Winning with people

airtel

Bharti Airtel Limited
Abridged Annual Report 2013-14

Board of Directors


Sunil Bharti Mittal


Chua Sock Koong


Sheikh Faisal Thani Al-Thani


Ajay Lal


Ben Verwaayen


Craig Ehrlich


D. K. Mittal


Manish Kejriwal


Obiageli Ezekwesili


Rajan Bharti Mittal


Tan Yong Choo


Tsun-yan Hsieh


V. K. Viswanathan


Manoj Kohli


Gopal Vittal

Corporate Information

Board of Directors
Mr. Sunil Bharti Mittal, *Chairman*
Ms. Chua Sock Koong
Sheikh Faisal Thani Al-Thani
Mr. Ajay Lal
Mr. Ben Verwaayen
Mr. Craig Ehrlich
Mr. D. K. Mittal
Mr. Manish Kejriwal
Ms. Obiageli Ezekwesili
Mr. Rajan Bharti Mittal
Ms. Tan Yong Choo
Mr. Tsun-yan Hsieh
Mr. V. K. Viswanathan
Mr. Manoj Kohli
Mr. Gopal Vittal, *Managing Director & CEO (India & South Asia)*

Managing Director & CEO (Africa)
Bharti Airtel International (Netherlands) B.V.
Mr. Christian de Faria

Group General Counsel & Company Secretary
Mr. Mukesh Bhavnani

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

Internal Auditors
M/s. ANB Solutions Private Limited
M/s. KPMG
M/s. Towers Watson India Private Limited

Registered & Corporate Office
Bharti Airtel Limited,
Bharti Crescent,
1, Nelson Mandela Road,
Vasant Kunj, Phase – II,
New Delhi – 110 070,
India

Website
http://www.airtel.com

What's Inside

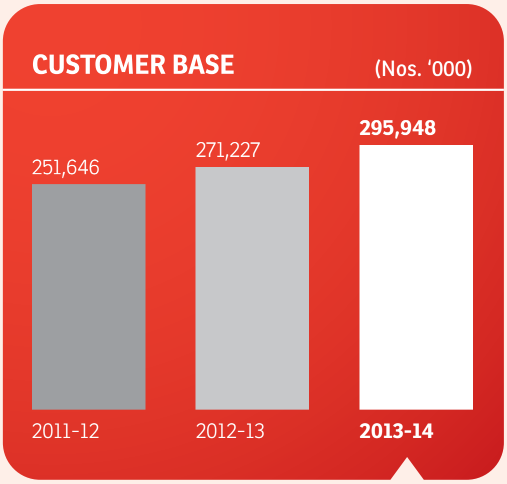
Company Overview

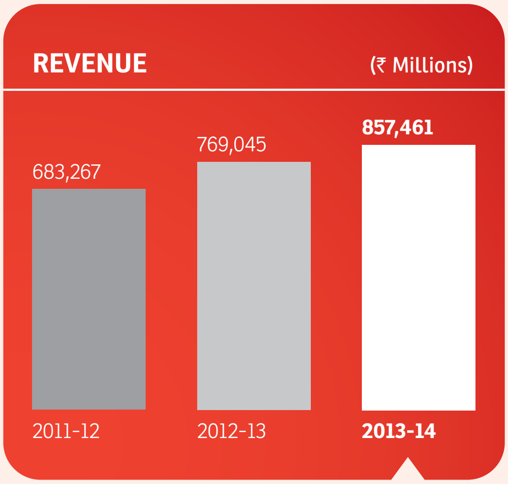
Statutory Reports & Financial Statements

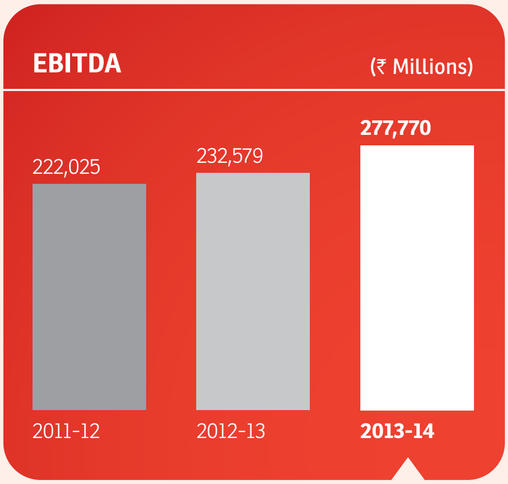
Performance **Highlights**

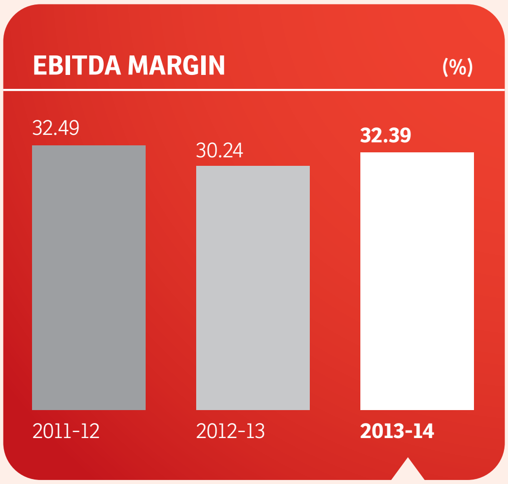
Particulars	Units	Financial Year Ended March 31				
		2010	2011	2012	2013	2014
Total Customer Base	000s	137,013	220,878	251,646	271,227	295,948
Mobile Services	000s	131,349	211,919	241,148	259,844	283,580
Broadband & Telephone Services	000s	3,067	3,296	3,270	3,283	3,356
Digital TV Services	000s	2,597	5,663	7,228	8,100	9,012
Based on Consolidated Income Statement						
Revenue	₹ Mn	418,948	595,383	683,267	769,045	857,461
EBITDA (before exceptional items)	₹ Mn	168,149	200,718	222,025	232,579	277,770
Cash Profit from Operations before Derivative and Exchange Fluctuation (before exceptional items)	₹ Mn	162,817	180,581	193,899	195,643	241,813
Earnings Before Tax	₹ Mn	105,091	76,782	63,792	47,853	78,643
Net Profit	₹ Mn	89,768	60,467	42,594	22,757	27,727
Based on Consolidated Statement of Financial Position						
Shareholders' Equity	₹ Mn	421,940	487,668	506,113	503,217	597,560
Net Debt	₹ Mn	23,920	599,512	618,442	583,567	605,416
Capital Employed	₹ Mn	445,860	1,087,180	1,124,555	1,086,784	1,202,976
Key Ratios						
Capex Productivity	%	61.59	66.93	69.17	69.12	72.91
Opex Productivity	%	39.25	45.13	43.84	45.43	45.20
EBITDA Margin	%	40.14	33.71	32.49	30.24	32.39
EBIT Margin	%	25.14	16.57	13.90	10.98	14.14
Return on Shareholders' Equity	%	24.52	13.30	8.57	4.51	5.04
Return on Capital Employed	%	20.65	10.79	7.06	5.68	6.65
Net Debt to EBITDA	Times	0.15	2.95	2.60	2.51	2.20
Interest Coverage Ratio	Times	30.65	11.20	9.09	6.77	7.56
Book Value Per Equity Share	₹	111.13	128.41	133.27	132.51	149.49
Net Debt to Shareholders' Equity	Times	0.06	1.23	1.22	1.16	1.01
Earnings Per Share (Basic)	₹	23.67	15.93	11.22	6.00	7.02
Contribution to Exchequer (India)						
Taxes, Duties, Fees and other Levies	₹ Mn	95,720	307,999	119,082	141,513	213,324

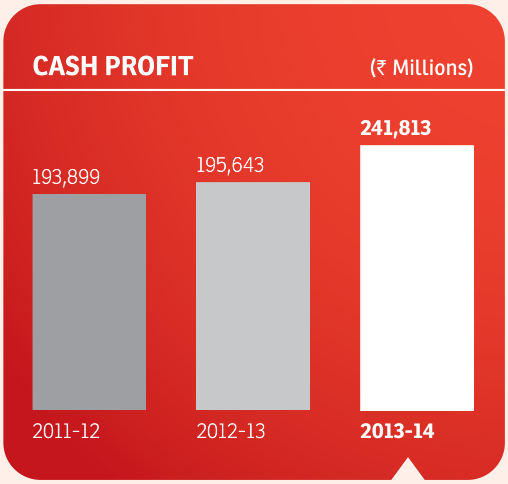
Financial information for years ended till March 31, 2011 is based on proportionate consolidation for Joint Ventures and for years ended March 31, 2012, 2013 & 2014 is based on equity accounting for Joint Ventures.

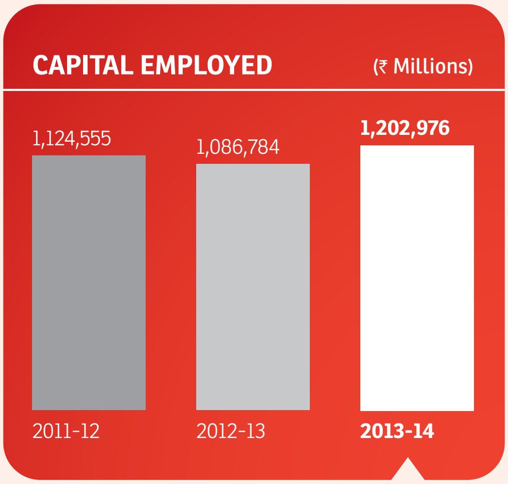

CUSTOMER BASE
(Nos. '000)
251,646
271,227
295,948
2011-12
2012-13
2013-14


REVENUE
(₹ Millions)
683,267
769,045
857,461
2011-12
2012-13
2013-14


EBITDA
(₹ Millions)
222,025
232,579
277,770
2011-12
2012-13
2013-14


EBITDA MARGIN
(%)
32.49
30.24
32.39
2011-12
2012-13
2013-14


CASH PROFIT
(₹ Millions)
193,899
195,643
241,813
2011-12
2012-13
2013-14


CAPITAL EMPLOYED
(₹ Millions)
1,124,555
1,086,784
1,202,976
2011-12
2012-13
2013-14

Message from Chairman

Dear Shareholders,

In the wake of tepid growth in the US and Europe, emerging and developing markets experienced significant challenges, particularly in the shape of currency fluctuations. India, in particular, had a tough year with decelerating GDP growth and persistent inflationary pressure. Africa, the other significant economic region for us registered accelerated recovery during the year from the global crisis induced by last year's Euro debt problem.

Notwithstanding this economic turbulence, global telecommunications continued to generate plenty of excitement. The tectonic shift towards data and internet gained momentum on the back of accelerated smartphone penetration and data tariff rationalisation. While more than 28% of our total base in India comprises active data customers, the corresponding number exceeds 32% in Africa. The fact that data traffic nearly doubled during the year clearly points to the big change in revenue diversification underway in these markets for us.

Mobile money is turning out to be one of the most transformational tools to come out of operators' baskets in Asia and Africa. With 1.7 Mn active airtel money accounts during Q4, we have made a robust take off in India even though the regulatory environment is still not settled and hence, does not support rapid penetration. In comparison, Africa appears to be a far more evolved market with 3.5 Mn customers. With a total transaction value of USD 2.2 Bn during Q4 in Africa, I am extremely optimistic about the growth of this platform on the continent.

In India, we successfully participated in the February 2014 auction for spectrum in the 900 MHz and the 1,800 MHz bands, which helped renew some of our early licences in the country. These acquisitions are in line with our strategy of building a robust network for the future and enhancing our leadership position in the fast growing data segment. We further reiterated our commitment to a data-centric future as we completed the acquisition of Qualcomm's 4G licences in four circles in India.

In-country market consolidation through inorganic expansion is a key element of our business strategy in Africa. The Company consolidated its market leadership in Uganda and Congo Brazzaville during the year through its acquisition of Warid Telecom's operations in these countries. It gives me immense pleasure to inform you that we have become the second largest operator in Nigeria, which overtook South Africa as the largest economy in the continent.

We ushered in several changes in the top leadership and organisational profile in both the regions. While Gopal Vittal was designated MD & CEO – India and South Asia, Christian de Faria took overall responsibilities for African markets from Manoj Kohli, who has relocated to India after leading our foray on the continent over the last three years.

The Company raised equity capital of ₹ 67,956 Mn from M/s. Three Pillars Pte Ltd., an arm of Qatar Foundation Endowment through a preferential allotment. Similarly, our wholly owned subsidiary, Bharti Airtel International (Netherlands) BV successfully completed several rounds of overseas long dated bond issues across USD, EUR and CHF to raise equivalent of USD 5.3 Bn till date on extremely favourable terms.

Our commitment to corporate governance received global recognition during the year when Transparency International, the globally reputed civil society organisation ranked Bharti Airtel fourth among the top 100 emerging market multinationals in a study on corporate transparency and reporting.

The Company Board also went through changes during the year. While Pulak Prasad and Nikesh Arora departed the Board after their long and productive association, four new members - Sheikh Faisal Thani Al-Thani, Ben Verwaayen, V. K. Viswanathan and D. K. Mittal joined us during this period. Even as I welcome the new members to the Board, I take this opportunity to express my sincere gratitude to Pulak and Nikesh for their meaningful contribution towards the success of the Company.

The scope of our philanthropic School Programme in India was expanded during the year to include new initiatives like Learning Centres and School Quality Support to reach out to an additional 9,900 students over and above over 38,000 students we are currently catering to across 254 schools under the flagship Satya Bharti School Programme. In Africa, the 'Our School' Programme is now reaching out to nearly 24,000 students in 45 schools across 17 countries.

Telecom is at the cusp of a transformational change. Accelerated data consumption by a youthful population is going to be the underlying story of this sector in the future. Our sustained investments for licensing spectrum, network expansion and strategic acquisitions in different markets positions us well for accruing incremental dividends in this evolving growth story.

Sunil Bharti Mittal

Message from Managing Director & CEO (India & South Asia)

Dear Shareholders,

Our business performance for the year was both competitive and profitable. However, what made it special was that we sowed the seeds in five areas that will position us even more strongly for the following years.

First, we made a significant shift in our go to market capabilities. Across the Company we raised our quality of customer acquisition while leveraging analytics and science to lift our voice realisation.

Second, we re-engineered many of our legacy processes to improve our customer experience and bring down our customer churn to a historic and industry low.

Third, we stepped up our effort behind innovation to make a tangible difference to customers. The launch of our 1 Rupee Entertainment Store was one such innovation that powered the growth of new users of data by bringing in content and pricing into easy to use bundles of songs, videos, pictures and services. The launch of myPlan – a significant simplification of our entire pricing to put control back in the hands of the customer for postpaid was another such innovation. This was made even more special with the roll out of our new Airtel stores, a place where customer experience is our top priority.

Fourth, we put tremendous emphasis on stripping out waste from our business across every rupee spent whether on capital or on operating expense. Finally we secured spectrum in the auction giving us a pan-India footprint for 4G services that will be vital in propelling the single biggest growth driver for the Company – Data.

None of this would be possible without the ingenuity, passion, dedication and resilience of our most precious resource – our people.

The Indian telecom market is one of the most competitive markets in the world. As this competitive market shifts inevitably and surely to morph from one largely dependent on voice to a market that will become spread across voice, data and a range of other services, our Company must be able to build the capabilities and culture to win across these worlds.

The only sustainable way to win in such a market place is to win the war for talent. We have to fight this war for talent simultaneously across three fronts.

At the top management level the war for talent has to be fought on a global basis. Our unique culture that combines the best of entrepreneurship and professionalism is our competitive advantage in building a world class top team.

At the middle management level, we have to be able to give our talent the right experiences through a combination of job rotation, training, cross functional team work in solving complex problems and being able to place bets on people based on performance.

At the entry level we have to be able to attract and retain the best young minds through solid induction, mentoring and a range of on-the-job experiences.

Much has changed at Airtel in the last year. However, what has held firm and is in fact becoming stronger by the day is the spirit of ownership that courses through the people within the Company. It is this ownership that is key to winning. We see this spirit of ownership in our business, in our sense of responsibility to the environment and in our obligation to society.

We are launching our second Sustainability Report this year that lays out our responsibility to the environment. We are also very proud of the remarkable work being done by Bharti Foundation in the area of education with a focus on the rural girl child. This, we believe, is our most fulfilling obligation.

As we look forward to another eventful year, I want to thank our customers who give us reason for our existence. I also want to thank our people for their passion. Our business would not be what it is without them. Finally, thank you to our partners for being with us through thick and thin and to our shareholders for your guidance.

Gopal Vittal

Message from Managing Director & CEO (Africa)

Dear Shareholders,

With a population of over a billion, Africa has strong prospects for growth in the communications sector, especially as a huge portion of the population remains underserved with mobile technology. Whilst the overall sector has seen significant growth in recent years, there remains room for further growth in penetration in comparison to global standards. The continent's telecom sector continues to witness a revolution in the areas of data and mobile commerce.

Having said this, Africa does have its challenges in the form of political unrest and regulatory headwinds as we have seen during the year in several countries. Economic instability is another challenge with exchange rate and interest rate fluctuations having an impact on our businesses. Despite these challenges, Africa does present immense opportunities, as we continue to build stronger bonds with our stakeholders and the communities that we operate within.

Mobile devices are now the main means through which about 80% of Internet users in Sub-Saharan Africa access the internet. With the launches of 3G in DRC, Burkina Faso and Gabon over the last year, the service is now present in 15 countries across the African footprint. We saw encouraging results during the year as Airtel's data subscriptions rose by over 53% going past 22 Mn data subscribers in Africa, whilst total MBs on Network grew by over 104%, demonstrating the latent potential. Data usage per customer is almost 100 MBs by March 14. We are now delivering above a million dollars a day from data.

As regards mobile commerce, it is estimated that 75% of the adult population in Sub-Saharan Africa is still unbanked. With airtel money, we have provided affordable financial services such as utility payments, money transfers, mobile insurance, savings and loans. With 27 Mn registered customers, we are poised to become the widest and the largest mobile commerce service provider in Africa. Our strategy for growth continues to focus on the expansion of our ecosystem to include governments, merchants, retailers, utilities, banks and other relevant stakeholders. We were especially proud to have been acknowledged as the Fastest Growing Mobile Commerce Operator in 2013 at the Kalahari Awards during the 4th Mobile Expo held in Lagos.

We made some strides in expanding our pan-African network through the acquisition of Warid in Uganda and Congo Brazzaville, raising our market share significantly in those markets.

We also consolidated our market position in Nigeria, where our increased investments in infrastructure and quality service delivery helped shore up to the position of the second largest operator.

During the year, we continued to connect with Africa's youth and young adults (which constitutes 35% of total population of Africa), the most visible initiative being the largest youth tournament in Africa, Airtel Rising Stars (ARS). The finals at Nigeria drew the best players qualifying from preliminary stages in 16 countries and 21,000 schools. We also reaffirmed our CSR agenda by increasing our support to 45 schools across Africa, helping improve education standards of over 24,000 underprivileged children.

As we continued to transform the business, we reviewed the way we lead our operations in order to consistently win in the market place. We implemented a four-pronged organisation re-design that included;

- The right-sizing of the HQ to enable the now smaller but of high quality and with deeper subject matter expertise to provide governance and functional thought leadership to the country operations.
- The re-clustering of the Operating Companies (OpCos) under 4 new Strategic Business Units, which will now enable better synergies and common threads of strategic consistency across markets.
- The full empowerment of the OpCo Managing Directors to make faster decisions as P&L leaders.
- Robust interventions to build talent pools and capabilities around the new business revenue streams, while enhancing entrepreneurial leadership across our markets.

Looking ahead to the next fiscal year, our priority will be on boosting our revenue growth and eliminating wastage through operational efficiencies. In addition, our people will continue to be a source of competitive advantage as we aggressively hire and develop the best-in-class talent, build a strong employer brand and deliver learning programs for accelerating our market success.

Overall, I am confident that we will reinforce our capacity to win smartly and execute brilliantly in all our markets.

Christian de Faria

Bharti Airtel International (Netherlands) B.V.

Corporate Social Responsibility & Sustainability

At Bharti Airtel, our corporate social responsibility is a part of our all-encompassing sustainability strategy to promote socio-economic well-being for all. It seeks to secure a balance between business priorities and environmental protection, while aligning the Company's long-term approach to growth with social empowerment and development. We collaborate with organisations across geographies to make sustainability an integral part of our business agenda.

₹ 404.51 Mn

spent on CSR activities in FY 2013-14.

India

A. Community Development

We believe that a happy, empowered and sustainable community is the foundation of a progressive society. Therefore, community counts at Airtel. Our community outreach initiatives comprise encouraging rural education, raising awareness about social issues, lending help and support to people in times of crisis and participating with them in the joys of life. We are empowering people and elevating the quality of life through consistent innovation in an environmentally sustainable manner.

Bharti Foundation

For over a decade, the Bharti Foundation is working tirelessly to provide quality education to underprivileged children. The objective is to help rural children at the bottom of the social pyramid realise their potential.

At Bharti Enterprises, we believe education is critical for India's socio-economic development. The Foundation was set up in 2000 to make quality education accessible to underprivileged rural children. It implements programmes in the fields of primary, elementary, senior secondary and higher education.

I. Satya Bharti School Programme

This rural education programme (flagship initiative of the Bharti Foundation) is governed by the following objectives:

- Provide free and quality education to underprivileged children, with a special focus on the girl child.
- Help create educated, confident, responsible and self-reliant employable citizens of the country with a deep sense of commitment to their society.
- Encourage active involvement of the community, parents and like-minded organisations.
- Make a sustainable impact on the community, where the schools are present.
- Find innovative solutions, through its primary, elementary and senior secondary schools, to create replicable and scalable components in the programme to facilitate delivery of quality education.

Satya Bharti School Statistics*

Number of Schools	**254**
Primary	185
Elementary	64
Senior Secondary	05
Presence in number of states	06
Number of students enrolled	38,642
Percentage of girls to total students	49%
Percentage of children from SC/ST/OBC Communities	74%
Number of teachers	1,551
Percentage of female teachers	54%

*Data as on March 31, 2014

96%

of parents with a girl child studying at Satya Bharti School wanted her to pursue higher education compared to 73.7% parents, whose girl child goes to other schools.

84.7%

of children studying at Satya Bharti Schools were certain of their responses and clear in their communication as compared to only 38.9% children studying at other schools.

84%

of Satya Bharti School Students tend to demonstrate a stronger value code, believing in amicable dispute resolution compared to 48.9% of children from other schools.

71.3%

of families who live adjacent to a Satya Bharti School, regularly attend village meetings where other families stood at 45.6%.

27%

of the families whose children are studying at Satya Bharti Schools reported that they are systematically saving for their child's higher education compared to 8.9% for families whose children are studying at other schools.

(A structured impact assessment study was conducted by Ernst & Young where the same questionnaire was administered to children studying at 15 Satya Bharti Schools and to children (from villages which do not fall in the catchment area of a Satya Bharti School) studying at other schools in Punjab, Haryana and Rajasthan. A similar method was used to administer questionnaires to the families of the children covered under the study).

II. Satya Bharti Learning Centres Programme

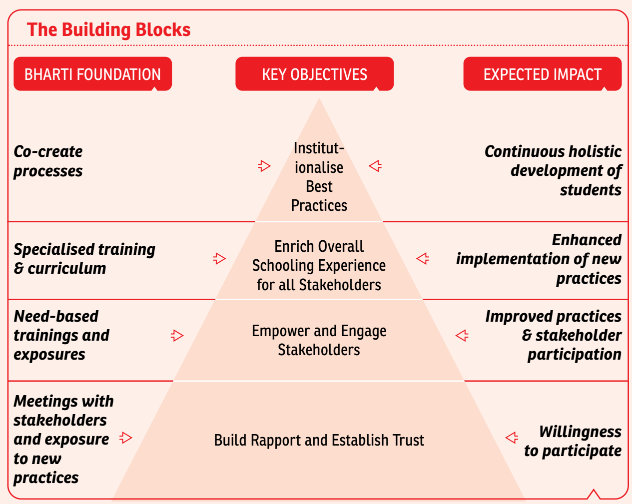
This initiative was launched in partnership with 'Educate a Child' - a global initiative aimed to significantly reduce the number of out of school children who are missing out on their Right to Education. Under this programme, the Foundation is providing bridge courses to out of school children for mainstreaming them into age-appropriate classes in government schools.

Programme Outline

- Supporting government schools in enrolment of out of school children (OOSC) for mainstreaming them in the regular schooling process.
- The centres are opened in partnership with state governments and established within government schools.
- Offers short and medium term age-appropriate courses to students and mentoring by a resource teacher (Education Volunteer).

III. The Quality Support Programme

The programme attempts to take the learning and good practices from the Satya Bharti Schools to the Government schools. The aim is to improve the overall quality of schooling experience for students. It focuses on mentoring Government schools to enhance education quality through need-based interventions, along with ensuring optimal utilisation of Government resources. The programme includes partnering with Government schools and working with its leadership and teachers to support them in their journey towards excellence.



IV. Other Programmes

Bharti School of Telecommunication Technology

Bharti Foundation has partnered with the Indian Institute of Technology, Delhi to set up the Bharti School of Telecommunication Technology and Management, IIT Delhi. The Foundation has also set up the Bharti Centre for Communication, Bombay in partnership with IIT, Bombay apart from the Bharti Institute of Public Policy in partnership with the Fletcher School of Law and Diplomacy, Tufts University (USA) at the Indian School of Business in Mohali.

Airtel Connect

Airtel Delhi Half Marathon

Airtel Delhi Half Marathon aims to generate awareness about various initiatives of the Bharti Foundation. The theme for this year was 'Empowering Rural India with Quality Education'. Various organisations and individuals from all walks of life participated enthusiastically. The event raised a total of ₹ 15 Mn through contributions from various corporate houses, individuals and special initiatives.

Young Leader Programme

This two-week long programme is a part of the corporate induction process for Young Leader recruits. Through this programme, new recruits of Bharti Airtel are encouraged to support Bharti Foundation's initiatives.

83 Young Leaders

volunteered in 41 Satya Bharti Schools in Punjab, Haryana and Rajasthan in 2013.

ACT (A Caring Touch)

Started in 2006, ACT (A Caring Touch) is an employee payroll giving programme for the Bharti Group of Companies. It encourages employees to give back to the society in terms of money, time, skills or knowledge. All contributions are matched by equivalent corresponding contributions by the Company.

₹ 11.7 Mn

was contributed by Bharti Airtel and Bharti Airtel Services, along with their employees, towards Satya Bharti School Programme in FY 2013-14.

Initiatives by Circle Offices

Sharing and Caring

Sharing and caring are two magic words that help us engage better with the community. We help spread joy in the community, and also provide critical help and support during emergencies. Such an approach strengthens our social relationships.

Social Responsibility

Meri Bhi Diwali: A special programme undertaken by Airtel MPCG circle, where the team celebrated Diwali with underprivileged girls at the Special Home for Girls (Baalika Vishesh Gruh) at Indore.

Pongal Celebration: Airtel KTN employees celebrated Pongal by organising various cultural activities in the area surrounding Karaikudi (where Satya Bharti Schools are situated) and raised funds through voluntary contributions to buy gifts for students.

Navratri: During Navratri, the Airtel Gujarat team celebrated garba with the inmates of an old-age home by organising a lavish meal for them and giving away gifts.

Airtel Gram Samman Initiative: Airtel Gram Samman initiative comprised a series of 110 compact activities organised across 22 districts in Central India. Under this programme, the Sarpanch and other prominent residents of villages pre-identified by the sales team were recognised for their contribution towards the development of their villages.

Arpan: Bharti Airtel partnered with Nai Dunia's Arpan initiative to distribute woollen clothing among the financially underprivileged.

Traffic Safety Awareness

Team Airtel MPCG celebrated Makar Sakranti, the festival of kites, in an innovative and responsible manner. The team decided to spread the awareness on Road Safety in Indore through large-sized kites. Prominently placed at highly frequented traffic junctions, the kites displayed the theme 'When On Road, Always Say Pehle Aap'.

Blood Donation

The entire Airtel Community of MPCG circle comprising eight zonal offices, along with the Circle office, participated in a blood donation activity on the same day, making it a mega drive. With the ever-increasing demand for blood for saving lives, this contribution was highly appreciated by the blood banks and NGOs involved in the effort.

306 Units

of blood were collected at eight locations in MPCG Circle.

The Joy of Giving Week

The Joy of Giving Week was celebrated as a 'festival of philanthropy' by the WBO circle from October 2 to October 8, 2013. The WBO HR team, along with the 'Make a Wish Foundation', celebrated the 'week of giving' in a special way at the Kolkata and Kharagpur offices. 'Wish trees' were set up at various places in the two offices. The event was simultaneously celebrated by the North and South Bengal teams as well as across the Sambalpur zone and the Gujarat circle. At the end of the Joy of Giving Week, the WBO circle CEO contributed ₹ 28,000 on behalf of the circle employees to the Make a Wish Foundation.

A Helping Hand in Uttarakhand

Nature's fury, witnessed in Uttarakhand, left behind a trail of mass destruction of life and property. The Airtel UPU Circle team promptly responded to this emergency by joining hands with the government authorities to start a relief campaign for the flood-hit victims.

The Company started a free Emergency Alert Service for its customers in the affected districts. Airtel Channel Partners also organised a day-long community kitchen 'Langar' in Srinagar distributing food and water. Three relief camps were also set up at the ITBP camp in Joshimath of Chamoli district, Phata and Guptkashi in Rudraprayag district. The team donated old clothes and blankets to an NGO for distribution to the victims at Uttarakhand. Besides collecting ₹ 1,871,097 through countrywide Airtel employees for the noble cause, the Company also donated ₹ 10 Mn to the Uttarakhand CM's Relief Fund.

Empowering Through Innovation

Airtel Money

Airtel money is fast emerging as a popular alternative for those in need of urgent money transfer. It also serves as a preferred mode for the unbanked sections of society. The Company organised awareness camps at Meerut, Mundali (a small village), Faizabad (a town in Lucknow) and Lohakarera village. These camps elicited good response and several new airtel money accounts were opened.

Empowering Farmers and Fishermen

IFFCO Kisan Sanchar Limited (IKSL)

Airtel reached out to marginal farmers through its partner IKSL, where millions of farmers were empowered with critical information that governs their livelihood.

Technological Impact

15 Lakhs

farmers enrolled in FY 2013-14 across 18 states, who start their day with voice information from IKSL.

1.1 Mn

number of farmers listening regularly to the latest agricultural advisories and livelihood information.

International Crop Research Institute (ICRISAT)

International Agencies like ICRISAT have partnered with IKSL to empower farmers in the arid regions of Mahbub Nagar district, and also to teach women self-help groups about dry land farming techniques.

Some of the projects have been replicated across states like Karnataka, where IKSL along with ICRISAT, is working on the Bhoochetna movement to empower farmers in 10 districts.

Apart from empowering them with information, farmers and their children were enrolled as Kisan Mitras. They were incentivised to spread the IKSL programme among other farmers, and 1,500 such Kisan Mitras now work with IKSL.

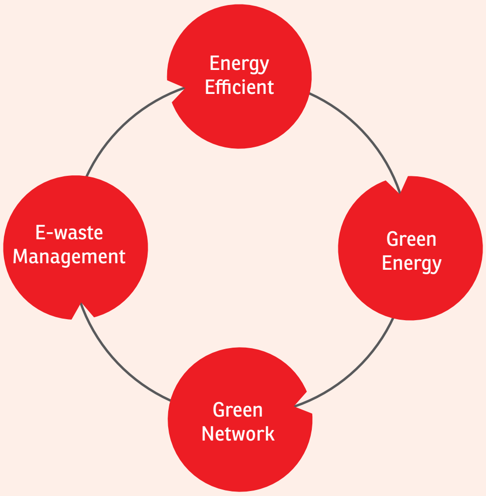
IKSL is also working with the Women Development Corporation in Bihar, empowering them with information and entrepreneurial opportunities. Some of these women also act as Kisan Mitras.

National Cyber Security Drill

Bharti Airtel was subject to a Cyber Security Test drill by CERT-In (Department of Electronics & IT, GOI) on December 20, 2013, which saw the participation of over 50 companies across India. The Company figured among the top five performers in the drill, thanks to its 'Defence in Depth' security infrastructure model.

B. Environmental Protection

Environmental degradation and climate change are severely impacting lives and livelihoods in all parts of the world, and has the potential to emerge as perhaps the greatest challenge of the twenty-first century. Therefore, protection and nurture of the environment is a non-negotiable imperative at Bharti Airtel. Our green initiatives are focused on replacing traditional energy sources with renewable variants. We have introduced various energy-efficient measures like e-waste management and reduced paper usage by popularising e-bills. We make dedicated efforts to conserve energy by every possible means and reduce wastage at our areas of operations.



Improving Energy Efficiency Across Data Centres

Bharti Airtel has seven data centres spread across the country. It endeavors to improve the energy efficiency of these data centres and reduce the negative impact on environment by promoting green initiatives. The focus has been on optimising the data centre facilities, operations for energy conservation, improved space utilisation and enhanced performance. This has resulted in an approximate savings of 17.8 Mn kWh (units) of electricity during the year.

Some of these initiatives include:

- **Cold Aisle Containment:** Cold aisle containment uses a physical barrier to reduce the mixing of cold supply air and hot exhaust air in data centre aisles. This delivers lower energy consumption and more efficient cooling. This initiative resulted in annual savings of approximately 10.8 Mn kWh
- **Installing Variable Frequency Drives (VFDs):** The Variable Frequency Drives (VFD) installed in our HVAC systems automatically reduces a motor's speed and power draw when there is lower system load. This initiative resulted in annual savings of approximately 0.2 Mn kWh
- **Energy Usage Optimisation:** Based on an extensive energy usage study and power audits, various initiatives were undertaken over the years to optimise usage of electricity, some of which include:
  - Identifying and rectifying hot spots
  - Optimisation of lighting and AC usage

This initiative resulted in annual savings of 6.8 Mn kWh approximately.

The above measures have resulted in maintaining an average PUE of almost 2.0 across data centres.

Plans for Years Ahead

Bharti Airtel is deliberating to involve various national and international SMEs/ OEMs for providing solutions for further enhancing energy efficiency in its data centres. It is also endeavoring to implement various renewable energy sources like wind, hydro and solar.

Green Energy

Rooftop Solar at Main Switching Centres (MSCs)

The Company has installed solar power plants at 6 MSC locations by FY 2013-14, expanding the total capacity to 400 kWp. These on-grid solar plants are expected to generate green energy of 5 Lakh units with emission reduction of 390 tons per annum.

Solar and Battery Hybrid Solutions for Owned Sites

During the year, Bharti Airtel has installed 65 Solar and Battery Hybrid solutions at owned base stations and now has 14 mobile base stations (COW sites) that are also running on solar power. The solution aims at carbon emission reduction of 1600 tons per annum.

Biomass Fuel Replacing Diesel at Sites

Post successful trial of the biomass gasifier, Airtel has installed 17 biomass sites that have replaced diesel with biomass fuel. The solution is feasible for rural indoor locations that cannot harness solar power.

Trial on New Energy Solutions

Bharti Airtel has conducted trials of fuel cells and lithium-ion (Li-Ion) batteries at the Base Transceiver Station (BTS) sites in the NESA circle to replace diesel generator-run sites with low emission noise free clean sites.

Green Network

Conversion of Indoor Sites to Outdoor

The Company has worked with partners to convert more than 8,400 sites to outdoor, thus reducing energy consumption of these sites by about 30%. These sites are now feasible for installing green energy solutions like Solar, Li-Ion, and so on.

Outdoor Site Deployment

During the year, more than 80% of the new sites were deployed as outdoor ones, eliminating air-conditioner usage, right from the beginning itself.

New Sites Deployment on Sharing Basis

As a part of its effort to deploy new sites on a sharing basis, Bharti Airtel has put up more than 80% of them as sharer sites. This has reduced their energy consumption by a minimum of 30% over that of standalone sites.

Auto Trx Shutdown

The Company's Auto Trx shutdown feature has ensured that the transmission equipment remains switched off during off-peak hours. 79% of our sites are now activated with the Auto Trx shutdown feature.

Partnering for Greener Network

Green projects with Bharti Infratel

Infratel has been working closely with Bharti Airtel for converting the Company sites into green sites. More than 3,400 sites have been tagged as green sites this year, thereby eliminating diesel usage on those sites.

Project Green Cities with Indus

Project Green City, which was launched by Indus Towers two years back, now includes more than 19,000 diesel-free sites. Our close partnership with Indus has resulted in the conversion of more than 5,900 sites to outdoor in FY 2013-14.

E-bills

Bharti Airtel constantly attempts to reduce the usage of paper, resulting in physical copies of bills and receipts. This is done through the deployment of best-in-class digital assets and use of our user-friendly payment options.

E-waste Management

The ever increasing volume of both physical as well as e-waste is a matter of grave concern for the telecom industry. Bharti Airtel has made every effort to reduce the environmental impact of its operations, by minimising waste, ensuring end-to-end traceability and recycling. Any e-waste generated from technology upgradation, capacity augmentation and others is recycled as per the Waste Electrical and Electronic Equipment (WEEE) norms.

2,000 tons+

of e-waste generated from IT and network infrastructure was recycled through authorised recycling partners in FY 2013-14.

Being Responsible, Globally

We are not just competing globally to grow our business; we are also strengthening the message of empathy for society and the environment. We believe, what is good for the world is good for business.

Africa

A. Community Development

Our School

Airtel Africa's flagship initiative programme is known as 'Our School'. The programme has grown extensively with regard to the adoption of rural schools. Under this initiative, 45 primary schools have been adopted by the Company across 17 African countries. Airtel Africa also works closely with the governments in these countries to support education for underprivileged children. Over 24,000 children have benefited through various initiatives, such as the donation of books, computers and uniforms.

24,000 children +

have been benefited through various initiatives.

Partnership with British Council

Airtel Africa launched digital learning hubs across Sub-Saharan Africa in partnership with the British Council. Over half a million teachers and learners in nine countries across Africa can now easily access digital educational resources in their schools. Wider broadband connectivity has been provided as part of a three-year deal for 127 digital hubs.

Airtel Rising Stars

Airtel Rising Stars is a sports-based talent search initiative, targeting adolescents between 13 and 17 years age. This is a grassroots soccer initiative that involves scouting for talent and showcasing it on a pan-African scale. This is viewed as Africa's largest soccer tournament that has attracted over 24,000 teams covering 400,000 young players across 17 countries.

Smartphone Usage by CHWs in the Millennium Villages Project (MVP)

Community Health Workers (CHWs) are an important link between the health sector and the community, and a cornerstone of MVP health interventions. While CHWs facilitate coverage with life-saving interventions, they also have the potential to generate a range of health-related information through use of smartphones. The collection of such information is greatly facilitated by new advances in electronic health (e-health) technology.

B. Environment Responsibility

Making the World Greener

To help protect the environment, the Company has taken up green energy initiatives in line with its increasing network coverage in rural areas. Bharti Airtel's Ghana operation is a testimony of how it aims to migrate from electricity-powered generators to solar panels nationwide by 2018.

Bangladesh

As a part of business responsibility, Airtel Bangladesh's community development initiative touches lives of people through various acts of compassion and care. Some of the initiatives during the year included distribution of warm clothes, organisation of blood donation camps and youth empowerment through Airtel Rising Stars, the Company's well known football talent-hunt event.

In collaboration with its banking partner Dutch Bangla Bank Limited (DBBL), Airtel Bangladesh has tied up with Jaago Foundation to introduce the 'mobile donation' service. One of the major initiatives of the Jaago Foundation is the establishment of a free education system for underprivileged kids. It also signed an agreement with the Access to Information (a2i) Office of the Government to get affiliated with the information and service centres to disseminate useful information among the under-served communities in the remotest corners of the country. It also took several initiatives for energy saving and conservation through the deployment of High Temperature Batteries (HTB) in 150 non-electrified BTS.

Sri Lanka

Airtel Rising Stars – Season 2 saw 12 best young footballers in Sri Lanka, getting an opportunity to meet and interact with the Manchester United football team. The highlight of the event was the fact that two female football players found a place among the final 12. Airtel Lanka has partnered with the Sri Lanka College of Paediatricians (SLCP) to raise awareness about child abuse and teach children how to protect themselves. The Company announced a strategic partnership with Green Links Lanka to embark on a project of easte management. It signed a Memorandum of Understanding to secure e-waste management services provided by Green Links Lanka.

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 19th Annual Report on the Company's business and operations, together with audited financial statements and accounts for the financial year ended March 31, 2014.

Company Overview

Bharti Airtel continued to be among the top four mobile service providers globally with presence in 20 countries, including India, Sri Lanka, Bangladesh and 17 countries in the African continent. The Company's diversified service range includes mobile, voice and data solutions using 2G, 3G and 4G technologies. Its service portfolio also comprises an integrated suite of telecom solutions to its customers, besides providing long-distance connectivity in India, Africa and rest of the world. The Company also offers Digital TV and IPTV services in India.

All these services are rendered under a unified brand 'airtel', either directly or through subsidiary companies. The Company also deploys, owns and manages passive infrastructure pertaining to telecom operations through its subsidiary, Bharti Infratel Limited, which also owns 42% of Indus Towers Limited. Together, Bharti Infratel and Indus Towers is the largest passive infrastructure service provider in India.

Financial Results

In line with the statutory guidelines, the Company has adopted International Financial Reporting Standards (IFRS) for accounts consolidation from FY 2010-11. The Company publishes its standalone accounts according to India's Generally Accepted Accounting Principles (IGAAP). The consolidated and standalone financial highlights of the Company's operations are as follows:

Consolidated Financial Highlights (IFRS)

Particulars	FY 2013-14		FY 2012-13	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenue	857,461	14,151	769,045	14,129
EBITDA before exceptional items	277,770	4,584	232,579	4,273
Cash profit from operations before derivatives and forex fluctuations (before exceptional items)	241,813	3,991	195,643	3,594
Earnings before taxation	78,643	1,298	47,853	879
Net Income/(loss)	27,727	458	22,757	418

* 1 USD = ₹ 60.59 Exchange Rate for financial year ended March 31, 2014 (1 USD = ₹ 54.43 for financial year ended March 31, 2013)

Standalone Financial Highlights (IGAAP)

Particulars	FY 2013-14		FY 2012-13	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenue	499,185	8,239	453,509	8,332
EBITDA before exceptional items	171,522	2,831	149,338	2,744
Cash profit from operations after derivatives and forex fluctuations (after exceptional items)	158,158	2,610	132,815	2,440
Earnings before taxation	83,774	1,383	64,548	1,186
Net Income/(loss)	66,002	1,089	50,963	936

* 1 USD = ₹ 60.59 Exchange Rate for financial year ended March 31, 2014 (1 USD = ₹ 54.43 for financial year ended March 31, 2013)

The financial results and the results of operations including major developments have been further discussed in detail in the Management Discussion and Analysis section.

Share Capital

During the year, the Company allotted 199,870,006 fully paid up equity shares of face value of ₹ 5/- each to Three Pillars Pte. Limited, Singapore an affiliate of Qatar Foundation Endowment SPC (belonging to non-promoter category) at an issue price of ₹ 340/- per equity share (including premium of ₹ 335/- per equity share) for an aggregate consideration of ₹ 67,955.80 Mn (Rupees sixty seven billion nine hundred and fifty five million eight hundred and two thousand and forty only) on preferential basis.

Accordingly, the issued, subscribed and paid-up equity share capital of the Company increased from ₹ 18,987.65 Mn divided into 3,797,530,096 equity shares of ₹ 5/- each as on March 31, 2013 to ₹ 19,987 Mn, divided into 3,997,400,102 equity shares of ₹ 5/- each as on March 31, 2014.

General Reserve

Pursuant to Section 123 of the Companies Act, 2013, the Company is not mandatorily required to transfer any amount to the General Reserve. Accordingly, the Company has not transferred any amount to the General Reserve.

Dividend

The Board recommends a final dividend of ₹ 1.80 per equity share of ₹ 5 each (36% of face value) for the FY 2013-14. The total dividend payout will amount to ₹ 7,195 Mn excluding tax on dividend. The payment of dividend is subject to the approval of the shareholders in the Company's ensuing Annual General Meeting.

Transfer of amount to Investor Education and Protection Fund

Since the Company declared its maiden dividend in August 2009 for the FY 2008-09, no unclaimed dividend is due for transfer to Investor Education and Protection Fund.

Fixed Deposits

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

Capital Market Ratings

As on March 31, 2014, the Company was rated by two domestic rating agencies, namely CRISIL and ICRA, and three international rating agencies, namely Fitch Ratings, Moody's and S&P.

- CRISIL and ICRA maintained their long-term ratings of the Company. Currently, they rate the Company at [CRISIL] AA+ / [ICRA] AA+ with a stable outlook. Short-term ratings were reaffirmed at the highest end of the rating scale at [CRISIL] A1+ / [ICRA] A1+.
- During the year, Moody's, an international credit rating agency, initiated ratings coverage on the Company and assigned it a rating of Baa3, with a stable outlook. As of March 31, 2014, the Company continued to be rated at the same level by Moody's.
- S&P upgraded its ratings to BBB- with a stable outlook during the year (BB+/Stable earlier).
- Fitch maintained its rating at BBB- but upgraded the outlook to Stable (BBB-/Negative earlier).

As on March 31, 2014, the Company was rated "Investment Grade" with a 'Stable' outlook by all three international credit rating agencies.

Employee Stock Option Plan

The Company presently has two Employee Stock Option (ESOP) schemes, namely the Employee Stock Option Scheme 2001 and the Employee Stock Option Scheme 2005. Besides attracting talent, the schemes also helped to retain talent and experience.

Both the above mentioned ESOP schemes are at present administered through a Trust, whereby the shares held/acquired by the Trust are transferred to the employee, upon exercises of stock options as per the terms of the scheme.

In view of the Circular issued by SEBI, the Company stopped acquiring further shares from the open market towards appropriation of the same for the ESOP scheme 2005. The shares acquired/held by the Trust prior to the circular will be utilised to administer the above schemes in accordance with the applicable regulations.

In compliance with the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the SEBI Guidelines), HR & Nomination Committee administers and monitors the Company's ESOP schemes. The applicable disclosures as stipulated under the SEBI Guidelines, as on March 31, 2014 are provided in Annexure C to this report.

A certificate from M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Statutory Auditors, with respect to the implementation of the Company's ESOP schemes, would be placed before the shareholders at the ensuing Annual General Meeting. A copy of the same will also be available for inspection at the Company's registered office.

Directors

In line with the Company's policy on Independent Directors, Mr. Pulak Prasad has retired from the Board w.e.f. September 5, 2013. Further, during the previous financial year, Mr. Nikesh Arora ceased to be the Director of the Company w.e.f. March 13, 2014. The Directors place on record their appreciation for help, guidance and contribution made by the outgoing Directors during their tenure on the Board.

Sheikh Faisal Thani Al-Thani, Mr. Ben Verwaayen, Mr. V. K. Viswanathan and Mr. D. K. Mittal were appointed as Additional Directors during the year. They will cease to hold office on the date of ensuing Annual General Meeting and are eligible for re-appointment. The Company has received notices from members under Section 160 of the Companies Act, 2013 (Corresponding section to Section 257 of the Companies Act, 1956), proposing the appointment of Sheikh Faisal Thani Al-Thani as the Company's Non-Executive Director and appointment of Mr. Ben Verwaayen, Mr. V. K. Viswanathan and Mr. D. K. Mittal as the Company's Non-Executive Independent Directors along with necessary deposit of ₹ 1,00,000/- for each Director. The Board recommends their appointment.

Ms. Chua Sock Koong and Mr. Rajan Bharti Mittal retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

In terms of Section 149, 150 and 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder and Clause 49 of the Listing Agreement, it is proposed to appoint Mr. Manish Kejriwal, Ms. Obiageli Ezekwesili and Mr. Craig Ehrlich as Independent Directors of the Company to hold office for the term as mentioned in the explanatory statement to item nos. 7 to 14 of notice of the Annual General Meeting.

Mr. Tsun-yan Hsieh, Independent Director has expressed his desire to step down from the Board effective from the conclusion of ensuing Annual General Meeting. Accordingly, his appointment as an Independent Director for a further term, as required under the provisions of Companies Act, 2013, is not being proposed to the shareholders at the ensuing Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges and in the opinion of the Board, all the Independent Directors proposed to be appointed, fulfil the conditions specified in the Companies Act, 2013 and the rules made thereunder and are independent of the management. The Board recommends their appointment.

A brief resume, nature of expertise, details of directorships held in other public limited companies of the Directors proposed to be appointed / re-appointed, along with their shareholding in the Company, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is appended as an annexure to the Notice of the before ensuing Annual General Meeting.

Subsidiary Companies

As on March 31, 2014, your Company has 117 subsidiary companies, as set out in Page no. 242 of the Annual Report (for Abridged Annual Report please refer Page no. 92).

Pursuant to the General Circular No. 2/2011, dated February 8, 2011, issued by the Ministry of Corporate Affairs, Government of India, the Board of Directors have consented for not attaching the balance sheet, statement of profit & loss and other documents, as set out in Section 212(1) of the Companies Act, 1956, in respect of its subsidiary companies, for the year ended March 31, 2014.

The statement pursuant to the above referred circular is annexed on page no. 99 of the Abridged Annual Report and page no. 249 of the full version Annual Report.

The audited financial statements of each of its subsidiaries are available for inspection at the Company's registered office and the registered office of the respected subsidiary companies. Copies of the annual accounts of the subsidiary companies will also be made available to the investors of Bharti Airtel and those of the subsidiary companies upon request.

Abridged Financial Statements

In terms of the provision of Section 219(1)(b)(iv) of the Companies Act, 1956 and Clause 32 of the Listing Agreement, the Board of Directors has decided to circulate the Abridged Annual Report containing salient features of the balance sheet and statement of profit & loss and other documents to the shareholders for the FY 2013-14, who have not registered their e-mail id. Full version of the Annual Report will be available on the Company's website, www.airtel.com, and will also be made available to investors upon request. To support the green initiative of the Ministry of Corporate Affairs and in accordance with the provisions of Companies Act, 2013, the Company has also decided to send all future communications, including the Annual Report, through email to those shareholders, who have registered their email id with their depository participant / Company's registrar and share transfer agent. If a shareholder wishes to receive a printed copy of such communications, he/she may please send a request to the Company, which will send a printed copy of the communication to the shareholder. The shareholders are hereby requested to kindly update their email ids with the Registrar and share transfer agent (RTA) and respective Depository Participants (DPs).

Management Discussion & Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming a part of the Annual Report.

Corporate Governance

A detailed report on Corporate Governance, pursuant to the requirements of Clause 49 of the Listing Agreement, forms part of the Annual Report. However, in terms of the provision of Section 219(1)(b)(iv) of the Companies Act, 1956 and Clause 32 of the Listing Agreement, the A bridged Annual Report, excluding this report, has been sent to the Company's members. Members who desire to obtain the full version of the report may write to the Company Secretary at the registered office address and will be provided with a copy of the same. A certificate from M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Gurgaon, the Statutory Auditors of the Company, confirming compliance of conditions of Corporate Governance, as stipulated under Clause 49, is annexed to the report as Annexure A.

Corporate Social Responsibility & Sustainability and Business Responsibility Report

At Bharti Airtel, Corporate Social Responsibility (CSR) encompasses much more than social outreach programmes. It lies at the heart of the Company's business operations. Detailed information on the Company's CSR initiatives is provided in this Annual Report's CSR section and the 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 Environmental, Social and Governance perspective.

Accordingly, a detailed report on Corporate Social Responsibility and Business Responsibility Report forms a part of the Annual Report. However, in terms of the Section 219(1)(b)(iv) of the Companies Act, 1956 and Clause 32 of the Listing Agreement, the Abridged Annual Report, excluding this report, will be sent to the Company's members. Members who desire to obtain the full version of the report may write to the Company Secretary at the registered office address and will be provided with a copy of the same.

Sustainability Journey

Sustainability initiatives have been integral to the Company's journey since inception. The last three years witnessed the Company adding a more comprehensive and structured sustainability plan with active co-operation of all stakeholders. The objective is to benefit our community and the planet through all our operations and engagements. Bharti Airtel is strengthening its efforts on issues like climate change, employee engagement, waste management, digital inclusion and impact on communities, among many others.

The Company is committed to maintain the highest standards of governance, safety and environmental performance across the value chain.

An update on the sustainability journey of the Company forms part of the Corporate Social Responsibility and Sustainability Report. The detailed Sustainability Report for the year 2012-13 is available on the website of the Company and can be viewed by clicking the hyperlink "http://www.airtel.in/sustainability".

Statutory Auditors

The Company's Statutory Auditors, M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Gurgaon, will retire at the conclusion of the ensuing Annual General Meeting.

In terms of provisions of Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, the Statutory Auditors (including Associate Audit Firm) can be appointed for a maximum term of 10 years which shall be inclusive of the existing tenure completed by such Statutory Auditors.

Since, M/s. S. R. Batliboi & Associates LLP, Chartered Accountants has completed 7 years as Statutory Auditors of the Company, it is proposed to re-appoint them for a further term of 3 consecutive years from the conclusion of the ensuing Nineteenth Annual General Meeting to the conclusion of Twenty-Second Annual General Meeting subject to ratification by the shareholders at every Annual General Meeting.

The Company has received letters from the Auditors to the effect that their appointment, if made, shall be in accordance with the conditions as prescribed in the rule 4 of the Companies (Audit and Auditors) Rules, 2014, and that they are not disqualified for appointment within the meaning of Section 139 and 141 of the Companies Act, 2013.

Auditors' Report

The Board has duly examined the Statutory Auditors' Report to the accounts, which is self-explanatory. Clarifications, wherever necessary, have been included in the Notes to Accounts section of the Annual Report.

As regards the comments under para i(a) of the annexure to the Independent Auditors' Report regarding updation of quantitative and situation details relating to certain fixed assets, the Company has initiated a comprehensive project with the involvement of technical experts, to deploy automated tools and processes which will enable near real-time tracking and reconciliation of fixed assets. This project will be spread over two years.

Cost Auditors

The Board, on the recommendation of the Audit Committee and subject to the rules to be notified by the Ministry of Corporate Affairs (MCA) in this regard, has approved the appointment of M/s. R. J. Goel & Co., Cost Accountants, as Cost Auditor for the financial year ending March 31, 2015. The Cost Auditors will submit their report for the financial year ending 2013-14 on or before the due date.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration payable to the Cost Auditors is required to be ratified by the shareholders, the Board recommends the same for the approval by the shareholders at the Annual General Meeting.

Secretarial Audit Report

The Company had appointed M/s. Chandrasekaran Associates, Company Secretaries, New Delhi, to conduct its Secretarial Audit for the financial year ended March 31, 2014. The Secretarial Auditors have submitted their report confirming the compliance with all the applicable provisions of various corporate laws. The Secretarial Audit Report is provided separately in the Annual Report. However, in terms of the provision of Section 219(1)(b)(iv) of the Companies Act, 1956 and Clause 32 of the Listing Agreement, the Abridged Annual Report, excluding this annexure, will be sent to the Company's members. Members who desire to obtain this information may write to the Company Secretary at the registered office address and will be provided with a copy of the same.

Particulars of Employees

The information, as required to be provided in terms of Section 217(2A) of the Companies Act, 1956, read with Companies (Particular of Employees) Rules, 1975, have been set out in the enclosed annexure to this report. In terms of the provision of Section 219(1)(b)(iv) of the Companies Act, 1956 and Clause 32 of the Listing Agreement, the Abridged

Annual Report that has been sent to the Company's members does not contain the same. Members who desire to obtain this information may write to the Company Secretary at the registered office address and will be provided with a copy of the same.

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

Being a service providing organisation, most of the information of the Company, as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, as amended, is not applicable. However, the information, as applicable, has been given in Annexure B to this report.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, to the best of their knowledge and belief, confirm that:

I. The applicable accounting standards have been followed, along with proper explanation relating to material departures, in the preparation of the annual accounts for the year ended March 31, 2014.

II. They have selected and applied consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the Company's state of affairs and profits, as at the end of the financial year.

III. They have taken proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, and to safeguard the Company's assets and to prevent and detect fraud and other irregularities.

IV. They have prepared the annual accounts on a going concern basis.

Acknowledgements

Your Directors wish to place on record their appreciation to the Department of Telecommunications (DoT), the Central Government, the State Governments in India, Government of Bangladesh, Government of Sri Lanka and Governments in the 17 countries in Africa, Company's Bankers and business associates, for the assistance, co-operation and encouragement they extended to the Company. The Directors also extend their appreciation to the employees for their continuing support and unstinting efforts in ensuring an excellent all-round operational performance. The Directors would like to thank various partners, viz. Bharti Telecom Limited, Singapore Telecommunications Ltd. and other shareholders for their support and contribution. We look forward to their continued support in future.

For and on behalf of the Board

Date: April 29, 2014
Place: Gurgaon

Sunil Bharti Mittal
Chairman

Annexure A

Auditors Certificate Regarding Compliance of Conditions of Corporate Governance

To

The Members of Bharti Airtel Limited,

We have examined the compliance of conditions of Corporate Governance by Bharti Airtel Limited ("the Company"), for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

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

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 29, 2014

Annexure B

Information relating to conservation of energy, technology absorption, research and development, and foreign exchange earnings and outgo forming parts of Directors' Report in terms of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988

Conservation of Energy and Technology Absorption

The information in Part A and B, pertaining to conservation of energy and technology absorption, are not applicable to Bharti Airtel, as it is a telecommunication services provider. However, the Company requires energy for its operations and every endeavour has been made to ensure the optimum energy use, avoid wastage and conserve energy as much as possible.

The Company continuously evaluates global innovation and technology as a benchmark and, whenever required, enters into arrangements to avail of the latest technology trends and practices.

Foreign Exchange Earnings and Outgo

Activities relating to initiatives taken to increase exports; development of new export markets for products and services, and export plans.

International Long-distance Business

The Company has a global footprint with services in 26 countries with 13 points of presence (PoPs). It continues to focus on emerging markets. The infrastructure establishes a seamless connectivity globally, offering at least three cables on every route, thereby providing unparalleled diversity and resilience. The Company witnessed growth in its long-distance voice business, emerging among the Top 10 Global Carriers. It believes that its presence and operations in developing markets, especially Asia and Africa, coupled with strong bilateral global relationships, will further strengthen its position by increasing global traffic share.

Telecom Services in Other Countries

Bharti Airtel Lanka (Private) Limited is Sri Lanka's fastest growing wireless service provider. It expanded its footprint by starting commercial operations in the country's eastern

Annexure B (Contd.)

and northern parts. Airtel, at Sri Lanka, ended the financial year with 1.7 Mn customers. The Company continues to gain leadership in both incremental customer market share and revenue market share through aggressive marketing and strong distribution network.

Airtel Bangladesh Limited continues to grow and currently has over 6.9 Mn customers. The Company has 125 distributors and over 117,000 retailers across the country. In the six players markets, which are extremely competitive for the operators, the Company's immediate focus is to ensure faster quality network rollout across the country and build a strong dynamic brand. As in March 2014, Airtel Bangladesh Limited reached population coverage of about 80%.

Airtel Africa continues to grow with the ending revenue earning customer base for the year at 69.4 Mn. Airtel has further consolidated its market position in Nigeria and has been declared as the second largest telecommunications services provider in the country by customer numbers, basis latest research by market regulator. This is an indication that Bharti Airtel's investment in Sub-Saharan Africa's largest economy is bearing fruit. Network rollout continued aggressively, with the total number of sites ending at 17,792 at the end of March 2014.

Total foreign exchange used and earned for the year:

(a) Total Foreign Exchange Earning ₹ 35,035 Mn

(b) Total Foreign Exchange Outgo ₹ 46,272 Mn

Annexure C

Information Regarding The Employees Stock Option Scheme (As on March 31, 2014)

Sl. No.	Particulars	ESOP Scheme 2005	ESOP Scheme 2001
1)	Number of stock options granted	27,397,047*	40,680,078**
2)	Pricing Formula	Exercise Price not less than the par value of the equity share and not more than the price prescribed under Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulation 2009 on Grant Date	29,015,686 @ 11.25 1,760,000 @ 0.45 4,380,000 @ 35.00 142,530@ 0.00 5,316,862 @ 5.00 40,000 @ 60.00 25,000 @ 110.50
3)	Options vested	23,537,619	39,302,100
4)	Number of options exercised	6,638,986	30,501,709
5)	Number of shares arising as a result of exercise of option during the FY 2013-14	Nil	Nil
6)	Number of options lapsed	14,588,587	9,639,383
7)	Money realised by exercise of options	656,241,988	391,094,165
8)	Total number of options in force	6,169,474	538,986
9)	Options granted to senior managerial personnel during the FY 2013-14		
	- Mr. Gopal Vittal	Nil	150,000
10)	Diluted earning per share (EPS) as per AS 20	N.A.	N.A.

Annexure C (Contd.)

Sl. No.	Particulars		ESOP Scheme 2005		ESOP Scheme 2001
11)	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		N.A.		N.A.
12)	a)	Weighted average exercise price	₹ 212.08	a)	₹ 11.25; ₹ 0.45; ₹ 35; ₹ 0; ₹ 5; ₹ 60; ₹ 110.5
	b)	Weighted average fair value	₹ 185.12	b)	NA; NA; NA; NA; ₹ 264.27; ₹ 84.43; ₹ 357.63
13)	Method and significant assumptions used to estimate the fair values of options		Black Scholes / Lattice Valuation Model / Monte Carlo Simulation		
	(i)	risk free interest rate	i) 8.45% p.a to 8.53% p.a (The Government Securities curve yields are considered as on valuation date)		
	(ii)	expected life	ii) 48 to 60 months		
	(iii)	expected volatility	iii) 39%		
	(iv)	expected dividends	iv) 20% (Dividend yield of 0.32%)		
	(v)	market price of the underlying share on grant date	v) ₹ 337.40 per equity share		

Notes:

* Granted 8,662,495 options out of the options lapsed over a period of time.

** Granted 9,000,078 options out of the options lapsed over a period of time.

1. The options granted to the senior managerial personnel under both the schemes are subject to the adjustments as per the terms of respective performance share plan.
2. During the year, the ESOP Compensation Committee had revised the performance measures of performance linked options granted to Mr. Manoj Kohli under ESOP scheme 2001 and 2005; Mr. Gopal Vittal under ESOP scheme 2001.
3. During the year, the ESOP Compensation Committee had revised the performance measures of Long Term Incentive Plan - 2011 read with ESOP scheme 2005.
4. Other than the employee stated in point no. 9, no other employee was granted stock options exceeding 5% of the total options granted during the year.
5. No employee was granted stock options exceeding 1% of the issued capital during the year.

Management Discussion and Analysis

Economic Overview

Global Review

The big picture about the global economy is one of gradual recovery. Global economic activity is strengthening and is likely to improve in FY 2014-15, as downside risks diminish further. A closer look at some of the economies of the world, however, reveals an uneven picture. The US economy is definitely on a high gear, with strengthening household incomes and corporate balance sheets. On the other hand, the Eurozone is still grappling with lower-than-expected growth. More monetary easing is required in this region to sustain economic activity and achieve the European Central Bank's objective of price stability; sustained low inflation or even outright deflation may not augur well for long-term recovery.

The emerging and developing economies are underperforming compared to their full potential, owing to structural bottlenecks. The good news, however, is that advanced economies will create better export potential for the emerging economies to grow, going forward. Governments in the emerging and developing economies are also becoming increasingly aware of their self-imposed bottlenecks, and are responding to industry expectations of policy stability, infrastructural improvements and business-friendly tax regimes.

Global Growth Trend (%)

	Actual		Projections	
	2012	2013	2014	2015
World Output	**3.2**	**3.0**	**3.6**	**3.9**
Advanced Economies	**1.4**	**1.3**	**2.2**	**2.3**
Emerging and Developing Economies	**5.0**	**4.7**	**4.9**	**5.3**
China	7.7	7.7	7.5	7.3
India	4.7	4.4	5.4	6.4
Sub-Saharan Africa	4.9	4.9	5.4	5.5

(Source: International Monetary Fund, April 2014)

Indian Economy

A few years ago, India was looked upon as an emerging powerhouse of Asia and the world, with an impressive demographic dividend and a government focused on implementing reforms. However, the adverse impact of lacklustre growth, along with policy uncertainty, frittered away the opportunity. High inflation, declining foreign investment and a weak currency saw the economy lose steam. There was also little focus on the development of human capability (knowledge, skills and connected communities), which could have provided the much-needed spark to steer the economy out of the doldrums.

To make matters worse, in FY 2013-14, the withdrawal of the US Federal Reserve's Quantitative Easing programme triggered capital flight and the Rupee witnessed significant volatility. The agricultural sector grew moderately during the year because of above average monsoon. However, continued underperformance by the mining and manufacturing sectors impacted economic growth. This marks a second straight year of sub-5% growth, signalling the urgency for radical reforms.

The worst may be behind us as the current account deficit and the foreign trade deficit narrowed significantly in the second half of FY 2013-14. The Indian currency has also stabilised, inflation is more under control and exports are showing a positive trend.

Sector-wise Growth and Annual GDP Trend (%)

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Agriculture and allied activities	0.8	8.6	5.0	1.4	4.6
Industry	9.2	7.6	7.8	1.0	0.7
Services	10.5	9.7	6.6	7.0	6.9
GDP at Factor Cost	8.6	8.9	6.7	4.5	4.9

(Source: Central Statistics Office)

Outlook

With half of its population below the age of 30, India is one of the world's youngest nations. The expected post-election stability should augur well for the country. There is an urgent need to kick-start stalled projects, implement radical policies to accelerate growth, create a more responsive administration, bolster investor confidence through policy stability and create jobs for millions of Indians.

African Economy

Africa is now widely considered as the sweet spot of opportunity, where investments in education, employment, healthcare and critical infrastructure can help elevate people's lives. Although the continent presents significant diversity in terms of demography, language, cultural affinities, natural resources and socio-economic stability, the region has tremendous potential for growth. This optimism has been reinforced by a World Bank forecast, which states that the continent is poised to surpass 5% growth with robust surge in investments and household spending.

Africa still has a long way to go to realise its full potential, but the journey has already begun, driven by an enthusiastic and inquisitive youth brigade. Unlike most other countries of the world, Africa has the resource advantage, both natural and human. The continent has some of the world's most abundant natural resources, many of which are yet to be tapped. It is also the world's youngest region, brimming with aspirations for a better life. With more domestic focus and international aid towards capacity creation and skill development, coupled with socio-economic stability, Africa can become one of the most dynamic and productive economies of the world. Africa's telecom sector can be the key catalyst in transforming this once neglected continent steeped in poverty, violence and ignorance.

Despite challenges, the growth story in Sub-Saharan Africa remains more or less intact. Growth in Sub-Saharan Africa remained modest in 2013 at 4.8%, virtually unchanged from 2012, underpinned by agricultural production and investments in natural resources and infrastructure. Following the upturn witnessed in the global economy in the second half of 2013, the IMF has revised its 2014 and 2015 growth forecasts for Sub-Saharan Africa upwards to 5.4% and 5.5%, respectively.

One sterling African story of growth has been scripted by Nigeria. Notwithstanding political and social instability in various parts of the country, Nigeria with a GDP of USD 510 Bn has leapfrogged South Africa (USD 370 Bn) to become the continent's largest economy. The ICT sector in Nigeria is now a significant contributor to the country's GDP growth, reflecting the transformation from a purely oil-dependent economy to one of more balanced development.

South Asian Economy

South Asian countries, including Sri Lanka and Bangladesh, have largely recovered from the turmoil witnessed in the last few years. In Bangladesh, domestic demand is expected to strengthen, as the social landscape normalises post elections. IMF has projected the real GDP growth for Bangladesh to move up progressively from 5.8% in 2013 to 6.0% and 6.5% in 2014 and 2015, respectively. Sri Lanka has also stepped up efforts to attract foreign investments, improve infrastructure and promote all-round socio-economic development. Sri Lanka, which reported real GDP growth of 7.3% in 2013, is projected to remain largely stable at 6.5%-7.0% over the next two years.

Megatrends that Drive the Company's Business

01 India's aspirational first-time voters (18-23 years old) comprise a stupendous 150 Mn people; most of them use mobile phones and the internet. Brands that can capture their imagination and trust will be able to leverage a huge opportunity.

02 In India, internet traffic is expected to grow 5.5-fold from 2013 to 2018, a compounded annual growth rate (CAGR) of 41% and reach 101 Petabytes per day in 2018, up from 20 Petabytes per day in 2013 (Source: Cisco Visual Networking Index Global Forecast and Service Adoption).

03 The focus on manufacturing affordable handsets with indigenous technology will further encourage mobile telephony in India.

04 With a median age less than 20 years, Africa will remain the single biggest opportunity for growth in the coming decades.

05 The proposed policy changes in India in respect of M&A rules and spectrum sharing guidelines, along with the already implemented transparent spectrum auction processes, are likely to encourage industry consolidation and healthy growth.

06 Asia is emerging as one of the world's largest e-commerce markets, driven by mobile internet. Asian e-commerce companies are expecting to see their investment grow by many folds and investors are willing to invest significantly in this sunrise sector.

07 Despite the stupendous progress of telecommunications in Sub-Saharan Africa (SSA), the biggest impact of mobile in the continent is yet to arrive. With significant headroom still remaining in mobile penetration, coupled with tremendous opportunity in the internet space, the telecom industry is poised for yet another decade of strong growth.

08 Africa is on the cusp of an explosion of mobile data as 3G and 4G deployments gain scale and more affordable handsets are available in the market.

09 Mobile money services are revolutionising the payments landscape across Africa. Co-ordinated efforts by mobile operators, telecom regulators, central banks, commercial banks, merchants and application developers are expected to drive rapid growth of mobile money usage.

10 Increasing focus of governments on revamping infrastructure, assuring reliable power supply and improved safety and security will help drive more efficient growth of telecom sector in the emerging and developing markets.

Industry Overview

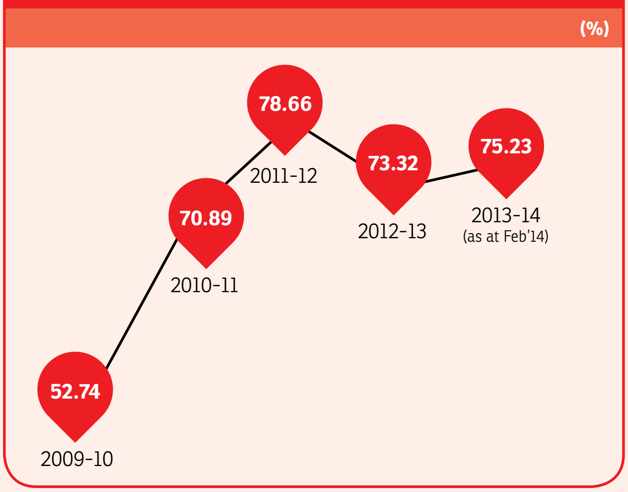
Indian Telecom Sector

India's total customer base stood at 931.95 Mn with a tele-density of 75.23%, as on February 2014. The urban tele-density stood at 146.47%, whereas the rural tele-density stood at 43.67%, as on February 2014. The Indian telecom sector has registered a phenomenal growth with India's total customer base second only to China.

Teledensity

Among the service areas, Tamil Nadu (111.15%) has the highest tele-density, followed by Punjab (107.29%), Himachal Pradesh (105.62%), Kerala (97.99%) and Karnataka (93.37%). Among the three metros, Delhi tops with 227.86% tele-density. On the other hand, the service areas, such as Bihar (45.70%), Assam (48.90%), Madhya Pradesh (56.42%), Uttar Pradesh (56.96%), Odisha (61.76%), Jammu and Kashmir (65.74%) and West Bengal (69.45%) have comparatively low tele-density.

Tele Density: India



(Source: Telecom Regulatory Authority of India)

Rural penetration albeit on an increasing trend, is still quite low. This statistic shows the digital divide plaguing the country and the huge opportunity in the form of untapped market potential. The first phase of Indian telecom growth was led by urban penetration. Now, with urban India approaching saturation in voice revenues, the highly untapped rural market is all set to drive the next growth phase.

The wire-line customer base continued to decrease from 30.21 Mn, as at the end of March 2013 to 28.59 Mn at the end of February 2014, representing a penetration of just 2.31%. However, given the rapidly evolving ecosystem of data enabled mobile devices, including smartphones, India is on the verge of an internet boom, driven by mobile phones. India's close to two trillion-dollar economy, with its young and increasingly urbanising consumer base, offers strong growth potential for internet usage. Decreasing smartphone prices, coupled with the proliferation of 2.5G EDGE / 3G/ 4G services in India, are likely to reduce connectivity costs and overcome the challenge of limited fixed-line connections. There is, however, a huge dependence on adequate spectrum being made available by the Government, without which the internet growth story in India may remain a distant dream, even as all other countries ride the wave.

African Telecom Sector

The African Telecom sector continues to witness unprecedented evolution, especially in the areas of data and mobile money. With hundreds of millions of connected mobile phones, opportunities exist to use this technology to improve sustainability of the economy as well as the African society. Mobile technology is the key to this transformation. With a population of over a billion people, the continent has strong prospects for growth, especially as a huge portion of the population remains unsubscribed to mobile technology.

Africa does have its challenges in the form of political unrest, regulatory uncertainties as well as exchange and interest rate fluctuations. Despite these challenges, the huge young population of Africa with a median age of less than 20 years, represents a significant opportunity in the areas of data and mobile money. While voice growth is stable, data and mobile money are the new revenue streams growing exponentially. The Company continues to expand its 3G footprint across Africa and also leverage the opportunities that mobile money presents.

Development in Regulations

The year saw several regulatory changes and developments. The highlights of significant regulatory changes are as follows:

India

- **Spectrum Auction:** In February, 2014, the Department of Telecommunications concluded the auction process for 900 MHz and 1800 MHz spectrum. Out of the 431.2 MHz that was put up for auction in 22 circles, 353.2 MHz was sold for a consideration of ₹ 611,622 Mn. The licence would be valid for a period of 20 years from the date of allotment. Airtel won 115 MHz spectrum out of the total auctioned spectrum for a consideration of ₹ 184,386 Mn.
- **Unified Licence and Uniform Licence Fee:** In August 2013, the Department of Telecommunications issued certain guidelines for the grant of a unified licence. Under these guidelines, existing licensees can opt for the migration of their telecom licences to a unified licence. A company can have only one unified licence. DoT has announced a uniform licence fee of 8% of AGR for all licences w.e.f. April 1, 2014.

- **Telecom Commercial Communications Customer Preference Regulations (TCCCPR) & SMS Termination Regulations, 2013:** In May 2013, TRAI issued the 11th and 12th Amendments to The Telecom Commercial Communications Customer Preference Regulations, 2013 and SMS Termination Regulations, 2013. Some of the key highlights of these amendments featured the introduction of an SMS termination charge of ₹ 0.02 per SMS on all SMSs and the introduction of a transactional SMS charge of ₹ 0.05 per transactional SMS.

- **Revision in ceiling of National Roaming Tariffs:** On June 17, 2013, TRAI issued a 5th Amendment to TTO'99, revising the existing ceiling of tariffs related to the National Roaming Facility (effective from July 1, 2013). Some of the key highlights are as follows: a) Existing tariff ceiling has been revised from ₹ 2.40 per min to ₹ 1.50 per min for outgoing STD calls, ₹ 1.40 per min to ₹ 1.00 per min for outgoing local calls and ₹ 1.75 per min to ₹ 0.75 per min for incoming calls; b) Roaming SMS tariff charges have been capped (which was earlier under forbearance) to ₹ 1 for outgoing local SMSs and ₹ 1.50 for outgoing national SMSs; c) Special Tariff Vouchers and Combo Vouchers are allowed for the National Roaming facility and d) It is mandatory for operators to offer roaming plans with partial or full roaming facility in lieu of payment of fixed charges.

- **USSD based m-Banking Transaction:** In November 2013, TRAI fixed a ceiling of ₹ 1.50 per USSD session for m-banking. TRAI also made it mandatory for telecom operators to provide USSD connectivity to banks and their agents.

- **Merger and Acquisition Guidelines:** On February 20, 2014, DoT issued the new M&A guidelines for the telecom sector. According to the guidelines, DoT is to be notified for any proposal for merger or acquisition as filed before the National Company Law Tribunal. There is a cap for market share (both customer and adjusted gross revenue) up to 50% after merger, excess of which is to be reduced within one year. Similarly, a spectrum cap for each of the service area has also been notified by the DoT with excess required to be surrendered within one year of merger. No refund or set off of money paid and / or payable for excess spectrum will be made. In addition, merger of ISP licence / authorisation with Access services licence / authorisation is permitted.

International

- **Licence renewals:** Existing licences were successfully renewed for Malawi, Sierra Leone, Uganda and Zambia during the year.

- **Grant of 3G / 4G licences:** During the year, Airtel Africa was successful in obtaining 3G / 4G licences in Chad (3G / 4G), Seychelles (4G), Gabon(3G / 4G), Madagascar (3G). This is a step towards expansion of our data footprint in the continent.

- **KYC norms:** KYC norms implementation mandated by the regulator in Kenya, Zambia, Niger, Nigeria, Tanzania and Rwanda.

- **Mobile Termination Rate (MTR):** Nigeria Communications Commission (NCC) published a new interconnect rate regime effective April 1, 2013 which specifies reduction in MTR for Tier I operators from N 8.20 per minute to N 4.90 per minute. Glide paths for both Tier I and Tier II operators to ensure annual reduction of the rates until harmonisation at N 3.90 per minute on April 1, 2015. Accordingly, interconnection rate for Tier I operators was adjusted downwards to N 4.40 from N 4.90 effective April 1, 2014. In Kenya, the Glide path of MTR was implemented w.e.f. July 1, 2013 dropping rates from KES 1.44 to KES 1.15. Further, the Regulator decreased the interconnect rate from CFA 25 to CFA 20 w.e.f. April 1, 2014 in Burkina Faso.

- **Mobile Number Portability:** MNP was introduced in Nigeria on April 22, 2013.

- **Bangladesh 3G spectrum auction:** Airtel Bangladesh won 5 MHz 3G spectrum for USD 105 Mn after its successful bid at the auction held by the Bangladesh Telecom Regulatory Commission (BTRC) in September, 2013. 3G was commercially launched in the country in November, 2013.

SCOT Analysis

Strengths

- Present in 20 countries, largest operator in India; fourth largest in the world
  - Covering more than 1/4th of the world's population
- Strategically placed in countries with rising GDP growth
  - Both Asian and African economies poised for growth
- Integrated service portfolio covering voice, data, telemedia, DTH and business solutions
  - State-of-the-art network and distribution systems
- More than 25,000 employees across various functions
  - Skilled workforce with an experienced management team

Challenges

- Inadequate infrastructure in Indian and African rural regions pushing cost of operations
  - Continuously innovating and investing in greater reach
- Integration in operations across continents
  - Combining common platforms across all 20 countries
- Understanding evolving customer perceptions in a multi-cultural and multi-lingual environment
  - Reach across all 22 circles in India, covering both rural and urban areas
  - Diversity across 20 countries
- Increasing capex network costs
  - Continuously upgrading network infrastructure

Opportunities

- Untapped telecom market in Africa and rural India
  - Newer, more meaningful products targeted to specific customer segments
- Successful spectrum acquisition in India for a secure future
  - Reach to the less penetrated areas across the country
- Increasing data consumption over voice consumption
  - Data explosion at its cusp with new and improved devices and increased penetration

Threats

- Falling Average Revenue per User
  - Changing rates across wide array of products
- Political and economic uncertainties in Africa and India
  - Frequent changes in policies
- Rise in operating costs across countries
- Large investments in licence renewals and spectrum

Financial Review

Consolidated Figures

Particulars	FY 2013-14		FY 2012-13	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenue	857,461	14,151	769,045	14,129
EBITDA before exceptional items	277,770	4,584	232,579	4,273
Interest, Depreciation & Others before exceptional items	199,665	3,295	184,726	3,394
Profit before exceptional items and Tax	78,105	1,289	47,853	879
Profit before tax	78,643	1,298	47,853	879
Tax expense	48,449	800	25,184	463
Profit for the year	27,727	458	22,757	418
Earnings per share (in ₹ /USD)	7.02	0.12	6.00	0.11

* 1 USD = ₹ 60.59 Exchange Rate for financial year ended March 31, 2014 (1 USD = ₹ 54.43 for financial year ended March 31, 2013)

Standalone Figures

Particulars	FY 2013-14		FY 2012-13	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenue	499,185	8,239	453,509	8,332
EBITDA before exceptional items	171,522	2,831	149,338	2,744
Interest, Depreciation & Others before exceptional items	85,677	1,414	84,790	1,558
Profit before exceptional items and Tax	85,845	1,417	64,548	1,186
Profit before tax	83,774	1,383	64,548	1,186
Tax expense	17,772	293	13,585	250
Profit for the year	66,002	1,089	50,963	936
Earnings per share (in ₹ /USD)	16.69	0.28	13.42	0.25

* 1 USD = ₹ 60.59 Exchange Rate for financial year ended March 31, 2014 (1 USD = ₹ 54.43 for financial year ended March 31, 2013)

Consolidated revenues grew by 11.5% to ₹ 857,461 Mn for the year ended March 31, 2014. Airtel's revenue in India grew by 10% and that of Africa grew by 13% on a year-on-year basis. On a constant currency basis, revenue in Africa registered a yearly growth of 2.5%. The Company incurred operating expenditure (excluding access charges, cost of goods sold and licence fees) of ₹ 387,584 Mn representing an increase of 10.9% over the previous year. Consolidated EBITDA before exceptional items at ₹ 277,770 Mn grew by 19.4% over the previous year. EBITDA margin for the full year at 32.4% increased from 30.2% in the previous year, primarily due to improved profitability in India. The Company's profitability improved largely on account of improvement in voice realisation rates and controlled SG&A expenditure.

Depreciation and amortisation costs for the year were higher by 5.6% to ₹ 156,496 Mn. EBIT at ₹ 121,274 Mn increased by 43.6% resulting in an improved margin of 14.1%. It was up from 11.0% in the previous year primarily on account of improved EBIT margins in India from 14.1% to 18.8% in the current year.

Net finance costs at ₹ 48,380 Mn were higher by ₹ 8,296 Mn, primarily due to derivatives and foreign exchange fluctuations, which accounted for net losses of ₹ 12,423 Mn, up from ₹ 3,147 Mn in the previous year. The consolidated profit before taxes and exceptional items at ₹ 78,105 Mn improved by 63.2%.

The consolidated income tax expense (before the impact on exceptional items) for the full year ending March 31, 2014 is ₹ 44,478 Mn, compared to ₹ 25,184 Mn for the previous year. The effective tax rate in India for the full year came in at 25.3% (23.7% excluding dividend distribution tax) compared to 27.7% (24.9% excluding the impact of dividend distribution tax and additional deferred tax for increase in surcharge) for the full year ended March 31, 2013. The reduction in the underlying effective tax rate in India is mainly due to improved performance in the loss-making subsidiaries.

The tax charge in Africa for the full year at USD 273 Mn (full year 2012-13: USD 92 Mn) has been impacted primarily by: i) significant rise in withholding taxes (by USD 35 Mn) due to increased upstreaming from subsidiary companies, accounted for in accordance with IAS 12 'income taxes'; ii) one-off settlements and results of various tax assessments (net USD 35 Mn); iii) impact of new taxes, rate changes, etc. (USD 11 Mn); and iv) changing profit/loss mix between operating companies in Africa.

After accounting for ₹ 4,990 Mn towards net impact of exceptional items, the resultant consolidated net income for the year ended March 31, 2014 came in at ₹ 27,727 Mn, a significant increase of 21.8% over the previous year. Net income before exceptional items for the full year came in at ₹ 32,718 Mn, an increase of 43.8% over the previous year.

The capital expenditure for the full year was ₹ 105,843 Mn, a decrease of 16.3% when compared with the previous year of which ₹ 60,961 Mn pertains to India. Consolidated operating free cash flow for the year (before exceptional items) reflected an increase of 62.0% to ₹ 171,927 Mn.

Liquidity and Funding

As on March 31, 2014, the Company was rated 'Investment Grade' with a 'Stable' outlook by three international credit rating agencies namely Fitch, Moody's and S&P. It had cash and cash equivalents of ₹ 49,808 Mn and short-term investments of ₹ 62,265 Mn. During the year ended March 31, 2014, the Company generated operating free cash flow of ₹ 171,927 Mn. The net debt-EBITDA ratio, as on March 31, 2014, was at 2.20, and the net debt-equity ratio was at 1.01. The net debt in USD terms decreased from USD 10,729 Mn to USD 10,074 Mn, as on March 31, 2014.

In May 2013, the Company issued 199,870,006 new equity shares to the Qatar Foundation Endowment, representing 5% stake in the Company for a total consideration of USD 1.26 Bn. This agreement not only exemplified further strengthening of the already deep economic and cultural relations between Qatar and India, but also provided Bharti with an exposure to the strong investor base in the Middle East.

During the year, Bharti Airtel increased its stake in the four Indian broadband wireless access (BWA) entities (Delhi, Mumbai, Haryana & Kerala) of Qualcomm to 100%.

The year 2013-14 highlighted some key aspects of the Company's operations that offer further reasons for the continuing interest from diverse and high quality investors in Bharti's credit, thereby underlining the strength of our business. In December 2013, Bharti Airtel International (The Netherlands) BV (BAIN), a subsidiary of the Company, raised Euro 750 Mn by issuing 5-year non-convertible bonds having a coupon rate of 4% per annum payable in arrears. The non-convertible bonds, due in 2018, were issued at a price of 99.756%, the spread being MS + 300 bps. These notes are guaranteed by the Company and are listed on the Frankfurt Stock Exchange. Subsequently, in January 2014, BAIN has further raised Euro 250 Mn in a follow-on tap, which was priced 25 bps inside the December 2013 deal.

While the first issue was over-subscribed 5 times, the tap was over-subscribed 2.4 times. These transactions were the first EUR bond issuance by an emerging market telecom corporate, and also the first EUR bond issuance by an Indian corporate. These transactions have also helped the Company diversify its sources of funding, and provide a natural hedge to our business in Francophone Africa where the currencies are pegged to the Euro. In March 2014, BAIN completed the issuance of CHF 350 Mn bonds with a coupon rate of 3% per annum and maturing in 2020. This transaction is the largest ever issuance by an Asian Telco in the Swiss Bond Market and the largest CHF bond offering ever from India. The transaction is also significant in the sense that it is the second largest CHF bond offering from Asia since the start of 2013. With this issuance, Bharti Airtel now has the largest debut USD, EURO and CHF denominated bond issuances by an Indian issuer ever.

Auction of Spectrum in India

The Department of Telecommunications (DoT) commenced the auction process for 900 MHz and 1800 MHz spectrum on February 3, 2014 that went on for 68 rounds till its conclusion on February 13, 2014. The entire 900 MHz that was put on sale by DoT was sold for a combined final price of ₹ 235,896 Mn as against a reserve price of ₹ 127,580 Mn. Similarly, out of 385.2 MHz that was put to auction by DoT in 1800 MHz in 22 circles, 307.2 MHz was sold at a combined price of ₹ 375,726 Mn as against a reserve price of ₹ 296,050 Mn. In total, the industry has picked up 353.2 MHz of 900/ 1800 MHz spectrum for a total price of ₹ 611,622 Mn. The validity of the spectrum is 20 years from the date of allotment.

The auction has provided much-needed long term certainty and clarity around spectrum and other regulatory policies. However, future auctions should ensure that more spectrum in the 900 MHz band is secured from other agencies and the operators who are grossly underutilising this important spectrum band. The auction also highlights the urgent need for vacating E-GSM spectrum in the 800 MHz band, which is being used for older technologies or is lying unused with certain agencies.

In the auction the Company secured 115 MHz of spectrum as per the table below:

Circle	1800 MHz	900 MHz
Andhra Pradesh	8.8	
Delhi	7.0	6.0
Himachal Pradesh	10.2	
Jammu & Kashmir	2.6	
Karnataka	8.8	
Kerala	5.0	
Kolkata	5.0	7.0
Madhya Pradesh	5.8	
Mumbai	6.0	5.0
North East	7.0	
Odisha	5.0	
Punjab	8.2	
Rajasthan	8.2	
Tamil Nadu	5.0	
West Bengal	4.4	
Total Spectrum	**97.0**	**18.0**
Total Cost (₹ Mn)	**98,149**	**86,236**
Upfront payment (₹ Mn)	33,697	21,559
Balance Amount (₹ Mn)	64,452	64,677

The balance amount is payable in 10 instalments after a moratorium of 2 years. Interest at 10% per annum will be applicable.

Segment-wise Performance

B2C services

Mobile Services: India

Overview

The year saw several significant developments on the regulatory front in India, including clearance of 100% FDI in telecommunication and more clarity on M&A guidelines. The year also saw explosive growth in smartphone sales, growing popularity of social networking and the consequent increase in data usage. During the year, the Company renewed its focus on customer segmentation and launched several industry-first initiatives to lead the data revolution in India.

As on March 31, 2014, the Company with 205.5 Mn GSM customers became the first operator to cross 200 Mn customers in India. The Company's customer acquisition and retention strategy is consistently yielding positive results in terms of reduced customer churn, from 6.6% last year to 2.9% in the current year. The segment witnessed significant improvement in the EBITDA margin in the current year to 33.8% as compared to 30.1% in the last year. Improvement in margin is the combined effect of revenue growth and enhanced opex productivity.

EBITDA enhancements, coupled with capex efficiency, resulted in flow through to EBIT. EBIT margins have improved significantly from 15.5% to 19.5% in the current year. Data revenues, as a percentage to total revenues, increased from 5.4% to 9.5% in the current year. Of its total number of mobile subscribers, the Company had over 58.1 Mn mobile internet customers at the end of March 31, 2014, of which 11 Mn were subscribed to 3G data services.

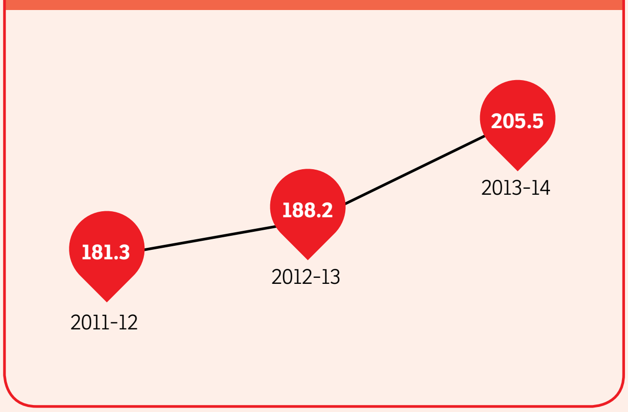
The Company continued to invest in networks and spectrum with a view to build capacity and improve the quality of coverage, especially in 3G and 4G technologies. The number of sites as on March 31, 2014 were 138,755, of which 31,301 were 3G sites.

(₹ Millions)

Particulars	FY 2013-14	FY 2012-13	Y-o-Y Growth
Gross Revenues	466,835	403,705	8%
EBIT	90,891	66,789	36%

Wireless Subscribers: India

(Mn)



Key Initiatives

- Airtel launched 'Re 1 video downloads' for its customers across India. The service was propagated through an extensive advertising campaign.
- The first online shopping portal in India by any telecom service provider - 'Airtel Online' - offers mobile devices, DTH connections and other telecom products for sale both to the retail and corporate customers.
- During the year, Airtel's new 4G portfolio with sharply defined pricing plans, device plans and content bundles were launched for its customers in Kolkata, Bengaluru, Pune and Chandigarh at the most affordable prices.
- With a view to enriching overall customer experience, self-owned retail stores – 'Airtel – Own Retail' – have been launched in the first quarter of the year. These stores are based on the concept of 'Service to Sell' and focus on driving data adoption and penetration among customers. In April, 2014, the Company crossed a milestone of 100 Company-Owned-Company-Operated Airtel stores across the country. These stores are in line with the Company's long-term drive towards delivering the best service experience for customers and offer end-to-end support for Airtel mobile, broadband and dongle connections.
- Airtel launched Re 1 entertainment store to drive data adoption among non-users by reducing the price barrier and offering content like video, music, photo, games & website specific packs. The store offers a wide range of exciting mobile content (including music, videos, games and photos) and internet browsing offers – all at ₹ 1 only.
- My Plan – the first of its kind do-it-yourself plan was launched for its postpaid subscribers giving them the flexibility of choosing what they want. The customer can pick the rental, choose the benefit and decide the top-ups based on his/her budget and usage pattern.
- In line with the Company's strategy to offer the most innovative and technologically advanced products and services to its customers, Airtel launched the iPhone 5S, the most forward-thinking smartphone in the world and the colourful iPhone 5C in India bundled with attractive plans.
- In order to ensure that VAS services are easily accessible to the customers, the Company launched a new unified VAS portal under a single short code 56789 offering close to 150 different entertainment services and content with an easier and intuitive interface.
- Latest in a slew of initiatives undertaken during the year is the 'airtel Night Store'. Aimed at driving value perception for Airtel as a brand amongst our customers, the Night Store features a range of unlimited calling and internet packs for Airtel prepaid customers, valid between midnight and 6 am, at rates starting as low as ₹ 7.
- Airtel money tied up with the Indian Railways Catering and Tourism Corporation Limited (IRCTC) to offer railway bookings through airtel money. The year also witnessed another fruitful tie-up with National Payments Corporation of India to offer mobile-based 24X7 availability of Money Transfer to customers.

Key Highlights

- Bharti Airtel was ranked no. 1 in the category of service brands and ranked no. 8 in the overall category in the 'Brand Equity Most Trusted Brands 2013' highlighting the increase in Airtel's trust quotient among customers with initiatives like network monitoring, double consent for VAS, myPlan and wider reach with propositions, such as Re 1 store.
- The popular smart phone app – 'myairtel' app – won the 'Service Innovation 2013' award at Aegis Graham Bell Awards 2013 as a recognition for empowering customers to effortlessly manage all Airtel services including broadband, digital TV and mobile connections from a single interface.
- The Company was ranked no. 6 among the Top 10 brands in the overall category and no. 2 brand in the telecom sector in the 9th edition of the annual 'afaqs' poll on the Buzziest brands.

Telemedia Services

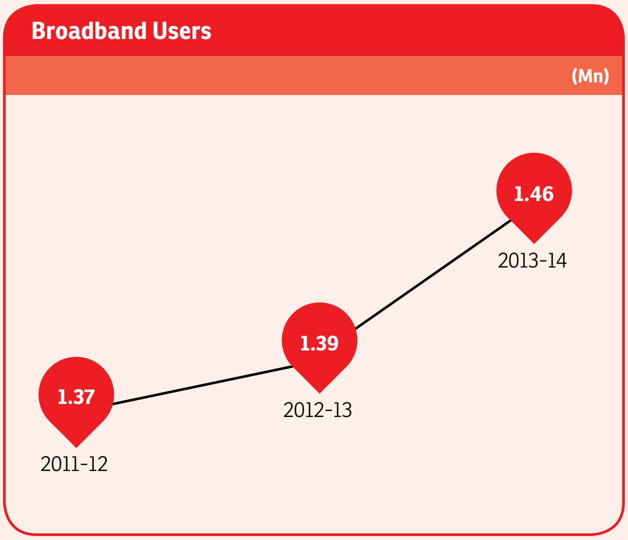
Overview

The Company provides fixed-line telephone and broadband (DSL) services for homes as well as offices in 87 cities across India. Airtel had 3.4 Mn customers, as on March 31, 2014. Of them, 1.5 Mn customers were subscribed to its broadband / internet services representing 43.6% compared to 42.3% last year. The higher proportion of DSL customers was primarily driven by improved speed offering and Company's focus on quality acquisitions. The higher number of broadband customers also resulted in a significant increase in ARPU to ₹ 946 during the year as compared to ₹ 908 in the previous year. Consequently, non-voice revenue as a percentage of total telemedia revenue also increased significantly now representing 59.8% compared to 53.6% last year.

The product offerings include high-speed broadband, rising up to the speed of 100 mbps for the Home segment. Besides, the Company's product portfolio also includes local, national and international long-distance voice connectivity. In the Office segment, Airtel is a trusted solutions provider for fixed-line voice (PRIs), MPLS, mobile, data and other connectivity solutions. Additionally, the Company offers solutions to businesses to improve employee productivity through collaborative solutions (audio, video and web conferencing). Cloud portfolio is also an integral part of its office solutions suite.

(₹ Millions)

Particulars	FY 2013-14	FY 2012-13	Y-o-Y Growth
Gross Revenues	39,352	35,896	10%
EBIT	5,541	6,999	-21%



Key Initiatives

On the homes front, the Company made significant progress in its endeavour to pioneer high speed broadband through its FTTH and VDSL rollouts in the top markets. Another key intervention was the free home wi-fi router offer, which envisaged wireless connectivity for all homes. As a result of this initiative the high speed base (defined as greater than or equal to 4 Mbps) grew to 34% at the end of the year versus 19% last year. On the offices front, the Company made significant strides in the data space with focus on SMB segment through its ICT solutions (MPLS, internet, cloud) both in terms of volume and quality of acquisition through distribution excellence. In addition, with over 1,700 pan-India hotspots, the Company emerged as the country's second largest wi-fi hotspot provider offering data offloading and reducing mobile network congestion.

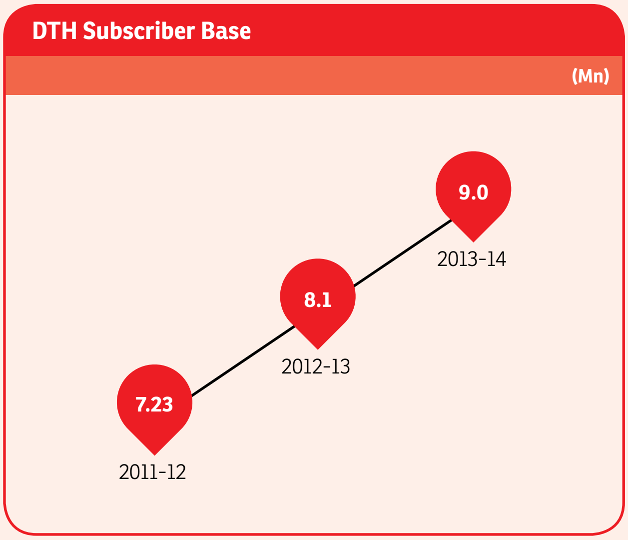
Digital TV Services

Overview

With digitisation across 38 cities during the year following the 4 metros which digitised the previous year, the DTH business continued to increase its customer base and consequently revenues. The Company served a customer base of 9 Mn on its Direct-to-Home platform (Airtel digital TV), as on March 31, 2014, adding 0.9 Mn customers during the year. The Company currently offers 400 channels and services, including 19 HD channels, 6 games and 3 interactive services. Enriching its regional focus Airtel Digital TV has added 25 vernacular channels across languages such as Bengali, Tamil, Telugu, Oriya, among others.

(₹ Millions)

Particulars	FY 2013-14	FY 2012-13	Y-o-Y Growth
Gross Revenues	20,771	16,295	27%
EBIT	(4,821)	(8,105)	-41%



Key Initiatives

Airtel Digital TV launched various exciting services for its customers such as 'Freemium PPV', 'On Demand TV', 'Twitter on TV', 'Pocket TV'. 'Freemium PPV' is the industry's first Pay Per View channel that enables customers to enjoy popular hits and blockbusters at pre-scheduled timings for free in a scaled down picture size with ads running in the L-band.

The Company's 'On Demand TV', launched on HD set-top box, enables customers to connect the box to their broadband connection and enjoy seamless downloads of their favourite videos from an on-demand video library. Launch of live tweets on TV is a revolutionary convergence of tweeting and television tweeting. The concept is an innovation in the DTH industry across the world that allows customers to experience Twitter on TV. 'Pocket TV' is a mobile phone app loaded with over 150 live TV channels and 10,000 hours of video content.

The set-top boxes (both HD as well as SD) now have recording capability that helps a customer record content on a USB drive, while watching his/her favourite channel.

Airtel Digital TV is now the only DTH player in the country to offer recording on all types of its boxes.

Key Highlights

- With a significantly lowered entry price differential between HD and SD box, the Company is focusing on acquiring more HD customers.
- Continued focus on acquisition quality and higher retention efficiency has resulted in significant reduction in churn – from 1.5% in FY 2012-13 to 0.9% in FY 2013-14.
- The Company continues to focus on its presence in key traditional and modern retail outlets across the length and breadth of the country with over 40,000 activating and more than 1 Lakh transacting retailers.
- Enhanced transponder capacities, affordability of HD set-top boxes and upselling efforts led to ARPU increasing by ₹ 23 to ₹ 201.

B2B Services

Airtel Business

Overview

Airtel Business is India's leading and most trusted ICT services provider. Its diverse portfolio of services includes voice, data, video, network integration, data centre, managed services, enterprise mobility applications and digital media. Airtel Business consistently delivers cutting-edge, integrated solutions, superior customer service and unmatched depth/reach to global markets to enterprises, governments, carriers, and small and medium businesses.

Global Business, the international arm of Airtel Business, offers an integrated suite of global and local connectivity solutions spanning across voice and data to the carriers, telcos, OTTs, Content owners across the globe.

Airtel's international infrastructure includes ownership of i2i submarine cable system, connecting Chennai to Singapore and consortium ownership of SMW4 submarine cable system, which connects Chennai and Mumbai to Singapore and Europe. It also includes new cable system investments like Asia America Gateway (AAG), India, the Middle East and Western Europe (IMEWE), Unity, Europe India Gateway (EIG) and East Africa Submarine System (EASSy).

Leveraging the direct presence of Airtel in 20 countries across Asia and Africa, Global Business also offers VAS solutions like ITFS, signalling hubs, messaging along with managed services and Satcom solutions. It has significantly invested in creating state-of-the-art national and international long distance infrastructure to serve the growing capacity demands of customers, especially in the emerging markets of the Middle East, Africa and APAC. Its global network runs across 225,000 Rkms, covering 50 countries and 5 continents. This is further interconnected with its domestic network and direct terrestrial cables to SAARC countries and China stimulating India's emergence as a preferred transit hub.

(₹ Millions)

Particulars	FY 2013-14	FY 2012-13	Y-o-Y Growth
Gross Revenues	63,361	53,203	19%
EBIT	8,708	3,110	160%

Key Initiatives

After recording a robust year, Airtel business continues to focus on the following areas to propel the business to greater heights:

- Expanding access footprint by a combination of rolling out and co-building access networks
- Enhancing customer experience by adopting world-class project management tools and processes
- Transition from core data solutions: de-risk core data portfolio by focusing on newer products and solutions, such as digital media, toll free services, enterprise solutions, unified communications, among others.
- Mobile and mobile internet leadership in the enterprise space

Key Highlights

- Airtel was conferred the 'Enterprise Telecom Service Provider of the Year' award at the Frost and Sullivan India ICT Awards.
- At Pitch Brands Awards 2013, brand Airtel bagged the 'Globetrotters Award' for successfully reaching out to global markets outside India.
- During the year, Airtel Business launched India's first Toll Free Mobile Data Services that would enable organisations to provide free browsing to its customers when they visit the Company's site from their mobile phones.
- During the year the Company launched 'Africa Connect' an integrated fibre and satellite network which it expects to contribute to its internet and data service. Africa Connect is in consonance with the Company's underlying theme to serve one of the fastest growing data markets in the world.
- The segment generated robust operating free cash flow of ₹ 12,443 Mn, up by 55% over the last year.
- During the year, the Company transferred its Data Centre and Managed Services business to Nxtra Data Limited, a wholly-owned subsidiary of the Company.

Passive Infrastructure Services

Overview

Bharti Infratel Limited, a subsidiary of Bharti Airtel, provides passive infrastructure services on non-discriminatory basis to all telecom operators in India. Bharti Infratel deploys, owns and manages telecom towers and communication structures in 11 circles of India. It also holds 42% share in Indus Towers (a joint venture between Bharti Infratel, Vodafone and Idea Cellular). Indus Towers operates in 15 circles (4 common circles with Bharti Infratel, 11 circles on exclusive basis).

(₹ Millions)

Particulars	FY 2013-14	FY 2012-13	Y-o-Y Growth
Gross Revenues	51,087	49,865	2%
EBIT	11,151	7,126	56%

Key Highlights

- The Company has a nationwide presence with operations in India's all the 22 telecommunications circles.
- As on March 31, 2014, Bharti Infratel owned and operated 35,905 towers in 11 telecommunications circles, while Indus operated 113,008 towers in 15 telecommunication circles.
- Bharti Infratel's towers, including installations in its 42% interest in Indus, comprised an economic interest in the equivalent of 83,368 towers in India, as on March 31, 2014.
- Bharti Infratel is listed on the Indian stock exchanges, NSE and BSE.

Africa

Overview

African markets picked up momentum in the second half, and are back to a healthy telecom sector growth, in local currency terms. Regulatory interventions and political unrest in some parts of Africa adversely affected the sector; nevertheless, the growth potential for telecom remains robust on the back of modest to strong GDP growths in Sub-Saharan Africa and increasing adoption of mobile internet and m-Commerce.

Airtel successfully integrated Warid Telecom, Uganda, post the acquisition in the first quarter. In the last quarter, the Company also acquired Warid Congo S. A., the full impact of which will be felt in the coming year. Overall customer base across 17 countries increased by 9.0% to 69.4 Mn customers.

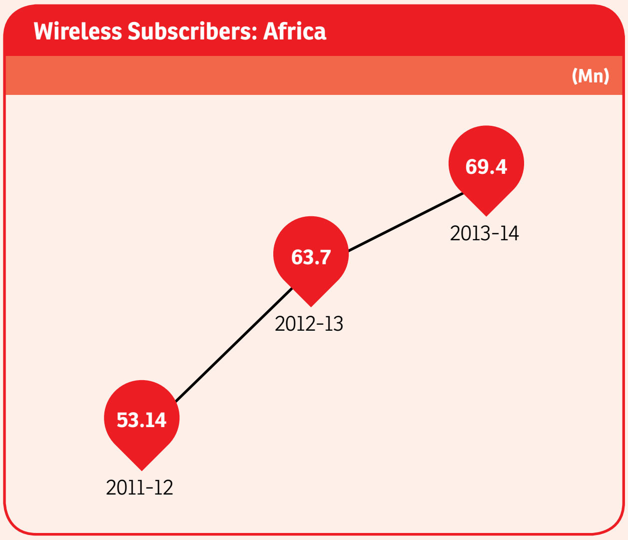
At the end of the year, 22.3 Mn data customers accounted for 32.1% of the total customer base as compared to 22.8% in the previous year. Data revenue has grown 86% on a year-on-year basis with contribution of data revenue to mobile revenue increasing from 3.72% to 6.78% in the current year.

Total minutes of usage increased by 18.8% to 110.2 Bn minutes, with usage increasing by 7 minutes to 138 minutes. Data traffic exploded resulting in 108.1% increase to 18.9 Bn MBs with usage increasing from 59.5 MBs to 88.7 MBs. However, voice realisation per minute declined from 4.06 cents to 3.30 cents for the full year, due to interconnect rate reductions, competitive pressures and currency movements.

Consequently, the overall ARPU in Africa declined from USD 6.3 to USD 5.6. Sites in Africa as on March 31, 2014 were 17,792 with 6,923 3G sites representing 39% of the total. EBIT margins for Africa marginally reduced from 6.5% to 6.3% in the current year on account of increased 3G / 2G sites and energy cost inflation as well as planned increase in selling and distribution costs for promotion of 'airtel money' and intensified marketing spends.

(₹ Millions)

Particulars	FY 2013-14	FY 2012-13	Y-o-Y Growth
Gross Revenues	272,488	240,439	13%
EBIT	17,141	15,569	10%



Key Initiatives

- Airtel money has been rolled out in all the 17 countries of Africa. The 'Mr. Money' campaign has been widely well received, and has been instrumental in spreading awareness about airtel money. M-commerce is a great medium to enrich the lives of people and ease out the hardships faced by the unbanked population in Africa. Airtel has entered into unique tie-ups with insurance companies, banks, utility companies, merchants and governments to widen and deepen its reach. As at the end of March 2014, Airtel had 3.5 Mn active customers across Africa, transacting as much as USD 700 Mn every month, which is climbing rapidly every month.

- The 3rd season of Airtel Rising Stars, a programme to identify upcoming football talent in Africa, was once again a big success this year, with around 400,000 participants across Africa.
- A series of data programmes launched in Africa to drive communication and product launch in the second quarter of the current year, under the new brand Airtel Internet.
- Airtel Music Express, a pan-African radio property, was launched in all 17 countries during the third quarter. This is an hour long weekly music countdown programme.
- Airtel partnered with Thuraya Telecommunications Company, a leading Mobile Satellite Services (MSS) partner to bring mobile satellite connectivity to all the 17 countries across Africa. This unique partnership agreement will help expand mobile connectivity and bridge the digital divide in Africa.

Key Highlights

- 3G continues to expand its footprints across the continent with Airtel now present in 15 countries. As at the end of March 2014, Airtel had as many as 22.3 Mn data customers, accounting for 32% of its total customer base. Full year mobile data revenues in Africa grew by 86%, and it now accounts for 7.7% of the total mobile revenues.
- Airtel is ranked as the second largest telecommunication services provider in Nigeria by customer numbers as per the latest research by the market regulator.
- Airtel acquired 100% stake in Warid Uganda on 13 May, 2013. With this acquisition, Airtel is now a strong No.2 player in Uganda. The acquisition was followed by a unique marketing campaign centering around the "wedding celebrations" theme. Network and IT platforms are being integrated to provide a harmonised and superior experience to customers.
- Airtel acquired 100% stake in Warid Congo in March 2014. With this acquisition, Airtel becomes the No.1 player in Congo B.
- Airtel Africa bagged several prestigious awards:
  - a) Airtel was voted as one of Africa's top ten most admired global brands by African Business Magazine in 2013
  - b) Airtel Africa voted as African Mobile Operator of the Year at the CommsMEA Awards 2013
  - c) Airtel Africa bagged two awards for airtel money at the Kalahari Awards during the 4th Mobile Money Expo held in Lagos

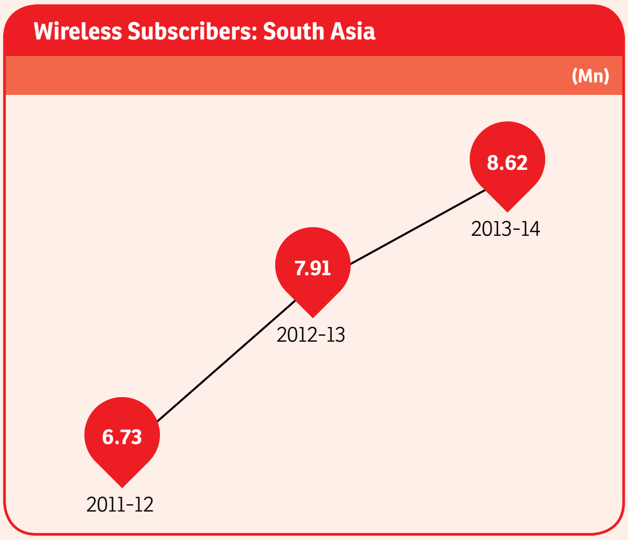
South Asia

Overview

As on March 31, 2014, South Asia had 8.6 Mn mobile customers on its network, an increase of 9% over the previous year. Data customers represented 35.7% of the total customer base as on March 2014 as compared to 28.3% in the last year. As on March 2014, the Company had 6,814 sites on network as compared to 6,474 sites in the last year. Of the total number, 3G sites were 1,986 in number representing 29.1% of the total.

(₹ Millions)

Particulars	FY 2013-14	FY 2012-13	Y-o-Y Growth
Gross Revenues	17,403	12,330	41%
EBIT	(4,271)	(5,117)	-17%



Key Highlights

- The year witnessed some key developments in the Company's operations in Bangladesh with a 8.1% growth in mobile penetration (currently at 66.3% from 58.2% last year) primarily due to reduction in SIM tax from BDT 605 to BDT 300 in May 2013. In addition, a high capacity terrestrial optic fibre link between India and Bangladesh went live enabling high speed data services, connectivity and a launch platform for 3G mobile services in the country.
- In September, 2013, the Government awarded 3G licences to four operators through the auction process. Airtel Bangladesh acquired 5 MHz of 3G spectrum at a price of USD 105 Mn and launched 3G services in record time as early as October in 2 major cities. More than 1,050

3G enabled sites have been rolled out across 10 cities. The investments in 3G mobile services would enable the Company to tap additional sources of revenue from among the fast growing data segment catering to the youth population of Bangladesh.

Risks and Concerns

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

Proactively identifying risks and managing them in a systematic manner are essential pre-requisites for effective corporate governance. Bharti Airtel has a robust process to identify key risks across the group and prioritise relevant action plans to mitigate these risks.

At the apex level, the Risk Management Framework is reviewed periodically by the Board and the Audit Committee. These apex reviews include: discussing the management submissions on risks, prioritising key risks and approving action plans to mitigate such risks. The Internal Audit function is responsible for assisting the Audit Committee on an independent basis with a full status of the risk assessments and management. Every quarter, the Audit Committee also obtains periodical updates on certain identified risks, depending upon the nature, quantum and likely impact on the business.

At the top level, the respective Management Boards (AMB and Africa Exco) are accountable for managing the risks across their respective businesses, viz., India and South Asia, and Africa. The AMB / Africa Exco ensure that the environment – both external and internal – is scanned for all possible risks.

The two CEOs, for India and South Asia and Africa, are responsible for the implementation of the agreed Risk Framework, including the detailed processes of:

- Scanning the entire business environment, both internal and external, for identifying potential risks
- Classifying the various risks in terms of probability, impact and nature
- Developing objective measurement methodology for such risks
- Listing and prioritising the key risks to be addressed and managed
- Agreeing detailed action plans to manage the key risks
- Fixing accountabilities of people and positions to implement the mitigating action plans
- Approving resources including budgets for risk management
- Reviewing progress of action plans, taking stock of gross and net exposures and mandating corrective actions
- Reviewing progress to the Board and the Audit Committee

At the operating level, the Executive Committee (EC) of Circles in India and Operating Companies in the International Operations are fully charged with the responsibilities of managing risks at the ground level. Circle CEOs and country MDs are also responsible for identification of risks, maintenance of local risk registers and escalating the same to the Centre for agreeing mitigation plans.

The key risks and their relevant mitigation measures have been enumerated below:

1. Government Relations: Telecom operations can be severely affected by political instability, civil unrest and other social tensions in Asia and Africa. The political systems in a few countries are also fragile, resulting in regime uncertainties, hence, the risk of not enjoying Government support.

Mitigation: The Company engages proactively with key stakeholders in the countries of its operation and continuously assesses the impact of the changing political scenario. Through its CSR activities, it contributes to the country's social and economic development, especially in the field of education. Such efforts help us maintain cordial relationships with governments and other stakeholders across nations. The country MDs and circle CEOs carry direct accountability for maintaining excellent, neutral and unbiased government relations.

2. Economic Uncertainties: Operating in emerging and developing markets, characterised by low to medium mobile penetration and relatively lower per capita incomes, economic uncertainties (inflation, interest rates and currency fluctuations, among others) pose a threat to the Company's growth. Slowing down of economic growth tends to affect consumer spending, including telecom.

Mitigation: The Company has diversified its risks and opportunities across multiple offerings (voice, data, airtel money and value-added services) and markets. It also addresses a wide customer cross-section, minimising risks. To mitigate currency and interest rate risks, the Company follows a prudent risk management policy, including hedging mechanisms to protect cash flow. A pricing strategy based on the twin principles of profitability and affordability helps protect margins at times of inflation and market shares during market contraction.

3. Inadequate Infrastructure: Poor infrastructure across rural and the hinterland regions of Asia and Africa pushes up operational costs, impacts quality of services and also adversely impacts penetration. There is also a high risk of unauthorised access to the Company's network or IT applications.

Mitigation: Airtel's business philosophy is to share infrastructure with other operators and the Company is implementing this approach consistently. The Company operates during power outages, fibre cuts, VSAT breakdowns and other challenges through appropriate backups (generators, secondary links and others). Electronic banking, electronic recharges and stronger IT security systems are being expanded to embed more controls.

4. Technical Failures or Natural Disasters: The Company's operations are spread across wide and varying geographies. Repeated outages and / or poor quality of networks cause disruption of services, resulting in revenue losses, customer attrition, market share losses and damage to brand image and Company reputation. Regulators are now levying stiff monetary penalties for poor quality of services.

Mitigation: Network planning is increasingly being done in-house, to ensure that intellectual control on architecture is retained within the Company. The Company follows a conservative insurance cover policy that provides a value cover equal to the replacement values of assets against risks such as fire, floods and other natural disasters. The Company has been continuously investing in business continuity plans and disaster recovery initiatives to ensure minimum disruption and speedier restoration of services.

5. Adverse Regulatory or Taxation Developments: Recent regulatory developments in India have posed several challenges to the telecom sector. India's telecom sector is also highly taxed with enhanced revenue share-based licence fee and spectrum charges, service tax and corporate tax. The telecom industry in Africa also operates in a high-tax regime.

Mitigation: The Company's world-class telecom infrastructure in India has enabled the availability of advanced telecom services, including the latest 3G and 4G technologies at affordable prices. Besides, Airtel's rural networks and internet services are helping accelerate socio-economic uplift. As a frontrunner telecom operator in India, Airtel has always cooperated with the industry and policy makers to minimise environmental impact, lower operational costs and make services more affordable.

6. Deficiencies in Internal Controls and Process Compliances: The Company serves over 290 Mn customers globally with a daily average of 3,500 Mn minutes of voice and 500 terra bytes of data carried on wireless network. Gaps in internal controls and / or process compliances not only lead to wastages, frauds and losses but can also adversely impact the Airtel brand.

Mitigation: Airtel's business philosophy is to ensure compliance with all legal and regulatory requirements. Compliance is regulated meticulously at all stages of operation. Substantial investments in IT systems and automated workflow processes help minimise human errors. Besides internal audits, the Company also has a process of self-validation of several checklists and compliances as well as a 'maker-checker' division of duties to identify and rectify deviations early enough.

7. Quality of Customer Lifecycle Management: Customer mindsets and habits are changing rapidly, reflected in their ever-rising expectations in terms of quality, variety, features and pricing. Failure to keep pace with customer expectations would result in customer churn leading to erosion of revenues, profits and cash flows and market share losses.

Mitigation: The Company constantly refreshes its ways of working, especially in customer service, innovation, marketing and distribution. Organisational effectiveness is enhanced through appropriate design and creation of leaner and multi-functional teams.

8. Poor Quality of Customer Acquisitions: In a market dominated by prepaid customers, several inefficient processes have emerged in respect of customer acquisitions eg. unhealthy commission structure for agents, fraudulent practises by retailers, among others. Such practises lead to high rotational churn, high acquisition costs, trade frauds etc.

Mitigation: The Company has aligned other operators to bring in healthier commission and incentive structures. In many countries, Government regulations have also been introduced to tighten the new customer activation process, restriction on number of SIMs for the same customer and so on, making rotational churn more difficult.

9. Non-compliance with Subscriber Verification and KYC Regulations: Weak internal processes for subscriber verification and KYC may lead to uncompetitive market position, especially if competitors have a faster and well-coordinated process for customer activation.

Mitigation: The Company is investing significant capex on IT and KYC assets to improve the quality of subscriber activation and documentation processes. Focus on quality of partners and IT systems, proactive maker-checker controls and internal audits as well as robust internal MIS help achieve greater focus on compliances.

10. Low Revenue and / or Low Utilisation Sites: This leads to recurring operating losses in such sites, along with additional burden of sunk investment.

Mitigation: Measures include improving brand presence in specified locations, increasing distributor coverage, improving quality of network, among others. Contingency actions include closure of sites and redeployment of equipment. The Company has introduced more science into the decision-making criteria for investment in new sites to tackle this issue at a grassroots level.

11. Technology Shifts: Evolving technologies (2G, 3G, 4G) result in change in customer value propositions. Mobile money technologies, Cloud, M2M, SaaS and other technology-based VAS products are also evolving. Such rapid technology evolution may impact the functionality of existing assets and accelerate obsolescence.

Mitigation: Airtel's strong strategic vendor relationships — especially in areas of network technologies, IT, mobile money and a few other key VAS technologies — help us keep pace with technology shifts and retain market leadership. The potential risks of obsolescence are managed through leaner order pipelines, adequate capacity model of sourcing and formal swap arrangements with vendors. There is more scope to deploy appropriate technology for each market of the Company's operation.

12. Ineffective Partner Governance: There are increasing risks around partners' adaptability to new growth opportunities, agility to implement new projects and changes, capability to match Airtel's new leadership expectations, etc. There is also the risk of cost competitiveness, especially with partners whose business models have become relatively inefficient over time.

Mitigation: The Company has decided to retain, nurture and sharpen in-house capabilities for planning and designing functions, which will grow its intellectual capital. It is also widening its base to the next circle of partners to eliminate a layer of the partner ecosystem which will enable more agility and higher quality of innovation through direct partnership between the vendor and the Company. Formal governance processes will be further streamlined and embedded into the Company's management framework, with more visibility to and involvement of the local MD.

Internal Controls

The Company's philosophy towards internal controls is based on the principle of healthy growth with a pro-active approach to risk management.

The Circle and Country Finance Heads are held accountable for financial controls, measured by objective metrics on accounting hygiene and audit scores. They are fully responsible for accuracy of books of accounts, preparation of financial statements and reporting the same as per the Company's accounting policies. The Company deploys a robust system of internal controls that facilitates the accurate and timely compilation of financial statements and management reports, ensure regulatory and statutory compliances, 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, and also invites functional Directors and senior management personnel to provide updates on operating effectiveness and controls, from time to time. A CEO and CFO Certificate, forming part of the Corporate Governance Report, confirms the existence and effectiveness of internal controls and reiterates their responsibilities to report deficiencies to the Audit Committee and rectify the same.

During the first half of the year, in India and South Asia, M/s. PricewaterhouseCoopers Private Limited (PwC) and M/s. ANB Consulting Company Private Limited were the Internal Auditors of the Company, while in Africa, PwC was engaged as Internal Auditors for all countries except Nigeria, where M/s. KPMG was appointed.

Based on a comprehensive RFP process, changes were effected in the second half. In order to bring subject matter expertise, audits were categorised into defined assurance tracks, with each track to be handled by subject matter experts. M/s. KPMG was appointed to audit Finance and Technology tracks and M/s. ANB Consulting Company Private Limited for Customer and Legal & Regulatory tracks. The People track was assigned to Towers Watson India Private Limited. M/s. KPMG has also been engaged to perform forensics work in all African operations. Bottom-up risk assessment and directional inputs from the Audit Committee formed the basis of audit priorities.

Airtel Centre of Excellence ('ACE'), the captive shared services for Finance, Revenue Assurance, SCM and HR processes, continues to expand its footprint across the 20 countries. ACE was awarded the 2nd place for 'Excellence in Culture Creation' across Asia by Shared Service Organisation Network (SSON) among hundreds of shared service providers across Asia. ERP integration in Africa into an Africa Single Instance is taking place at a steady pace with the objective of ensuring uniformity and standardisation in ERP configurations, chart of accounts and finance / SCM processes across Opcos.

Quality of financial reporting and controls across India and International continues to show improvement. Initiatives undertaken in the previous year such as self-validation checks, key validation indicators, desktop reviews, regular physical verification, among others, are bearing fruit through substantial improvement in the control scores across both India and Africa. The Company has, during the year, embarked upon a journey to bring about a desired level of automation and standardisation for Revenue Assurance operations in Africa.

The Company was ranked No.4 by Transparency International for 'Transparency in Corporate Transparency and Reporting' among top 100 emerging markets MNCs and also emerged as India's most respected Telecom Company in Business World's survey for 2013.

Material Developments in Human Resources

At Bharti Airtel, our people strategy is focused on building a future ready and customer-centric organisation that is driven by simplicity and execution excellence. People have always been at the core of our business and as the telecom industry moves into a phase of growth led by data services, we are creating a pool of the right talent which will be led by a visionary leadership team.

In 2013, the Company realigned its leadership team to take forward its growth agenda. Gopal Vittal was designated MD and CEO – India and South Asia and Christian de Faria was appointed as MD and CEO – Africa. The Company continued to bring on Board "best in class" talent from across the globe for key leadership positions, further strengthening its top management team. Along with this, the focus was on further empowering our people and providing them more opportunities for growth.

Our people agenda focused on long term development of human capital and building the right set of capabilities. Several initiatives around talent management and development were rolled out across the business. The Company also sharpened its talent review process through the introduction of quarterly talent councils and monitoring the movement of critical talent to new roles. The launch of online talent and performance management portal – Talent+, a "one-stop-shop" for all employee information, which provides a comprehensive "employee profile" to the managers, has further strengthened our culture of meritocracy and employee empowerment.

Marquee programmes designed in partnership with the Harvard Business School and the Centre for Creative Leadership were rolled out for the leadership team. The Company also built on its Leadership Acceleration Programme (LeAP) – a platform that is aimed at grooming top talent for future leadership roles. All these efforts have been well rewarded with Bharti Airtel securing the top spot among the 'Best Companies to Work For' in the Indian Telecom sector in Business Today-People Strong Survey 2013.

The focus in Africa was on creating a solid foundation for sustainable, accelerated organisation transformation while building winning capabilities across the business. A new organisation design was implemented with the focus of the Africa headquarters now primarily on providing governance as well as strategic thought-leadership to the Opcos, who have been empowered further to drive their business.

The Opcos were also realigned into four operating units, with an aim to provide better synergies and common strategic threads of consistency based on the market realities. With the Company focused on growing new revenue streams, best in class talent was brought in for various business streams. The existing talent pool was refreshed across functions with an aim to build a potential succession pipeline for key positions. Campus recruitment in top business schools for global careers in Africa has proved to be a good success, with the third batch placed in several countries.

While we built momentum on our e-learning uptake, we started intense work on designing Functional Academies and are on track to start delivering learning modules for each function based on deep skills and competency gap analysis.

Outlook

The telecom industry in India has achieved phenomenal growth during the last few years and is poised to grow further. Growth in voice will not be as strong as it has been in the past and the growth driver going forward will be data. Growing in data requires significant investments and focus on innovation to compete in the market where the players are far more diverse than in voice (e.g. OTT). While there is still a lot of potential to grow voice in Africa, internet has now emerged as the main engine of revenue growth in Africa also.

The good news is that growth in data will be driven by the demographics of the countries we operate in. The median age of India is at around 26 years, and that of Sub-Saharan Africa at less than 20 years, hence, the opportunities for doing and growing business in the youth segment will be attractive for many years to come. Africa's fastest growing population offers substantial opportunities for growth; given the current demographic trends, the population is expected to grow to 1.9 Bn by 2050.

Bharti Airtel has made significant investments in growth drivers, such as spectrum and licences, 3G and 4G networks in India, its presence in South Asia and a large network across Africa. The Airtel brand evokes youthfulness, dynamism and integrity. Airtel money services are now offered in 17 countries across Africa, and these are helping to increase customer loyalty. Diversification of and innovation in product portfolio and also ensuring affordability will be strong pointers to improved penetration. The Company is best placed to ride the data boom in India.

Summary

Bharti Airtel is committed to continue solidifying its market leadership position within India. Data will be the main growth engine going forward, and the Company is committed to investing in the right innovations that will enable it to win in the market. At the same time, it believes that its operations in Africa are well positioned for growth. African operations have benefited from positive relationships and cooperation built with local regulators due to the shared vision of increasing tele-density in the countries which are under-penetrated.

The Company has maintained a high standard of conduct which has been recognised by investors, governments and several other internal and external stakeholders. The ratings awarded by external credit agencies reflect its commitment to its stated objective of value creation for all stakeholders while preserving high standards of ethics and corporate governance.

The Company treats corporate governance as a way of life, and as a continuous process of improvement by benchmarking itself with the best in-class practises in India and globally. Bharti Airtel believes that such good governance practises coupled with consistent financial performance will translate into a much higher level of stakeholder confidence, which, in turn, will ensure long term sustainability and value generation for the business.

Cautionary Statement:

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may constitute a "forward-looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic markets in which the Company operates, changes in the Government Regulations, tax laws and other statutes and other incidental factors.

Report of the Independent Auditor on the abridged financial statements

To the Board of Directors of Bharti Airtel Limited

The accompanying abridged financial statements, which comprise the abridged balance sheet as at March 31, 2014, the abridged statement of profit & loss and abridged cash flow statement for the year then ended, and related notes, are derived from the audited financial statements of Bharti Airtel Limited ('the Company') as at and for the year ended March 31, 2014. We expressed an unqualified audit opinion on those financial statements in our report dated April 29, 2014 but had included an Emphasis of Matter therein. Those financial statements, and the abridged financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The abridged financial statements do not contain all the disclosures required by the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs. Reading the abridged financial statements, therefore, is not a substitute for reading the audited financial statements of the Company.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs and accounting principles generally accepted in India.

Auditor's Responsibility

Our responsibility is to express an opinion on the abridged financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion, the abridged financial statements derived from the audited financial statements of the Company as at and for the year ended March 31, 2014 are a fair summary of those financial statements, in accordance with the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs and accounting principles generally accepted in India.

Emphasis of Matter

We draw attention to Note 10(ii)(g)(vii) to the abridged financial statements, which describe the uncertainties related to the legal outcome of Department of Telecommunications' demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter.

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W

per Nilangshu Katriar

Partner
Membership No: 58814

Place: Gurgaon

Date: April 29, 2014

Independent Auditor's Report

To the Members of Bharti Airtel Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Bharti Airtel Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and 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

Management is responsible for the preparation of these 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 notified under the Companies Act, 1956 ("the Act") read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to 26(ii)(g)(vii) to the financial statements which describe the uncertainties related to the legal outcome of Department of Telecommunications' demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

   (a) We have 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 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs;

   (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.

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

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 29, 2014

Independent Auditor's Report

Annexure referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' our report of even date

Re: BHARTI AIRTEL LIMITED ('the Company')

(i) (a) The Company has maintained proper records showing full particulars with respect to most of its fixed assets, *however, is in the process of updating* quantitative and situation details with respect to certain fixed assets in the records maintained by the Company.

(b) The Company has physical verification program of covering all fixed assets over a period of three years. Pursuant to the program, during the year, a substantial portion of planned physical verification of fixed assets and capital work in progress has been conducted which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) There was no substantial disposal of fixed assets during the year.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, Clause (iii) of the Companies (Auditor's Report) Order, 2003, (as amended) is not applicable to the Company for the current year and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of proprietary nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have neither observed nor have been informed of any major weakness or continuing failure to correct any major weaknesses in the aforesaid internal control system.

(v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of Clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We have broadly reviewed the books of accounts maintained by Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of records with a view to determine whether they are accurate or complete.

(ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty and cess and other material statutory dues applicable to it. The provisions relating to excise duty is not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, cess and other material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

Independent Auditor's Report

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty and cess on account of any dispute, are as follows:

Name of Statutes	Nature of the Dues	Amount Disputed (in ₹ Mn)	Period to which it relates	Forum where the dispute is pending
Andhra Pradesh VAT Act	Sales Tax	26	2007-10	Commercial tax Officer
Andhra Pradesh VAT Act	Sales Tax	4	2006-07	Deputy Commissioner
Andhra Pradesh VAT Act	Sales Tax	1	2005-06	Deputy Commissioner, Commercial Taxes
Bihar Value Added Sales Tax Act	Sales Tax	34	2007-08	Assistant Commissioner
Bihar Value Added Sales Tax Act	Sales Tax	20	2006-08	Commissioner
Bihar Value Added Sales Tax Act	Sales Tax	16	2012-13	High court
Bihar Value Added Sales Tax Act	Sales Tax	11	2005-07	Tribunal
Gujarat Sales Tax Act	Sales Tax	1	2006-07	Assistant Commissioner
Himachal Pradesh Value Added Tax Act	Sales Tax	1	1999-02	Additional Commissioner
J&K General Sales Tax	Sales Tax	34	2004-07	High Court , Jammu & Kashmir
Karnataka Sales Tax Act	Sales Tax	291	2005-06	Assistant Commissioner
Karnataka Sales Tax Act	Sales Tax	1	2001-06	Commercial tax Officer
Kerala Sales Tax Act	Sales Tax	5	2005-06	Commissioner (Appeals)
Kerala Sales Tax Act	Sales Tax	2	2005-13	Commercial tax Officer
Kerala Sales Tax Act	Sales Tax	11	2005-06	Deputy Commissioner, Appeal
Kerala Sales Tax Act	Sales Tax	0	2009-13	Intelligence Officer Squad
Kerala Sales Tax Act	Sales Tax	2	2002-05	Tribunal
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	6	2008-11	Appellate authority
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	0	2005-07	Assistant Commissioner
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	0	2004-08	Commercial tax Officer
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	18	2006-10	Deputy Commissioner
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	22	1997-04	Deputy Commissioner, Appeal
Maharashtra Sales Tax Act	Sales Tax	9	2003-04	High Court, Mumbai
Maharashtra Sales Tax Act	Sales Tax	0	2003-04	Joint Commissioner, Appeal
Orissa Value Added Tax Act	Sales Tax	1	2006-07	Additional Commissioner
Punjab Sales Tax Act	Sales Tax	0	2009-10	Commissioner
Punjab Sales Tax Act	Sales Tax	30	2003-04	High Court
Punjab Sales Tax Act	Sales Tax	1	2002-03	Jt. Director(Enforcement)
Punjab Sales Tax Act	Sales Tax	1	2008-10	Tribunal
UP VAT Act	Sales Tax	21	2002-12	Assessing officer
UP VAT Act	Sales Tax	21	2002-05	Assistant Commissioner
UP VAT Act	Sales Tax	2	2005-10	Commercial tax Officer
UP VAT Act	Sales Tax	6	2008-11	High court
UP VAT Act	Sales Tax	1	2003-09	Joint Commissioner Appeal
UP VAT Act	Sales Tax	12	2005-07	Tribunal
West Bengal Sales Tax Act	Sales Tax	0	1996-98	Assistant Commissioner
West Bengal Sales Tax Act	Sales Tax	0	1995-96	Commercial tax Officer
West Bengal Sales Tax Act	Sales Tax	11	2005-08	Revision Board
West Bengal Sales Tax Act	Sales Tax	1	2011-12	Tribunal
Sub Total (A)		**624**		
Finance Act, 1994 (Service tax provisions)	Service Tax	301	2004-08	High Court
Finance Act, 1994 (Service tax provisions)	Service Tax	25	1999-07	Commissioner Adjudication
Finance Act, 1994 (Service tax provisions)	Service Tax	1	2003-06	Commissioner Appeal
Finance Act, 1994 (Service tax provisions)	Service Tax	22	2002-07	High court
Finance Act, 1994 (Service tax provisions)	Service Tax	5	1995-97	Supreme Court
Finance Act, 1994 (Service tax provisions)	Service Tax	9,720	1995-10	Tribunal
Sub Total (B)		**10,074**		
Income Tax Act, 1961	Income Tax	6	2002-04	Supreme Court
Income Tax Act, 1961	Income Tax	2,330	1996-97; 2001-02, 2003-10	High Court

Independent Auditor's Report

Name of Statutes	Nature of the Dues	Amount Disputed (in ₹ Mn)	Period to which it relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	17,337	2003-04 to 2009-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	5,491	1995-2003; 2004-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	12,977	1994-95; 1996-98; 2005-13	Assessing Officer
Sub Total (C)		**38,141**		
Custom Act, 1962	Custom Act	4,329	2001-06	Supreme Court
Custom Act, 1962	Custom Act	134	2006-10	Tribunal
Sub Total (D)		**4,463**		

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 cases, total amount deposited in respect of sales tax is ₹ 227 Mn, Service tax is ₹ 54 Mn, Income Tax is ₹ 11,199 Mn and Custom Duty is ₹ 2,138 Mn.

(x) 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.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.

(xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the Company, we report that funds amounting to ₹ 105,265 Mn raised on short-term basis (primarily represented by capital creditors, network cost payable, deferred revenue and trade creditors) have been used for long-term investment (primarily represented by fixed assets and investment in it's subsidiaries).

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by public issues during the year.

(xxi) 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 by the Company and no material fraud on the company has been noticed or reported during the year.

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

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 29, 2014

Abridged Balance Sheet

(Statement containing salient features of Balance Sheet as per Section 219 (1) (b) (iv) of the Companies Act,1956)

(₹ Millions)

Particulars	As of March 31, 2014	As of March 31, 2013
Equity and liabilities		
Shareholders' funds		
Paid-up share capital	19,987	18,988
Reserves and surplus		
(i) Capital reserve	51	51
(ii) Securities premium reserve	107,936	40,896
(iii) Revaluation reserve	21	21
(iv) Employee stock options outstanding	2,365	2,841
(v) Reserve for business restructuring	24,912	24,912
(vi) General reserve	27,043	26,973
(vii) Surplus in the statement of profit and Loss	484,965	426,780
Non- current liabilities		
Long-term borrowings	72,717	98,408
Deferred tax liabilities (net)	9,475	11,503
Other long term liabilities	39,394	31,708
Long term provisions	2,095	1,494
Current liabilities		
Short-term borrowings	12,510	31,390
Trade payables	62,663	51,372
Other current liabilities	106,454	106,034
Short term provisions	9,453	5,461
Total	**982,041**	**878,832**
Assets		
Non-current assets		
Fixed assets		
Tangible assets	240,682	264,362
Intangible assets	158,100	167,464
Capital work-in-progress	12,442	10,308
Non current investments	340,348	271,191
Long- term loans and advances	145,180	89,358
Other non-current assets	17,901	14,111
Current assets		
Current investments	4,891	10,800
Inventories	11	21
Trade receivables	21,655	22,468
Cash and bank balances	4,460	3,627
Short-term loans and advances	24,218	14,133
Other current assets	12,153	10,989
Total	**982,041**	**878,832**

The accompanying notes form an integral part of these abridged financial statements.

As per our report of even date

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

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 29, 2014

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

Sunil Bharti Mittal
Chairman

Gopal Vittal
Managing Director
& CEO (India & South Asia)

Mukesh Bhavnani
Group General Counsel
& Company Secretary

Srikanth Balachandran
Global Chief
Financial Officer

Abridged Statement of Profit and Loss

(Statement containing salient features of Profit & Loss Account as per Section 219 (1) (b) (iv) of the Companies Act,1956)

(₹ Millions, except per share data and as stated otherwise)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Income		
Revenue from operations	499,185	453,509
Other income	8,534	14,631
Total income	**507,719**	**468,140**
Expenses		
Access charges	73,015	74,212
License fee and spectrum charges (revenue share)	54,682	48,815
Cost of goods sold	22	19
Employee benefits expenses	16,481	15,113
Power and fuel	41,697	35,699
Rent	56,904	52,225
Other expenses	92,711	92,424
Total expenses	**335,512**	**318,507**
Profit before finance costs, depreciation, amortisation, charity and donation and taxation	**172,207**	**149,633**
Finance costs	13,364	16,523
Depreciation and amortisation expense	72,313	68,267
Charity and donation [includes ₹ 280 Mn (2012-13 ₹ Nil) paid to Satya Electoral Trust for political purpose]	685	295
Profit before exceptional items and tax	**85,845**	**64,548**
Exceptional items	2,071	-
Profit before tax	**83,774**	**64,548**
MAT credit	(180)	(3,155)
Tax expense (including exceptional items)		
Current tax	19,980	13,604
Deferred tax	(2,028)	3,136
Profit for the year	**66,002**	**50,963**
Earnings per share (equity shares of par value ₹ 5 each)		
Basic and diluted (In ₹)	16.69	13.42

The accompanying notes form an integral part of these abridged financial statements.

As per our report of even date

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

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 29, 2014

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

Sunil Bharti Mittal
Chairman

Gopal Vittal
Managing Director
& CEO (India & South Asia)

Mukesh Bhavnani
Group General Counsel
& Company Secretary

Srikanth Balachandran
Global Chief
Financial Officer

Abridged Cash Flow Statement

(₹ Millions)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
A. Cash flow from operating activities	160,220	138,847
B. Cash flow used in investing activities	(170,863)	(107,259)
C. Cash flow from/ (used) in financing activities	11,822	(31,857)
Net increase/ (decrease) in cash and cash equivalents	1,179	(269)
Cash and cash equivalents at beginning of the year	3,279	3,548
Cash and cash equivalents at end of the year	4,458	3,279

Notes:

1 Figures in brackets indicate cash out flow.

2 The above abridged cash flow statement has been prepared under the indirect method setout in AS-3 'Cash Flow Statements' notified under the Companies (Accounting Standard)Rules, 2006 (as amended).

3 Cash and cash equivalents also includes ₹ 33 Mn in unpaid dividend bank account (March 31, 2013- ₹ 27 Mn).

4 Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

The accompanying notes form an integral part of these abridged financial statements.

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 29, 2014

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

Sunil Bharti Mittal
Chairman

Gopal Vittal
Managing Director
& CEO (India & South Asia)

Mukesh Bhavnani
Group General Counsel
& Company Secretary

Srikanth Balachandran
Global Chief
Financial Officer

Notes to the abridged financial statements

1. Corporate Information

Bharti Airtel Limited ('the Company') incorporated in India on July 7, 1995, is a company promoted by Bharti Telecom Limited ('BTL'), a company incorporated under the laws of India. The Company's shares are publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE'), India. The Registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company is a leading telecommunication service provider in India providing telecommunication systems and services.

(Note 1 of the annual standalone financial statements)

2. Basis of Preparation

The abridged financial statements ('the financial statements') have been prepared on the basis of the complete set of audited standalone financial statements for the year ended March 31, 2014, (hereinafter referred to as 'annual standalone financial statements'), prepared in accordance with Revised Schedule VI to the Companies Act, 1956 read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs, for the purpose of inclusion in the Annual Report to be sent to the shareholders of the Company. The contents of the financial statements are in accordance with the requirements of Clause 32 of the Listing agreements and Rule 7A of the Companies (Central Government's) General Rules and Forms (Amendment) Rules, 2012.

(Note 2 of the annual standalone financial statements)

3. Summary of Significant Accounting Policies

The significant accounting policies used in preparing the annual standalone financial statements are set out in note 3 of the notes to the annual standalone financial statements.

(Note 3 of the annual standalone financial statements)

4. Information About Business Segments-Primary

Segment Definitions:

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Effective April 1, 2013, to better reflect business synergies, intra city fibre networks earlier included in 'Telemedia Services', has now been included in 'Mobile Services'. Further, in order to improve the comparability of results with the single segment telecom players, the Company has also allocated certain central common expenses, earlier included in 'Unallocated' to 'Mobile Services', 'Telemedia Services' and 'Airtel Business'. Accordingly, previous year segment figures have been restated.

Mobile Services — These services cover voice and data telecom services provided through wireless technology in India (2G/3G/4G). This includes the captive national long distance networks which primarily provide connectivity to the mobile services business in India. This also includes intra city fibre networks.

Telemedia Services — These services cover voice and data communications based on fixed network and broadband technology.

Airtel Business – These services cover end-to-end telecom solutions being provided to large Indian and global corporations by serving as a single point of contact for all telecommunication needs across data and voice (domestic as well as international long distance), network integration and managed services.

Summary of Segmental Information for the year ended and as of March 31, 2014 and March 31, 2013

(₹ Millions)

Particulars	Mobile Services	Telemedia Services	Airtel Business	Unallocated @	Eliminations	Total
March 31,2014						
Segment revenue	435,014	37,375	58,567	-	(31,771)	499,185
Segment result - profit/(loss)	81,667	5,750	6,519	(1,844)	-	92,092
Segment Capital employed *	308,484	21,369	5,695	307,715	-	643,263
March 31,2013						
Segment revenue	401,804	35,327	49,133	-	(32,755)	453,509
Segment result - profit/(loss)	59,149	7,020	1,393	6,105	-	73,667
Segment Capital employed *	278,426	32,020	16,156	191,382		517,984

* Excludes inter segment assets and liabilities.

@ Capital employed includes amount borrowed for the acquisition of 3G & BWA Licenses (including spectrum) of ₹ 36,400 Mn as of March 31, 2014 and ₹ 52,225 Mn as of March 31, 2013.

Notes:

1. Segment results represent profit/(loss) before finance costs (net of finance income), exceptional items and tax.
2. Segment assets include tangible, intangible, current and other non current assets and excludes non current investments, MAT credit, advance tax (net).
3. Segment liabilities include current, non current liabilities and excludes provision for tax (net), deferred tax liabilities (net).
4. Unallocated includes other income, profits / (losses), assets and liabilities of the Company which are not allocated to the individual segments and is primarily related to the corporate headquarter of the Company.

(Note 4 of the annual standalone financial statements)

Notes to the abridged financial statements

5. During the year ended March 31, 2014, the Board of Directors has proposed dividend of ₹ 1.80 per share of ₹ 5 each (March 31, 2013 - ₹ 1.00). The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. The Company, based on an independent legal opinion, has 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. Since the Companies Act, 2013 does not mandate transfer of certain percentage of profits to general reserve, the Company has not transferred any amount to general reserve in respect of proposed dividend.

(Note 5 of the annual standalone financial statements)

6. MAT credit includes income of ₹ 180 Mn (March 31, 2013 – expense of ₹ 1,481 Mn), current tax includes income of ₹ 1,384 Mn (March 31, 2013 – expense of ₹ 65 Mn) and deferred tax includes expense of ₹ 76 Mn (March 31, 2013 – income of ₹ 291 Mn) relating to earlier years.

During the year ended March 31, 2013, the Company had changed the trigger plan date for earlier years for certain business units enjoying Income tax holiday under the Indian Income tax laws. Accordingly, tax charge of ₹ 410 Mn pertaining to earlier years had been recognised during the year ended March 31, 2013.

During the year ended March 31, 2013, the Company had recognised additional tax charge of ₹ 545 Mn on account of changes in tax rate from 32.445% to 33.99% as proposed in the Finance Bill, 2013.

(Note 8 of the annual standalone financial statements)

7. Capitalised Borrowing Costs

Borrowing cost capitalised during the year ended March 31, 2014 was ₹ Nil (March 31, 2013 ₹ 298 Mn). The Company capitalises borrowing cost in the Intangible assets under development. Additions to licenses includes borrowing cost of ₹ Nil (March 31, 2013 ₹ 2,591 Mn) transferred from Intangible assets under development. Disposals/adjustment to Licenses includes reversal of ₹ 34 Mn borrowing costs capitalised in the earlier years.

(Note 16 of the annual standalone financial statements)

8. Book Value and Market Value of Quoted Investments

(a) Non-Current Investments

As of March 31, 2014 and March 31, 2013, the book value of quoted investment is ₹ 82,182 Mn and ₹ 82,182 Mn, respectively.

As of March 31, 2014 and March 31, 2013, the aggregate market value of quoted investment is ₹ 305,100 Mn and ₹ 268,425 Mn, respectively.

(Note 17 of the annual standalone financial statements)

(b) Current Investments

As of March 31, 2014 and March 31, 2013, the book value of quoted investment is ₹ 4,865 Mn and ₹ 10,765 Mn, respectively.

As of March 31, 2014 and March 31, 2013, the aggregate market value of quoted investment is ₹ 4,881 Mn and ₹ 10,841 Mn, respectively.

(Note 20 of the annual standalone financial statements)

9. Cash and Cash equivalents :

(₹ Millions)

Particulars	As of March 31, 2014	As of March 31, 2013
Balances with banks		
- On current accounts	875	1,615
- Deposits with original maturity of 3 months or less	3,300	1,375
Cheques on hand	228	189
Cash on hand	22	73
On unpaid dividend account	33	27
	4,458	**3,279**

(Note 23 of the annual standalone financial statements)

10. Contingent Liabilities

(i) Total Guarantees outstanding as of March 31, 2014 amounting to ₹ 57,582 Mn (March 31, 2013 - ₹ 29,714 Mn) have been issued by banks and financial institutions on behalf of the Company. These guarantees include certain financial bank guarantees which have been given for subjudice matters and in compliance with licensing conditions, the amount with respect to these have been disclosed under capital commitments, contingencies and liabilities, as applicable, in compliance with the applicable accounting standards.

Corporate Guarantees outstanding as of March 31, 2014 amounting to ₹ 770,121 Mn (March 31, 2013 - ₹ 537,606 Mn) have been given to banks, financial institutions and third parties on behalf of Group Companies at no cost to the latter.

(ii) Claims against the Company not acknowledged as debt: (excluding cases where the possibility of any outflow in settlement is remote):

Notes to the abridged financial statements

a) Claims against the Company not acknowledged as debt:

(₹ Millions)

Particulars		As of March 31, 2014	As of March 31, 2013
(i)	Taxes, Duties and Other demands (under adjudication / appeal / dispute)		
	-Sales Tax and Service Tax	10,463	6,649
	-Income Tax	16,651	15,032
	-Customs Duty	4,463	4,463
	-Entry Tax	3,676	3,408
	-Stamp Duty	359	351
	-Municipal Taxes	122	111
	-DoT demands*	2,487	2,362
	-Other miscellaneous demands	59	118
(ii)	Claims under legal cases including arbitration matters		
	-Access charges/ Port Charges	5,781	4,616
	-Others	557	570
	Total	**44,618**	**37,680**

*in addition, refer note (g) (vi), (g) (vii) and (g) (viii) below for DoT matters not included above.

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.

b) Sales Tax and Service Tax

Sales Tax

The claims for sales tax as of March 31, 2014 comprised the cases relating to:

i. the appropriateness of the declarations made by the Company under the relevant sales tax legislations which was primarily procedural in nature;

ii. the applicable sales tax on disposals of certain property and equipment items;

iii. lease circuit / broadband connectivity services;

iv. the applicability of sales tax on sale of SIM cards, SIM replacements, VAS, Handsets and Modem rentals;

v. In the State of J&K, the Company has disputed the levy of General Sales Tax on its telecom services and towards which the Company has received a stay from the Hon'ble J&K High Court. The demands received to date have been disclosed under contingent liabilities.

Service Tax

The service tax demands as of March 31, 2014 relate to:

i. cenvat claimed on tower and related material;

ii. levy of service tax on SIM cards;

iii. cenvat credit disallowed for procedural lapses and inadmissibility of credit;

iv. disallowance of cenvat credit used in excess of 20% limit, and

v. employee talk time

c) Income Tax

Income tax demands under appeal mainly included the appeals filed by the Company before various appellate authorities against the disallowance by the income tax authorities of certain expenses being claimed, non-deduction of tax at source with respect to dealers/distributor's margin and non-deduction of tax on payments to international operators for access charges, etc.

d) Custom Duty

The custom authorities, in some states, demanded ₹ 4,463 Mn as of March 31, 2014 (March 31, 2013 - ₹ 4,463 Mn) for the imports of special software on the ground that this would form part of the hardware on which it was pre-loaded at the time of import. The view of the Company is that such imports should not be subject to any custom duty as it would be an operating software exempt from any custom duty. In response to the application filed by the Company, the Hon'ble CESTAT has passed an order in favour of the custom authorities. The Company has filed an appeal with Hon'ble Supreme Court against the CESTAT order.

e) Entry Tax

In certain states an entry tax is levied on receipt of material from outside the state. This position has been challenged by the Company in the respective states, on the grounds that the specific entry tax is ultra vires the Constitution. Classification issues have also been raised whereby, in view of the Company, the material proposed to be taxed is not covered under the specific category. The amount under dispute as of March 31, 2014 was ₹ 3,676 Mn (March 31, 2013 - ₹ 3,408 Mn).

f) Access Charges (Interconnect Usage Charges)/Port Charges

(i) Interconnect charges are based on the Interconnect Usage Charges (IUC) agreements between the operators

Notes to the abridged financial statements

although the IUC rates are governed by the IUC guidelines issued by Telecom Regulatory Authority of India (TRAI). BSNL has raised a demand requiring the Company to pay the interconnect charges at the rates contrary to the regulations issued by TRAI. The Company filed a petition against that demand with the Telecom Disputes Settlement and Appellate Tribunal ('TDSAT') which passed a status quo order, stating that only the admitted amounts based on the regulations would need to be paid by the Company. The final order was also passed in Company's favour. BSNL has challenged the same in Hon'ble Supreme Court. However, no stay has been granted.

(ii) In another proceeding with respect to distance based carriage charges, TDSAT in its order dated May 21, 2010, allowed BSNL appeal praying to recover distance based carriage charges. On filing of appeal by the telecom operators, Hon'ble Supreme Court asked the telecom operators to furnish details of distance-based carriage charges owed by them to BSNL. Further, in a subsequent hearing held on August 30, 2010 Hon'ble Supreme Court sought the quantum of amount in dispute from all the operators as well as BSNL and directed both BSNL and private telecom operators to furnish Call Data Records (CDRs) to TRAI. The CDRs have been furnished to TRAI.

(iii) In another issue with respect to Port Charges, in 2001, TRAI had prescribed slab based rate of port charges payable by private operators which were subsequently reduced in the year 2007 by TRAI. On BSNL's appeal, TDSAT passed it's judgment in favour of BSNL, and held that the pre-2007 rates shall be applicable prospectively from May 29, 2010. The rates were further revised downwards by TRAI in 2012. On BSNL's appeal, TDSAT declined to stay the revised regulation.

Further, the Hon'ble Supreme Court vide its judgement dated December 6, 2013, passed in another matter, held that TRAI is empowered to issue regulations on any matter under Section 11(1)(b) of TRAI Act and the same cannot be challenged before TDSAT. Accordingly, all matters raised before TDSAT, wherein TDSAT had interfered in Appeal and passed judgements, all such orders do not have any significance. However, parties can file Writ Petitions before High Court challenging such regulations.

The Company believes that the above said judgement has further strengthened the position of the Company on many issues with respect to Regulations which had been in its favour and impugned before TDSAT.

g) Department of Telecommunications ('DoT') Demands

(i) The Company has not been able to meet its roll out obligations fully due to certain non-controllable factors like Telecommunication Engineering Center testing, Standing Advisory Committee of Radio Frequency Allocations clearance, non availability of spectrum, etc. The Company has received show cause notices from DoT for 14 of its circles for non-fulfillment of its roll out obligations and these have been replied to. DoT has reviewed and revised the criteria and there has been no further development on this matter since then.

(ii) DoT demands include demands raised for contentious matters relating to computation of license fees and spectrum charges.

(iii) DoT demands include alleged short payment of license fee for financial year 06-07 and financial year 07-08 due to difference of interpretation of Adjusted Gross Revenue (AGR) between the Company and DoT and interest thereon, against which the Company has obtained stay from appropriate Hon'ble High Courts & TDSAT.

(iv) DoT demands also include the contentious matters in respect of subscriber verification norms and regulations including validity of certain documents allowed as Proof of Address / Identity in certain mobility circles.

(v) DoT demand also include penalty for alleged failure to meet the procedural requirement for submission of EMF radiation self certification.

The above stated matters are being contested by the Company and the Company, based on legal advice, believes that it has complied with all license related regulations as and when prescribed and does not expect any loss relating to these matters.

In addition to the amount disclosed in the table above, the contingent liability on DoT matters includes the following:

(vi) Post the Hon'ble Supreme Court Judgment on October 11, 2011 on components of AGR for computation of license fee, based on the legal advice, the Company believes that the realised and unrealised foreign exchange gain should not be included in AGR for computation of license fee thereon. Accordingly, the license fee on such foreign exchange gain has not been provided in these financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences', the license fee impact on such exchange differences is not quantifiable and has not been included in the table above. Further, as per the Order dated June 18, 2012 of the Kerala High Court, stay has been obtained, wherein the licensee can continue making the payment as was being done throughout the period of license on telecom activities.

vii) On January 8, 2013, DoT issued a demand on the Company and one of its subsidiaries for ₹ 52,013 Mn towards levy of one time spectrum charge. The demand includes a retrospective charge of ₹ 9,090 Mn for holding

Notes to the abridged financial statements

GSM Spectrum beyond 6.2 MHz for the period from July 1, 2008 to December 31, 2012 and also a prospective charge of ₹ 42,923 Mn for GSM spectrum held beyond 4.4 MHz for the period from January 1, 2013, till the expiry of the initial terms of the respective licenses.

In the opinion of the Company, inter-alia, the above demand amounts to alteration of financial terms of the licenses issued in the past. Based on a petition filed by the Company, the Hon'ble High Court of Bombay, vide its order dated January 28, 2013, has directed the DoT to respond and not to take any coercive action until the next date of hearing. The DoT has filed its reply and the next date of hearing is June 30, 2014.

(viii) Based on the scope of Service under UAS License the Company has been providing 3G service under a commercial arrangement, i.e., "3G Intra Circle Roaming ('3G ICR') Agreements with other operators", where the Company has not been allocated 3G spectrum.

The Department of Telecommunications('DoT') issued notice to the Company dated December 23, 2011 along with other Telecom Operators to stop provision of services under 3G Intra Circle Roaming Agreements where it has not won 3G Spectrum, which was challenged by the Company in TDSAT wherein stay was granted against the said order by TDSAT. TDSAT on July 3, 2012 gave a split verdict on the legality of telecom operators providing 3G services under 3G ICR arrangements.

DoT vide its order dated March 15, 2013 directed the Company to stop providing 3G services in these 7 circles (under 3G ICR arrangements) and also levied a financial penalty of ₹ 3,500 Mn. The same was challenged by the Company before Hon'ble Delhi High Court which granted a stay vide its order dated March 18, 2013. Subsequently, one of the operators (not being a party to the litigation) approached the Division Bench of Delhi High Court and, allowing its appeal, the Division Bench vacated the stay. The Company filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court, challenging the order of the Division Bench. The Hon'ble Supreme Court, vide its interim order dated April 11, 2013, restrained DoT from taking any coercive action and also directed the Company not to extend the facilities to any new customer on the basis of the 3G ICR arrangements in the meantime.

Both the writ petition as well as the appeal against interim order before the Supreme Court were disposed with liberty to the Company to approach TDSAT.

On October 3, 2013, the Company filed the petition before TDSAT which was heard by TDSAT and vide judgment dated April 29, 2014, TDSAT held 3G ICR to be a competent service and quashed the penalty of ₹ 3,500 Mn levied by DoT on the Company.

h) Others

Others mainly include disputed demands for consumption tax, disputes before consumer forum and with respect to labour cases and a potential claim for liquidated damages.

i) Bharti Mobinet Limited ('BMNL') litigation

The Company is in litigation in various proceedings at various stages and in various forums with DSS Enterprises Private Limited (DSS) (which had 0.34 per cent equity interest in erstwhile Bharti Cellular Limited (BCL)) on claims of specific performance in respect of alleged agreements to sell the equity interest of DSS in erstwhile BMNL to the Company. In respect of one of the transactions with respect to purchase of 10.5% share of DSS in Skycell by the Company, Crystal Technologies Private Limited ('Crystal'), an intermediary, initiated arbitration proceedings against the Company demanding ₹ 195 Mn regarding termination of its appointment as a consultant to negotiate with DSS for the sale of DSS stake in erstwhile BMNL to the Company. The Ld. Arbitrator partly allowed the award for a sum of ₹ 31 Mn, 9% interest from period October 3, 2001 till date of award (i.e May 28, 2009) and a further 18% interest from date of award to date of payment. The Company appealed in Hon'ble High Court against the award. The Single Judge while dismissing the appeal reduced the rate of interest from 18% to 12%. The matter was appealed thereafter to Division Bench and finally to Hon'ble Supreme Court wherein the matter has been admitted on the condition that the amount as per Single Judge Order shall be secured in Hon'ble Supreme Court, which has been done. The matter will now come up in due course.

DSS has also filed a suit against a previous shareholder of BMNL and the Company challenging the transfer of shares by that shareholder to the Company. The matter is to be reheard.

DSS has also initiated arbitration proceedings seeking direction for restoration of the cellular license and the entire business associated with it including all assets of BCL/BMNL to DSS or alternatively, an award for damages. An interim stay was granted by the Hon'ble Delhi High Court with respect to the commencement of arbitration proceedings. The stay was made absolute.

Notes to the abridged financial statements

The liability, if any, of the Company arising out of above litigation cannot be currently estimated. Since the amalgamation of BCL and erstwhile Bharti Infotel Limited (BIL) with the Company, DSS, a minority shareholder in BCL, had been issued 2,722,125 equity shares of ₹ 10 each (5,444,250 equity shares of ₹ 5 each post split) bringing the share of DSS in the Company down to 0.136% as of March 31, 2014.

(Note 26 of the annual standalone financial statements)

11. Capital and Other Commitments

a) Estimated amount of contracts to be executed on capital account and not provided for (net of advances) ₹ 159,239 Mn as of March 31, 2014 (March 31, 2013 - ₹ 17,041 Mn) (refer note 18(vi))

b) Under certain Outsourcing Agreements, the Company has estimated commitments to pay ₹ 311 Mn as of March 31, 2014 (March 31, 2013 - ₹ 8,245 Mn) comprising of assets and service charges. The amount represents total minimum commitment over the unexpired period of the contracts (uptill 5 years from the reporting date), since it is not possible for the Company to determine the extent of assets and services to be provided over the unexpired period of the contract. However, the actual charges/ payments may exceed the above mentioned minimum commitment based on the terms of contract.

(Note 27 of the annual standalone financial statements)

12. Commitments Under Lease Arrangement:

The Company's future minimum lease payments obligation under the non-cancellable operating leases as of March 31, 2014 and March 31, 2013 is ₹ 415,776 Mn and ₹ 337,894 Mn, respectively.

(Note 49 of the annual standalone financial statements)

13. The Company has undertaken to provide financial support, to its subsidiaries, namely, Bharti Airtel Services Limited, Bharti Airtel (USA) Limited, Bharti Airtel (Hongkong) Limited, Bharti Airtel (Japan) Limited, Bharti Airtel (France) Limited, Bharti Telemedia Limited, Airtel M Commerce Services Limited, Telesonic Networks Limited, Bharti International (Singapore) Pte Limited, Bharti Airtel Holdings (Singapore) Pte Limited, Bharti Airtel International (Netherlands) B.V. including its subsidiaries.

(Note 28 of the annual standalone financial statements)

14. Details of Revenue from Operations

(₹ Millions)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Service Revenue		
- Voice revenue	404,264	357,425
- Others	94,863	96,061
Sale of products	58	23
	499,185	**453,509**

Note: Voice Revenue includes revenue from home network subscribers, roaming revenues and interconnect revenues.

(Note 29 of the annual standalone financial statements)

15. Details of Other Expenses

(₹ Millions)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Interconnect and Port charges	210	1,074
Insurance		
Network	501	501
Others	0	36
Installation	89	35
Repairs and Maintenance		
Plant and Machinery	22,837	20,507
Building	191	194
Others - Network	645	634
Others - Administrative	926	936
Leased Line and Gateway charges	1,253	1,323
Internet access and bandwidth charges	6,396	5,715
Advertisement and Marketing	6,074	5,993
Sales Commission, Customer verification and Content cost	15,779	21,108
Indirect Selling and Distribution	3,350	3,190
Sim card utilisation	1,068	1,920
Legal and Professional	1,906	2,141
Rates and Taxes	441	407
IT and Call Center Outsourcing	11,701	10,842
Travelling and Conveyance	1,269	1,243
Bad debts written off	2,644	1,881

Notes to the abridged financial statements

(₹ Millions)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Provision for doubtful debts and advances	3,220	1,742
Provision for diminution in stock/ capital work in progress	190	542
Collection and Recovery Expenses	3,984	4,482
Loss on sale of Fixed Assets (net)	-	481
Printing and Stationery	689	728
Net foreign exchange loss	1,417	-
Miscellaneous Expenses		
Network	1,130	825
Sales and Marketing	3,858	3,209
Administrative	943	735
	92,711	**92,424**

Note: Miscellaneous Expenses (Sales and Marketing) above includes goodwill waivers which are other than trade discount, of ₹ 716 Mn (for the year ended March 31, 2013 ₹ 392 Mn).

(Note 33 of the annual standalone financial statements)

16. Exceptional Items

a) During the year ended March 31, 2014, the Company has reassessed useful life of certain categories of network assets due to technological developments and has revised the remaining useful life in respect of those assets effective April 1, 2013. Out of those assets, additional depreciation charge of ₹ 2,071 Mn (March 31, 2013- ₹ Nil) on assets for which the revised useful life has expired on April 1, 2013 has been recognised and disclosed as 'Exceptional Items' and additional depreciation charge of ₹ 2,708 Mn (March 31, 2013- ₹ Nil) for balance assets has been recognised and reflected as 'Depreciation and amortisation expense' for the year ended March 31, 2014.

The impact of above change on the depreciation charge for the future years is as follows:

(₹ Millions)

Particulars	Year ending March 31, 2015	Year ending March 31, 2016	Year ending March 31, 2017	After March 31, 2017
Increase/ (decrease) in depreciation	158	(624	(783)	(3,530)

b) Tax expense includes:

i) Tax benefit of ₹ 540 Mn (March 31, 2013 - ₹ Nil) on above

ii) Reversal of tax provision of ₹ 640 Mn (March 31, 2013 - ₹ Nil) on account of settlement of an uncertain tax position

(Note 36 of the annual standalone financial statements)

17. Preferential Allotment

During the year ended March 31, 2014, the Company has issued 199,870,006 equity shares to M/s. Three Pillars Pte. Ltd (belonging to non-promoter category), an affiliate of Qatar Foundation Endowment, constituting 5% of the post issue share capital of the Company, through preferential allotment at a price of ₹ 340 per share aggregating to ₹ 67,956 Mn. The proceeds of the preferential allotment were utilised towards the repayment of equivalent debt in accordance with the objective of the preferential allotment.

(Note 37 of the annual standalone financial statements)

18. Acquisitions / Additional Investments / New Developments

(i) On June 25, 2013, the Company acquired additional equity stake of 2% by way of subscription to fresh equity in its existing 49% owned joint venture companies, namely, Airtel Broadband Services Private Limited ('ABSPL') (formerly known as Wireless Business Services Private Limited), Wireless Broadband Business Services (Delhi) Private Limited, Wireless Broadband Business Services (Kerala) Private Limited and Wireless Broadband Business Services (Haryana) Private Limited (together referred as "BWA entities"), for a sum of ₹ 638 Mn, thereby increasing its equity shareholding to 51% in each of these entities.

The Scheme of Arrangement ('Scheme') under Section 391 to 394 of the Companies Act, 1956 for amalgamation of Wireless Broadband Business Services (Delhi) Private Limited, Wireless Broadband Business Services (Kerala) Private Limited and Wireless Broadband Business Services (Haryana) Private Limited (collectively referred to as "the transferor companies") with ABSPL was approved by the Hon'ble High Courts of Delhi and Bombay vide order dated May 24, 2013 and June 28, 2013, respectively, with appointed date July 6, 2010, and filed with the Registrar of Companies on August 5, 2013, effective date of the Scheme. Accordingly, the transferor companies have ceased to exist and have merged into ABSPL. The shares issued to the Company in ABSPL in exchange of shares in transferor companies have been accounted for at the carrying amount of investment in the transferor companies.

Notes to the abridged financial statements

On August 30, 2013, the Company increased its equity investment in ABSPL by way of conversion of loan of ₹ 49,094 Mn, thereby increasing its shareholding from 51% to 93.45% and on October 17, 2013 further acquired 371,273,844 equity shares of ABSPL for a total consideration of ₹ 6,257 Mn from Qualcomm Asia Pacific Pte. Ltd., the only other shareholder of ABSPL, thereby increasing it's shareholding to 100%. An amount of ₹ 4,104 Mn is payable upon satisfaction of certain conditions as per the share purchase agreement.

The Scheme of Arrangements ('Scheme') under Sections 391 to 394 of the Companies Act, 1956 for amalgamation of ABSPL, a wholly-owned subsidiary of the Company, with the Company, was approved by the Hon'ble High Courts of Delhi and Bombay on January 21, 2014 and April 11, 2014, respectively. The Scheme shall be effective on filing of certified copies of Orders of Hon'ble High Courts of Bombay and Delhi with the Registrar of Companies (ROC) and obtaining of any other regulatory approval. The said orders are yet to be filed with ROC. Accordingly, the Scheme has not been given effect to in these financial statements.

(ii) During the year ended March 31, 2014, the Company has made equity investment of ₹ 9,518 Mn (USD 155 Mn) in Bharti Airtel International (Mauritius) Limited.

(iii) During the year ended March 31, 2014, the Company has made equity investment of ₹ 990 Mn in Airtel M Commerce Services Limited.

(iv) During the year ended March 31, 2014, the Company has made equity investment of ₹ 51 Mn in Nxtra Data Limited (a wholly owned subsidiary company). Pursuant to the approval of the shareholders through Postal Ballot on September 30, 2013, the Company has transferred the Data Center and Managed Services undertaking as a going concern on a slump sale basis to Nxtra Data Limited, w.e.f, January 1, 2014 for a consideration of ₹ 1,771 Mn.

(v) During the year ended March 31, 2014, the Company has made equity investment of ₹ 2,609 Mn (USD 43 Mn) in Network i2i Limited by way of transfer of its co-ownership interest in three of its undersea cables to Network i2i Limited (refer note 23).

(vi) During the year ended March 31, 2014, the Company has won the auction for 99.80 MHz spectrum in 13 service areas in the auction conducted by the Government of India. The Company has opted for the deferred payment option and has paid an advance of ₹ 53,304 Mn with the balance amount of ₹ 129,129 Mn payable in 10 equal installments after a moratorium of two years. Pending the allocation of spectrum by the Government of India, the balance amount has been disclosed under capital commitments.(refer note 11)

(Note 38 of the annual standalone financial statements)

19. Loans and Advances in the nature of loans along with maximum amount outstanding during the year as per Clause 32 of the Listing Agreement are as follows:

(a) Loan and advance in the nature of loan given to Bharti Telemedia Limited at nil interest rate is ₹ 35,770 Mn (March 31, 2013 ₹ 35,026 Mn at nil interest rate).

(b) Loan and advance in the nature of loan given to Bharti Airtel Lanka (Private) Limited at nil interest rate is ₹ 11,047 Mn (March 31, 2013 ₹ 11,047 Mn at nil interest rate).

(c) Loan and advance in the nature of loan given to Bharti Airtel International (Netherlands) B.V at LIBOR + 1.75% interest rate is ₹ 10,895 Mn (March 31, 2013 ₹ 67,757 Mn at LIBOR + 1.7% interest rate).

(d) Loan and advance in the nature of loan given to Telesonic Networks Limited at SBI PLR + 1% interest rate is ₹ 90 Mn (March 31, 2013 ₹ 90 Mn at SBI PLR + 1% interest rate).

(e) Loan and advance in the nature of loan given to Bharti Teleports Limited at SBI +1% interest rate is ₹ 412 Mn (March 31, 2013 ₹ 302 Mn at SBI +1% interest rate).

(f) Loan and advance in the nature of loan given to Bharti Airtel International (Mauritius) Limited is ₹ Nil (March 31, 2013 ₹ 9,967 Mn at LIBOR + 1.7% interest rate).

(g) Loan and advance in the nature of loan given to Bharti International (Singapore) Pte Limited at LIBOR + 1.75% interest rate is ₹ 2,731 Mn (March 31, 2013 ₹ 32,378 Mn at LIBOR + 1.7% interest rate).

(h) Loan and advance in the nature of loan given to Bharti Airtel (USA) Limited is ₹ Nil (March 31, 2013 ₹ 53 Mn at 7.33% p.a. interest rate).

(i) Loan and advance in the nature of loan given to Nxtra Data Limited at nil interest rate is ₹ 2,000 Mn (March 31, 2013 ₹ Nil)

(j) Loan and advance in the nature of loan given to Bharti Airtel Services Limited at nil interest rate is ₹ 635 Mn (March 31, 2013 ₹ 56 Mn at nil interest rate).

(k) Loan and advance in the nature of loan given to Airtel Broadband Services Private Limited at nil interest rate is ₹ 49,094 Mn (March 31, 2013 ₹ Nil).

Refer note 20 for outstanding balance at the end of the year for the above entities.

(Note 43 of the annual standalone financial statements)

Notes to the abridged financial statements

20. Related Party Disclosures

In accordance with the requirements of Accounting Standard (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 are:

Name of the related party and related party relationship :

(i) Key Management Personnel

Sunil Bharti Mittal
Manoj Kohli
Gopal Vittal (w.e.f. February 1, 2013)
Sanjay Kapoor (till February 28, 2013)

(ii) Other Related Parties

(a) Entities where control exist – Subsidiary/Subsidiaries of subsidiary

Bharti Hexacom Limited
Bharti Airtel Services Limited
Bharti Telemedia Limited
Bharti Airtel (USA) Limited
Bharti Airtel Lanka (Private) Limited
Bharti Airtel (UK) Limited
Bharti Airtel (Canada) Limited ^
Bharti Airtel (Hongkong) Limited
Bharti Infratel Limited ("BIL")
Bharti Infratel Services Limited (incorporated on June 4, 2013 as subsidiary of BIL)
Network i2i Limited
Bharti Airtel Holdings (Singapore) Pte Ltd
Bharti Infratel Lanka (Private) Limited (subsidiary of Bharti Airtel Lanka (Private) Limited)
Bharti Infratel Ventures Limited ("BIVL") (subsidiary of BIL) (w.e.f June 11, 2013, merged with Indus Towers Limited)
Airtel M Commerce Services Limited
Airtel Broadband Services Private Limited (formerly known as Wireless Business Services Private Limited) (subsidiary w.e.f. June 25, 2013)*
Wireless Broadband Business Services (Delhi) Private Limited (subsidiary w.e.f. June 25, 2013)*$
Wireless Broadband Business Services (Haryana) Private Limited (subsidiary w.e.f. June 25, 2013)*$
Wireless Broadband Business Services (Kerala) Private Limited (subsidiary w.e.f. June 25, 2013)*$
Nxtra Data Limited (incorporated on July 2, 2013)*
Bharti Airtel (Japan) Kabushiki Kaisha (subsidiary of Bharti Airtel Holdings (Singapore) Pte Ltd)
Bharti Airtel (France) SAS (subsidiary of Bharti Airtel Holdings (Singapore) Pte Ltd)
Bharti Airtel International (Mauritius) Limited
Bharti International (Singapore) Pte Ltd
Airtel Bangladesh Limited (subsidiary of Bharti Airtel Holdings (Singapore) Pte Ltd)
Bharti Airtel International (Netherlands) B.V.
Bangladesh Infratel Networks Limited (subsidiary of Airtel Bangladesh Limited)
Bharti Airtel Africa B.V. (subsidiary of Bharti Airtel International (Netherlands) B.V.)
Telesonic Networks Limited (formerly known as Alacatel-Lucent Network Management Services India Limited) (w.e.f. from February 5, 2013)

Other subsidiaries of Bharti Airtel International (Netherlands) B.V. :

Africa Towers N.V.
Africa Towers Services Limited
Airtel Ghana Limited
Airtel (SL) Limited #
Airtel Burkina Faso S.A. #
Airtel Congo S.A. #
Airtel DTH Services (SL) Limited ^
Airtel DTH Services Burkina Faso S.A. @
Airtel DTH Services Congo (RDC) S.p.r.l ^
Airtel DTH Services Congo S.A. @
Airtel DTH Services Gabon S.A. @
Airtel DTH Services Ghana Limited @
Airtel DTH Services Nigeria Limited
Airtel DTH Services Tanzania Limited ^
Airtel DTH Services Uganda Limited @
Bharti DTH Services Zambia Limited ^
Airtel Madagascar S.A.#
Airtel Malawi Limited #
Airtel Mobile Commerce (SL) Limited
Airtel Mobile Commerce B.V.
Airtel Mobile Commerce Burkina Faso S.A.
Airtel Mobile Commerce (Ghana) Limited
Airtel Mobile Commerce Holdings B.V.
Airtel Mobile Commerce Madagascar S.A.
Airtel Mobile Commerce Limited
Airtel Mobile Commerce (Tanzania) Limited
Airtel Mobile Commerce Tchad S.a.r.l.
Airtel Mobile Commerce Uganda Limited
Airtel Mobile Commerce Rwanda Limited
Airtel Mobile Commerce (Seychelles) Limited (subsidiary w.e.f. August 9, 2013)
Airtel Mobile Commerce (Kenya) Limited
Airtel Money Niger S.A.
Airtel Money (RDC) S.p.r.l
Airtel Networks Kenya Limited #
Airtel Networks Limited
Airtel Rwanda Limited #

Notes to the abridged financial statements

Airtel Tanzania Limited #
Airtel Towers (Ghana) Limited
Airtel Towers (SL) Company Limited
Airtel Uganda Limited #
Airtel (Seychelles) Limited
Bharti Airtel Acquisition Holdings B.V.
Bharti Airtel Burkina Faso Holdings B.V.
Bharti Airtel Cameroon B.V.
Bharti Airtel Chad Holdings B.V.
Bharti Airtel Congo Holdings B.V.
Bharti Airtel Developers Forum Limited
Bharti Airtel DTH Holdings B.V.
Bharti Airtel Gabon Holdings B.V.
Bharti Airtel Ghana Holdings B.V.
Bharti Airtel Kenya B.V.
Bharti Airtel Kenya Holdings B.V.
Bharti Airtel Madagascar Holdings B.V.
Bharti Airtel Malawi Holdings B.V.
Bharti Airtel Mali Holdings B.V.
Bharti Airtel Niger Holdings B.V.
Bharti Airtel Nigeria B.V.
Bharti Airtel Nigeria Holdings B.V. ^
Bharti Airtel Nigeria Holdings II B.V.
Bharti Airtel RDC Holdings B.V.
Bharti Airtel Services B.V.
Bharti Airtel Sierra Leone Holdings B.V.
Bharti Airtel Tanzania B.V.
Bharti Airtel Uganda Holdings B.V.
Bharti Airtel Zambia Holdings B.V.
Burkina Faso Towers S.A.
Celtel (Mauritius) Holdings Limited
Celtel Congo (RDC) S.a.r.l. #
Airtel Gabon S.A.#
Celtel Niger S.A.#
Airtel Tchad S.A.#
Airtel Networks Zambia Plc (formerly known as Celtel Zambia plc)#
Channel Sea Management Company (Mauritius) Limited
Congo (RDC) Towers S.p.r.l.
Congo Towers S.A.
Gabon Towers S.A.
Indian Ocean Telecom Limited
Kenya Towers Limited
Madagascar Towers S.A.
Malawi Towers Limited
Mobile Commerce Congo S.A.
Airtel Money S.A. (Gabon)
Montana International
MSI-Celtel Nigeria Limited ^
Niger Towers S.A.
Partnership Investments S.p.r.l.
Rwanda Towers Limited
Société Malgache de Telephonie Cellulaire SA
Tanzania Towers Limited
Tchad Towers S.A.
Towers Support Nigeria Limited
Uganda Towers Limited
Warid Congo S.A. (subsidiary w.e.f. March 12, 2014)
Warid Telecom Uganda Limited (subsidiary w.e.f. May 13, 2013) (merged with Airtel Uganda Limited w.e.f. February 1, 2014)
Zambian Towers Limited
Zap Trust Company Nigeria Limited
Zebrano (Mauritius) Limited
Airtel Mobile Commerce Zambia Limited (formerly known as ZMP Limited)

(b) Associates / Associate of subsidiary

Bharti Teleports Limited
Tanzania Telecommunications Company Limited (Associate of Bharti Airtel Tanzania B.V.)
Seychelles Cable Systems Company Limited (Associate of Airtel (Seychelles) Limited)
Telesonic Networks Limited (formerly known as Alacatel-Lucent Network Management Services India Limited) (till February 4, 2013)

(c) Joint Ventures / Joint Venture of Subsidiary

Forum I Aviation Limited (Joint Venture of Bharti Airtel Services Limited)
Indus Towers Limited (Joint Venture of Bharti Infratel Limited)
Bridge Mobile Pte Limited
Wireless Broadband Business Services (Delhi) Private Limited (till June 24, 2013)*
Wireless Broadband Business Services (Haryana) Private Limited (till June 24, 2013)*
Wireless Broadband Business Services (Kerala) Private Limited, (till June 24, 2013)*
Airtel Broadband Services Private Limited (formerly known as Wireless Business Services Private Limited) (till June 24, 2013)*

(d) Entities where Key Management Personnel and their relatives exercise significant influence /Group Companies

Beetel Teletech Limited
Bharti Airtel Employees Welfare Trust
Bharti AXA General Insurance Company Limited
Bharti AXA Life Insurance Company Limited
Bharti Enterprises Limited
Bharti Foundation
Bharti Realty Holdings Limited

Notes to the abridged financial statements

Bharti Realty Limited
Bharti Retail Limited
Bharti Wal-Mart Private Limited (till December 28, 2013)
BSB Portal Limited
Centum Learning Limited
Comviva Technologies Limited (till December 13, 2012)
Fieldfresh Foods Private Limited
Indian Continent Investment Limited
Jersey Airtel Limited
Nile Tech Limited
Mehrauli Realty and Consultants Limited
Mobinteco Limited
Y2CF Digital Media Limited (w.e.f. May 6, 2013)
Hike Limited (formerly known as MessngrCo Private Limited)

(e) Entities having significant influence over the Company

Singapore Telecommunications Limited
Pastel Limited
Bharti Telecom Limited

* Refer note 18 above for details of new operations during the year.

Transactions of similar nature with such subsidiaries have been clubbed and shown under the head 'Other African Subsidiaries' as their contribution to total transaction value is less than 10%.

@ Dissolved during the year ended March 31, 2014

^ Under Liquidation. Airtel DTH Services Tanzania Limited liquidated on 3rd April 2014.

$ Merged w.e.f. August 5, 2013 with Airtel Broadband Services Private Limited (formerly known as Wireless Business Services Private Limited)

The details of amounts due to or due from as of March 31, 2014 and March 31, 2013 are as follows:

(₹ Millions)

S. No	Particulars	As of March 31, 2014	As of March 31, 2013
1	**Loans & Advances (including accrued interest, wherever applicable)**		
	Entities where control exist:		
	Bharti Airtel (Services) Limited	634	-
	Airtel Broadband Services Pvt. Ltd.*	3,800	-
	Bharti Telemedia Ltd.	33,226	35,026
	Bharti Airtel Lanka (Pvt.) Ltd.	11,517	11,517
	Nxtra Data Limited	2,000	-
	Telesonic Networks Limited (Formerly known as Alcatel-Lucent Network Management Services India Limited)	90	90
	Bharti International (Singapore) Pte Ltd.	2,467	-
	Bharti Airtel International (Netherlands) B.V.	9,831	-
	Associate:		
	Bharti Teleports Ltd.	320	302
	Entity where key management personnel & their relatives exercise significant influence:		
	Bharti Airtel Employees Welfare Trust	326	662
		64,211	**47,597**
	*refer note 18(i)		
2	**Borrowings (including accrued interest)**		
	Entity where control exist:		
	Bharti Infratel Ltd.	-	23,091
		-	**23,091**

(₹ Millions)

S. No	Particulars	As of March 31, 2014	As of March 31, 2013
3	**Security Deposit/Advances given**		
	Entities where control exist:		
	Bharti Airtel (Services) Limited	729	729
	Bharti Infratel Ltd.	1,777	1,769
	Joint Venture of Subsidiary:		
	Indus Towers Limited	3,813	3,727
	Entities where key management personnel & their relatives exercise significant influence:		
	Bharti Realty Limited	358	353
	Bharti Realty Holdings Limited	86	86
	Centum learning Limited	60	60
	Nile Tech Ltd.	395	395
	Bharti Enterprises Limited	90	-
		7,308	**7,119**
4	**Trade Recivables/(Payables)**		
	Entities where control exist:		
	Bharti Hexacom Ltd.	278	904
	Bharti Airtel (Services) Limited	(757)	154
	Bharti Telemedia Ltd.	26	-
	Bharti Infratel Ventures Ltd.	-	6
	Bharti Infratel Ltd.	(2,692)	(2,199)
	Airtel M Commerce Services Limited	(36)	62
	Airtel Broadband Services Pvt. Ltd.*	151	-

Notes to the abridged financial statements

(₹ Millions)

S. No	Particulars	As of March 31, 2014	As of March 31, 2013
	Telesonic Networks Limited (Formerly known as Alcatel-Lucent Network Management Services India Limited)	(318)	(867)
	Network i2i Limited	(137)	371
	Nxtra Data Limited	182	-
	Bharti Airtel (USA) Ltd.	182	720
	Bharti Airtel (UK) Ltd.	(543)	(15)
	Bharti Airtel (Hongkong) Ltd.	(31)	(6)
	Bharti Airtel (Canada) Ltd.$	26	25
	Bharti Airtel (Japan) Kabushiki Kaisha	(4)	(3)
	Bharti Airtel (France) SAS	(46)	(15)
	Bharti Airtel International (Mauritius) Ltd.	2	1
	Bharti International (Singapore) Pte Ltd.	(778)	1,136
	Bharti Airtel Holdings (Singapore) Pte Limited	1	5
	Bharti Airtel International (Netherlands) B.V.	355	38
	Bharti Airtel Lanka (Pvt.) Ltd.	3	6
	Airtel Bangladesh Ltd.	(2)	(6)
	Airtel Networks Ltd.	76	191
	Airtel (Seychelles) Limited	(4)	0
	Airtel Ghana Ltd.	68	(27)
	Other African Subsidiaries	(40)	(126)
	Associate:		
	Bharti Teleports Ltd.	81	7
	Joint Venture/ Joint Venture of Subsidiary:		
	Forum 1 Aviation Ltd	(3)	(3)
	Indus Towers Limited	(7,395)	(6,708)
	Bridge Mobile Pte Limited	(4)	(5)
	Wireless Business Services Pvt. Ltd. # *	-	(2,242)
	Wireless Broadband Business Services (Delhi) Pvt. Ltd. # *	-	(2,167)
	Wireless Broadband Business Services (Haryana) Pvt. Ltd. # *	-	(124)
	Wireless Broadband Business Services (Kerala) Pvt. Ltd. # *	-	(259)
	Entities where key management personnel & their relatives exercise significant influence:		
	Beetel Teletech Limited	(41)	(21)
	Bharti Realty Limited	(1)	(4)
	Bharti Realty Holdings Limited	(7)	(3)
	Bharti Retail Ltd.	37	31
	Bharti Wal-Mart Private Limited	-	6
	Bharti Enterprises Limited	(56)	(56)
	Bharti AXA Life Insurance Company Limited	5	3
	Bharti AXA General Insurance Co Ltd	2	18
	BSB Portal Limited	(1)	-

(₹ Millions)

S. No	Particulars	As of March 31, 2014	As of March 31, 2013
	Centum learning Limited	(66)	(72)
	Fieldfresh Foods Private Limited	0	1
	Hike Limited	14	-
	Jersey Airtel Limited	(0)	1
	Mehrauli Realty and Consultants Limited	-	(2)
	Mobinteco Limited	2	-
	Entity having significant influence over the Company:		
	Singapore Telecommunications Ltd.	294	324
	Key Management Personnel:		
	Sunil Bharti Mittal	-	(143)
	Sanjay Kapoor	-	(12)
	Gopal Vittal	-	(9)
	Manoj Kohli	-	-
		(11,177)	**(11,084)**

$ gross of ₹ 24 Mn provided for

Wireless Broadband Business Services Entities became Joint Venture w.e.f July 1, 2012. Advances of ₹ 4,847 Mn were received before July 1, 2012 when these entities were associates

*refer note 18(i)

The details of the related party transactions entered into by the Company for the years ended March 31, 2014 and March 31, 2013 are as follows:

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
1	**Purchase of fixed assets/ bandwidth**		
	Entities where control exist:		
	Bharti Hexacom Ltd.	158	214
	Bharti Airtel (Services) Limited	0	2
	Network i2i Limited	-	106
	Telesonic Networks Limited (Formerly known as Alcatel-Lucent Network Management Services India Limited)	1,993	330
	Bharti Airtel (France) SAS	47	-
	Bharti International (Singapore) Pte Ltd.	296	121
	Associate:		
	Telesonic Networks Limited (Formerly known as Alcatel-Lucent Network Management Services India Limited)	-	1,583
	Entity where key management personnel & their relatives exercise significant influence:		
	Beetel Teletech Limited	422	257
		2,916	**2,613**

Notes to the abridged financial statements

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
2	**Sale of fixed assets/ IRU given**		
	Entities where control exist:		
	Bharti Hexacom Ltd.	773	1,259
	Bharti Airtel (USA) Ltd.	-	3
	Network i2i Limited	2,547	205
	Nxtra Data Limited	1,771	-
	Bharti International (Singapore) Pte Ltd.	101	705
	Entities where key management personnel & their relatives exercise significant influence:		
	Bharti Enterprises Limited	2	-
	Bharti Retail Ltd.	20	-
	Mehrauli Realty and Consultants Limited	72	-
	Comviva Technologies Limited	-	0
	Jersey Airtel Limited	-	0
	Joint Venture of Subsidiary:		
	Indus Towers Limited	-	0
	Entity having significant influence over the Company:		
	Singapore Telecommunications Ltd.	9	28
		5,295	**2,200**
3	**Purchase of Investments/Subscription to share capital@**		
	Entities where control exist:		
	Network i2i Limited	2,609	-
	Airtel Broadband Services Pvt. Ltd.	49,732	-
	Nxtra Data Limited	51	
	Airtel M Commerce Services Limited	990	1,060
	Telesonic Networks Limited (Formerly known as Alcatel-Lucent Network Management Services India Limited)	-	1**
	Bharti Airtel International (Mauritius) Ltd.	9,518	43,274
	Bharti International (Singapore) Pte Ltd.	-	32,184
	Bharti Airtel International (Netherlands) B.V.	-	67,353
		62,901	**1,43,872**
	@refer note 18 ** ₹ 546.15 Mn loan to Telesonic Networks Limited (Formerly known as Alcatel-Lucent Network Management Services India Limited) acquired for ₹ 0.5 Mn converted into equity		
4	**Rendering of Services**		
	Entities where control exist:		
	Bharti Hexacom Ltd.	7,745	6,450
	Bharti Airtel (Services) Limited	115	-
	Bharti Airtel (USA) Ltd.	217	280
	Bharti Airtel (UK) Ltd.	131	11

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
	Airtel Broadband Services Pvt. Ltd.*	8	-
	Bharti Airtel (Hongkong) Ltd.	98	7
	Bharti Airtel Holdings (Singapore) Pte Limited	12	11
	Airtel Bangladesh Limited	-	0
	Bharti Telemedia Ltd.	49	239
	Bharti Infratel Ltd.	159	169
	Bharti Airtel Lanka (Pvt.) Ltd.	363	282
	Network i2i Limited	106	71
	Airtel M Commerce Services Limited	3	-
	Telesonic Networks Limited (Formerly known as Alcatel-Lucent Network Management Services India Limited)	121	16
	Bharti Airtel (Japan) Kabushiki Kaisha	1	0
	Bharti Airtel (France) SAS	2	0
	Bharti Airtel International (Mauritius) Ltd.	1	1
	Bharti International (Singapore) Pte Ltd.	562	583
	Bharti Airtel International (Netherlands) B.V.	506	95
	Airtel (Seychelles) Limited	40	46
	Airtel Ghana Ltd.	242	288
	Airtel Networks Ltd.	218	400
	Other African Subsidiaries	1,267	1,979
	Associate:		
	Bharti Teleports Ltd.	5	4
	Telesonic Networks Limited (Formerly known as Alcatel-Lucent Network Management Services India Limited)	-	81
	Joint Venture of Subsidiary:		
	Indus Towers Limited	22	22
	Entities where key management personnel & their relatives exercise significant influence:		
	Bharti Wal-Mart Private Limited	4	12
	Comviva Technologies Limited	-	3
	Fieldfresh Foods Private Limited	0	1
	Bharti AXA Life Insurance Company Limited	15	12
	Jersey Airtel Limited	29	21
	Bharti Retail Ltd.	35	44
	Mobinteco Limited	2	-
	Hike Limited	66	-
	BSB Portal Limited	3	-
	Entity having significant influence over the Company:		
	Singapore Telecommunications Ltd.	1,555	1,422
		13,702	**12,550**

*refer note 18(i)

Notes to the abridged financial statements

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
5	**Receiving of services**		
	Entities where control exist:		
	Bharti Hexacom Ltd.	2,549	2,105
	Bharti Airtel (Services) Limited	3,343	2,522
	Bharti Airtel (USA) Ltd.	477	394
	Bharti Airtel (UK) Ltd.	743	128
	Bharti Airtel (Hongkong) Ltd.	110	75
	Airtel Bangladesh Ltd.	2	3
	Bharti Telemedia Ltd.	59	40
	Bharti Infratel Ltd.	14,085	12,062
	Bharti Airtel Lanka (Pvt.) Ltd.	727	379
	Network i2i Limited	1,233	925
	Airtel M Commerce Services Limited	161	103
	Nxtra Data Limited	395	-
	Telesonic Networks Limited (Formerly known as Alcatel-Lucent Network Management Services India Limited)	2,612	436
	Bharti Airtel (Japan) Kabushiki Kaisha	10	8
	Bharti Airtel (France) SAS	96	37
	Bharti International (Singapore) Pte Ltd.	1,379	1,114
	Airtel (Seychelles) Limited	44	39
	Airtel Ghana Ltd.	188	463
	Airtel Networks Ltd.	170	501
	Other African Subsidiaries	1,272	1,900
	Associate:		
	Bharti Teleports Ltd.	2	-
	Telesonic Networks Limited (Formerly known as Alcatel-Lucent Network Management Services India Limited)	-	2,182
	Joint Venture/ Joint Venture of Subsidiary:		
	Forum 1 Aviation Ltd	45	54
	Indus Towers Limited	32,350	30,146
	Bridge Mobile Pte Limited	29	29
	Entities where key management personnel & their relatives exercise significant influence:		
	Bharti Wal-Mart Private Limited	3	2
	Comviva Technologies Limited	-	672
	Beetel Teletech Limited	395	103
	Bharti Realty Limited	548	510
	Nile Tech Ltd.	596	590
	BSB Portal Limited	307	-
	Y2CF Digital Media Pvt. Ltd.	8	-
	Bharti Realty Holdings Limited	194	187
	Fieldfresh Foods Private Limited	-	1

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
	Bharti AXA Life Insurance Company Limited	1	-
	Jersey Airtel Limited	1	1
	Centum learning Limited	216	423
	Bharti Retail Ltd.	7	23
	Bharti AXA General Insurance Co Ltd	40	9
	Entity having significant influence over the Company:		
	Singapore Telecommunications Ltd.	480	586
		64,946	**58,752**
6	**Common cost allocation charged by the Company**		
	Entity where control exist:		
	Bharti Hexacom Ltd.	794	659
	Associate:		
	Bharti Teleports Ltd.	2	2
		796	**661**
7	**Fund Transferred / Expenses incurred on behalf of others**		
	Entities where control exist:		
	Bharti Hexacom Ltd.	562	361
	Bharti Airtel (Services) Limited	299	1,681
	Bharti Airtel (UK) Ltd.	-	0
	Airtel Broadband Services Pvt. Ltd.*	105	-
	Bharti Airtel (Hongkong) Ltd.	-	1
	Bharti Telemedia Ltd.	633	386
	Bharti Infratel Ltd.	7	13
	Network i2i Limited	7	-
	Airtel M Commerce Services Limited	78	213
	Nxtra Data Limited	102	-
	Telesonic Networks Limited (Formerly known as Alcatel-Lucent Network Management Services India Limited)	128	-
	Bharti International (Singapore) Pte Ltd.	-	53
	Joint Venture:		
	Wireless Business Services Pvt. Ltd.*	18	-
	Associate:		
	Bharti Teleports Ltd.	14	14
	Entities where key management personnel & their relatives exercise significant influence:		
	Beetel Teletech Limited	-	12
	Bharti Retail Ltd.	15	14
	Entity having significant influence over the Company		
	Singapore Telecommunications Ltd.	1	-
		1,969	**2,748**

*refer note 18(i)

Notes to the abridged financial statements

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
8	**Fund received/Expenses incurred on behalf of the Company**		
	Entities where control exist:		
	Bharti Hexacom Ltd.	103	68
	Bharti Airtel (Services) Limited	9	1,575
	Bharti Airtel (USA) Ltd.	-	10
	Bharti Airtel Holdings (Singapore) Pte Limited	3	-
	Bharti Telemedia Ltd.	74	254
	Airtel M Commerce Services Limited	211	58
	Associate:		
	Bharti Teleports Ltd.	2	-
	Entity where key management personnel & their relatives exercise significant influence:		
	Bharti Enterprises Limited	638	669
	Entity having significant influence over the Company:		
	Singapore Telecommunications Ltd.	-	24
		1,040	**2,658**
9	**Employee related expenses incurred on behalf of others**		
	Entities where control exist:		
	Bharti Hexacom Ltd.	138	90
	Bharti Airtel (Services) Limited	307	138
	Bharti Telemedia Ltd.	173	302
	Bharti Infratel Ltd.	-	28
	Airtel M Commerce Services Limited	142	131
	Nxtra Data Limited	12	-
	Associate:		
	Bharti Teleports Ltd.	13	16
		785	**705**
10	**Employee related expenses incurred on behalf of the Company**		
	Entities where control exist:		
	Bharti Hexacom Ltd.	15	8
	Bharti Airtel (Services) Limited	54	21
	Bharti Airtel (Hongkong) Limited	-	0
	Bharti Telemedia Ltd.	25	52
	Airtel M Commerce Services Limited	0	1
	Entity where key management personnel & their relatives exercise significant influence:		
	Bharti Enterprises Limited	92	83
		186	**165**
11	**Donation**		
	Entity where key management personnel & their relatives exercise significant influence:		
	Bharti Foundation	196	106
		196	**106**

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
12	**Security deposit given/Advances paid**		
	Entities where control exist:		
	Bharti Infratel Ltd.	24	72
	Bharti Infratel Ventures Ltd.	-	6
	Joint Venture/ Joint Venture of Subsidiary:		
	Wireless Business Services Pvt. Ltd.*	-	15
	Wireless Broadband Business Services (Delhi) Pvt. Ltd.*	-	39
	Indus Towers Limited	86	192
	Entities where key management personnel & their relatives exercise significant influence:		
	Bharti Realty Limited	-	31
	Nile Tech Ltd.	-	52
	Bharti Enterprises Limited	90	-
		200	**407**
	*refer note 18(i)		
13	**Refund of Capital Advance**		
	Entity where control exist:		
	Airtel Broadband Services Pvt. Ltd.*	4,757	-
		4,757	**-**
	*refer note 18(i)		
14	**Advance received/Refund of Security deposit given**		
	Entity where control exist:		
	Bharti Infratel Ltd.	16	816
	Associates:		
	Wireless Business Services Pvt. Ltd.*	-	2,258
	Wireless Broadband Business Services (Delhi) Pvt. Ltd.*	-	2,206
	Wireless Broadband Business Services (Haryana) Pvt. Ltd.*	-	124
	Wireless Broadband Business Services (Kerala) Pvt. Ltd.*	-	259
	Joint Venture of Subsidiary:		
	Indus Towers Limited	-	2,180
	Entity where key management personnel & their relatives exercise significant influence:		
	Bharti Realty Holdings Limited	-	8
		16	**7,851**

*refer note 18(i)

Notes to the abridged financial statements

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
15	**Repayment of Loan taken**		
	Entity where control exist:		
	Bharti Infratel Ltd.	22,990	3,670
		22,990	**3,670**
16	**Loans given**		
	Entities where control exist:		
	Bharti Airtel (Services) Limited	634	-
	Airtel Broadband Services Pvt. Ltd.*	22,728	-
	Bharti Telemedia Ltd.	1,520	3,174
	Nxtra Data Limited	2,000	-
	Bharti International (Singapore) Pte Ltd.	2,211	4,600
	Bharti Airtel International (Netherlands) B.V.	9,045	11,164
	Entity where key management personnel & their relatives exercise significant influence:		
	Bharti Airtel Employees Welfare Trust	332	762
	Associate:		
	Bharti Teleports Ltd.	110	130
	Joint Venture of Subsidiary:		
	Wireless Business Services Pvt. Ltd.*	14,904	-
	Wireless Broadband Business Services (Delhi) Pvt. Ltd.*	13,016	-
	Wireless Broadband Business Services (Haryana) Pvt. Ltd.*	693	-
	Wireless Broadband Business Services (Kerala) Pvt. Ltd.*	1,556	-
	Entity where key management personnel & their relatives exercise significant influence:		
	Bharti Wal-Mart Private Limited	-	-
		68,749	**19,830**
	*refer note 18(i)		
17	**Repayment of Loans given**		
	Entity where control exist:		
	Bharti Telemedia Ltd.	3,320	-
	Entity where key management personnel & their relatives exercise significant influence:		
	Bharti Airtel Employees Welfare Trust	338	369
	Associate:		
	Bharti Teleports Ltd.	100	-
		3,758	**369**
18	**Loans received**		
	Entity where control exist:		
	Bharti Infratel Ltd.	-	13,500
		-	**13,500**

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
19	**Interest charged by others**		
	Entities where control exist:		
	Bharti Hexacom Ltd.	19	-
	Bharti Infratel Ltd.	485	1,743
		504	**1,743**
20	**Interest charged by the Company**		
	Entities where control exist:		
	Bharti Airtel (USA) Ltd.	-	1
	Bharti Airtel Lanka (Pvt.) Ltd.	-	64
	Telesonic Networks Limited (Formerly known as Alcatel-Lucent Network Management Services India Limited)	14	0
	Bharti Airtel International (Mauritius) Ltd.	-	93
	Bharti International (Singapore) Pte Ltd.	40	294
	Bharti Airtel International (Netherlands) B.V.	164	614
	Associates:		
	Bharti Teleports Ltd.	35	32
	Telesonic Networks Limited (Formerly known as Alcatel-Lucent Network Management Services India Limited)	-	14
		253	**1,112**
21	**Dividend Income**		
	Entities where control exist:		
	Final Dividend for FY 2012-13		
	Bharti Hexacom Ltd.	88	-
	Bharti Infratel Ltd.	4,500	-
		4,588	**-**
	Final Dividend for FY 2011-12		
	Bharti Hexacom Ltd.	-	88
	Bharti Infratel Ltd.	-	-
		-	**88**
	Interim Dividend for FY 2012-13		
	Bharti Hexacom Ltd.	-	262
	Bharti Infratel Ltd.	-	3,750
		-	**4,012**
22	**Dividend Paid**		
	Entities where key management personnel & their relatives exercise significant influence:		
	Indian Continent Investment Ltd.	266	266
	Entities having significant influence over the Company		
	Pastel Ltd.	591	591
	Bharti Telecom Ltd.	1,738	1,735
		2,595	**2,592**

Notes to the abridged financial statements

(₹ Millions)

S. No	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
23	**Reimbursement of energy expenses**		
	Entity where control exist:		
	Bharti Infratel Ltd.	17,440	16,766
	Joint Venture of Subsidiary:		
	Indus Towers Limited	21,961	18,615
		39,401	**35,381**
24	**Remuneration***		
	Key Management Personnel:		
	Sunil Bharti Mittal	239	243
	Gopal Vittal**	67	14
	Manoj Kohli	10	-
	Sanjay Kapoor	-	82
		316	**339**
25	**Guarantees and collaterals given on behalf of others (Including Performance guarantees)**		
	Entities where control exist:		
	Bharti Hexacom Ltd.	2,171	2,096
	Bharti Telemedia Ltd.	727	582
	Airtel Bangladesh Ltd.	26,444	10,878
	Bharti Airtel (Services) Limited	-	86
	Bharti Airtel International (Netherlands) B.V	6,84,320	4,31,028
	Bharti International (Singapore) Pte. Limited	56,486	96,311
		7,70,148	**5,40,981**

* Includes expense recognised in the statement of profit and loss for options granted during the year ended March 31, 2014. Uptill, March 31, 2013, the fair value of the options granted was disclosed in the respective year of grant.

**Includes an amount of ₹ 25 Mn towards expense recognised in the statement of profit and loss for options granted during the year ended March 31, 2014.

(Note 48 of the annual standalone financial statements)

21. Forward Contracts & Derivative Instruments and Unhedged Foreign Currency Exposure

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Company uses derivative financial instruments such as foreign exchange contracts, option contracts and interest rate swaps to manage its exposures to foreign exchange fluctuations and changes in interest rate.

The following table details the status of the Company's exposure:

(₹ Millions)

Sr No	Particulars	Notional Value (March 31, 2014)	Notional Value (March 31, 2013)
A	For Loan related exposures *		
	a) Forwards	7,272	930
	b) Options	11,958	10,487
Total		**19,230**	**11,417**
B	For Trade related exposures *		
	a) Forwards	7,452	2,299
	b) Options	2,404	952
Total		**9,856**	**3,251**
C	Unhedged foreign currency borrowing	18,484	11,276
D	Unhedged foreign currency payables	26,941	25,689
E	Unhedged foreign currency receivables	166	511

*All derivatives are taken for hedging purposes only and trade related exposure includes hedges taken for forecasted receivables.

The Company has accounted for derivatives, which are covered under the Announcement issued by the ICAI, on marked-to-market basis and has recorded net loss of ₹ 73 Mn (including reversal of loss of ₹ 8 Mn towards embedded derivatives) for the year ended March 31, 2014 [recorded loss of ₹ 233 Mn (including loss of ₹ 281 Mn towards embedded derivatives) for the year ended March 31, 2013].

(Note 51 of the annual standalone financial statements)

22. Details of debt covenant w.r.t. the Company's 3G/BWA borrowings:

The loan agreements with respect to 3G/BWA borrowings contains a negative pledge covenant that prevents the Company to create or allow to exist any security interest on any of its assets without prior written consent of the lenders except in certain agreed circumstances.

(Note 54 of the annual standalone financial statements)

Notes to the abridged financial statements

23. During the year ended March 31, 2014, the Company has transferred co-ownership of three undersea cables having net WDV of ₹ 2,725 Mn (March 31, 2013 – ₹ Nil) to its wholly owned subsidiary Network i2i Limited, a company incorporated and existing under the laws of Mauritius, with the intention to aggregate certain international undersea cables under a single entity (refer note 18(v)).

(Note 55 of the annual standalone financial statements)

24. The Company has completed an independent evaluation for all international and domestic transactions for the year ended March 31, 2013 and has reviewed the same for the year ended March 31, 2014 to determine whether the transactions with associated enterprises are undertaken at "arm's length price". Based on the internal and external transfer pricing review and validation, the Company believes that all transactions with associate enterprises are undertaken on the basis of arm's length principle.

(Note 56 of the annual standalone financial statements)

25. The Company (M/s J T Mobiles Limited subsequently merged with the Company) was awarded license by DoT to operate cellular services in the state of Punjab in December 1995. On April 18, 1996, the Company obtained the permission from DoT to operate the Punjab license through its wholly owned subsidiary, Evergrowth Telecom Limited (ETL). In December 1996, DoT raised argument that the permission dated April 18, 1996 has not become effective and cancelled the permission to operate, which was subsequently reinstated on March 10, 1998 (the period from April 18, 1996 to March 10, 1998 has been hereinafter referred to as 'blackout period'). On July 15, 1999, license was terminated due to alleged non-payment of license fees, liquidated damages and related penal interest relating to blackout period.

In September 2001, in response to the demand raised by DoT, the Company had paid ₹ 4,856 Mn to DoT under protest subject to resolution of the dispute through arbitration. Consequently, the license was restored and an arbitrator was appointed for settlement of the dispute. Arbitrator awarded an unfavourable order, which was challenged by the Company before Hon'ble Delhi High Court.

On September 14, 2012, Hon'ble Delhi High court passed an order setting aside the award passed by the arbitrator. DoT in the meanwhile has preferred an Appeal, including condonation of delay in filing of appeal, which is presently pending before the Division Bench of the Delhi High Court. The Appeal of DoT on the issue of condonation of delay was allowed on July 16, 2013. The next date of hearing is fixed on May 9, 2014. However, the Company on October 30, 2013 has filed the writ Petition for recovery of License fee in Delhi High Court, notice issued by HC and listed for July 26, 2014.

Further to the development during the year ended March 31, 2014, the Company is in the process of evaluating legal course of action for recovery of the amount paid under protest together with interest thereon. Pending such evaluation and thereby initiation of recovery process, the Company, based on independent legal opinion, has not given any accounting treatment for the impact of the judgement in the financial statements for the year ended March 31, 2014.

(Note 57 of the annual standalone financial statements)

26. Previous year figures have been regrouped / reclassified where necessary to conform to current year's classification.

(Note 58 of the annual standalone financial statements)

27. The complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Revised Schedule VI to the Companies Act, 1956 read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs are available at the Company's website http://www.airtel.in.

Report of the Independent Auditor on the abridged consolidated financial statements

To the Board of Directors of Bharti Airtel Limited

The accompanying abridged consolidated financial statements, which comprise the abridged consolidated statement of financial position as at March 31, 2014, the abridged consolidated income statement, the abridged consolidated statement of changes in equity and the abridged consolidated statement of cash flow for the year then ended, and related notes, are derived from the audited IFRS consolidated financial statements of Bharti Airtel Limited ('the Company') and its subsidiaries (together referred to as "the Group") as at and for the year ended March 31, 2014. We expressed an unqualified audit opinion on those consolidated financial statements in our report dated April 29, 2014 but had included an Emphasis of Matter therein. Those consolidated financial statements, and the abridged consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those consolidated financial statements.

The abridged consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards ('IFRS') applied in the preparation of the audited consolidated financial statements of the Group. Reading the abridged consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Group.

Management's Responsibility for the Abridged Consolidated Financial Statements

Management is responsible for the preparation of a summary of the audited consolidated financial statements in accordance with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the abridged consolidated financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810,"Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion, the abridged consolidated financial statements derived from the audited IFRS consolidated financial statements of the Group as at and for the year ended March 31, 2014 are a fair summary of those consolidated financial statements of the Group, in accordance with the Rule 7A of the Companies (Central Government's) General Rules and Forms (Amendment) Rules, 2012.

Emphasis of Matter

We draw your attention to note 21 (ii) (f) (vii) to the abridged consolidated financial statements which describe the uncertainties related to the legal outcome of Department of Telecommunications' demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter.

For S. R. Batliboi & Associates LLP

Chartered Accountants
ICAI Firm Registration No: 101049W

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 29, 2014

Independent Auditor's Report

To the Board of Directors of Bharti Airtel Limited

We have audited the accompanying consolidated financial statements ('financial statements') of Bharti Airtel Limited ('the Company') and its subsidiaries (together referred to as 'the Group') as at March 31, 2014, comprising of the consolidated statement of financial position as at March 31, 2014 and the related consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements in accordance with the requirements of International Financial Reporting Standards. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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(s) of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on the financial statements of the joint venture of the Company as noted below, these financial statements present fairly, in all material respects, the financial position of the Group as at March 31, 2014, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

We draw attention to note 36(ii)(f)(vii) to the consolidated financial statements which describe the uncertainties related to the legal outcome of Department of Telecommunications' demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter.

Other Matters

We did not audit the share of gain in a joint venture of ₹ 5,113 million for the year ended March 31, 2014, included in the accompanying financial statements in respect of the joint venture, whose financial statements and other financial information have been audited by other auditors and whose report has been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such joint venture is based solely on the report of other auditors.

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W

per Nilangshu Katriar

Partner

Membership No: 58814

Place: Gurgaon

Date: April 29, 2014

Abridged Consolidated Income Statement

(₹ Millions, except per share data)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013 Restated*
Revenue	857,461	769,045
Other operating income	1,174	425
Operating expenses	(580,865)	(536,891)
	277,770	**232,579**
Depreciation and amortisation	(156,496)	(148,148)
Profit from operating activities before exceptional items	**121,274**	**84,431**
Share of results of joint ventures and associates	5,211	3,506
Profit before finance income, finance costs, exceptional items and tax	**126,485**	**87,937**
Finance income	7,133	5,103
Finance costs	(55,513)	(45,187)
Exceptional items, net	538	-
Profit before tax	**78,643**	**47,853**
Income tax expense (including exceptional items)	(48,449)	(25,184)
Net profit for the year	**30,194**	**22,669**
Attributable to :		
Equity holders of the Parent	27,727	22,757
Non-controlling interests (including exceptional items)	2,467	(88)
Net profit	**30,194**	**22,669**
Earnings per share (In Rupees)		
Basic, profit attributable to equity holders of the Parent	7.02	6.00
Diluted, profit attributable to equity holders of the Parent	7.01	6.00

* Refer note 3(a)

The accompanying notes form an integral part of these abridged consolidated financial statements.

Abridged Consolidated Statement of Comprehensive Income

(₹ Millions)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013 Restated*
Net profit for the year	**30,194**	**22,669**
Other comprehensive income :		
Items that may be reclassified subsequently to profit or loss :		
Exchange differences on translation of foreign operations	15,716	(25,669)
Income tax effect	(150)	-
	15,566	**(25,669)**
Items that will not be reclassified to profit or loss :		
Re-measurement gains/(losses) on defined benefit plans	(197)	-
Income tax effect	49	-
	(148)	**-**
Other comprehensive income / (loss) for the year, net of tax	**15,418**	**(25,669)**
Total comprehensive income / (loss) for the year, net of tax	**45,612**	**(3,000)**
Attributable to :		
Equity holders of the Parent	43,373	(3,788)
Non-controlling interests	2,239	788
Total comprehensive income	**45,612**	**(3,000)**

* Refer note 3(a)

The accompanying notes form an integral part of these abridged consolidated financial statements.

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

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 29, 2014

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

Sunil Bharti Mittal
Chairman

Gopal Vittal
Managing Director
& CEO (India & South Asia)

Mukesh Bhavnani
Group General Counsel
& Company Secretary

Srikanth Balachandran
Global Chief
Financial Officer

Abridged Consolidated Statement of Financial Position

(₹ Millions)

Particulars	As of March 31, 2014	As of March 31, 2013 Restated*	As of April 1, 2012 Restated*
Assets			
Non-current assets			
Property, plant and equipment	596,429	638,277	626,834
Intangible assets	809,716	648,386	660,685
Investment in joint ventures and associates	56,702	11,552	5,054
Investment (non-current)	36,341	-	-
Derivative financial assets	2,761	3,566	2,756
Other financial assets	17,330	16,326	16,889
Other non-financial assets	26,009	18,749	15,456
Deferred tax asset	62,627	58,491	51,282
	1,607,915	**1,395,347**	**1,378,956**
Current assets			
Inventories	1,422	1,109	1,308
Trade and other receivables	62,441	67,824	67,258
Derivative financial assets	819	1,097	2,137
Prepayments and other assets	29,656	30,860	30,041
Income tax recoverable	9,319	10,093	6,170
Short term investments	62,265	65,546	15,569
Other financial assets	8,127	4,299	802
Cash and cash equivalents	49,808	16,078	19,914
	223,857	**196,906**	**143,199**
Total assets	**1,831,772**	**1,592,253**	**1,522,155**
Equity and liabilities			
Equity			
Issued capital	19,987	18,988	18,988
Treasury shares	(342)	(674)	(282)
Share premium	123,456	56,499	56,499
Retained earnings	437,167	414,027	395,682
Foreign currency translation reserve	(16,777)	(32,571)	(6,026)
Other components of equity	34,069	46,948	41,252
Equity attributable to equity holders of the Parent	**597,560**	**503,217**	**506,113**
Non-controlling interests	42,102	40,886	27,695
Total equity	**639,662**	**544,103**	**533,808**
Non-current liabilities			
Borrowings	549,919	569,137	473,416
Deferred revenue	14,010	9,685	2,883
Provisions	10,044	9,744	6,901
Derivative financial liabilities	4,313	893	401
Deferred tax liability	16,850	12,556	10,988
Other financial liabilities	27,464	23,204	23,429
Other non-financial liabilities	1,460	2,384	2,439
	624,060	**627,603**	**520,457**
Current liabilities			
Borrowings	209,039	98,226	181,961
Deferred revenue	44,899	39,560	43,282
Provisions	1,725	1,768	1,218
Other non-financial liabilities	15,277	13,245	10,767
Derivative financial liabilities	1,097	219	164
Income tax liabilities	12,032	7,627	7,596
Trade & other payables	283,981	259,902	222,902
	568,050	**420,547**	**467,890**
Total liabilities	**1,192,110**	**1,048,150**	**988,347**
Total equity and liabilities	**1,831,772**	**1,592,253**	**1,522,155**

* Refer note 3(a)

The accompanying notes form an integral part of these abridged consolidated financial statements.

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

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 29, 2014

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

Sunil Bharti Mittal
Chairman

Gopal Vittal
Managing Director
& CEO (India & South Asia)

Mukesh Bhavnani
Group General Counsel
& Company Secretary

Srikanth Balachandran
Global Chief
Financial Officer

Abridged Consolidated Statement of Changes in Equity

(₹ Millions, except as stated otherwise)

Particulars	Attributable to equity holders of the Parent									
	No of shares (in '000)	Share capital	Treasury shares	Share premium	Retained earnings	Foreign currency translation reserve	Other components of equity	Total	Non-controlling interests	Total equity
As of April 1, 2012	**3,797,530**	**18,988**	**(282)**	**56,499**	**395,682**	**(6,026)**	**41,252**	**506,113**	**27,695**	**533,808**
Net income / (loss) for the year	-	-	-	-	22,757	-	-	22,757	(88)	22,669
Other comprehensive income / (loss)	-	-	-	-	-	(26,545)	-	(26,545)	876	(25,669)
Total comprehensive income / (loss)	**-**	**-**	**-**	**-**	**22,757**	**(26,545)**	**-**	**(3,788)**	**788**	**(3,000)**
Share based compensation	-	-	-	-	-	-	389	389	14	403
Reclassification to provision for payment of stock option	-	-	-	-	-	-	(3)	(3)	-	(3)
Purchase of treasury shares from market	-	-	(762)	-	-	-	-	(762)	-	(762)
Receipt on exercise of share options	-	-	370	-	-	-	(302)	68	-	68
Transaction with non-controlling interests	-	-	-	-	-	-	5,612	5,612	(18,394)	(12,782)
Proceeds from issuance of equity shares to non - controlling interests	-	-	-	-	-	-	-	-	32,303	32,303
Share issue expenses (net of tax)	-	-	-	-	-	-	-	-	(394)	(394)
Dividend paid (including tax) to Company's shareholders	-	-	-	-	(4,412)	-	-	(4,412)	-	(4,412)
Dividend paid (including tax) to non-controlling interests	-	-	-	-	-	-	-	-	(1,126)	(1,126)
As of March 31, 2013	**3,797,530**	**18,988**	**(674)**	**56,499**	**414,027**	**(32,571)**	**46,948**	**503,217**	**40,886**	**544,103**
Net income / (loss) for the year	-	-	-	-	27,727	-	-	27,727	2,467	30,194
Other comprehensive income / (loss)	-	-	-	-	(148)	15,794	-	15,646	(228)	15,418
Total comprehensive income / (loss)	**-**	**-**	**-**	**-**	**27,579**	**15,794**	**-**	**43,373**	**2,239**	**45,612**
Share based compensation	-	-	-	-	-	-	-	-	8	8
Issue of share capital	199,870	999	-	66,957	-	-	-	67,956	-	67,956
Non-controlling interests arising on a business combination / liability for purchase of non-controlling interests	-	-	-	-	-	-	(7,534)	(7,534)	820	(6,714)
Receipt on exercise of share options	-	-	332	-	-	-	(295)	37	61	98
Transaction with non-controlling interests	-	-	-	-	-	-	(5,050)	(5,050)	355	(4,695)
Dividend paid (including tax) to Company's shareholders	-	-	-	-	(4,439)	-	-	(4,439)	-	(4,439)
Dividend paid (including tax) to non-controlling Interests	-	-	-	-	-	-	-	-	(2,296)	(2,296)
Others	-	-	-	-	-	-	-	-	29	29
As of March 31, 2014	**3,997,400**	**19,987**	**(342)**	**123,456**	**437,167**	**(16,777)**	**34,069**	**597,560**	**42,102**	**639,662**

The accompanying notes form an integral part of these abridged consolidated financial statements.

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

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 29, 2014

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

Sunil Bharti Mittal
Chairman

Gopal Vittal
Managing Director & CEO (India & South Asia)

Mukesh Bhavnani
Group General Counsel & Company Secretary

Srikanth Balachandran
Global Chief Financial Officer

Abridged Consolidated Statement of Cash Flows

(₹ Millions)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013 Restated*
Cash inflow from operating activities	262,326	227,699
Cash outflow from investing activities	(249,733)	(186,761)
Cash inflow /(outflow) from financing activities	27,744	(45,655)
Net increase/ (decrease) in cash and cash equivalents during the year	**40,337**	**(4,717)**
Effect of exchange rate changes on cash and cash equivalents	(2,073)	(1,624)
Add : Balance as at the beginning of the year	1,311	7,652
Balance as at the end of the year	**39,575**	**1,311**

* Refer note 3(a)

The accompanying notes form an integral part of these abridged consolidated financial statements.

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

per Nilangshu Katriar
Partner
Membership No: 58814

Place: Gurgaon
Date: April 29, 2014

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

Sunil Bharti Mittal
Chairman

Gopal Vittal
Managing Director
& CEO (India & South Asia)

Mukesh Bhavnani
Group General Counsel
& Company Secretary

Srikanth Balachandran
Global Chief
Financial Officer

Notes to the abridged consolidated financial statements

1. Corporate Information

Bharti Airtel Limited ("Bharti Airtel" or "the Company" or "the Parent") is domiciled and incorporated in India and publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE'), India. The Registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

Bharti Airtel together with its subsidiaries is hereinafter referred to as "the Group". The Group is a leading telecommunication service provider in India and also has strong presence in Africa and South Asia. The services provided by the Group are further detailed in note 6 under segment reporting.

The principal activities of the Group, its joint ventures and associates consist of provision of telecommunication systems and services, tower infrastructure services and direct to home digital TV services. The principal activities of the subsidiaries, joint ventures and associates are disclosed in note 24.

The Group's principal shareholders as of March 31, 2014 are Bharti Telecom Limited, Pastel Limited (part of Singapore Telecommunication International Pte. Limited Group), Indian Continent Investment Limited, Three Pillars Pte. Limited and Life Insurance Corporation of India.

(Note 1 of the notes to the annual consolidated financial statements)

2. Basis of Preparation

These abridged consolidated financial statements have been prepared, on the basis of the complete set of audited annual consolidated financial statements ("annual consolidated financial statements") for the year ended March 31, 2014, prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') for the purpose of inclusion in the Annual Report to be sent to the shareholders of the Company. The contents of the abridged consolidated financial statements are in accordance with the requirements of Clause 32 of the Listing agreements and to the extent applicable, Rule 7A of the Companies (Central Government's) General Rules and Forms (Amendment) Rules, 2012.

The annual consolidated financial statements and abridged consolidated financial statements were authorised for issue by the Board of Directors on April 29, 2014.

The preparation of the annual consolidated financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years, if the revision affects both current and future years (refer note 4 of the notes to the annual consolidated financial statements, on significant accounting judgements, estimates and assumptions).

(Note 2 of the notes to the annual consolidated financial statements)

3. Summary of Significant Accounting Policies

The significant accounting policies used in preparing the annual consolidated financial statements are set out in note 3 of the notes to the annual consolidated financial statements.

The annual consolidated financial statements are prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss that have been measured at fair value and liability for cash settled share based options. The carrying values of recognised liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships. The abridged consolidated financial statements are presented in Indian ₹ ('Rupees' or '₹'), which is the Company's functional and Group's presentation currency and all amounts are rounded to the nearest million, except as stated otherwise.

The accounting policies adopted are consistent with those of the previous financial year except for adoption of the new Standards, interpretations and amendments effective from the current year and are disclosed in note 3 of the notes to the annual consolidated financial statements.

The adoption of the new Standards / Interpretation / amendments to the Standards does not have any impact on the financial position or performance of the Group except for IFRS 11 and IAS 19, discussed below.

a) IFRS 11 Joint Arrangements

In May 2011, International Accounting Standards Board issued IFRS 11, "Joint arrangements".

IFRS 11 replaces IAS 31, "Interests in Joint Ventures" and SIC-13, *"Jointly-controlled Entities-Non-monetary Contributions by Venturers".* IFRS 11 defines joint control as the contractually agreed sharing of control of an arrangement; which exists only when the decisions about the relevant activities require the unanimous consent of the parties sharing control. The reference to 'control' in 'joint control' refers to the definition of 'control' under IFRS 10. IFRS 11 also changes the accounting for joint arrangements by moving from three categories under IAS 31 (jointly controlled operations, jointly controlled assets and jointly

Notes to the abridged consolidated financial statements

controlled entities) to two categories: joint operations and joint ventures. IFRS 11 removes the option to account for jointly controlled entities using the proportionate consolidation method. Jointly controlled entities that meet the definition of a joint venture must be accounted for using the equity method. IFRS 11 requires that the nature and the substance of the contractual rights and obligations arising from arrangement are considered when classifying it as either a joint operation or a joint venture; the legal form or structure of the arrangement is not the most significant factor in classifying the arrangement.

IFRS 11 was further amended in June, 2012 and provides relief similar to IFRS 10 from the presentation or adjustment of comparative information for periods prior to the immediately preceding period and also provides relief from disclosing the impact on each financial statement line item affected and earnings per share for the current period.

Jointly controlled entities of the Group (refer note 24 for the list of joint ventures) qualify as joint ventures under the Standard and have been accounted for using the equity method as compared to proportionate consolidation method earlier followed by the Company. This has resulted in recognising a single line item for investment in a joint venture in the statement of financial position, and a single line item for the proportionate share of net income and changes in other comprehensive income in the income statement and in the statement of comprehensive income, respectively.

The change in accounting of the Group's investments in joint ventures has been applied in accordance with the relevant transitional provisions set out in IFRS 11. Comparative amounts for the year ended and as of March 31, 2013 and March 31, 2012 have been restated to reflect the change in accounting for the Group's investment in joint ventures.

The line item wise impact on the comparative abridged consolidated income statement, abridged consolidated statement of financial position and abridged consolidated statement of cash flows is given below. There is no impact on the other comprehensive income, net profit, earnings per share and total equity of the Group for the comparative period.

Impact on Abridged Consolidated Income Statement

(₹ Millions)

Particulars	Year ended March 31, 2013 (Previously reported)	Impact of IFRS -11	Year ended March 31, 2013 (As restated)
Revenue	803,112	(34,067)	769,045
Other operating income	478	(53)	425
Operating expenses	(554,886)	17,995	(536,891)
	248,704	**(16,125)**	**232,579**
Depreciation and amortisation	(154,964)	6,816	(148,148)
Profit from operating activities	**93,740**	**(9,309)**	**84,431**
Share of results of joint ventures and associates	(76)	3,582	3,506
Profit before finance income, finance costs and tax	**93,664**	**(5,727)**	**87,937**
Finance income	5,633	(530)	5,103
Finance costs	(49,477)	4,290	(45,187)
Profit before tax	**49,820**	**(1,967)**	**47,853**
Income tax expense	(27,151)	1,967	(25,184)
Net profit for the period	**22,669**	**-**	**22,669**

Notes to the abridged consolidated financial statements

Impact on Abridged Consolidated Statement of Financial Position

(₹ Millions)

Particulars	As of March 31, 2013 (Previously reported)	Impact of IFRS -11	As of March 31, 2013 (As restated)
Assets			
Non-current assets			
Property, plant and equipment	688,430	(50,153)	638,277
Intangible assets	680,808	(32,422)	648,386
Investment in joint ventures and associates	242	11,310	11,552
Derivative financial assets	3,566	-	3,566
Other financial assets	16,999	(673)	16,326
Other non - financial assets	21,038	(2,289)	18,749
Deferred tax asset	59,245	(754)	58,491
	1,470,328	**(74,981)**	**1,395,347**
Current assets			
Inventories	1,109	-	1,109
Trade and other receivables	66,430	1,394	67,824
Derivative financial assets	1,097	-	1,097
Prepayments and other assets	33,134	(2,274)	30,860
Income tax recoverable	12,040	(1,947)	10,093
Short term investments	67,451	(1,905)	65,546
Other financial assets	4,348	(49)	4,299
Cash and cash equivalents	17,295	(1,217)	16,078
	202,904	**(5,998)**	**196,906**
Total assets	**1,673,232**	**(80,979)**	**1,592,253**
Equity and liabilities			
Equity			
Issued capital	18,988	-	18,988
Treasury shares	(674)	-	(674)
Share premium	56,499	-	56,499
Retained earnings	414,027	-	414,027
Foreign currency translation reserve	(32,571)	-	(32,571)
Other components of equity	46,948	-	46,948
Equity attributable to equity holders of the Parent	**503,217**	**-**	**503,217**
Non-controlling interests	40,886	-	40,886
Total equity	**544,103**	**-**	**544,103**
Non-current liabilities			
Borrowings	615,485	(46,348)	569,137
Deferred revenue	9,696	(11)	9,685
Provisions	10,548	(804)	9,744
Derivative financial liabilities	893	-	893
Deferred tax liability	15,873	(3,317)	12,556
Other financial liabilities	22,748	456	23,204
Other non - financial liabilities	3,465	(1,081)	2,384
	678,708	**(51,105)**	**627,603**
Current liabilities			
Borrowings	114,123	(15,897)	98,226
Deferred revenue	39,560	-	39,560
Provisions	1,835	(67)	1,768
Other non - financial liabilities	13,922	(677)	13,245
Derivative financial liabilities	219	-	219
Income tax liabilities	7,628	(1)	7,627
Trade & other payables	273,134	(13,232)	259,902
	450,421	**(29,874)**	**420,547**
Total liabilities	**1,129,129**	**(80,979)**	**1,048,150**
Total equity and liabilities	**1,673,232**	**(80,979)**	**1,592,253**

Notes to the abridged consolidated financial statements

Impact on Abridged Consolidated Statement of Cash Flows

(₹ Millions)

Particulars	Year ended March 31, 2013 (Previously reported)	Impact of IFRS -11	Year ended March 31, 2013 (As restated)
Cash inflow from operating activities	234,830	(7,131)	227,699
Cash outflow from investing activities	(189,057)	2,296	(186,761)
Cash outflow from financing activities	(49,658)	4,003	(45,655)
Net decrease in cash and cash equivalents during the year	**(3,885)**	**(832)**	**(4,717)**
Effect of exchange rate changes on cash and cash equivalents	(1,624)	-	(1,624)
Add : Balance as at the beginning of the year	8,037	(385)	7,652
Balance as at the end of the year	**2,528**	**(1,217)**	**1,311**

Impact on Abridged Consolidated Statement of Financial Position

(₹ Millions)

Particulars	As of March 31, 2012 (Previously reported)	Impact of IFRS -11	As of March 31, 2012 (As restated)
Assets			
Non-current assets			
Property, plant and equipment	674,932	(48,098)	626,834
Intangible assets	660,889	(204)	660,685
Investment in joint ventures and associates	223	4,831	5,054
Derivative financial assets	2,756	-	2,756
Other financial assets	16,887	2	16,889
Other non - financial assets	15,568	(112)	15,456
Deferred tax asset	51,277	5	51,282
	1,422,532	**(43,576)**	**1,378,956**
Current assets			
Inventories	1,308	-	1,308
Trade and other receivables	63,735	3,523	67,258
Derivative financial assets	2,137	-	2,137
Prepayments and other assets	32,621	(2,580)	30,041
Income tax recoverable	9,049	(2,879)	6,170
Short term investments	18,132	(2,563)	15,569
Other financial assets	802	-	802
Cash and cash equivalents	20,300	(386)	19,914
	148,084	**(4,885)**	**143,199**
Total assets	**1,570,616**	**(48,461)**	**1,522,155**

Notes to the abridged consolidated financial statements

(₹ Millions)

Particulars	As of March 31, 2012 (Previously reported)	Impact of IFRS -11	As of March 31, 2012 (As restated)
Equity and liabilities			
Equity			
Issued capital	18,988	-	18,988
Treasury shares	(282)	-	(282)
Share premium	56,499	-	56,499
Retained earnings	395,682	-	395,682
Foreign currency translation reserve	(6,026)	-	(6,026)
Other components of equity	41,252	-	41,252
Equity attributable to equity holders of the Parent	**506,113**	**-**	**506,113**
Non-controlling interests	27,695	-	27,695
Total equity	**533,808**	**-**	**533,808**
Non-current liabilities			
Borrowings	497,154	(23,738)	473,416
Deferred revenue	2,892	(9)	2,883
Provisions	7,240	(339)	6,901
Derivative financial liabilities	401	-	401
Deferred tax liability	11,621	(633)	10,988
Other financial liabilities	23,076	353	23,429
Other non-financial liabilities	5,551	(3,112)	2,439
	547,935	**(27,478)**	**520,457**
Current liabilities			
Borrowings	193,078	(11,117)	181,961
Deferred revenue	43,282	-	43,282
Provisions	1,290	(72)	1,218
Other non - financial liabilities	10,811	(44)	10,767
Derivative financial liabilities	166	(2)	164
Income tax liabilities	7,596	-	7,596
Trade & other payables	232,650	(9,748)	222,902
	488,873	**(20,983)**	**467,890**
Total liabilities	**1,036,808**	**(48,461)**	**988,347**
Total equity and liabilities	**1,570,616**	**(48,461)**	**1,522,155**

(Note 3 (a) of the notes to the annual consolidated financial statements)

Notes to the abridged consolidated financial statements

b) IAS 19 Employee Benefits

In June 2011, International Accounting Standards Board issued IAS 19 (Revised 2011). The revised standard includes a number of amendments that range from fundamental changes to simple clarifications and re-wording. The most significant change for the Group relate to the accounting for actuarial gains and losses.

Remeasurement gains and losses (mainly comprises of actuarial gains and losses for the Group) are to be recognised in OCI when they occur. Amounts recognised in profit or loss are limited to current and past service costs, gains or losses on settlements and net interest income (expense). All other changes in the net defined benefit asset / liability are recognised in other comprehensive income with no subsequent recycling to profit and loss.

The change in accounting for remeasurement gains and losses are required to be applied with retrospective effect as per the transitional provisions of IAS 19. The Group has assessed the impact of the restatement as immaterial and has, accordingly, not restated the comparative information.

The change does not have any impact on the provision for defined benefit obligation as of March 31, 2014. Actuarial loss of ₹ 148 Mn (Net of ₹ 49 Mn income tax effect) for the year ended March 31, 2014 has been recognised in other comprehensive income. There was no material impact on the Group's basic and diluted EPS and on the consolidated statement of cash flows.

IAS 19 (Revised 2011) also requires more extensive disclosures. These have been provided in note 30 of the notes to the annual consolidated financial statements.

(Note 3 (b) of the notes to the annual consolidated financial statements)

4. Critical Accounting Judgements, Estimates and Assumptions

The significant accounting judgements, estimates and assumptions used in preparing the annual consolidated financial statements are set out in note 4 of the notes to the annual consolidated financial statements. The critical accounting estimates and assumptions relating to Impairment reviews and Property, plant and equipment are as below:

a) Impairment Reviews

An impairment exists when the carrying value of an asset or cash generating unit ('CGU') exceeds its recoverable amount. Recoverable amount is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. In calculating the value in use, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of growth in EBITDA, long term growth rates; and the selection of discount rates to reflect the risks involved. Also, judgement is involved in determining the CGU and grouping of CGUs for goodwill allocation and impairment testing.

The Group prepares and internally approves formal ten year plans, as applicable, for its businesses and uses these as the basis for its impairment reviews. The Group mainly operates in developing markets and in such markets, the plan for shorter duration is not indicative of the long term future performance. Considering this and the consistent use of such robust ten year information for management reporting purpose, the Group uses ten year plans for the purpose of impairment testing. Since the value in use exceeds the carrying amount of CGU, the fair value less costs to sell is not determined.

The key assumptions used to determine the recoverable amount for the CGUs, including sensitivity analysis, are disclosed and further explained in note 14.

The Group tests goodwill for impairment annually on December 31 and whenever there are indicators of impairment. If some or all of the goodwill, allocated to a CGU, is recognised in a business combination during the year, that unit is tested for impairment before the end of that year.

(Note 4.2 (a) of the notes to the annual consolidated financial statements)

b) Property, Plant and Equipment

During the year ended March 31, 2014, the Group has reassessed useful life of certain categories of network assets due to technological developments and has revised the remaining useful life in respect of those assets effective April 1, 2013. Additional depreciation charge of ₹ 6,469 Mn on assets for which the revised useful life has expired on April 1, 2013 has been recognised and disclosed as 'exceptional items, net' (refer note 12(b)) and additional depreciation charge of ₹ 1,984 Mn for the year ended March 31, 2014 for balance assets has been recognised and reflected as 'Depreciation and amortisation'. The impact of above change on the depreciation charge for the future years is as follows:

(₹ Millions)

Particulars	Year ending March 31, 2015	Year ending March 31, 2016	Year ending March 31, 2017	After March 31, 2017
Increase/ (decrease) in depreciation	(384)	(1,002)	(1,045)	(6,022)

(Note 4.2 (g) of the notes to the annual consolidated financial statements)

Notes to the abridged consolidated financial statements

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

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are set out in note 5 of the notes to the annual consolidated financial statements.

6. Segment Reporting

The Group's operating segments are organised and managed separately through the respective business managers, according to the nature of products and services provided, with each segment representing a strategic business unit. These business units are reviewed by the Chairman of the Group (Chief operating decision maker). Effective April 1, 2013, to reflect the growing importance of South Asia mobile operations, the Group's mobile services in Bangladesh and Sri Lanka are now being reported under a separate segment 'Mobile Services-South Asia', earlier included in 'Mobile Services - India and South Asia'. Accordingly, 'Mobile Services - India' is being reported as a separate segment. In addition, to better reflect business synergies, intra city fiber networks earlier included in 'Telemedia Services', and Mobile Commerce Services in India earlier included in 'Others', have now been included in 'Mobile Services - India'. Further, in order to improve the comparability of results with the single segment telecom players, the Company has also allocated certain central common expenses, earlier included in 'Unallocated' to 'Mobile Services - India', 'Telemedia Services' and 'Airtel Business'. Accordingly, previous year's segment figures have been restated.

The revised reporting segments of the Group are as below:

Mobile Services India: These services cover voice and data telecom services provided through wireless technology (2G/3G/4G) in India. This includes the captive national long distance networks which primarily provide connectivity to the mobile services business in India. This also includes intra city fibre networks and Mobile commerce services.

Mobile Services-South Asia: These services cover voice and data telecom services provided through wireless technology (2G/3G) in Sri Lanka and Bangladesh.

Mobile Services Africa: These services cover provision of voice and data telecom services offered to customers in Africa continent. This also includes corporate headquarter costs of the Group's Africa operations.

Telemedia Services: These services cover voice and data communications based on fixed network and broadband technology.

Digital TV Services: This includes digital broadcasting services provided under the Direct-to-home platform.

Airtel Business: These services cover end-to-end telecom solutions being provided to large Indian and global corporations by serving as a single point of contact for all telecommunication needs across data and voice (domestic as well as international long distance), network integration and managed services.

Tower Infrastructure Services (formerly known as 'Passive Infrastructure Services'): These services include setting up, operating and maintaining wireless communication towers in India.

Others: These include administrative and support services provided to other segments.

Notes to the abridged consolidated financial statements

Summary of the segmental information as of and for the year ended March 31, 2014 is as follows:

(₹ Millions)

Description	Mobile Services India	Mobile Services South Asia	Mobile Services Africa	Telemedia Services	Airtel Business	Digital TV Services	Tower Infrastructure Services	Others	Unallocated *	Eliminations	Consolidated
Segment revenue	466,835	17,403	272,488	39,352	63,361	20,771	51,087	3,197	-	(77,033)	857,461
Segment result	91,216	(4,271)	16,983	5,541	8,078	(4,821)	16,185	62	(2,213)	(275)	126,485
Segment capital employed	718,141	11,087	629,398	46,699	75,301	(33,330)	183,527	(314)	(989,573)	(1,274)	639,662

Summary of the segmental information as of and for the year ended March 31, 2013 is as follows:

(₹ Millions)

Description	Mobile Services India	Mobile Services South Asia	Mobile Services Africa	Telemedia Services	Airtel Business	Digital TV Services	Tower Infrastructure Services	Others	Unallocated*	Eliminations	Consolidated
Segment revenue	430,705	12,330	240,439	35,896	53,203	16,295	49,865	3,359	-	(73,047)	769,045
Segment result	66,552	(5,117)	15,569	6,999	3,110	(8,105)	10,894	83	(2,027)	(21)	87,937
Segment capital employed	577,782	8,693	549,131	41,950	62,396	(28,138)	166,099	(476)	(832,528)	(806)	544,103

*Capital employed includes amount borrowed for the acquisition of 3G and BWA Licenses (including spectrum) ₹ 62,900 Mn and ₹ 52,225 Mn and for funding the acquisition of Africa operations and other borrowings of Africa operations ₹ 640,237 Mn and ₹ 537,760 Mn as of March 31, 2014 and March 31, 2013, respectively.

(Note 6 of the notes to the annual consolidated financial statements)

Notes to the abridged consolidated financial statements

7. Business Combination/ Disposal of Subsidiary/ Other Acquisitions/ Transaction with Non-controlling Interests

a) Acquisition of interest in Airtel Broadband Services Private Limited ('ABSPL') (formerly known as Wireless Business Services Private Limited), erstwhile Wireless Broadband Business Services (Delhi) Pvt. Ltd., erstwhile Wireless Broadband Business Services (Kerala) Pvt. Ltd. and erstwhile Wireless Broadband Business Services (Haryana) Pvt. Ltd. (together referred as "BWA entities")

i. During the year ended March 31, 2013, pursuant to a definitive agreement dated May 24, 2012, the Company had acquired 49% stake for a consideration of ₹ 9,281 Mn in BWA entities mentioned above, Indian subsidiaries of Qualcomm Asia Pacific (Qualcomm AP) partly by way of acquisition of 26% equity interest from its existing shareholders and balance 23% by way of subscription of fresh equity in the referred entities. The agreement contemplated that once commercial operations are launched, subject to certain terms and conditions, the Company had the option to assume complete ownership and financial responsibility for the BWA entities by the end of 2014. With this acquisition, the Company had secured a nation-wide broadband leadership through a combination of 4G and 3G networks.

During the three months period ended June 30, 2012, the BWA entities were accounted for as associates.

Effective July 1, 2012, the Group had started exercising its right of joint control over the activities of the BWA entities and had accordingly accounted for them as Joint Ventures. The difference of ₹ 1,175 Mn between the purchase consideration of ₹ 7,646 Mn (net of ₹ 812 Mn to be adjusted against the amount to be paid for the purchase of balance shares and ₹ 823 Mn of the consideration identified towards fair value of the contract for the purchase of balance shares) and its share of the fair value of net assets of ₹ 6,471 Mn was recognised as goodwill, recorded as part of the investment in joint ventures.

ii. During the year ended March 31, 2014, on June 25, 2013, the Company acquired additional equity stake of 2% by way of subscription to fresh equity of ₹ 638 Mn, thereby acquiring control over the BWA entities. The acquisition was accounted for in the books, using the acquisition method and accordingly, all the assets and liabilities were measured at their fair values as on the acquisition date and the purchase consideration has been allocated to the net assets.

The Company has fair valued its existing 49% equity interest at ₹ 8,740 Mn and recognised a net gain of ₹ 201 Mn (net of loss on fair valuation of contract for the purchase of balance shares). The difference of ₹ 8,329 Mn between the purchase consideration of ₹ 9,182 Mn (including fair valuation of existing equity interest and fair value of contract for the purchase of balance shares ₹ 196 Mn (liability)) and fair value of net assets of ₹ 853 Mn (including cash acquired of ₹ 2,413 Mn and net of non-controlling interest of ₹ 820 Mn) has been recognised as goodwill. The goodwill recognised in the transaction consists largely of the synergies and economies of scale expected from the combined operation of the Group and BWA entities. None of the goodwill recognised is deductible for income tax purpose. The present value of the liability of ₹ 6,722 Mn to be paid for the purchase of balance shares and the advance of ₹ 812 Mn was recognised against the 'Other components of equity'. The fair value and the carrying amount of the acquired receivables as of the date of acquisition was Nil.

From the date of acquisition, BWA entities have contributed revenue of less than ₹ one million and loss before tax of ₹ 94 Mn to the consolidated revenue and profit before tax of the Group, respectively, for the year ended March 31, 2014.

On August 30, 2013, the Group increased its equity investment in ABSPL by way of conversion of loan of ₹ 49,094 Mn, thereby increasing its shareholding from 51% to 93.45%. Considering other terms of the definitive agreement, as the non-controlling interest is no longer bearing the risks and rewards of ownership, the entire carrying amount of non-controlling interest of ₹ 800 Mn has been derecognised and has been recognised in 'Other components of equity'.

On October 17, 2013, the Group acquired remaining stake of ABSPL from Qualcomm AP for a total consideration of ₹ 6,903 Mn (in addition to ₹ 812 Mn paid during the year ended March 31, 2013 (refer (i) above), thereby increasing its shareholding to 100%. An amount of ₹ 2,154 Mn after adjustment of the amount paid for retirement of borrowings of ₹ 4,104 Mn and interest there on of ₹ 645 Mn has been paid. An amount of ₹ 6,379 Mn (excluding the interest recovered for the period till June 25, 2013, the date of acquisition of control) has been disclosed in the statement of cash flows under 'cash flows from financing activities'.

iii. The Scheme of Arrangement ('Scheme') under Section 391 to 394 of the Companies Act, 1956 for amalgamation of Wireless Broadband Business Services (Delhi) Private Limited, Wireless Broadband Business Services (Kerala) Private Limited and Wireless Broadband Business Services (Haryana) Private Limited (collectively referred to as "the transferor companies") with Airtel Broadband Services Private Limited ('ABSPL') (formerly

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known as Wireless Business Services Private Limited) was approved by the Hon'ble High Courts of Delhi and Bombay vide order dated May 24, 2013 and June 28, 2013, respectively, with appointed date July 6, 2010, and filed with the Registrar of Companies on August 5, 2013, effective date of the Scheme. Accordingly, the transferor companies have ceased to exist and have merged into ABSPL.

The Scheme of Arrangement ('Scheme') under Sections 391 to 394 of the Companies Act, 1956 for amalgamation of ABSPL with the Company, was approved by the Hon'ble High Courts of Delhi and Bombay on January 21, 2014 and April 11, 2014, respectively. The Scheme shall be effective on filing of certified copies of Orders of Hon'ble High Courts of Bombay and Delhi with the Registrar of Companies (ROC) and obtaining of any other regulatory approval. The said orders are yet to be filed with ROC. Since the Scheme involves amalgamation of the wholly owned subsidiary, ABSPL, with the Company, this will not have any impact on these consolidated financial statements.

b) Acquisition of 100% interest in Warid Telecom Uganda Limited

The Group entered into a share purchase agreement with Warid Telecom Uganda LLC and Warid Uganda Holding Inc to acquire 100% equity interest in Warid Telecom Uganda Limited to consolidate its position as the second largest mobile operator in Uganda. The transaction was closed on May 13, 2013. The acquisition was accounted for in the books, using the acquisition method and accordingly, all the assets and liabilities were measured at their preliminary fair values as on the acquisition date and the purchase consideration has been allocated to the net assets. The difference of ₹ 2,394 Mn between the purchase consideration and preliminary fair value of net assets has been recognised as goodwill. None of the goodwill recognised is deductible for income tax purpose. The goodwill recognised in the transaction consists largely of synergies and economies of scale expected from the combined operation of the Group and Warid Telecom Uganda Limited. Considering the complexities involved in the acquired business, the above figures are provisional as the management is still in the process of finalising the fair valuation.

The fair value, gross contractual amount and best estimate of the amount not expected to be collected, of the acquired receivables as of the date of acquisition was ₹ 436 Mn, ₹ 510 Mn and ₹ 74 Mn respectively.

On February 1, 2014, Warid Telecom Uganda Limited merged into Airtel Uganda Limited, an indirect subsidiary of the Company. From the date of acquisition till January 31, 2014, Warid Telecom Uganda Limited has contributed revenue of ₹ 6,006 Mn and loss before tax of ₹ 578 Mn to the consolidated revenue and profit before tax of the Group, respectively.

c) Acquisition of 100% interest in Warid Congo S.A

The Group entered into a share purchase agreement with Warid Telecom Congo LLC and Warid Congo Holding Inc to acquire 100% equity interest in Warid Congo S.A. The acquisition will make the Group the largest mobile operator in Congo Brazzaville. The transaction was closed on March 12, 2014. The acquisition was accounted for in the books, using the acquisition method and accordingly, all the assets and liabilities were measured at their preliminary fair values as on the acquisition date and the purchase consideration has been allocated to the net assets. The difference of ₹ 1,291 Mn between the purchase consideration and preliminary fair value of net assets has been recognised as goodwill. None of the goodwill recognised is deductible for income tax purpose. The goodwill recognised in the transaction consists largely of synergies and economies of scale expected from the combined operation of the Group and Warid Congo S.A. Considering the complexities involved in the acquired business, the above figures are provisional as the management is still in the process of finalising the fair valuation.

The fair value, gross contractual amount and best estimate of the amount not expected to be collected, of the acquired receivables as of the date of acquisition was ₹ 243 Mn, ₹ 261 Mn and ₹ 18 Mn respectively.

From the date of acquisition, Warid Congo S.A has contributed revenue of ₹ 286 Mn and profit before tax of ₹ 60 Mn to the consolidated revenue and profit before tax of the Group, respectively, for the year ended March 31, 2014.

d) Acquisition of additional interest in Airtel Bangladesh Limited

On June 12, 2013, the Group acquired 30% equity stake in Airtel Bangladesh Limited, thereby, increasing its shareholding to 100%. The excess of consideration over the carrying value of the interest acquired, ₹ 5,850 Mn (including transaction costs), has been recognised in 'Other components of equity'.

e) Demerger of Bharti Infratel Ventures Limited

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) (an indirect subsidiary of the Company), Vodafone Infrastructure Limited (VIL) (formerly known as Vodafone Essar Infrastructure Limited), and Idea Cellular Tower Infrastructure Limited (ICTIL) (collectively referred to

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as "the transferor companies") to Indus Towers Limited (Indus), a joint venture of the Group, 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, effective date of the Scheme. Accordingly, effective this date, the transferor companies have ceased to exist and have merged into Indus. The Scheme has, accordingly, been given effect to in the consolidated financial statements of the Group.

As a result of the transaction, the Group has lost control of BIVL and gained an additional interest in Indus and accordingly the Group has:

(i) derecognised the assets and liabilities of BIVL from its consolidated statement of financial position (net ₹ 43,631 Mn) (including cash & cash equivalents of ₹ 8,009 Mn);

(ii) recognised additional investment in Indus at ₹ 52,581 Mn, i.e., the Group's share of the aggregate of (a) fair value of the net assets contributed by the other joint venturers and (b) book value of net assets of BIVL contributed by the Group; and

(iii) recognised resultant gain of ₹ 8,950 Mn as an exceptional income (refer note 12(a)).

f) During the year ended March 31, 2014, the Group has reduced goodwill by ₹ 926 Mn and increased non-controlling interest by ₹ 29 Mn with respect to a past business combination transaction.

g) Dilution of shareholding in Bharti Infratel Limited

During the year ended March 31, 2013, Bharti Infratel Limited (BIL), a subsidiary of the Company, made an Initial Public Offering (IPO) through book building process of 188,900,000 equity shares of ₹ 10 each. The IPO comprised of fresh issue of 146,234,112 equity shares of ₹ 10 each by BIL and an offer for sale of 42,665,888 equity shares of ₹ 10 each by the existing shareholders. BIL has raised ₹ 32,303 Mn from fresh issue of shares and incurred related share issue expenses of ₹ 579 Mn (deferred tax of ₹ 185 Mn has been recognised on the same). BIL's equity shares got listed on December 28, 2012 on both the Stock Exchanges (BSE & NSE).

Post the issue, the holding of the Company in BIL has reduced from 86.09% to 79.42%. The equity shares were allotted on December 22, 2012. On the date of allotment, the carrying amounts of the controlling and non-controlling interests have been adjusted to reflect the changes in their relative interests in BIL. Consequently, the dilution gain of ₹ 16,649 Mn has been recognised directly in equity as attributable to the equity shareholders of the Parent.

h) Acquisition of additional interest in Airtel Networks Limited

On March 11, 2013, the Group acquired 13.357% equity stake in Airtel Networks Limited, thereby, increasing its shareholding to 79.059%. The excess of consideration over the carrying value of the interest acquired, ₹ 11,037 Mn (including transaction costs), had been recognised in 'Other components of equity'.

i) Total consolidated revenue of the Group and net profit before tax of the Group would have been ₹ 862,930 Mn and ₹ 79,857 Mn respectively, had all the acquisitions been effective for the full year ended March 31, 2014.

(Note 7 of the notes to the annual consolidated financial statements)

8. Revenue

(₹ Millions)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Service revenue	853,009	762,059
Sale of products	4,452	6,986
Total	**857,461**	**769,045**

9. Operating Expenses

(₹ Millions)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Access charges	111,923	113,227
Licence fees, revenue share and spectrum charges	76,631	66,486
Network operations cost	197,202	173,333
Employee costs	46,228	38,823
Selling, general and administrative expenses	147,979	144,632
Charity & donations	902	390
Total	**580,865**	**536,891**

Selling, general and administrative expenses include followings:

(₹ Millions)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Trading inventory consumption	4,728	7,834
Dimunition in value of inventory	381	374
Provision for doubtful debts	5,781	4,500

(Note 8 of the notes to the annual consolidated financial statements)

Notes to the abridged consolidated financial statements

10. Depreciation & Amortisation

(₹ Millions)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Depreciation	132,118	121,835
Amortisation	24,378	26,313
Total	**156,496**	**148,148**

(Note 9 of the notes to the annual consolidated financial statements)

11.a) Finance Income & Costs

(₹ Millions)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Finance income		
Dividend from mutual funds	898	113
Interest Income on deposits	632	644
Interest Income on loans to associates	38	46
Interest Income on others	1,862	1,313
Net gain on mutual funds	3,703	2,758
Net gain on derivative financial instruments *	-	229
Total	**7,133**	**5,103**
Finance costs		
Interest on borrowings	36,382	36,944
Unwinding of discount on provisions	548	471
Net exchange loss	7,321	3,200
Net loss on derivative financial instruments *	5,088	-
Other finance charges	6,174	4,572
Total	**55,513**	**45,187**

* Refer note 17 of the notes to the annual consolidated financial statements for details of interest rate swaps designated as hedging instruments and note 33 of the notes to the annual consolidated financial statements for details of financial assets and liabilities categorised within level 3 of the fair value hierarchy.

"Dividend from mutual funds" includes ₹ 210 Mn and "Net gain on mutual funds" includes net gain of ₹ 96 Mn relating to investments in mutual funds designated at fair value through profit or loss.

"Interest income on others" includes ₹ 329 Mn and ₹ 464 Mn towards unwinding of discount on other financial assets for the years ended March 31, 2014 and March 31, 2013, respectively.

"Other finance charges" comprise bank charges, trade finance charges, charges relating to derivative instruments and interest charges towards sub judice matters and also includes ₹ 894 Mn and ₹ 179 Mn towards unwinding of discount on other financial liabilities for the years ended March 31, 2014 and March 31, 2013, respectively.

(Note 10 of the notes to the annual consolidated financial statements)

b) During the years ended March 31, 2014 and March 31, 2013, the Group has capitalised borrowing cost of ₹ 2,266 Mn and ₹ 298 Mn, respectively.

(Note 14 of the notes to the annual consolidated financial statements)

12. Exceptional items

Exceptional items comprises of the following:-

a) Gain of ₹ 8,950 Mn and ₹ Nil during the year ended March 31, 2014 and March 31, 2013, respectively, on account of demerger of Bharti Infratel Ventures Limited, a subsidiary of the Group (refer note 7(e)).

b) Charge of ₹ 6,469 Mn and ₹ Nil during the year ended March 31, 2014 and March 31, 2013, respectively, resulting from reassessment of the residual useful lives of certain categories of network assets of the Group due to technological developments (refer note 4(b)).

c) Charge of ₹ 374 Mn and ₹ Nil during the year ended March 31, 2014 and March 31, 2013, respectively, arising from a new regulatory levy.

d) Charge of ₹ 1,569 Mn and ₹ Nil during the year ended March 31, 2014 and March 31, 2013, respectively, arising primarily from integration cost due to business combination.

Tax expense includes:

i) Tax expense of ₹ 1,055 Mn and ₹ Nil during the year ended March 31, 2014 and March 31, 2013, respectively, on above, and

ii) Tax provision of ₹ 2,915 Mn and ₹ Nil during the year ended March 31, 2014 and March 31, 2013, respectively, on account of settlement of various disputes /uncertain tax position.

Profit/loss attributable to non-controlling interests includes impact of ₹ 1,558 Mn and ₹ Nil during the year ended March 31, 2014 and March 31, 2013, respectively, relating to the above exceptional items.

(Note 11 of the notes to the annual consolidated financial statements)

Notes to the abridged consolidated financial statements

13. Income Taxes

(₹ Millions)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Current tax expense	41,270	27,927
Deferred tax expense/ (income)*	7,179	(2,743)
Total	**48,449**	**25,184**

* Includes tax credit utilisation on account of minimum alternate tax (MAT) of ₹ 2,999 Mn and tax credit recoverable of ₹ 1,669 Mn during years ended March 31, 2014 and March 31, 2013, respectively.

During the year ended March 31, 2013, the Group had recognised additional tax charge of ₹ 1,326 Mn on account of changes in tax rates (including ₹ 861 Mn relating to India on account of change in tax rate from 32.445% to 33.99% as proposed in the Finance Bill, 2013).

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Accordingly, the Group has not recognised deferred tax assets in respect of deductible temporary differences, carry forward of unused tax credits and unused tax losses of ₹ 176,035 Mn and ₹ 144,805 Mn as of March 31, 2014 and March 31, 2013, respectively as it is not probable that taxable profits will be available in future.

The tax rates applicable to these unused losses and deductible temporary differences vary from 3% to 45% depending on the jurisdiction in which the respective Group entity operates. Of the above balance as of March 31, 2014 and March 31, 2013, losses and deductible temporary differences to the extent of ₹ 66,692 Mn and ₹ 54,408 Mn, respectively have an indefinite carry forward period and the balance amount expires unutilised as follows:

(₹ Millions)

March 31,	As of March 31, 2014
2015	8,244
2016	6,188
2017	7,770
2018	10,045
2019	6,879
Thereafter	70,217
	109,343

(₹ Millions)

March 31,	As of March 31, 2013
2014	11,788
2015	7,901
2016	7,643
2017	13,096
2018	5,557
Thereafter	44,412
	90,397

The Group has not recognised deferred tax liability with respect to unremitted retained earnings and associated foreign currency translation reserve with respect to certain of its subsidiaries and joint ventures where the Group is in a position to control the timing of the distribution of profits and it is probable that the subsidiaries and joint ventures will not distribute the profits in the foreseeable future. Also, the Group does not recognises deferred tax liability on the unremitted retained earnings of its subsidiaries wherever it believes that it would avail the tax credit for the dividend distribution tax payable by the subsidiaries on its dividend distribution. The taxable temporary difference associated with respect to unremitted retained earnings and associated foreign currency translation reserve is ₹ 73,054 Mn and ₹ 79,971 Mn as of March 31, 2014 and March 31, 2013, respectively. The distribution of the same is expected to attract tax in the range of NIL to 15% depending on the tax rates applicable as of March 31, 2014 in the jurisdiction in which the respective Group entity operates.

During the year ended March 31, 2013, the Group had changed the trigger plan date for earlier years for certain business units enjoying Income tax holiday under the Indian Income tax laws. Accordingly, tax charge of ₹ 410 Mn pertaining to earlier years has been recognised during the year ended March 31, 2013.

(Note 12 of the notes to the annual consolidated financial statements)

14. Impairment Reviews

The Group tests goodwill for impairment annually on December 31 and whenever there are indicators of impairment (refer note 4(a)). Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs expected to benefit from acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes,

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within an operating segment. The impairment assessment is based on value in use calculations.

During the year, the testing did not result in any impairment in the carrying amount of goodwill.

The carrying amount of goodwill has been allocated to the following CGU/ Group of CGUs:

(₹ Millions)

Particulars	As of March 31, 2014	As of March 31, 2013
Mobile Services - India	39,524	31,195
Mobile Services - Bangladesh	8,211	7,370
Airtel business	5,382	4,890
Mobile Services - Africa	415,675	368,624
Telemedia Services	344	344
Total	**469,136**	**412,423**

The measurement of the cash generating units' value in use is determined based on the ten years financial plan that have been approved by management and are also used for internal purposes. The planning horizon reflects the assumptions for short-to-mid term market developments. Cash flows beyond the planning period are extrapolated using appropriate growth rates. The terminal growth rates used do not exceed the long term average growth rates of the respective industry and country in which the entity operates and are consistent with forecasts included in industry reports.

Key assumptions used in value-in-use calculations

- Operating margins (Earnings before interest and taxes)
- Discount rate
- Growth rates
- Capital expenditures

Operating margins: Operating margins have been estimated based on past experience after considering incremental revenue arising out of adoption of valued added and data services from the existing and new customers, though these benefits are partially offset by decline in tariffs in a hyper competitive scenario. Margins will be positively impacted from the efficiencies and initiatives driven by the Company; at the same time, factors like higher churn and increased cost of operations may impact the margins negatively.

Discount rate: Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs. Pre-tax discount rate used ranged from 13.53% to 20.22% (higher rate used for CGU group 'Mobile Services – Africa') for the year ended March 31, 2014 and ranged from 12.5% to 19.9% (higher rate used for CGU group 'Mobile Services – Africa') for the year ended March 31, 2013.

Growth rates: The growth rates used are in line with the long term average growth rates of the respective industry and country in which the entity operates and are consistent with the forecasts included in the industry reports. The average growth rates used in extrapolating cash flows beyond the planning period ranged from 3.5% to 5.49% (higher rate used for 'Mobile Services – Bangladesh' CGU) for the year ended March 31, 2014 and ranged from 3.5% to 4.0% (higher rate used for CGU group 'Mobile Services – Africa' and 'Mobile Services – Bangladesh' CGU) for the year ended March 31, 2013.

Capital expenditures: The cash flow forecasts of capital expenditure are based on past experience coupled with additional capital expenditure required for roll out of incremental coverage requirements and to provide enhanced voice and data services.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use for Mobile Services – India, Mobile Services – Bangladesh, Telemedia Services and Airtel Business, no reasonably possible change in any of the above key assumptions would cause the carrying amount of these units to exceed their recoverable amount. For Mobile Services - Africa CGU group, the recoverable amount exceeds the carrying amount by approximately 10% for the year ended March 31, 2014 (March 31, 2013: 11.5%). An increase of 1.2% (March 31, 2013: 1.5%) in discount rate shall equate the recoverable amount with the carrying amount of the Mobile Services – Africa CGU group for the year ended March 31, 2014. Further, for Mobile Services – Africa CGU group, no reasonably possible change in the growth rate beyond the planning horizon would cause the carrying amount to exceed the recoverable amount.

(Note 15 of the notes to the annual consolidated financial statements)

15. Derivative Financial Instruments

Hedging Instruments

Beginning April 1, 2013, the Group has applied fair value hedge accounting, and started designating certain interest rate swaps (exchanging fixed rate of interest for floating rate of interest) as a hedging instrument for hedging the risk

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of change in fair value of the non-convertible bonds with respect to changes in the USD LIBOR/ EURIBOR zero coupon curve.

The fair value of such interest rate swaps liability (net) is ₹ 3,592 Mn as of March 31, 2014. The loss of ₹ 3,041 Mn has been recognised on the interest rate swaps and gain of ₹ 3,275 Mn has been recognised on the non-convertible bonds on account of changes in fair value with respect to the hedged risk during the year ended March 31, 2014.

(Note 17 of the notes to the annual consolidated financial statements)

16. Investments

(a) Short term investments

(₹ Millions)

Particulars	As of March 31, 2014	As of March 31, 2013
Held for trading securities - quoted	61,574	64,760
Designated at fair value through profit or loss - quoted	690	-
Loans and receivables - fixed deposits with banks	1	786
Total	**62,265**	**65,546**

(b) Investment (non-current)

(₹ Millions)

Particulars	As of March 31, 2014	As of March 31, 2013
Held for trading securities - quoted*	27,883	-
Designated at fair value through profit or loss - quoted	8,458	-
Total	**36,341**	**-**

* These were reclassified from short term investments to investment (non-current) basis the future utilisation plan of funds.

The market values of quoted investments were assessed on the basis of the quoted prices as at the date of statement of financial position. Held for trading investments primarily comprises debt linked mutual funds and quoted liquid debt instruments in which the Group invests surplus funds to manage liquidity and working capital requirements. Investments designated at fair value through profit or loss comprises investments in debt linked mutual funds.

The Group has taken borrowings from banks and financial institutions which carry charge over certain of the above assets. Details towards security and pledge of the above assets are given under note 18.2.

(Note 23 of the notes to the annual consolidated financial statements)

17. Cash and Cash Equivalents

(₹ Millions)

Particulars	As of March 31, 2014	As of March 31, 2013
Balance with banks	43,558	13,058
Cheques, drafts on hand	255	222
Cash in hand	692	1,005
Fixed deposits with banks	5,303	1,793
	49,808	**16,078**

For the purpose of the abridged consolidated cash flow statement, cash and cash equivalents comprise of following:-

(₹ Millions)

Particulars	As of March 31, 2014	As of March 31, 2013
Balance with banks	43,558	13,058
Cheques, drafts on hand	255	222
Cash in hand	692	1,005
Fixed deposits with banks	5,303	1,793
Less :- Bank overdraft	(10,233)	(14,767)
	39,575	**1,311**

(Note 25 of the notes to the annual consolidated financial statements)

18. Borrowings

18.1 Bharti Airtel International (Netherlands) BV, a subsidiary of the Company, issued following senior unsecured guaranteed notes (Non-convertible bonds or Notes).These notes are guaranteed by the Company.

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During the year ended March 31, 2014:

Particulars	Issue price	Due in	Listed on stock exchange
3% CHF 350 Mn (₹ 23,631 Mn)	100.108%	2020	SWISS (SIX)
4% Euro 750 Mn (₹ 62,924 Mn)	99.756%	2018	Frankfurt
4% Euro 250 Mn (₹ 20,933 Mn)	100.374%	2018	Frankfurt

During the year ended March 31, 2013:

Particulars	Issue price	Due in	Listed on stock exchange
5.125% USD 1000 Mn (₹ 54,413 Mn)	100%	2023	Singapore
5.125% USD 500 Mn (₹ 27,200 Mn)*	100.625%	2023	Singapore

* USD 500 Mn was received during the year ended March 31, 2014.

The Euro and USD Notes contain certain covenants relating to limitation on Indebtedness and on creation of any lien on any of its assets other than as permitted under the agreement, unless an effective provision is made to secure the Notes and guarantee equally and ratably with such Indebtedness for so long as such Indebtedness is so secured by such lien. The limitation on indebtedness covenant gets suspended on Notes meeting certain agreed criteria. The debt covenants remained suspended as of the date of the authorisation of the financial statements. The CHF notes do not carry any restrictions on the limitation on indebtedness.

(Note 26.5 of the notes to the annual consolidated financial statements)

18.2 Security Details:

The Group has taken borrowings in various countries towards funding of its acquisition and working capital requirements. The borrowings comprise of funding arrangements with various banks and financial institutions taken by the Parent and subsidiaries. The details of security provided by the Group in various countries, to various banks on the assets of Parent and subsidiaries are as follows:

(₹ Millions)

Entity	Relation	Outstanding loan amount		Security Detail
		As of March 31, 2014	As of March 31, 2013	
Bharti Airtel Ltd	Parent	13	19	Hypothecation of vehicles
Airtel Bangladesh Ltd	Subsidiary	18,020	10,535	(i) Deed of Hypothecation by way of fixed charge creating a first-ranking pari passu fixed charge over listed machinery and equipment of the company, favouring the Bank / FIIs investors and the Offshore Security Agent and filed with the Registrar of Joint Stock Companies. Third Modification to Deed of Hypothecation for EKN-2 facility (ii) Deed of Hypothecation by way of floating charge creating a first-ranking pari passu floating charge over plant, machinery and equipment, both present and future, excluding machinery and equipment covered under the foregoing Deed of Hypothecation by way of fixed charge and a first-ranking pari passu floating charge over all current assets of the company, both present and future, including but not limited to stock, book debts, receivables and accounts of the company, entered into or to be entered into by the company, favouring the Bank / FIIs Facility Investors and Offshore Security Agent and filed with the Registrar of Joint Stock Companies. Third Modification to Deed of Hypothecation for EKN-2 facility

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(₹ Millions)

Entity	Relation	Outstanding loan amount As of March 31, 2014	As of March 31, 2013	Security Detail
				(iii) Second Charge behind the Senior Term Lenders over the Borrower's Stocks of Raw Material, Work-in-Progress and Finished Goods with Registrar of Joint Stock Companies and Firms (RJSC) on Pari Passu basis with other Lenders; Second Charge behind the Senior Term Lenders over the Borrower's Book Debts and Receivables with Registrar of Joint Stock Companies and Firms (RJSC) on Pari Passu basis with other Lenders, under a Letter of Hypothecation dated February 8, 2012 executed in favor of the existing lenders filed with the Registrar of Joint Stock Companies. Third Modification of deed to hypothecation with the enhanced amount of facilities and addition of new working capital lender in the agreement.
Bharti Airtel Africa BV and its subsidiaries	Subsidiary	98,126	87,277	(i) Pledge of all fixed and floating assets - Kenya, Nigeria, Tanzania, Uganda, DRC, Ghana (ii) Pledge of Materials and credit balance - Niger (iii) Pledge on specific fixed assets - Chad
Total		**116,159**	**97,831**	

Africa operations acquisition related borrowing:

Bharti Airtel acquired operations of 15 countries in Africa from ZAIN BV through its subsidiary Bharti Airtel International Netherlands BV with effect from June 8, 2010. The above acquisition was financed through loans taken from various banks. The loan agreements contain a negative pledge covenant that prevents the Group (excluding Airtel Bangladesh Limited, Bharti Airtel Africa B.V, Bharti Infratel Limited, and their respective subsidiaries) to create or allow to exist any security interest on any of its assets without prior written consent of the majority lenders except in certain agreed circumstances.

The Company's 3G/BWA borrowings:

The INR term loan agreements with respect to 3G/BWA borrowings contain a negative pledge covenant that prevents the Company to create or allow to exist any security interest on any of its assets without prior written consent of the lenders except in certain agreed circumstances.

(Note 26.6 of the notes to the annual consolidated financial statements)

19. Equity

a) Preferential Allotment

During the year ended March 31, 2014, the Company has issued 199,870,006 equity shares to M/s. Three Pillars Pte. Ltd (belonging to non-promoter category), an affiliate of Qatar Foundation Endowment, constituting 5% of the post issue share capital of the Company, through preferential allotment at a price of ₹ 340 per share aggregating to ₹ 67,956 Mn. The proceeds of the preferential allotment were utilised towards the repayment of equivalent debt in accordance with the objective of the preferential allotment.

(Note 31 (i) (a) of the notes to the annual consolidated financial statements)

b) Dividends paid and proposed

(₹ Millions)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Declared and paid during the year:		
Final dividend for 2012-13 : ₹ 1 per share of ₹ 5 each	4,439	-
Dividend on treasury shares (including dividend distribution tax of ₹ 645 Mn)	4	-
Final dividend for 2011-12 : ₹ 1 per share of ₹ 5 each	-	4,412
Dividend on treasury shares (including dividend distribution tax of ₹ 616 Mn)	-	2
Proposed for approval at the annual general meeting (not recognised as a liability):		
Final dividend for 2013-14 : ₹ 1.80 per share (2012-13: ₹ 1 per share) of ₹ 5 each	7,195	3,798
Dividend distribution tax	1,223	645
	8,418	**4,443**

(Note 31 (iii) of the notes to the annual consolidated financial statements)

Notes to the abridged consolidated financial statements

c) Foreign currency translation reserve

Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign subsidiaries.

(Note 31 (iv) of the notes to the annual consolidated financial statements)

20. Related Party transactions

Related party transactions represent transactions entered into by the Group with entities having significant influence over the Group ('significant influence entities'), associates, joint ventures and other related parties. The transactions and balances with the related parties for the years ended March 31, 2014 and March 31, 2013, respectively, are described below:

Summary of transactions with Related Parties

a) Transactions for the period

(₹ Millions)

Relationship	Year ended March 31, 2014				Year ended March 31, 2013			
	Significant influence entities	Associates	Joint Ventures *	Other related parties	Significant influence entities	Associates	Joint Ventures	Other related parties
Purchase of assets	(399)	(2)	-	(2,647)	-	(1,622)	-	(2,319)
Sale / transfer of assets	9	-	34	88	28	-	262	1
Purchase of Investment	-	-	0	-	-	-	-	-
Sale / Rendering of Services	1,566	83	903	103	1,444	167	5,418	149
Purchase / Receiving of Services	(527)	(209)	(33,921)	(2,564)	(595)	(2,459)	(31,553)	(3,968)
Reimbursement of energy expenses	-	-	(23,157)	-	-	-	(19,650)	-
Loans to related party	-	110	30,169 **	-	-	130	-	-
Loan repayment	-	(100)	(1,577)	-	-	-	(10,001)	-
Expenses incurred by the Group on behalf of Related Party	1	26	-	15	-	30	54	14
Expenses incurred by Related Party for the Group	-	(1)	(44)	(896)	(24)	-	(244)	(828)
Security deposit paid	-	-	93	0	-	-	(2,058) #	109
Security deposit / Advance received	-	-	-	-	-	(4,847) **	-	(8)
Interest Income on Loan	-	38	-	-	-	46	-	-
Dividend Paid	(2,329)	-	-	(266)	(2,327)	-	-	(266)
Dividend Received	-	-	2,200	-	-	-	4,050	-

b) Closing Balances

(₹ Millions)

Relationship	Closing balance as of March 31,2014				Closing balance as of March 31,2013			
	Significant influence entities	Associates	Joint Ventures	Other related parties	Significant influence entities	Associates	Joint Ventures	Other related parties
Due From	260	407	4,255	955	331	314	12,446	983
Due To	-	(393)	(17,465)	(72)	-	(33)	(13,027) **	(122)
Total	**260**	**14**	**(13,210)**	**883**	**331**	**281**	**(581)**	**861**

Security deposit paid for the year ended March 31, 2013 is net of refund of security deposit of ₹ 2,235 Mn
* Also refer note 7(e)
** Relates to 'BWA entities', which became subsidiaries w.e.f June 25, 2013, refer note 7(a).

Notes to the abridged consolidated financial statements

(1) Outstanding balances at period end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is taken each year through examining the financial position of the related party and the market in which the related party operates.

(2) In addition to the above, ₹ 198 Mn and ₹ 106 Mn donation has been given to Bharti Foundation during the year ended March 31, 2014 and March 31, 2013, respectively.

Purchase of assets – includes primarily purchase of bandwidth, computer software, telephone instruments and network equipments.

Expenses incurred by/for the Group – include expenses of general and administrative nature.

Sale of services – includes primarily billing for broadband, international long distance services, mobile, access and roaming services.

Purchase of services – includes primarily billing for broadband, international long distance services, management service charges, billing for tower infrastructure services and maintenance charges towards network equipments.

Remuneration to key management personnel were as follows:

(₹ Millions)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Short-Term employee benefits	376	399
Post-Employment benefits		
Defined contribution plan	14	25
Defined benefit plan*	-	-
Other long-term benefits*	-	-
Share-based payment**	25	-
Total	**415**	**424**

*As the liabilities for defined benefit plan i.e. gratuity and other long term benefits i.e. compensated absences are provided on actuarial basis for the Company as a whole, the amounts pertaining to key management personal are not included above.

**It represents expense recognised in the income statement for options granted during the year ended March 31, 2014. Uptill March 31, 2013, the fair value of the options granted was disclosed in the respective year of grant.

(Note 34 of the notes to the annual consolidated financial statements)

21. Commitments and Contingencies

(i) Commitments

a. Capital Commitments

(₹ Millions)

Particulars	As of March 31, 2014	As of March 31, 2013
Contracts placed for future capital expenditure not provided for in the financial statements	239,146*	118,886

* refer note 23

The above includes ₹ 46,576 Mn as of March 31, 2014 (₹ 61,607 Mn as of March 31, 2013), pertaining to certain outsourcing agreements, under which the vendor supplies assets as well as services to the Group. The amount represents total minimum commitment over the unexpired period of the contracts (upto seven years from the reporting date), since it is not possible for the Group to determine the extent of assets and services to be provided over the unexpired period of the contract. However, the actual charges/ payments may exceed the above mentioned minimum commitment based on the terms of the agreements.

In addition to above, the Group's share of joint ventures and associates capital commitments is ₹ 1,395 Mn and ₹ 491 Mn as of March 31, 2014 and March 31, 2013, respectively.

b. Guarantees

(₹ Millions)

Particulars	As of March 31, 2014	As of March 31, 2013
Financial bank guarantees*#	65,167	35,053
Guarantees to third parties	3,005	2,719

* The Company has issued corporate guarantees of ₹ 2,741 Mn and ₹ 2,756 Mn as of March 31, 2014 and March 31, 2013 respectively, to banks and financial institutions for issuing bank guarantees on behalf of the Group companies at no cost to the latter.

Includes certain financial bank guarantees which have been given for subjudice matters and in compliance with licensing conditions, the amount with respect to these have been disclosed under capital commitments, contingencies and financial liabilities, as applicable, in compliance with the applicable accounting standards.

Notes to the abridged consolidated financial statements

(ii) Contingencies

(₹ Millions)

Particulars	As of March 31, 2014	As of March 31, 2013
(i) Taxes, Duties and Other demands (under adjudication / appeal / dispute)		
-Sales Tax and Service Tax	22,332	15,632
-Income Tax	20,704	18,751
-Customs Duty	6,053	5,509
-Entry Tax	5,999	5,499
-Stamp Duty	629	618
-Municipal Taxes	1,132	1,301
-DoT demands *	2,656	2,468
-Other miscellaneous demands	1,533	1,991
(ii) Claims under legal cases including arbitration matters		
-Access Charges / Port Charges	6,194	4,918
-Others	6,432	3,648
Total	**73,664**	**60,335**

*in addition, refer note f(vi), f(vii) and f(viii) below for other DoT matters not included above.

In addition to above, the Group's share of joint ventures contingent liabilities is ₹ 10,933 Mn and ₹ 1,836 Mn as of March 31, 2014 and March 31, 2013, respectively.

The above mentioned contingent liabilities represent disputes with various government authorities in the respective jurisdiction where the operations are based and it is not possible for the Group to predict the timing of final outcome of these contingent liabilities. Currently, the Group has operations in India, South Asia region and Africa region.

Based on the Company's evaluation, it believes that it is not probable that the claim will materialise for below cases and therefore, no provision has been recognised.

a) Sales and Service Tax

The claims for sales tax as of March 31, 2014 and as of March 31, 2013 comprised of cases relating to the appropriateness of declarations made by the Company under relevant sales tax legislation which was primarily procedural in nature and the applicable sales tax on disposals of certain property and equipment items. Pending final decisions, the Company has deposited amounts with statutory authorities for certain cases.

Further, in the State of J&K, the Company has disputed the levy of General Sales Tax on its telecom services and towards which the Company has received a stay from the Hon'ble J&K High Court. The demands received to date have been disclosed under contingent liabilities.

The service tax demands as of March 31, 2014 and March 31, 2013 relate to cenvat claimed on tower and related material, levy of service tax on SIM cards, cenvat credit disallowed for procedural lapses and inadmissibility of credit, disallowance of cenvat credit used in excess of 20% limit and service tax demand on employee talk time.

b) Income Tax demand

Income tax demands under appeal mainly included the appeals filed by the Group before various appellate authorities against the disallowance by income tax authorities of certain expenses being claimed, non-deduction of tax at source with respect to dealers/distributor's margin and non-deduction of tax on payments to international operators for access charges, etc.

c) Access charges (Interconnect Usage Charges)/Port charges

Interconnect charges are based on the Interconnect Usage Charges (IUC) agreements between the operators although the IUC rates are governed by the IUC guidelines issued by TRAI. BSNL has raised a demand requiring the Company to pay the interconnect charges at the rates contrary to the regulations issued by TRAI. The Company filed a petition against that demand with the Telecom Disputes Settlement and Appellate Tribunal (TDSAT) which passed a status quo order, stating that only the admitted amounts based on the regulations would need to be paid by the Company. The final order was also passed in our favour. BSNL has challenged the same in Hon'ble Supreme Court. However, no stay has been granted.

In another proceeding with respect to Distance Based Carriage Charges, the Hon'ble TDSAT in its order dated May 21, 2010, allowed BSNL appeal praying to recover distance based carriage charges. On filing of appeal by the Telecom Operators, Hon'ble Supreme Court asked the Telecom Operators to furnish details of distance based carriage charges owed by them to BSNL. Further, in a subsequent hearing held on August 30, 2010, Hon'ble Supreme Court sought the quantum of amount in dispute from all the operators as well as BSNL and directed both BSNL and Private telecom operators to furnish Call Data Records (CDRs) to TRAI. The CDRs have been furnished to TRAI.

In another issue with respect to Port Charges, in 2001, TRAI had prescribed slab based rate of port charges payable by private operators which were subsequently reduced in the year 2007 by TRAI. On BSNL's appeal, TDSAT passed its judgement in favour of BSNL, and held that the pre-2007 rates shall be applicable prospectively from May 29, 2010. The rates were further revised downwards by TRAI in 2012. On BSNL's appeal, TDSAT declined to stay the revised Regulation.

Further, the Hon'ble Supreme Court vide its judgement dated December 6, 2013, passed in another matter, held that TRAI is empowered to issue regulations on any matter under Section 11(1)(b) of TRAI Act and the same cannot be challenged before TDSAT. Accordingly, all matters raised before TDSAT, wherein TDSAT had interfered in Appeal and passed judgements, do not have any significance. However, parties can file Writ Petitions before High Court challenging such regulations.

The Company believes that the above said judgement has further strengthened the position of the Company on many issues with respect to Regulations which had been in its favour and impugned before TDSAT.

d) Customs Duty

The custom authorities, in some states, demanded ₹ 6,053 Mn as of March 31, 2014 (₹ 5,509 Mn as of March 31, 2013) for the imports of special software on the ground that this would form part of the hardware along with which the same has been imported. The view of the Company is that such imports should not be subject to any custom duty as it would be operating software exempt from any custom duty. In response to the application filed by the Company, the Hon'ble CESTAT has passed an order in favour of the custom authorities. The Company has filed an appeal with Hon'ble Supreme Court against the CESTAT order.

e) Entry Tax

In certain states, an entry tax is levied on receipt of material from outside the state. This position has been challenged by the Company in the respective states, on the grounds that the specific entry tax is ultra vires the Constitution. Classification issues have also been raised, whereby, in view of the Company, the material proposed to be taxed is not covered under the specific category. The amount under dispute as of March 31, 2014 is ₹ 5,999 Mn (₹ 5,499 Mn as of March 31, 2013).

f) DoT Demands

i. The Company has not been able to meet its roll out obligations fully due to certain non-controllable factors like Telecommunication Engineering Center testing, Standing Advisory Committee of Radio Frequency Allocations clearance, non availability of spectrum, etc. The Company has received show cause notices from DoT for 14 of its circles for non-fulfillment of its roll out obligations and these have been replied to. DoT has reviewed and revised the criteria and there has been no further development on this matter since then.

ii. DoT demands include demands raised for contentious matters relating to computation of license fees and spectrum charges.

iii. DoT demands include alleged short payment of license fee for FY06-07 and FY07-08 due to difference of interpretation of Adjusted Gross Revenue (AGR) between Group and DoT and interest thereon, against which the Group has obtained stay from appropriate Hon'ble High Courts and TDSAT.

iv. DoT demands also include the contentious matters in respect of subscriber verification norms and regulations including validity of certain documents allowed as Proof of Address / Identity in mobility circles.

v. DoT demands also include penalty for alleged failure to meet the procedural requirement for submission of EMF radiation self-certification.

The above stated matters are being contested by the Company and the Company, based on legal advice, believes that it has complied with all license related regulations as and when prescribed and does not expect any loss relating to these matters.

In addition to the amounts disclosed in the table above, the contingent liability on DoT matters includes the following:

vi. Post the Hon'ble Supreme Court Judgement on October 11, 2011 on components of Adjusted Gross Revenue for computation of license fee, based on the legal advice, the Company believes that the realised and unrealised foreign exchange gain should not be included in Adjusted Gross Revenue (AGR) for computation of license fee thereon. Accordingly, the license fee on such foreign exchange gain has not been provided in these financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences', the license fee impact on such exchange differences is not quantifiable and has not been included in the table above. Further, as per the Order dated June 18, 2012 of the Kerala High Court, stay has been obtained, wherein the licensee can continue making the payment as was being done throughout the period of license on telecom activities.

vii. On January 8, 2013, DoT issued a demand on the Company and one of its subsidiaries for ₹ 52,013 Mn towards levy of one time spectrum charge. The demand includes a retrospective charge of ₹ 9,090 Mn for holding GSM Spectrum beyond 6.2 MHz for the period from July 1, 2008 to December 31, 2012 and also a prospective charge of

Notes to the abridged consolidated financial statements

₹ 42,923 Mn for GSM spectrum held beyond 4.4 MHz for the period from January 1, 2013, till the expiry of the initial terms of the respective licenses.

In the opinion of the Company, inter-alia, the above demand amounts to alteration of financial terms of the licenses issued in the past. Based on a petition filed by the Company, the Hon'ble High Court of Bombay, vide its order dated January 28, 2013, has directed the DoT to respond and not to take any coercive action until the next date of hearing. The DoT has filed its reply and the next date of hearing has been fixed for June 30, 2014.

viii. Based on the scope of Service under UAS License, the Company has been providing 3G service under a commercial arrangement, i.e., " 3G Intra Circle Roaming ('3G ICR') Agreements with other operators", where the Company has not been allocated 3G spectrum.

The Department of Telecommunications ('DoT') issued notice to the Company dated December 23, 2011 along with other Telecom Operators to stop provision of services under 3G Intra Circle Roaming Agreements where it has not won 3G Spectrum, which was challenged by the Company in TDSAT wherein stay was granted against the said order by TDSAT. TDSAT on July 3, 2012 gave a split verdict on the legality of telecom operators providing 3G services under 3G ICR arrangements.

DoT vide its order dated March 15, 2013 directed the Company to stop providing 3G services in these 7 circles (under 3G ICR arrangements) and also levied a financial penalty of ₹ 3,500 Mn. The same was challenged by the Company before Hon'ble Delhi High Court which granted a stay vide its order dated March 18, 2013. Subsequently, one of the operators (not being a party to the litigation) approached the Division Bench of Delhi High Court and, allowing its appeal, the Division Bench vacated the stay. The Company filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court, challenging the order of the Division Bench. The Hon'ble Supreme Court, vide its interim order dated April 11, 2013, restrained DoT from taking any coercive action and also directed the Company not to extend the facilities to any new customer on the basis of the 3G ICR arrangements in the meantime .

Both the writ petition as well as the appeal against interim order before the Hon'ble Supreme Court were disposed with liberty to the Company to approach TDSAT.

On October 3, 2013, the Company filed the petition before TDSAT which was heard by TDSAT and vide judgment dated April 29, 2014, TDSAT held 3G ICR to be a competent service and quashed the penalty of ₹ 3,500 Mn levied by DoT on the Company.

g) Airtel Networks Limited – Ownership

Airtel Networks Limited ("Airtel Networks") (formerly known as Celtel Nigeria Limited) was incorporated on December 21, 2000 as Econet Wireless Nigeria Limited and is a subsidiary of Bharti Airtel Nigeria BV (BANBV) (formerly, Celtel Nigeria BV), which in turn, is an indirect subsidiary of Bharti Airtel International (Netherlands) BV, a subsidiary of Bharti Airtel Limited.

Airtel Networks and/or BANBV are defendants in cases filed by Econet Wireless Limited (EWL) where EWL is claiming, amongst others, a breach of its alleged pre-emption rights against erstwhile and current shareholders.

Under the transaction to acquire 65% controlling stake in Airtel Networks Limited in 2006, the erstwhile selling shareholders were obliged under the pre-emption right provision contained in the shareholders' agreement dated April 30, 2002 (the "Shareholders Agreement") to first offer the shares to each other before offering the shares to a third party. The sellers waived the pre-emption rights amongst themselves and the shares were offered to EWL despite the fact that EWL's status as a shareholder itself was in dispute. However, the offer to EWL lapsed since EWL did not meet its payment obligations to pay for the shares within the 30 days deadline as specified in the shareholders' agreement and the shares were acquired by Celtel Nigeria BV (now, Bharti Airtel Nigeria BV) in 2006. EWL has inter alia commenced arbitral proceedings in Nigeria contesting the acquisition. BANBV, which is the current owner of approximately 79.059% (increased from 65.7% to 79.059% in March, 2013) of the equity in Airtel Networks Limited has been defending these cases and the arbitration since it was commenced.

On December 22, 2011, the Tribunal in the Arbitration commenced by EWL issued a Partial Final Award stating, amongst others, that the Shareholders Agreement had been breached by the erstwhile shareholders and, accordingly, the acquisition was null and void. However, the Tribunal has rejected EWL's claim for reversal of the 2006 transaction. Instead, the Tribunal ordered a damages hearing.

On February 3, 2012, BANBV filed an application before the Lagos State High Court to set aside the Partial Final Award. In addition, BANBV filed an application for an injunction to restrain the parties to the Arbitration from further convening the arbitration for the purposes of considering the quantum of damages that could be awarded to EWL until the conclusion of the matter to set aside the Partial Final Award. The application to set aside the Partial Final Award was heard by the Lagos State High Court on June 4, 2012 and by a Judgment delivered on October 4, 2012, the Lagos State High Court dismissed BANBV's application to set aside the Partial Final Award against which, BANBV lodged an appeal at the Court of Appeal in Lagos, Nigeria. The appeal was dismissed

Notes to the abridged consolidated financial statements

by the Court of Appeal on February 14, 2014. BANBV not satisfied with the judgment of the Court of Appeal, Lagos, on March 27, 2014 has filed its appeal application with the Supreme Court of Nigeria.

Without prejudice to the application by BANBV before the Nigerian courts to set aside the Partial Final Award, the Tribunal has taken steps in relation to the damages hearing in the Arbitration and EWL has filed its damages claim in this regard and BANBV filed its Defence on April 19, 2013. The damages claim was heard by the Tribunal during October 2013 and the parties submitted their closing arguments on December 20, 2013 and the parties are awaiting the Tribunal's Final Award. Based on legal advice received by the Company, it believes it has a high probability of winning the case and consequently will not be liable to pay EWL anything by way of damages or equitable compensation. In the unlikely event, the Tribunal makes a Final Award against the Company, the Company, believes that any such award will not have a material adverse effect on its financial position, results of operations or cash flows as in its view, the indemnities in the share sale agreement with the Zain group in 2010 adequately protect it from any material adverse effect on its consolidated financial position.

In addition, Airtel Networks Limited is a defendant in an action where EWL is claiming entitlement to 5% of the issued share capital of Airtel Networks Limited. This case was commenced by EWL in 2004 (prior to the Vee Networks Limited acquisition in 2006). The Court at first instance on January 24, 2012 held that EWL should be reinstated as a 5% shareholder in Airtel Networks Limited. Despite the fact that the 5% shares claimed by EWL had been set aside in escrow since 2006 and therefore will not impact the present ownership of BANBV on a fully diluted basis in Airtel Networks Limited, the company believed that there were good grounds to appeal the first instance judgment and accordingly filed a Notice of Appeal and made applications before the Federal High Court for a stay of execution of judgment pending appeal and a motion for injunction. These applications were heard on March 13, 2012 and on May 7, 2012, the High Court held that the company had failed to make out a case for the Court to exercise its discretion in its favour of granting the application and accordingly refused it. Immediately, a similar application for injunction and stay of execution were filed at the Court of Appeal, Kaduna on May 7, 2012. After several adjournments, the substantive appeal was heard on October 3, 2013 and on November 1, 2013 the Court of Appeal dismissed the appeal. A similar application for injunction and stay of execution were filed before the highest appellate Court in Nigeria, being the Supreme Court of Nigeria which is pending for hearing on May 6, 2014.

(Note 36 of the notes to the annual consolidated financial statements)

22. Commitments Under Lease Arrangements

The Group's future minimum lease payments obligation under the non-cancellable operating leases as of March 31, 2014 and March 31, 2013 is ₹ 312,797 Mn and ₹ 249,638 Mn, respectively.

The Group's future minimum lease payments obligation under the finance leases as of March 31, 2014 and March 31, 2013 is ₹ 1,544 Mn and ₹ 1,844 Mn, respectively.

(Note 35 of the notes to the annual consolidated financial statements)

23. New Companies/Developments

During the year ended March 31, 2014, the Group has won the auction for 115 MHz spectrum in 15 service areas in the auction conducted by the Government of India. The Group has opted for the deferred payment option in 13 service areas and has paid an advance of ₹ 53,304 Mn with the balance amount of ₹ 129,129 Mn payable in 10 equal installments after a moratorium of two years. Pending the allocation of spectrum by the Government of India, the balance amount has been disclosed under capital commitments (refer note 21 (i) (a)). For the other 2 service areas, the entire amount of ₹ 1,953 Mn has been paid as an advance.

(Note 39 (d) of the notes to the annual consolidated financial statements)

Notes to the abridged consolidated financial statements

24. Companies in the Group, Joint Ventures and Associates

The Group conducts its business through Bharti Airtel and its directly and indirectly held subsidiaries, joint ventures and associates. Information about the composition of the Group is as follows :-

S. No.	Principal Activity	Principal place of operation / country of incorporation	Number of wholly-owned subsidiaries	
			As of March 31, 2014	As of March 31, 2013
1	Telecommunication services	Africa	10	9
2	Telecommunication services	India	3	1
3	Telecommunication services	South Asia	2	1
4	Telecommunication services	Other	7	7
5	Mobile commerce services	Africa	17	16
6	Mobile commerce services	India	1	1
7	Infrastructure Services	Africa	10	13
8	Infrastructure Services	South Asia	2	2
9	Investment Company	Africa	3	3
10	Investment Company	Netherlands	27	27
11	Investment Company	Mauritius	6	6
12	Investment Company	Other	2	2
13	Direct to Home Services	Africa	5	10
14	Submarine Cable System	Mauritius	1	1
15	Holding, Finance Services and Management Services	Netherlands	1	1
16	Other	India	1	1
			98	**101**

S. No.	Principal Activity	Principal place of operation / country of incorporation	Number of Non-wholly-owned subsidiaries	
			As of March 31, 2014	As of March 31, 2013
1	Telecommunication services	Africa	8	8
2	Telecommunication services	India	1	1
3	Telecommunication services	South Asia	-	1
4	Infrastructure Services	India	2	2
5	Infrastructure Services	Africa	7	4
6	Direct to Home Services	India	1	1
			19	**17**

Notes to the abridged consolidated financial statements

Information of Group's directly and indirectly held subsidiaries, joint ventures and associates is as follows:

S. No.	Name of Subsidiary	Principal place of operation / Country of Incorporation	Principal Activities	Percentage of ownership interest and voting power (direct / indirect)-effective shareholding held by the Group	
				As of March 31, 2014 %	As of March 31, 2013 %
1	Airtel Bangladesh Limited	Bangladesh	Telecommunication services	100	70
2	Airtel M Commerce Services Limited	India	Mobile commerce services	100	100
3	Bangladesh Infratel Networks Limited	Bangladesh	Passive infrastructure services	100	100
4	Bharti Airtel (Canada) Limited#	Canada	Telecommunication services	100	100
5	Bharti Airtel (France) SAS	France	Telecommunication services	100	100
6	Bharti Airtel (Hongkong) Limited	Hongkong	Telecommunication services	100	100
7	Bharti Airtel (Japan) Kabushiki Kaisha	Japan	Telecommunication services	100	100
8	Bharti Airtel Services Limited	India	Administrative support to Group companies and trading activities	100	100
9	Bharti Airtel (UK) Limited	United Kingdom	Telecommunication services	100	100
10	Bharti Airtel (USA) Limited	United States of America	Telecommunication services	100	100
11	Bharti Airtel Holdings (Singapore) Pte Ltd	Singapore	Investment Company	100	100
12	Bharti Airtel International (Mauritius) Limited	Mauritius	Investment Company	100	100
13	Bharti Airtel International (Netherlands) B.V.	Netherlands	Holding, Finance Services and Management Services	100	100
14	Bharti Airtel Lanka (Private) Limited	Sri Lanka	Telecommunication services	100	100
15	Bharti Hexacom Limited	India	Telecommunication services	70	70
16	Bharti Infratel Lanka (Private) Limited	Sri Lanka	Passive infrastructure services	100	100
17	Bharti Infratel Limited ("BIL")	India	Passive infrastructure services	79.39	79.42
18	Bharti Infratel Ventures Limited ("BIVL") (subsidiary upto June 10, 2013)** (Refer note 7(e))	India	Passive infrastructure services	-	79.42
19	Bharti Infratel Services Limited (subsidiary w.e.f. June 4, 2013)**	India	Passive infrastructure services	79.39	-
20	Bharti International (Singapore) Pte. Ltd	Singapore	Telecommunication services	100	100
21	Bharti Telemedia Limited	India	Direct To Home services	95	95
22	Network i2i Limited	Mauritius	Submarine Cable System	100	100
23	Telesonic Networks Limited	India	Network Services	100	100
24	Airtel Broadband Services Private Limited (formerly known as Wireless Business Services Private Limited)*	India	Telecommunication services	100	-
25	Wireless Broadband Business Services (Delhi) Private Limited*@	India	Telecommunication services	-	-
26	Wireless Broadband Business Services (Kerala) Private Limited*@	India	Telecommunication services	-	-
27	Wireless Broadband Business Services (Haryana) Private Limited*@	India	Telecommunication services	-	-
28	Nxtra Data Limited (subsidiary w.e.f. July 2, 2013)	India	Data Center and Managed Services	100	-

Notes to the abridged consolidated financial statements

S. No.	Name of Subsidiary	Principal place of operation / Country of Incorporation	Principal Activities	Percentage of ownership interest and voting power (direct / indirect)-effective shareholding held by the Group	
				As of March 31, 2014 %	As of March 31, 2013 %
29	Africa Towers N.V.	Netherlands	Investment Company	100	100
30	Africa Towers Services Limited	Kenya	Infrastructure sharing services	100	100
31	Airtel Ghana Limited^	Ghana	Telecommunication services	75	75
32	Airtel (Seychelles) Limited	Seychelles	Telecommunication services	100	100
33	Airtel (SL) Limited	Sierra Leone	Telecommunication services	100	100
34	Airtel Burkina Faso S.A.	Burkina Faso	Telecommunication services	100	100
35	Airtel Congo S.A.	Congo Brazzavile	Telecommunication services	90	90
36	Airtel DTH Services (SL) Limited#	Sierra Leone	Direct To Home services	100	100
37	Airtel DTH Services Burkina Faso S.A.##	Burkina Faso	Direct To Home services	-	100
38	Airtel DTH Services Congo (RDC) S.p.r.l.#	Democratic Republic of Congo	Direct To Home services	100	100
39	Airtel DTH Services Congo S.A.##	Congo Brazzavile	Direct To Home services	-	100
40	Airtel DTH Services Gabon S.A.##	Gabon	Direct To Home services	-	100
41	Airtel DTH Services Ghana Limited##	Ghana	Direct To Home services	-	100
42	Airtel DTH Services Nigeria Limited	Nigeria	Direct To Home services	100	100
43	Airtel DTH Services Tanzania Limited#	Tanzania	Direct To Home services	100	100
44	Airtel DTH Services Uganda Limited##	Uganda	Direct To Home services	-	100
45	Airtel Gabon S.A.	Gabon	Telecommunication services	90	90
46	Airtel Madagascar S.A.	Madagascar	Telecommunication services	100	100
47	Airtel Malawi Limited	Malawi	Telecommunication services	100	100
48	Airtel Mobile Commerce (SL) Limited	Sierra Leone	Mobile commerce services	100	100
49	Airtel Mobile Commerce B.V.	Netherlands	Investment Company	100	100
50	Airtel Mobile Commerce Burkina Faso S.A.	Burkina Faso	Mobile commerce services	100	100
51	Airtel Mobile Commerce (Ghana) Limited	Ghana	Mobile commerce services	100	100
52	Airtel Mobile Commerce Holdings B.V.	Netherlands	Investment Company	100	100
53	Airtel Mobile Commerce (Kenya) Limited	Kenya	Mobile commerce services	100	100
54	Airtel Mobile Commerce Limited	Malawi	Mobile commerce services	100	100
55	Airtel Mobile Commerce Madagascar S.A.	Madagascar	Mobile commerce services	100	100
56	Airtel Mobile Commerce Rwanda Limited	Rwanda	Mobile commerce services	100	100
57	Airtel Mobile Commerce (Seychelles) Limited (subsidiary w.e.f. August 9, 2013)	Seychelles	Mobile commerce services	100	-
58	Airtel Mobile Commerce (Tanzania) Limited	Tanzania	Mobile commerce services	100	100
59	Airtel Mobile Commerce Tchad S.a.r.l.	Chad	Mobile commerce services	100	100
60	Airtel Mobile Commerce Uganda Limited	Uganda	Mobile commerce services	100	100
61	Airtel Mobile Commerce Zambia Limited (formerly known as ZMP Ltd.)	Zambia	Mobile commerce services	100	100
62	Airtel Money (RDC) S.p.r.l.	Democratic Republic of Congo	Mobile commerce services	100	100

Notes to the abridged consolidated financial statements

S. No.	Name of Subsidiary	Principal place of operation / Country of Incorporation	Principal Activities	Percentage of ownership interest and voting power (direct / indirect)-effective shareholding held by the Group	
				As of March 31, 2014 %	As of March 31, 2013 %
63	Airtel Money Niger S.A.	Niger	Mobile commerce services	100	100
64	Airtel Money S.A. (Gabon)	Gabon	Mobile commerce services	100	100
65	Airtel Networks Kenya Limited^	Kenya	Telecommunication services	100	100
66	Airtel Networks Limited	Nigeria	Telecommunication services	79.059	79.059
67	Airtel Networks Zambia Plc (formerly known as Celtel Zambia Plc)	Zambia	Telecommunication services	96.36	96.36
68	Airtel Rwanda Limited	Rwanda	Telecommunication services	100	100
69	Airtel Tanzania Limited	Tanzania	Telecommunication services	60	60
70	Airtel Tchad S.A.	Chad	Telecommunication services	100	100
71	Airtel Towers (Ghana) Limited	Ghana	Infrastructure sharing services	75	75
72	Airtel Towers (SL) Company Limited	Sierra Leone	Infrastructure sharing services	100	100
73	Airtel Uganda Limited^	Uganda	Telecommunication services	100	100
74	Bharti Airtel Acquisition Holdings B.V.	Netherlands	Investment Company	100	100
75	Bharti Airtel Africa B.V.	Netherlands	Investment Company	100	100
76	Bharti Airtel Burkina Faso Holdings B.V.	Netherlands	Investment Company	100	100
77	Bharti Airtel Cameroon B.V.	Netherlands	Investment Company	100	100
78	Bharti Airtel Chad Holdings B.V.	Netherlands	Investment Company	100	100
79	Bharti Airtel Congo Holdings B.V.	Netherlands	Investment Company	100	100
80	Bharti Airtel Developers Forum Limited	Zambia	Investment Company	100	100
81	Bharti Airtel DTH Holdings B.V.	Netherlands	Investment Company	100	100
82	Bharti Airtel Gabon Holdings B.V.	Netherlands	Investment Company	100	100
83	Bharti Airtel Ghana Holdings B.V.	Netherlands	Investment Company	100	100
84	Bharti Airtel Kenya B.V.	Netherlands	Investment Company	100	100
85	Bharti Airtel Kenya Holdings B.V.	Netherlands	Investment Company	100	100
86	Bharti Airtel Madagascar Holdings B.V.	Netherlands	Investment Company	100	100
87	Bharti Airtel Malawi Holdings B.V.	Netherlands	Investment Company	100	100
88	Bharti Airtel Mali Holdings B.V.	Netherlands	Investment Company	100	100
89	Bharti Airtel Niger Holdings B.V.	Netherlands	Investment Company	100	100
90	Bharti Airtel Nigeria B.V.	Netherlands	Investment Company	100	100
91	Bharti Airtel Nigeria Holdings B.V.#	Netherlands	Investment Company	100	100
92	Bharti Airtel Nigeria Holdings II B.V.	Netherlands	Investment Company	100	100
93	Bharti Airtel RDC Holdings B.V.	Netherlands	Investment Company	100	100
94	Bharti Airtel Services B.V.	Netherlands	Investment Company	100	100
95	Bharti Airtel Sierra Leone Holdings B.V.	Netherlands	Investment Company	100	100
96	Bharti Airtel Tanzania B.V.	Netherlands	Investment Company	100	100
97	Bharti Airtel Uganda Holdings B.V.	Netherlands	Investment Company	100	100
98	Bharti Airtel Zambia Holdings B.V.	Netherlands	Investment Company	100	100
99	Bharti DTH Services Zambia Limited#	Zambia	Direct To Home services	100	100
100	Burkina Faso Towers S.A.	Burkina Faso	Infrastructure sharing services	100	100
101	Celtel (Mauritius) Holdings Limited	Mauritius	Investment Company	100	100

Notes to the abridged consolidated financial statements

S. No.	Name of Subsidiary	Principal place of operation / Country of Incorporation	Principal Activities	Percentage of ownership interest and voting power (direct / indirect)-effective shareholding held by the Group	
				As of March 31, 2014 %	As of March 31, 2013 %
102	Celtel Congo (RDC) S.a.r.l.	Democratic Republic of Congo	Telecommunication services	98.5	98.5
103	Celtel Niger S.A.	Niger	Telecommunication services	90	90
104	Channel Sea Management Company (Mauritius) Limited	Mauritius	Investment Company	100	100
105	Congo RDC Towers S.p.r.l.	Democratic Republic of Congo	Infrastructure sharing services	100	100
106	Congo Towers S.A.	Congo Brazzavile	Infrastructure sharing services	90	90
107	Gabon Towers S.A.	Gabon	Infrastructure sharing services	90	100
108	Indian Ocean Telecom Limited	Jersey	Investment Company	100	100
109	Kenya Towers Limited	Kenya	Infrastructure sharing services	100	100
110	Madagascar Towers S.A.	Madagascar	Infrastructure sharing services	100	100
111	Malawi Towers Limited	Malawi	Infrastructure sharing services	100	100
112	Mobile Commerce Congo S.A.	Congo Brazzavile	Mobile commerce services	100	100
113	Montana International	Mauritius	Investment Company	100	100
114	MSI-Celtel Nigeria Limited#	Nigeria	Investment Company	100	100
115	Niger Towers S.A.	Niger	Infrastructure sharing services	90	90
116	Partnership Investments S.p.r.l.	Democratic Republic of Congo	Investment Company	100	100
117	Rwanda Towers Limited	Rwanda	Infrastructure sharing services	100	100
118	Société Malgache de Téléphone Cellulaire S.A.	Mauritius	Investment Company	100	100
119	Tanzania Towers Limited	Tanzania	Infrastructure sharing services	60	100
120	Tchad Towers S.A.	Chad	Infrastructure sharing services	100	100
121	Towers Support Nigeria Limited	Nigeria	Infrastructure sharing services	79.06	100
122	Uganda Towers Limited	Uganda	Infrastructure sharing services	100	100
123	Warid Congo S.A. (Subsidiary w.e.f. March 12, 2014)	Congo Brazzavile	Telecommunication services	100	-
124	Zambian Towers Limited	Zambia	Infrastructure sharing services	96.4	96.4
125	Zap Trust Company Nigeria Limited	Nigeria	Mobile commerce services	100	100
126	Zebrano (Mauritius) Limited	Mauritius	Investment Company	100	100

Under Liquidation. Airtel DTH Services Tanzania Limited liquidated on April 3, 2014.

Dissolved during the year ended March 31, 2014

Notes to the abridged consolidated financial statements

S. No.	Name of Associates	Principal place of operation / Country of Incorporation	Principal Activities	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group	
				As of March 31, 2014 %	As of March 31, 2013 %
1	Bharti Teleports Limited	India	Uplinking channels for broadcasters	49	49
2	Tanzania Telecommunications Company Limited	Tanzania	Telecommunication services	35	35
3	Seychelles Cable Systems Company Limited	Seychelles	Submarine Cable System	26	26

S. No.	Name of Joint Ventures	Principal place of operation / Country of Incorporation	Principal Activities	Percentage of ownership interest and voting power (direct / indirect) - effective shareholding held by the Group	
				As of March 31, 2014 %	As of March 31, 2013 %
1	Indus Towers Limited **	India	Passive infrastructure services	33.35	33.36
2	Bridge Mobile Pte Limited	Singapore	Provision of regional mobile services	10	10
3	Forum I Aviation Ltd	India	Aircraft chartering services	16.67	14.28
4	Airtel Broadband Services Private Limited (formerly known as Wireless Business Services Private Limited)*	India	Telecommunication services	-	49
5	Wireless Broadband Business Services (Delhi) Private Limited*@	India	Telecommunication services	-	49
6	Wireless Broadband Business Services (Kerala) Private Limited*@	India	Telecommunication services	-	49
7	Wireless Broadband Business Services (Haryana) Private Limited*@	India	Telecommunication services	-	49

* Became subsidiary w.e.f June 25, 2013

@ Merged w.e.f. August 5, 2013 with Airtel Broadband Services Private Limited (formerly known as Wireless Business Services Private Limited)

** Bharti Infratel Limited ("BIL"), in which the Group has 79.39% equity interest (79.42% as of March 31, 2013), owns 100% of Bharti Infratel Services Limited and 42% of Indus Towers Limited (100% of Bharti Infratel Ventures Limited and 42% of Indus Towers Limited as of March 31, 2013).

^ The Group also holds 100% preference shareholding in these companies. The preference shares does not have any voting rights.

(Note 40 of the notes to the annual consolidated financial statements)

25. Other Significant Matters

The Company (M/s J T Mobiles Limited subsequently merged with the Company) was awarded license by DoT to operate cellular services in the state of Punjab in December 1995. On April 18, 1996, the Company obtained the permission from DoT to operate the Punjab license through its wholly owned subsidiary, Evergrowth Telecom Limited (ETL). In December 1996, DoT raised argument that the permission dated April 18, 1996 has not become effective and cancelled the permission to operate, which was subsequently reinstated on March 10, 1998 (the period from April 18, 1996 to March 10, 1998 has been hereinafter referred to as 'blackout period'). On July 15, 1999, license was terminated due to alleged non-payment of license fees, liquidated damages and related penal interest relating to blackout period.

In September 2001, in response to the demand raised by DoT, the Company had paid ₹ 4,856 Mn to DoT under protest subject to resolution of the dispute through arbitration. Consequently, the license was restored and an arbitrator was appointed for settlement of the dispute. Arbitrator awarded an unfavourable order, which was challenged by the Company before Hon'ble Delhi High Court.

On September 14, 2012, Hon'ble Delhi High court passed an order setting aside the award passed by the arbitrator. DoT in the meanwhile has preferred an Appeal, including condonation of delay in filing of appeal, which is presently pending before the Division Bench of the Delhi High Court. The Appeal of DoT on the issue of condonation of delay was allowed on July 16, 2013. The next date of hearing is fixed for May 9, 2014. However, the Company on October 30, 2013 has filed the writ Petition for recovery of LF in Delhi HC, notice issued by HC and listed for July 26, 2014.

Further to the development during the year ended March 31, 2014, the Company is in the process of evaluating legal course of action for recovery of the amount paid under protest together with interest thereon. Pending such evaluation and thereby initiation of recovery process, the Company, based on independent legal opinion, has not given any accounting treatment for the impact of the judgement in the financial statements for the year ended March 31, 2014.

(Note 41 (b) of the notes to the annual consolidated financial statements)

26. Previous year's figures in the notes to abridged consolidated financial statements have been reclassified / restated, wherever required to conform to the current year's presentation/classification. These are not material and do not affect the previously reported net profit or shareholders' equity.

(Note 42 of the notes to the annual consolidated financial statements)

27. The annual consolidated financial statements prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") are available at the Company's website http://www.airtel.in.

Statement Pursuant to Section 212 (8) of the Companies Act, 1956 relating to subsidiary companies for the year ended March 31, 2014

(₹ Millions)

S. No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Financial Year End	Exchange Rate as of March 31, 2014	Share Capital	Reserves	Total Assets	Total Liabilities	Investments other than investment in subsidiary	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend
1	Bharti Airtel Services Limited	(b)	India	INR	March 31, 2014	1.000	1	(856)	3,558	4,413	461	5,553	(165)	4	(169)	-
2	Network i2i Limited	(b)	Mauritius	USD	March 31, 2014	60.100	3,139	11,806	28,308	13,363	-	4,185	2,698	83	2,615	-
3	Bharti Airtel (USA) Limited	(b)	United States of America	USD	March 31, 2014	60.100	0	(216)	733	949	-	1,134	84	6	78	-
4	Bharti Airtel (UK) Limited	(b)	United Kingdom	GBP	March 31, 2014	99.850	33	302	1,204	869	-	957	20	4	16	-
5	Bharti Airtel (Canada) Limited	(b) (f)	Canada	CAD	March 31, 2014	54.448	4	(31)	1	28	-	-	(2)	-	(2)	-
6	Bharti Airtel (Hongkong) Limited	(b)	Hongkong	HKD	March 31, 2014	7.747	38	(308)	307	577	-	259	(69)	5	(74)	-
7	Bharti Airtel Holdings (Singapore) Pte Ltd	(b)	Singapore	SGD	March 31, 2014	47.664	22,486	(606)	37,689	15,809	-	-	(2)	(7)	5	-
8	Bharti Airtel Lanka (Private) Limited	(b)	Sri Lanka	LKR	March 31, 2014	0.460	2,418	(14,164)	7,800	19,546	-	4,033	(2,103)	0	(2,103)	-
9	Bharti Infratel Lanka (Private) Limited	(d) (p)	Sri Lanka	LKR	March 31, 2014	0.460	-	-	-	-	-	-	-	-	-	-
10	Bharti Hexacom Limited	(b)	India	INR	March 31, 2014	1.000	2,500	40,078	53,839	11,261	21,026	40,687	8,342	2,306	6,036	-
11	Bharti Infratel Limited ("BIL")	(b) (h)	India	INR	March 31, 2014	1.000	18,893	158,593	223,484	45,998	130,431	49,993	14,966	4,067	10,899	9,726
12	Bharti Infratel Ventures Limited ("BIVL") (subsidiary upto June 10, 2013)	(c)	India	INR	March 31, 2014	1.000	-	-	-	-	-	-	-	-	-	-
13	Bharti Telemedia Limited	(b)	India	INR	March 31, 2014	1.000	102	(33,589)	19,562	53,049	-	20,771	(5,185)	-	(5,185)	-
14	Airtel Bangladesh Limited	(b)	Bangladesh	BDT	March 31, 2014	0.776	35,705	(41,730)	36,753	42,778	-	13,258	(4,053)	68	(4,121)	-
15	Bharti International (Singapore) Pte. Ltd	(b) (j)	Singapore	USD	March 31, 2014	60.100	67,760	(10,684)	124,473	67,397	109,445	4,663	(1,397)	47	(1,444)	-
16	Bharti Airtel International (Netherlands) B.V.	(b)	Netherlands	USD	March 31, 2014	60.100	142,493	48,600	672,267	481,174	-	3,947	(8,876)	2,454	(11,330)	-
17	Airtel M Commerce Services Limited	(b)	India	INR	March 31, 2014	1.000	2,550	(2,273)	1,865	1,588	981	377	(1,063)	-	(1,063)	-
18	Bharti Airtel International (Mauritius) Limited	(b) (j)	Mauritius	INR	March 31, 2014	1.000	57,636	35	57,673	2	57,671	-	(1)	-	(1)	-
19	Bharti Airtel (Japan) Kabushiki Kaisha	(b)	Japan	JPY	March 31, 2014	0.588	0	(5)	14	19	-	10	(3)	1	(4)	-
20	Bharti Airtel (France) SAS	(b)	France	EUR	March 31, 2014	82.577	1	24	223	198	-	104	(15)	-	(15)	-
21	Bangladesh Infratel Networks Limited	(b)	Bangladesh	BDT	March 31, 2014	0.776	0	(0)	0	0	-	-	(0)	-	(0)	-
22	Telesonic Networks Limited	(b)	India	INR	March 31, 2014	1.000	892	(1,318)	1,209	1,635	-	4,655	(51)	-	(51)	-
23	Nxtra Data Limited (subsidiary w.e.f. July 2, 2013)	(g)	India	INR	March 31, 2014	1.000	51	(3)	2,592	2,544	-	554	(3)	-	(3)	-
24	Bharti Infratel Services Limited (subsidiary w.e.f. June 4, 2013)	(g)	India	INR	March 31, 2014	1.000	1	(0)	1	0	-	-	(0)	-	(0)	-
25	Airtel Broadband Services Private Limited (formerly known as Wireless Business Services Private Limited)	(k)	India	INR	March 31, 2014	1.000	56,671	(484)	60,966	4,779	69	0	(87)	113	(200)	-
26	Bharti Airtel Africa B.V.	(b)	Netherlands	USD	March 31, 2014	60.100	46	62,759	328,468	265,663	-	-	2,601	0	2,601	-

Statement Pursuant to Section 212 (8) of the Companies Act, 1956 relating to subsidiary companies for the year ended March 31, 2014

(₹ Millions)

S. No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Financial Year End	Exchange Rate as of March 31, 2014	Share Capital	Reserves	Total Assets	Total Liabilities	Investments other than investment in subsidiary	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend
27	Bharti Airtel Burkina Faso Holdings B.V.	(b)	Netherlands	USD	March 31, 2014	60.100	1	4,911	4,913	1	-	-	3,080	-	3,080	-
28	Airtel Burkina Faso S.A.	(b)	Burkina Faso	XOF	December 31, 2013	0.126	315	5,651	19,863	13,897	-	13,810	3,848	1,255	2,593	-
29	Bharti Airtel Chad Holdings B.V.	(b)	Netherlands	USD	March 31, 2014	60.100	1	282	8,232	7,949	-	-	111	-	111	-
30	Airtel Tchad S.A.	(a)	Chad	XAF	December 31, 2013	0.126	479	(2,873)	16,268	18,662	-	8,705	345	489	(144)	-
31	Bharti Airtel Gabon Holdings B.V.	(b)	Netherlands	USD	March 31, 2014	60.100	1	3,152	3,710	557	-	-	2,264	-	2,264	-
32	Airtel Gabon S.A.	(b)	Gabon	XAF	December 31, 2013	0.126	757	8,513	27,038	17,768	-	16,808	2,132	417	1,715	-
33	Bharti Airtel Congo Holdings B.V.	(b)	Netherlands	USD	March 31, 2014	60.100	1	5,288	8,496	3,207	-	-	2,252	-	2,252	-
34	Airtel Congo S.A.	(b)	Congo Brazzavile	XAF	December 31, 2013	0.126	656	(948)	15,878	16,170	-	11,907	(1,099)	121	(1,220)	-
35	Bharti Airtel RDC Holdings B.V.	(b)	Netherlands	USD	March 31, 2014	60.100	1	635	34,792	34,156	-	-	695	-	695	-
36	Partnership Investments S.p.r.l.	(d) (p)	Democratic Republic of Congo	USD	December 31, 2013	60.100	-	-	-	-	-	-	-	-	-	-
37	Celtel Congo (RDC) S.a.r.l.	(b)	Democratic Republic of Congo	CDF	December 31, 2013	0.065	7	147	54,081	53,927	-	22,115	(7,838)	226	(8,064)	-
38	Bharti Airtel Mali Holdings B.V.	(b) (j)	Netherlands	USD	March 31, 2014	60.100	1	214	597	382	596	-	-	-	-	-
39	Bharti Airtel Kenya Holdings B.V.	(b)	Netherlands	USD	March 31, 2014	60.100	1	(2,160)	57,393	59,552	-	-	(45)	-	(45)	-
40	Bharti Airtel Kenya B.V.	(b)	Netherlands	USD	March 31, 2014	60.100	1	(2,784)	54,610	57,393	-	-	(959)	-	(959)	-
41	Airtel Networks Kenya Limited	(b) (i)	Kenya	KES	December 31, 2013	0.696	17,575	(32,545)	18,426	33,396	-	10,708	(4,069)	-	(4,069)	-
42	Bharti Airtel Malawi Holdings B.V.	(b)	Netherlands	USD	March 31, 2014	60.100	1	263	4,864	4,600	-	-	75	-	75	-
43	Airtel Malawi Limited	(b)	Malawi	MWK	December 31, 2013	0.147	0	(670)	7,465	8,135	-	6,028	(962)	(155)	(807)	-
44	Bharti Airtel Niger Holdings B.V.	(b)	Netherlands	USD	March 31, 2014	60.100	1	6,182	6,183	0	-	-	1,551	-	1,551	-
45	Celtel Niger S.A.	(a)	Niger	XOF	December 31, 2013	0.126	189	8,319	24,350	15,842	-	12,790	3,841	1,209	2,632	-
46	Bharti Airtel Sierra Leone Holdings B.V.	(b)	Netherlands	USD	March 31, 2014	60.100	1	(67)	5,346	5,412	-	-	111	-	111	-
47	Airtel (SL) Limited	(b)	Sierra Leone	SLL	December 31, 2013	0.014	112	(675)	6,307	6,870	-	5,186	165	(2)	167	-
48	Airtel Networks Zambia Plc (formerly known as Celtel Zambia Plc)	(b)	Zambia	ZMW	December 31, 2013	9.772	10	9,461	20,142	10,671	-	15,819	2,700	(427)	3,127	-
49	Bharti Airtel Uganda Holdings B.V.	(b)	Netherlands	USD	March 31, 2014	60.100	1	(4,118)	20,637	24,754	-	-	(703)	-	(703)	-
50	Airtel Uganda Limited	(a) (i)	Uganda	UGS	December 31, 2013	0.024	297	(3,096)	23,205	26,004	-	11,915	1,230	-	1,230	-
51	Bharti Airtel Tanzania B.V.	(b)	Netherlands	USD	March 31, 2014	60.100	1	(1,941)	14,420	16,360	2,654	-	88	-	88	-
52	Airtel Tanzania Limited	(b)	Tanzania	TZS	December 31, 2013	0.037	1,507	(7,054)	26,283	31,830	-	16,766	(3,245)	(172)	(3,073)	-
53	Bharti Airtel Madagascar Holdings B.V.	(b)	Netherlands	USD	March 31, 2014	60.100	1	(473)	12,294	12,766	-	-	(155)	-	(155)	-
54	Channel Sea Management Company (Mauritius) Limited	(a) (j)	Mauritius	USD	December 31, 2013	60.100	1	39	40	-	0	-	(2)	-	(2)	-
55	Zebrano (Mauritius) Limited	(b)	Mauritius	USD	December 31, 2013	60.100	2	184	6,249	6,063	-	-	102	-	102	-
56	Montana International	(a)	Mauritius	USD	December 31, 2013	60.100	0	(7)	3	10	-	-	(1)	-	(1)	-
57	Airtel Madagascar S.A.	(b)	Madagascar	MGA	December 31, 2013	0.026	77	(1,535)	8,952	10,410	-	5,861	856	383	473	-

Statement Pursuant to Section 212 (8) of the Companies Act, 1956 relating to subsidiary companies for the year ended March 31, 2014

(₹ Millions)

S. No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Financial Year End	Exchange Rate as of March 31, 2014	Share Capital	Reserves	Total Assets	Total Liabilities	Investments other than investment in subsidiary	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend
58	Bharti Airtel Nigeria Holdings B.V.	(f) (p)	Netherlands	USD	March 31, 2014	60.100	-	-	-	-	-	-	-	-	-	-
59	MSI-Celtel Nigeria Limited	(f) (p)	Nigeria	NGN	December 31, 2013	0.387	-	-	-	-	-	-	-	-	-	-
60	Bharti Airtel Nigeria Holdings II B.V.	(b)	Netherlands	USD	March 31, 2014	60.100	1	(109)	108,327	108,435	-	-	-	-	-	-
61	Bharti Airtel Nigeria B.V.	(b)	Netherlands	USD	March 31, 2014	60.100	1	(23,711)	84,672	108,382	-	-	(2,839)	-	(2,839)	-
62	Bharti Airtel Ghana Holdings B.V.	(b)	Netherlands	USD	March 31, 2014	60.100	1	(3,092)	34,038	37,129	-	-	(935)	-	(935)	-
63	Airtel Ghana Limited	(b) (i)	Ghana	GHS	December 31, 2013	22.594	3,622	(18,512)	17,069	31,959	-	11,292	(5,995)	(1,187)	(4,808)	-
64	Bharti Airtel Acquisition Holdings B.V.	(b)	Netherlands	USD	March 31, 2014	60.100	1	689	690	-	-	-	-	-	-	-
65	Bharti Airtel Services B.V.	(b)	Netherlands	USD	March 31, 2014	60.100	1	297	432	134	-	42	(3)	-	(3)	-
66	Airtel Networks Limited	(b)	Nigeria	NGN	December 31, 2013	0.387	78	8,746	146,431	137,607	-	86,001	(9,401)	(1,382)	(8,019)	-
67	Bharti Airtel Zambia Holdings B.V.	(b)	Netherlands	USD	March 31, 2014	60.100	1	19,806	19,807	0	-	-	3,970	-	3,970	-
68	Airtel Mobile Commerce Limited	(m)	Malawi	MWK	December 31, 2013	0.147	0	-	156	156	-	-	-	-	-	-
69	Airtel Mobile Commerce (Kenya) Limited	(m)	Kenya	KES	August 31, 2013	0.696	0	-	325	325	-	-	-	-	-	-
70	Airtel Mobile Commerce (Ghana) Limited	(b)	Ghana	GHS	December 31, 2013	22.594	2	-	101	99	-	-	-	-	-	-
71	Celtel (Mauritius) Holdings Limited	(a) (j)	Mauritius	USD	December 31, 2013	60.100	1	1,384	7,862	6,477	0	-	236	-	236	-
72	Airtel Mobile Commerce Zambia Limited (formerly known as ZMP Limited)	(n)	Zambia	ZMW	December 31, 2013	9.772	20	(329)	201	510	-	42	(208)	-	(208)	-
73	Airtel Mobile Commerce (SL) Limited	(m)	Sierra Leone	SLL	December 31, 2013	0.014	0	-	44	44	-	-	-	-	-	-
74	Airtel Mobile Commerce Tchad S.a.r.l.	(b)	Chad	XAF	March 31, 2014	0.126	0	-	34	34	-	-	-	-	-	-
75	Airtel Mobile Commerce B.V.	(b)	Netherlands	USD	March 31, 2014	60.100	2	(10)	242	250	-	-	(2)	-	(2)	-
76	Airtel Money S.A. (Gabon)	(m)	Gabon	XAF	December 31, 2013	0.126	1	(195)	1,040	1,234	-	41	(70)	0	(70)	-
77	Malawi Towers Limited	(b)	Malawi	MWK	December 31, 2013	0.147	1	(40)	2	41	-	-	(40)	-	(40)	-
78	Airtel Money Niger S.A.	(b)	Niger	XOF	December 31, 2013	0.126	1	(0)	274	273	-	-	(0)	-	(0)	-
79	Société Malgache de Téléphone Cellulaire S.A.	(a) (j)	Mauritius	USD	December 31, 2013	60.100	2	140	153	11	150	-	148	-	148	-
80	Airtel Mobile Commerce Holdings B.V.	(b)	Netherlands	USD	March 31, 2014	60.100	2	(0)	2	0	-	-	-	-	-	-
81	Zap Trust Company Nigeria Limited	(d) (p)	Nigeria	NGN	December 31, 2013	0.387	-	-	-	-	-	-	-	-	-	-
82	Indian Ocean Telecom Limited	(b)	Jersey	USD	December 31, 2013	60.100	150	731	886	5	-	-	(1)	-	(1)	-
83	Airtel (Seychelles) Limited	(b)	Seychelles	SCR	December 31, 2013	5.018	5	641	1,823	1,177	250	1,196	341	132	209	-
84	Airtel Mobile Commerce (Tanzania) Limited	(b)	Tanzania	TZS	December 31, 2013	0.037	0	-	1,406	1,406	-	-	-	-	-	-
85	Airtel Mobile Commerce Uganda Limited	(a)	Uganda	UGS	December 31, 2013	0.024	0	-	381	381	-	-	-	-	-	-
86	Uganda Towers Limited	(b)	Uganda	UGS	December 31, 2013	0.024	0	(10)	3,295	3,305	-	700	(8)	-	(8)	-
87	Airtel DTH Services Ghana Limited	(e) (p)	Ghana	GHS	December 31, 2013	22.594	-	-	-	-	-	-	-	-	-	-

Statement Pursuant to Section 212 (8) of the Companies Act, 1956 relating to subsidiary companies for the year ended March 31, 2014

(₹ Millions)

S. No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Financial Year End	Exchange Rate as of March 31, 2014	Share Capital	Reserves	Total Assets	Total Liabilities	Investments other than investment in subsidiary	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend
88	Airtel DTH Services Uganda Limited	(e) (p)	Uganda	UGS	December 31, 2013	0.024	-	-	-	-	-	-	-	-	-	-
89	Africa Towers N.V.	(b)	Netherlands	USD	March 31, 2014	60.100	4	(3)	2,107	2,106	-	143	(2)	-	(2)	-
90	Airtel Towers (Ghana) Limited	(b)	Ghana	GHS	December 31, 2013	22.594	2	(41)	8	47	-	-	(39)	-	(39)	-
91	Bharti Airtel DTH Holdings B.V.	(b)	Netherlands	USD	March 31, 2014	60.100	1	(0)	6	5	-	-	(0)	-	(0)	-
92	Airtel DTH Services (SL) Limited	(f) (p)	Sierra Leone	SLL	December 31, 2013	0.014	-	-	-	-	-	-	-	-	-	-
93	Airtel DTH Services Burkina Faso S.A.	(e) (p)	Burkina Faso	XOF	December 31, 2013	0.126	-	-	-	-	-	-	-	-	-	-
94	Airtel DTH Services Congo S.A.	(e) (p)	Congo Brazzavile	XAF	December 31, 2013	0.126	-	-	-	-	-	-	-	-	-	-
95	Airtel DTH Services Nigeria Limited	(d) (p)	Nigeria	NGN	December 31, 2013	0.387	-	-	-	-	-	-	-	-	-	-
96	Airtel DTH Services Tanzania Limited	(f) (p)	Tanzania	TZS	December 31, 2013	0.037	-	-	-	-	-	-	-	-	-	-
97	Bharti DTH Services Zambia Limited	(f) (p)	Zambia	ZMW	December 31, 2013	9.772	-	-	-	-	-	-	-	-	-	-
98	Airtel Towers (SL) Company Limited	(b)	Sierra Leone	SLL	December 31, 2013	0.014	0	(39)	0	39	-	-	(39)	-	(39)	-
99	Burkina Faso Towers S.A.	(b)	Burkina Faso	XOF	December 31, 2013	0.126	1	(39)	1	39	-	-	(39)	-	(39)	-
100	Congo Towers S.A.	(b)	Congo Brazzavile	XOF	December 31, 2013	0.126	1	(46)	1	46	-	-	(39)	-	(39)	-
101	Kenya Towers Limited	(b)	Kenya	KES	December 31, 2013	0.696	0	55	3,836	3,781	-	1,379	92	27	65	-
102	Madagascar Towers S.A.	(b)	Madagascar	MGA	December 31, 2013	0.026	0	14	650	636	-	434	25	10	15	-
103	Mobile Commerce Congo S.A.	(m)	Congo Brazzavile	XAF	March 31, 2014	0.126	1	-	38	37	-	-	-	-	-	-
104	Niger Towers S.A.	(b)	Niger	XOF	December 31, 2013	0.126	1	(40)	1	40	-	-	(39)	-	(39)	-
105	Tanzania Towers Limited	(b)	Tanzania	TZS	December 31, 2013	0.037	0	(41)	23	64	-	-	(40)	-	(40)	-
106	Tchad Towers S.A.	(b)	Chad	XOF	December 31, 2013	0.126	1	(68)	1	68	-	-	(67)	-	(67)	-
107	Towers Support Nigeria Limited	(b)	Nigeria	NGN	December 31, 2013	0.387	4	(41)	24	61	-	8	(39)	-	(39)	-
108	Bharti Airtel Developers Forum Limited	(d) (p)	Zambia	ZMW	December 31, 2013	9.772	-	-	-	-	-	-	-	-	-	-
109	Zambian Towers Limited	(b)	Zambia	ZMW	December 31, 2013	9.772	0	(135)	5,569	5,704	-	-	(133)	-	(133)	-
110	Airtel Money (RDC) S.p.r.l.	(b)	Democratic Republic of Congo	USD	March 31, 2014	60.100	150	(286)	1,214	1,350	-	112	(114)	0	(114)	-
111	Airtel Mobile Commerce Burkina Faso S.A.	(a)	Burkina Faso	XOF	December 31, 2013	0.126	1	-	215	214	-	-	-	-	-	-
112	Airtel DTH Services Congo (RDC) S.p.r.l.	(f) (p)	Democratic Republic of Congo	USD	December 31, 2013	60.100	-	-	-	-	-	-	-	-	-	-
113	Airtel DTH Services Gabon S.A.	(e) (p)	Gabon	XAF	December 31, 2013	0.126	-	-	-	-	-	-	-	-	-	-
114	Congo RDC Towers S.p.r.l.	(b)	Democratic Republic of Congo	USD	December 31, 2013	60.100	6	(390)	7,487	7,871	-	1,840	(378)	-	(378)	-

Statement Pursuant to Section 212 (8) of the Companies Act, 1956 relating to subsidiary companies for the year ended March 31, 2014

(₹ Millions)

S. No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Financial Year End	Exchange Rate as of March 31, 2014	Share Capital	Reserves	Total Assets	Total Liabilities	Investments other than investment in subsidiary	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend
115	Gabon Towers S.A.	(b)	Gabon	XOF	December 31, 2013	0.126	1	(42)	1	42	-	-	(41)	0	(41)	-
116	Airtel Mobile Commerce Madagascar S.A.	(a)	Madagascar	MGA	December 31, 2013	0.026	0	(172)	258	430	-	13	(140)	(26)	(114)	-
117	Bharti Airtel Cameroon B.V.	(b)	Netherlands	USD	March 31, 2014	60.100	2	(0)	2	-	-	-	(0)	-	(0)	-
118	Airtel Rwanda Limited	(b)	Rwanda	RWF	December 31, 2013	0.088	-	(3,617)	4,711	8,328	-	911	(2,477)	-	(2,477)	-
119	Africa Towers Services Limited	(b)	Kenya	KES	December 31, 2013	0.696	0	(11)	623	634	-	616	118	14	104	-
120	Rwanda Towers Limited	(b)	Rwanda	RWF	December 31, 2013	0.088	1	(274)	1,584	1,857	-	409	(111)	-	(111)	-
121	Airtel Mobile Commerce Rwanda Limited	(b)	Rwanda	RWF	December 31, 2013	0.088	1	-	18	17	-	-	-	-	-	-
122	Airtel Mobile Commerce (Seychelles) Limited (subsidiary w.e.f. August 9, 2013)	(m)	Seychelles	SCR	December 31, 2013	5.018	0	-	0	-	-	-	-	-	-	-
123	Warid Telecom Uganda Limited	(l)	Uganda	UGS	June 30, 2013	0.024	10,944	(6,446)	8,227	3,729	-	5,002	(265)	-	(265)	-
124	Warid Congo S.A. (subsidiary w.e.f. March 12, 2014)	(b) (o)	Congo Brazzavile	XAF	December 31, 2013	0.126	946	(8,512)	3,418	10,984	-	4,599	932	-	932	-

Notes:

a) Financial information has been extracted from the audited standalone financial statements.

b) Financial information has been extracted from the unaudited standalone financial statements.

c) Merged with Indus Towers Limited on June 11, 2013.

d) Subsidiaries are non operational or yet to commence operations.

e) Subsidiaries have been dissolved during the year.

f) Subsidiaries are under liquidation. Airtel DTH Services Tanzania Limited liquidated on April 3, 2014.

g) Subsidiaries incorporated during the year.

h) Proposed dividend includes dividend distribution tax.

i) Share capital includes preference share capital.

j) 'Investments other than investment in subsidiary' includes investment in entities which is indirect subsidiary of Bharti Airtel Limited.

k) Airtel Broadband Services Private Limited (formerly known as Wireless Business Services Private Limited) became subsidiary of the Company w.e.f June 25, 2013. The turnover, profit/(loss) before taxation, provision for taxation and profit/(loss) after taxation disclosed above are for the full financial year ended March 31, 2014 based on the unaudited financial statements.

l) Acquired during the year and merged with Airtel Uganda Limited on February 1, 2014. The turnover, profit/(loss) before taxation, provision for taxation and profit/(loss) after taxation disclosed above are for the period July 1, 2013 to January 31, 2014 based on the unaudited financial statements.

m) Financial information has been extracted from the audited financial information considered for the purpose of consolidated IFRS financial statements for the respective financial year end. However, where the financial year of the subsidiary ends before September 30, 2013, financial information has been extracted from the financial information considered for the preparation of consolidated IFRS financial statements for the year ended March 31, 2014. However, audited financial statements, when finalised, may differ from the information presented above.

n) During the year, Airtel Mobile Commerce Zambia Limited (formerly known as ZMP Ltd.) has changed its financial year end from May 31, 2013 to December 31, 2013. Accordingly, turnover, profit/(loss) before taxation, provision for taxation and profit/(loss) after taxation disclosed above are for 19 months period based on the unaudited financial statements.

o) The turnover, profit/(loss) before taxation, provision for taxation and profit/(loss) after taxation disclosed above are for the full financial year ended December 31, 2013 based on the audited financial statements.

p) The financial statements for these subsidiaries are not required to be prepared as per the local laws of the countries where they are incorporated.

Circle Offices

Andhra Pradesh
Splendid Towers,
Opp. Begumpet Police Station,
Begumpet,
Hyderabad- 500016,
Telengana

Haryana, Punjab, Himachal and J&K
Plot No. 21, Rajiv Gandhi
Chandigarh Technology Park,
Chandigarh - 160101

Rajasthan
K-21, Sunny House,
Malviya Marg, C-Scheme,
Jaipur - 302001,
Rajasthan

Assam & North East States
Bharti House, Six Mile,
Khanapara, G.S. Road,
Guwahati - 781022,
Assam

Karnataka
55, Divyasree Towers,
Bannerghatta Main Road,
Bangalore - 560029,
Karnataka

Uttar Pradesh & Uttaranchal
TCG - 7/7 Vibhuti Khand,
Gomti Nagar,
Lucknow - 226010,
Uttar Pradesh

Bihar & Jharkhand
Airtel Campus, Plot No-18,
Patliputra Industrial Area,
Patna - 800013,
Bihar

Kerala & Tamil Nadu
Oceanic Tower,
101, Santhome High Road,
Santhome, Chennai - 600028,
Tamil Nadu

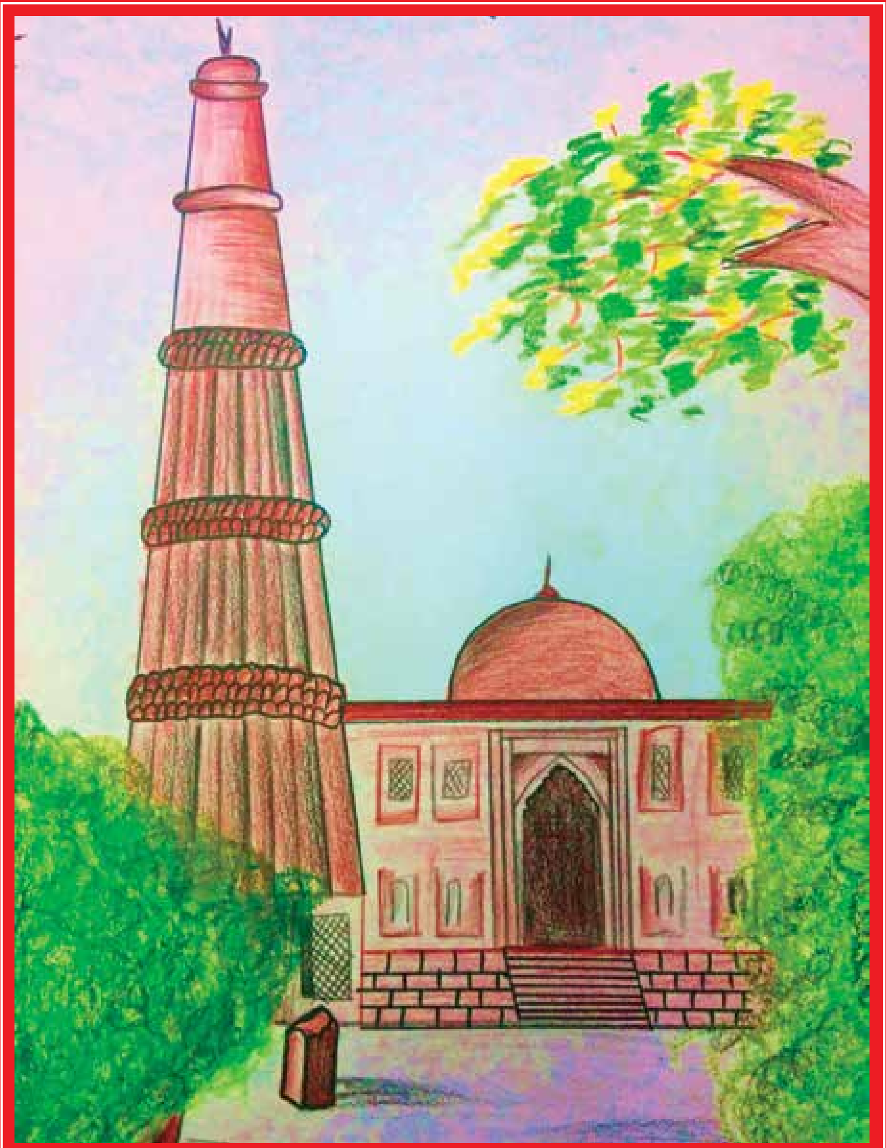
West Bengal & Odisha
Infinity Building,
Salt Lake Electronics Complex,
Block GP, Sector V,
Kolkata - 700091,
West Bengal

Delhi NCR
Plot No. 16, NH-8
Udyog Vihar, Phase-IV,
Gurgaon - 122015,
Haryana

Madhya Pradesh & Chhattisgarh
3rd & 4th Floor, Scheme No. 54,
Metro Tower, AB Road,
Indore - 452010,
Madhya Pradesh

Gujarat
2nd & 4th Floor, Zodiac Square,
S G Road, Opp. Gurudwara,
Ahmedabad - 380054,
Gujarat

Maharashtra & Goa
6th & 7th Floor,
Interface Building No. 7,
Mindspace, Malad Link Road,
Malad (W), Mumbai - 400064,
Maharashtra



Khushi Garg

(age - 12 years) won the **1st prize** in the 9-13 years age category for her spectacular painting 'My City Delhi – A Historical Place'.

To encourage the creative genius in kids, Taare Zameen Par - a painting competition for employees' kids was organised at Airtel Centre, Gurgaon. The competition attracted a huge turnout of more than 250 kids at the venue.

The kids were joined by Harmeen Mehta, CIO India, Bharti Airtel, an art lover and a painting enthusiast, who painted along with them and also judged the paintings.

All participants were awarded with a certificate of participation and a medal as a token of appreciation. The winners also received with family dinner vouchers to treat their families. The kids enjoyed every moment of the event.

Bharti Airtel Limited
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