – ₹ 2,727 Mn) for which the possibility of demand materialising is remote, based on internal assessment of the Company.

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

(a) Sales Tax

The claims for sales tax as of March 31, 2016 comprise of the cases relating to levy of penalty for the year 2008-09 in right to use litigation wherein the main demand has already been quashed by Hon'ble HC of Indore.

The Company has filed Writ petition against the demand before HC.

(b) Stamp Duty

The Company has received demand in certain states for stamp duty on execution of Leave and License Agreement of Cell Sites.

(c) Entry Tax

In certain states, entry tax is imposed on entry of goods in the local area for use, consumption or sale therein. The Company has challenged the constitutional validity of the same before respective high courts and also in Hon'ble Supreme Court.

(d) Municipal Taxes

The Company, based on its assessment of the applicability and tenability of certain municipal levies, which is an industry wide phenomenon, does not consider the impact of such levies to be material.

Further, in the event these levies are confirmed by the respective government authorities, the Company would recover these amounts from its customers in accordance with terms of Master Service Agreement.

(e) Service Tax

The service tax department has issued certain orders for the disallowance of cervat credit availed on Inputs, Capital Goods and Input Services for the period starting from August, 2007 to March, 2014. The Company is in process of filing an appeal before Delhi HC against the Larger Bench CESTAT decision on question of law while on merits appeal is pending before Division Bench, Chandigarh.

(f) Others mainly include site related legal disputes.

(g) Income Tax

This mainly includes tax demands for assessment years 2011-12 and 2012-13.

38. (a) Expenditure in Foreign Currency (Cash Basis)

(₹ Millions)		
Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Legal and professional	2	3
IT expenses	2	2
Commission	1	-
	5	5

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(b) Dividend Remitted in Foreign Currency

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Number of non - resident shareholders to whom dividend was due	-	1
Number of equity shares held on which dividend was due (in Mn)	-	18
Amount remitted (₹ in Mn)	-	160
Amount remitted (USD in Mn)	-	3

In addition to above, dividend amounting to ₹ 3,309 Mn [FY 2014-15 - ₹ 3,084 Mn] has been paid to other non-resident shareholders in Indian Rupees.

(c) Unhedged foreign currency exposure is Nil as at March 31, 2016 (March 31, 2015 – Nil).

(d) Value of imports calculated on CIF basis is Nil as at March 31, 2016 (March 31, 2015 - Nil).

39. Utilisation of Money Raised Through Public Issue

(a) Pursuant to Initial Public Offer (IPO), the Company raised ₹ 31,657 Mn (net of selling shareholder's proceeds), details of utilisation of IPO proceeds are as follows-

(₹ Millions)								
Particulars	Total Planned Utilization as per prospectus	Amount pending Utilisation as on December 31, 2015	Detail of Estimated Planned Utilisation of IPO proceeds pursuant to the variation as approved by the members of the company on March 21, 2016 (Refer note a & b)				Amount utilised during the Quarter ending March 31, 2016 (to be read with note c)	Amount Pending Utilization as on March 31, 2016
			FY 2015-16	FY 2016- 17 or earlier	FY 2017- 18 (upto September 30,2017) or earlier	Total		
			A	B	C	D=A+B+C	E	F=D-E
Installation of 4,813 new towers	10,865	5,329	400	800	300	1,500	525	975
Upgradation and replacement of existing towers	12,141	-	2,500	4,000	1,000	7,500	3,224*	4,276
Green Initiatives at tower sites	6,394	4,074	100	200	103	403	130	273
General Corporate purposes (Including Share issue expenses in excess of 2% retained in Escrow)	2,257	-	-	-	-	-	-	-
Total	31,657	9,403	3,000	5,000	1,403	9,403	3,879	5,524

* including closing inventory as at March 31, 2016 amounting to ₹ 110 Mn (March 31, 2015 - ₹ 211 Mn)

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Note:-

- (a) Variation to the objects and schedule of deployment as disclosed in the prospectus dated December 19, 2012 issued by the Company for its IPO was approved by the shareholders of the Company through postal ballot on March 21, 2016.
- (b) The schedule of deployment as set out in the table above is based on internal management estimates of the Company, assessed in light of current circumstances of the Company's business. The schedule of deployment is, however, dependent upon various factors beyond the Company's control, such as, change in technology, change in business requirement including orders from operators and general economic conditions. Accordingly, the actual amount to be spent in a particular financial year for the proposed Objects may be different than the amount set out in the table above. Furthermore, to the extent the Company is unable to utilise or over spend any portion of the funds as per the estimated schedule of deployment set out above, such variation in amounts shall be either deployed or appropriated from any of the above mentioned objects in the current financial year or subsequent financial years as the case may be. The schedule of deployment and variation terms to this schedule is approved by shareholders as mentioned in (a) above.
- (c) Amount utilised during the quarter ended March 31, 2016 includes Capital expenditure amounting to ₹ 2,073 Mn which was incurred upto December 31, 2015 under the head "Upgradation and replacement of existing towers". This Capital expenditure was in excess of planned utilisation of ₹ 12,141 Mn as per prospectus. The same is within the approval provided by the members of the Company through postal ballot on March 21, 2016.
- (d) Unspent amount of ₹ 5,524 Mn is lying in investment in mutual funds as shown below –

Particulars	No. of Units	Amount ₹ Millions**
Current	250,242,609	8,912

** Difference in the unutilised issue proceeds and amount invested is on account of dividend accrued, reinvested during the period.

40. Since the Company's business activity falls within a single business and geographical segment of providing passive infrastructure, there are no additional disclosure to be provided under Accounting Standard - 17 'Segment reporting' other than those already provided in the financial statements.
41. During the year ended March 31, 2008, pursuant to the Scheme of Arrangement with Bharti Airtel Limited ('the Scheme') under sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of Bharti Airtel Limited was transferred to the Company. Pursuant to the Scheme, the depreciation charged by the Company on the excess of the fair values over the original book values of the assets transferred by Bharti Airtel Limited is being off-set against General Reserve. Had the Company followed generally accepted accounting principles in India, General Reserve as at March 31, 2016 and March 31, 2015 would have been higher by ₹ 8,302 Mn and ₹ 7,724 Mn, respectively. Depreciation for the year ended March 31, 2016 would have been higher by ₹ 571 Mn (March 31, 2015 - ₹ 606 Mn), other expenses for the year ended March 31, 2016 would have been higher by ₹ 8 Mn (March 31, 2015 - ₹ 55 Mn) and profit for the year ended March 31, 2016 would have been lower by ₹ 579 Mn (March 31, 2015 - ₹ 661 Mn), respectively.
42. The Scheme of Arrangement ('Indus Scheme') under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities, as defined in Indus scheme, from Bharti Infratel Ventures Limited (BIVL), erstwhile wholly owned subsidiary company, to Indus Towers Limited (Indus), was approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 and filed with the Registrar of Companies on June 11, 2013 with appointed date April 1, 2009 i.e. effective date of Indus Scheme and accordingly, effective June 11, 2013, the erstwhile subsidiary company has ceased to exist and has become part of Indus. The Company was carrying investment in BIVL at ₹ 59,921 Mn. Pursuant to Indus Scheme, the Company has additionally got 504 shares in Indus in lieu of transfer of its investment in BIVL to Indus and recorded these additional shares at their fair value of ₹ 60,419 Mn in accordance with the requirements of Accounting Standard - 13. The

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resultant gain of ₹ 385 Mn (net of taxes ₹ 116 Mn) has been disclosed as adjustment to carry forward balance of Statement of Profit and Loss as at April 1, 2009. This being non cash transaction, has not been considered for disclosure in cash flow statement for the year ended March 31, 2014.

43. The Company has classified its investments in mutual funds as current and non-current at the time of initial recognition, based on its plan of future utilisation of funds within 12 months and after 12 months, respectively. These investments are reclassified and disclosed as at year end based on balance utilisation period.
44. During the year 2014-15, the Company has re-assessed the useful life and residual value of all its assets, accordingly, effective April 1, 2014, it has revised the useful life of certain class of shelters from 15 years to 10 years and revised the residual value of certain plant and machineries (batteries and DG sets) from Nil and 5% to 25% and 10%, respectively. The net impact thereof is not material and hence, not disclosed in these financial statements.
45. On April 27, 2015, the Board of Directors had proposed a dividend of ₹ 6.50 per equity share to all the existing shareholders for the year ended March 31, 2015. The dividend proposed by the Board of Directors had approved by the shareholders in the annual general meeting held on August 11, 2015 and paid during the financial year ended March 31, 2016.
46. The Company has received interim dividend of ₹ 19,000 per equity share, ₹ 5,380 per equity share and ₹ 8,400 per equity share from Joint Venture Company totalling to ₹ 9,510 Mn, ₹ 2,693 Mn and ₹ 4,204 Mn during quarter ended June 30, 2014, quarter ended September 30, 2014 and quarter ended March 31, 2015 respectively, which has been disclosed under Other Income.
47. Charity and donation includes Nil (FY 2014-15 – ₹ 60 Mn) paid to Satya Electoral Trust for political purposes.
48. The Company has recognised write back of over aged liabilities and provisions amounting to ₹ 162 Mn (FY 2014-15 – ₹ 367 Mn), related to fixed assets transferred to Joint Venture Company, equally over the period starting from October 1, 2014 to June 30, 2015 and disclosed under “Miscellaneous Income”.
49. The Company was required to spend ₹ 255 Mn towards CSR expenditure in current year as per the requirement of the Act. During the year, ₹ 269 Mn were committed towards 5 long-term CSR projects basis approval from the Board. The disbursement of committed funds is based on the individual project work plans and milestones achieved over the project duration. All projects are being monitored on the progress made and impact created during the routine course of the business. The CSR fund disbursement in current year was ₹ 209 Mn.
50. During the year ended March 31, 2016, the Company has re-classified the termination charges w.r.t. cancellation of contracts by operators of ₹ 47 Mn, from ‘Other income’ to ‘Revenue from operations’. Previous year figures have not been reclassified being not material in relation to these financial statements.
51. The Central Government in consultation with National Advisory Committee on Accounting Standards has amended Companies (Accounting Standards) Rules, 2006 (‘principal rules’), vide notification issued by Ministry of Corporate Affairs dated March 30, 2016. The Company believes that as the original notification dated 7 December 2006 for notifying accounting standard states that the accounting standards shall come into effect in respect of accounting periods commencing on or after the publication of these Accounting Standards. Therefore the Company has not applied these amendments during the year.
52. Previous year figures have been regrouped/ reclassified where necessary to conform to the current year’s classifications.

Glossary

Company Related Terms	
4 Overlapping circles	Represent the telecommunication circles of Haryana, Rajasthan, Uttar Pradesh (East) and Uttar Pradesh (West) wherein Bharti Infratel and Indus Towers have overlapping operations. Bharti Infratel is not permitted to roll out any new towers in these telecommunications Circles, although it continues to own and operate its existing telecommunications towers in these Circles, and add additional sharing operators to these towers. New tower rollout in these telecommunication circles is done by Indus.
7 Circles	Represents the telecommunications circles of Bihar, Madhya Pradesh and Chhattisgarh, Odisha, Jammu and Kashmir, Himachal Pradesh, Assam and North East states wherein Bharti Infratel operates on exclusive basis.
11 Circles	Represents the 7 telecommunications circles of Bihar, Madhya Pradesh and Chhattisgarh, Odisha, Jammu and Kashmir, Himachal Pradesh, Assam and North East states wherein Bharti Infratel operates on exclusive basis and the 4 common circles of Haryana, Rajasthan, Uttar Pradesh (East) and Uttar Pradesh (West) wherein Bharti Infratel and Indus Towers have overlapping operations.
15 Circles	Represents the 11 telecommunication circles of Andhra Pradesh, Delhi, Gujarat, Karnataka, Kerala, Kolkata, Maharashtra & Goa, Mumbai, Punjab, Tamil Nadu (including Chennai) and West Bengal wherein Indus operates on exclusive basis and the 4 common telecommunication circles of Haryana, Rajasthan, Uttar Pradesh (East) and Uttar Pradesh (West) wherein Bharti Infratel and Indus Towers have overlapping operations.
Adjusted Fund from Operations (AFFO)	It is not an IGAAP measure and is defined as EBITDA adjusted for Maintenance and General Corporate Capex, revenue equalisation and lease rent equalisation (which represents straight lining of revenue and expense).
Average Co-locations	Average co-locations are derived by computing the average of the Opening and Closing co-locations at the end of relevant period.
Average Sharing Factor	Average Sharing factor is calculated as the average of the opening and closing number of co-locations divided by average of the opening and closing number of towers for the relevant period.
Average Towers	Average towers are derived by computing the average of the opening and closing towers at the end of relevant period.
BISL	Bharti Infratel Services Limited
BIVL	Bharti Infratel Ventures Limited
Bn	Billion
Capex	It includes investment in gross fixed assets and capital work in progress for the relevant period.
Capital Employed	Capital Employed is defined as sum of equity attributable to equity shareholders and Net Debt/ (Net Cash).

Company Related Terms

Cash Profit from operations	It is not an IGAAP measure and is defined as operating income adjusted for depreciation and amortisation, revenue equalisation, lease rent equalisations and finance costs.
Circle(s)	22 service areas that the Indian telecommunications market has been segregated into
Closing sharing factor	Closing sharing factor is calculated as the closing number of co-locations divided by closing number of towers as at the end of relevant period.
Co-locations	Co-location is the total number of sharing operators at a tower, and where there is a single operator at a tower; 'co-location' refers to that single operator. Co-locations as referred to are revenue-generating co-locations.
Consolidated Financial statements	The Consolidated financial statements of the company till FY 2012-13 represent the financials of Bharti Infratel Ltd Standalone taken together with its wholly owned subsidiary Bharti Infratel Ventures Ltd and Bharti Infratel's 42% equity interest in Indus Towers Ltd. accounted for by proportionate consolidation. Consequent to Indus Merger, the financial statements of Indus have been prepared after giving effect to the Merger Scheme. Accordingly the Consolidated Financial Results of the Company from quarter ended June 2013 and onwards represent the financials of Bharti Infratel Ltd. Standalone taken together with its 42% equity interest in Indus Towers Ltd. accounted for by proportionate consolidation and consolidating the new subsidiary Bharti Infratel Services Ltd.
Cumulative Investments	Cumulative Investments comprises of gross fixed assets (including Capital Work In Progress).
Earnings per Share (EPS) (Basic)	It is computed by dividing net profit or loss attributable for the period to equity shareholders by the weighted average number of equity shares outstanding during the period.
Earnings per Share (EPS)- (Diluted)	Diluted earnings per share is calculated by adjusting net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period for the effects of all dilutive potential equity shares.
EBIT	Earnings before interest, taxation excluding other income for the relevant period.
EBIT (Including Other Income)	Earnings before interest, taxation including other income for the relevant period.
EBITDA	Earnings before interest, taxation, depreciation and amortisation and charity and donations excluding other income for the relevant period. It is defined as operating income and does not include depreciation and amortisation expense, finance cost and tax expense.
EBITDA (Including Other Income)	Earnings before interest, taxation, depreciation and amortisation and charity and donations including other income for the relevant period.

Company Related Terms

Enterprise Value (EV)	Calculated as sum of Market Capitalisation plus Net Debt/ (Net Cash) as at the end of the relevant period.
EV / EBITDA (times) (LTM)	Computed by dividing Enterprise Value as at the end of the relevant period (EV) by EBITDA for the preceding (last) 12 months from the end of the relevant period.
Future Minimum Lease Payment Receivable	The Company has entered into long term non-cancellable agreements to provide infrastructure services to telecom operators. Future Minimum Lease Payment Receivable represents minimum amounts receivable in future under the above long term non-cancellable agreements.
GAAP	Generally Accepted Accounting Principle
IGAAP	Indian Generally Accepted Accounting Principle
Indus Merger	<p>During the quarter ended June 30, 2013, the Scheme of Arrangement (Scheme) under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities as defined in the Scheme from Bharti Infratel Ventures Limited (BIVL), wholly owned subsidiary of the Company, Vodafone Infrastructure Limited (formerly known as Vodafone Essar Infrastructure Limited), and Idea Cellular Tower Infrastructure Limited (collectively referred to as 'The Transferor companies') to Indus Towers Limited (Indus) was sanctioned by the Hon'ble High Court of Delhi vide its order dated on April 18, 2013 subject to the final order in another appeal pending before the Division Bench of Delhi High Court and any other orders in any further proceedings thereafter.</p> <p>The Scheme had become operative from June 11, 2013 upon filing of certified copy of the order with the Registrar of Companies with an appointed date of April 1, 2009 i.e. effective date of scheme and accordingly effective June 11, 2013 the transferor companies have ceased to exist and have become part of Indus Towers Ltd. Pursuant to the Indus Merger the IRU agreements between the Transferor Companies and Transferee Company Ceases to exist.</p>
Indus Consolidation	Indus Consolidation represents consolidation of Bharti Infratel's 42% proportionate shareholding in Indus Towers Ltd and 100% of BIVL till FY end 31 st March 2013 net of IRU eliminations. W.e.f quarter ending June'13 and onwards Indus Consolidation represents consolidation of Bharti Infratel's 42% proportionate shareholding in Indus Towers Ltd.
Intangibles	Comprises of acquisition cost of software.
∞	Not ascertainable (infinite)

Company Related Terms

Interest Coverage Ratio (LTM)	It is computed by dividing EBITDA for the preceding (last) 12 months from the end of relevant period by interest on borrowing for the preceding (last) 12 months.
IRU	Indefeasible right to use
Lease Rent Equalisation	It represents the effect of fixed escalations (as per the terms of lease agreements with landlords) recognised on straight line basis over the fixed, non-cancellable term of the agreement, as applicable
LTM	Last Twelve months
Market Capitalisation	Number of issued and outstanding shares as at end of the period multiplied by closing market price (NSE) as at end of the period.
Mn	Million
MSA	Master Service Agreement
Maintenance & General Corporate Capex	Represents the capital expenditure undertaken by the company for general maintenance, upkeep and replacement of equipments installed at the towers which is undertaken on the end of their useful life as well as General Corporate related capital expenditure such as on office/ facilities and information technology.
Net Debt/ (Net Cash)	It is not an IGAAP measure and is defined as the long-term borrowing, short-term borrowings and current portion of long-term borrowings minus cash and cash equivalents, current and non-current investments, fixed deposits included in other non-current assets with maturity for more than 12 months and short term loan to the parent company adjusted for unpaid dividend declared and adjusted in equity as at the end of the relevant period.
Net Debt / (Net Cash) to EBITDA (LTM)	It is computed by dividing Net Debt/ (Net Cash) as at the end of the relevant period by EBITDA for preceding (last) 12 months from the end of the relevant period.
Net Debt / (Net Cash) to Funded Equity Ratio	It is computed by dividing Net Debt/ (Net Cash) as at the end of the relevant period by equity attributable to equity shareholders as at the end of the relevant period.
Operating Free Cash flow	It is not an IGAAP measure and is defined as EBITDA adjusted for Capex, revenue equalisation and lease rent equalisation.
PE Ratio	Price to Earnings ratio is calculated as closing market price (NSE) as at the end of relevant period, divided by diluted annual earnings per share. Annual Diluted Earnings per share is calculated by adding the preceding last four quarters diluted Earnings per share
ROC	Registrar of Companies
Return on Capital Employed (ROCE) Pre Tax - (LTM):	ROCE is computed by dividing the sum of EBIT for the period by average (of opening and closing) capital employed

Company Related Terms

Return on Equity (ROE) (LTM)	ROE is computed by dividing the sum of Profit after tax for the period by average (of opening and closing) equity shareholders' funds
Revenue per Employee per month	It is computed by dividing the Total Revenues (net of inter-segment eliminations) by the average number of on – roll employees in the business unit and number of months in the relevant period
Revenue Equalisation	It represents the effect of fixed escalations (as per the terms of service agreements with customers) recognised on straight line basis over the fixed, non-cancellable term of the agreement, as applicable.
SHA	Shareholders Agreement
Sharing Operator	A party granted access to a tower and who has installed active infrastructure at the tower
Sharing Revenue	It represents service revenue accrued during the relevant period and includes revenue equalisation net of service level credits.
Sharing revenue per Sharing Operator per month	Is calculated on the basis of sharing revenues accrued during the relevant period divided by the average number of co-locations for the period, determined on the basis of opening and closing number of co-locations for the relevant period.
Sharing revenue per Tower per month	Is calculated on the basis of sharing revenues accrued during the relevant period divided by the average number of towers for the period, determined on the basis of opening and closing number of towers for the relevant period
Towers	Infrastructure located at a site which is permitted by applicable law to be shared, including, but not limited to, the tower, shelter, diesel generator sets and other alternate energy sources, battery banks, air conditioners and electrical works. Towers as referred to are revenue generating towers
Tower and related infrastructure	Infrastructure Located at site which is permitted by applicable law to be shared, including, but not limited to, the tower, shelter, diesel generator sets and other alternate energy sources, battery banks, air conditioners and electrical works.

Company Related Terms

Regulatory Terms

CSR	Corporate social responsibility
BSE	The Bombay Stock Exchange Ltd
DoT	Department of Telecommunications
IP1	Infrastructure Provider Category 1
IPO	Initial Public Offering
NSE	National Stock Exchange
SEBI	Securities and Exchange Board of India
TEC	Telecom Engineering Center
TRAI	Telecom Regulatory Authority of India

Industry Specific & Other Terms

BTS	Base Transceiver Station
CII	Confederation of Indian Industry
DG	Diesel Generator
EMF	Electro Magnetic Field
FCU	Free Cooling Unit
GBT	Ground Based Tower
IPMS	Integrated Power Management System
PAN	Presence across Nation
PPC	Plug and Play Cabinet
RESCO	Renewable Energy Service Company
RET	Renewable Energy Technology
RTT	Roof Top Tower
TAIPA	Tower and Infrastructure Providers Association
Wi-fi	Wireless Fidelity
AGM	Annual General Meeting
Company, We, Our	Bharti Infratel Limited

Circle Offices

Bihar & Jharkhand

Alankar Business Centra, 2nd Floor,
East Boring Canal Road, Budha Colony,
Patna - 800001, Bihar

Haryana & Himachal Pradesh

8th Floor (South Side), Anantraj
Technology Park, Plot No. 1,
Sector 22, IT Park Panchkula,
Haryana - 134109

Jammu & Kashmir

2nd, 4th Floor, 29-GMC,
TRG Complex, Opp. Bahu Plaza,
Jammu - 180012, Jammu & Kashmir

Madhya Pradesh & Chhattisgarh

H-3, 4th Floor, Metro Tower,
Scheme No.54, A.B. Road,
Indore - 452010, Madhya Pradesh

Odisha

IDCO Plot No. C-3/2, Chandaka
Industrial Area, Chandrasekharapur,
Bhubaneswar - 751021, Odisha

North East States and Assam

4th Floor, Nikita Complex, Opp. Research Gate,
Above Vijaya Bank, G.S. Road, Khanapara.
Guwahati - 781022, Assam

3rd Floor, Nayantara Building,
GS Road, Six Mile,
Guwahati - 781022, Assam

Rajasthan

6th Floor, Plot No. 8 & 9
Corporate Park, Gopal Bari, Azmer Road,
Jaipur - 302006, Rajasthan

Uttar Pradesh (East)

410, 4th Floor, Ratan Square,
20-A, Vidhan Sabha Marg,
Lucknow - 226001, Uttar Pradesh

Uttar Pradesh (West)

Knowledge Boulevard,
A-8-A, The 3C Building, 9th Floor,
Sector - 62, Noida - 201301, Uttar Pradesh



Bharti Infratel Limited

Bharti Crescent,
1, Nelson Mandela Road,
Vasant Kunj, Phase II,
New Delhi - 110 070, India
CIN: L64201DL2006PLC156038
www.bharti-infratel.com



BHARTI INFRATEL LIMITED

CIN: L64201DL2006PLC156038

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

Tel.: +91-11-4666 6100 **Fax:** +91-11-4166 6137

Email id: compliance.officer@bharti-infratel.in

Website: www.bharti-infratel.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Tenth Annual General Meeting (AGM) of the members of Bharti Infratel Limited, will be held on Wednesday, August 10, 2016 at 10:30 A.M. at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003 to transact the following business(es):

ORDINARY BUSINESS(ES)

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

1. To receive, consider and adopt the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2016

"Resolved that the audited standalone financial statements of the Company for the financial year ended March 31, 2016 including reports of the Board and Auditors' thereon and audited consolidated financial statements of the company for the financial year ended March 31, 2016 including report of Auditors' thereon be and are hereby received, considered and adopted."

2. Declaration of dividend on equity shares

"Resolved that a dividend of ₹ 3 per equity share of ₹ 10/- each fully paid up for the financial year 2015-16 be and is hereby approved and declared."

3. Re-appointment of Mr. Mark Chin Kok Chong (DIN 06638569) as a Director liable to retire by rotation

"Resolved that Mr. Mark Chin Kok Chong (DIN 06638569), who retires by rotation and being eligible offers himself

for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

4. Ratification of the appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Gurgaon, (Registration no. 101049W) as the Statutory Auditors of the Company

"Resolved that pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof), and resolution passed by the members at their 8th Annual General Meeting held on August 04, 2014, the appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Gurgaon (Registration no. 101049W), the Statutory Auditors of the Company, who being eligible have offered themselves for ratification of their appointment, be and is hereby ratified by the members of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the 11th Annual General Meeting of the Company and the Board of Directors of the Company on the recommendation of the Audit and Risk Management Committee be and is hereby authorised to fix the remuneration payable to them for such appointment."

SPECIAL BUSINESS

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

5. Appointment of Mr. Rajan Bharti Mittal (DIN 00028016) as a Director, liable to retire by rotation

“Resolved that pursuant to the provisions of Section 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment

thereof), Mr. Rajan Bharti Mittal (DIN 00028016), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. January 27, 2016 and who holds office till the date of the AGM in terms of Section 161(1) of the Companies Act, 2013 be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

Registered Office:

Bharti Crescent
1, Nelson Mandela Road,
Vasant Kunj, Phase – II,
New Delhi - 110 070, India.
CIN: L64201DL2006PLC156038
Email id: compliance.officer@bharti-infratel.in

Place: Gurgaon
Date: April 26, 2016

Shweta Girotra
Company Secretary
Membership No. F7313

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

NOTES:

1. The Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF /HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ENCLOSED WITH THIS NOTICE.**
3. A person can act as proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.
4. The notice of AGM will be sent to those members / beneficial owners whose name will appear in the

register of members / list of beneficiaries received from the depositories as on Friday, July 8, 2016.

5. The route map and prominent land mark of the venue of AGM is enclosed for easy location.
6. The copy of Annual Report 2015-16, notice of the 10th AGM, instruction for e-voting along with attendance slip, route map with prominent landmark details and proxy form, dividend intimation are being sent through electronic mode to all the members whose e-mail addresses are registered with Company/ depository participant (DPs) / Company's Registrar and Transfer Agent (RTA) and the members whose e-mail id is not registered with the Company will be sent physical copies of such documents at their registered address through permitted mode.

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

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

7. Annual Report and Notice of the 10th AGM will also be available under the Investor Relations section on the website of the Company www.bharti-infratel.com.
8. The dividend, if declared at the AGM, will be paid on or before the 30th day from the date of declaration:
 - For equity shares held in physical form - those shareholders whose names will appear in the Register of Members on close of day on August 10, 2016, being the record date for the purpose dividend.
 - For equity shares held in dematerialised form - those beneficiaries, whose names are furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owner on close of day on August 10, 2016, being the record date for the purpose dividend.
9. Members who hold equity shares in physical form and desirous of availing Electronic Clearance Scheme (ECS) facility for direct credit of dividend to their bank account, may submit their request to the Company's RTA. The ECS mandate, in order to be effective, should be submitted to the RTA on or before Wednesday, August 3, 2016. Any query related to dividend should be directed to the RTA of the Company.

In respect of members holding shares in electronic form, the bank details as furnished by the respective depositories to the Company will be used for the purpose of distribution of dividend through ECS facility. The Company / RTA will not act on any direct request from members holding shares in dematerialised form for change / deletion of such bank details.
10. Members, who are holding shares in physical form are requested to address all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other share related matters and / or change in address or updation thereof to the Company's RTA. Members, whose shareholding is in electronic format are requested to direct change of address notifications, registration of e-mail address and updation of bank account details to their respective DPs.
11. Members wishing to claim dividends, which has remained unclaimed are requested to contact Company's RTA. They are also requested to note that the amount of dividend not claimed within 7 years from the date of declaration, will as per Section 205C of the Companies Act, 1956 (corresponding to Section 125 of the Companies Act, 2013), be transferred to Investor Education and Protection Fund.
12. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail this facility may send their nomination in the prescribed Form duly filled in to RTA. The Nomination Form in the prescribed format is available on the website of the Company at www.bharti-infratel.com. Members interested in obtaining a copy of the Nomination Form may write to the Company Secretary at the Company's registered office.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company's RTA.
14. Information regarding particulars of the Director to be appointed and the director seeking re-appointment requiring disclosure in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the explanatory statement pursuant to Section 102 of the Companies Act, 2013, are annexed hereto. The directorships held by the Directors considered for the purpose of disclosure does not include the directorships held in foreign companies. The committee chairmanships / memberships considered for the purposes of disclosure are those prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 viz. Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies.
15. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment, Rules, 2015, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide

to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting through electronic voting service facility. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ("remote e-voting").

16. In terms of provisions of Section 107 of the Companies Act, 2013, since the Company is providing the facility of remote e-voting to the shareholders, there shall be no voting by show of hands at the AGM. The facility for ballot / polling paper / electronic poll (hereinafter referred as voting at AGM venue) shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at AGM venue.
17. The shareholders can opt for only one mode of voting i.e. remote e-voting or voting at AGM venue. In case of voting by both the modes, vote casted through remote e-voting will be considered final and voting at AGM venue will not be considered. The members who have cast their vote by remote e-voting may also attend the Meeting.
18. The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the Agency to provide e-voting facility.
19. The e-voting Event number, User Id and Password along with the detailed instructions for e-voting are provided in the notice of e-voting, being sent along with the notice of AGM.
20. The Board has appointed Mr. Sanjay Grover of M/s. Sanjay Grover & Associates, Company Secretaries, New Delhi (C.P. No. 3850) as Scrutinizer to scrutinize the voting at AGM venue and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
21. The remote e-voting facility will be available during the following period:

Commencement of remote e-voting	: From 9:00 a.m. (IST) on August 7, 2016
End of remote e-voting	: Upto 5:00 p.m. (IST) on August 9, 2016

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

22. The voting rights of Members for remote e-voting and for voting at AGM venue shall be in proportion to the paid up value of their shares in the equity share capital of the Company as on cut-off date i.e. Wednesday, August 3, 2016.
23. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Wednesday, August 3, 2016 only shall be entitled to avail the facility of remote e-voting / voting at AGM venue.
24. Any person who becomes member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. Wednesday, August 3, 2016 may obtain the User Id and password in the manner as mentioned below:
 - a) If the mobile number of the member is registered against Folio No./ DPID Client ID, the member may send SMS: MYEPWD<space> E-Voting Event Number +Folio no. or DPID Client ID to +91-9212993399

Example for NSDL :
MYEPWD<SPACE>IN12345612345678

Example for CDSL :
MYEPWD<SPACE>1402345612345678

Example for Physical:
MYEPWD<SPACE> XXXX1234567890
 - b) If e-mail address or mobile number of the member is registered against Folio No. / DPID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DPID Client ID and PAN to generate a password.
 - c) Member may Call Karvy's Toll free number 1-800-3454-001
 - d) Member may send an e-mail request to evoting@karvy.com

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

25. The Scrutinizer, after scrutinizing the voting at AGM venue and through remote e-voting will not exceeding three days of conclusion of the Meeting, make a consolidated scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the meeting. The results declared shall be available on the website of the Company (www.bharti-infratel.com) and on the website of the Karvy (<https://evoting.karvy.com>). The results shall simultaneously be communicated to the Stock Exchanges. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.
26. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and documents referred to in the notice and explanatory statement, including certificate from the Auditors of the Company under Clause 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 are available for inspection at the Registered Office of the Company on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. upto the date of AGM and will also be available for inspection at the meeting.
27. Members having any question on financial statements or on any agenda item proposed in the notice of AGM are requested to send their queries at least ten days prior to the date of AGM of the Company at its registered office address to enable the Company to collect the relevant information.
28. Members / proxies / authorised representatives are requested to bring duly filled attendance slips enclosed herewith to attend the meeting.
29. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
30. Members are requested to bring their copies of Annual Report to the Meeting. In order to enable us to register your attendance at the venue of the Annual General Meeting, members are requested to please bring their folio number/ demat account number/DP ID-Client ID to enable us to provide a duly filled attendance slip for your signature and participation at the meeting.
31. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
32. Corporate members intending to send their authorised representative(s) to attend the meeting are requested to provide a certified copy of the Board Resolution/ Authorisation/ Power of Attorney to the Company, authorising their representative(s) to attend and vote on their behalf at the meeting.
33. For the security and safety of the members, no article / baggage including water bottles and tiffin boxes will be allowed at the venue of the meeting. The members / attendees are strictly requested not to bring any article / baggage etc. at the venue of the AGM.
34. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>.

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

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**Item No. 5**

Mr. Rajan Bharti Mittal (DIN: 00028016) was appointed as an Additional Director on the Board of the Company w.e.f. January 27, 2016. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013, Mr. Rajan Bharti Mittal holds office upto the date of the Tenth AGM. The Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing appointment of Mr. Rajan Bharti Mittal as Director of the Company, liable to retire by rotation, along with the prescribed deposit of ₹ 100,000/-.

Save and except Mr. Rajan Bharti Mittal and his relatives to the extent of their shareholding interest, if any, in the

Company, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 5.

Mr. Rajan Bharti Mittal is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to be appointed as a Director. The Board recommends the appointment of Mr. Rajan Bharti Mittal as a Director, liable to retire by rotation and propose to pass the resolution set out in item no. 5 of the notice as an Ordinary Resolution.

Brief profile of Mr. Rajan Bharti Mittal is enclosed and detailed profile is available on www.bharti-infratel.com.

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

Registered Office:

Bharti Crescent
1, Nelson Mandela Road,
Vasant Kunj, Phase – II,
New Delhi - 110 070, India.
CIN: L64201DL2006PLC156038
Email id: compliance.officer@bharti-infratel.in

Place: Gurgaon
Date: April 26, 2016

Shweta Girotra
Company Secretary
Membership No. F7313

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

Details of Directors seeking appointment/ re-appointment as required under SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Companies Act, 2013
Mr. Rajan Bharti Mittal (DIN: 00028016)

Date of Birth	05/01/1960
Age	56 years
Original date of appointment	27/01/2016
Qualifications	Graduate from Punjab University and an Alumnus of Harvard Business School
Experience and expertise in specific functional area	Marketing and Management
Terms and conditions of appointment and remuneration	As per the Policy on Nomination, Remuneration and Board Diversity (annexed to Board's Report)
Remuneration last drawn	As mentioned in Corporate Governance Report
No. of Board meetings attended during the year	
Shareholding in Bharti Infratel Limited	NIL
Relationship with other Directors, Managers and Other Key Managerial Personnel	NIL
Directorships held in other companies in India	Bharti Enterprises (Holding) Private Limited Bharti Management Private Limited Bharti Overseas Private Limited Bharti (RBM) Holdings Private Limited Bharti (RBM) Resources Private Limited Bharti (RBM) Services Private Limited Bharti (RBM) Trustees Private Limited Bharti (Satya) Trustees Private Limited Cedar Support Services Limited Bharti Realty Holding Limited Bharti Telecom Limited Indus Towers Limited
Membership / Chairmanship of committees in public limited companies in India	Bharti Telecom Limited –Stakeholders' Relationship Committee (Chairman) & Audit Committee (Member) Bharti Infratel Limited- Stakeholders' Relationship Committee (Chairman)

Mr. Mark Chin Kok Chong (DIN: 06638569)

Date of Birth	05/09/1963
Age	52 years
Original date of appointment	29/07/2013
Qualifications	Bachelors' Degree in Electronics Engineering and Masters' Degree in Research in Electronics Systems from ENSERG, Grenoble, France Master of Business Administration from National University of Singapore
Experience and expertise in specific functional area	Technology and General Management
Terms and conditions of re-appointment and remuneration	As per the Policy on Nomination, Remuneration and Board Diversity (annexed to Board's Report)
Remuneration last drawn	As mentioned in Corporate Governance Report
No. of Board meetings attended during the year	
Shareholding in Bharti Infratel Limited	NIL
Relationship with other Directors, Managers and Other Key Managerial Personnel	NIL
Directorships held in other companies in India	Bharti Telecom Limited
Membership/Chairmanship of committees in public limited companies in India	NIL

Route map to the venue of the Tenth Annual General Meeting (AGM)
of Bharti Infratel Limited



Sri Sathya Sai International Centre,
Pragati Vihar, Lodhi Road, New Delhi-110003

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BHARTI INFRATEL LIMITED

CIN: L64201DL2006PLC156038

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

Tel.: +91-11-4666 6100 **Fax:** +91-11-4166 6137

Email id: compliance.officer@bharti-infratel.in **Website:** www.bharti-infratel.com

ADMISSION SLIP

10TH ANNUAL GENERAL MEETING

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

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

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

I / we hereby record my / our presence at the Tenth Annual General Meeting of the Company being held on Wednesday, August 10, 2016 at 10:30 a.m. at Shri Sathya Sai International Centre, Pragati Vihar, Lodhi Road New Delhi – 110 003, India.

Please (✓) in the box

☐ MEMBER ☐ PROXY

Signature of Member/Proxy

*Applicable for member holding shares in physical form.



**BHARTI INFRATEL LIMITED****CIN:** L64201DL2006PLC156038**Regd. Office:** Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070**Tel.:** +91-11-4666 6100 **Fax:** +91-11-4166 6137**Email id:** compliance.officer@bharti-infratel.in **Website:** www.bharti-infratel.com

Form No. MGT-11

PROXY FORM

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

CIN: L64201DL2006PLC156038

Name of the Company: Bharti Infratel Limited

Registered office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070

Name of the member(s):.....

Registered address:

E-mail ID:.....

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

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

1. Name: Address.....
E-Mail..... Signature.....or failing him.
2. Name: Address.....
E-Mail..... Signature.....or failing him.
3. Name: Address.....
E-Mail..... Signature.....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Tenth Annual General Meeting of the Company scheduled to be held on Wednesday, August 10, 2016 at 10:30 a.m. at Shri Sathya Sai International Centre, Pragati Vihar, Lodhi Road New Delhi – 110 003, India or / and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	For	Against
Ordinary Business(es)			
1.	To receive, consider and adopt the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2016		
2.	Declaration of dividend on equity shares		
3.	Re-appointment of Mr. Mark Chin Kok Chong (DIN: 06638569) as a Director liable to retire by rotation		
4.	Ratification of appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Gurgaon, (Registration no. 101049W) as the Statutory Auditors of the Company		
Special Business			
5.	Appointment of Mr. Rajan Bharti Mittal (DIN: 00028016) as a Director liable to retire by rotation		

Signed thisDay of2016

Signature of shareholder

Signature of proxy holder(s)

Affix the
revenue stamp
of ₹ 1/-

Note:

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi-110070 not later than 48 hours before the commencement of the Meeting.

ECS MANDATE FORM

[APPLICABLE FOR SHARES HELD IN PHYSICAL FORM ONLY]

To

Karvy Computershare Private Limited

Unit: Bharti Infratel Limited
Karvy Selenium Tower B, Plot number 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal
Hyderabad - 500032

Name of the First/Sole Member	
Folio No.	

PAN/Email information

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

Particulars of the Bank Account

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

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

Signature of the 1st Registered Holder/Sole Holder

**BHARTI INFRATEL LIMITED****CIN:** L64201DL2006PLC156038**Regd. Office:** Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070**Tel.:** +91-11-4666 6100 **Fax:** +91-11-4166 6137**Email id:** compliance.officer@bharti-infratel.in **Website:** www.bharti-infratel.com

Name of the member including Joint holder(s), if any	
Registered address of the sole / first named member	
DP ID & Client ID No. / Registered Folio No.	
No. of shares held	

Dear Member(s),

Sub: Voting through electronic means

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide facility to its members to exercise their right to vote on resolutions proposed to be passed in the 10th Annual General Meeting of the Company scheduled to be held on Wednesday, August 10, 2016 at 10:30 a.m., by electronic means (remote e-voting).

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

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

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

Commencement of remote e-voting	From 09:00 am (IST) on August 7, 2016
End of remote e-voting	Upto 05:00 pm (IST) on August 9, 2016

The cut-off date for the purpose of remote e-voting is August 3, 2016.

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

This communication forms an integral part of the notice dated April 26, 2016 for the Tenth Annual General Meeting scheduled to be held on August 10, 2016. Please read the instructions printed overleaf before exercising the vote.

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

Thanking you

For **Bharti Infratel Limited****Shweta Girotra**Company Secretary
Membership No. F7313

Place: Gurgaon

Date: April 26, 2016

Registered Office:**Bharti Crescent**1, Nelson Mandela Road,
Vasant Kunj, Phase – II,
New Delhi - 110 070, India.

CIN: L64201DL2006PLC156038

Email id: compliance.officer@bharti-infratel.in



CIN: L64201DL2006PLC156038

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

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

1. In case a Member receives an email from Karvy [(for Members whose email Ids are registered with the Company/Depository Participant(s)):
 - i) Launch internet browser by typing the URL: <https://evoting.karvy.com> in the address bar and click on "Enter". The Home screen will be displayed then click on shareholders icon in the homepage.
 - ii) Enter the login credentials (i.e. User ID and password mentioned over leaf). Your Folio No. / DP ID/ Client ID will be your User ID. However, if you are already registered with Karvy for E-voting, you can use your existing User ID and password for casting your vote.
 - iii) After entering these details appropriately, click on "LOGIN".
 - iv) You will now reach password change Menu wherein you are required to mandatory change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$ etc.). The system will prompt you to change your password and update your contact details like mobile number, email id etc. on first login. You may also enter a secret question and answer of your choice to retrieve password in case you forget it. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential.
 - v) You need to login again with the new credentials.
 - vi) On successful login, the system will prompt you to select the E-Voting Event Number for Bharti Infratel Limited.
 - vii) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under each of the heading of the resolution and cast your vote by choosing the "FOR/ AGAINST" option or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date i.e. Wednesday, August 3, 2016. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head. Option "FOR" implies assent to the resolution and "AGAINST" implies dissent to the resolution.
 - viii) Members holding multiple folios/ demat accounts shall choose the voting process separately for each of the folios/ demat accounts.
 - ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
 - x) You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - xii) Corporate/ Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format/ JPG Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail ID: bhartiinfratel@karvy.com. They may also upload the same in the E-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT No."
2. In case a Member receives physical copy of the Annual General Meeting Notice by post [(for members whose email Ids are not registered with the Company/ Depository Participant(s)):
 - i. User ID and initial password are provided overleaf.
 - ii. Please follow all steps from sr. no. (i) to (xii) as mentioned in (1) above, to cast your vote.
 3. Once the vote on a resolution is cast by a member, the Member shall not be allowed to change it subsequently or cast the vote again.
 4. In case of any query pertaining to E-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>.
 5. The members who have cast their votes by remote e-voting may also attend AGM, but shall not be entitled to cast their vote again.
 6. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date i.e. August 3, 2016.
 7. The Board of Directors has appointed Mr. Sanjay Grover of M/s Sanjay Grover & Associates, Company Secretaries, New Delhi as a scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.
 8. The facility for ballot / polling paper / electronic poll- insta poll (hereinafter referred as voting at AGM venue) shall be made available at the Annual General Meeting (AGM) and the members attending AGM who have not cast their vote by remote e-voting shall be able to vote at the AGM venue.
 9. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories at the close of business hours on August 3, 2016 shall be entitled to avail the facility of remote E-voting/ voting at AGM venue.
 10. Any person who becomes member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. August 3, 2016 may obtain the User Id and password in the manner as mentioned below:
 - a. If the mobile number of the member is registered against Folio No./ DPID Client ID, the member may send SMS: MYEPWD<space> E-Voting Event Number +Folio no. or DPID Client ID to +91-9212993399.
Example for NSDL: MYEPWD<SPACE>IN12345612345678
Example for CDSL: MYEPWD<SPACE>1402345612345678
Example for Physical: MYEPWD<SPACE>XXXX1234567890
 - b. if e-mail address or mobile number of the member is registered against Folio No. / DPID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DPID Client ID and PAN to generate a password.
 - c. Member may Call Karvy's Toll free number 1-800-3454-001.
 - d. Member may send an e-mail request to evoting@karvy.com.
 11. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of AGM shall unblock the votes in the presence of at least two (2) witness not in the employment of the Company and will make a Consolidated Scrutinizer's Report of the votes cast in favour or against, forthwith to the Chairman of the meeting.
 12. The Results on resolutions shall be declared on or before closing business hours on Friday, August 12, 2016 and the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the Resolutions.
 13. The Results declared along with the Scrutinizer's Report(s) will be available on website of the Company (www.bharti-infratel.com) and on Karvy's website (<https://evoting.karvy.com>). The results shall simultaneously be communicated to BSE Limited and National Stock Exchange of India Limited.