



2014-15  
ANNUAL REPORT

# Partnering Digital India





# What's Inside

## CORPORATE OVERVIEW

01-29

Corporate Information	01
Partnering Digital India	02
Performance at a Glance	06
Chairman's Message	08
Message from Managing Director & CEO	10
Board of Directors	12
Corporate Social Responsibility	16

## STATUTORY REPORTS

30-108

Business Responsibility Report	30
Directors' Report	40
Management Discussion & Analysis	79
Report on Corporate Governance	86

## FINANCIAL STATEMENTS

110-199

Consolidated Financial Statements with Auditor's Report	110
Standalone Financial Statements with Auditor's Report	158
Glossary	200
Circle Offices	206

## 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.

# Corporate Information

## BOARD OF DIRECTORS

**Mr. Akhil Gupta**  
*Chairman*

**Mr. Bharat Suman Raut**

**Mr. D S Rawat**  
*Managing Director & CEO*

**Mr. Jitender Balakrishnan**

**Ms. Leena Srivastava**

**Mr. Mark Chin Kok Chong**

**Mr. N Kumar**

**Mr. Rakesh Bharti Mittal**

**Mr. Vinod Dhall**

## COMPANY SECRETARY AND COMPLIANCE OFFICER

**Mr. Anupam Garg**

## STATUTORY AUDITORS

M/s S. R. Batliboi & Associates LLP

## INTERNAL AUDITORS

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

## SECRETARIAL AUDITORS

M/s Chandrasekaran Associates

## REGISTERED OFFICE

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

## HEAD OFFICE

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

## CORPORATE IDENTIFICATION NUMBER (CIN)

L64201DL2006PLC156038

## WEBSITE

[www.bharti-infratel.com](http://www.bharti-infratel.com)





Indian Telecom today is evolving into a data-centric paradigm.

The country's digital population is one of the highest in the world and it is growing at a phenomenal pace. This revolution has the potential to transform India's socio-economic landscape.

The Government of India's 'Digital India' campaign and 'Smart Cities' programme has opened new vistas of opportunities. We are equipped to play a partnering role in this context by building and sharing vital infrastructure solutions with all customers on a non-discriminatory basis.

**At Bharti Infratel, we are excited by these possibilities and see a larger role for ourselves in facilitating the digital revolution across India's cities, small towns and villages.**

Such a scenario will lead to more encouraging growth, going forward.

We have the capacity, competence and the commitment to partner India's digital aspirations and create sustainable value for all stakeholders.



## Our 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  
ENVIRONMENT FRIENDLINESS**

## 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 PARTNERSHIPS

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

# Strengths meet Opportunity

**85,892**

Total tower base

**2.12**

Closing sharing factor

**2,800+**

Solar powered towers

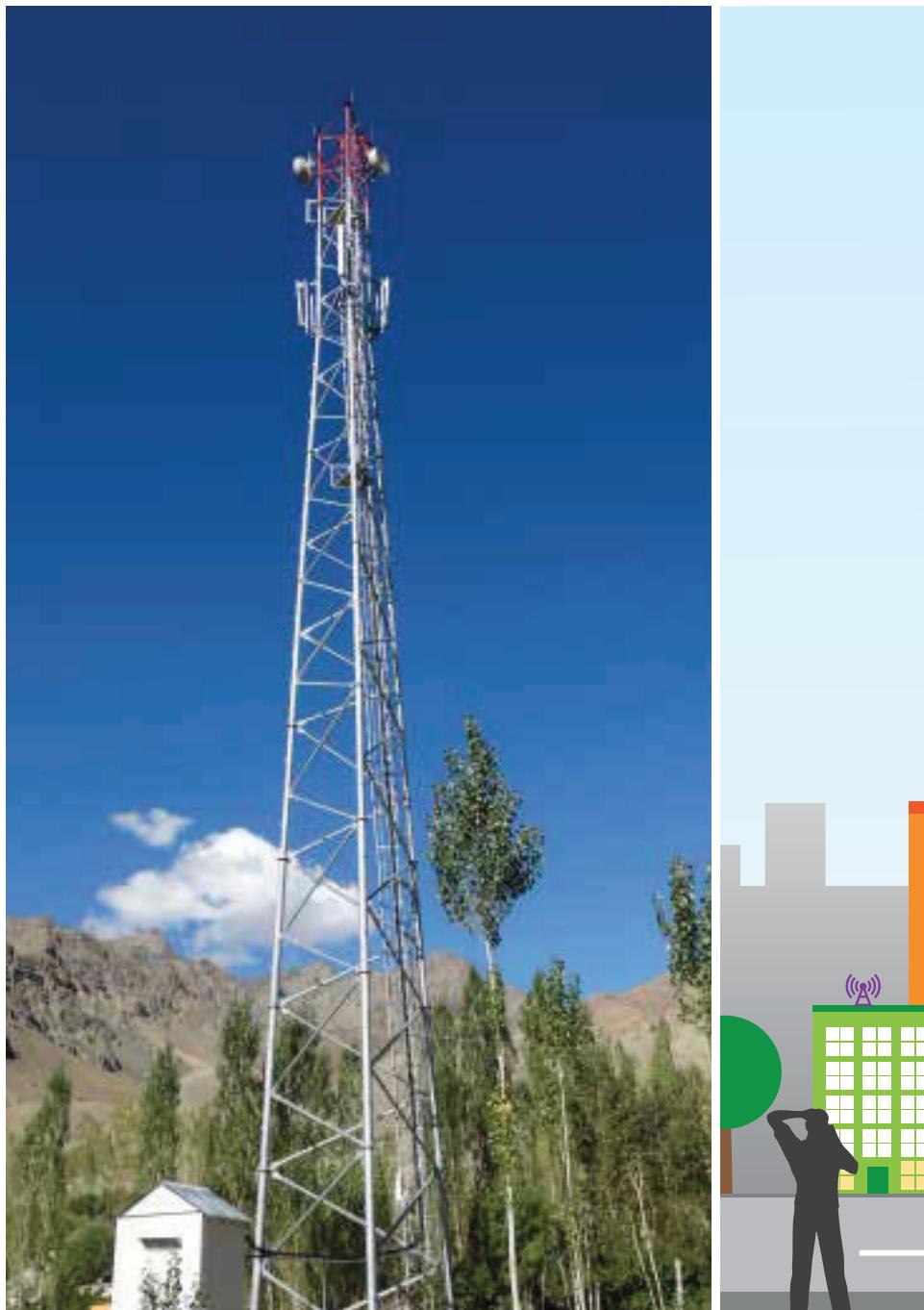
**26,500+**

Green sites

**2,100+**

On roll employees

As on March 31, 2015 on a  
consolidated basis



#### Scale and Presence

- Pan-India presence across 22 telecom circles
- One of India's largest tower infrastructure providers
- 42% stake in Indus Towers

#### Architecture

- State-of-the-art 'Tower Operations Center'
- Integrated IT systems
- Robust processes

#### Relationship

- All operators are our customers
- Leading Operators as anchor tenants
- Long-term contracts

#### Environment Focus

- Green Towers P7 Programme
- Largest Solar Footprint in telecom
- 30% Green Network

We are seeing significant opportunities, which will help us deliver more value, going forward. These opportunities comprise the following:

- Data-centric transformation of telecom;
- Focus on rural expansion
- Digital India/smart cities campaign.

Against this backdrop of positivity, our competitive advantages will stand us in good stead, going forward. These are:

- Industry leadership;
- High-service quality standards
- Strong balance sheet



# Performance at a Glance

Particulars	Units	Full Year Ended <sup>6</sup>				
		2011	2012	2013	2014	2015
<b>Consolidated Operating Highlights</b>						
Total Towers	Nos	78,442	79,064	82,083	83,368	85,892
Total Co-locations	Nos	142,086	149,908	156,608	167,202	182,294
Average Sharing factor	Times	1.75	1.85	1.90	1.96	2.06
Closing Sharing factor	Times	1.81	1.90	1.91	2.01	2.12
Sharing Revenue per Tower per month	₹	60,724	64,931	66,034	66,273	70,169
Sharing Revenue per Sharing Operator per month	₹	34,665	35,025	34,717	33,862	33,983
<b>Consolidated Financials</b>						
Revenue <sup>1&amp;7</sup>	₹ Mn	84,988	94,521	102,720	108,267	116,683
EBITDA <sup>1</sup>	₹ Mn	31,077	35,269	38,102	44,118	50,108
EBIT <sup>1</sup>	₹ Mn	10,906	13,830	15,852	22,742	28,194
Cash profit from operations <sup>1</sup>	₹ Mn	24,417	29,069	32,036	37,742	45,817
Profit before Tax	₹ Mn	7,769	11,282	15,307	23,232	30,515
Profit after Tax	₹ Mn	5,394	7,491	10,025	15,179	19,924
Capex	₹ Mn	24,098	14,103	21,470	15,268	20,809
-of Which Maintenance & General Corporate Capex <sup>5</sup>	₹ Mn	-	-	3,916	4,071	5,116
Operating Free Cash Flow <sup>1&amp;4</sup>	₹ Mn	4,643	19,039	17,833	26,471	27,910
Adjusted Fund From Operations(AFFO) <sup>1&amp;5</sup>	₹ Mn	-	-	32,064	37,668	43,603
Total capital employed	₹ Mn	166,806	157,652	151,738	147,089	142,910
Net Debt / Net (cash)	₹ Mn	26,823	12,411	(20,187)	(33,294)	(27,290)
Shareholder's Equity	₹ Mn	139,983	145,241	171,925	180,382	170,200
<b>Key Ratios</b>						
EBITDA Margin <sup>2</sup>	%	36.6%	37.3%	37.1%	40.7%	42.9%
EBIT Margin <sup>2</sup>	%	12.8%	14.6%	15.4%	21.0%	24.2%
Net Profit Margin <sup>2</sup>	%	6.3%	7.9%	9.8%	14.0%	17.1%
Net Debt / (Net Cash) to EBITDA (LTM)	Times	0.86	0.35	(0.53)	(0.75)	(0.54)
Interest Coverage ratio (LTM)	Times	7.19	8.66	9.66	11.04	17.27
Return on Capital Employed (LTM)	%	6.5%	8.5%	10.2%	15.2%	19.4%
Incremental Return on Capital Employed (LTM)	%	47.8%	∞ <sup>3</sup>	∞ <sup>3</sup>	∞ <sup>3</sup>	∞ <sup>3</sup>
Return on Shareholder's Equity (LTM)	%	3.9%	5.3%	6.3%	8.6%	11.4%
Incremental Return on Shareholder's Equity (LTM)	%	16.7%	47.1%	15.9%	29.3%	∞ <sup>3</sup>
<b>Valuation Indicators</b>						
Market Capitalisation	₹ Bn	N.A	N.A	338	384	729
Enterprise Value	₹ Bn	N.A	N.A	318	351	702
EV / EBITDA (LTM)	Times	N.A	N.A	8.34	7.96	14.01
EPS (Diluted)	₹	3.09	4.29	5.61	8.02	10.53
PE Ratio	Times	N.A	N.A	31.89	25.37	36.57

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. Incremental Return on Capital employed/ Shareholder's equity as at the end of relevant periods is not ascertainable as the capital employed / Shareholder's fund for the year end was lower than capital employed / Shareholder's fund as at the end of the corresponding previous period.

4. Operating free cash flow for full year ended March 31, 2013 have been adjusted for change in estimate of site restoration obligation.

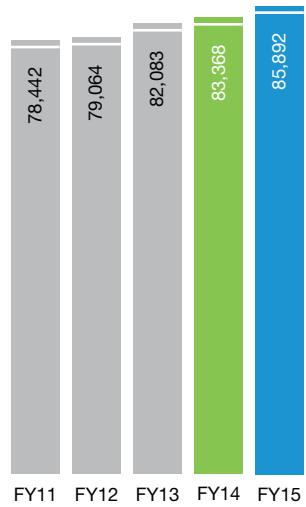
5. Reporting for these key parameters started from year ended March 31, 2013.

6. Previous periods' figures have been regrouped/ rearranged wherever necessary to confirm to current period's classifications.

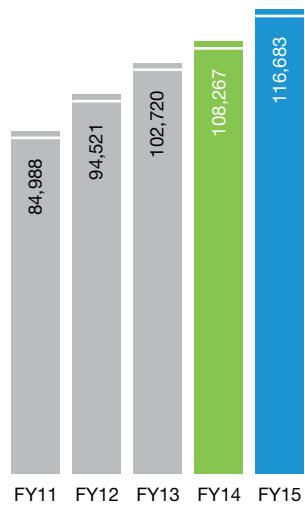
7. Revenue for the full year ended March 31, 2011, 2012 and 2013 includes uneliminated IRU income, the accrual of which discontinued post Indus Merger.

**Total Co-locations (Nos.)  
and Closing Sharing  
Factor (Times)**

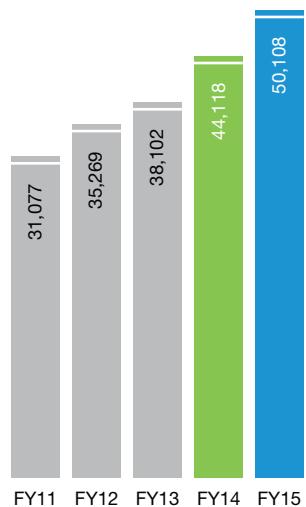
**Total Towers** (Nos.)



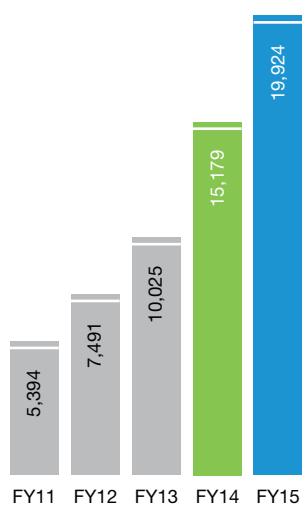
**Revenue<sup>1&2</sup>** (₹ Mn)



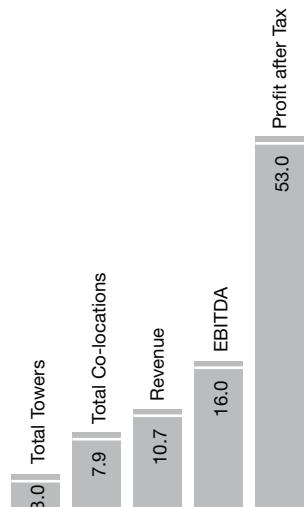
**EBITDA<sup>1</sup>** (₹ Mn)



**Profit after Tax** (₹ Mn)



**5 Year CAGR** (%)



1. Revenue and EBITDA are excluding other income.

2. Revenue for the full year ended March 31, 2011, 2012 and 2013 includes uneliminated IRU income, the accrual of which discontinued post Indus Merger.

## Chairman's Message



Telecom is rapidly morphing towards a data-centric future. Rapid data uptake is leading to large incremental capex commitment from operators. Bulk of the incremental growth in co-locations during the year has happened on account of 3G data network rollouts.

### Dear Shareholders,

The Indian economy witnessed substantive recovery during FY 2014-15 with improved macro fundamentals and visible green shoots across different sectors. Telecom too emerged stronger as regulatory uncertainties subsided considerably. Raising the overall sentiment for the sector, the new Government at the Centre also underlined its firm commitment and long-term Vision with 'Digital India' and 'Smart Cities' programmes that can potentially deliver a transformational impact on the wider economy by triggering a new 'connectivity revolution' in the country.

Spectrum auctions held in March 2015 constituted a significant event for the telecom industry, which had long been struggling with spectrum shortage. Operators having collectively bid for ₹ 110,000 Crores to acquire spectrum in 800 Mhz, 900 Mhz, 1800 Mhz and 2100 Mhz bands clearly underlined their long-term commitment to the sector. All leading operators not only renewed their existing spectrum holdings but also managed to acquire new spectrum valid

for the next 20 years. While the renewals have by and large settled lingering uncertainties around business continuity and long-term viability, acquisition of new spectrum, most of which are going to be used for 3G and 4G rollout would help firm up the quality and reach of their present data networks.

Since 2010, the operators have cumulatively spent nearly ₹ 300,000 Crores (USD 50 Bn) on spectrum alone. Investment of this scale in spectrum acquisition augurs well for telecom infrastructure industry. The need to monetise this investment at the earliest has already led to a step-up in the rollout of networks.

Telecom is rapidly morphing towards a data-centric future. Rapid data uptake is leading to large incremental capex commitment from operators. Bulk of the incremental growth in co-locations during the year has happened on account of 3G data network rollouts. We expect this momentum to

accelerate further, as operators start going deeper into B&C circles in coming years.

The financial and operational performance of the Company continues to be robust and this year our co-location ratio crossed 2.0, which is a critical benchmark for tower industry. Our average tenancy ratio for the year was 2.06 and we ended the year at tenancy ratio of 2.12. The financial performance of the Company during the year was strong with consolidated EBITDA of over ₹ 5,000 Crores and net profit of nearly 2,000 Crores, an increase of 31% over the previous year.

I am happy to announce that the Board of Directors have proposed a final dividend of ₹ 6.5 per equity share for the year ended March 31, 2015, in addition to the interim dividend of ₹ 4.5 per share already paid during the quarter ended September 30, 2014. Total dividend payout for full year inclusive of tax on dividend amounted to ₹ 2,477 Crores, ~91% of the standalone profit after tax (PAT).

During the year, we met the minimum public shareholding norm after an Offer for Sale by the promoter Bharti Airtel in August 2014. There was another secondary sale by the promoter in February 2015, post which the shareholding of Bharti Airtel in Bharti Infratel stands at 71.81%. The investors reposed their faith in the robustness of the business model and the Foreign Institutional ownership touched an all-time high of 22.45% as on March 31, 2015, as compared to 8.65% at the time of IPO in December 2012. We have been included in MSCI (Morgan Stanley Composite Index) India Index w.e.f. May 29, 2015. Also, pleased to inform that the Company is at present among top 25 in India by market capitalisation.

People and partners continue to be the key pillars of business excellence at Bharti Infratel. We believe people excellence constitutes the foundation for building a culture of service excellence. Our consistent focus to create an employee friendly work place and become an employer of choice received wide acclaim when Aon Hewitt recognised Bharti Infratel as one of the 'Best Employers' in FY 2014-15. Our strong partner relationships have helped us usher in state-of-the-art processes to achieve operational efficiencies.

Our vision to be a Green Company co-relates with our business model of sharing vital infrastructure in the form of telecom towers. Every co-location we add to the network helps bring down energy consumption through synergies of sharing. 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 extremely pleased to report that over 26,500 towers (approx. 30% of total portfolio) have been made green. We believe that our eco-friendly initiatives will have long-term benefits to our customers and the society at large. Improvement in grid supply as promised by the Government would further help our initiatives.

As a responsible corporate citizen, we firmly believe in building businesses which have a positive impact on the society. Through the year, we continued to support the cause of 'promoting education' among the underprivileged through our Group's philanthropic arm, Bharti Foundation. Earlier this year, in response to the call given by the Hon'ble Prime Minister to support the Swachh Bharat Abhiyan (Clean India campaign), Bharti Infratel committed to support the cause rural sanitation. The programme, known as 'Satya Bharti Abhiyan' is being executed through Bharti Foundation.

Overall, FY 2014-15 proved to be a satisfying year, during which we not only registered sustained improvements in key business parameters but reinforced our long-term competitive advantage in the market. With a robust and sustainable business model in place, we are well positioned to continue to capture a major share of incremental tower and sharing demand in the coming years.

*Akhil Gupta*

**Akhil Gupta**  
Chairman

## Message from Managing Director & CEO

Our strong people focus is reflected in our business performance. It is great to be recognised as a Best Employer 2015 across industries by Aon Hewitt.



**Dear Shareholders,**

Telecom in India is witnessing a positive change.

The reality of data growth is unfolding. Operators are experiencing data boom. Results declared by leading operators indicate data growth of nearly 100% last year. Non-voice revenue now forms substantial part of operator revenues and stands high at 24%, as compared to 16% last year.

The mode of communication is clearly shifting towards data. And data unlike voice is not limited by the ability to talk. M2M connectivity, accelerating apps explosion, rich media, video calling, mobile computing, mobile business solutions, m-commerce, m-health, and many more are seen as key drivers of next growth cycle. Availability of handsets and smart devices at affordable rates is an additional boost.

Operators have already made huge investments in spectrum to grab this opportunity. Total investments in spectrum

since 2010 now stand close to USD 50 Bn. The recently concluded auctions have assured long-term certainty and boosted the investment momentum. Market leaders have strengthened their position with data presence across all major markets and have announced their plans to cover 60 – 70% of network with 3G / 4G over the next two years. The quest to offer service differentiation is likely to be additional catalyst. 4G FDD and TDD LTE will now be a reality sooner than expected. Accelerated data network rollout is a need for operators today.

The new entrant Reliance Jio continues to ramp up for launch of services. Analysts predict entry of Reliance Jio could further boost data growth led by enhanced market competition.

The growth in data uptake and the need to monetise the investment at the earliest has already led to a step-up in rollout of networks. We at Bharti Infratel, added over 15,000

co-locations in FY 2014-15 vis-à-vis 10,500 additions in FY 2013-14. This reinforces our belief that going forward, growth in mobile networks will be led by data.

The Government's Digital India campaign and focus on building smart cities presents host of opportunities like optical fiber, in building solutions and Wi-Fi services. We believe, Bharti Infratel is best positioned to play a partnering role by building and sharing such vital infrastructure with all customers on non-discriminatory basis. We will evaluate these opportunities in the coming year.

One major development during the year is TRAI's recommendation on licensing of IP-1s. TRAI in its recommendations on definition of adjusted gross revenue for the reckoning of license fees has recommended that IP-1s may not be brought under the licensing regime. The recommendations also suggest the authority is conscious of the need to boost incentives for encouraging sharing of infrastructure to prevent avoidable duplication. We are confident these positive developments will address the larger aim of telecom affordability and rural penetration, a key mandate of National Telecom Policy.

We achieved considerable success in strengthening our relationships with all customers and gained our share of market from all leading customers. During the year, Bharti Infratel, on a standalone basis, crossed the sharing factor of 2.0 times – a critical milestone for a tower Company. On a consolidated basis, closing sharing factor as at March 2015 is up at 2.12 times. The annual customer satisfaction survey done by an independent body reveals higher scores vis-à-vis last survey. All our customers have appreciated our high service quality standards. This is a reflection of our passion towards customer satisfaction.

We continued our operational excellence journey through the year to define new benchmarks on network uptime. The efforts of our people in restoring communication in the flood hit valley Srinagar and the cyclone hit states of Odisha and Andhra Pradesh got special praise from all customers. This work by our team during times of crisis reflects our commitment towards service excellence and establishes the robust nature of our business continuity plans.

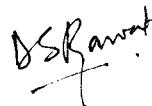
During the year, we continued our efforts to drive our Green Towers P7 Programme relentlessly and made further investments to enhance our green footprint. I am extremely pleased to report that over 30% of our network is green as at the end of the year. Today, we have over 2,800 solar powered towers with a capacity of more than 11 MW giving us the largest solar footprint in telecom industry.

Our strong people focus is reflected in our business performance. It is great to be recognised as a Best Employer 2015 across industries by Aon Hewitt. Given that it has been eight years since our inception, this is a valued early milestone for us. It encourages us to add fuel to our journey towards sustained people excellence.

During the year, Bharti Infratel was also conferred with Global Business Excellence Award 2014 and the National Quality Excellence Award 2015 organised by the World Quality Congress. These awards are a testimony of robust process and internal controls framework at Bharti Infratel.

Overall, FY 2014-15 was year of positivity and growth. I take this opportunity to express my sincere gratitude to all our shareholders, customers, partners and employees for their continued enthusiasm, trust and support in making FY 2014-15 yet another successful year.

The years ahead look promising. As a Company, we are well positioned and extremely focused to capitalise on the growth opportunities posed by data proliferation and rural expansion. We are confident that we will be a major beneficiary of this growth given our industry leadership, service quality standards and strong balance sheet.



D S Rawat  
Managing Director and Chief Executive Officer

## Board of Directors



**Akhil Gupta**, Chairman



**Bharat Sumant Raut**, Independent and Non-Executive Director



**D S Rawat**, Managing Director and CEO



**Jitender Balakrishnan**, Independent and Non-Executive Director



**Leena Srivastava**, Independent and Non-Executive Director



**Mark Chin Kok Chong**, Non-Independent and Non-Executive Director



**N Kumar**, Independent and Non-Executive Director



**Rakesh Bharti Mittal**, Non-Independent and Non-Executive Director



**Mr. Vinod Dhall**, Independent and Non-Executive Director

## 1

**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.

## 2

**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 and BSR & Associates) Chartered Accountants, as their founding partner. Since 2006, he has been practising as an advocate. He serves as an Independent Director on the Board of various public companies.

## 3

**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 defense services background where he spent initial years as an officer with the Indian Air Force. He holds more than 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.

## 4

**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 was the Deputy Managing Director and Group Head of IDBI Bank Ltd. 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. He is Chairman/ Member of various committees of these Boards.

**5**

**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 Acting Director General of The Energy and Resources Institute (TERI), at New Delhi. She has worked on various energy related policy issues for economic growth, climate and the environment.

**6**

**Mark Chin Kok Chong** is a Non-Independent and Non-Executive Director of the Company. He was appointed as the Chief Executive Officer, International, at Singtel Group on January 14, 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) and was in charge of sales and marketing products, network operations, IT solutions, customers and services management.

Mr. Kok joined Singtel in 1997 and has held various positions in sales and marketing. 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 OpenNet, Globe Telecom, CSLox (Thailand) and other submarine cable joint venture companies.

**7**

**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. He is also a member of the Board of Governors of the Institute for Financial Management & Research (IFMR) and several other educational institutions. Mr. Kumar has served as a President at the Confederation of Indian Industry, and now chairs the CII Institute of Quality.

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

## 8

**Rakesh Bharti Mittal** is a Non-Independent and Non-Executive Director of the Company. He holds a Post Graduate Diploma in Electronics & Controls from the Y.M.C.A. Institute of Engineering. Currently, he is the Vice Chairman of Bharti Enterprises, Chairman of Bharti AXA Life Insurance, Bharti AXA General Insurance, Indus Towers and Field Fresh Foods. He is also a Non-Executive Director of Bharti Infratel and Managing Director on the Board of Bharti Realty Holdings.

Mr. Mittal is a member of the National Council of the Confederation of Indian Industry (CII) since 1999, and is currently the Chairman of CII Public Policy Council. He is also a member of India Pakistan Joint Business Forum (IPJBF) and Member Founders Circle, Brookings India. In the past, Mr. Mittal has served as a member of the International Advisory Council of Southern Methodist University (SMU), Dallas, USA and the Executive Council of YMCA University of Science and Technology. He was also a member of India – Canada CEOs Forum.

He has been awarded the Honorary Doctor of Civil Law Degree by Newcastle University, UK. He is a recipient of several awards, including the ‘LMA – Hari Chand Award’ for Corporate Citizen of the Year 2013’, ‘Institute of Engineers - Engineering Excellence Award 2004’ and ‘LMA - Entrepreneur of the year Award 1992’. Mr. Mittal currently serves as Honorary Consul for Republic of Sierra Leone in India.

## 9

**Mr. Vinod Dhall** is an Independent and Non-Executive Director of the Company. He holds a bachelor's degree in law from the University of Delhi and a master's degree in mathematics from the University of Allahabad. He entered the Indian Administrative Service in 1966 and was the Secretary – Ministry of Corporate Affairs, Government of India before his retirement. He was also the first Head of the Competition Commission of India until 2008. He has held various other positions with the Government of India and Government of Madhya Pradesh.

Mr. Dhall has been an ex-officio member on the board of SEBI, Life Insurance Corporation and General Insurance Corporation and has worked with the United Nations Industrial Development Organization. He presently has a leading and much rewarded legal practice specialising in competition law. His law firm advises and represents leading Indian and multinational companies in M&As, antitrust and compliance matters. Mr. Dhall is active in corporate governance issues. He also sits as an Independent Director on the Boards of various listed and other companies.

# Corporate Social Responsibility

At Infratel, we firmly believe in building a business that has a positive impact on the society. In the recent years, we have taken various CSR initiatives to serve our communities and to bring a holistic social change. We ensure a positive change by encouraging education, employment and rural development, among other endeavours.

Our CSR vision aims at building an empowered society through education, community development and environment sustainability.

Bharti Infratel has a dedicated Board-Level Committee to direct the CSR efforts of the Company in a meaningful and sustained manner. The Committee is chaired by a Non-Executive Independent Director and comprises three Board members:

#### Chairman

**Mr. N Kumar**

Non-Executive Independent Director

#### Members

**Ms. Leena Srivastava**

Non-Executive Independent Director

**Mr. D. S. Rawat**

Managing Director and CEO



Our business strategies and activities are geared to enable the community and bring in a positive social change.

### **Our CSR Policy focuses on promoting:**

- Education and skill development among the underprivileged children
- Sanitation facilities
- Contribution towards relief operations
- Rural development
- Environmental sustainability
- Employee participation in social wellbeing

Our CSR initiatives focusing on education and sanitation are implemented in partnership with the Bharti Foundation, the philanthropic arm of the Bharti Group.



## Shaping the Future

We have been consistently promoting education among the marginalised sections for many years. We put our special focus on educating girl child to ensure them a bright future.

Indian government has launched various policies and programmes to spread education in rural and urban areas of our country. The Right to Free and Compulsory Education (RTE) Act, 2009 passed by the Parliament makes education a constitutional right for its citizens.

Flagship programmes like the Sarva Shiksha Abhiyan (SSA) and Rashtriya Madhyamik Shiksha Abhiyan (RMSA) are also making significant contributions towards translating these commitments into reality. Though, these efforts have created a positive movement in the field of education, a majority of children from the marginalised communities still remain out-of-school.

We work in association with Bharti Foundation to provide quality education through Satya Bharti School Program. Our efforts are aimed to bring a positive change in rural parts of the country.

### SATYA BHARTI SCHOOL PROGRAM

This program aims at increasing enrolment in schools, retention of the marginalised children and developing regular education programs to provide children in rural India with quality primary, elementary and senior secondary education. Special focus is on promoting enrolment of girl children and their empowerment through education.

### THE SATYA BHARTI SCHOOL PROGRAM OBJECTIVES

- Provide free and quality education to underprivileged children, with a special

focus on the girl child, in rural parts of the country

- Transform students into educated, confident, responsible and self-reliant employable citizens of India with a deep sense of commitment to their society
- Encourage active involvement of the rural community, parents of students and like-minded organisations
- Make a long-lasting and sustainable impact on the community where schools are present
- Find innovative solutions, through its primary and senior secondary schools, to create replicable and scalable components in the program to facilitate the delivery of quality education



 Satya Bharti School Program aims at transforming children into educated, confident and responsible citizens of India



 Supporting and promoting girl child education

### Impact Satya Bharti School Program

- Access to free and quality education in rural areas
- Employment opportunities in schools for educated rural youth adopting teaching as a profession
- Empowering girl children
- Sensitising communities on importance of education
- Instilling greater confidence among students through innovative learning methods
- Promoting involvement of students and teachers in community development campaigns

### Satya Bharti School Statistics\*

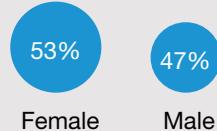
#### 6 States

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

#### 254 Schools

Primary	185
Elementary	64
Senior Secondary	5

#### 1,629# Teachers



\*In addition there are 16 more teachers at two schools run by Pardada Pardadi Education Society (PPES) in Uttar Pradesh

#### 40,934 Students



\*Data as on March 31, 2015



Recognising and encouraging young talent

**₹ 100 Mn**

Contribution towards Satya Bharti  
School Program in FY 2014-15

### Salient Features The Satya Bharti School Program

Free Quality Education

Focus on Girl Child

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

Running Water Facilities



## Ensuring Healthier Tomorrow

In response to the call by the Hon'ble Prime Minister of India to support the 'Swachh Bharat Abhiyan' (Clean India Campaign), we have also committed to drive the rural sanitation initiative. We are supporting the 'Satya Bharti Abhiyan' being executed by Bharti Foundation, with an aim to improve the existing condition of sanitation in rural Ludhiana.



 Running water facility in all Satya Bharti Schools

### THE NEED

Most people who live in India defecate in the open, leading to increase in some major health, hygiene and environmental concerns. Sixty-seven percent of rural households and 13% of urban households defecate in the open and as per the 2011 census. India now accounts for 60% of the world's open defecation. About 70% of the Indian population lives in rural areas and open defecation is common in rural areas. Also, 89% of households that are without toilets are in rural areas. Moreover, improving rural sanitation poses some challenges. India has seen decades of government spending on

₹ 70 Mn

Contribution  
towards Satya  
Bharti Abhiyan  
in FY 2014-15

toilet construction, but rural open defecation has remained high. The belief that having a toilet is expensive has ensured that a large majority of households don't have a toilet. Common community toilets built by the government remain in shambles or are in a filthy condition due to the lack of maintenance and cleanliness.

Lack of proper sanitation facilities, particularly for girls in rural schools has also been a major reason for large scale school dropouts, thereby negating the substantial improvement in enrolment that the country has achieved in recent years.

## OUR EFFORTS

We are committed to provide support towards building Individual HouseHold Latrines (IHHLs) in rural households which do not have a toilet and in government schools which do not have separate toilet for girl students in rural areas of Ludhiana district. In order to achieve this objective we are supporting the Satya Bharti Abhiyan initiative of Bharti Foundation. This initiative was launched in August 2014, and 2,537 toilets were constructed till March 31, 2015.

### Toilets constructed under the Satya Bharti Abhiyan:

- Hygienic and technically appropriate
- Socio-culturally acceptable
- Easy to construct at a reasonable cost
- Require minimal water
- Easy and cost-effective to operate and maintain
- Eliminates health hazards
- Generates rich fertilizer and soil conditioner



Individual HouseHold Latrine (IHHL) built under the Satya Bharti Abhiyan

## SCHOOL SANITATION AWARENESS PROGRAMME

The programme was launched across the Satya Bharti Schools. At the launch of Satya Bharti Abhiyan, approximately 252 schools participated, with over 30,000 students taking active part in school and community cleanliness drives, along with the community. We witnessed almost 100% participation of schools to make this programme successful. These schools observed School Sanitation Week, where they conducted cleanliness drives with people of the community. To create a positive change in the behaviour of the community towards the importance of sanitation, children also organised slogan writing, a poster-making competition and distributed pamphlets, emphasising their message. Around 800 students from 57 government schools also participated in these sanitation awareness drives.

### Impact Satya Bharti Abhiyan

Individual HouseHold Latrines (IHHLs) will be available in rural households which do not have a toilet and in government schools which do not have separate toilet for girl students in 900+ villages of Ludhiana district

Reduction in open defecation

Improvement in health, including improvement in child mortality rate

Improvement in learning levels as students will no longer miss school due to ill-health

Increase in productivity of rural population, due to reduced absence caused by ill-health

Healthier, happier nation

## ON THE GROUND IMPACT – Satya Bharti Abhiyan



**Jito Bai, Village Nawad  
Talwandi, Ludhiana**

Jito Bai is an elderly disabled lady, who today is barely able to walk, owing to an accident. She lives with her nephew and her daughter-in-law, who takes care of her needs. Being a self-respecting woman, she found it humiliating to defecate in a pot everyday that her daughter-in-law would subsequently dispose off. Jito bai felt deep anguish for not being able to walk to the field to relieve herself. She was depressed and thought of herself as a burden to her family, who had other responsibilities including taking care of two children and working in the farm. Post the construction of the toilet in her house, she feels happy. She says, "Now, I am not dependent on my family for care, my daughter-in-law never complaints and I prefer to be independent." She is now able to walk up to the toilet and use it without compromising on her self-esteem.



**Gurjeet, Village Hambran,  
Ludhiana**

Gurjeet's family is engaged in casual labour, and could not afford the construction of a toilet in their house. Her family used to defecate in the open, including her two young children. There remained continuous conflict with the neighbours owing to the habit. Her children would sometimes get beaten up and at other times forced to walk long distances to relieve themselves. They often soiled their clothes while on their way to the field. After the construction of the toilet, Gurjeet feels that she has been relieved from an immense problem. The toilet has been a boon to her family and her children are not being harassed now.



**Ranjit Kaur, Village  
Hambran, Ludhiana**

Ranjit's husband is a casual labourer and she is a homemaker. They survive on daily wages and have no spare money to construct a toilet in their house. Her husband used to defecate in the open however, she was not comfortable in doing so herself. She negotiated with a relative to use their toilet. Though they allowed her, she continuously remained dependent on them. Many a times when she needed to use the toilet urgently, she found it difficult to access it. Her children continued to defecate in the open. Since the last few months, her family has been using the toilet constructed by Bharti Foundation. Ranjit feels that if everyone in the village uses a toilet, there will be less filth in the village and everyone will be healthy.

## Aiding Disaster Management

Our consistent efforts to support relief operations helped create a meaningful difference in the society. We launched the ‘Joy of Giving’ week campaign in Srinagar as a part of our rescue operations.



Providing safe drinking water in Lalhar village, district Pulwama, Kashmir

### J&K FLOOD RELIEF

During the massive J&K floods in September 2014, special efforts were made by our J&K Circle team to react swiftly and in a co-ordinated manner to restore vital telecommunication services in the flood-affected areas. We, together with our employees, contributed generously towards relief efforts through Oxfam India post the floods. We launched the ‘Joy of Giving’ week campaign in Srinagar, where our employees donated clothes and medicines as part of rescue operations. A fundraising campaign was also initiated across the Company ensuring substantial contribution from employees.

In four villages in Pulwama and Anantnag districts water supply systems were completely destroyed in flood and people were forced to consume unsafe shallow water from submerged hand pumps. Through Oxfam India, we regularly supplied adequate drinking water in these villages to ensure access to safe drinking water. Community water filters were installed through neighbourhood committees in the relief camps and affected areas. These relief efforts reached out to 5,000 households in severely flood affected areas.

**₹ 2.5 Mn**

Contribution  
to the Prime  
Minister's  
National Relief  
Fund towards  
J&K Flood Relief  
in FY 2014-15

## Empowering Rural India

Lack of awareness in rural India is the primary area of our concern. We aim to sensitise people on issues like HIV/AIDS, as a part of our social awareness programme. We also put our efforts to help the people come out of myths about HIV.

### HEALTH AWARENESS PROGRAMME

In 2010, we embarked on a social transformation mission in the Mokokchung district of Nagaland, North East (NE) telecom circle to make people aware about HIV/AIDS through several awareness campaigns. These campaigns were implemented in association with NMP+ (Network of Mokokchung District People Living with HIV/AIDS).

The district of Mokokchung has the highest population of HIV/AIDS affected people in Nagaland (3.5% vis-à-vis national average of 1.5%). This is also one of India's most difficult and remote places – perched at an altitude of over 5,500 feet with only road connectivity.

As on March 31, 2015, the NESA Circle had organised 65 awareness campaigns/initiatives, which reached over 12,000 people of the district. The objective of this programme was to serve communities and improve their quality of life through HIV/AIDS sensitisation, dispel myths about people living with AIDS. The programme also helped promote and protect the human rights of these people. Initially started in the Mokochung district, it was gradually implemented in several villages in the districts of Mon, Tuensang and Kohima.

This campaign also received wide coverage in the local media, thus creating an impact on a large section of society. Various government departments, including Health, Public Relations and Civil Administration also came forward to join us in these campaigns



 HIV/AIDS awareness campaign in Manipur

and establish linkages with local people. The Health department regularly sent their HIV testing support mobile unit to all the camps to conduct voluntary HIV tests.

### EMPLOYMENT IN RURAL POCKETS

We also enhanced direct and indirect employability among the rural populace. We have ensured that technicians for our tower maintenance are indirectly hired from local community. We even provide them requisite training to improve their technical skills. We have our presence in some of the remotest locations, where alternative employment opportunities do not exist. Indirect hiring of the locals has helped several families improve their standards of living.

**12,000**

People were reached by 65 awareness campaigns/ initiatives organised by the NESA Circle

## Encouraging Eco-friendliness

At Bharti Infratel, we believe a healthy environment is a pre-requisite for progress, well-being of society, our people, our business, and serves as the foundation for a sustainable and strong economy. In view of this, one of the visions we had set for ourselves is to be known for environment friendliness.



Infratel solar powered site

Further, our goal to be a Green Company co-relates with our business model of sharing vital infrastructure in the form of telecom towers. Every co-location we add to the network helps bring down energy consumption led by synergies of sharing.

Bharti Infratel launched Green Towers P7 programme in 2010 with the aim of minimising dependency on diesel and thereby, attaining carbon footprint reduction. The programme focuses on three strategic pillars:

1. Using renewable energy resources
2. Improving energy efficiency and
3. Reduction of equipment load

During the year, we continued significant investments in the Green Program to enhance our green footprint.

### USE OF RENEWABLES

#### **Solar Photovoltaic (PV) Solutions**

India is one of the sunniest countries with high solar insolation; we have huge potential for using solar power. Keeping this in mind and our aim to deploy renewables energy, we conceptualised the solar DG hybrid model for telecom network in 2009 / 2010. We run the site on solar power utilising the sun-light available at our site during the day and store additional energy in batteries for use during evening hours. This helps us reduce dependency on diesel and run sites in an environment friendly manner.

During FY 2014-15, we deployed solar network on more than 900 towers. Today, we operate solar network on over 2,800 towers with a capacity of more than 11 MW across the network. Today, we are proud to have the largest solar footprint in telecom sector.

#### **RESCO**

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

RESCOs establish a small renewable energy based power plant near our site location and provide renewable energy to our sites and local community from this plant. This is a unique model as we provide the commitment to become anchor customers to RESCOs and help create a robust business model for them, while ensuring larger community development.

One such initiative in the state of Uttar Pradesh, our UP East circle, is enabling 4000+ families access to electricity along with removal of DG set from the site.

#### **IMPROVING ENERGY EFFICIENCY**

##### **IPMS / PPC**

We have adopted high efficiency Integrated Power Management Solutions (IPMS) and Plug and Play Cabinets (PPC) as part of standard configuration for new tower deployment to maximise utilisation of grid power supply on the towers. These equipment are integration of several individual items like Power interface unit (PIU), Switched-mode power supply (SMPS), Battery Bank chiller, Network Management System (NMS), etc., into one unit and have resulted in increased efficiency. Beside increased efficiency, smart logics in-built in these equipment

helps increase the use of grid power thereby reducing diesel consumption.

##### **Battery Bank Hybrid**

We continue to optimise battery capacity on sites. This helps run the DG set on optimum load and ensure efficient diesel consumption.

##### **Variable speed DG sets**

We continue to deploy variable speed DG sets to overcome the challenge of high variation in load requirement at sites. This solution senses load on DG set and reduces the speed of the DG to give maximum efficiency across loads.

##### **Li-ion Batteries**

A new battery technology which overcomes the challenges of existing VRLA battery with features like temperature independence, fast charging, high efficiency, high life and lower footprint is being deployed at our sites. During the year, we initiated trials of these advanced batteries and found healthy reduction in diesel consumption.

#### **REDUCTION OF EQUIPMENT LOAD**

##### **Free Cooling Units**

Historically, air conditioners have been deployed on sites considering the operator equipment was placed indoors i.e. inside shelters. During FY 2013-14, we began to replace air-conditioners with Free Cooling Units (FCU's). FCU's use ambient air to cool the shelter and thus, help save energy as air-conditioner is shut. We continue to take this journey forward.

As a result of this programme, we have been able to convert over 26,500 towers across our network into Green towers, on a consolidated basis. This translates to over 30% Green network. We believe that our efforts on being environment friendly will have long-term benefits to our customers, as well as the society at large.

**26,500+**  
**towers**

Converted across our networks into Green towers, on a consolidated basis translating to over 30% Green network

## Promoting Employee Participation

At Infratel, we encourage our employees to participate in various CSR activities, thereby making an effort to bring a positive social change. We provide financial support to the Bharti Foundation, along with other NGOs. Our team provided relief to J&K flood victims and promoted AIDS awareness campaigns in Mokokchung, Nagaland. They also support the Satya Bharti School Program to spread literacy.



⌚ Infratel Rajasthan team celebrating Teachers' Day at Satya Bharti School in Baniyawala, Rajasthan



⌚ Volunteer visit in Satya Bharti School



⌚ Go Green - Tree plantation drive in Haryana



 Employees participating in the World Literacy Day

### ACT (A CARING TOUCH)

A large section of our employees contribute financially to Bharti Foundation and other organisations like Oxfam India, CRY - Child Rights & You, SOS Children's Villages of India, National Association of Blind and Helpage India. ACT initiative provides an opportunity to a large number of our employees to support social causes of their choice by voluntarily contributing a recurring amount from their salary every month. Under this initiative, employee contribution is equally matched by us.

### CELEBRATING TEACHERS' DAY AT SATYA BHARTI SCHOOL

Our team in Rajasthan, felicitated teachers at Satya Bharti School in Baniyawala with achievement certificates and gifts to recognise their efforts in bringing about a positive social change. Teachers were honoured on the occasion for their contribution towards the growth of these schools.

### CHILDREN'S DAY

Our team organised a visit along with children of Satya Bharti School to the Science Park in Jaipur city. The aim was to provide the children with information on science and technology. For the team member, it was a memorable trip

to visit the science park with these children and participate in their enthusiasm and excitement. They felt more connected to the cause and expressed their interest in supporting several such CSR initiatives in different capacities.

### TREE PLANTATION

Haryana and Himachal Pradesh teams launched the GO GREEN initiative towards building a green environment. The team planted saplings to mark the occasion and pledged their support towards building a cleaner environment.

### WORLD LITERACY DAY

Circle team also visited an orphanage 'Bal Niketan' at Panchkula on the occasion of the World Literacy Day. They spent an entire day with the children of the orphanage, who spend their life without their parents and fight odds to progress in life. The teams exchanged ideas, experiences and examples on the importance of education and how it helps shape a human being and build nations.

### CLOTHES DONATION DRIVE

With winter getting worse every year, our employees travelled across Chandigarh city in search of people who sleep on roads. They collected and distributed warm clothes, shawls and quilts to the street-dwellers who were sleeping on pavements, under trees and in public toilets.

### AIRTEL DELHI HALF MARATHON

Every year, we participate in the Airtel Delhi Half Marathon (ADHM) as the Corporate Challenge Team to support the cause of the Satya Bharti School Program. In the year 2014, 80 Infratel employees participated in the event and a contribution of ₹ 0.7 Mn was made. More than 5,600 people across 74 corporate houses, 160 students and over 750 individuals participated in the Marathon. It promoted awareness about the importance of quality education for the underprivileged.

# 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	<a href="http://www.bharti-infratel.com">www.bharti-infratel.com</a>
5. Email id	<a href="mailto:compliance.officer@bharti-infratel.in">compliance.officer@bharti-infratel.in</a>
6. Financial Year reported	2014-2015
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 5)	Nil
Number of National Locations	Bharti Infratel Ltd. is carrying out business activity across all states of the 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 (₹) : 18,938 Mn
2. Total turnover (₹) : 53,889 Mn\*
3. Total profit after taxes (₹) : 27,252 Mn\*\*
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):  
*The Company has approximately spent 1.8% of its average profit after tax (as prescribed in Section 135 of the Companies Act, 2013 and the related rules relating to CSR as notified by Ministry of Corporate Affairs on February 27, 2014) for the three immediately preceding financial years ended March 31, 2012, March 31, 2013 and March 31, 2014.*
5. List of activities in which expenditure in 4 above has been incurred:
  - Education of underprivileged children - Satya Bharti School Programme (Bharti Foundation)
  - Sanitation facilities in rural Ludhiana – Satya Bharti Abhiyan (Bharti Foundation)
  - PM's National Relief Fund

\*On Standalone basis,excluding other income

\*\*On Standalone basis

## **SECTION C OTHER DETAILS**

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

## **SECTION D BR INFORMATION**

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

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

Name	:	Rajiv Arora
Designation	:	Chief Legal, Regulatory & Corporate Affairs
Telephone no.	:	+91 124 4132222
E-mail id	:	<a href="mailto:rajiv.arora@bharti-infratel.in">rajiv.arora@bharti-infratel.in</a>

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

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

**Principle****1**

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

**Principle****2**

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

**Principle****3**

**Businesses should promote the well-being of all employees.**

**Principle****4**

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

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for...	Y	N	Y	N	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	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
4.	Has the policy being approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	⊕	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
6.	Indicate the link for the policy to be viewed online?	*	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
8.	Does the Company have in-house structure to implement the policy/ policies?	◆	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
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

- \* All the policies are formulated with detailed consultation and benchmarking across industry. The Policies also confirm 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](http://www.bharti-infratel.com/cps-portal/web/corporate_governance.html)
- \* Except the Ombudsperson Policy which is available on the website of the Company, all other policies being in house are uploaded on the intranet and are accessible to all employees of the Company.
- ★ Any Grievance relating to any of the policy can be escalated to the Policy owner/ MD & CEO/ Ombudsperson.
- \* Implementation of the policies is evaluated as part of internal governance by policy owners

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

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

\$ The few aspects of this principle are covered under different policies existing for different business activities.

**3. Governance related to BR:**

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

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

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

The Sustainability Report is under construction and will be published in near future.

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. We adhere to the highest levels of ethical business practices as articulated by our Code of Conduct to achieve our performance with integrity. Policy relating to ethics, bribery and corruption is duly covered under Bharti Code of Conduct. The Code of Conduct policy extends to the entire Bharti Group and covers employees, suppliers & contractors, service providers and their employees. In addition to this, the Company's Consequence Management Policy prescribes the action to be initiated in all confirmed cases of violation.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

In FY 2014-15, 24 cases of allegations of bribery/ corruption were received. Post investigations, the allegations were substantiated only in 11 cases in which actions were initiated according to the Consequence Management Policy.

## SECTION E PRINCIPLE-WISE PERFORMANCE

### Principle 1

#### Ethics, Transparency and Accountability

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

- 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?

## Principle 2

### Product Lifecycle Sustainability

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

1. List up to three of your products or services whose designs have incorporated social or environmental concerns, risks and/ or opportunities.
  - i. Installed Solar Powered sites as an alternate energy resource.
  - ii. Introduced Free cooling units to replace the existing air conditioner at tower sites and reduce the energy consumption
  - iii. Introduced additional initiatives towards reducing energy consumption viz. battery bank hybrids
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):
  - i. 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.
  - ii. Reduction during usage by consumers (energy, water) 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?  
Yes. The Company has implemented various sustainable supply chain practices and initiatives and at the same time ensures timely and cost effective deliveries for necessary resources.
4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the 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%)?  
Yes, we sell our products to recyclers for further usage; we also get our own products refurbished for reuse from our principle supplier/s.

## Principle 3

### Employee well-being

**Businesses should promote the well-being of all employees**

1. Total number of employees.  
As on March 31, 2015, the strength of Bharti Infratel Ltd.'s on-roll workforce stands at a total of 1,249
2. Total number of employees hired on temporary / contractual / casual basis  
As on March 31, 2015, the strength of Bharti Infratel Ltd.'s workforce on temporary basis stands at a total of 4,234.
3. Total number of permanent women employees.  
As on March 31, 2015, the strength of Bharti Infratel Ltd.'s permanent women employees stands at a total of 67.
4. Total Number of permanent employees with disabilities.  
As on March 31, 2015, the number of permanent employees with disabilities associated with Bharti Infratel Ltd. 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.  
None

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

Category	No. in %age
Permanent employees	93.4%
Permanent women employees	77%
Casual / Temporary / Contractual employees	95%
Employees with disabilities	NIL

The table above indicates the number of employees being trained.

## Principle 4

### Stakeholder engagement

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

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

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

- Customers
- Investors
- Suppliers/vendors
- Employees
- Governmental bodies
- Industry forum
- Community at large including the disadvantaged groups and vulnerable sections, like children/women of the society and 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, Oxfam India and other non-profit organisations including Helpage India, SOS Children's Village of India, CRY (Child Rights and

You), National Association for the Blind, etc. All our beneficiaries through programmes implemented by the above mentioned organisations are centered around the economically weak and disadvantaged sections of the society, especially those belonging to SC/ST/OBC categories and the girl child. Majority of the company's community initiatives are implemented in rural areas.

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

At Bharti Infratel, caring for the community that we operate in is well integrated with our business strategy. We have adopted a multi-fold approach in this regard focusing on our internal and external environment, social sustainability and have also defined a clear CSR vision of building an empowered society through education, community development and environment sustainability.

Since the past few years, Infratel has been focused on promoting education of underprivileged children and supporting issues on health and well-being. This year onwards it has expanded its role in the community engagement arena by adding skill development initiatives, rural development projects, creating provision of sanitation facilities and contributing towards disaster relief activities in its social responsibility ambit. It has a CSR Policy, which has been made public and implemented rigorously.

Majority of our social development initiatives are implemented in association with Bharti Foundation, the philanthropic arm of Bharti Group. These initiatives have helped improve the quality of life of the people in a sustainable manner.

Through our social development initiatives, the organisation has been promoting and providing access to education for underprivileged children from rural areas in 6 states in the country. The students include a large number of girl children who are accessing free education at the Satya Bharti Schools supported by Infratel. The education and other facilities like mid-day meals, books, uniforms, etc. are provided free and several community based initiatives are organised to change the behaviors of the rural community, regarding education and other social concerns specific to their region. This programme also focuses on bringing about

sustainable changes through the use of technology by these underprivileged children. This project provides education through 254 schools to 41,010 Students out of which 49% are girls and has strength of 1654 Teachers, 53% of them being females.

Other initiative, known as ‘Satya Bharti Abhiyan’ was initiated in the reporting year and aims at providing sanitation facilities to the marginalised population of rural Ludhiana – one of the prominent districts of Punjab. This project has also lead to protecting the dignity of women/girls and reduced the incidents of unwanted and unwelcome attention. This project has also been instrumental in bringing about behavioural changes in the community towards sanitation needs and mitigated several negative impacts in the society due to lack of it.

Besides supporting the two major interventions in education and sanitation, Infratel also joined hands with the government and committed support of ₹ 25 Lakh towards the Prime Minister Relief Fund. This contribution was made post the massive J&K Floods in September, 2014 and our teams based in J&K also provided relief services in several disaster hit areas. Infratel has also been funding a disaster relief project in four flood hit districts of Kashmir.

Our efforts also continue on social transformation programme in the Mokokchung district in Nagaland through a series of awareness campaigns on HIV/AIDS. This campaign has been running successfully in association with NMP+ (Network of Mokokchung District People Living with HIV/AIDS) since the past few years. It has been a constant support for people living with HIV/AIDS and their families living in the area. Till date, Infratel NESA Circle office has organised and conducted 65 awareness campaigns/initiatives and reached to over 12,000 people of the district.

**ACT - A Caring Touch” – a matching contribution programme launched a few years back, also encourages our employees to contribute their time, skills, knowledge and money for various social causes. This platform initiative provides them an opportunity to contribute towards organisations including CRY, SOS Village of India, National Association for Blind, Helpage India and Bharti Foundation.**

## 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.

## Principle 6

### Environmental management

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

1. Do the policies related to Principle 6 cover only the Company or extens to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?  
The safety policy as of now is covering only the Company and its employees, contractors etc.
2. Does the Company have strategies / initiatives to address global environmental issues, such as climate change, global warming, and others?  
Yes. The Company has proactively taken steps to create positive impact on the environment. Our ‘Green Towers P7’ programme is a step in this direction. Refer CSR section of the report for complete details
3. Does the Company identify and assess potential environmental risks? Y / N  
Yes
4. Project(s) related to Clean Development Mechanism.  
Currently, the Company is not undertaking any project related to Clean Development Mechanism.

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

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

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

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

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

There have been 5 (five) show cause / legal notices received from CPCB/SPCB by the Company in FY 2014-15, which are under various stages of closure.

## Principle 7

### Public Advocacy

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

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

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

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

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

Wherever any consultation paper is released by TRAI and/or policy/guideline related to towers is issued by local authorities, the Company provides its inputs to the association for an appropriate representation to the regulator / respective local authority of the

concerned State. Bharti Infratel Ltd. focuses on public policies that maximise the ability of individuals and companies to innovate, increase job creation, benefit the daily lives of people and strengthen the country's economy. We work to ensure that our public policy positions complement or advance our sustainability and citizenship objectives. Our focus is centred on the provision of robust telecom passive infrastructure at affordable price to our customers.

## Principle 8

### Inclusive growth

**Businesses should support inclusive growth and equitable development.**

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

As a responsible Corporate, our business process greatly value and include wherever possible the element of inclusion. It ensures that our 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 wherein employment opportunities are otherwise minimal
- Including the element of environment protection for the benefit of all communities that we operate in

In addition, the Company also supports social development projects on education and sanitation through Bharti Foundation. Through the Satya Bharti School Programme, free education is provided to underprivileged children through 254 schools spread across rural areas in 6 states of India. This programme also provides opportunities to its various stakeholders/beneficiaries to grow and learn in life by:

- 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

Through the Sanitation programme – Satya Bharti Abhiyan, beneficiary communities/households in rural areas of Ludhiana are included in the planning and construction process, for them to understand the importance of the intervention and how it benefits them. It has helped in making them self sufficient in sustaining the sanitation facilities provided through this programme.

**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 which consist of in-house teams /owned foundation/ external NGO/ government structures. Education and sanitation programmes at Infratel are being implemented through Bharti Foundation. Infratel also supported the disaster relief efforts by contributing to the government efforts via the Prime Minister's Relief Fund and through Oxfam India, it contributed towards a direct on ground relief intervention. Other agencies that are being supported by Infratel include SOS Village of India, Helpage India, National Association of Blind, CRY and NMP+ (Network of Mokokchung District People Living with HIV/AIDS) in Nagaland and Gramin Vikas Vigyan Samiti (GRAVIS) in Jodhpur, Rajasthan.

**3. Impact assessment of your initiative?**

Yes, the impact assessment is done by Bharti Foundation on each project.

**4. What is the Company's Direct contribution by the Company to community development projects?**

During FY 2014-15, Bharti Infratel Ltd. has contributed ₹ 173 Mn towards various social development projects.

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

All our social development programmes are implemented for and with the Community. Our

programmes on education, sanitation, disaster relief and HIV/AIDS awareness have ensured involvement and sustained participation from the community. We seek their support 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 us in these projects. Our social initiatives are not focused only on an individual target but looks at holistic benefit of the community at large.

### Principle 9

#### Value for customers

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

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

While there are 7 (Seven) consumer cases pending before different forums against the Company, none of these are maintainable as the complainants do not fall within the definition of consumers.

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

N.A

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

Nil

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

Bharti Infratel Ltd. values its customer's voice and had actively engaged an external independent agency to carry out the Customer Satisfaction Survey across all customers in FY 2014-15.

# Directors' Report

## Dear Members,

Your directors are pleased to present the Ninth Board's Report on the business and operations of the Company together with the audited financial statements and accounts for the financial year ending March 31, 2015.

### 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, which are represented by Bharti Infratel's 42% equity interest in Indus. The business of Bharti Infratel and Indus is to acquire, build, own and operate towers and related infrastructure. Bharti Infratel and Indus 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 having operations in 4 overlapping circles.

As of March 31, 2015, Bharti Infratel owned and operated 37,196 towers with 75,819 co-locations in 11 telecommunication circles while Indus operated 115,942 towers with 253,513 co-locations in 15 telecommunication circles. With Bharti Infratel's towers and its 42% interest in Indus, we have an economic interest in the equivalent of 85,892 towers and 182,294 co-locations in India as of March 31, 2015.

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 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

Particulars	(₹ Million)	
	Year ended March 31, 2015	Year ended March 31, 2014
Revenue <sup>1</sup>	116,683	108,267
EBITDA <sup>1</sup>	50,108	44,118
Profit before Tax	30,515	23,232
Profit after Tax	19,924	15,179

<sup>1</sup>Revenue & EBITDA are excluding other income.

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

Particulars	(₹ Million)	
	Year ended March 31, 2015	Year ended March 31, 2014
Revenue <sup>1</sup>	53,889	49,993
EBITDA <sup>1</sup>	24,007	20,886
Profit before Tax	32,737	14,966
Profit after Tax	27,252	10,899

<sup>1</sup>Revenue & EBITDA are excluding other income.

### SHARE CAPITAL

During the year, the Company has allotted 4,468,180 equity shares under the ESOP Scheme 2008. Thus, the paid up share capital of the Company has increased from ₹ 18,893,011,130 to ₹ 18,937,692,930 represented by 1,893,769,293 equity shares of ₹ 10 each as on March 31, 2015.

## DIVIDEND

During the year, the Company has paid an interim dividend of ₹ 4.50 per equity share of ₹ 10 each amounting to ₹ 8,509 Mn (excluding tax on dividend) out of the current year's profits. The Board has also recommended a final dividend of ₹ 6.50 per equity share of ₹ 10 each for FY 2014-15 amounting to ₹ 12,309 Mn (excluding tax on dividend). Thus, the total dividend payout will be ₹ 11.00 per equity share of ₹ 10 each amounting to ₹ 20,818 Mn (excluding tax on dividend).

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

## TRANSFER TO RESERVES

The Company has not transferred any amount to the General Reserve for the financial year ended March 31, 2015.

## FIXED DEPOSITS

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

## DETAILS OF UTILISATION OF IPO PROCEEDS

Pursuant to the Initial Public Offer in December, 2012, the Company collected ₹ 31,657 Mn (net of selling shareholders' proceeds). For details of utilisation of IPO proceeds please refer note no. 40 of the standalone financial statements for the year ended March 31, 2015 on page 198.

## SECONDARY SALE OF SHARES BY BHARTI AIRTEL LIMITED

During FY 2014-15, Bharti Airtel Limited, the promoter of the Company, sold 140 million shares of Bharti Infratel Limited through open market. Accordingly, the shareholding of Bharti Airtel Limited in the Company has reduced from 79.39% to 71.81% achieving the threshold limit of minimum public shareholding in terms of Securities Contracts (Regulation) Rules, 1957, other applicable laws and Listing Agreement.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of the Companies Act, 2013, Mr. Rakesh Bharti Mittal, Director of the Company, is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

A brief resume, nature of expertise, details of directorships held in other public limited companies and other information of Mr. Rakesh Bharti Mittal seeking re-appointment pursuant to Clause 49 of the Listing Agreement is appended as an annexure to the notice of ensuing annual general meeting.

Mr. Sanjay Nayar, Non-Executive Director resigned from the Board w.e.f. March 13, 2015. The Board placed on record its sincere appreciation for the guidance and contribution made by Mr. Nayar during his tenure as a director.

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 Clause 49 of the Listing Agreement.

During the year under review, there was no change in the key managerial personnel of the Company.

## BOARD MEETINGS

During FY 2014-15, the Board of Directors met 5 (five) times on April 24, 2014; July 17, 2014; July 24, 2014; October 27, 2014 and February 3, 2015. 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 2014-15 are set out in the Corporate Governance 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. The details with respect to the compositions, powers, roles, terms of reference etc. of the committees are given in the 'Report on Corporate Governance' which forms part of this Annual Report on page 86.

## BOARD EVALUATION

In compliance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, HR, Nomination and Remuneration Committee has approved the process, attributes, criteria and format for the performance

evaluation of the Board, committees of the Board, individual directors and the Chairman.

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. The evaluation process was facilitated by an independent leading HR consulting firm.

A structured questionnaire formed key part of the evaluation process for reviewing the functioning and effectiveness of the Board. The evaluation process focused on various aspects of the Board and Committees functioning such as structure, composition, quality, board meeting practices 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 judgment.

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

All directors participated in the evaluation survey. The result of the evaluation was discussed in the independent directors' meeting, committees meetings and in the Board Meeting. The Board members noted the suggestions / inputs of independent directors, HR Nomination and Remuneration Committee and respective committees, Chairman and also discussed various initiatives to further strengthen Board effectiveness.

#### SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANY

The Company has a wholly owned subsidiary company in the name of Bharti Infratel Services Limited and a joint venture in the name of Indus Towers Limited. There has been no change in the subsidiary or joint venture during the year under review. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company, its subsidiary and joint venture, which forms part of the Annual Report. A statement in Form AOC- 1, containing the salient

features of the financial statements of the subsidiary and Joint Venture Company is provided as Annexure A on page 48.

Audited annual accounts of Bharti Infratel Services Limited for FY 2014-15 have also been placed on the website of the Company, [www.bharti-infratel.com](http://www.bharti-infratel.com). Shareholders interested in obtaining a copy of the audited annual accounts of Bharti Infratel Services Limited may write to the Company Secretary at the Company's registered office.

#### HUMAN RESOURCES

At Bharti Infratel, our employees are fundamental to our business strategy and its success. We aim to provide an engaging environment where employees are passionate towards customer excellence to outperform.

We began FY 2014-15, with an endeavour to become 'Employer of Choice'. In order to deliver on this agenda, we undertook initiatives such as launch of structured Career Management framework, building workforce diversity, introduction of 'Women in Business' community, strong culture around 'Safety First', and competency-based development interventions for our 1,249 on-roll employees.

In order to constantly exceed business targets, it is essential to develop our employees with the right mix of competencies and skills. Hence, we rolled out functional academies in Sales & Marketing, Operations, Project Management and Supply Chain Management. We have also partnered with National Skills Development Council (NSDC) to up-skill front line technicians.

The success of our organisation is also attributed to its strong leadership team, which has been groomed with critical experiences and best-in-class programmes by prestigious institutions like Wharton School and Harvard University. The focus on high impact leadership programmes has contributed to creating a succession pipeline.

To foster the culture of 'Safety First', we introduced the Health and Safety policy and formed Safety Governance Committees at circles and head office. Employees have been trained on tower site, warehouse and road safety and protective equipment has been made mandatory for all frontline employees.

The statement containing ratio of the remuneration of employees and other details 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 is provided as Annexure B on page 49.

The statement containing particulars of employees as required under section 197 (12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as Annexure C on page 51.

#### **NOMINATION AND REMUNERATION POLICY**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors on the recommendation of HR, Nomination & Remuneration Committee has approved and adopted the Nomination and Remuneration Policy. The policy includes criteria for determining positive attributes, qualifications, independence of a director, Board diversity, remuneration etc. A detailed policy is provided as Annexure D on page 52.

#### **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.

During FY 2014-15, the Company has allotted 4,468,180 equity shares pursuant to exercise of stock options under ESOP Scheme 2008. A detailed report with respect to options exercised, vested, lapsed, exercise price, vesting period etc. under ESOP Scheme 2008 is provided as Annexure E on page 55.

During FY 2014-15, the Company has formulated ESOP Scheme 2014 in terms of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (ESOP Regulations, 2014) with a total pool size of 7,250,000 stock options convertible into equivalent number of equity shares of the Company. The Company has not granted any stock options under ESOP Scheme 2014.

In accordance with the ESOP Regulations, 2014, the Company has set up Bharti Infratel Employees' Welfare Trust (ESOP Trust) for the purpose of implementation of employees stock option schemes. During the year, ESOP Trust has acquired 1,652,000 equity shares of the Company through secondary acquisition. In terms of ESOP Regulations, 2014, 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.

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 annual general meeting and a copy of the same will also be available for inspection at the registered office of the Company.

#### **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 Annual General Meeting for a period of three years i.e. up to 11th Annual General Meeting of the Company. The said appointment is subject to ratification by the members at every Annual General Meeting.

The Board has recommended ratification of appointment of M/s S. R. Batliboi & Associates LLP, Chartered Accountants, by the shareholders at the forthcoming annual general meeting. The Company has received a letter from M/s S. R. Batliboi & Associates LLP, Chartered Accountants, confirming their eligibility under section 141 of the Companies Act, 2013.

#### **AUDITOR'S REPORT**

The Board has duly examined the Statutory Auditor's Report to the accounts, which is self-explanatory. Clarifications, wherever necessary, have been included in the Notes to Accounts section of the financial statements of this Annual Report. The report does not contain any qualification or adverse remarks.

#### **SECRETARIAL AUDITORS & THEIR REPORT**

M/s Chandrasekaran Associates, Company Secretaries have been conducting the Secretarial Audit of the Company on continuous basis. The Board re-appointed

M/s Chandrasekaran Associates, Company Secretaries, to carry out secretarial audit under the provisions of section 204 of the Companies Act, 2013 for FY 2014-15. The secretarial audit report is provided as Annexure F on page 56.

The report does not contain any qualification or adverse remarks.

#### CORPORATE SOCIAL RESPONSIBILITY

At Bharti Infratel, Corporate Social Responsibility (CSR) is a way of life and is well integrated with our business strategy. Bharti Infratel welcomes the step of the government for focusing on CSR with its increased efforts and initiatives in this area.

During the year, the Board has constituted a Corporate Social Responsibility Committee comprising Mr. N Kumar as the Chairman, Ms. Leena Srivastava and Mr. D S Rawat as members. The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities. The Policy is posted on the website of the Company and can be accessed at [www.bharti-infratel.com](http://www.bharti-infratel.com).

Your company has developed a CSR policy for undertaking programmes and projects as per the requirements of law. Providing education to underprivileged children of the society in the rural areas of the country, health and sanitation programmes in line with 'Swachh Bharat Abhiyan' rolled out by Prime Minister Mr. Narendra Modi, are the focus areas of our CSR policy. Detailed information on the initiatives is provided in the Corporate Social Responsibility section of this Annual Report.

Out of the total CSR allocation of ₹ 192 Mn, a balance of ₹ 19 Mn was left unspent due to extensive time spent on research and deliberations on social concerns/locations of intervention.

In terms of Section 135 and rules made thereunder an annual report on CSR activities, expenditure, committee, composition etc. is provided as Annexure G on page 59.

#### BUSINESS RESPONSIBILITY REPORT

SEBI, vide its circular CIR/CFD/DIL/8/2012 dated August 13, 2012, mandated the top 100 listed entities, based on market capitalisation at BSE and NSE, to include Business Responsibility Report as a part of the Annual Report describing the initiatives taken by the companies from environment, social and governance perspective. Accordingly, the Business Responsibility Report forms part of the Annual Report.

#### MANAGEMENT DISCUSSION AND ANALYSIS

In accordance with the Listing Agreement requirements, the Management Discussion & Analysis report is presented in a separate section forming part of the 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 Clause 49 of the Listing Agreement are duly complied with.

A detailed report on the corporate governance pursuant to the requirements of Clause 49 of the Listing Agreement forms part of the 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 Clause 49 is provided as Annexure H on page 61.

#### RISK MANAGEMENT POLICY

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.

During the year, a Risk Management Policy has been 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 assessments 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 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 applicable to Directors and Senior Management of the Company is posted on the website of the Company at [http://www.bharti-infratel.com/cps-portal/web/corporate\\_gov.html#4](http://www.bharti-infratel.com/cps-portal/web/corporate_gov.html#4).

A brief note on the highlights of the Ombudsman 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**

Your Company has established well-structured quality processes and systems at every stage of its work, from designs, materials, workmanship at site, operations and maintenance through the entire lifecycle of towers and

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

- pre-dispatch inspection of all major material such as tower components, DG sets, battery banks, power interface equipment, etc.;
- on-site inspection during work in progress such as civil, electrical and tower installation works;
- quality audits post completion of work to ensure process completion; and
- preventive maintenance audits during operation and maintenance of sites to ensure timely maintenance of equipment and basic site hygiene.

Your 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:

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

#### **AWARDS AND RECOGNITION**

Bharti Infratel was awarded the Top Infrastructure Company Award under the Telecom Infrastructure Development category at the Dun & Bradstreet Infra Awards 2014. The Infra Awards recognise and felicitate India's Leading Infrastructure Companies who have delivered exemplary performance.

Your Company was conferred with the ‘Global Business Excellence Award 2014’ for Outstanding Business category. The Company was recognised as one of the India's largest

telecom tower infrastructure providers that deploys, owns and manages telecom and communication towers for wireless operators.

Bharti Infratel was conferred with the 'National Quality Excellence Award 2015' organised by the World Quality Congress for two categories – Best Business Process Excellence Program and Lean Six Sigma Program. These awards are a testimony of the robust process quality framework we have at Bharti Infratel and help benchmark our processes with the global standards.

Your Company was conferred with 'Amity Telecom Excellence Award' for being the 'Top Telecom Tower Company of the Year 2014' by Amity Management during the 11th Annual National Telecom Seminar 'Telefocus'.

Your Company was adjudged as the "Best Employer 2015" and "Best Employer for Commitment to Engagement 2015" by the prestigious Aon Hewitt Best Employer Awards 2015. The Aon Hewitt awards recognise and felicitates companies for a robust people practices followed with key focus on career development and engagement through career opportunities, leadership development, internal communications processes, robust HR strategy and execution.

Our Managing Director & Chief Executive Officer was felicitated with India's Top 10 MD/CEO Award for 2014 by HITEC India (Haryana IT, Telecom, & Enabled Industries Confederation) in recognition of his leadership, versatile understanding, in-depth experience in handling technology, rollouts and regulatory interfaces, within the areas of Telecom Infrastructure sector.

Our Chief Information Officer was awarded the India's Top 10 CIO/CTO Award for 2014 by HITEC for advanced and innovative use of Information Technology as an enabler at the Company.

Our Chief Information Officer was felicitated with HP Hall of Fame and CIO 100 Award for 2014 for advanced and innovative use of Information Technology as an enabler at the Company.

## 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, 2015, the applicable accounting standards read with requirements sets out in Schedule III to the Act, have been followed and there is no material departure from the same;
- II. The directors have 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, 2015 and of the profit of the Company for the year ended on that date;
- III. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. The directors have prepared the annual accounts on a 'going concern basis';
- V. The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- VI. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

## OTHER STATUTORY DISCLOSURES

Other statutory disclosures as required under the Companies Act, 2013 and Listing Agreement are as under:

- 1) Particulars of material related party transactions are given in form AOC- 2 as Annexure I on page 62.

- 2) The disclosure as required under section 134(3)(a) of the Companies Act, 2013, read with Rule 12 of the Companies (Management & Administration) Rules, 2014, the extracts of Annual Return of the Company is provided as Annexure J on page 65.
- 3) The disclosure as required under section 134(3)(g) of the Companies Act, 2013, 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.
- 4) The disclosure as required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is provided as Annexure K on page 78.
- 5) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operation in future.

#### 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

Place: New Delhi  
Date: April 27, 2015

# Annexure - A

## Form AOC-I

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

### Part "A": Subsidiaries

1.	Sl. No.	1 (One)
2.	Name of the subsidiary	Bharti Infratel Services Limited
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not Applicable
5.	Share capital	₹ 0.5 Mn
6.	Reserves & surplus	₹ (0.44) Mn
7.	Total assets	₹ 0.22 Mn
8.	Total Liabilities	₹ 0.16 Mn
9.	Investments	Nil
10.	Turnover	Nil
11.	Profit before taxation	₹ (0.13) Mn
12.	Provision for taxation	Nil
13.	Profit after taxation	₹ (0.13) Mn
14.	Proposed Dividend	Nil
15.	% of shareholding	100%

- Names of subsidiaries which are yet to commence operations: NIL
- Names of subsidiaries which have been liquidated or sold during the year: NIL

### Part "B": Associates and Joint Ventures

Name of Associates/Joint Ventures	Indus Towers Limited
1. Latest audited Balance Sheet Date	March 31, 2015
2. Shares of Associate/Joint Ventures held by the company on the year end	
(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	₹ 51,171 Mn (42% share of total Net worth)
6. Profit / Loss for the year	
(i) Considered in Consolidation	₹ 9,078 Mn (42% considered in P&L post donation moved to P&L appropriation)
(ii) Not Considered in Consolidation	Nil

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

## Annexure - B

**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 the financial year 2014-15	The median remuneration of employees is ₹ 556,358 per annum. Please refer Table A for the ratios.
(ii)	The percentage increase in remuneration of each director, CFO, CEO, CS or Manager in the financial year 2014-15	Please refer Table A
(iii)	The percentage increase in the median remuneration of employees in the financial year	12%
(iv)	The number of permanent employees on the rolls of the Company as on March 31, 2015.	1,249
(v)	The explanation on the relationship between average increase in remuneration and company performance	Total revenue <sup>1</sup> , EBITDA <sup>1</sup> , PBT and PAT of the Company (on standalone basis) has increased 7.79%, 14.94%, 118.74% and 150.04% respectively for FY 2014-15 as compared to FY 2013-14, whereas the average increase in remuneration of employees is 12%
(vi)	Comparison of the remuneration of the KMPs against the performance of the Company	Please refer Table A
(vii)	Increase in market capitalisation	As on March 31, 2014      As on March 31, 2015 ₹ 384 Bn                    ₹ 729 Bn
	Increase in price earnings ratio (on consolidated Basis)	As on March 31, 2014      As on March 31, 2015 25.37                        36.57
	Percentage increase in the price of share in comparison of last public offer	Stock price of the Company has increased by 74.29% 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 financial year 2014-15 and its comparison with the percentage increase in the managerial remuneration	Average percentage increase in the salaries of employees other than managerial personnel is 12%, whereas managerial remuneration has increased by 19% which is in 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

<sup>1</sup> Revenue & EBITDA are excluding other income.

**TABLE A**

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for financial year 2014-15 (in ₹)	% increase in remuneration in the financial year 2014-15	Ratio of remuneration of each director to median remuneration of employees	Comparison of the remuneration of the KMP against the performance of the Company
1	Akhil Gupta <sup>1</sup> (Chairman)	92,017,749	23	165.39	Total revenue <sup>4</sup> , EBITDA <sup>4</sup> , PBT and PAT of the Company (on standalone basis) has increased 7.79%, 14.94%, 118.74% and 150.04% respectively for FY 2014-15 as compared to FY 2013-14
2	Rakesh Bharti Mittal <sup>3</sup> (Non-executive Non-independent Director)	750,000	NA	1.35	
3	Sanjay Nayar <sup>3</sup> (Non-executive Non-independent Director)	750,000	NA	1.35	
4	Mark Chin Kok Chong <sup>3</sup> (Non-executive Non-independent Director)	750,000	NA	1.35	
5	Bharat Sumant Raut <sup>3</sup> (Non-executive Independent Director)	2,000,000	33	3.59	
6	Jitender Balakrishnan <sup>3</sup> (Non-executive Independent Director)	1,500,000	50	2.7	
7	Vinod Dhall <sup>3</sup> (Non-executive Independent Director)	1,500,000	50	2.7	
8	Leena Srivastava <sup>3</sup> (Non-executive Independent Director)	1,500,000	50	2.7	
9	N Kumar <sup>3</sup> (Non-executive Independent Director)	1,500,000	50	2.7	
10	D S Rawat <sup>2</sup> (Managing Director & CEO)	22,668,106	13	40.74	Total revenue <sup>4</sup> , EBITDA <sup>4</sup> , PBT and PAT of the Company (on standalone basis) has increased 7.79%, 14.94%, 118.74% and 150.04% respectively for FY 2014-15 as compared to FY 2013-14
11	Pankaj Miglani (Chief Financial Officer)	14,810,026	10	NA	
12	Anupam Garg (Company Secretary)	3,412,744	27	NA	

- The change in the remuneration of Mr. Akhil Gupta is due to change in the remuneration mix i.e. fixed pay:variable pay ratio from 54:46 to 70:30 and actual payout of variable pay without any change in the overall remuneration. This does not include perquisite value on exercise of ESOPs as mentioned in Annexure - J annexed with Board's Report.
- This does not include perquisite value on exercise of ESOPs as mentioned in Annexure - J annexed with Board's Report and payout of ₹ 5,640,145 under performance based long term incentive plan of the Company.
- In terms of remuneration policy, independent directors are entitled for profit based commission of ₹ 1,500,000 per annum (previous year: ₹ 1,000,000) and non-executive non-independent directors ₹ 750,000 per annum (previous year: nil). 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. Company has not paid any sitting fees for FY 2014-15.
- Revenue & EBITDA are excluding other income.

## Annexure - C

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, 2015

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
<b>(A) Employed throughout The Financial Year</b>										
1	Akhil Gupta	Chairman	Contract	General Management	CA	59	01-Aug-08	30	92,017,749	Bharti Airtel Limited / Jt. Managing Director
2	Abhay Kumar Singh	Circle Business Head	Permanent	Operations	B.E / B.Tech	51	12-Dec-08	28	11,005,421	Nokia Siemant Network/National Infra Manager
3	Ajay Gupta	Chief Supply Chain Officer	Permanent	SCM	PGDBM	47	01-Nov-12	23	6,477,498	Inox Wind Ltd.
4	Bhaskar Rai	Circle Business Head	Permanent	Operations	B.E / B.Tech	45	07-Jul-08	21	6,987,392	Manpower Services India Pvt Ltd/ Business Manager
5	Biswajit Pathak	Chief Sales & Marketing Officer	Permanent	Sales & Marketing	PGDSM	42	20-Oct-08	22	11,157,055	TVS InterconnectSystems Ltd / General Manager - Sales& Marketing
6	Devender Singh Rawat	Managing Director & CEO	Permanent	CEO's Office	B.E	47	28-Jul-10	26	28,308,251	Huawei Telecommunications (I) Co. P Ltd / Executive Director
7	Dhananjay Joshi	Chief Operating Officer	Permanent	COO's Office	B.Tech	55	26-Feb-14	28	10,443,780	Ericsson India Ltd / VP & CU Head
8	Dipak Roy	Chief Human Resource Officer	Permanent	HR	MPM	48	01-Jun-13	24	18,607,484	Bharti Airtel Ltd / Head HR-Consumer Business Operations
9	Pankaj Miglani	Chief Financial Officer	Permanent	Finance	CA/ CS/ ICWA	45	08-Aug-11	20	14,810,026	Bharti Airtel Limited / Head - Global Voice
10	Prashant Veer Singh	Chief Information Officer	Permanent	Technology Services	BE/ MBA	45	01-Apr-10	22	11,701,352	Bharti Airtel Limited/ Vice President - IT & Innovation
11	Rajiv Aurora	Chief - Legal-Regulatory & Corp Affairs	Permanent	Legal-Regulatory & Corp Affairs	LLB / PGDHRM	44	01-Oct-07	19	8,255,233	Bharti Airtel Ltd / General Manager
12	Ravinder Bansal	VP- FR & Consol	Permanent	Finance	C.A	40	02-Sep-13	16	6,074,899	Bharti Airtel Tanzania LT/Financial controller
13	Sridhar V	Circle Business Head	Permanent	Operations	PG Diploma	43	20-Jul-09	22	8,980,256	Procail Pvt. Ltd/Business Head
<b>(B) Employed for Part of The Financial Year</b>										
1	Aashutosh Bajaj	Operations.GM	Permanent	Operations	B.E.	43	24-Mar-08	21	5,786,969	AB Consultancy Services/Proprietor
3	Tejinder Singh	Operations.GM	Permanent	Operations	PG Diploma In Sales & Marketing	44	10-Aug-09	20	7,286,628	Bharti Airtel limited /Sr Manager-Sales
2	Vijay Kumar Jain	Operations.VP	Permanent	Operations	Diploma In Marketing & Sales Management	49	01-Apr-08	25	11,809,119	Bharti Airtel limited
4	Yashwardhan Sahai	Operations.VP	Permanent	Operations	PGDM	53	01-Jul-09	26	11,151,151	Hierank Business School/Founder-Director

Notes: 1. Gross Remuneration comprises of Salary, Taxable Allowances & Perquisites and Company's contribution to Provident Fund

2. The employee would qualify for being included in Category (A) or (B) on the following basis:

For (A) 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.

3. None of the employees mentioned above is a relative of any Director of the Company

4. None of the employees mentioned above holds 2% or more share capital on the Company

5. The employees are governed by the general terms and conditions of employment and the policies of the Company.

6. Gross remuneration of Mr. Akhil Gupta and Mr. D S Rawat does not include the perquisite value as mentioned in Annexure - J 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 - D

## POLICY ON NOMINATION, REMUNERATION AND BOARD DIVERSITY

### Preamble

The Board of Directors (the “Board”) on the recommendation of the HR, Nomination and Remuneration Committee (the “Committee”) has approved and adopted this Nomination, Remuneration and Board Diversity Policy (the “Policy”) in compliance with the provisions of Section 178 of the Companies Act, 2013 and rules made thereunder, and Clause 49 of the Listing Agreements with the stock exchanges.

### 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 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 agreement.
- Has attained minimum age of 25 years and is not older than 70 years.
- Does not hold directorship in more than 20 companies (including private and public limited companies) or 10 public limited companies incorporated in India.
- Will be able to devote sufficient time and efforts in discharge of duties and responsibilities effectively.

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

- Meet the baseline definition and criteria of “independence” as set out in Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreements 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 - E

### Details of Employee Stock Option Scheme 2008 (ESOP Scheme 2008)

Sl. No.	Particulars	ESOP Scheme 2008
1	Total no. of options granted under the Scheme	9,946,524
2	Options granted during the year	NIL
3	Pricing Formula	9,255,690 Options under Plan I and 657,264 Options under Plan II were granted at a discount of 50% of the fair market value of the Equity Shares
4	Options vested as of March 31, 2015	8,737,126
5	Options exercised	5,126,451
6	The total number of shares arising as a result of exercise of options	5,126,451
7	Options lapsed/cancelled	990,337
8	Variation of terms of options during the year	Please see note below
9	Exercise Price	Plan I- ₹ 109.67 Plan II- ₹ 109.67 Plan III- ₹ 10
10	Money realised by exercise of options	₹ 489,514,291.00
11	Total no. of options in force	3,829,736
12	Employee wise details of options granted to:	
	(i) Options granted to Senior Managerial Personnel during the year	NIL
	(ii) Options granted to employees exceeding 5% of the total grants during the year	NIL
	(iii) Options granted to employees equal to or exceeding 1% of the issued capital during the year	NIL
13	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standards AS 20	₹ 14.401
14	Difference between the employees compensation cost based on intrinsic value of the Stock and the fair value for the year and its impact on profits and on EPS of the Company	Not Applicable
15 (a)	Weighted-average exercise price	₹ 100
(b)	Weighted-average fair price	₹ 220
16	Method and significant assumptions used to estimate the fair value of options	
(a)	Risk free interest rate	N.A
(b)	Expected Life	N.A
(c)	Expected Life	N.A
(d)	Expected Dividends	N.A
(e)	Market Price of the underlying share on grant date	N.A

Note: The shareholders have approved following amendments in ESOP Scheme 2008 in their 8th Annual General Meeting held on August 04, 2014

- (i) The exercise period has been amended from 'Seven years from grant dates' to 'Seven years from Vesting dates'.
- (ii) Vesting Schedule with respect to UC cadre employees of the Company under Plan I has been amended as follows:

Vesting Schedule	Percentage of Options to be vested
On completion of 1 year from the Grant Date	20%
On completion of 2 years from the Grant Date	20%
On completion of 3 years from the Grant Date	25%
On completion of 4 years from the Grant Date	35%

# Annexure - F

## SECRETARIAL AUDIT REPORT For the Financial Year ended March 31, 2015

To The Members,  
**Bharti Infratel Limited**

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 authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 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 Bharti Infratel Limited ("the Company") for the financial year ended on March 31, 2015 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, 1992;
- (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. Not applicable for financial year 2014-15
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

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

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a 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 following specific events / actions that having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. The Company has complied with minimum public shareholding.

2. Passing of resolutions through Postal ballot, for:
  - a) Implementation of ESOP Scheme 2008 through ESOP Trust
  - b) Approval of Employee Stock Option Scheme 2014 (ESOP Scheme 2014)
  - c) Grant of stock options to the employees of holding and/or subsidiary companies under ESOP Scheme 2014
  - d) Authorization to ESOP Trust for Secondary Acquisition
  - e) Increase in aggregate investment limit of Foreign Institutional Investors (FIIs).

Date: 22.04.2015

Place: New Delhi

**Dr. S. Chandrasekaran**

Senior Partner

**Chandrasekaran Associates**

**Company Secretaries**

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 and forms an integral part of this report.

**ANNEXURE-A**

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

Date: 22.04.2015

Place: New Delhi

**Dr. S. Chandrasekaran****Chandrasekaran Associates****Company Secretaries**

Membership No. FCS No.: 1644

Certificate of Practice No.: 715

## Annexure - G

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (FY2014-15)

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Bharti Infratel's CSR vision is "To build an empowered society through education, community development and environment sustainability".

The CSR Policy of the company focuses on promoting:

- Education and skill development among the underprivileged children
- Sanitation facilities
- Contribution towards relief operations
- Rural development
- Environmental sustainability
- Employee participation in social wellbeing

#### WEB-LINKS

- a. CSR Policy  
[http://www.bharti-infratel.com/cps-portal/web/corporate\\_gov.html#4](http://www.bharti-infratel.com/cps-portal/web/corporate_gov.html#4)
- b. 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](http://www.bhartifoundation.org/wps/wcm/connect/bhartifoundation/BhartiFoundation/Home/Satya+Bharti%20School%20Program/About%20the%20Satya%20Bharti%20School%20Program/PG_about_bharti_program)
- c. Satya Bharti Abhiyan - Bharti Foundation  
[http://www.bhartifoundation.org/wps/wcm/connect/bhartifoundation/BhartiFoundation/Home/OurPrograms/Satya%20Bharti%20Abhiyan/PG\\_Satya\\_Bharti\\_Abhiyan](http://www.bhartifoundation.org/wps/wcm/connect/bhartifoundation/BhartiFoundation/Home/OurPrograms/Satya%20Bharti%20Abhiyan/PG_Satya_Bharti_Abhiyan)
- d. List of Partners – Bharti Foundation  
[http://www.bhartifoundation.org/wps/wcm/connect/bhartifoundation/BhartiFoundation/Home/Our%20Partners/Our%20Partners%20/PG\\_OurPartners#our\\_partners2011](http://www.bhartifoundation.org/wps/wcm/connect/bhartifoundation/BhartiFoundation/Home/Our%20Partners/Our%20Partners%20/PG_OurPartners#our_partners2011)

2. The Composition of the CSR Committee.	a) Mr. N Kumar (Independent Director) - Chairman b) Ms. Leena Srivastava (Independent Director) c) Mr. D S Rawat (Executive Director)
3. Average net profit of the company for last three financial years	₹ 9,600 Mn
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	₹ 192 Mn
5. Details of CSR spent during the financial year:	
(a) Total amount to be spent for the financial year:	₹ 192 Mn
(b) Amount unspent:	₹ 19 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: (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
1	Satya Bharti School Program	Education	Haryana, Rajasthan, West Bengal, Tamil Nadu, Uttar Pradesh and Punjab	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
2	Satya Bharti Abhiyan	Sanitation	Ludhiana	70	16.4	16.4	Implementing Agency – Bharti Foundation 1st Floor, C-Wing, Airtel Center, Plot No. 16, Udyog Vihar Phase IV, Gurgaon – 122015 Tel.: 0124-4823500
3	Prime Ministers National Relief Fund	Disaster Relief	National (Need based)	2.5	2.5	2.5	Implementing Agency - Prime Ministers National Relief Fund (PMNRF) Prime Minister's Office, South Block, New Delhi – 110011

Note: Contribution in all the programs are direct expenditure.

- 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.
- 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.
1. In FY14-15, Bharti Infratel disbursed 90% (₹ 173 Mn) of the allocated CSR funds on 3 projects.
2. Out of the total CSR allocation of ₹ 192 Mn, a balance of ₹ 19 Mn was left unspent due to extensive time spent on research and deliberations on social concerns/locations of intervention.
- Bharti Infratel CSR Committee certifies that all the CSR projects implemented/funded by the company in FY14-15 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.

For **Bharti Infratel Limited**

**D S Rawat**  
Managing Director & CEO

**N Kumar**  
Chairman of CSR Committee

## Annexure - H

### AUDITOR'S CERTIFICATE

To

**The Members of Bharti Infratel Limited**

We have examined the compliance of conditions of corporate governance by Bharti Infratel Limited ("the Company"), for the year ended March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the Company with the 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 above mentioned Listing Agreement.

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

Place: Gurgaon  
Date: April 27, 2015

# Annexure - I

## 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 into during the year ended March 31, 2015, 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"> <li>● To provide passive infrastructure services</li> <li>● To avail various telecom services such as landline, mobile, leased line broadband facility, SIM charges, USB Dongles etc.</li> <li>● To use and allow usage of each other's passive infrastructure assets;</li> <li>● Rental/Reimbursement of charges towards usage of offices/ properties and availing related services.</li> </ul>
(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"> <li>● 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 &amp; Bharti Infratel Limited.</li> <li>● 10 years for use of certain passive infrastructure assets of Bharti Airtel Limited by Bharti Infratel Limited from 1st April, 2008</li> <li>● 10 years for use of certain passive infrastructure assets of Bharti Infratel Limited by Bharti Airtel Limited from 1st October, 2009</li> </ul>
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	<ul style="list-style-type: none"> <li>● To provide passive infrastructure services</li> </ul> <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 2014-15 amounts to ₹ 28,520.73 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 2014-15 amounts to ₹ 134.91 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 ₹ 95.07 Mn to Bharti Infratel Ltd. for use of Infratel Assets by Airtel. Similarly Bharti Infratel Ltd. paid ₹ 21.83 Mn to Bharti Airtel Ltd. for use of Airtel's assets during FY 2014-15.

---

The net monetary value for the said transactions for the FY 2014-15 amounts to ₹ 73.15 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 2014-15 amounts to ₹ 46.65 Mn.

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

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

For **Bharti Infratel Limited**

**Akhil Gupta**  
Chairman

## Annexure - J

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on March 31, 2015**

[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: <a href="http://www.bharti-infratel.com">www.bharti-infratel.com</a>
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, Serilingampally Mandal, Hyderabad- 500032 Contact Person: Suresh D. Babu Tel: +91-040-67161518 Email: <a href="mailto:suresh.d@karvy.com">suresh.d@karvy.com</a> Website: <a href="http://www.karvycomputershare.com">www.karvycomputershare.com</a>

### 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%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Bharti Airtel Limited Bharti Crescent, 1 Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi	L74899DL1995PLC070609	Holding Company	71.81%	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	Indus Towers Limited Bharti Crescent, 1 Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi	U92100DL2007PLC170574	Associate Company	42.00%	2(6)

### 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				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(I)	(II)									
(A)	Promoter and Promoter Group									
(1)	INDIAN									
(a)	Individual /HUF	-	-	-	-	-	-	-	-	-
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	1,500,000,000	-	1,500,000,000	79.39%	1,360,000,000	-	1,360,000,000	71.81%	(7.58)%
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	<b>Sub-Total A(1) :</b>	<b>1,500,000,000</b>	-	<b>1,500,000,000</b>	<b>79.39%</b>	<b>1,360,000,000</b>	-	<b>1,360,000,000</b>	<b>71.81%</b>	<b>(7.58)%</b>
(2)	FOREIGN									
(a)	Individuals (NRIs/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-

Category Code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
<b>Sub-Total A(2) :</b>		-	-	-	-	-	-	-	-	-
<b>Total A=A(1)+A(2)</b>		<b>1,500,000,000</b>	-	<b>1,500,000,000</b>	<b>79.39%</b>	<b>1,360,000,000</b>	-	<b>1,360,000,000</b>	<b>71.81%</b>	<b>(7.58)%</b>
<b>(B) Public Shareholding</b>										
(1) Institutions										
(a)	Mutual Funds /UTI	4,016,712	-	4,016,712	0.21%	7,062,471	-	7,062,471	0.37%	0.16%
(b)	Financial Institutions /Banks	9,631,709	-	9,631,709	0.51%	9,023,756	-	9,023,756	0.48%	(0.03)%
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	204,739,195	-	204,739,195	10.84%	425,096,411	-	425,096,411	22.45%	11.61%
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Others									
(i) (i)	Investment Fund	8,801,595	-	8,801,595	0.47%	-				(0.47)%
(i) (ii)	Private Equity	18,027,840	-	18,027,840	0.95%	-				(0.95)%
<b>Sub-Total B(1) :</b>		<b>245,217,051</b>	-	<b>245,217,051</b>	<b>12.98%</b>	<b>441,182,638</b>	-	<b>441,182,638</b>	<b>23.30%</b>	<b>10.32%</b>
<b>(2) Non-Institutions</b>										
(a)	Bodies Corporate	8,269,624	-	8,269,624	0.44%	6,571,835	-	6,571,835	0.35%	(0.09)%
(b)	Individuals				0.00%					
(i)	Individuals holding nominal share capital upto ₹ 1 lakh	4,907,035	538	4,907,573	0.26%	3,612,352	850	3,613,202	0.19%	(0.07)%
(ii)	Individuals holding nominal share capital in excess of ₹ 1 lakh	567,430	-	567,430	0.03%	4,512,983	-	4,512,983	0.24%	0.21%
(c)	Others									
	Foreign Bodies	127,666,700	-	127,666,700	6.76%	75,814,401	-	75,814,401	4.00%	(2.75)%
	Clearing Members	2,518,737	-	2,518,737	0.13%	1,404,222	-	1,404,222	0.07%	(0.06)%

Category Code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(d)	Trusts	200	-	200	0.00%					0.00%
	Non resident Indians	153,798	-	153,798	0.01%	670,012	-	670,012	0.04%	0.03%
	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	<b>Sub-Total</b>	<b>144,083,524</b>	<b>538</b>	<b>144,084,062</b>	<b>7.63%</b>	<b>92,585,805</b>	<b>850</b>	<b>92,586,655</b>	<b>4.89%</b>	<b>(2.74)%</b>
	<b>B(2) :</b>									
(C)	<b>Total</b>	<b>389,300,575</b>	<b>538</b>	<b>389,301,113</b>	<b>20.61%</b>	<b>533,768,443</b>	<b>850</b>	<b>533,769,293</b>	<b>28.19%</b>	<b>7.58%</b>
	<b>B=B(1)+B(2):</b>									
	<b>Total (A+B):</b>	<b>1,889,300,575</b>	<b>538</b>	<b>1,889,301,113</b>	<b>100.00%</b>	<b>1,893,768,443</b>	<b>850</b>	<b>1,893,769,293</b>	<b>100.00%</b>	<b>0.00%</b>
	<b>Shares held by custodians, against which depository receipts have been issued</b>	-	-	-	-	-	-	-	-	-
	<b>Grand Total</b>	<b>1,889,300,575</b>	<b>538</b>	<b>1,889,301,113</b>	<b>100.00%</b>	<b>1,893,768,443</b>	<b>850</b>	<b>1,893,769,293</b>	<b>100.00%</b>	<b>-</b>
	<b>(A+B+C) :</b>									

## ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2014)			Shareholding at the end of the year (As on March 31, 2015)			% 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	1,500,000,000	79.39	0.00%	1,360,000,000	71.81	0.00%	(7.58)
	<b>Total</b>	<b>1,500,000,000</b>	<b>79.39</b>	<b>0.00%</b>	<b>1,360,000,000</b>	<b>71.81</b>	<b>0.00%</b>	<b>(7.58)</b>

## iii) Change in Promoters' Shareholding (please specify, if there is no change)

SI No.	Name	Shareholding at the beginning of the year (As on April 01, 2014)/ end of the year (As on March 31, 2015)		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Bharti Airtel Limited	1,500,000,000	79.39	11 August 2014	85,000,000	Secondary market sale	1,500,000,000	79.39
					55,000,000	Secondary market sale	1,415,000,000	74.86
		1,360,000,000	71.81	26 February 2015			1,360,000,000	71.90 (Note)

Note: During FY 2014-15, the paid up share capital of the Company increased from ₹ 18,893 Mn to ₹ 18,937 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 ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

SI No.	Name of the Share Holder	No. of shares at the beginning of the year/ end of the year	% of total shares of the company	Date	Increase/ Decrease in share holding	Cumulative Shareholding during the Year		
						Reason	No. of Shares	% of total shares of the company
1	Compassvale Investments Pte. Ltd	6,00,92,800	3.18	01 April 2014		Opening Balance	6,00,92,800	3.18
				06 June 2014	(3,93,623)	Sale	5,96,99,177	3.16
				13 June 2014	(14,41,220)	Sale	5,82,57,957	3.08
				30 June 2014	(11,25,000)	Sale	5,71,32,957	3.02
				04 July 2014	(48,72,000)	Sale	5,22,60,957	2.77
				11 July 2014	(2,50,000)	Sale	5,20,10,957	2.75
				18 July 2014	(3,00,000)	Sale	5,17,10,957	2.74
				25 July 2014	(4,16,846)	Sale	5,12,94,111	2.71
				08 August 2014	(5,40,627)	Sale	5,07,53,484	2.69
				15 August 2014	(4,32,303)	Sale	5,03,21,181	2.66
				22 August 2014	(16,90,578)	Sale	4,86,30,603	2.57
				05 September 2014	(8,69,439)	Sale	4,77,61,164	2.53
				12 September 2014	(15,25,407)	Sale	4,62,35,757	2.45
				19 September 2014	(41,99,231)	Sale	4,20,36,526	2.22
				30 September 2014	(19,55,784)	Sale	4,00,80,742	2.12
				03 October 2014	(2,77,453)	Sale	3,98,03,289	2.11
				10 October 2014	(9,27,290)	Sale	3,88,75,999	2.06
				17 October 2014	(1,66,335)	Sale	3,87,09,664	2.05
				24 October 2014	(1,68,745)	Sale	3,85,40,919	2.04
				31 October 2014	(5,19,364)	Sale	3,80,21,555	2.01
				07 November 2014	(17,96,533)	Sale	3,62,25,022	1.92
				14 November 2014	(5,80,407)	Sale	3,56,44,615	1.89
				21 November 2014	(7,08,425)	Sale	3,49,36,190	1.85
				28 November 2014	(15,30,841)	Sale	3,34,05,349	1.77
				05 December 2014	(1,76,176)	Sale	3,32,29,173	1.76
				12 December 2014	(31,82,773)	Sale	3,00,46,400	1.59
		3,00,46,400	1.59	31 March 2015		Closing Balance	3,00,46,400	1.59
2	KKR Towers Company Mauritius Limited	4,50,69,600	2.39	01 April 2014		Opening Balance	4,50,69,600	2.39
				27 February 2015	(1,71,32,000)	Sale	2,79,37,600	1.48
				13 March 2015	(8,00,000)	Sale	2,71,37,600	1.43
				20 March 2015	(64,23,094)	Sale	2,07,14,506	1.09
				27 March 2015	(3,32,747)	Sale	2,03,81,759	1.08
3	Merrill Lynch Capital Markets Espana S.A. S.V.	2,03,81,759	1.08	31 March 2015		Closing Balance	2,03,81,759	1.08
		3,04,51,315	1.61	01 April 2014		Opening Balance	3,04,51,315	1.61
				04 April 2014	(4,33,798)	Sale	3,00,17,517	1.59
				11 April 2014	(2,438)	Sale	3,00,15,079	1.59
				25 April 2014	(53,595)	Sale	2,99,61,484	1.59
				02 May 2014	(30,28,646)	Sale	2,69,32,838	1.43
				09 May 2014	(10,14,059)	Sale	2,59,18,779	1.37
				16 May 2014	(2,79,706)	Sale	2,56,39,073	1.36
				23 May 2014	(2,56,720)	Sale	2,53,82,353	1.34
				30 May 2014	(10,158)	Sale	2,53,72,195	1.34
				06 June 2014	(1,70,928)	Sale	2,52,01,267	1.33
				13 June 2014	4,82,277	Purchase	2,56,83,544	1.36
				20 June 2014	3,645	Purchase	2,56,87,189	1.36
				30 June 2014	1,24,770	Purchase	2,58,11,959	1.37

SI No.	Name of the Share Holder	No. of shares at the beginning of the year/ end of the year	% of total shares of the company	Date	Increase/ Decrease in share holding	Cumulative Shareholding during the Year		
						Reason	No. of Shares	% of total shares of the company
4	AIF Capital Telecom Infrastructure Limited	3,17,85,789	1.68	31 March 2015		Closing Balance	3,17,85,789	1.68
		1,80,27,840	0.95	01 April 2014		Opening Balance	1,80,27,840	0.95
				12 December 2014	(5,00,000)	Sale	1,75,27,840	0.93
				19 December 2014	(9,48,277)	Sale	1,65,79,563	0.88
				09 January 2015	(7,55,402)	Sale	1,58,24,161	0.84
				16 January 2015	(2,63,278)	Sale	1,55,60,883	0.82
				23 January 2015	(14,76,086)	Sale	1,40,84,797	0.74
				30 January 2015	(9,19,980)	Sale	1,31,64,817	0.70
				06 February 2015	(12,33,981)	Sale	1,19,30,836	0.63
				13 February 2015	(5,61,453)	Sale	1,13,69,383	0.60
				20 February 2015	(5,93,013)	Sale	1,07,76,370	0.57
				27 February 2015	(9,95,587)	Sale	97,80,783	0.52

SI No.	Name of the Share Holder	No. of shares at the beginning of the year/ end of the year	% of total shares of the company	Date	Increase/ Decrease in share holding	Cumulative Shareholding during the Year		
						Reason	No. of Shares	% of total shares of the company
5	Millennium Mauritius 1 Limited	54,42,952	0.29	06 March 2015	(92,29,453)	Purchase	1,90,10,236	1.01
				06 March 2015	(97,80,783)	Sale	92,29,453	0.49
				13 March 2015	(18,59,724)	Sale	73,69,729	0.39
				20 March 2015	(6,61,218)	Sale	67,08,511	0.35
				27 March 2015	(8,18,672)	Sale	58,89,839	0.31
				31 March 2015	(4,46,887)	Sale	54,42,952	0.29
				31 March 2015		Closing Balance	54,42,952	0.29
				01 April 2014		Opening Balance	1,80,27,840	0.95
				21 November 2014	1,80,27,840	Purchase	3,60,55,680	1.91
				21 November 2014	(1,80,27,840)	Sale	1,80,27,840	0.95
6	Morgan Stanley Asia (Singapore) Pte.	1,80,27,840	0.95	31 March 2015		Closing Balance	1,80,27,840	0.95
				01 April 2014		Opening Balance	1,76,14,918	0.93
				04 April 2014	19,614	Purchase	1,76,34,532	0.93
				11 April 2014	1,23,881	Purchase	1,77,58,413	0.94
				18 April 2014	60,578	Purchase	1,78,18,991	0.94
				25 April 2014	(1,571)	Sale	1,78,17,420	0.94
				02 May 2014	1,05,789	Purchase	1,79,23,209	0.95
				09 May 2014	45,168	Purchase	1,79,68,377	0.95
				16 May 2014	5,605	Purchase	1,79,73,982	0.95
				23 May 2014	2,47,807	Purchase	1,82,21,789	0.96
				30 May 2014	3,578	Purchase	1,82,25,367	0.96
				06 June 2014	(28,197)	Sale	1,81,97,170	0.96
				13 June 2014	75,873	Purchase	1,82,73,043	0.97
				20 June 2014	99,550	Purchase	1,83,72,593	0.97
				30 June 2014	10,318	Purchase	1,83,82,911	0.97
				04 July 2014	62,905	Purchase	1,84,45,816	0.98
				11 July 2014	(82,825)	Sale	1,83,62,991	0.97
				18 July 2014	(1,05,593)	Sale	1,82,57,398	0.97
				25 July 2014	(21,910)	Sale	1,82,35,488	0.96
				08 August 2014	10,37,795	Purchase	1,92,73,283	1.02
				15 August 2014	33,62,031	Purchase	2,26,35,314	1.20
				22 August 2014	(14,24,351)	Sale	2,12,10,963	1.12
				29 August 2014	(51,930)	Sale	2,11,59,033	1.12
				05 September 2014	(92,687)	Sale	2,10,66,346	1.11
				12 September 2014	(9,52,409)	Sale	2,01,13,937	1.06
				19 September 2014	2,08,663	Purchase	2,03,22,600	1.08
				30 September 2014	(3,47,427)	Sale	1,99,75,173	1.06
				03 October 2014	3,06,790	Purchase	2,02,81,963	1.07
				10 October 2014	8,36,409	Purchase	2,11,18,372	1.12
				17 October 2014	2,42,224	Purchase	2,13,60,596	1.13
				24 October 2014	(1,68,903)	Sale	2,11,91,693	1.12
				31 October 2014	24,57,991	Purchase	2,36,49,684	1.25
				07 November 2014	(2,79,997)	Sale	2,33,69,687	1.24
				14 November 2014	11,92,187	Purchase	2,45,61,874	1.30
				21 November 2014	59,037	Purchase	2,46,20,911	1.30
				28 November 2014	7,87,931	Purchase	2,54,08,842	1.34
				05 December 2014	(1,04,941)	Sale	2,53,03,901	1.34
				12 December 2014	(12,18,163)	Sale	2,40,85,738	1.27
				19 December 2014	(2,40,41,779)	Purchase	4,81,27,517	2.55
				19 December 2014	(2,40,85,738)	Sale	2,40,41,779	1.27

SI No.	Name of the Share Holder	No. of shares at the beginning of the year/ end of the year	% of total shares of the company	Date	Increase/ Decrease in share holding	Cumulative Shareholding during the Year		
						Reason	No. of Shares	% of total shares of the company
7	Fidelity Investment Trust Fidelity Series Emerging Markets Fund	2,93,33,119 1,37,34,509	1.55 0.73	31 December 2014	90,199	Purchase	2,41,31,978	1.28
				02 January 2015	43,399	Purchase	2,41,75,377	1.28
				09 January 2015	(1,41,836)	Sale	2,40,33,541	1.27
				16 January 2015	22,123	Purchase	2,40,55,664	1.27
				23 January 2015	(2,38,786)	Sale	2,38,16,878	1.26
				30 January 2015	(4,01,240)	Sale	2,34,15,638	1.24
				06 February 2015	(11,96,431)	Sale	2,22,19,207	1.17
				13 February 2015	(5,57,885)	Sale	2,16,61,322	1.15
				20 February 2015	(2,12,136)	Sale	2,14,49,186	1.13
				27 February 2015	90,315	Purchase	2,15,39,501	1.14
				06 March 2015	78,93,674	Purchase	2,94,33,175	1.56
				13 March 2015	94,508	Purchase	2,95,27,683	1.56
				20 March 2015	1,61,996	Purchase	2,96,89,679	1.57
				27 March 2015	(3,58,608)	Sale	2,93,33,119	1.55
				31 March 2015	2,048	Purchase	2,93,33,119	1.55
				31 March 2015	2,93,33,119	Closing Balance	2,93,33,119	1.55
		1,37,34,509	0.73	01 April 2014		Opening Balance	1,37,34,509	0.73
				25 April 2014	82,622	Purchase	1,38,17,131	0.73
				02 May 2014	1,47,444	Purchase	1,39,64,575	0.74
				16 May 2014	95,587	Purchase	1,40,60,162	0.74
				30 May 2014	(2,66,217)	Sale	1,37,93,945	0.73
				13 June 2014	(4,14,322)	Sale	1,33,79,623	0.71
				20 June 2014	(15,01,533)	Sale	1,18,78,090	0.63
				30 June 2014	(77,471)	Sale	1,18,00,619	0.62
				11 July 2014	(3,94,207)	Sale	1,14,06,412	0.60
				18 July 2014	(22,730)	Sale	1,13,83,682	0.60
				25 July 2014	(3,16,110)	Sale	1,10,67,572	0.59
				01 August 2014	(2,45,852)	Sale	1,08,21,720	0.57
				08 August 2014	32,006	Purchase	1,08,53,726	0.57
				22 August 2014	3,70,354	Purchase	1,12,24,080	0.59
				12 September 2014	1,95,382	Purchase	1,14,19,462	0.60
				19 September 2014	3,39,123	Purchase	1,17,58,585	0.62
				30 September 2014	3,60,632	Purchase	1,21,19,217	0.64
				10 October 2014	4,10,254	Purchase	1,25,29,471	0.66
				17 October 2014	1,23,839	Purchase	1,26,53,310	0.67
				24 October 2014	(1,04,082)	Sale	1,25,49,228	0.66
				31 October 2014	96,142	Purchase	1,26,45,370	0.67
				07 November 2014	2,06,743	Purchase	1,28,52,113	0.68
				14 November 2014	4,44,797	Purchase	1,32,96,910	0.70
				21 November 2014	3,14,604	Purchase	1,36,11,514	0.72
				28 November 2014	11,72,648	Purchase	1,47,84,162	0.78
				05 December 2014	1,75,328	Purchase	1,49,59,490	0.79
				12 December 2014	4,81,831	Purchase	1,54,41,321	0.82
				06 February 2015	(66,121)	Sale	1,53,75,200	0.81
				13 February 2015	(9,43,244)	Sale	1,44,31,956	0.76
				20 February 2015	(7,11,875)	Sale	1,37,20,081	0.73
				27 February 2015	(1,73,390)	Sale	1,35,46,691	0.72
				13 March 2015	1,14,926	Purchase	1,36,61,617	0.72
				27 March 2015	2,42,081	Purchase	1,39,03,698	0.73
				31 March 2015		Closing Balance	1,39,03,698	0.73

SI No.	Name of the Share Holder	Cumulative Shareholding during the Year						
		No. of shares at the beginning of the year/ end of the year	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No. of Shares	% of total shares of the company
8	Swiss Finance Corporation (Mauritius) Limited	1,00,14,973	0.53	01 April 2014		Opening Balance	1,00,14,973	0.53
				04 April 2014	(40,058)	Sale	99,74,915	0.53
				11 April 2014	(57,825)	Sale	99,17,090	0.52
				25 April 2014	(1,52,082)	Sale	97,65,008	0.52
				02 May 2014	(18,36,114)	Sale	79,28,894	0.42
				09 May 2014	(26,273)	Sale	79,02,621	0.42
				23 May 2014	19,100	Purchase	79,21,721	0.42
				06 June 2014	(8,570)	Sale	79,13,151	0.42
				13 June 2014	(7,600)	Sale	79,05,551	0.42
				20 June 2014	(94,909)	Sale	78,10,642	0.41
				30 June 2014	(55)	Sale	78,10,587	0.41
				04 July 2014	(3,200)	Sale	78,07,387	0.41
				18 July 2014	(2,448)	Sale	78,04,939	0.41
				25 July 2014	(3,000)	Sale	78,01,939	0.41
				08 August 2014	7,17,943	Purchase	85,19,882	0.45
				15 August 2014	7,07,579	Purchase	92,27,461	0.49
				22 August 2014	(1,41,030)	Sale	90,86,431	0.48
				29 August 2014	(69,980)	Sale	90,16,451	0.48
				12 September 2014	5,156	Purchase	90,21,607	0.48
				19 September 2014	82,900	Purchase	91,04,507	0.48
				30 September 2014	(60,676)	Sale	90,43,831	0.48
				24 October 2014	1,22,077	Purchase	91,65,908	0.48
				31 October 2014	27,000	Purchase	91,92,908	0.49
				07 November 2014	4,54,143	Purchase	96,47,051	0.51
				14 November 2014	(1,93,723)	Sale	94,53,328	0.50
				21 November 2014	(4,43,542)	Sale	90,09,786	0.48
				28 November 2014	(9,24,450)	Sale	80,85,336	0.43
				05 December 2014	1,89,851	Purchase	82,75,187	0.44
				12 December 2014	(7,27,687)	Sale	75,47,500	0.40
				19 December 2014	27,518	Purchase	75,75,018	0.40
				31 December 2014	(1,33,812)	Sale	74,41,206	0.39
				16 January 2015	2,948	Purchase	74,44,154	0.39
				30 January 2015	2,05,767	Purchase	76,49,921	0.40
				06 February 2015	(1,26,740)	Sale	75,23,181	0.40
				13 February 2015	(1,93,536)	Sale	73,29,645	0.39
				20 February 2015	1,36,000	Purchase	74,65,645	0.39
				27 February 2015	3,23,861	Purchase	77,89,506	0.41
				06 March 2015	35,27,598	Purchase	1,13,17,104	0.60
				13 March 2015	(39,37,804)	Sale	73,79,300	0.39
				20 March 2015	(2,01,321)	Sale	71,77,979	0.38
				27 March 2015	(978)	Sale	71,77,001	0.38
				31 March 2015	81,697	Purchase	72,58,698	0.38
						Closing Balance	72,58,698	0.38
9	AXA Towers India	72,58,698	0.38	31 March 2015		Opening Balance	90,13,920	0.48
10	Life Insurance Corporation of India	89,82,869	0.48	01 April 2014		Closing Balance	89,82,869	0.47
				31 March 2015		Opening Balance		
				31 March 2015		Closing Balance		

## (v) Shareholding of Directors and Key Managerial Personnel:

SI No.	Name	Shareholding at the beginning of the year/ end of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Akhil Gupta (Chairman)	350,000	0.0185	01 April 2014		Opening Balance	350,000	0.0185
				08 May 2014	200,000	ESOP allotment	550,000	0.0291
				17 June 2014	450,000	ESOP allotment	1,000,000	0.0529
				19 December 2014	(224,430)	Market Sale	775,570	0.0410
				24 December 2014	(75,570)	Market Sale	700,000	0.0370
				26 December 2014	(35,571)	Market Sale	664,429	0.0351
				31 December 2014	(150,000)	Market Sale	514,429	0.0272
				01 January 2015	(5,000)	Market Sale	509,429	0.0269
				02 January 2015	(100,000)	Market Sale	409,429	0.0217
				14 January 2015	990,571	ESOP allotment	1,400,000	0.0740
				16 February 2015	(205,050)	Market Sale	1,194,950	0.0632
				18 February 2015	(44,950)	Market Sale	1,150,000	0.0608
				19 February 2015	(100,000)	Market Sale	1,050,000	0.0555
				23 February 2015	(120,000)	Market Sale	930,000	0.0492
				24 February 2015	(230,000)	Market Sale	700,000	0.0370
				27 February 2015	(30,000)	Market Sale	670,000	0.0354
				02 March 2015	(120,000)	Market Sale	550,000	0.0291
				09 March 2015	(140,000)	Market Sale	410,000	0.0217
				10 March 2015	(200,000)	Market Sale	210,000	0.0111
				11 March 2015	(210,000)	Market Sale	0	-
				12 March 2015	1,275,000	ESOP allotment	1,275,000	0.0674
				23 March 2015	900,000	ESOP allotment	2,175,000	0.1149
		2,175,000	0.1149	31 March 2015		Closing Balance	2,175,000	0.1149
2	Bharat Sumant Raut (Non- executive Director)	-	-	01 April 2014		No transaction	-	-
		-	-	31 March 2015			-	-
3	D S Rawat (Managing Director & CEO)	23,080	0.0012	01 April 2014		Opening Balance	23,080	0.0012
				04 September 2014	25,531	ESOP allotment	48,611	0.0026
				08 September 2014	(23,080)	Market Sale	25,531	0.0014
				18 November 2014	30,551	ESOP allotment	56,082	0.0030
		56,082	0.0030	31 March 2015		Closing Balance	56,082	0.0030

SI 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
4	Jitender Balakrishnan (Non- executive Director)	-	-	01 April 2014		No transaction	-	-
		-	-	31 March 2015			-	-
5	Leena Srivastava (Non- executive Director)	-	-	01 April 2014		No transaction	-	-
		-	-	31 March 2015			-	-
6	Mark Chin Kok Chong (Non- executive Director)	-	-	01 April 2014		No transaction	-	-
		-	-	31 March 2015			-	-
7	Narayanan Kumar (Non- executive Director)	-	-	01 April 2014		No transaction	-	-
		-	-	31 March 2015			-	-
8	Rakesh Bharti Mittal (Non- executive Director)	-	-	01 April 2014		No transaction	-	-
		-	-	31 March 2015			-	-
9	Sanjay Nayar* (Non- executive Director)	-	-	01 April 2014		No transaction	-	-
		-	-	31 March 2015			-	-
10	Vinod Dhall (Non- executive Director)	-	-	01 April 2014		No transaction	-	-
		-	-	31 March 2015			-	-
11	Pankaj Miglani (Chief Financial Officer)	-	-	01 April 2014		No transaction	-	-
		-	-	31 March 2015			-	-
12	Anupam Garg (Company Secretary)	-	-	01 April 2014		Opening Balance	-	-
				09 September 2014	100	Market Purchase	100	0.0000
		100	0.0000	31 March 2015		Closing Balance	100	0.0000

\* Sanjay Nayar ceased to be a director w.e.f. March 13, 2015

**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:**

SI No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		(in ₹) Total Amount
		Akhil Gupta (Chairman)	D S Rawat (Managing Director & CEO)	
1	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax act ,1961	86,584,776	27,202,331	113,787,107
	(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	868,735,535	9,039,609	877,775,144
	(iii) others	-	-	-
	(c) Profit In lieu of salary under section 17(3) of Income tax Act, 1961	-	-	-
2	<b>Stock Option</b>			
	-Granted	-	-	-
	-Exercised (perquisite value)	-	-	-
3	<b>Sweat Equity</b>			
	-Granted	-	-	-
	-Exercised (perquisite value)	-	-	-
4	<b>Commission</b>			
	-as % of profit	-	-	-
	-others, specify	-	-	-
5	Others (Company's contribution to PF)	5,393,376	1,105,920	6,499,296
	<b>Total (A)</b>	<b>960,753,287</b>	<b>37,347,860</b>	<b>998,101,147</b>
	Ceiling as per the Companies Act, 2013			3,367,278,864

**B. Remuneration to other directors:**

Particulars of Remuneration	Name of Director								(in ₹) Total Amount
	Bharat Sumantr Raut	N Kumar	Leena Srivastava	Jitender Balakrishnan	Vinod Dhall	Rakesh Bharti Mittal	Mark Chin Kok Chong	Sanjay Nayar^	
	Independent Director				Non-executive Director				
<b>Fee for attending board/ committee meetings</b>	-	-	-	-	-	-	-	-	-
Commission\$	2,000,000	1,500,000	1,125,000	1,500,000	1,500,000	750,000	750,000*	562,500	9,687,500
Others, please specify	-	-	-	-	-	-	-	-	-
<b>Total (B)</b>	<b>2,000,000</b>	<b>1,500,000</b>	<b>1,125,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>750,000</b>	<b>750,000*</b>	<b>562,500</b>	<b>9,687,500</b>
Ceiling as per the Companies Act, 2013									336,727,886
<b>Total Managerial Remuneration (A+B)</b>									<b>1,007,788,647</b>
Overall Ceiling as per the Companies Act, 2013									3,704,006,751

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

\* This includes commission of ₹ 187,500 paid to Tan Yong Choo who attended board meeting held on February 3, 2015 as alternate of Mr. Mark Chin Kok Chong.

^ Sanjay Nayar ceased to be director w.e.f. March 13, 2015

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD

SI No.	Particulars of Remuneration	Key Managerial Personnel		(in ₹) Total Amount
		Pankaj Miglani (Chief Financial Officer)	Anupam Garg (Company Secretary)	
1	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax act ,1961	14,112,626	3,221,568	17,334,194
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961			
	(i) Perquisite value of Car	39,600	16,200	55,800
	(ii) Perquisite value of ESOPs exercised during the year	-	-	-
	(iii) others	-	4,280	4,280
	(c) Profit In lieu of salary under section 17(3) of Income tax Act, 1961	-	-	-
2	<b>Stock Option</b>			
	-Granted	-	-	-
	-Exercised (perquisite value)	-	-	-
3	<b>Sweat Equity</b>			
	-Granted	-	-	-
	-Exercised (perquisite value)	-	-	-
4	<b>Commission</b>			
	-as % of profit	-	-	-
	-others, specify	-	-	-
5	Others (Company's contribution to PF)	657,800	170,696	828,496
	<b>Total</b>	<b>14,810,026</b>	<b>3,412,744</b>	<b>18,222,770</b>

VII. There were no penalties/ punishment/ compounding of offences for the year ending March 31, 2015.

## Annexure - K

At Bharti Infratel, we believe a healthy environment is a pre-requisite for progress, well-being of society, our people, our business, and serves as the foundation for a sustainable and strong economy. In view of this, one of the visions we have set for ourselves is to be known for environment friendliness. A statement relating to conservation of energy, technology absorption, foreign exchange earnings and outgo is stated hereunder:

### A. CONSERVATION OF ENERGY

- (i) the steps taken or impact on conservation of energy

Our goal to be a Green Company co-relates with our business model of sharing vital infrastructure in the form of telecom towers. Every co-location we add to the network helps bring down energy consumption led by synergies of sharing.

To drive this vision, we launched Green Towers P7 program in 2010 with the aim of minimising dependency on diesel and, thereby, attaining carbon footprint reduction. During the year, we continued significant investments in this program.

For more details, please refer the section 'Encouraging Eco-friendliness' under CSR section on page 26 of this report.

- (ii) The steps taken by the company for utilising alternate sources of energy

One of the three key strategic pillars of Green Towers P7 program at our Company is use of renewable energy resources. As part of this program, we have made major investments on deployment of Solar Photovoltaic (PV) solutions. Today, we operate solar network on more than 2,800 towers with a cumulative capacity in excess of 11 MW. This gives us the largest solar footprint in telecom sector.

For more details, please refer the section 'Encouraging Eco-friendliness' under CSR section on page 26 of this report.

- (iii) The capital investment on energy conservation equipment

During the financial year 2014-15, the Company has incurred a capex of over ₹ 1,400 Mn on a consolidated basis on energy conservation. Total energy conservation capex invested at the end of financial year 2014-15 stands in excess of ₹ 3,200 Mn on a consolidated basis.

### 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: ₹ 8 Mn  
(Including ₹ 3 Mn remitted for dividend)

# Management Discussion & Analysis

## ECONOMIC OVERVIEW

Today, India is the third largest economy in the world in terms of Purchasing Power Parity (PPP). Valued at around USD 7.4 Tn (PPP), it is soon poised to become the fastest growing large economy in the world according to IMF's Regional Economic Outlook for Asia. In terms of population, India is second in the world, with more than 1.2 Bn people, out of which nearly 2/3rd happen to be in their working age. With such a large working population, India is steadily emerging as a dominant force in the world economy. The country, now home to globally recognised companies in Pharmaceuticals, Telecom, Steel and IT etc. is an important voice on the international stage that is more in keeping with its enormous size and potential.

After a brief lull in the early part of the year, economic growth picked up in the later part of 2014-15. Fiscal deficit remained under control during the year. Inflation too witnessed a marked decline, and the external position became comfortable helped by lower global oil prices. The outlook for the economy improved during the year as the new Government at the Centre not only focused on increased spending in infrastructure but take forward the reforms agenda in earnest. The government underscored its intention to move steadily to tackle politically difficult structural issues that have stalled investment and limited economic performance in recent years.

The new Government ushered in some fresh ideas to resurrect the economy. Through the 'Make in India' initiative, the Government aims to develop India as a globally competitive manufacturing hub. Communication and modern infrastructure have been identified as important tools for growth. Successful implementation of ideas like 'Digital India' and 'Smart Cities' will ensure the creation of 'connected villages' and cities that are equipped with world-

**A 10% increase in mobile and broadband penetration increases the per capita GDP by 0.81% and 1.38% respectively in the developing countries.**

— World Bank

class infrastructure, provide affordable public services, and have a business-friendly climate to attract investments.

The combination of a strong and stable democratic government, and the relatively free play of market forces today combine to make India amongst most attractive investment destination.

## INDIAN TELECOM INDUSTRY OVERVIEW

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 970 Mn at the end of March 2015 (source – TRAI) from 99 Mn at the end of FY 2005-06. 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.

Mobile Data is emerging as the next growth frontier for the telecom industry. Key enablers driving uptake of data are likely to be:

- Quality network rollout by operators
- Availability of diverse vernacular content at affordable prices to enable proliferation across rural India
- Growth of m-business solutions and m-Commerce
- Mobile apps explosion
- Maturity of overall ecosystem which will drive down the prices of smartphones even further and even higher penetration, and
- M2M ecosystem calling for connectivity of all devices.

As per the latest report from Internet and Mobile Association of India (IAMAI), the number of total mobile internet users in India as on December 31, 2014 was 173 Mn which is expected to reach 213 Mn by June 2015, witnessing a growth of more than 23% in 6 months. For the Telecom tower industry rollout of data networks is going to be a critical driver of growth in future.

As per the latest NSN MBIT Index the overall data usage grew from 26 Petabyte at end of December 2012 to 85 Petabyte at the end December 2014; a growth of ~227% over the period of 2 years. 3G has been the driver of growth in overall mobile data consumption in India and 3G data consumption grew at 114% while 2G was able to achieve 41% growth for the year ended on December 31, 2014. The same report also points to the fact that a 3G subscriber consumes over 3 times more data than his 2G counterpart. Average data usage per month for a 3G user came at 680MB as compared to 216MB for a 2G user during the Calendar Year 2014. We believe, that the data networks follow the principle of 'Supply led Demand' which means as the availability of high speed data networks increase, more and more Petabytes will be consumed.

#### HIGHLIGHTS OF THE YEAR

- During the year, Bharti Infratel, on a standalone basis, crossed the sharing factor of 2.0 times – a critical milestone for a tower Company.
- The promoter (Bharti Airtel) undertook an 'Offer for Sale' in August 2014 to offload 4.5% of Bharti Infratel stake, which helped the Company meet the 'Minimum Public Shareholding Norms' well in advance of the deadline of December 31, 2015.
- Bharti Airtel sold another 3% of their stake in February 2015, which helped improve the trading volume of the Bharti Infratel stock. Bharti Airtel now holds 71.8% in Bharti Infratel.
- During the year, shareholder's resolution was passed to increase the foreign ownership limit to 49% from existing 24%. The resolution was passed in December 2014 and notified by Reserve Bank of India in February 2015, post which the foreign ownership limit in Bharti Infratel is now 49%.
- The investors reposed their faith in the robustness of the business model and the Foreign Institutional ownership touched an all-time high of 22.45% on March 31, 2014 as compared to 8.65% at the time of IPO in December 2012.
- During FY 2014-15 the stock gained close to 90% as compared to the price a year ago – outperformed the NIFTY index by 63%.

- The Company made it to the Top 30 companies list on the basis of market capitalisation – As on March 31, 2015, the market capitalisation was ₹ 729 Bn.

#### REGULATORY CHANGES IN THE SECTOR

Key regulatory developments during FY 2014-15 were as follows:

##### **IMC final recommendations on DOT Directive on Green Telecom**

After having a detailed discussions with various concerned stakeholders i.e. telecom service providers, IP-1's, industry associations etc., the Inter-ministerial Committee (IMC) have issued interalia the following final major recommendations:

- DOT directive of January 2012 needs to be calibrated keeping in view the current status of Renewable Energy Technology (RET) deployment / learning /significant changes in technologies /optimum energy solutions available
- The penalty as proposed earlier in the directive should not be linked to the achievement of RET targets at present
- In urban areas, the outdoor BTS installations should be made diesel free to the extent possible with required capacity of efficient storage batteries back up and RET systems
- Overall objective should be reduction of diesel consumption
- Methodology for measuring carbon emission to be aligned with international practices
- To consider diesel free sites towards meeting the objective of Green telecom
- Use of energy efficient BTS, use of DAS and active infra sharing by Telecom Service Providers'
- Support and incentives to industry including benefits of accelerated depreciation, concessional loans with longer tenure, and performance based incentives for deploying RET solutions etc.

---

**In India, mobile data traffic is expected to grow 13 fold from 2014 to 2019, a CAGR of 67%.**

**- CISCO VNI forecast.**

## **TRAI Recommendations on Definition of Revenue Base (AGR) for the reckoning of License fee and Spectrum usage charges**

TRAI had issued a Consultation Paper on the aforesaid subject on July 31, 2014. Thereafter, an Open House discussion was conducted in October, 2014 with the concerned stakeholders.

After considering the submissions by stakeholders and further analysis, the Authority has come out with its recommendations on the aforesaid consultation paper, vide Press Release No. 03/2015 dated January 6, 2015.

One of the salient feature of the said recommendation pertaining to our industry is “IP-I services may not be brought under the licensing regime”.



## **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 data services, driven by India's growing young urban population and availability of affordable handsets. Acceleration in demand has been well supported by the proliferation of relevant applications and content. Operators, having spent over ₹ 2,900 Bn on the 3G and 4G licenses since 2010 are intensely focused on growing the data story. During the recent spectrum auctions in March 2015, most of the big and serious players have acquired spectrum in a way so as to offer data services in maximum number of circles either through 3G or 4G at later stage. The top 3 operators (our anchor customers) have not only renewed their licenses but also increased their spectrum holding in select circles. In 14 circles, fresh 2100 Mhz was bought by the operators, which will all be used for 3G network rollouts.

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.

#### **Low rural penetration levels**

Indian telecom market has a huge untapped potential in the rural areas. With rural tele-density still at 46.7% (as in January 2015, Source – TRAI), there is significant headroom for growth in voice services currently and in data services over time.

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

#### **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.

Bharti Infratel and our JV partner Indus have already signed tower sharing agreements with Reliance Jio wherein Reliance Jio would utilise the telecom tower infrastructure of Bharti Infratel and Indus to launch its services across the country. Today, we are proud to say that all operators in the country are our customers.

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 are already seeing orders coming from Jio and all these tenancies are data only tenancies.

#### New Revenue Streams

Considering the proliferation of data services and expansion of 3G/4G network, there is likely to be a surge in demand for In-building solutions. Global data usage reports suggest that over 70% of data is generated indoors. Further, TRAI in its recommendations on Telecom Infrastructure Policy dated April 2011 promoted Indoor Building Solutions (IBS) sharing and provided for IP-1 and telecom service providers to be mandated to share IBS / DAS system.

All these developments open up a host of opportunities on IBS network installations and also, setting up of Wi-Fi hotspots. In addition, there exists the possibility of offering transmission backhaul through optical fiber connectivity at towers to address the emerging data network demands.

These opportunities are likely to scale up substantially with the unfolding of the Government's Digital India and Smart Cities campaign.

We have undertaken few trials of IBS installations at high footfall locations on behalf of operators. We believe we are best positioned to build such vital infrastructure and offer the same on sharing basis to all customers on a non-discriminatory basis under the required licenses.

#### Grant of Infrastructure Status to Telecom Towers

The Cabinet Committee on Infrastructure has approved the framework for using the harmonised master list of infrastructure sub-sectors, which was notified in the Official Gazette of India on March 28, 2012. The harmonised list of infrastructure sub-sectors includes 'telecommunication towers' under the 'Communication' category. This development will result in the telecom towers industry benefiting through higher ECB limits, eligibility for viability

**The good news is that pricing power is expected to return to the operators, leading to better health and viability of the sector. The quest for quality, profitability and viability on the operator side is a welcome sign for long-term growth of the tower industry.**

gap funding, lower lending rates, lower import duties, certain excise exemptions, tax holidays and accelerated depreciation benefits.

Tower and Infrastructure Providers Association (TAIPA) has made submissions to the Ministry of Finance and other Government bodies to provide the benefits envisaged for tower companies.

#### Clarity in Regulatory Environment

After continuous regulator uncertainty in the past, FY 2014-15 was 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 last year and this will prove to be a catalyst for accelerated network rollouts in future. With license renewals already done, the operators are waiting for favorable M&A guidelines which will lead to consolidation of the industry.

The good news is that pricing power is expected to return to the operators, leading to better health and viability of the sector. 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 and fiscal discipline 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 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.

### **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 ~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 put up a healthy performance in FY 2014-15.

On a consolidated basis, the Company added 15,092 net co-locations during the year. As on March 31, 2015, average sharing factor stood at 2.11 times, on a consolidated basis (with a closing sharing factor of 2.12)

Our consolidated revenue from operations for the year ended March 31, 2015 was ₹ 116,683 Mn, a growth of 7.8% compared to year ended March 31, 2014. Our consolidated revenue comprises of primarily revenues from co-locations

of Bharti Infratel and 42% economic Interest in Indus and their energy billings. As on March 31, 2015, Bharti Infratel and Indus had average sharing factors of 2.03 (with closing sharing factor of 2.04) and 2.17 (with closing sharing factor of 2.19) per tower, respectively.

The Company had an EBITDA of ₹ 50,108 Mn witnessing a growth of 13.6% year on year. The EBITDA margin for the financial year ended March 31, 2015 was 42.9%. The Company reported a net income of ₹ 19,924 Mn for the full year ended March 31, 2015 i.e. 17.1% of our consolidated revenues, registering Y-o-Y growth of 31.3%.

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, 1956. 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.

### **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 some improvements, the regulatory environment in India continues to be challenging. The telecom operators are still awaiting for favorable guidelines on spectrum sharing & trading and also on mergers and acquisitions. Regulatory developments will have significant implications on the future of telephony as well as India's global competitiveness. The top 3 operators in the country have close to 72% revenue

## 15,092

**Net co-locations added by the Company on a consolidated basis, as compared to 10,594 in FY14.**

markets share and we derive a substantial portion of our revenues from the three largest telecom players in India. For us the regulatory risk is mitigated to a large extent.

### 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 J&K floods and Cyclone Hudhud in Andhra Pradesh and Odisha, 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 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.

### 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 become 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 introduced the 'Quality of Hire' parameters in order to attract & hire quality talent.

The Company has hired 12 young talents from premier technical institutes like NITs as a part of our Graduate Engineer Trainee (GET) programme. These young recruits are going through a rigorous development programme 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 programme.

#### Diversity

During FY 2014-15, we outlined a Diversity vision for the Company. Our vision is to promote a diverse and inclusive environment by building a diversity enabling culture through education, inclusiveness, collaboration, and respect. To take the vision forward, we also introduced a women's

network – ‘Women in Business’ to create a platform for women employees to interact and share ideas.

This year improving gender diversity remained a key focus area and gender diversity has improved from 8% to 12% of recruits during FY 2014-15.

#### **Career Framework and Career Plans**

We have developed functional career paths and career plans in form of the ‘Rise’ programme for all eligible employees. We strengthened the internal job posting process in order to provide larger roles to our talent across geographies. This year, we were able to provide numerous role changes within and across Circles 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. Our process is focused on differentiation of employees based on potential and developing a proposition for high potential talent. We also launched a first time manager programme – ‘Be More’ to develop 100% of middle management leading large teams in managerial effectiveness.

#### **Employee Recognition**

This year our focus was to enhance employee recognition. We introduced a new recognition scheme ‘Applause’ with various award categories. This was well received and employees were recognised at all levels for key achievements and for displaying core values.

#### **Safety**

This year Safety has been a pivotal people agenda. Safety governance takes place at the highest levels in the organisation. Through the year we had theme based employee communication forums & Safety awareness campaigns to build a culture of Safety in the organisation.

---

**As a result of all the focused efforts through the year, Aon Hewitt recognised Bharti Infratel as one of the ‘Best Employers’ in FY 2014-15. Recognising the high Engagement levels, Aon Hewitt has also bestowed upon us a special category of award for ‘Commitment to Engagement’.**

#### **OUTLOOK**

Telecommunication in India has evolved rapidly over the last decade. Today, the sector is at a sharp inflection point as the market prepares to shift decisively from its ‘voice centric’ nature to an incrementally ‘data dominant’ one. The large scale investments made by operators in spectrum acquisition in the last few years only makes it imperative for them to step up their network roll out plans. Operators on their part too are exhibiting a renewed thrust on roll out to facilitate seamless connectivity and technology innovations to offer new data services on different platforms.

Telecom Tower Infrastructure is vital for running the mobile networks. The tower companies have helped the operators to rollout the networks at a faster pace, bring in operational efficiencies and guarantee uptime and service quality. Bharti Infratel’s outlook is in line with future growth potential of the sector. With a pan India presence, significant deployment expertise and healthy customer relationships with India’s leading telecom operators, the Company is poised to benefit from all growth opportunities in the Indian market. Bharti Infratel aims to be an integrated telecom infrastructure provider and cater to all the passive infrastructure requirements of the operators.

#### **SUMMARY**

After the relative slowdown during the last few years, Indian economy experienced sustained recovery during FY 2014-15. The revival is likely to gain further momentum in the coming years. Today, the telecom sector is witnessing a sharp rise in demand for internet access both in terms of speed of access and coverage. This in effect means that telecom operators not only need to continuously upgrade their network infrastructure but introduce new technologies as well. Favorable demographics, increasing spending power and the new government’s thrust on increasing rural telecom coverage will ensure that the telecom sector continues its forward march on a high growth path.

As a leading provider of telecom tower Infrastructure services, the Company is well positioned to benefit from the secular growth of this sector. Our continued focus on cost and synergies across the organisation will keep us in a healthy financial position and will further aid the vision and goal of providing affordable telephone and broadband access to all parts of the country.

# Report on Corporate Governance

## GOVERNANCE PHILOSOPHY

Pursuant to Clause 49 of the Listing Agreement entered with Stock Exchanges and the Companies Act, 2013, the report contains the details of Corporate Governance system and process at Bharti Infratel Limited (“The Company”). We believe in adopting the well accepted corporate governance practices and benchmark the same and strive to improve them continuously. Our guiding principles and practices are summarised in this Corporate Governance Report. These are articulated through the company's code of business conduct, corporate governance guidelines, charters of various committees of the Board and Company's disclosure policies. These policies seek to focus on enhancement of long term shareholders' value without compromising on Ethical Standards and Corporate Social Responsibilities.

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

Our corporate governance philosophy is based on the following principles:

- Well-experienced and diverse Board of Directors;
- Adoption of transparent procedures and practices and arriving at decisions 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;
- Informal meeting of independent directors without the presence of any Non-Independent / Executive Directors to identify areas where they need more clarity or information and then put them before the Board;
- Reviewing regularly and establishing effective meeting practices that encourage active participation and contribution from all members;
- Independence of directors in reviewing and approving corporate strategy, major business plans and activities;
- Well defined corporate structure that establishes checks and balances and delegates decision making to appropriate levels in the organisation, though the Board remains in effective control of the affairs of the Company at all times.

## Governance Structure

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

- a) Strategic Supervision and Direction – by the Board of Directors, who exercise independent judgment in overseeing management performance on behalf of the shareowners and other stakeholders and hence, play a vital role in the oversight and management of the Company;
- b) Control and implementation – by the Infratel Executive Committee, chaired by the Managing Director and CEO. This team owns and drives company-wide processes, systems and policies and meets on a monthly basis to review execution of business strategy and ensure that operational synergies are achieved. This team also functions as a role model for leadership development and as a catalyst for imbibing customer centricity and meritocracy in the culture of the Company;
- c) Operations management – by the Circle Executive Committee, headed by the Circle Business Head, for day-to-day management and decision making, focused on enhancing the efficiency and effectiveness of the circle business indicators ; and
- d) Risk Steering Committee which monitors the effectiveness of the risk management policy, and reviews the progress on the risk mitigation steps being taken by the Company.

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

## BOARD OF DIRECTORS

### Board Diversity and Structure

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

### Board Composition

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 Board composition is an appropriate mix of executive and independent directors to maintain the independence of the Board and separates its functions of governance and management. As on March 31, 2015, the Board consists of 9 members out of which 2 are Executive Directors, 2 are Non-Executive Non-Independent Directors and 5 are Non-Executive Independent Directors.

Detail profile of each of the directors is available on the website of the Company at [www.bharti-infratel.com](http://www.bharti-infratel.com).

Details of Board Composition are as follows:

Name of Director(s)	Category	No. of outside directorships <sup>1</sup>	Committee membership/ chairmanship <sup>2</sup>	
			Membership including chairmanship	Chairmanship
Mr. Akhil Gupta (DIN No. 00028728)	Chairman	6	4	NIL
Mr. Bharat Sumant Raut (DIN No. 00066080)	Non-Executive Independent Director	5	4	3
Mr. D S Rawat (DIN No. 06798626)	Managing Director & CEO	1	1	NIL
Mr. Jitender Balakrishnan (DIN No. 00028320)	Non-Executive Independent Director	9	6	1
Ms. Leena Srivastava (DIN No. 00005737)	Non-Executive Independent Director	2	NIL	NIL
Mr. Mark Chin Kok Chong (DIN No. 06638569)	Non-Executive Non-Independent Director	1	NIL	NIL
Mr. N Kumar (DIN No. 00007848)	Non-Executive Independent Director	6	5	3
Mr. Rakesh Bharti Mittal (DIN No. 00042494)	Non-Executive Non-Independent Director	4	2	1
Mr. Vinod Dhall (DIN No. 02591373)	Non-Executive Independent Director	7	9	4

1 Excluding private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013.

2 Committees for this purpose mean Audit Committee and Stakeholders' Relationship Committee of Indian public companies, including committees of Bharti Infratel Limited.

### Independent Directors

The Company has adopted provisions with respect to Independent Directors, their roles, responsibilities and duties which are consistent with the provisions of Clause 49 of the Listing Agreement and Section 149 of the Companies Act, 2013.

We have in place a comprehensive policy on Independent Directors that 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. As per the policy:

- The Independent Director must meet the baseline definition and criteria on "independence" as set out in

Section 149 read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement and other applicable regulations, as amended from time to time;

- The Independent Director must not be disqualified from being appointed as director in terms of Section 164 and other applicable provisions of the Companies Act, 2013;
- The minimum age is 25 years and should not be more than 70 years of age.

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](http://www.bharti-infratel.com).

At the time of appointment and thereafter every year in April, the Independent Directors submit a self-declaration confirming their independence and compliance with various eligibility criteria laid down by the Company among other things. In addition, the Company also ensures that the 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 to Independent Directors.
- liaise between the Chairman and Managing Director, the management and the independent directors.
- perform such other roles as may be delegated to the Lead Independent Director by the Board/ Independent Directors.

#### **Meetings of Independent Directors**

The Independent Directors meet separately prior to the commencement of every Board meeting, without the presence of any Non-Independent Director or representatives of management to discuss and form an independent opinion on the agenda items and various other board-related matters and to annually review the performance of Non-Independent Directors, the Board as a whole and the Chairman.

During FY 2014-15, the Independent Directors met four times on April 24, 2014; July 24, 2014; October 27, 2014 and February 3, 2015.

#### **Familiarisation Programme for Board Members**

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Committee Meetings on business and performance updates of the Company, business environment, business strategy and risks involved.

Business updates on relevant changes are regularly circulated to the directors. Site visits are organised for the directors to enable them to understand the operations of the Company.

The details of such familiarisation programmes are posted on the website of the Company and can be accessed at [https://www.bharti-infratel.com/cps-portal/web/corporate\\_gov.html#4](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 is fixed in advance for the whole year. 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 one hundred and twenty days. In case of an urgent necessity, additional Board meeting is called. Board meetings are generally held at the registered office of the Company situated in New Delhi.

The Audit & 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 meeting.

The Company Secretary, in consultation with the Chairman, prepares the agenda of the Board and Committee meetings. The detailed agenda along with explanatory notes and annexures, as applicable are sent to the Board 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'. Sensitive subject matters are discussed at the meeting without written material being circulated in advance.

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 supplied to Board**

The Board meets at regular interval to discuss and decide

on company's business policy and strategy apart from other Board business. Board members are given agenda papers along with necessary documents and information in advance of each meeting of the Board and Committee(s). Strategy Board meetings are held where business and functional heads share with the Board their short term and long term plans, major activities, likely risks and challenges with actions to mitigate them in their respective areas. The Board's suggestions and comments are incorporated in the business plans of the Company.

#### **Number of Board Meetings**

During FY 2014-15, the Board met five times i.e. on April 24, 2014, July 17, 2014, July 24, 2014, October 27, 2014 and February 3, 2015. Requisite information, according to the requirements of Clause 49 of the Listing Agreement is provided below:

#### **Name of Director(s)**

Mr. Akhil Gupta
Mr. Bharat Suman Raut
Mr. D S Rawat
Mr. Jitender Balakrishnan
Ms. Leena Srivastava
Mr. Mark Chin Kok Chong <sup>2</sup>
Mr. N Kumar
Mr. Rakesh Bharti Mittal
Mr. Vinod Dhall
Mr. Sanjay Nayar <sup>3</sup>

<b>No. of Board Meetings held during his/her tenure and attended<sup>1</sup></b>	<b>Attendance at last AGM</b>	
	<b>Held</b>	<b>Attended</b>
5	5	Yes
5	5	Yes
5	5	Yes
5	5	No
5	4	Yes
5	5	No
5	5	No
5	4	Yes
5	4	No
5	4	No

1 Includes board meeting held through Video Conferencing on July 17, 2014.

2 One meeting was attended by Ms. Tan Yong Choo, alternate director.

3 Mr. Sanjay Nayar resigned w.e.f March 13, 2015.

#### **Nomination, Remuneration and Board Diversity**

In terms of the revised Clause 49 of the Listing Agreement 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 policy is in consonance with the existing industry practice.

The detailed Nomination, Remuneration and Board Diversity Policy is annexed as Annexure D to the Directors' Report. We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination, Remuneration and Board Diversity policy of the Company.

### **Remuneration paid to directors**

The details of the remuneration paid to directors for FY 2014-15 is as under:

Name of the Director	Salary and Allowances <sup>1</sup>	Performance Linked Incentive	Perquisites <sup>2</sup>	Commission <sup>3</sup>	Total (in ₹)
<b>Executive Directors</b>					
Mr. Akhil Gupta	50,338,149	41,640,000	39,600	-	92,017,749
Mr. D S Rawat	21,309,851	6,998,400	-	-	28,308,251
<b>Non-Executive Directors</b>					
Mr. Bharat Sumant Raut	-	-	-	2,000,000	2,000,000
Mr. Jitender Balakrishnan	-	-	-	1,500,000	1,500,000
Ms. Leena Srivastava	-	-	-	1,125,000	1,125,000
Mr. Mark Chin Kok Chong <sup>4</sup>	-	-	-	750,000	750,000
Mr. N Kumar	-	-	-	1,500,000	1,500,000
Mr. Rakesh Bharti Mittal	-	-	-	750,000	750,000
Mr. Sanjay Nayar	-	-	-	562,500	562,500
Mr. Vinod Dhall				1,500,000	1,500,000
<b>Total</b>	<b>71,648,000</b>	<b>48,638,400</b>	<b>39,600</b>	<b>9,687,500</b>	<b>130,013,500</b>

1. The salary and allowances include the Company's contribution to the provident fund of the Company.
2. This does not include the perquisite value as mentioned in Annexure - J annexed with 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 2014-15.
4. This includes commission of ₹ 187,500 paid to Ms. Tan Yong Choo who attended board meeting held on February 3, 2015 as an alternate director to Mr. Mark Chin Kok Chong.

Notes:

- No notice period or severance fee is payable to any director.
- Performance Linked Incentive (PLI) is based on the actual payout made during the year.
- There were no other pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company.
- During FY 2014-15, the Company did not pay any sitting fees to the directors.

### **BOARD COMMITTEES**

In compliance with the Companies Act, 2013 and Listing Agreement executed with the Stock Exchanges, 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](http://www.bharti-infratel.com), and are also stated herein.

Details of committees and other related information are provided here under:

#### **1. Audit and Risk Management Committee**

During the year under review, the Audit Committee was re-designated as 'Audit & Risk Management Committee'. The Committee comprises of three members and all of them are Non-Executive Independent Directors and financially literate. The Chairman of the Audit & Risk Management Committee, Mr. Bharat Sumant Raut is an Independent Director and has sound financial knowledge. All members of Audit & Risk Management Committee, including the Chairman,

have accounting and financial management expertise. The composition of the Audit & Risk Management Committee meets the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

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

During FY 2014-15, the Audit and Risk Management Committee met 4 (four) times i.e. on April 24, 2014; July 24, 2014; October 27, 2014 and February 3, 2015. The Chairman of the Committee was present at the 8th Annual General Meeting held on August 4, 2014.

The composition and the attendance of members at the meetings held for FY 2014-15, are given below:

Name of Director(s)	Category	No. of Meetings held during his tenure and attended	
		Held	Attended
Mr. Bharat Suman Raut – Chairman	Non-Executive Director	4	4
Mr. Jitender Balakrishnan	Non-Executive Director	4	4
Mr. Sanjay Nayar <sup>1</sup>	Non-Independent Director	4	3
Mr. Vinod Dhall	Non-Executive Independent Director	4	4

<sup>1</sup> Mr. Sanjay Nayar resigned as director w.e.f. March 13, 2015

#### Key Responsibilities of the Audit and Risk Management Committee:

- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible
- Recommend to the Board in respect of the appointment (including the filling of a casual vacancy), resignation or

dismissal, remuneration and terms of appointment of the statutory auditor, internal auditors, cost auditors

- Pre-approve limits in respect of non-audit services provided by the statutory auditor
- Discuss with the statutory auditor, before the audit commences, the nature and scope of the audit to be conducted; also conduct post-audit discussion to ascertain any areas of concern
- Review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the directors' responsibility statement, included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of all related party transactions
  - Qualifications in the draft audit report
  - Management discussion and analysis of financial condition and results of operations
  - Statement of significant related party transactions with specific details of the transactions, which are not in the normal course of business or the transactions which are not at arms' length price
  - Quarterly compliance certificates confirming compliance with laws and regulations, including any exceptions to these compliances

- Management letter/letters of internal control weaknesses issued by the statutory auditors
- Internal audit reports relating to internal control weaknesses
- The financial statements, in particular the investments, if any, made by unlisted subsidiary companies
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- Review the Company's financial and risk management policies; and implementation of treasury policies & strategies, and status of investor relation activities
- To oversee the functioning of the Vigil / Whistle Blower mechanism
- Review the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any
- Approve the appointment, re-appointment and removal of Chief Financial Officer of the Company after assessing the qualifications, experience and background, etc. of the candidate
- Ensure that the internal audit function is effective, adequately resourced, and to review coordination between internal and statutory auditors and (where relevant) the risk management department
- Review the state and adequacy of internal controls with key members of the management, statutory auditors and internal auditors
- Discuss with the internal auditor the coverage and frequency of internal audits as per the annual audit plan
- Review & monitor the statutory and internal auditor's independence, performance & effectiveness of audit process
- Review the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board
- Scrutiny of inter-corporate loan & investments
- Monitoring & Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter
- Valuation of undertakings or assets of the company, wherever it is necessary
- Appointment of a registered valuers
- Evaluation of internal financial controls and risk management systems
- Approval or any subsequent modification of transactions of the company with related parties
- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the listing agreement and the Companies Act, 1956/Companies Act, 2013
- To formulate and review risk management policy
- To implement, monitor and review the risk management framework, the risk management plan and related matters; and
- To delegate above said authorities to sub-committees, whenever required

#### **Powers of the Audit 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

## 2. HR, Nomination and Remuneration Committee

The HR, Nomination and Remuneration Committee comprises of three Non-Executive Directors. The composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Mr. N Kumar, Independent Director, is the Chairman of the Committee. The Company Secretary acts as a secretary to the Committee.

The HR, Nomination and Remuneration Committee met 4 (four) times i.e. on April 24, 2014; July 24, 2014; October 27, 2014 and February 3, 2015 during FY 2014-15. Ms. Leena Srivastava was present at the 8th Annual General Meeting held on August 4, 2014.

The Committee approved one matter by passing a resolution by circulation during FY 2014-15 and the same was presented in the next meeting for its noting.

The composition and the attendance of members at the meetings held for FY 2014-15, are given below:

Name of Director(s)	Category	No. of Meetings held during his/ her tenure and attended	
		Held	Attended
Mr. N Kumar – Chairman	Non-Executive Independent Director	4	4
Ms. Leena Srivastava	Non-Executive Independent Director	4	3
Mr. Mark Chin Kok Chong <sup>1</sup>	Non-Executive Non-Independent Director	4	4

<sup>1</sup> One meeting was attended by Ms. Tan Yong Choo, alternate director.

## Key Responsibilities of the HR, Nomination and Remuneration Committee

### 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
- To frame suitable policies and processes to ensure that there is no violation of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995
- 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 clause 49 of the listing agreement or any other statutory provisions.

#### 3. Stakeholders' Relationship Committee

In compliance with the Listing Agreement requirements and provisions of Section 178 of the Companies Act, 2013, the Company has a Stakeholders' Relationship Committee. The Stakeholders' Relationship Committee comprises of three members out of which two are executive directors and the Chairman of the committee is Non-Executive Non-Independent Directors. Mr. Rakesh Bharti Mittal, Non-Executive Non-Independent Director, is the Chairman of the Committee. The Company Secretary acts as a secretary to the Committee.

During FY 2014-15, the Stakeholders' Relationship Committee met 10 (Ten) times i.e. on April 11, 2014; June 5, 2014; July 16, 2014; August 11, 2014; October 20, 2014; December 8, 2014; December 26, 2014; January 20, 2015; February 5, 2015 and March 2, 2015.

The composition and the attendance of members at the meetings held for FY 2014-15, are given below:

Name of Director(s)	Category	Number of meetings during FY 2014-15	
		Held	Attended
Mr. Rakesh	Non-Executive	10	10
Bharti Mittal - Chairman	Non- Independent Director		
Mr. Akhil Gupta	Executive Director	10	10
Mr. D S Rawat <sup>1</sup>	Executive Director	09	09

1 The committee was reconstituted on April 24, 2014 wherein Mr. D. S. Rawat was inducted as member.

#### Key Responsibilities of the Stakeholders' Relationship Committee:

- 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, as prescribed in the relevant clause of the Listing Agreement
- To do all such acts, deeds and things as may be necessary in this regard

The complaints received during FY 2014-15, by the Company were general in nature, which were resolved to the satisfaction of the shareholders. The number of complaints received and resolved to the satisfaction of investors during the year under review and their break-up are as under:

Complaints pending on April 1, 2014	Number of complaints received during FY 2014-15	Complaints redressed during FY 2014-15	Complaints pending on March 31, 2015
NIL	19	19	NIL

To redress investor grievances, the Company has a dedicated e-mail id, [compliance.officer@bharti-infratel.in](mailto:compliance.officer@bharti-infratel.in) to which investors may send their grievances.

#### 4. 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 deemed necessary to take decisions of routine nature confirming to the smooth functioning of affairs of the Company. Mr. Akhil Gupta, Executive Director, is the Chairman of the Committee. The Company Secretary acts as a secretary to the Committee.

The composition and the attendance of members at the meetings held for FY 2014-15, are given below:

Name of Director(s)	Category	Number of meetings during FY 2014-15	
		Held	Attended
Mr. Akhil Gupta - Chairman	Executive Director	14	12
Mr. Rakesh Bharti Mittal	Non-Executive Non-Independent Director	14	12
Mr. D S Rawat <sup>1</sup>	Executive Director	13	10

1 The committee was reconstituted on April 24, 2014 wherein Mr. D. S. Rawat was inducted as member.

#### Key Responsibilities of the Committee of Directors (within the limit approved by the Board):

##### Investment Related

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

##### Treasury Related

- To borrow such sum of money and such other credit facilities as may be required by the Company from time to time provided that the money already borrowed, together with the money to be borrowed by the Company does not exceed the limits i.e. upto the paid up capital and free reserve of the Company
- To create security / charge(s) on all or any of the assets of the Company for the purpose of securing credit facility (ies) of the Company

- To deal in government securities, units of mutual funds, fixed income and money market instruments (including commercial papers, ICDs and short term deposits of corporate), fixed deposits & certificate of deposit programme 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 to do any act, deed or thing as may be required to be done to give effect to the aforementioned resolution

**5. Corporate Social Responsibility (CSR) Committee**

The Company has constituted the Corporate Social Responsibility (CSR) Committee comprises of Executive and Non-Executive Directors. Mr. N Kumar, Independent Director, is the Chairman of the Committee. The Company Secretary acts as a secretary to the Committee.

During FY 2014-15, the CSR Committee met 3 (three) times i.e. on July 24, 2014; October 27, 2014 and February 3, 2015.

The Composition and the attendance of the members at the meetings held for FY 2014-15, are given below:

Name of Director(s)	Category	No. of Meetings held during his/ her tenure and attended	
		Held	Attended
Mr. N Kumar – Chairman	Non-Executive Independent Director	3	3
Ms. Leena Srivastava	Non-Executive Independent Director	3	2
Mr. D S Rawat	Executive Director	3	3

**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 programmes 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 agreement, Corporate Social Responsibility Voluntary Guidelines 2009 and the Companies Act, 2013

The Committee has formulated Corporate Social Responsibility Policy (CSR Policy) of the Company which has been approved by the Board of Directors of the Company. The CSR Policy intends to strive for economic development that positively impacts the society at large with a minimal resource footprints. The Policy is posted on the website of the Company and can be accessed at [www.bharti-infratel.com](http://www.bharti-infratel.com).

#### **Corporate Social Responsibility Committee Report for the year ended March 31, 2015**

The CSR report for the year ended March 31, 2015 is annexed to the Directors' Report.

#### **GENERAL BODY MEETINGS**

The details of last three Annual General Meetings and special resolutions passed thereat are mentioned below:

<b>Year</b>	<b>Time, Day, Date &amp; Location</b>	<b>Summary of Special Resolutions</b>
2013-14	10:30 a.m. IST Monday August 4, 2014 Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003	<ul style="list-style-type: none"> <li>● Amendment in the exercise period under Employee Stock Option Plan 2008 (ESOP Scheme)</li> <li>● Amendment in the vesting schedule under Employee Stock Option Plan 2008 (ESOP Scheme)</li> </ul>
2012-13	11.30 A.M. IST Wednesday July 3, 2013 Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003	<ul style="list-style-type: none"> <li>● Re-appointment of Mr. Akhil Gupta as Managing Director</li> <li>● Payment of Commission to Non-Executive Director(s) of the Company</li> <li>● Amendment of Articles of Association of the Company.</li> </ul>
2011-12	5:00 P.M. IST Friday August 3, 2012 Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi 110070	None

### **Postal Ballot / E-voting**

During the year, the Company passed the following special resolutions by postal ballot/ e-voting on January 29, 2015. After scrutinizing the ballot forms and e-voting process, the scrutinizer, M/s Sanjay Grover & Associates reported as under:

<b>Details of Resolution</b>	<b>Number of valid votes</b>	<b>Votes cast in favour of the resolution (no &amp; % age)</b>	<b>Votes cast against the resolution (no &amp; % age)</b>
Implementation of ESOP Scheme 2008 through ESOP Trust	1,641,231,286	1,499,181,053 (91.34%)	142,050,233 (08.66%)
Approval of Employee Stock Option Scheme 2014 (ESOP Scheme 2014)	1,639,509,891	1,471,894,630 (89.78%)	167,615,261 (10.22%)
Grant of stock options to the employees of holding and/or subsidiary companies under ESOP Scheme 2014	1,639,509,891	1,476,888,164 (90.08%)	162,621,727 (09.92%)
Authorisation to ESOP Trust for secondary acquisition	1,639,167,810	1,476,546,860 (90.08%)	162,620,950 (09.92%)
Increase in aggregate investment limit of Foreign Institutional Investors (FIIs)	1,642,778,706	1,642,777,830 (99.99%)	876 (0.01%)

### **Person conducting the Postal Ballot / E-voting**

Mr. D S Rawat, Managing Director & CEO, Mr. Pankaj Miglani, Chief Financial Officer, Mr. Mukesh Bhavnani, Authorised Representative and Mr. Anupam Garg, 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 was appointed as scrutinizer for postal ballot/ e-voting process. Mr. Sanjay Grover conducted the postal ballot/ e-voting and submitted his report to the company.

### **Procedure followed for postal ballot/ e-voting**

- I. The company issued the postal ballot notice/ e-voting dated December 17, 2014 containing draft resolutions together with the explanatory statements and the postal ballot forms and self – addressed envelopes to the members whose names appears in the register of members as on Friday, December 12, 2014 and others concerned.
- II. Members were advised to carefully read the instructions printed on the postal ballot form before casting their vote and return the duly completed form in the attached self-addressed business reply envelope so as to reach the scrutinizer on or before the close of business hours on Saturday, January 24, 2015. Members voting through electronic mode are requested to follow the instructions for e-voting. Members can log in and vote from Thursday December 25, 2014 till the end of the voting period i.e., Saturday, January 24, 2015.
- III. After due scrutiny of all the postal ballot forms/ e-voting received upto the close of working hours on Saturday, January 24, 2015, scrutinizer submitted his final report on Thursday, January 29, 2015.
- IV. The result of the postal ballot/ e-voting was declared on Thursday, January 29, 2015. The date of declaration of results of postal ballot/ e-voting was taken as the date of passing the resolution(s).

The result of postal ballot/ e-voting was published in the newspapers within 48 hours of the declaration of the results and was also placed at the website of the company at [www.bharti-infratel.com](http://www.bharti-infratel.com).

## DISCLOSURES AND POLICIES

### Subsidiary Companies

The Company does not have any material non-listed Indian subsidiary, whose turnover or net worth (paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively of the Company. The Board of directors has formulated a policy for determining material subsidiaries pursuant to the provisions of the Listing Agreement. The same is also placed on the website of the Company i.e [www.bharti-infratel.com](http://www.bharti-infratel.com).

As on March 31, 2015, the Company had one subsidiary company viz. Bharti Infratel Services Limited. The minutes of the subsidiary company as well as statement of significant transactions and arrangements entered into by the unlisted subsidiary company are placed before the Audit and Risk Management Committee and Board meeting for their review.

### Related Party Transactions

All the transactions entered into with related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement 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. 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 and Board's Report, forming part of the Annual Report.

The required statements/ disclosures, with respect to the related party transactions, are placed before the Audit and Risk Management Committee on quarterly basis in terms of Clause 49(VII)(D) of the Listing Agreement and other applicable laws for approval/ information.

In terms of the provisions of Clause 49(VII)(E) of the Listing Agreement which has been effective from October 1, 2014, Company shall obtain approval of the 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 in the ensuing Annual General Meeting.

The Board of Directors has formulated a policy on dealing with related party transactions pursuant to the provisions of the Companies Act, 2013 and Listing Agreement. 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 placed on the website of the Company and can be accessed at [http://www.bharti-infratel.com/cps-portal/web/corporate\\_gov.html#4](http://www.bharti-infratel.com/cps-portal/web/corporate_gov.html#4).

### Whistle Blower Policy

Bharti Infratel has a robust and independent vigil mechanism that is administered through the Office of the Ombudsperson. This Office governs the Company's Code of Conduct and can be approached by any employee or external stakeholder of the Company to raise concerns pertaining to improper practices that are in the breach of the Code of Conduct.

The Office aims to provide a fair and equitable mechanism to redress grievances through well-defined and best-in-industry processes. Most importantly, the Ombudsperson policy is designed to offer protection to the complainant, provided an authentic disclosure is made in good faith. The Ombudsperson treats all such complaints and disclosures in a confidential and sensitive manner, and is committed to the cause of whistleblower protection.

### 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.

### **Disclosure pursuant to Clause 5A of Listing Agreement**

In terms of Clause 5A of the Listing Agreement, the details in respect of shares lying in the demat account 'Bharti Infratel Limited – Unclaimed Suspense Account' as on March 31, 2015 are as under:

S. No.	Description	No. of cases	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares at the beginning of the year	01	50
(ii)	Number of shareholders who approached for transfer of shares from suspense account during FY 2014-15	Nil	Nil
(iii)	Number of shareholders to whom shares were transferred from suspense account during FY 2014-15	Nil	Nil
(iv)	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2015	01	50

The voting rights in respect of the aforesaid shares will remain frozen till the time such shares are claimed by the concerned shareholder.

### **Status of Unclaimed/ Unpaid IPO refund amount**

As on March 31, 2015, 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](http://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.

### **Status of Unclaimed/ Unpaid Dividend Amount**

Status of the unclaimed/unpaid dividend amounts 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 Final	₹ 2.50 ₹ 3.00	₹ 4,356 Mn ₹ 5,666 Mn	NIL ₹ 0.20 Mn

Financial Year	Dividend	Rate of Dividend per equity share of ₹ 10 each	Total Dividend Amount	Amount unpaid to the shareholders
2013-14	Final	₹ 4.40	₹ 8,313 Mn	₹ 0.15 Mn
2014-15	Interim	₹ 4.50	₹ 8,509 Mn	₹ 0.14 Mn

The Company constantly endeavors 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.

### **Plant Location**

Being a service provider company, Bharti Infratel has no plant. However, the Company's Circle Office addresses are provided at the end of the Annual Report.

### **Code of Conduct**

The Company has laid down a Code of Conduct (Code) for all Board members and senior management of the Company. The Code is available on the website of the Company [www.bharti-infratel.com](http://www.bharti-infratel.com). The Code has been circulated to all members of the Board and senior management and they have affirmed their compliance with the Code. A declaration signed by the Managing Director & CEO to this effect is attached as Annexure – A to this Report.

### **Certification**

The certificate required under Clause 49 (IX) of the Listing Agreement duly signed by the Managing Director & CEO and CFO was placed before the Board. The same is provided as Annexure - B to this report.

### **Auditor's certificate on Corporate Governance**

As required by Clause 49 of the Listing Agreement, the auditors' certificate on Corporate Governance is annexed to the Directors' Report.

### **Code of Conduct for Prevention of 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 an insider trading policy for Designated Persons who may have access to the Company's price sensitive

information. The Policy lays down procedures to be followed and disclosures to be made, while trading in the shares of the Company.

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.

#### **Compliance with the Mandatory Requirements of Clause 49 of the Listing Agreement**

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 Agreement. 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 Directors' Report.

#### **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 the capital markets during the last three years.

#### **Compliance Officer**

Mr. Anupam Garg, Company Secretary acts as compliance officer of the Company for complying with the requirements of the Listing Agreements and applicable laws.

#### **DETAILS OF COMPLIANCES WITH NON-MANDATORY REQUIREMENTS OF CLAUSE LISTING AGREEMENT**

##### **Shareholders' Rights**

The Company has a policy of announcement of the audited quarterly and half year results. The results are approved by the Board of Directors (or committees thereof) are first submitted to the Stock Exchanges within 15 minutes of the approval of the results. Once taken on record by the stock exchanges, the same is disseminated in the media by

way of press release. The quarterly and half yearly financial statements are published in newspapers and uploaded on Company's website [www.bharti-infratel.com](http://www.bharti-infratel.com).

The Company has also communicated the payment of dividend by e-mail to shareholders in addition to dispatch of letters to all shareholders. The Company publishes the voting results of the shareholders' meetings and make it available on the Company's website [www.bharti-infratel.com](http://www.bharti-infratel.com) and report the same to Stock Exchanges.

#### **Audit Qualifications**

During the previous financial year, none of the Auditor's reports on quarterly results were qualified.

#### **Separate posts of Chairman and CEO**

The positions of the Chairman of the Board and the Chief Executive Officer of the Company are held by separate individuals.

#### **Reporting of Internal Auditors**

The Internal Auditor's report to the Audit and Risk Management Committee.

#### **GREEN INITIATIVES BY MCA**

In compliance with the provisions of Section 20 of the Companies Act, 2013 and as a continuing endeavour towards the 'Go Green' initiative, the Company proposes to send all correspondences/communications through email to those shareholders, who have registered their email ids with their depository participants / 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.

#### **MEANS OF COMMUNICATION**

**Quarterly Results:** The Company's Quarterly Audited Results are published in prominent daily newspapers, viz. Mint (English daily) and Hindustan (vernacular newspaper) and are also posted on the Company's website.

**News releases, presentations:** Official news releases and official media releases are sent to the Stock Exchanges and posted on Company's website.

**Earning Calls & Presentations to Institutional Investors / Analysts:** The Company organises an earnings call with analysts and investors on the next day of announcement of results, which is also broadcast live on the Company's website. The transcript is posted on the website soon after. Any specific presentation made to the analysts/ others is also posted on [www.bharti-infratel.com](http://www.bharti-infratel.com).

**NSE Electronic Application Processing System (NEAPS)/ BSE Corporate Compliance & Listing Centre:** The NEAPS/BSE's Listing Centre is web-based application designed for corporates. All periodical compliance fillings like shareholding pattern, corporate governance report, media releases and other material information is also filed electronically on the designated portals.

**Website:** Up-to-date financial results, annual reports, shareholding patterns, official news releases, financial analysis reports, latest presentation made to the institutional investors and other general information about the Company are available on the website, [www.bharti-infratel.com](http://www.bharti-infratel.com).

Since the time of listing of shares, Bharti Infratel adopted a practice of releasing a quarterly report, which contains financial and operating highlights, key industry and Company developments, results of operations, stock market highlights, non-GAAP information, ratio analysis, summarised financial statements and so on. The quarterly reports are posted on the Company's website and are also submitted to the Stock Exchanges where the Company's shares are listed.

## GENERAL SHAREHOLDERS INFORMATION

### 9th Annual General Meeting

Date : August 11, 2015

Day : Tuesday

Time : 10:30 A.M

Venue : Sri Sathya Sai International Centre  
Pragati Vihar, Lodhi Road,  
New Delhi -110003

### Financial Year

April 1 – March 31

### Financial Calendar (Tentative schedule, subject to change):

Period to which results pertain	Financial Result announced on
Quarter ended on June 30, 2015	Fourth week of July 2015
Quarter ended on September 30, 2015	Fourth week of October 2015
Quarter ended on December 31, 2015	Fourth week of January 2016
Quarter ended on March 31, 2016	Fourth week of April 2016

### Date of book closure

Wednesday, August 5, 2015 to Tuesday, August 11, 2015 (Both days inclusive).

### Dividend Payout Date

The Board has recommended a final dividend @ ₹ 6. 50 per Equity Share of ₹ 10 each fully paid up for FY 2014-15, which shall be paid on or after August 11, 2015 (within the statutory time limit of 30 days i.e. upto September 9, 2015), subject to the approval by shareholders.

### Equity Shares Listing, Stock Code and Listing Fee

#### Payment

Name and address of the Stock Exchange	Scrip code	Status of fee paid
<b>National Stock Exchange of India Limited</b>	INFRATEL	Paid
Exchange Plaza' 'C-1 Block G		
Bandra Kurla Complex, Bandra (E), Mumbai – 400051		
<b>The BSE Limited</b>	534816	Paid
Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001		

## Stock Market Data

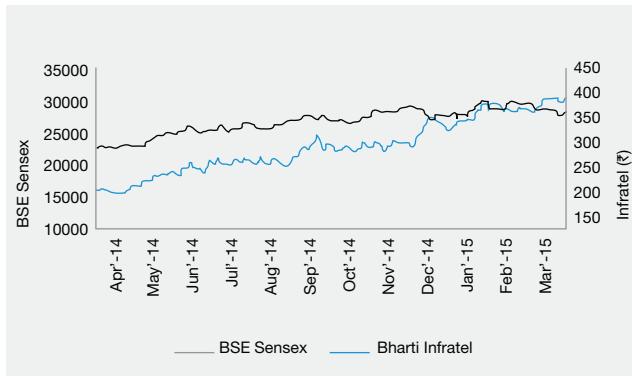
The monthly high & low during each month, in last financial year, is as below:

Month	NSE		BSE	
	High	Low	High	Low
Apr-14	218.5	191.7	219.5	192
May-14	247.1	202.5	244.35	203.6
Jun-14	268	230.05	268	230.6
Jul-14	274.9	246.2	274.5	246.95
Aug-14	276.8	243.2	276.85	243.90
Sep-14	322	263.05	321.55	264.5
Oct-14	302.5	275.25	303.55	276.2
Nov-14	311.8	274	311.85	274.45
Dec-14	371.9	278.25	371.75	278.5
Jan-15	386.95	329.85	387	330
Feb-15	385	347.1	384.95	339
Mar-15	399.35	355.6	399	355.65

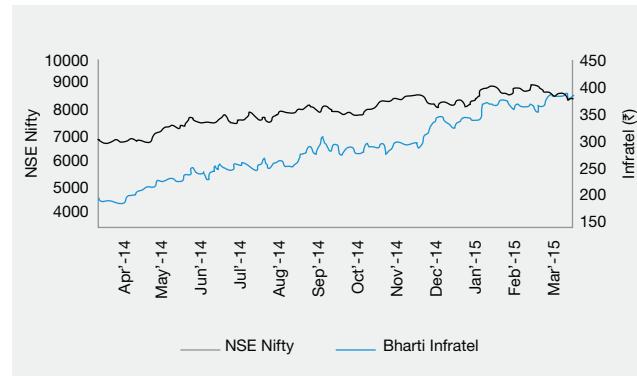
Source: [www.nseindia.com](http://www.nseindia.com) Source: [www.bseindia.com](http://www.bseindia.com)

Performance in comparison to broad based indices such as BSE Sensex, and NSE NIFTY is as under:

**Bharti Infratel Vs BSE Sensex**



**Bharti Infratel Vs NSE Nifty**



Source: [www.bseindia.com](http://www.bseindia.com)

Source: [www.nseindia.com](http://www.nseindia.com)

### Registrar and transfer agents (RTA)

Karvy Computershare Private Limited is the Company's RTA for handling the work related to share registry, both in electronic and demat form.

### Share Transfer System

Approximately 100% of the equity shares of the Company are held 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 respect. All transfers are first processed by the Transfer Agent and

submitted thereafter to the Company for approval. However, the transfer agent has been authorised to transfer minor shareholding up to 50 shares.

Pursuant to Clause 47(c) of the Listing Agreements, we obtain certificates from a practicing Company Secretary on a half-yearly basis to the effect that all the transfers are completed in 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, 2015

S. No.	Category (by no. of shares)	No. of shareholders	% to holders	No. of shares	% of shares
1	1-5000	21,852	91.89	2,137,359	0.11
2	5001-10000	1,059	4.45	825,258	0.04
3	10001-20000	215	0.91	311,487	0.02
4	20001-30000	84	0.35	210,000	0.01
5	30001-40000	42	0.18	146,933	0.01
6	40001-50000	32	0.13	147,058	0.01
7	50001-100000	62	0.26	444,016	0.02
8	100001 and above	434	1.83	1,889,547,182	99.78
<b>Total</b>		<b>23,780</b>	<b>100.00</b>	<b>1,893,769,293</b>	<b>100.00</b>

By Category of holders as on March 31, 2015

S. No.	Category	No. of shares	% of holding
I	Promoter and Promoter Group		
(i)	Indian Promoters	1,360,000,000	71.81
(ii)	Foreign Promoters	0	0
	<b>Total Promoters shareholding</b>	<b>1,360,000,000</b>	<b>71.81</b>
II	Public Shareholding		
(A)	Institutions		
(i)	Mutual Funds	7,062,471	0.37
(ii)	Financial Institution/ Banks	9,023,756	0.48
(iii)	Foreign Institutional Investors	425,096,411	22.45
(iv)	Investment Fund	0	0
(v)	Private Equity	0	0
(B)	Non-Institutions		
(i)	Bodies Corporate	82,386,236	4.35
(ii)	Individuals	8,126,185	0.43
(iii)	Non resident Indians	670,012	0.04
(iv)	Clearing Members	1,404,222	0.07
	<b>Total Public shareholding</b>	<b>533,769,293</b>	<b>28.19</b>
	<b>Total Shareholding</b>	<b>1,893,769,293</b>	<b>100.00</b>

**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 Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders can hold shares with any of the depository participants registered with these depositories. As on March 31, 2015, 1,893,768,443 equity shares are in demat form with the Depositories. ISIN for the Company's shares is INE121J01017.

**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.

### Communication Address

	<b>Contact</b>	<b>Email</b>	<b>Address</b>
For Corporate Governance and Other Secretarial related matters	Mr. Anupam Garg Company Secretary and Compliance Officer	<a href="mailto:compliance.officer@bharti-infratel.in">compliance.officer@bharti-infratel.in</a>	Bharti Infratel Limited Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi 110 070
For queries relating to Financial Statements	Mr. Harjeet Kohli Group Treasurer & Chief Investor Relations Officer	<a href="mailto:ir@bharti-infratel.in">ir@bharti-infratel.in</a>	Telephone no. +91 11 46666100 Fax no. +91 11 41666137
For Corporate Communication related matters	Mr. Raza Khan Head – Group Corporate Communications	<a href="mailto:corporate.communications@bharti.in">corporate.communications@bharti.in</a>	Website: <a href="http://www.bharti-infratel.com">www.bharti-infratel.com</a>
Registrar & Transfer Agent	Karvy Computershare Pvt. Ltd.	<a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a>	Karvy Selenium Tower B   Plot number 31 & 32   Financial District Nanakramguda   Serilingampally Mandal Hyderabad - 500032   India P : +91 040 6716 1518 Fax No.: 040 23420814 Website: <a href="http://www.karvy.com">www.karvy.com</a> Toll Free No. 1-800-3454001

## Annexure - A

### DECLARATION

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management team, affirmation of compliance with the Code of Conduct for Directors and Senior Management in respect of financial year ended March 31, 2015.

For **Bharti Infratel Limited**

D S Rawat  
Managing Director & CEO

Place: New Delhi

Date: April 27, 2015

## Annexure - B

### CERTIFICATION

We, D S Rawat, Managing Director & CEO and Pankaj Miglani - CFO 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, 2015 and
  - (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 no transactions entered into by the Company during the year that 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 Committee, deficiencies in the design and operations 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 Committee
  - (i) significant changes in the internal control over financial reporting during the year;
  - (ii) significant changes in the accounting policies during the year and that the same has 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

Place: New Delhi  
Date: April 27, 2015

**Pankaj Miglani**  
Chief Financial Officer



# Financial Statements

---

## Consolidated Financial Statements

Auditor's Report	110
Balance Sheet	114
Statement of Profit and Loss	115
Cash Flow Statement	116
Notes to Financial Statements	118

## Standalone Financial Statements

Auditor's Report	158
Balance Sheet	162
Statement of Profit and Loss	163
Cash Flow Statement	164
Notes to Financial Statements	166

# 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") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and jointly controlled entity, comprising of the consolidated Balance Sheet as at March 31, 2015, 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 but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph Other Matters 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, 2015, 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 the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government

- of India in terms of sub-section (11) of Section 143 of the Act, based on comments in the auditor's report of the Holding Company, its subsidiary and jointly controlled entity of the Company incorporated in India, to whom the Order applies, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
    - (a) We / the other auditors, whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
    - (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
    - (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, 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 and its subsidiary as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and its subsidiary and the reports of the auditors who are appointed under Section 139 of the Act, of jointly controlled entity incorporated in India, none of the directors of the Group's companies and jointly controlled entity incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
    - (f) 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 Group and jointly controlled entity incorporated in India.

#### **OTHER MATTER**

The accompanying consolidated financial statements include total assets of ₹ 109,851 millions as at March 31, 2015, and total revenues and net cash outflows of ₹ 64,465 millions and ₹ 942 millions for the year ended on that date, in respect of Indus Towers Limited, the jointly controlled entity of the Company, which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of jointly controlled entity, and our report in terms of sub-sections (3) and (11) 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 auditors.

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 matter with respect to our reliance on the work done and the reports of the other auditors.

**For S. R. Batliboi & Associates LLP**  
**Firm Registration No.: 101049W**  
 Chartered Accountants

per **Vineet Kedia**  
 Partner  
 Membership No: 212230

Place of Signature: Gurgaon  
 Date: April 27, 2015

### **Annexure 1 referred to in our report of even date**

The Group, comprising Bharti Infratel Limited ('Holding Company') and its subsidiary namely Bharti Infratel Services Limited and jointly controlled entity namely Indus Towers Limited, respectively, incorporated in India and to whom the provisions of the Order apply (together referred to as "the Covered entities" in this report)

- (i) (a) The Holding Company and the Covered entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Holding Company and the Covered entities have a physical verification program of covering all fixed assets once in three years which, in our opinion and as reported by the other auditors who audited the financial statements of the jointly controlled entity, is reasonable having regard to the size of the Holding Company and the Covered entities 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. No material discrepancies were noticed on such verification.
- (ii) The business of the Holding Company and the Covered entities do not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Holding Company and the Covered entities.
- (iii) According to the information and explanations given to us and as reported by the other auditors who audited the financial statements of jointly controlled entity, the Holding Company and the Covered entities have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Holding Company and Covered entities and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us and as reported by the other auditors who audited the financial statements of jointly controlled entity, there is an adequate internal control system commensurate with the size of the Holding Company and the Covered entities and the nature of its businesses, for the purchase of fixed assets and for the sale of services, to the extent applicable to the

nature of the business of the Holding Company and Covered entities. During the course of our audit and as reported by the other auditors who audited the financial statements of jointly controlled entity, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered entities in respect of these areas.

Considering the nature of business of the Holding Company and the Covered entities, provision of Clause 4 (iv) of the Order to the extent pertaining to internal control system for purchase of inventory and sale of goods is not applicable to the Holding Company and the Covered entities.

- (v) The Holding Company and the Covered entities have not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained and as reported by the other auditors who audited the financial statements of jointly controlled entity, 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 Holding Company and the Covered entities.
- (vii) (a) The Holding Company and the Covered entities are generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable to the respective entities.
- (vii) (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-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 for the Holding Company and Covered entities.
- (vii) (c) According to the records of the Holding Company and the Covered entities and as reported by other auditors who audited the financial statements of jointly controlled entity, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax,

customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

<b>Nature of statute</b>	<b>Nature of dues</b>	<b>Amount (₹ in Mn)</b>	<b>Period to which amount relates</b>	<b>Forum where the dispute is pending</b>
<b>Holding Company</b>				
Income Tax Act, 1961	Income Tax	1,264	FY 2010-11- FY 2011-12	CIT(Appeals)
Assam, Bihar, Orissa, Rajasthan, UP, Himachal Pradesh, MP, Chhattisgarh, JK Entry Tax Act	Entry Tax	1,618	FY 2007-08 - FY 2014-15	Hon'ble Supreme Court, High Court, Appellate Authorities
MP VAT Act	Sales Tax	1,554	FY 2008-09 - FY 2012-13	MP (Indore) High Court
UP VAT Act	Sales Tax	2	FY 2009-10- FY 2014-15	UP Commercial Tax Appellate Authority
Finance Act, 1994	Service Tax	15,529	FY 2007-08 - FY 2012-13	CESTAT, Delhi (Appeal to be filed)
<b>Jointly Controlled Entity</b>				
Kerala VAT Act	Sales Tax	42	FY 2008-09	Hon'ble High Court of Kerala
Tamil Nadu VAT Act	Sales Tax	3,898	FY 2008-09, 2009-10	Hon'ble High Court of Tamil Nadu
Finance Act, 1994	Service Tax	15,294	FY 2008-09 to 2012-13	CESTAT, Delhi (Appeal to be filed)
Income Tax Act, 1961	Income Tax	129	FY 2010-11, 2011-12	CIT (Appeals)

The above mentioned figures represent the total disputed cases without any assessment of probable, possible and Remote, as done in case of Contingent Liabilities. Of the above mentioned cases, total amount deposited against income tax, entry tax and service tax is ₹ 718 millions, ₹ 1,163 millions and ₹ 78 millions respectively.

- (vii) (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and the Covered entities in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
  - (viii) The Holding Company and the Covered entities have no accumulated losses at the end of the financial year and have not incurred cash losses in the current and immediately preceding financial year.
  - (ix) Based on our audit procedures and as per the information and explanations given by the management and as reported by the other auditors who audited the financial statements of jointly controlled entity, we are of the opinion that the Holding Company and Covered entities have not defaulted in their repayment of dues to a financial institution, bank or debenture holders.
  - (x) According to the information and explanations given to us, the Holding Company and the Covered entities have not given any guarantee for loans taken by others from bank or financial institutions.
  - (xi) Based on the information and explanations given to us by the management, the Group did not have any term
- loans outstanding during the year. Based on the report of other auditors who audited the financial statements of jointly controlled entity, term loans were applied for the purpose for which the loans were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and reports of the other auditors who audited the financial statements of jointly controlled entity, which we have relied upon, we report that no fraud on or by the Holding Company and the Covered entities have been noticed or reported during the year.

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

**Firm Registration No.: 101049W**

Chartered Accountants

per **Vineet Kedia**

Partner

Membership No: 212230

Place of Signature: Gurgaon

Date: April 27, 2015

# Consolidated Balance Sheet

as at March 31, 2015

Particulars	Notes	(₹ Millions)	
		As at March 31, 2015	As at March 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	18,938	18,893
Reserves and surplus	4	151,262	161,489
		<b>170,200</b>	<b>180,382</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	15,663	25,844
Deferred tax liabilities (net)	6	12,247	11,249
Other long-term liabilities	7	11,642	15,994
Long-term provisions	8	11,101	10,736
		<b>50,653</b>	<b>63,823</b>
<b>Current liabilities</b>			
Short-term borrowings	9	1,468	992
Trade payables	10	1,342	1,894
Other current liabilities	11	32,052	29,428
Short-term provisions	12	15,832	9,837
		<b>50,694</b>	<b>42,151</b>
<b>Total equity and liabilities</b>		<b>271,547</b>	<b>286,356</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	13		
Tangible assets		147,919	153,039
Intangible assets		202	166
Capital work-in-progress		2,260	1,527
Non-current investments	14	27,382	36,343
Long-term loans and advances	15	8,833	14,016
Other non-current assets	16	27,602	25,301
		<b>214,198</b>	<b>230,392</b>
<b>Current assets</b>			
Current investments	17	31,440	38,460
Trade receivables	18	3,532	3,075
Cash and bank balances	19	9,120	1,655
Short-term loans and advances	20	5,288	5,082
Other current assets	21	7,969	7,692
		<b>57,349</b>	<b>55,964</b>
<b>Total assets</b>		<b>271,547</b>	<b>286,356</b>

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 27, 2015

**For and on behalf of the board**

**Akhil Gupta**

Chairman

**Anupam Garg**

Company Secretary

**D S Rawat**

Managing Director & CEO

**Pankaj Miglani**

Chief Financial Officer

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2015

Particulars	Notes	(₹ Millions, except per share data)	
		Year ended March 31, 2015	Year ended March 31, 2014
<b>INCOME</b>			
Revenue from operations	22	116,683	108,267
Other income	23	5,223	4,487
		<b>121,906</b>	<b>112,754</b>
<b>EXPENSES</b>			
Power and fuel	24	41,950	40,620
Rent	25	9,460	8,886
Employee expenses	26	3,997	3,670
Repairs and maintenance	27	9,071	8,811
Other expenses	28	2,097	2,162
		<b>66,575</b>	<b>64,149</b>
<b>Earnings before finance cost, tax, depreciation and amortisation and charity and donation</b>		<b>55,331</b>	<b>48,605</b>
Depreciation and amortisation expense	29	24,414	25,186
Less: adjusted with general reserve in accordance with the Scheme of Arrangement (refer notes 43 and 44)		(2,567)	(3,927)
		<b>21,847</b>	<b>21,259</b>
Finance cost	30	2,902	3,997
Charity and donation (refer note 51)		67	117
		<b>24,816</b>	<b>25,373</b>
<b>Profit before tax</b>		<b>30,515</b>	<b>23,232</b>
<b>Tax expense</b>			
Current tax (Includes MAT utilisation)	6	9,592	7,009
Deferred tax	6	999	1,044
		<b>10,591</b>	<b>8,053</b>
<b>Total tax expense</b>		<b>19,924</b>	<b>15,179</b>
<b>Profit for the year</b>			
<b>Earnings per equity share (nominal value of share ₹ 10 each)</b>	31		
Basic		10.539	8.036
Diluted		10.529	8.018
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 27, 2015

**For and on behalf of the board**

**Akhil Gupta**

Chairman

**D S Rawat**

Managing Director & CEO

**Anupam Garg**

Company Secretary

**Pankaj Miglani**

Chief Financial Officer

# Consolidated Cash Flow Statement

for the year ended March 31, 2015

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	30,515	23,232
<b>Adjustments for -</b>		
Depreciation and amortisation expense	21,847	21,259
Interest income	(137)	(1,068)
Dividend income	(479)	(896)
Interest expense	2,946	3,864
Amortisation of loan origination fee	35	35
Net gain on sale of current investments	(1,608)	(32)
Employee stock compensation expense	65	77
Revenue equalisation	(1,641)	(2,686)
Rent equalisation	252	307
Provision for doubtful debts and advances (net)	(55)	(31)
Provision for capital work in progress (net)	93	58
Fixed assets written off	-	24
Profit on sale of fixed assets (net)	(1,863)	(1,434)
<b>Operating profit before changes in assets and liabilities</b>	<b>49,970</b>	<b>42,709</b>
Increase / (Decrease) in trade payables	(552)	(873)
Increase / (Decrease) in other current liabilities	702	712
Increase / (Decrease) in short-term provisions	21	17
Increase / (Decrease) in other long-term liabilities	(4,603)	(2,700)
Increase / (Decrease) in long-term provisions	34	38
(Increase) / Decrease in trade receivables	(211)	677
(Increase) / Decrease in short-term loans and advances	(1,174)	2,466
(Increase) / Decrease in other current assets	246	2
(Increase) / Decrease in long-term loans and advances	4,735	1,866
(Increase) / Decrease in other non-current assets	(548)	(1,045)
<b>Cash generated from operations</b>	<b>48,620</b>	<b>43,869</b>
Income tax paid (net of refunds)	(8,420)	(4,345)
Contribution towards CSR	(305)	-
<b>Net cash flow from operating activities (A)</b>	<b>39,895</b>	<b>39,524</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of tangible assets	(20,781)	(15,742)
Purchase of intangible assets	-	(71)
Proceeds from sale of fixed assets	2,637	2,424
Investments in bank deposits (having original maturity of more than three months)	(8,820)	-
Loan repaid by related Parties	-	23,780
Advance to ESOP trust	(625)	-
Purchase of investments	(125,086)	(141,096)
Proceeds from sale of investments	142,674	105,119
Interest received	148	1,213
Dividend received	479	896
<b>Net cash flow (used in) investing activities (B)</b>	<b>(9,374)</b>	<b>(23,477)</b>

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from exercise of stock options	490	57
Repayment of borrowings	(12,849)	(8,433)
Proceeds from borrowings	5,248	4,200
Interest paid	(3,010)	(3,805)
Loan origination fee paid	-	(21)
Dividend paid	(16,822)	(5,666)
Tax on dividend paid	(4,933)	(1,337)
<b>Net cash flow (used in) financing activities (C)</b>	<b>(31,876)</b>	<b>(15,005)</b>
<b>Net increase in cash and cash equivalents during the year (A+B+C)</b>	<b>(1,355)</b>	<b>1,042</b>
Cash and cash equivalents at the beginning of the year	1,640	520
Cash and cash equivalents acquired on merger	-	78
<b>Cash and cash equivalents at the end of the year (refer note 19)</b>	<b>285</b>	<b>1,640</b>
<b>Components of cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Balances with banks		
- on current accounts	279	272
- Deposits with original maturity of less than three months	-	1,341
Cheques on hand	6	27
<b>Total cash and cash equivalents</b>	<b>285</b>	<b>1,640</b>
<b>Other bank balances</b>		
Fixed deposits		
- Deposits with original maturity for more than 3 months but less than 12 months	8,835	15
<b>Total cash and cash equivalents</b>	<b>9,120</b>	<b>1,655</b>

Summary of significant accounting policies 2.1

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

**Notes:**

1. 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.
2. Figures in brackets indicate cash outflow.
3. 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 27, 2015

**For and on behalf of the board**

**Akhil Gupta**

Chairman

**D S Rawat**

Managing Director & CEO

**Anupam Garg**

Company Secretary

**Pankaj Miglani**

Chief Financial Officer

# Notes

to the consolidated financial statements for the year ended March 31, 2015

## 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 publicly traded on the National Stock Exchange and BSE India.

The wholly owned subsidiary company, 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 together with its wholly owned subsidiary 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. 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.

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, 2015	Shareholding as at March 31, 2014
Indus Towers Limited (Indus)	India	Passive Infrastructure Services	Joint Venture	42%	42%
Bharti Infratel Services Limited	India	Active and Passive Infrastructure Services	Subsidiary	100%	100%

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

# Notes

to the consolidated financial statements for the year ended March 31, 2015

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

Fixed 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 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 fixed 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 fixed 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 fixed 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.

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

# Notes

to the consolidated financial statements for the year ended March 31, 2015

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.

## 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).

# Notes

to the consolidated financial statements for the year ended March 31, 2015

## **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 debtors 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 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,

# Notes

to the consolidated financial statements for the year ended March 31, 2015

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.

## 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 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 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

# Notes

to the consolidated financial statements for the year ended March 31, 2015

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.

At each reporting date, the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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.

Minimum alternate tax (MAT) paid in a year is charged to statement of the profit and loss as current tax. The Group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement".

The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

## 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

# Notes

to the consolidated financial statements for the year ended March 31, 2015

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 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 in hand and short-term investments with an original maturity of three months or less.

## r. Corporate social responsibility expenditure

Pursuant to the guidance issued by ICAI i.e. Frequently Asked Questions on the provisions of Corporate Social Responsibility (CSR) under Section 135 of the Act and Rules thereon, the Company has adopted the accounting policy to account for CSR expenditure as an appropriation to the Statement of Profit and Loss with effect from April 1, 2014.

During the year, the JV Company has recorded CSR expenditure in the Statement of Profit and Loss. Therefore, for the purpose of these consolidated financial statements, such expenditure has been reclassified to the appropriation of profits in line with group accounting policy.

# Notes

to the consolidated financial statements for the year ended March 31, 2015

## 3. SHARE CAPITAL

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Authorised shares</b>		
3,500,000,000 (March 31, 2014 - 3,500,000,000) equity shares of ₹ 10 each	35,000	35,000
<b>Issued, subscribed and fully paid-up shares</b>		
1,893,769,293 equity shares of ₹ 10 each fully paid up (March 31, 2014 - 1,889,301,113 equity shares of ₹ 10 each)	18,938	18,893
	<b>18,938</b>	<b>18,893</b>

### a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2015		As at March 31, 2014	
	No.	₹ Millions	No.	₹ Millions
At the beginning of the year	1,889,301,113	18,893	1,888,743,054	18,887
Issued during the year - ESOP	4,468,180	45	558,059	6
<b>Outstanding at the end of the year</b>	<b>1,893,769,293</b>	<b>18,938</b>	<b>1,889,301,113</b>	<b>18,893</b>

### 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 27, 2015, the Board of Directors have proposed a dividend of ₹ 6.50 per equity share (2013-14 - ₹ 4.40 per equity share) to all the existing shareholders for the year ended March 31, 2015. 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, 2015		As at March 31, 2014	
	No.	₹ Millions	No.	₹ Millions
Bharti Airtel Limited	1,360,000,000	13,600	1,500,000,000	15,000

### 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, 2009, the Company allotted 540,445,950 equity shares as fully paid bonus shares by capitalisation of securities premium account.

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.

# Notes

to the consolidated financial statements for the year ended March 31, 2015

During the year ended March 31, 2015, the Company allotted 4,468,180 equity shares (2013-14 and 2012-13 – 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).

**e. Details of shareholders holding more than 5% shares in the Company:**

Particulars	As at March 31, 2015		As at March 31, 2014	
	No.	%	No.	%
Equity shares of ₹ 10 each fully paid				
Bharti Airtel Limited	1,360,000,000	71.81	1,500,000,000	79.39

**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**

Particulars	Securities premium account	Employee stock options outstanding	General reserve	Capital reserve	Surplus in the statement of profit and loss	(₹ Millions)
						Total
<b>As at April 1, 2013</b>	<b>66,307</b>	<b>1,425</b>	<b>73,448</b>	<b>-</b>	<b>11,944</b>	<b>153,124</b>
Profit for the year	-	-	-	-	15,179	15,179
Add: amount transferred from stock options outstanding	142	-	-	-	-	142
Less: amount transferred to statement of profit and loss during the year in accordance with the BAL Scheme (refer note 43)	-	-	(893)	-	-	(893)
Less: amount transferred to statement of profit and loss during the year in accordance with the Indus Scheme (refer note 44)	-	-	(3,190)	-	-	(3,190)
Less: Appropriations						
Proposed dividend on equity shares (amount ₹ 4.40 per share)*	-	-	-	-	(8,313)	(8,313)
Tax on proposed dividend on equity shares	-	-	-	-	(1,413)	(1,413)
Add/Less: amount arising under scheme of arrangement (refer note 44)	-	-	(889)	1,905	5,589	6,605
Add: gain on disposal of subsidiary as on April 1, 2009 (refer note 44)	-	-	-	-	385	385
Less: gross compensation for options forfeited/exercised during the year	-	(113)	-	-	-	(113)
	<b>66,449</b>	<b>1,312</b>	<b>68,476</b>	<b>1,905</b>	<b>23,371</b>	<b>161,513</b>
Less: deferred employee stock compensation	-	(24)	-	-	-	(24)
<b>As at March 31, 2014</b>	<b>66,449</b>	<b>1,288</b>	<b>68,476</b>	<b>1,905</b>	<b>23,371</b>	<b>161,489</b>

# Notes

to the consolidated financial statements for the year ended March 31, 2015

## 4. RESERVES AND SURPLUS (CONTD.)

Particulars	Securities premium account	Employee stock options outstanding	General reserve	Capital reserve	Surplus in the statement of profit and loss	(₹ Millions)
						Total
<b>As at April 1, 2014</b>	<b>66,449</b>	<b>1,312</b>	<b>68,476</b>	<b>1,905</b>	<b>23,371</b>	<b>161,513</b>
Profit for the year	-	-	-	-	19,924	19,924
Add: amount transferred from stock options outstanding	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 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 53)	-	-	-	-	(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)
	<b>67,610</b>	<b>586</b>	<b>65,859</b>	<b>1,905</b>	<b>15,305</b>	<b>151,265</b>
Less: deferred employee stock compensation	-	(3)	-	-	-	(3)
<b>As at March 31, 2015</b>	<b>67,610</b>	<b>583</b>	<b>65,859</b>	<b>1,905</b>	<b>15,305</b>	<b>151,262</b>

\* The Company, based on an independent legal opinion, had determined that the provisions of the Companies Act, 2013 apply to the proposed dividend for the year ended March 31, 2014, as it would be declared and paid after April 1, 2014. Accordingly, it had not transferred any amount to the general reserve for the proposed dividend.

## 5. LONG-TERM BORROWINGS

Particulars	As at March 31, 2015	(₹ Millions)	
		As at March 31, 2015	As at March 31, 2014
Term Loan - secured* #			
- from banks	3,865	14,091	
- from others	11,798	11,753	
	<b>15,663</b>	<b>25,844</b>	

\* In addition to the amount shown above, an amount ₹ 8,691 Mn (March 31, 2014 - ₹ 6,587 Mn) has been disclosed under 'other current liabilities' as it is repayable within one year.

# Notes

to the consolidated financial statements for the year ended March 31, 2015

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 long term borrowings are similar and are as follows:

<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
<ul style="list-style-type: none"> <li>(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;</li> <li>(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</li> <li>(c) a first charge over the amount in the Debt Service Account opened and maintained in accordance with the terms of this Agreement and the Debt Service Account Agreement;</li> </ul>	<ul style="list-style-type: none"> <li>(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;</li> <li>(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;</li> <li>(c) a first and exclusive charge over the amount in the Debt Service Account opened and maintained in accordance with the terms of this Agreement and the Debt Service Account Agreement;</li> </ul>

## Interest rate for secured term loans outstanding as at March 31, 2015 and March 31, 2014

The interest rate varies from approximately 9.75% - 10.20% per annum as at March 31, 2015 (As at March 31, 2014: 10.45%-11.45% per annum) on term loans from banks and other financial institutions.

## Repayment of loan

<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
<p><b>Loan outstanding ₹ 10,096 Mn</b>            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.</p> <p><b>Loan outstanding ₹ 1,575 Mn</b>            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.</p>	<p><b>Loan outstanding ₹ 11,931 Mn</b>            As per the repayment schedule in the Common loan agreement, the JV Company has to repay loans amounting to ₹ 16,590 Mn availed from other parties 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.</p> <p><b>Loan outstanding ₹ 4,000 Mn</b>            As per the repayment schedule in the Syndicated Common loan agreement, the JV Company have 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.</p>

# Notes

to the consolidated financial statements for the year ended March 31, 2015

## Repayment of loan (Contd.)

As at March 31, 2015	As at March 31, 2014
<b>Loan outstanding ₹ 1,658 Mn</b> 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.	<b>Loan outstanding ₹ 4,200 Mn</b> As per the repayment schedule in the Common Loan Agreement, the JV Company has to repay loans amounting to ₹ 4,200 Mn availed from bank and other parties (NBFC) in 19 equated quarterly installments with first date for repayment falling due in May 2014.
<b>Loan outstanding Nil</b> 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.	<b>Loan outstanding ₹ 1,800 Mn</b> As per the repayment schedule in the Loan Agreement, the JV Company has to repay loans amounting to ₹ 2,520 Mn availed from bank in 14 equated quarterly installments which have commenced in May 2013.
<b>Loan outstanding ₹ 3,005 Mn</b> 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. #	<b>Loan outstanding ₹ 6,300 Mn</b> 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 with first date for repayment falling due in May 2014.
<b>Loan outstanding ₹ 3,980 Mn</b> 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.	<b>Loan outstanding ₹ 4,200 Mn</b> 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.
<b>Loan outstanding ₹ 3,528 Mn</b> 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.  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	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

# During the year ended March 31, 2015, the JV Company has 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, accordingly, the same has been reclassified to current maturities of long term borrowings. Subsequently, this amount has been paid off on April 10, 2015.

The above amount represents 42% of the amount of JV Company, which has been consolidated.

# Notes

to the consolidated financial statements for the year ended March 31, 2015

## 6. DEFERRED TAX LIABILITIES (NET)

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Deferred tax liability</b>		
Depreciation claimed as deduction under Income Tax Act but chargeable in the financial statements in future years	5,948	5,874
Revenue equalisation (net) recognised in financial statements but offered for tax in future years on actual billing basis	7,414	6,840
Unamortised loan origination fees	7	19
Gain on disposal of subsidiary (refer Note 44)	116	113
<b>Gross deferred tax liability</b>	<b>13,485</b>	<b>12,846</b>
<b>Deferred tax asset</b>		
Provision for doubtful debts/ advances charged in financial statements but allowed as deduction under the Income Tax Act in future years	608	637
Expenses allowed as deduction under Sec 35D of Income Tax Act in future years	146	242
Other expenses charged in the financial statements but allowed as deduction under Income Tax Act in future years on actual payment (net)	484	718
<b>Gross deferred tax asset</b>	<b>1,238</b>	<b>1,597</b>
<b>Net deferred tax liability</b>	<b>12,247</b>	<b>11,249</b>

Current tax expense includes reversal of ₹ 235 Mn (FY 2013-14 – ₹ 48 Mn) relating to earlier periods. Deferred tax expense includes ₹ 296 Mn (FY 2013-14 – ₹ 66 Mn) relating to earlier periods and ₹ 219 Mn (FY 2013-14 – Nil) on account of rate change.

Deferred tax liability (net) as at March 31, 2014 includes deferred tax liability of ₹ 2,482 Mn, arising on merger with Indus during the previous year. For details of the merger, refer note 44.

The impact on account of rate change on deferred tax assets and liabilities as of March 31, 2015, have been calculated using substantively enacted rate of 34.61% as per Finance Bill 2015.

## 7. OTHER LONG-TERM LIABILITIES

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
Security deposits received	6,688	6,431
Lease equalisation	4,388	4,136
Unearned revenue	465	76
Provision for payment of cash options (refer note 33)	101	31
Payable to joint venture company	-	5,320
	<b>11,642</b>	<b>15,994</b>

"Security deposits received" include ₹ 3,490 Mn (March 31, 2014 - ₹ 3,525 Mn) amounts received from related parties. For details, refer note 37.

# Notes

to the consolidated financial statements for the year ended March 31, 2015

## 8. LONG-TERM PROVISIONS

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits (refer note 32)		
Gratuity	136	114
Leave encashment	74	60
Long-term service award	11	14
	221	188
Asset retirement obligation (refer note 35)	10,880	10,548
	<b>11,101</b>	<b>10,736</b>

## 9. SHORT-TERM BORROWINGS

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Unsecured</b>		
Loans repayable on demand:		
from others*	-	992
Bank overdraft#	1,468	-
	<b>1,468</b>	<b>992</b>

\*Out of total loan amounting to ₹ 992 Mn as at March 31, 2014 (representing 42% share) taken by JV Company, ₹ 478 Mn has been repaid during the current year and balance loan amount of ₹ 514 Mn has been reclassified to long term borrowings.

# These borrowings are repayable on demand.

## 10. TRADE PAYABLES

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
Trade creditors	1,342	1,894
	<b>1,342</b>	<b>1,894</b>

"Trade creditors" include ₹ 214 Mn (March 31, 2014 - ₹ 234 Mn) payable to parent and fellow subsidiary company. For details, refer note 37.

# Notes

to the consolidated financial statements for the year ended March 31, 2015

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
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	31	28
Interest due on above	3	1
	34	29
	0.8	6
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	0.8	0.4
The amount of interest accrued and remaining unpaid at the end of each accounting year	20	14
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	0.8	-

## 11. OTHER CURRENT LIABILITIES

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
Equipment supply payables	4,686	4,791
Dues to employees	414	412
Accrued expenses	17,058	16,859
Book overdraft	109	38
Interest accrued but not due	3	80
Other taxes payable	262	86
Contribution to employee funds	11	10
Unearned revenue	115	23
Current portion of long-term borrowings (refer note 5)	8,691	6,587
Security deposits	412	387
Current portion of cash settled liability	25	-
Other Liabilities	266	155
	<b>32,052</b>	<b>29,428</b>

"Security deposit" includes Nil (March 31, 2014 - ₹ 60 Mn) received from related parties and "Accrued expenses" include ₹ 266 Mn (March 31, 2014 - ₹ 101 Mn) payable to related parties. For details, refer note 37.

# Notes

to the consolidated financial statements for the year ended March 31, 2015

## 12. SHORT-TERM PROVISIONS

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits (refer note 32)		
Gratuity	52	38
Leave encashment	80	73
Proposed Dividend [refer notes 3(b) and 47]	12,309	8,313
Tax on Proposed Dividend	3,347	1,413
Provision for Income tax	44	-
	<b>15,832</b>	<b>9,837</b>

## 13. FIXED ASSETS

Particulars	Land	Plant and equipment	Office furniture and equipment	Vehicles	Computers	Leasehold improvements	Tangible assets Total	(₹ Millions)	
								Computer Software	Intangible assets Total
<b>Cost</b>									
As at April 1, 2013	6	264,681	244	8	837	517	266,293	610	610
Additions	-	15,291	39	-	57	8	15,395	71	71
Disposals	(3)	(14,358)	-	-	(5)	(26)	(14,392)	-	-
Transfer/ Adjustment under the Scheme of arrangement (refer note 44)	-	(1,736)	-	-	-	-	(1,736)	-	-
<b>As at March 31, 2014</b>	<b>3</b>	<b>263,878</b>	<b>283</b>	<b>8</b>	<b>889</b>	<b>499</b>	<b>265,560</b>	<b>681</b>	<b>681</b>
Additions	-	19,718	60	-	93	25	19,896	179	179
Disposals/ adjustment		(13,418)	(2)		(54)	(2)	(13,476)	(22)	(22)
<b>As at March 31, 2015</b>	<b>3</b>	<b>270,178</b>	<b>341</b>	<b>8</b>	<b>928</b>	<b>522</b>	<b>271,980</b>	<b>838</b>	<b>838</b>
<b>Depreciation</b>									
As at April 1, 2013	-	102,094	145	5	749	253	103,246	418	418
Charge for the year	-	24,882	51	1	81	75	25,090	97	97
Disposals	-	(13,098)	-	-	(5)	-	(13,103)	-	-
Transfer/ Adjustment under the Scheme of arrangement (refer note 44)							(2,712)		
<b>As at March 31, 2014</b>	<b>-</b>	<b>111,166</b>	<b>196</b>	<b>6</b>	<b>825</b>	<b>328</b>	<b>112,521</b>	<b>515</b>	<b>515</b>
Charge for the year	-	24,163	45	1	17	67	24,293	121	121
Disposals/ adjustment		(12,750)	(2)	-	-	(1)	(12,753)	-	-
<b>As at March 31, 2015</b>	<b>-</b>	<b>122,579</b>	<b>239</b>	<b>7</b>	<b>842</b>	<b>394</b>	<b>124,061</b>	<b>636</b>	<b>636</b>
<b>Net Block</b>									
<b>As at March 31, 2015</b>	<b>3</b>	<b>147,599</b>	<b>102</b>	<b>1</b>	<b>86</b>	<b>128</b>	<b>147,919</b>	<b>202</b>	<b>202</b>
<b>As at March 31, 2014</b>	<b>3</b>	<b>152,712</b>	<b>87</b>	<b>2</b>	<b>64</b>	<b>171</b>	<b>153,039</b>	<b>166</b>	<b>166</b>

"Plant and equipment" comprise of assets given on operating lease. For details, refer note 34(b)(i).

Depreciation charge for the year includes ₹ 1,225 Mn (FY 2013-14 - ₹ 1,294 Mn) provided for loss with respect to assets not in active use.

Disposal/adjustment includes disposal and adjustments w.r.t. the assets for which insurance claims are made by the Company.

# Notes

to the consolidated financial statements for the year ended March 31, 2015

## 14. NON-CURRENT INVESTMENTS (REFER NOTE 45)

<b>Particulars</b>	<b>(₹ Millions)</b>	
	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
Investment in mutual funds - quoted	27,382	36,343
	<b>27,382</b>	<b>36,343</b>
Market value of quoted investments	31,260	36,341

## 15. LONG-TERM LOANS AND ADVANCES

<b>Particulars</b>	<b>(₹ Millions)</b>	
	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
<b>Unsecured, considered good unless otherwise stated</b>		
<b>Capital advances</b>		
Unsecured, considered good	35	15
Unsecured, considered doubtful	34	38
Less: Provision	(34)	(38)
	35	15
<b>Security deposits</b>		
Unsecured, considered good	4,192	3,983
Unsecured, considered doubtful	145	84
Less: Provision	(145)	(84)
	4,192	3,983
Other advances, unsecured, considered good	-	5,021
Advance income-tax [net of provision for taxation of ₹ 21,233 Mn (March 31, 2014 - ₹ 16,327 Mn)]	4,604	4,995
Advance fringe benefit tax (net of provision)	2	2
	<b>8,833</b>	<b>14,016</b>

## 16. OTHER NON-CURRENT ASSETS

<b>Particulars</b>	<b>(₹ Millions)</b>	
	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
<b>Unsecured, considered good unless otherwise stated</b>		
Revenue equalisation	24,318	23,226
Unamortised debt origination cost	11	32
<b>Others</b>		
Considered good	3,273	2,043
Considered doubtful	18	13
Less: Provision	(18)	(13)
	3,273	2,043
	<b>27,602</b>	<b>25,301</b>

"Others" comprise of payments made under protest to the Government authorities. For details, refer note 39(ii).

# Notes

to the consolidated financial statements for the year ended March 31, 2015

## 17. CURRENT INVESTMENTS (REFER NOTE 45)

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Current investments (at lower of cost or market value)</b>		
Investments in mutual funds - quoted	31,440	38,460
	<b>31,440</b>	<b>38,460</b>
Market value of quoted investments	34,972	39,019

## 18. TRADE RECEIVABLES

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Unsecured, considered good unless otherwise stated</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	600	419
Unsecured, considered doubtful	1,062	1,117
Less: Provision for doubtful receivables	(1,062)	(1,117)
	600	419
Trade receivables		
Unsecured, considered good	2,932	2,656
Unsecured, considered doubtful	177	368
Less: Provision for doubtful receivables	(177)	(368)
	2,932	2,656
	<b>3,532</b>	<b>3,075</b>

"Trade receivables" includes receivables from related parties amounting to ₹ 2,440 Mn (March 31, 2014 - ₹ 2,275 Mn) respectively. For details, refer note 37.

## 19. CASH AND BANK BALANCES

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Cash and cash equivalents</b>		
Balances with banks		
- on current accounts	279	272
- Deposits with original maturity of less than three months	-	1,341
Cheques on hand	6	27
<b>Other bank balances</b>		
Fixed deposits		
- Deposits with original maturity for more than 3 months but less than 12 months	8,835	15
	<b>9,120</b>	<b>1,655</b>

"Other bank balances" includes margin money of ₹ 2 Mn (March 31, 2014 - ₹ 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 ₹ 13 Mn (March 31, 2014 - ₹ 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, 2015

## 20. SHORT-TERM LOANS AND ADVANCES

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Unsecured, considered good unless otherwise stated</b>		
Loans and advances to related parties (refer note 37)	757	138
Advances recoverable in cash or kind		
Secured, considered good	336	322
Unsecured, considered good	4,195	3,159
Unsecured, considered doubtful	196	205
Less: Provision for doubtful advances	(196)	(205)
	4,531	3,481
Other loans and advances		
Minimum alternate tax recoverable	-	1,463
	<b>5,288</b>	<b>5,082</b>

"Advances recoverable in cash or kind" are secured to the extent they are backed by bank guarantees.

## 21. OTHER CURRENT ASSETS

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Unsecured, considered good unless otherwise stated</b>		
Unbilled revenue (net)	6,141	6,475
Interest accrued	11	22
Revenue equalisation	1,099	551
Unamortised loan origination fee	9	23
Other receivables	709	621
	<b>7,969</b>	<b>7,692</b>

"Unbilled revenue (net)" is net of provisions considered for penalties, deductions etc.

"Other current assets" includes amount receivable from related parties amounting to ₹ 3,393 Mn as at March 31, 2015 (March 31, 2014 - ₹ 3,373 Mn).

"Interest accrued" comprise of interest accrued on loan to JV company amounting to Nil as at March 31, 2015 (March 31, 2014 - ₹ 22 Mn). For details, refer note 37.

## 22. REVENUE FROM OPERATIONS

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
<b>Sale of services</b>		
Rent	71,261	65,790
Energy (Including rates and taxes)	45,422	42,477
	<b>116,683</b>	<b>108,267</b>

# Notes

to the consolidated financial statements for the year ended March 31, 2015

## 23. OTHER INCOME

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Interest income on:		
- Bank deposits	41	2
- Loans to group companies	-	499
- Others	96	567
Dividend income	479	896
Net gain on sale of current investments	1,523	117
Profit on sale of fixed assets (net)	1,863	1,522
Termination charges for contract cancellation	256	163
Miscellaneous income (refer notes 49 and 50)	965	721
	<b>5,223</b>	<b>4,487</b>

## 24. POWER AND FUEL

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Network	41,901	40,570
Others	49	50
	<b>41,950</b>	<b>40,620</b>

## 25. RENT

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Network	9,236	8,664
Others	224	222
	<b>9,460</b>	<b>8,886</b>

## 26. EMPLOYEE EXPENSES

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Salaries, wages and bonus	3,443	3,226
Contribution to provident fund	115	107
Employee stock/cash option expense	140	77
Staff welfare expenses	161	138
Others	138	122
	<b>3,997</b>	<b>3,670</b>

"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.

# Notes

to the consolidated financial statements for the year ended March 31, 2015

## 27. REPAIRS AND MAINTENANCE

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Repair and maintenance		
- Plant and Machinery	7,016	6,817
- Building	36	26
- Others	2,019	1,968
	<b>9,071</b>	<b>8,811</b>

## 28. OTHER EXPENSES

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Insurance	85	108
Traveling and conveyance	281	274
Communication costs	150	135
Legal and professional	368	337
IT expenses	295	400
Provision for doubtful debts and advances (net)	(55)	(31)
Provision for capital work in progress (net)	93	58
Fixed assets written off*	-	24
Miscellaneous expenses		
- Network	480	435
- Others	400	422
	<b>2,097</b>	<b>2,162</b>

\* "Fixed assets written off" for the year ended March 31, 2015 and March 31, 2014 is net of ₹ 76 Mn and ₹ 156 Mn respectively adjusted with General Reserve in accordance with Schemes of arrangement. For details, refer notes 43 & 44.

## 29. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Depreciation of tangible assets	24,293	25,090
Amortisation of intangible assets	121	96
	<b>24,414</b>	<b>25,186</b>
Less: adjusted with general reserve (refer notes 43 and 44)	(2,567)	(3,927)
	<b>21,847</b>	<b>21,259</b>

# Notes

to the consolidated financial statements for the year ended March 31, 2015

## 30. FINANCE COSTS

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Interest	2,946	3,864
Amortisation of loan origination fee	35	35
Mark to market loss #	(85)	85
Bank charges	6	13
	<b>2,902</b>	<b>3,997</b>

# MTM loss for the year ended March 31, 2015 amounting to ₹ (85) Mn (FY 2013-14 – ₹ 85 Mn) represents reversal of MTM loss, recognised in previous year on investments.

## 31. EARNINGS PER SHARE (EPS)

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	10	19,924	10	15,179
Nominal value of equity shares (₹)	10	19,924	10	15,179
Profit attributable to equity shareholders for computing Basic and Dilutive EPS (A) (₹ Millions)	1,890,487,450	1,888,860,817		
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	1,883,319	4,189,888		
Dilutive effect on weighted average number of equity shares outstanding during the year*	1,892,370,769	1,893,050,705		
Weighted average number of equity shares and equity equivalent shares for computing Diluted EPS (C)	10.539	8.036		
Basic earnings per share (A/B) (₹)	10.539	8.036		
Diluted earnings per share (A/C) (₹)	10.529	8.018		

\* Diluted effect on weighted average number of equity shares and profit is on account of Employee Stock Option Plan (ESOP).

## 32. EMPLOYEE BENEFITS

During the year, the Group has recognised the following amounts in the consolidated statement of profit and loss:

### Defined contribution plan

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Employer's contribution to Provident Fund	115	107
<b>Total</b>	<b>115</b>	<b>107</b>

# Notes

to the consolidated financial statements for the year ended March 31, 2015

## 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).

## Gratuity

- Amount charged to the consolidated statement of profit and loss:

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Current service cost	40	37
Interest cost	13	11
Actuarial (gain)/ loss	11	7
<b>Net gratuity cost</b>	<b>64</b>	<b>55</b>

- The assumptions used to determine the benefit obligation are as follows:

Particulars	As at March 31, 2015		As at March 31, 2014	
Discount rate	8.50%		8.00%	
Expected rate of increase in compensation levels	10.00%		10.00%	
Expected rate of return on plan assets	NA		NA	
Expected average remaining working lives of employees (years)	24.02 years		24.27 years	

## Joint Venture

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
Discount rate	7.75%		9.10%	
Expected rate of increase in compensation levels	First 2 years- 10% and 7% thereafter		First 2 years- 10% and 7% thereafter	

- Reconciliation of opening and closing balances of defined benefit obligations:

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
Projected benefit obligation at beginning of year	152	119
Current service cost	40	37
Interest cost	13	11
Benefits paid	(28)	(22)
Actuarial (gain)/ loss	11	7
<b>Projected benefit obligation at end of year</b>	<b>188</b>	<b>152</b>

# Notes

to the consolidated financial statements for the year ended March 31, 2015

- 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 ₹ 67 Mn (FY 2013-14 – ₹ 35 Mn).
- vii. The table below discloses experience adjustment disclosure as per para 120 (n) (ii) of Accounting Standard 15, 'Employee Benefits'.

Particulars	Gratuity (₹ Millions)				
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Defined benefit obligation	189	152	119	87	60
Plan assets	-	-	-	-	-
Surplus/ (deficit)	(189)	(152)	(119)	(87)	(60)
Experience adjustments on plan liabilities (loss)/ gain	(7)	(2)	(1)	(2)	(3)
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).

During the year ended March 31, 2014, the Company has announced new performance unit plan (cash settled payment) 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.

# Notes

to the consolidated financial statements for the year ended March 31, 2015

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)	Exercise price (₹)	Classification/accounting treatment
<b>Company</b>						
Infratel	2008 Plan	3,834	1 - 5	7	110	Equity settled
Infratel	Long term incentive plan (LTIP)	6	1 - 3	7	10	Equity settled
Infratel	Performance Unit Plan	238	1 - 3	7		Cash settled
<b>Joint Venture</b>						
Indus Plan	SAR Plan -1	0.0546	*	7	144,807	Cash settled
Indus Plan	SAR Plan -2	0.1135	1 - 3	7	344,180	Cash settled

\* The vesting schedule of SAR Plan 1 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
<b>Company</b>		
1. 2008 Scheme (including LTIP)		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
For options with a vesting period of 48 months:		
	On completion of 12 months	15%
	On completion of 24 months	20%
	On completion of 36 months	30%
	On completion of 48 months	35%
For options with a vesting period of 60 months:		
	On completion of 12 months	20%
	On completion of 24 months	20%
	On completion of 36 months	20%
	On completion of 48 months	20%
	On completion of 60 months	20%

# Notes

to the consolidated financial statements for the year ended March 31, 2015

	<b>Vesting period from the grant date</b>	<b>Vesting schedule</b>
<b>2. Performance Unit Plan</b>		
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%
<b>Joint Venture</b>		
<b>SAR Plan 1</b>	As determined by HR and Remuneration committee	
<b>SAR Plan 2</b>		
The vesting pattern of each of the initial grants made effective from Feb. 1, 2013 and subsequent grants made follows as:		
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:

<b>Particulars</b>	<b>As at March 31, 2015</b>		<b>As at March 31, 2014</b>	
	<b>Number of stock options (In '000)</b>	<b>Exercise price (₹)</b>	<b>Number of stock options (In '000)</b>	<b>Exercise price (₹)</b>
<b>Company Plan 2008</b>				
Outstanding at beginning of the year	8,554	110	9,147	110
Forfeited	(257)	110	(39)	329
Exercised	(4,463)	110	(554)	110
Outstanding at the year end	3,834	110	8,554	110
Exercisable at end of the year	3,607	110	7,662	110
<b>LTI Plan (Part of 2008 plan)</b>				
Outstanding at beginning of the year	16	10	20	10
Forfeited	(5)	10	-	-
Exercised	(5)	10	(4)	10
Outstanding at the year end	6	10	16	10
Exercisable at end of the year	3	10	4	10

# Notes

to the consolidated financial statements for the year ended March 31, 2015

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number of stock options (In '000)	Exercise price (₹)	Number of stock options (In '000)	Exercise price (₹)
<b>Cash settled Plan</b>				
Outstanding at beginning of the year	171	NA	-	NA
Granted	138	NA	171	NA
Forfeited	(25)	NA	-	NA
Exercised	(46)	NA	-	NA
Outstanding at the year end	238	NA	171	NA
Exercisable at end of the year	2	NA	-	-
<b>Joint Venture*</b>				
<b>SAR Plan 1</b>				
Outstanding at beginning of the year	0.1483	-	0.4218	-
Forfeited	(0.0192)	-	(0.0473)	-
Exercised	(0.0745)	-	(0.2261)	-
Outstanding at the year end	0.0546	-	0.1483	-
Exercisable at end of the year	0.0368	-	0.0461	-
<b>SAR Plan 2</b>				
Outstanding at beginning of the year	0.0655	-	0.0140	-
Granted	0.0639	-	0.0534	-
Forfeited	(0.0047)	-	-	-
Exercised	(0.0112)	-	(0.0019)	-
Outstanding at the year end	0.1135	-	0.0655	-
Exercisable at end of the year	0.0226	-	0.0044	-

\*Represents the Company's share of 42% of the Joint Venture Company.

The weighted average share price of the Company at the exercise date was ₹ 333.59 per share for options exercised under the 2008 Scheme & LTI plan and ₹ 299.55 for options exercised under cash settled plan during the year ended March 31, 2015.

The weighted average fair value of options granted by the Company during the year ended March 31, 2015 was ₹ 377.70 per share (March 31, 2014 – ₹ 197.61 per share). The fair value of the options granted during the year was estimated using the Black Scholes Valuation model with the following assumptions:

Particulars	As at March 31, 2015		As at March 31, 2014	
<b>Company</b>				
Risk free interest rates	7.80% to 7.65%		8.39% to 8.80%	
vesting period	36 months		36 months	
Weighted average share price (₹)	378		201	
Weighted average remaining contractual life	5.34 years		6.34 years	
Volatility	32.59%		30.96%	
Dividend yield	0.60%		0.50%	

# Notes

to the consolidated financial statements for the year ended March 31, 2015

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Joint Venture</b>		
<b>SAR Plan 1 &amp; 2</b>		
Risk free interest rates	7.94%	8.79%
Vesting period	-	-
SAR Plan 1	36 months	36 months
SAR Plan 2	31.11%	29.11%
Volatility	3.65%	3.99%
Dividend yield		

The balance of deferred stock compensation plan as on March 31, 2015 is ₹ 3 Mn (March 31, 2014 – ₹ 24 Mn) and total employee stock/cash options expense recognised for the year ended March 31, 2015 and March 31, 2014 is ₹ 140 Mn and ₹ 77 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. 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 ₹ 625 Mn (FY 2013-14 – Nil) 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.

During the year, Bharti Infratel Employee Welfare Trust (a trust set up for administration of ESOP Schemes of the Company) was formed and has acquired 1,652,000 Bharti Infratel equity shares from the open market at an average price of ₹ 377.71 per share.

## 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:

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Lease rental charged to statement of profit and loss*</b>	9,460	8,886
Obligation on non-cancelable lease:		
Not Later than one year	8,750	7,978
Later than one year but not later than five years	28,478	27,318
Later than five years	37,222	36,257
<b>Total</b>	<b>74,450</b>	<b>71,553</b>

\* The lease rentals include rent equalisation of ₹ 252 Mn and ₹ 307 Mn for the year ended March 31, 2015 and March 31, 2014 respectively.

# Notes

to the consolidated financial statements for the year ended March 31, 2015

## (b) Operating lease: Group as a lessor

- (i) 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 ₹ 71,493 Mn and ₹ 66,199 Mn for the year ended March 31, 2015 and March 31, 2014 respectively.

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
Future minimum lease payment receivable:		
Not Later than one year	74,291	67,104
Later than one year but not later than five years	276,764	278,266
Later than five years	128,811	140,172
<b>Total</b>	<b>479,866</b>	<b>485,542</b>

Revenue includes revenue equalisation of ₹ 1,642 Mn and ₹ 2,685 Mn for the year ended March 31, 2015 and March 31, 2014 respectively.

## 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:

Particulars	(₹ Millions)	
	2014-15	2013-14
Opening Balance	10,548	8,656
Additions during the year	421	280
Add: Pursuant to merger (refer note 44)	-	1,666
Less: Utilised/ adjusted during the year	(89)	(54)
<b>Closing Balance</b>	<b>10,880</b>	<b>10,548</b>

## 36. INTEREST IN JOINT VENTURE

The Group's share of the assets, liabilities, income and expense of the jointly 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:-

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
Share capital	1	1
Reserves and surplus	51,170	63,528
	<b>51,171</b>	<b>63,529</b>
<b>Non-current liabilities</b>		
Long-term borrowings	15,663	25,844
Deferred tax liabilities (net)	7,276	6,919
Other long-term liabilities	6,157	5,761
Long-term provisions	7,592	7,361
	<b>36,688</b>	<b>45,885</b>

# Notes

to the consolidated financial statements for the year ended March 31, 2015

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Current liabilities</b>		
Short-term borrowings	1,468	993
Trade payables	503	605
Other current liabilities	19,472	16,583
Short-term provisions	912	21
	<b>22,355</b>	<b>18,202</b>
<b>Total equity and liabilities</b>	<b>110,214</b>	<b>127,616</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets		
Tangible assets	83,498	86,429
Intangible assets	108	137
Capital work-in-progress	1,579	1,005
Long-term loans and advances	6,008	14,656
Other non-current assets	10,145	10,149
	<b>101,338</b>	<b>112,376</b>
<b>Current assets</b>		
Current investments	-	4,791
Trade receivables	320	447
Cash and bank balances	239	1,180
Short-term loans and advances	1,473	2,440
Other current assets	6,844	6,382
	<b>8,876</b>	<b>15,240</b>
<b>Total assets</b>	<b>110,214</b>	<b>127,616</b>

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
<b>INCOME</b>		
Revenues	62,822	58,292
Other income	1,676	1,396
	<b>64,498</b>	<b>59,688</b>
<b>EXPENSES</b>		
Power and fuel	22,107	21,083
Rent	6,729	6,394
Employee benefits expenses	1,553	1,519
Repairs and maintenance	5,080	5,079
Other expenses	1,252	986
	<b>36,721</b>	<b>35,061</b>
<b>Earnings before finance cost, tax, depreciation and amortisation and charity and donation</b>	<b>27,777</b>	<b>24,627</b>

## Notes

to the consolidated financial statements for the year ended March 31, 2015

### **36. INTEREST IN JOINT VENTURE (CONTD.)**

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Depreciation and amortisation expense	10,625	10,245
Finance costs	2,967	3,917
<b>Profit before tax</b>	<b>13,592</b>	<b>14,162</b>
<b>Tax expenses</b>	<b>14,185</b>	<b>10,465</b>
Current tax	4,749	3,072
Deferred tax	357	914
<b>Total tax expense</b>	<b>5,106</b>	<b>3,986</b>
<b>Profit for the year</b>	<b>9,079</b>	<b>6,479</b>
Capital commitments	1,213	1,385
Contingent liabilities	9,074	10,924

## 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



<b>Name of the related party</b>	<b>Relationship</b>
Bharti Airtel Services Limited	Fellow subsidiary
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
Nxtra Data Limited	Fellow subsidiary
Bharti Axa General Insurance Co. Ltd. (Bharti Axa)	Entity having significant influence/Group Company
Africa Tower Services	Fellow Subsidiary
Bharti Infratel Employees' Welfare Trust (Trust)	Employee Welfare Trust

# Notes

to the consolidated financial statements for the year ended March 31, 2015

## B. Related party transactions during the year:

Nature of transaction	Bharti Airtel Limited (##)		Bharti Hexacom Limited		Bharti Telemedia Limited		Bharti Enterprises Limited		Centum Learning Limited		Nxtra Data Limited		KMP (*)		Bharti Foundation		Indus Towers Limited (**#)		Bharti Axia		Africa Tower Services		Trust			
	2014 -15	2013 -14	2014 -15	2013 -14	2014 -15	2013 -14	2014 -15	2013 -14	2014 -15	2013 -14	2014 -15	2013 -14	2014 -15	2013 -14	2014 -15	2013 -14	2014 -15	2013 -14	2014 -15	2013 -14	2014 -15	2013 -14	2014 -15	2013 -14		
Loan given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loan repaid	(22,990)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Refund of lease rentals for JRU sites	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Amount received on exercise of stock options	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Claim received	53,104	51,304	3,820	3,739	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Renders of services	-	(7)	-	-	-	-	-	(108)	(94)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Expenses (other than employee related) incurred on behalf of Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6)	-	-	-	-	-	-	-	-	-	
Employee related expenses incurred on behalf of Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Amount paid on exercise of Cash Settled Options	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Employee related expenses incurred on behalf of Company Procurement of services	(182)	(159)	-	-	-	-	-	-	-	-	-	-	-	-	-	(110)	(100)	-	-	-	-	-	-	-	-	
Security deposit received	(54)	(58)	(7)	(6)	-	-	-	-	-	-	-	-	-	-	-	(14)	(30)	(7)	-	-	-	-	-	-	-	-
Remuneration paid	149	16	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest income on loan given	-	485	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Commission paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividend received	-	(13,350)	(4,500)	-	-	-	-	-	-	-	-	-	-	-	-	-	(171)	(60)	-	-	-	-	-	-	-	
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Donation given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Balance outstanding:</b>																										
Trade payables and Other current liabilities	(101)	(122)	(9)	(9)	-	-	-	-	-	-	-	-	-	-	-	-	-	(419)	(9,525)	(125)	-	-	-	-	-	-
Short-term loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other current assets	3,206	3,200	179	173	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade receivables	2,101	2,055	338	220	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other long-term liabilities	(3,278)	(3,374)	(212)	(211)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,928</b>	<b>1,759</b>	<b>296</b>	<b>173</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	(179)	(9,260)	(125)	-	-	-	-	-	-

\* Balance outstanding includes provision for leave encashment and gratuity based on actuarial valuation.

\*\* Transactions above have not been proportioned 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.

# Notes

to the consolidated financial statements for the year ended March 31, 2015

## 38. CAPITAL AND OTHER COMMITMENTS

### (i) Capital commitments

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
Estimated amount of contracts to be executed on capital account and not provided for in the financial statements (net of capital advances)	4,685	5,156
Under the IT Outsourcing agreement, the Company has commitment for capital purchases and service charges	-	70
<b>Total</b>	<b>4,685</b>	<b>5,226</b>

### (ii) Other commitments

For commitments relating to lease agreements, refer note 34.

## 39. CONTINGENT LIABILITIES

### (i) Financial bank guarantees

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
Total guarantees issued by banks and financial institutions on behalf of the Group	426	439
<b>Total</b>	<b>426</b>	<b>439</b>

### (ii) Claims against the Group not acknowledged as debt

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
a) Taxes, duties and other demands (under adjudication / appeal / dispute)		
- Sales tax (refer to a below) #	3,211	786
- Stamp duty (refer to b below)	192	269
- Entry tax (refer to c below)	1,750	1,543
- Municipal taxes (refer to d below)	1,246	1,578
- Service tax (refer to e below)	22,110	1,535
b) Other claims under legal cases including arbitration matters (refer to f below)	257	241
c) Income tax matters (refer to g, h and i below) #	1,318	10,224
<b>Total</b>	<b>30,084</b>	<b>16,176</b>

# Include ₹ 2,723 Mn (March 31, 2014 - ₹ 9,735 Mn) for which the possibility of tax demand materialising is remote based on internal assessment of the Group.

# Notes

to the consolidated financial statements for the year ended March 31, 2015

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, 2015 comprise of the cases relating to levy of VAT on right to use.

**(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 company 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 Group would recover these amounts from its customers in accordance with terms of Master Service Agreement.

**(e) Service tax**

During the year, the service tax department has issued certain orders for the disallowance of cenvat credit availed on Inputs, Capital Goods and Input Services

w.r.t. installation and commissioning of towers for the period starting from August, 2007 to March, 2013. The Company is in the process of filing an appeal before CESTAT Delhi as at year end against these orders.

**(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.

**(i)**

In a writ petition filed by the JV Company for directions to income-tax department for acceptance of post-merger consolidated tax returns for the period after April 1, 2009 (appointed date) to give effect to the merger of three intermediate tower companies viz. Bharti Infratech Ventures Limited, Vodafone Infrastructure Limited (Vinfl) and Idea Cellular Towers Infrastructure Limited, Hon'ble High Court of Delhi vide its order dated November 11, 2014 has declared the assessments done on three intermediate tower companies as non-existent for the period after April 1, 2009. Accordingly, the tax demand amounting to ₹ 8,564 on Vinfl has been quashed and hence, has not been considered as contingent liability as compared to the previous year ended March 31, 2014.

# Notes

to the consolidated financial statements for the year ended March 31, 2015

## 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-

S.No	Particulars	Total planned utilisation as per prospectus (A)	Planned utilisation as per prospectus			Total utilisation			(₹ Millions) Amount pending utilisation (A-D)
			FY 2013-14	FY 2014-15	FY 2013-14 (B)	FY 2014-15 (C)	Upto 2014-15 (D = B+C)		
1	Installation of 4,813 new towers	10,865	5,071	4,253	897	2,582	3,479	7,386	
2	Upgradation and replacement on existing towers	12,141	5,049	5,307	3,347	6,032	9,379*	2,762	
3	Green initiative at tower sites	6,394	2,991	2,768	310	1,258	1,568	4,826	
4	General corporate purposes(including share issue expenses in excess of 2% retained in escrow)	2,257	1,128	1,129	1,128	1,129	2,257	-	
<b>Total</b>		<b>31,657</b>	<b>14,239</b>	<b>13,457</b>	<b>5,682</b>	<b>11,001</b>	<b>16,683</b>	<b>14,974</b>	

\*Includes closing inventory as at March 31, 2015 amounting to ₹ 211 Mn (March 31, 2014 - ₹ 90 Mn)

Actual fund utilisation in FY 2014-15 has been lower primarily on account of lower capex deployment.

Unspent amount of ₹ 14,974 Mn is lying in the mutual funds investments and is shown as under –

Particulars	As at March 31, 2015	
	No of units	Amount ₹ Millions**
Current	580,429,926	16,810

\*\*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)

Particulars	Year ended March 31, 2015	(₹ Millions)	
		Year ended March 31, 2014	
Legal and professional	29	34	
IT expenses	2	0.11	
Capital goods	-	-	
	<b>31</b>	<b>34</b>	

# Notes

to the consolidated financial statements for the year ended March 31, 2015

**(b) Dividend remitted in foreign currency**

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Number of non - resident shareholders to whom dividend was due	1	1
Number of equity shares held on which dividend was due (in Mn)	18	18
Amount remitted (₹ in Mn)	160	54
Amount remitted (USD in Mn)	3	1

In addition to above, final dividend amounting to ₹ 3,084 Mn (2013-14 - ₹ 581 Mn) has been paid to other non-resident shareholders in Indian Rupees.

**(c) Unhedged foreign currency exposure is Nil as at March 31, 2015 (March 31, 2014 – Nil).**

**(d) Value of imports calculated on CIF basis Nil as at March 31, 2015 (March 31, 2014 - ₹ Nil Mn).**

**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.

**43.** During the year ended March 31, 2008, pursuant to the Scheme of Arrangement with Bharti Airtel Limited ('BAL Scheme') under sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of Bharti Airtel Limited was transferred to the Company. Pursuant to the BAL 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, 2015 and March 31, 2014 would have been higher by ₹ 7,724 Mn and ₹ 7,063 Mn respectively. Depreciation for the year ended March 31, 2015 would have been higher by ₹ 606 Mn (March 31, 2014 ₹ 737 Mn), other expenses for the year ended March 31, 2015 would have been higher by ₹ 55 Mn (March 31, 2014 ₹ 156 Mn) and profit for the year ended March 31, 2015 have been lower by ₹ 661 Mn (March 31, 2014 ₹ 893 Mn).

**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

# Notes

to the consolidated financial statements for the year ended March 31, 2015

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:

- a) 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).
- b) 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.

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, 2014 and for the year ended March 31, 2015 amounting to ₹ 24,789 Mn and ₹ 3,817 Mn respectively.

- (iii) Impact of additional depreciation on scrap/ obsolete tangible fixed assets pertaining to the transferor companies amounting to ₹ 491 Mn for the year ended March 31, 2015 (March 31, 2014 – ₹ 2,628 Mn). Further, impact of additional depreciation on fixed assets lying on certain sites acquired from transferor companies amounting to

# Notes

to the consolidated financial statements for the year ended March 31, 2015

- ₹ 360 Mn for the year ended March 31, 2015 (March 31, 2014 – ₹ 987 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, 2015 (March 31, 2014 – ₹ 1,122 Mn) 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 ₹ 1,984 Mn (March 31, 2014 - ₹ 3,190 Mn) [refer 3(d)(ii) and 3(d)(iii)].
- 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.

# Notes

to the consolidated financial statements for the year ended March 31, 2015

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 April 1, 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 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, ₹ 3,020 Mn and ₹ 1,984 Mn has been set-off against general reserve for the period up to March 31, 2014 and for the year ended March 31, 2015, 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 ended March 31, 2015, the Group 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) to 25% and 10%, respectively. The net impact thereof is not material and hence, not disclosed in these financial statements.

**47.** On April 24, 2014, the Board of Directors had proposed a dividend of ₹ 4.40 per equity share to all the existing

# Notes

to the consolidated financial statements for the year ended March 31, 2015

- shareholders for the year ended March 31, 2014. The dividend proposed by the Board of Directors has been approved by the shareholders in the annual general meeting held on August 4, 2014 and paid subsequently.
- 48.** The Board of Directors of the Company at its meeting held on July 17, 2014 has approved and paid first interim dividend of ₹ 4.50/- per equity share.
- 49.** The Company has recognised write back of over aged liabilities and provisions amounting to ₹ 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".
- 50.** Other Income includes Nil (FY 2013-14 - ₹ 284 Mn) relating to earlier periods.
- 51.** Charity and donation includes ₹ 60 Mn (FY 2013-14 - ₹ 60 Mn) paid to Satya Electoral Trust for political purposes.
- 52.** The Company was required to spend ₹ 192 Mn towards CSR expenditure as per the requirements of the Act. During the year, of this, it has paid ₹ 173 Mn to Bharti Foundation and others for CSR purposes. The Company has not been able to spend the balance amount due to decision making process taking substantial time in finalising the purposes/areas of CSR.
- 53.** Previous year figures have been regrouped/ reclassified where necessary to conform to the current year's classifications. The current year numbers include the impact of the Scheme and accordingly, are not comparable with the previous year number.

# 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, 2015, 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 but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the 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, 2015, its profit, and its cash flows for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- As required by the Companies (Auditor's report) Order, 2015 ("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 account;
  - (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, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) 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**  
**Firm Registration No.: 101049W**  
Chartered Accountants

per **Vineet Kedia**  
Partner  
Membership No: 212230

Place: Gurgaon  
Date: April 27, 2015

**Annexure 1 referred to in 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. No material discrepancies were noticed on such verification.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) 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 is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.

Considering the nature of business of the Company, provision of Clause 4 (iv) of the Order to the extent

pertaining to internal control system for purchase of inventory and sale of goods is not applicable to the Company.

- (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 products/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, wealth-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.
- (vii) (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-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.
- (vii) (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

<b>Name of statute</b>	<b>Nature of Dues</b>	<b>Amount (₹ in millions)</b>	<b>Period to which amount relates</b>	<b>Forum where the dispute is pending</b>
Income Tax Act, 1961	Income Tax	1,264	FY 2010-11-FY 2011-12	CIT(Appeals)
Assam, Bihar, Orissa, Rajasthan, UP, Himachal Pradesh, MP, Chhattisgarh, JK Entry Tax Act	Entry Tax	1,618	FY 2007-08 - FY 2014-15	Hon'ble Supreme Court, High Court, Appellate Authorities
MP VAT Act	Sales Tax	1,554	FY 2008-09 -FY 2012-13	MP (Indore) High Court
UP VAT Act	Sales Tax	2	FY 2009-10-FY 2014-15	UP Commercial Tax Appellate Authority
Finance Act,1994	Service Tax	15,529	FY 2007-08 - FY 2012-13	CESTAT, Delhi (Appeal to be filed)

Of the above mentioned cases, total amount deposited against income tax, entry tax and service tax is ₹ 589 millions, ₹ 1,163 millions and ₹ 78 millions respectively.

- (vii) (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the

management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

# Balance Sheet

as at March 31, 2015

Particulars	Notes	(₹ Millions)	
		As at March 31, 2015	As at March 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	18,938	18,893
Reserves and surplus	4	160,697	158,593
		<b>179,635</b>	<b>177,486</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	5	4,971	4,330
Other long-term liabilities	6	5,485	14,087
Long-term provisions	7	3,510	3,374
		<b>13,966</b>	<b>21,791</b>
<b>Current liabilities</b>			
Trade payables	8	1,015	1,459
Other current liabilities	9	12,679	12,933
Short-term provisions	10	14,920	9,815
		<b>28,614</b>	<b>24,207</b>
<b>Total equity and liabilities</b>		<b>222,215</b>	<b>223,484</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	11		
Tangible assets		64,608	66,826
Intangible assets		93	29
Capital work-in-progress		681	522
Non-current investments	12	87,801	96,761
Long-term loans and advances	13	2,825	3,214
Other non-current assets	14	17,457	15,153
		<b>173,465</b>	<b>182,505</b>
<b>Current assets</b>			
Current investments	15	31,440	33,670
Trade receivables	16	3,392	2,774
Cash and bank balances	17	8,882	474
Short-term loans and advances	18	3,911	2,737
Other current assets	19	1,125	1,324
		<b>48,750</b>	<b>40,979</b>
<b>Total assets</b>		<b>222,215</b>	<b>223,484</b>

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 27, 2015

#### For and on behalf of the board

**Akhil Gupta**  
Chairman  
  
**Anupam Garg**  
Company Secretary

**D S Rawat**  
Managing Director & CEO  
  
**Pankaj Miglani**  
Chief Financial Officer

# Statement of Profit and Loss

for the year ended March 31, 2015

Particulars	Notes	(₹ Millions, except per share data)	
		Year ended March 31, 2015	Year ended March 31, 2014
<b>INCOME</b>			
Revenue from operations	20	53,889	49,993
Other income	21	19,954	5,302
		<b>73,843</b>	<b>55,295</b>
<b>EXPENSES</b>			
Power and fuel	22	19,843	19,537
Rent	23	2,731	2,492
Employee expenses	24	2,444	2,151
Repairs and maintenance	25	3,991	3,731
Other expenses	26	873	1,196
		<b>29,882</b>	<b>29,107</b>
<b>Earnings before finance cost, tax, depreciation and amortisation and charity and donation</b>		<b>43,961</b>	<b>26,188</b>
Depreciation and amortisation expense	27	11,828	11,751
Less: Adjusted with general reserve in accordance with the Scheme of Arrangement (refer note 42)		(606)	(737)
		<b>11,222</b>	<b>11,014</b>
Finance cost	28	(65)	91
Charity and donation (refer note 50)		67	117
		<b>11,224</b>	<b>11,222</b>
<b>Profit before tax</b>		<b>32,737</b>	<b>14,966</b>
<b>Tax expense</b>			
Current tax (Includes MAT utilisation)	5	4,843	3,937
Deferred tax	5	642	130
		<b>5,485</b>	<b>4,067</b>
<b>Total tax expense</b>		<b>27,252</b>	<b>10,899</b>
<b>Profit for the year</b>			
<b>Earnings per equity share (nominal value of share ₹ 10 each)</b>	29		
Basic		14.415	5.770
Diluted		14.401	5.757
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 27, 2015

#### For and on behalf of the board

**Akhil Gupta**  
Chairman  
**Anupam Garg**  
Company Secretary

**D S Rawat**  
Managing Director & CEO  
**Pankaj Miglani**  
Chief Financial Officer

# Cash Flow Statement

for the year ended March 31, 2015

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	32,737	14,966
<b>Adjustments for -</b>		
Depreciation and amortisation expense	11,222	11,014
Interest income	(63)	(1,011)
Dividend income	(16,886)	(3,096)
Finance cost	20	91
Net gain on sale of current investments	(1,437)	(12)
Employee stock compensation expense	10	47
Revenue equalisation	(1,333)	(1,846)
Rent equalisation	133	151
Provision for doubtful debts and advances (net)	(60)	124
Termination charges for contract cancellation	-	11
Provision for capital work in progress (net)	(12)	(18)
Profit on sale of fixed assets (net)	(903)	(735)
<b>Operating profit before changes in assets and liabilities</b>	<b>23,428</b>	<b>19,685</b>
Increase / (Decrease) in trade payables	(444)	(228)
Increase / (Decrease) in other current liabilities	302	(8,018)
Increase / (Decrease) in short-term provisions	16	10
Increase / (Decrease) in other long-term liabilities	438	9,146
Increase / (Decrease) in long-term provisions	7	18
(Increase) / Decrease in trade receivables	(488)	(779)
(Increase) / Decrease in short-term loans and advances	(610)	1,121
(Increase) / Decrease in other current assets	172	(8)
(Increase) / Decrease in long-term loans and advances	(120)	(86)
(Increase) / Decrease in other non-current assets	(297)	(996)
<b>Cash generated from operations</b>	<b>22,404</b>	<b>19,865</b>
Income tax paid (net of refunds)	(5,024)	(1,708)
Contribution towards CSR	(173)	-
<b>Net cash flow from operating activities (A)</b>	<b>17,207</b>	<b>18,157</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(10,757)	(7,700)
Proceeds from sale of fixed assets	1,360	994
Investments in bank deposits (having original maturity of more than three months)	(8,820)	-
Loan repaid by related Parties	-	24,353
Advance to ESOP trust	(625)	-
Purchase of investments	(77,542)	(101,983)
Proceeds from sale of investments	90,167	68,908
Interest received	90	1,188
Dividend received	16,886	3,096
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>10,759</b>	<b>(11,144)</b>

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(9,173)	-
Proceeds from exercise of stock options	490	57
Interest paid	(14)	(6)
Dividend paid	(16,822)	(5,666)
Tax on Dividend paid	(2,859)	(963)
<b>Net cash flow (used in) financing activities (C)</b>	<b>(28,378)</b>	<b>(6,578)</b>
<b>Net increase in cash and cash equivalents during the year (A+B+C)</b>	<b>(412)</b>	<b>435</b>
Cash and cash equivalents at the beginning of the year	474	39
<b>Cash and cash equivalents at the end of the year (refer note 17)</b>	<b>62</b>	<b>474</b>
<b>Components of cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Balances with banks		
- on current accounts	62	211
- Deposits with original maturity of less than three months	-	250
Cheques on hand	-	13
<b>Total cash and cash equivalents</b>	<b>62</b>	<b>474</b>
<b>Other bank balances</b>		
Fixed deposits		
- Deposits with original maturity for more than 3 months but less than 12 months	8,820	-
<b>Total cash and bank balances</b>	<b>8,882</b>	<b>474</b>

Summary of significant accounting policies 2.1

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

#### Notes:

1. 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.
2. 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 27, 2015

#### For and on behalf of the board

**Akhil Gupta**  
Chairman  
**Anupam Garg**  
Company Secretary

**D S Rawat**  
Managing Director & CEO  
**Pankaj Miglani**  
Chief Financial Officer

# Notes

to Financial Statements for the year ended March 31, 2015

## 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 together with its wholly owned subsidiary 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

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.

### 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 42), 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 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.

# Notes

to Financial Statements for the year ended March 31, 2015

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 fixed 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 fixed assets:

	<b>Useful lives</b>
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 fixed assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Company believes that this is the best estimate on the basis of technical evaluation and actual usage period.

The existing realisable values of fixed assets are different from 5% as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Company believes that this is the best estimate on the basis of actual 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 45 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 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

# Notes

to Financial Statements for the year ended March 31, 2015

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 Tower Limited (Indus), which is stated at fair value as per the Indus 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.

#### **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

# Notes

to Financial Statements for the year ended March 31, 2015

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 debtors 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' 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

# Notes

to Financial Statements for the year ended March 31, 2015

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.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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 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.

Minimum alternate tax (MAT) paid in a year is charged to statement of the profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, ie. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance

# Notes

to Financial Statements for the year ended March 31, 2015

with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**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 of one or more uncertain future events beyond the control of the Company or a present obligation

# Notes

to Financial Statements for the year ended March 31, 2015

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 in hand and short-term investments with an original maturity of three months or less.

## r. Corporate social responsibility expenditure

Pursuant to the guidance issued by ICAI i.e. Frequently Asked Questions on the provisions of Corporate Social Responsibility (CSR) under Section 135 of the Act and Rules thereon, the Company has adopted the accounting policy to account for CSR expenditure as an appropriation to the Statement of Profit and Loss with effect from April 1, 2014.

## 3. SHARE CAPITAL

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Authorised shares</b>		
3,500,000,000 (March 31, 2014 - 3,500,000,000) equity shares of ₹ 10 each	35,000	35,000
<b>Issued, subscribed and fully paid-up shares</b>		
1,893,769,293 equity shares of ₹ 10 each fully paid up (March 31, 2014 - 1,889,301,113 equity shares of ₹ 10 each)	18,938	18,893
	<b>18,938</b>	<b>18,893</b>

### a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2015		As at March 31, 2014	
	No.	₹ Millions	No.	₹ Millions
At the beginning of the year	1,889,301,113	18,893	1,888,743,054	18,887
Issued during the year- ESOP	4,468,180	45	558,059	6
<b>Outstanding at the end of the year</b>	<b>1,893,769,293</b>	<b>18,938</b>	<b>1,889,301,113</b>	<b>18,893</b>

# Notes

to Financial Statements for the year ended March 31, 2015

**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 27, 2015, the Board of Directors have proposed a dividend of ₹ 6.50 per equity share (FY 2013-14 – ₹ 4.40 per equity share) to all the existing shareholders for the year ended March 31, 2015. 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, 2015		As at March 31, 2014	
	No.	₹ Millions	No.	₹ Millions
Bharti Airtel Limited	1,360,000,000	13,600	1,500,000,000	15,000

**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, 2009, the Company allotted 540,445,950 equity shares as fully paid bonus shares by capitalisation of securities premium account.

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, 2015, the Company allotted 4,468,180 equity shares (FY 2013-14 and FY 2012-13 – 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, 2015		As at March 31, 2014	
	No.	% age	No.	% age
Equity shares of ₹ 10 each fully paid				
Bharti Airtel Limited	1,360,000,000	71.81%	1,500,000,000	79.39%

**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.

# Notes

to Financial Statements for the year ended March 31, 2015

## 4. RESERVES AND SURPLUS

Particulars	(₹ Millions)				
	Securities premium account	Employee stock options outstanding	General reserve	Surplus in the statement of profit and loss	Total
<b>As at April 1, 2013</b>	<b>66,307</b>	<b>1,426</b>	<b>80,052</b>	<b>10,138</b>	<b>157,923</b>
Profit for the year	-	-	-	10,899	10,899
Add: Gain on disposal of subsidiary as on April 1, 2009 (Refer Note 43)	-	-	-	385	385
Less: amount transferred to statement of profit and loss during the year in accordance with the Scheme of arrangement with Bharti Airtel Limited (note 42)	-	-	(893)	-	(893)
Less: Appropriations	-	-	-	-	-
Proposed dividend on equity shares (amount ₹ 4.40 per share)*	-	-	-	(8,313)	(8,313)
Tax on proposed final dividend on equity shares			-	(1,413)	(1,413)
Add: amount transferred from stock options outstanding	142	-	-	-	142
Less: gross compensation for options forfeited/exercised during the year	-	(113)	-	-	(113)
Less: deferred employee stock compensation	66,449	1,313	79,159	11,696	158,617
<b>As at March 31, 2014</b>	<b>66,449</b>	<b>1,289</b>	<b>79,159</b>	<b>11,696</b>	<b>158,593</b>
<b>As at April 1, 2014</b>	<b>66,449</b>	<b>1,313</b>	<b>79,159</b>	<b>11,696</b>	<b>158,617</b>
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 42)	-	-	(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 (note 52)	-	-	-	(173)	(173)
Add: amount transferred from stock options outstanding	1,161	-	-	-	1,161
Less: gross compensation for options forfeited/exercised during the year	-	(726)	-	-	(726)
Less: deferred employee stock compensation	67,610	587	78,498	14,005	160,700
<b>As at March 31, 2015</b>	<b>67,610</b>	<b>584</b>	<b>78,498</b>	<b>14,005</b>	<b>160,697</b>

\* The Company, based on an independent legal opinion, had determined that the provisions of the Companies Act, 2013 apply to the proposed dividend for the year ended March 31, 2014, as it would be declared and paid after April 1, 2014. Accordingly, it had not transferred any amount to the general reserve for the proposed dividend.

# Notes

to Financial Statements for the year ended March 31, 2015

## 5. DEFERRED TAX LIABILITIES (NET)

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Deferred tax liability</b>		
Depreciation claimed as deduction under Income Tax Act but chargeable in the financial statements in future years	1,466	1,670
Revenue equalisation (net) recognised in financial statements but offered for tax in future years on actual billing basis	4,437	3,950
Gain on disposal of subsidiary (refer note 43)	116	113
<b>Gross deferred tax liability</b>	<b>6,019</b>	<b>5,733</b>
<b>Deferred tax asset</b>		
Provision for doubtful debts/ advances charged in financial statements but allowed as deduction under the Income Tax Act in future years	553	563
Expenses allowed as deduction under Sec 35D of Income Tax Act in future years	146	242
Other expenses charged in the financial statements but allowed as deduction under Income Tax Act in future year on actual payment (net)	349	598
<b>Gross deferred tax asset</b>	<b>1,048</b>	<b>1,403</b>
<b>Net deferred tax liability</b>	<b>4,971</b>	<b>4,330</b>

Current tax expense includes reversal of ₹ 235 Mn (FY 2013-14 – ₹ 48 Mn) relating to earlier periods. Deferred tax expense includes ₹ 296 Mn (FY 2013-14 – ₹ 66 Mn) relating to earlier periods and ₹ 89 Mn (FY 2013-14 – Nil) on account of rate change.

The impact on account of rate change on deferred tax assets and liabilities as of March 31, 2015, have been calculated using substantively enacted rate of 34.61% as per Finance Bill 2015.

## 6. OTHER LONG-TERM LIABILITIES

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
Security deposits received	3,507	3,289
Lease equalisation	1,669	1,536
Unearned revenue	242	76
Provision for payment of cash options	67	13
Payable to Joint Venture company	-	9,173
	<b>5,485</b>	<b>14,087</b>

"Security deposits received" include ₹ 1,949 Mn (March 31, 2014 - ₹ 1,852 Mn) received from related parties. For details, refer note 35.

# Notes

to Financial Statements for the year ended March 31, 2015

## 7. LONG-TERM PROVISIONS

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits	76	68
Gratuity (refer note 30)	11	12
Long-term service award (refer note 30)	87	80
Asset retirement obligation (refer note 33)	3,423	3,294
	<b>3,510</b>	<b>3,374</b>

## 8. TRADE PAYABLES

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
Trade creditors (refer Note 39 for details of dues to micro and small enterprises)	1,015	1,459
	<b>1,015</b>	<b>1,459</b>

"Trade Creditors" include ₹ 418 Mn (March 31, 2014 - ₹ 309 Mn) payable to related parties. For details, refer note 35.

## 9. OTHER CURRENT LIABILITIES

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
Equipment supply payables	2,051	2,602
Dues to employees	215	199
Accrued expenses	10,129	9,858
Other taxes payable	159	56
Contribution to employee funds	11	10
Unearned revenue	21	22
Security deposit	93	186
	<b>12,679</b>	<b>12,933</b>

"Security deposit" includes Nil (March 31, 2014 - ₹ 60 Mn) received from related parties and "Accrued expenses" include ₹ 236 Mn (March 31, 2014 - ₹ 174 Mn) payable to related parties. For details, refer note 35.

# Notes

to Financial Statements for the year ended March 31, 2015

## 10. SHORT-TERM PROVISIONS

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits (refer note 30)		
Gratuity	39	28
Leave encashment	66	61
Proposed dividend [refer notes 3 (b) and 46]	12,309	8,313
Tax on proposed dividend	2,506	1,413
	<b>14,920</b>	<b>9,815</b>

## 11. FIXED ASSETS

Particulars	Land	Plant and equipment	Office furniture and equipment	Vehicles	Computers	Leasehold improvements	Tangible assets Total	Computer Software	Intangible assets Total
<b>Cost</b>									
As at April 1, 2013	5	118,044	100	6	657	276	119,088	223	223
Additions	-	7,941	29	-	44	-	8,014	30	30
Disposals	-	(4,586)	-	-	-	(10)	(4,596)	-	-
<b>As at March 31, 2014</b>	<b>5</b>	<b>121,399</b>	<b>129</b>	<b>6</b>	<b>701</b>	<b>266</b>	<b>122,506</b>	<b>253</b>	<b>253</b>
Additions	-	9,894	44	-	51	1	9,990	140	140
Disposals/ adjustment	-	(4,458)	(2)	-	(54)	(2)	(4,516)	(21)	(21)
<b>As at March 31, 2015</b>	<b>5</b>	<b>126,835</b>	<b>171</b>	<b>6</b>	<b>698</b>	<b>265</b>	<b>127,980</b>	<b>372</b>	<b>372</b>
<b>Depreciation</b>									
As at April 1, 2013	-	47,208	55	4	618	106	47,991	204	204
Charge for the year	-	11,614	30	-	53	34	11,731	20	20
Disposals	-	(4,042)	-	-	-	-	(4,042)	-	-
<b>As at March 31, 2014</b>	<b>-</b>	<b>54,780</b>	<b>85</b>	<b>4</b>	<b>671</b>	<b>140</b>	<b>55,680</b>	<b>224</b>	<b>224</b>
Charge for the year	-	11,724	21	1	(10)	37	11,773	55	55
Disposals/ adjustment	-	(4,078)	(2)	-	-	(1)	(4,081)	-	-
<b>As at March 31, 2015</b>	<b>-</b>	<b>62,426</b>	<b>104</b>	<b>5</b>	<b>661</b>	<b>176</b>	<b>63,372</b>	<b>279</b>	<b>279</b>
<b>Net Block</b>									
<b>As at March 31, 2015</b>	<b>5</b>	<b>64,409</b>	<b>67</b>	<b>1</b>	<b>37</b>	<b>89</b>	<b>64,608</b>	<b>93</b>	<b>93</b>
<b>As at March 31, 2014</b>	<b>5</b>	<b>66,619</b>	<b>44</b>	<b>2</b>	<b>30</b>	<b>126</b>	<b>66,826</b>	<b>29</b>	<b>29</b>

"Plant and equipment" comprise of assets given on operating lease. For details, refer note 32(b).

Depreciation charge for the year includes ₹ 875 Mn (FY 2013-14 - ₹ 1,149 Mn) provided for loss with respect to assets not in active use.

Disposal/adjustment includes disposal and adjustments w.r.t. the assets for which insurance claims are made by the Company.

# Notes

to Financial Statements for the year ended March 31, 2015

## 12. NON-CURRENT INVESTMENTS (REFER NOTE 44)

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Trade investments - unquoted</b>		
<b>Investment in equity</b>		
Joint venture - Indus Towers Limited: 500,504 (March 31, 2014 - 500,504) equity shares of ₹ 1 each fully paid up (refer note 43)	60,419	60,419
Subsidiary - Bharti Infratel Services Limited: 50,000 (March 31, 2014 - 50,000) equity shares of ₹ 10 each fully paid up (refer note 1)	0.5	0.5
<b>Other investments - quoted</b>		
Investments in mutual funds	27,382	36,342
	<b>87,801</b>	<b>96,761</b>
Market value of quoted investments	31,260	36,341

Details of investments in mutual funds are provided below:

Particulars	As at March 31, 2015		As at March 31, 2014	
	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 Cash Plus- Instl. Prem.-Daily Dividend	-	-	4,491,242	450
Birla Sun Life Short Term Opportunities Fund - Growth-Regular Plan	86,393,736	1,730	86,393,736	1,730
DSP Black Rock Strategic Bond Fund-Institutional Plan-Growth	1,745,815	2,500	1,444,248	2,000
DWS Insta Cash Plus Fund Super Institutional Plan - Daily Dividend	-	-	4,984,846	500
HDFC Income Fund Growth	104,051,219	2,897	107,530,992	2,994
ICICI Prudential Income -Regular Plan - Growth	45,694,326	1,753	187,283,332	7,024
ICICI Prudential Liquid Plan - Regular Daily Dividend	-	-	10,994,470	1,100
IDFC Super Saver Income Fund-Investment Plan -Growth-(Regular Plan)	85,232,890	2,497	85,232,890	2,497
JM High liquidity Fund-Daily Dividend Option	-	-	95,875,439	1,000
JPMorgan India Active Bond Fund Retail Plan Growth Option	47,044,600	623	113,207,547	1,499
JPMorgan India Liquid Fund Super Inst.Daily Dividend	-	-	23,135,452	232
Kotak Bond Scheme Plan A-Growth - Regular Plan	36,212,982	1,278	99,181,891	3,488
L&T Liquid Fund Daily Dividend Reinvestment Plan	-	-	494,249	500
Reliance Income Fund Growth Plan - Growth Option	65,982,324	2,648	74,551,202	2,992
Reliance Interval Fund - Quarterly Plan - Series I - Growth Plan Growth Option	-	-	20,378,220	350
Templeton India Income Builder Account Plan A - Growth	48,224,495	1,999	48,224,495	1,999
UTI Bond Fund - Growth	74,936,438	2,749	41,865,468	1,499
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	50,660,486	800	-	-
<b>Total</b>	<b>818,937,920</b>	<b>27,382</b>	<b>1,086,801,288</b>	<b>36,342</b>

# Notes

to Financial Statements for the year ended March 31, 2015

## 13. LONG-TERM LOANS AND ADVANCES

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Unsecured, considered good unless otherwise stated</b>		
<b>Capital advances</b>		
Unsecured, considered good	14	4
Unsecured, considered doubtful	34	38
Less: Provision	(34)	(38)
	14	4
<b>Security deposits</b>		
Unsecured, considered good	1,119	1,017
Unsecured, considered doubtful	61	49
Less: Provision	(61)	(49)
	1,119	1,017
<b>Other loans and advances</b>		
Advance income-tax [net of provision for taxation of ₹ 14,451 Mn (March 31, 2014 - ₹ 9,595 Mn)]	1,690	2,191
Advance fringe benefit tax (net of provision)	2	2
	2,825	3,214

## 14. OTHER NON-CURRENT ASSETS

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Unsecured, considered good unless otherwise stated</b>		
Revenue equalisation	14,537	13,206
<b>Others</b>		
Considered good	2,920	1,947
Considered doubtful	18	13
Less: Provision	(18)	(13)
	2,920	1,947
	17,457	15,153

"Others" comprise of payments made under protest to the Government authorities. For details, refer note 37(ii).

## 15. CURRENT INVESTMENTS (REFER NOTE 44)

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Current investments (at lower of cost and market value)</b>		
Investments in mutual funds - quoted	31,440	33,670
	<b>31,440</b>	<b>33,670</b>
Market value of quoted investments	34,972	34,215

# Notes

to Financial Statements for the year ended March 31, 2015

Details of Current Investments are provided below:

Particulars	As at March 31, 2015		As at March 31, 2014		(₹ Millions)
	Unit No.	Amount	Unit No.	Amount	
Axis Liquid Fund - Daily Dividend	-	-	205,010	205	
Baroda Pioneer Liquid Fund Plan A- Daily Dividend	-	-	505,288	506	
BSL Cash Plus - Daily Dividend - Reinvestment	-	-	205,862	21	
Birla Sun Life Income Plus- Growth Regular Plan	58,818,759	3,117	66,774,310	3,539	
DWS Insta Cash Plus Fund Super Institutional Plan - Daily Dividend	-	-	691,127	69	
HDFC Income Fund Growth	68,876,846	1,856	167,496,335	4,513	
HDFC Short Term Plan-Dividend	18,306,435	500	43,115,259	1,070	
ICICI Prudential Liquid Plan - Regular Daily Dividend	-	-	259,031	26	
Principal Cash Management Fund - Regular Plan Dividend Plan Payout	-	-	280,096	280	
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	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	1,001	-	-	
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	-	-	
ICICI Prudential Short Term Plan- Regular Monthly Dividend	-	-	265,924,844	3,140	
IDFC Dynamic Bond Fund-Quarterly Dividend-(Regular Plan)	-	-	100,029,572	1,027	
IDFC Super Saver Income Fund-Investment Plan-Growth	-	-	34,149,368	1,002	
JM High Liquidity Fund-Daily Dividend Option	-	-	14,945,277	156	
JPMorgan India Liquid Fund Super Inst.Daily Dividend	-	-	374,124	4	
Kotak Floater Short Term - Daily Dividend	-	-	996,044	1,008	

# Notes

to Financial Statements for the year ended March 31, 2015

Particulars	(₹ Millions)			
	As at March 31, 2015		As at March 31, 2014	
	Unit No.	Amount	Unit No.	Amount
Kotak Bond Scheme Plan A-Growth - Regular Plan	118,736,484	4,020	118,736,484	4,020
Kotak Liquid Scheme Plan A-Daily Dividend	-	-	677,442	828
L&T Liquid Fund Daily Dividend Reinvestment Plan	-	-	38,006	38
Reliance Income Fund-Growth Plan-Growth Option	-	-	51,792,003	1,999
Reliance Liquidity Fund-Daily Dividend Reinvestment Option	-	-	322,785	493
Religare Liquid Fund - Daily Dividend	-	-	3,137,866	3,141
Religare Invesco Short Term Plan - Regular Growth	-	-	631,432	1,070
SBI Dynamic Bond Fund- Regular Growth	137,780,607	2,021	137,780,607	2,021
Tata Liquid Fund Plan A-Daily Dividend	-	-	586,675	654
UTI Money Market Fund - Institutional Plan - Daily Dividend	-	-	770,118	773
Franklin India Income Opportunities Fund	50,465,370	666	156,594,311	2,067
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	-	-
<b>Total</b>	<b>870,117,237</b>	<b>31,440</b>	<b>1,167,019,276</b>	<b>33,670</b>

## 16. TRADE RECEIVABLES

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Unsecured, considered good unless otherwise stated</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	430	166
Unsecured, considered doubtful	1,062	1,117
Less: Provision for doubtful receivables	(1,062)	(1,117)
	430	166
Other receivables		
Unsecured, considered good	2,962	2,608
Unsecured, considered doubtful	133	208
Less: Provision for doubtful receivables	(133)	(208)
	2,962	2,608
	<b>3,392</b>	<b>2,774</b>

"Trade receivables" include receivables from related parties amounting to ₹ 2,121 Mn (March 31, 2014 - ₹ 1,886 Mn) respectively. For details, refer note 35.

# Notes

to Financial Statements for the year ended March 31, 2015

## 17. CASH AND BANK BALANCES

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Cash and cash equivalents</b>		
Balances with banks		
- on current accounts	62	211
- Deposits with original maturity of less than three months	-	250
Cheques on hand	-	13
<b>Other bank balances</b>		
Fixed deposits		
- Deposits with original maturity for more than 3 months but less than 12 months	8,820	-
	<b>8,882</b>	<b>474</b>

## 18. SHORT-TERM LOANS AND ADVANCES

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Unsecured, considered good unless otherwise stated</b>		
Loans and advances to related parties (refer note 35)	852	234
Advances recoverable in cash or kind		
Secured, considered good	336	322
Unsecured, considered good	2,723	2,181
Unsecured, considered doubtful	191	200
Less: Provision for doubtful advances	(191)	(200)
	<b>3,059</b>	<b>2,503</b>
	<b>3,911</b>	<b>2,737</b>

"Advances recoverable in cash or kind" are secured to the extent they are backed by bank guarantees.

## 19. OTHER CURRENT ASSETS

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Unsecured, considered good unless otherwise stated</b>		
Unbilled revenue (net)	1,114	1,286
Interest accrued	11	38
	<b>1,125</b>	<b>1,324</b>

"Unbilled revenue (net)" is net of provisions amounting to ₹ 748 Mn as at March 31, 2015 (March 31, 2014 - ₹ 705 Mn) considered for penalties, deductions etc. and includes revenues from related parties amounting to ₹ 1,228 Mn as at March 31, 2015 (March 31, 2014 - ₹ 1,190 Mn). For details, refer note 35.

"Interest accrued" comprise of interest accrued on loan to JV company amounting to Nil as at March 31, 2015 (March 31, 2014 - ₹ 38 Mn). For details, refer note 35.

# Notes

to Financial Statements for the year ended March 31, 2015

## 20. REVENUE FROM OPERATIONS

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
<b>Sale of services</b>		
Rent	32,103	29,569
Energy (Including rates and taxes)	21,786	20,424
	<b>53,889</b>	<b>49,993</b>

## 21. OTHER INCOME

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Interest income on:		
- Bank deposits	41	2
- Loans to group companies	-	510
- Others	22	499
Dividend income:		
- Investment in joint venture (refer note 47)	16,407	2,200
- Current investments	479	896
Net gain on sale of current investments	1,352	12
Profit on sale of fixed assets (net)	903	752
Termination charges for contract cancellation	206	111
Miscellaneous income (refer note 49 and 51)	544	320
	<b>19,954</b>	<b>5,302</b>

## 22. POWER AND FUEL

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Network	19,819	19,513
Others	24	24
	<b>19,843</b>	<b>19,537</b>

## 23. RENT

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Network	2,610	2,373
Others	121	119
	<b>2,731</b>	<b>2,492</b>

# Notes

to Financial Statements for the year ended March 31, 2015

## 24. EMPLOYEE BENEFIT EXPENSES

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Salaries, wages and bonus	2,113	1,902
Contribution to provident fund	67	61
Employee stock/cash option expense	85	47
Staff welfare expenses	95	79
Others	84	62
	<b>2,444</b>	<b>2,151</b>

"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

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Repair and maintenance		
- Plant and Machinery	2,964	2,770
- Building	9	4
- Others	1,018	957
	<b>3,991</b>	<b>3,731</b>

## 26. OTHER EXPENSES

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Insurance	56	51
Traveling and conveyance	147	150
Communication costs	111	99
Legal and professional	267	210
IT expenses	108	247
Provision for doubtful debts and advances (net)	(60)	124
Provision for capital work in progress (net)	(12)	(18)
Fixed assets written off#	-	-
Miscellaneous expenses		
- Network	122	201
- Others	134	132
	<b>873</b>	<b>1,196</b>

# Notes

to Financial Statements for the year ended March 31, 2015

## Payment to Auditor

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Audit fee	6	6
Reimbursement of expenses	0.5	1
	<b>6.5</b>	<b>7</b>

# "Fixed assets written off" for the year ended March 31, 2015 and March 31, 2014 is net of ₹ 55 Mn and ₹ 156 Mn respectively adjusted with General Reserve in accordance with the Scheme of arrangement. For details, refer note 42.

## 27. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Depreciation of tangible assets	11,773	11,731
Amortisation of intangible assets	55	20
Less: adjusted with general reserve in accordance with the Scheme of Arrangement with Bharti Airtel Limited (note 42)	11,828 (606)	11,751 (737)
	<b>11,222</b>	<b>11,014</b>

## 28. FINANCE COSTS

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Interest	14	-
Mark to market loss #	(85)	85
Bank charges	6	6
	<b>(65)</b>	<b>91</b>

# MTM loss for the year ended March 31, 2015 amounting to ₹ (85) Mn (FY 2013-14 – ₹ 85 Mn) represents reversal of MTM loss, recognised in previous year on investments.

# Notes

to Financial Statements for the year ended March 31, 2015

## 29. EARNINGS PER SHARE (EPS)

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Nominal value of equity shares (₹)	10	10
Profit attributable to equity shareholders for computing Basic and Dilutive EPS (A) (₹ Millions)	27,252	10,899
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	1,890,487,450	1,888,860,817
Dilutive effect on weighted average number of equity shares outstanding during the Year*	1,883,319	4,189,888
Weighted average number of equity shares and equity equivalent shares for computing Diluted EPS (C)	1,892,370,769	1,893,050,705
Basic earnings per share (A/B) (₹)	14.415	5.770
Diluted earnings per share (A/C) (₹)	14.401	5.757

\* Diluted effect on weighted average number of equity shares and profit is on account of Employee Stock Option Plan (ESOP).

## 30. EMPLOYEE BENEFITS

During the year, the Company has recognised the following amounts in the statement of profit and loss:

### Defined contribution plan

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
Employer's contribution to provident fund	67	61
<b>Total</b>	<b>67</b>	<b>61</b>

### 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).

- i. Amount charged to the statement of profit and loss:

Particulars	(₹ Millions)	
	Gratuity	Year ended March 31, 2014
Current service cost	24	23
Interest cost	9	7
Actuarial (gain)/ loss	2	7
<b>Net gratuity cost</b>	<b>35</b>	<b>37</b>

## Notes

to Financial Statements for the year ended March 31, 2015

- ii. The assumptions used to determine the benefit obligation are as follows:

Particulars	As at March 31, 2015	As at March 31, 2014
Discount rate	8.50%	8.00%
Expected rate of increase in compensation levels	10.00%	10.00%
Expected average remaining working lives of employees (years)	24.02 years	24.27 years

- iii. Reconciliation of opening and closing balances of defined benefit obligation:

Particulars	Gratuity	
	As at March 31, 2015	As at March 31, 2014
Projected benefit obligation at beginning of year	96	75
Current service cost	24	23
Interest cost	9	7
Benefits paid	(17)	(16)
Actuarial (gain)/ loss	2	7
<b>Projected benefit obligation at end of year</b>	<b>114</b>	<b>96</b>

- 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 ₹ 39 Mn (FY 2013-14 – ₹ 35 Mn).
- vii. The table below illustrates experience adjustment disclosure as per para 120 (n) (ii) of Accounting Standard 15, 'Employee Benefits'.

Particulars	Gratuity				
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Defined benefit obligation	114	96	75	53	35
Plan assets	-	-	-	-	-
Surplus/ (deficit)	(114)	(96)	(75)	(53)	(35)
Experience adjustments on plan liabilities (loss)/ gain	(8)	(5)	(2)	(5)	(5)
Experience adjustments on plan assets (loss)/ gain	-	-	-	-	-

# Notes

to Financial Statements for the year ended March 31, 2015

## 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).

During the year ended March 31, 2014, the Company has announced new performance unit plan (cash settled payment) for its employees.

The following table provides an overview of existing stock/cash option plans of the Company:-

Scheme	Plan	Stock options outstanding (in thousands)	Vesting period (years)	Contractual term (years)	Exercise price (₹)	Classification/accounting treatment
<b>Equity settled Plans</b>						
Infratel Plan	2008 Plan	3,834	1 - 5	7	110	Equity settled
Infratel Plan	Long term incentive plan (LTIP)	6	1 - 3	7	10	Equity settled
<b>Cash settled Plans</b>						
Infratel Plan	Performance Unit Plan	238	1 - 3	7	-	Cash settled

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
<b>1. 2008 Scheme (including LTIP)</b>	
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%
<b>2. Performance Unit Plan</b>	
For options with a vesting period of 36 months:	
On completion of 12 months	30%
On completion of 24 months	30%
On completion of 36 months	40%

# Notes

to Financial Statements for the year ended March 31, 2015

Information concerning the movement in stock options during the year and outstanding at the year end is as follows:

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number of stock options (In '000)	Exercise price (₹)	Number of stock options (In '000)	Exercise price (₹)
<b>Plan 2008</b>				
Outstanding at beginning of the year	8,554	110	9,147	110
Granted	-	-	-	-
Forfeited	(257)	110	(39)	110
Exercised	(4,463)	110	(554)	110
Outstanding at the year end	3,834	110	8,554	110
Exercisable at end of the year	3,607	110	7,662	110
<b>LTI Plan (Part of 2008 plan)</b>				
Outstanding at beginning of the year	16	10	20	10
Granted	-	-	-	-
Forfeited	(5)	10	-	-
Exercised	(5)	10	(4)	10
Outstanding at the year end	6	10	16	10
Exercisable at end of the year	3	10	4	10
<b>Cash settled Plan</b>				
Outstanding at beginning of the year	171	NA	-	NA
Granted	138	NA	171	NA
Forfeited	(25)	NA	-	NA
Exercised	(46)	NA	-	NA
Outstanding at the year end	238	NA	171	NA
Exercisable at end of the year	2.02	NA	0	-

\*The weighted average share price at the exercise date was ₹ 333.59 per share for options exercised under the 2008 Scheme & LTI plan and ₹ 299.55 per share for options exercised under cash settled plan during the year ended March 31, 2015.

The weighted average fair value of the options granted during the year is ₹ 377.70 per share (FY 2013-14 – ₹ 197.61 per share). The fair value of the options granted has been estimated using the Black Scholes / Lattice Valuation model with the following assumptions:

Particulars	As at March 31, 2015		As at March 31, 2014	
Risk free interest rates	7.80% to 7.65%		8.39% to 8.80%	
Expected life	36 months		36 months	
Weighted average share price(₹)	378		201	
Weighted average remaining contractual life	5.34 years		6.34 years	
Volatility	32.59%		30.96%	
Dividend yield	0.60%		0.50%	

The balance of deferred stock compensation as on March 31, 2015 is ₹ 3 Mn (March 31, 2014 – ₹ 24 Mn) and total employee stock/cash option expense recognised for the year ended March 31, 2015 and March 31, 2014 is ₹ 85 Mn and ₹ 47 Mn respectively.

# Notes

to Financial Statements for the year ended March 31, 2015

## 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. 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 ₹ 625 Mn (FY 2013-14 – Nil) 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.

During the year, Bharti Infratel Employee Welfare Trust (a trust set up for administration of ESOP Schemes of the Company) was formed and has acquired 1,652,000 Bharti Infratel equity shares from the open market at an average price of ₹ 377.71 per share.

## 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:

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
<b>Lease rental charged to statement of profit and loss*</b>	2,731	2,492
Obligation on non-cancelable lease:		
Not Later than one year	2,658	2,343
Later than one year but not later than five years	10,250	9,453
Later than five years	15,990	16,131
<b>Total</b>	<b>28,898</b>	<b>27,927</b>

\* The lease rentals include rent equalisation of ₹ 133 Mn and ₹ 151 Mn for the year ended March 31, 2015 and March 31, 2014 respectively.

### (b) Operating lease: Group 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, 2015 and March 31, 2014 for non cancelable arrangements relating to provision for passive infrastructure sites as per the agreements is ₹ 32,151 Mn and ₹ 29,819 Mn respectively.

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
Future minimum lease payment receivable:		
Not Later than one year	32,692	29,473
Later than one year but not later than five years	132,220	124,441
Later than five years	91,138	107,377
<b>Total</b>	<b>256,050</b>	<b>261,291</b>

Revenue includes revenue equalisation of ₹ 1,333 Mn and ₹ 1,846 Mn for the year ended March 31, 2015 and March 31, 2014 respectively.

# Notes

to Financial Statements for the year ended March 31, 2015

## 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:

Particulars	(₹ Millions)	
	2014-15	2013-14
Opening Balance	3,294	3,213
Additions during the year	129	81
<b>Closing Balance</b>	<b>3,423</b>	<b>3,294</b>

## 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, 2015 and March 31, 2014 respectively are as follows:

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
Share capital	0.5	0.5
Reserves and surplus	51,170	63,528
	<b>51,171</b>	<b>63,529</b>
<b>Non-current liabilities</b>		
Long-term borrowings	15,663	25,844
Deferred tax liabilities (net)	7,276	6,919
Other long-term liabilities	6,157	5,761
Long-term provisions	7,592	7,361
	<b>36,688</b>	<b>45,885</b>
<b>Current liabilities</b>		
Short-term borrowings	1,468	993
Trade payables	503	605
Other current liabilities	19,472	16,583
Short-term provisions	912	21
	<b>22,355</b>	<b>18,202</b>
<b>Total equity and liabilities</b>	<b>110,214</b>	<b>127,616</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets		
Tangible assets	83,498	86,429
Intangible assets	108	137
Capital work-in-progress	1,579	1,005

# Notes

to Financial Statements for the year ended March 31, 2015

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
Long-term loans and advances	6,008	14,656
Other non-current assets	10,145	10,149
	<b>101,338</b>	<b>112,376</b>
<b>Current assets</b>		
Current investments	-	4,791
Trade receivables	320	447
Cash and bank balances	239	1,180
Short-term loans and advances	1,473	2,440
Other current assets	6,844	6,382
	<b>8,876</b>	<b>15,240</b>
<b>Total assets</b>	<b>110,214</b>	<b>127,616</b>

Particulars	(₹ Millions)	
	Year ended March 31, 2015	Year ended March 31, 2014
<b>INCOME</b>		
Revenues	62,822	58,292
Other income	1,676	1,396
	<b>64,498</b>	<b>59,688</b>
<b>EXPENSES</b>		
Power and fuel	22,107	21,083
Rent	6,729	6,394
Employee benefits expenses	1,553	1,519
Repairs and maintenance	5,080	5,079
Other expenses	1,252	986
	<b>36,721</b>	<b>35,061</b>
<b>Earnings before finance cost, tax, depreciation and amortisation and charity and donation</b>	<b>27,777</b>	<b>24,627</b>
Depreciation and amortisation expense	10,625	10,245
Finance costs	2,967	3,917
	<b>13,724</b>	<b>14,162</b>
<b>Profit before tax</b>	<b>14,052</b>	<b>10,465</b>
<b>Tax expenses</b>		
Current tax	4,749	3,072
Deferred tax	357	914
	<b>5,106</b>	<b>3,986</b>
<b>Profit for the year</b>	<b>8,946</b>	<b>6,479</b>
Capital commitments	1,213	1,385
Contingent liabilities	9,074	10,924

# Notes

to Financial Statements for the year ended March 31, 2015

## 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 Gupta, Chairman (Managing Director upto March 31, 2014)
  - D S Rawat, Managing Director and CEO (w.e.f. April 1, 2014)
2. Related parties where control exists irrespective of whether transactions have occurred or not
 

Holding company	Bharti Airtel Limited
Subsidiary company	Bharti Infratel Services Limited (w.e.f. June 4, 2013)
	Bharti Infratel Ventures Limited (upto June 10, 2013)
3. Other related parties with whom transactions have taken place during the year

<u>Name of the related party</u>	<u>Relationship</u>
Bharti Airtel Services Limited	Fellow Subsidiary
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
Nxtra Data Limited	Fellow Subsidiary
Bharti Axa General Insurance Co. Ltd. (Bharti Axa)	Entity having significant influence/Group Company
Africa Tower Services	Fellow Subsidiary
Bharti Infratel Employees' Welfare Trust (Trust)	Employee Welfare Trust

## Notes

## **to Financial Statements for the year ended March 31, 2015**

\*Also, refer note 43 for details of additional investment in Indus Towers Limited (Indus) on merger of Bharti Infratech 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

# Notes

to Financial Statements for the year ended March 31, 2015

## 36. CAPITAL AND OTHER COMMITMENTS

### (i) Capital commitments

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
Estimated amount of contracts to be executed on capital account and not provided for in the financial statements (net of capital advances)	3,472	3,771
Under the IT Outsourcing agreement, the Company has commitment for capital purchases and service charges	-	70
<b>Total</b>	<b>3,472</b>	<b>3,841</b>

### (ii) Other commitments

For commitments relating to lease agreements, refer note 32.

## 37. CONTINGENT LIABILITIES

### (i) Financial bank guarantees

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
Total guarantees issued by banks and financial institutions on behalf of the Company	426	439
<b>Total</b>	<b>426</b>	<b>439</b>

### (ii) Claims against the Company not acknowledged as debt

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
(i) Taxes, duties and other demands (under adjudication / appeal / dispute)		
- Sales tax (refer to a below) #	1,556	714
- Stamp duty (refer to b below)	192	269
- Entry tax (refer to c below)	1,618	1,412
- Municipal taxes (refer to d below)	741	1,010
- Service tax (refer to e below)	15,529	-
(ii) Other claims under legal cases including arbitration matters (refer to f below)	110	241
(iii) Income tax matters (refer to g below) #	1,264	1,606
<b>Total</b>	<b>21,010</b>	<b>5,252</b>

# Includes ₹ 2,723 Mn (March 31, 2014 – ₹ 1,318 Mn) for which the possibility of tax demand materialising is remote, based on internal assessment of the Company.

# Notes

## to Financial Statements for the year ended March 31, 2015

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, 2015 comprise of the cases relating to levy of VAT on right to use.

### (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)** During the year, the service tax department has issued certain orders for the disallowance of cenvat credit availed on Inputs, Capital Goods and Input Services w.r.t. installation and commissioning of towers for the period starting from August, 2007 to March, 2013. The Company is in the process of filing an appeal before CESTAT Delhi as at year end against these orders.

**(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)

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
Legal and professional	3	2
IT expenses	2	0.1
	5	2.1

### (b) Dividend remitted in foreign currency

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
Number of non - resident shareholders to whom dividend was due	1	1
Number of equity shares held on which dividend was due (in Mn)	18	18
Amount remitted (₹ in Mn)	160	54
Amount remitted (USD in Mn)	3	1

## Notes

to Financial Statements for the year ended March 31, 2015

In addition to above, final dividend amounting to ₹ 3,084 Mn [FY 2013-14 - ₹ 581 Mn (final dividend)] has been paid to other non-resident shareholders in Indian Rupees.

- (c) Unhedged foreign currency exposure is Nil as at March 31, 2015 (March 31, 2014 – Nil).
- (d) Value of imports calculated on CIF basis is Nil as at March 31, 2015 (March 31, 2014 - Nil).

### 39. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Particulars	(₹ Millions)	
	As at March 31, 2015	As at March 31, 2014
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	22	4
Interest due on above	-	-
	<b>22</b>	<b>4</b>
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	19	14
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

# Notes

to Financial Statements for the year ended March 31, 2015

## 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-

S.No	Particulars	Total planned utilisation as per prospectus (A)	Planned utilisation as per prospectus		Total utilisation			(₹ Millions) Amount pending utilisation (A-D)
			FY 2013-14 (B)	FY 2014-15 (C)	FY 2013-14 (B)	FY 2014-15 (C)	Upto 2014-15 (D = B+C)	
1	Installation of 4,813 new towers	10,865	5,071	4,253	897	2,582	3,479	7,386
2	Upgradation and replacement on existing towers	12,141	5,049	5,307	3,347	6,032	9,379*	2,762
3	Green initiative at tower sites	6,394	2,991	2,768	310	1,258	1,568	4,826
4	General corporate purposes(including share issue expenses in excess of 2% retained in escrow)	2,257	1,128	1,129	1,128	1,129	2,257	-
<b>Total</b>		<b>31,657</b>	<b>14,239</b>	<b>13,457</b>	<b>5,682</b>	<b>11,001</b>	<b>16,683</b>	<b>14,974</b>

\*Includes closing inventory as at Mar 31, 2015 amounting to ₹ 211 Mn (March 31, 2014 - ₹ 90 Mn)

Actual fund utilisation in FY 2014-15 has been lower primarily on account of lower capex deployment.

Unspent amount of ₹ 14,974 Mn is lying in the mutual funds investments and is shown as under –

Particulars	As at March 31, 2015	
	No of units	Amount ₹ Millions**
Current	580,429,926	16,810

\*\*The difference in the unutilised issue proceeds and amount invested is on account of dividend accrued, reinvested during the period.

41. 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.
42. During the year ended March 31, 2008, pursuant to the Scheme of Arrangement with Bharti Airtel Limited

('BAL Scheme') under sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of Bharti Airtel Limited was transferred to the Company. Pursuant to the BAL 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

# Notes

to Financial Statements for the year ended March 31, 2015

in India, General Reserve as at March 31, 2015 and March 31, 2014 would have been higher by ₹ 7,724 Mn and ₹ 7,063 Mn respectively. Depreciation for the year ended March 31, 2015 would have been higher by ₹ 606 Mn (March 31, 2014 ₹ 737 Mn), other expenses for the year ended March 31, 2015 would have been higher by ₹ 55 Mn (March 31, 2014 ₹ 156 Mn) and profit for the year ended March 31, 2015 have been lower by ₹ 661 Mn (March 31, 2014 ₹ 893 Mn).

43. 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 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.
44. 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.
45. During the year, 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.
46. On April 24, 2014, the Board of Directors had proposed a dividend of ₹ 4.40 per equity share to all the existing shareholders for the year ended March 31, 2014. The dividend proposed by the Board of Directors has been approved by the shareholders in the annual general meeting held on August 4, 2014 and paid subsequently.
47. 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.
48. The Board of Directors of the Company at its meeting held on July 17, 2014 has approved and paid first interim dividend of ₹ 4.50/- per equity share.
49. Other income includes Nil (FY 2013-14 – ₹ 284 Mn) relating to earlier periods.
50. Charity and donation includes ₹ 60 Mn (FY 2013-14 – ₹ 60 Mn) paid to Satya Electoral Trust for political purposes.
51. The Company has recognised write back of over aged liabilities and provisions amounting to ₹ 367 Mn (FY 2013-14 – Nil), 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".
52. The Company was required to spend ₹ 192 Mn towards CSR expenditure as per the requirements of the Act. During the year, of this, it has paid ₹ 173 Mn to Bharti Foundation and others for CSR purposes. The Company has not been able to spend the balance amount due to decision making process taking substantial time in finalising the purposes/areas of CSR.
53. 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.

---

# Glossary

## 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 LeasePayment 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
Incremental Return on Capital Employed	Incremental Return on Capital Employed is computed by dividing Incremental EBIT during the relevant periods by Incremental Average Capital Employed during the corresponding periods.
Incremental Return on Equity	Incremental Return on Equity is calculated by dividing Incremental Profit after Tax during the relevant periods by Incremental Average Shareholder's Equity during the corresponding periods.
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 31st Mar 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 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
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

# Glossary

<b>COMPANY RELATED TERMS</b>	
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

---

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

---

### OTHERS (INDUSTRY) 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

---

# Circle Offices

## **Bihar & Jharkhand**

Alankar Business Centra, 2nd Floor,  
East Boring Canal Road, Budha Colony,  
Patna - 800001, Bihar

## **Haryana & Himachal Pradesh**

C/o FCS Software Solution Ltd.  
Ground Floor, J-7,  
Chandigarh Technology Park,  
Kishangarh, Chandigarh - 160101

## **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

## **North East States and Assam**

4th Floor, Nikita Complex, Opp. Research Gate,  
Above Vijaya Bank, G.S Road, Khanapara.  
Guwahati - 781 022, Assam

## **Odisha**

IDCO Plot No. C-3/2, Chandaka  
Industrial Area, Chandrasekharpur,  
Bhubaneswar - 751021, Odisha

## **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

# Notes

## Notes





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



### Bharti Infratel Limited

Bharti Crescent,  
1, Nelson Mandela Road,  
Vasant Kunj, Phase II,  
New Delhi - 110 070, India  
CIN: L64201DL2006PLC156038  
[www.bharti-infratel.com](http://www.bharti-infratel.com)

Bharti  
Infratel  
Limited

April 27, 2015

FORM A

(Pursuant to Clause 31(a) of the Listing Agreement)

1.	Name of the company	Bharti Infratel Limited
2.	Annual financial statements for the year ended	March 31, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable

For Bharti Infratel Limited

D.S.Raut  
D.S Raut  
CEO/ Managing Director

B.S.Raut  
Bharat Suman Raut  
Chairman – Audit Committee

P.Miglani  
Pankaj Miglani  
Chief Financial Officer

For S.R Batliboi & Associates LLP (Registration No: 101049W)

V.Kedia  
Vineet Kedia  
Partner

Bharti Infratel Limited

CIN: L64201DL2006PLC156038  
901, Park Centra, 9th Floor, Sector - 30  
NH-8, Gurgaon – 122001, Haryana

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